

ASX RELEASE

Volpara Acquires Breast Cancer Risk Assessment Company CRA Health, LLC

Highlights:

- **CRA Health, LLC (“CRA”), based in Boston, MA, is an industry leader in breast cancer risk assessment spun out from Massachusetts General Hospital, a Harvard Medical School teaching hospital**
- **CRA is profitable,¹ with Annual Recurring Revenue (ARR) of over US\$4.0M (NZ\$6.2M²), Average Revenue Per User (ARPU) of ~US\$1.70 and coverage of ~6% of US breast screenings**
- **CRA’s software is integrated with the major Electronic Health Record (EHR) and genetics companies**
- **Volpara is paying US\$18.0M for CRA, with a further US\$4.0M payable upon meeting of key performance and staff-retention targets**
- **Post-acquisition, Volpara will have ARR of ~US\$17.5M (NZ\$26.9M²) and at least one product in use in over 30% of US breast screenings**
- **Post-acquisition, Volpara will have ~NZ\$35M cash**
- **Volpara is elevated as a leader in personalised breast care**

Wellington, NZ, 2 February 2021: Volpara Health Technologies (“Volpara,” “the Group,” or “the Company”; ASX: VHT), a health technology software company whose integrated breast care platform assists in the delivery of personalised breast care, is pleased to announce the acquisition of CRA Health, LLC, a breast cancer risk assessment company spun out from Massachusetts General Hospital, a Harvard Medical School teaching hospital

Volpara is paying US\$18.0M to acquire all outstanding equity of CRA, with a further US\$4.0M payable upon its meeting key ARR performance and staff-retention targets over the next 18 months.

The cloud-based CRA software is tightly integrated into major EHR systems. CRA receives patient information, including breast density, and returns the risk of breast cancer alongside appropriate recommendations, including whether additional imaging or genetics testing is

¹ All CRA financial figures included in this release are based on CRA Health, LLC’s unaudited financial results as at 31 December 2020, unless otherwise stated.

² For consistency, the exchange rate used in this release is the trailing 12-month exchange rate as used in the Appendix 4C quarterly report lodged on the ASX on 28 January 2021 of US\$0.651:NZ\$1.

advised and reimbursed according to established guidelines. Importantly, CRA also has electronic interfaces built with all the major genetics companies.

Dr Ralph Highnam, Group CEO of Volpara, said: “The acquisition of CRA is very significant for Volpara. CRA is a leading provider of risk assessment tools within major EHR systems and has integrations already built with the main genetics companies. CRA has a strong science background, just like Volpara, and provides us with world-class knowledge about risk and genetics. CRA is expected to benefit the Volpara brand and will accelerate us on our mission to save families from cancer by preventing advanced-stage breast cancer.”

CRA, based in Boston, was founded in 2014 as a spin-out from Massachusetts General Hospital, a Harvard Medical School teaching hospital, under Dr Kevin Hughes, Professor of Surgery. CRA has worked with Volpara on several major projects, including the ongoing UK PROCAS project for personalised breast care, where the CRA software incorporates the VolparaDensity score to help optimise screening protocols within the NHS.

CRA is a profitable, operating cash-flow-positive³ SaaS company with low customer acquisition costs due to its relationships with the major EHR companies. It has ARR of over US\$4.0M (NZ\$6.2M), having experienced strong growth over the last year despite the COVID-19 pandemic. CRA’s software covers around 2.4M women, or approximately 6 percent of US screenings, with an ARPU of approximately US\$1.70. Unaudited revenue for their last fiscal year ended 31 December 2020 was US\$3.1M.³

Benefits of this strategic acquisition include:

- Access to world-class expertise in risk and genetics
- Integrations with the major EHR and genetics companies
- Increased installed base to upsell into, now covering over 30% of the US Group-wide
- Increased Group ARR, now standing at approx. US\$17.5M (NZ\$26.9M)
- Increased Group ARPU now standing at over US\$1.40
- Acceleration of our entry into the rapidly growing personalised breast care market

Chester Black, outgoing Chair of CRA, said: “With the tailwinds behind cancer risk assessment and ensuring all women get the right screening at the right time building globally, we are delighted to join Volpara, a company that is substantially larger and has one of the most scientifically validated technology platforms in the breast screening industry. This

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is the time to make the most of an opportunity to save many families from cancer in the United States and beyond.”

Paul Reid, Chair of Volpara, said: “We have known CRA for a long time, and they share our values, mission, and scientific background. We can’t wait to see the results of combining these two global leaders and the positive effect these will have on women’s healthcare.”

Authorisation & Additional Information

This announcement was authorised by the Board of Directors of Volpara Health Technologies Limited.

Investor Conference Call

Investors are invited to join a webcast hosted by Group CEO Dr Ralph Highnam, CFO Craig Hadfield, VP Global Business Development Dave Mezzoprete, and CRA Chief Scientific Officer and co-founder Dr Brian Drohan on Tuesday, 2 February 2021, at 10:30 am Australian Eastern Daylight Time (AEDT).

To register for the webcast, please follow this link:

https://us02web.zoom.us/webinar/register/WN_8GiF5a7jQlePqvRmK1tM5w

Registered participants will receive a confirmation email containing the Zoom access link and alternative phone dial-ins.

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About Volpara Health Technologies Limited (ASX: VHT)

VHT is a health technology software company founded in 2009 on research originally conducted at Oxford University. VHT's clinical functions for screening clinics provide feedback on breast density, compression, dose, and quality, while its enterprise-wide practice-management software helps with productivity, compliance, reimbursement, and patient tracking.

VHT's technology and services have been used by customers and/or research projects in 39 countries and are supported by numerous patents, trademarks, and regulatory clearances, including FDA clearance and CE marking. Since its listing on the ASX in April 2016, VHT has raised A\$132 million, including A\$37 million in April/May 2020. VHT is based in Wellington, New Zealand.

For more information, visit www.volparahealth.com

Annual Recurring Revenue (ARR): The normalised amount of cash reasonably expected to be booked for the next 12 months based on the contracts signed previously, and assuming installation upon order.

Percentage of US market: Approximately 39M women a year are imaged in the United States, most of them screening. The percentage we give is an estimate of the number of women who are imaged using at least one of Volpara Group's suite of products. This should be considered indicative and not definitive.

Average Revenue per User (ARPU): The ARR per woman as estimated from Group ARR and Percentage of US market.