

ASX RELEASE

Appendix 4C – Q4FY23 Quarterly Cash Flow Report

Cash Highlights:

- **Second straight positive net operating cash flow quarter– NZ\$0.4M. Volpara has been net operating and investing cash flow positive since September 2022 – approx. NZ\$1.0M.**
- **Net operating and investing cash outflow¹ in Q4FY23 of NZ\$0.2M, an improvement of 92% from a net outflow of NZ\$2.9M in Q4FY22**
- **Record Q4 cash receipts from customers of NZ\$10.0M+, up over 25% compared to Q4FY22 (or over 19% constant currency)**
- **Cash receipts from customers in FY23 are NZ\$38.6M (unaudited), up over 35% compared to FY22 (or approx. 22% constant currency)**

Software as a Service (SaaS) Highlights:

- **Contracted Annual Recurring Revenue (CARR) now ~US\$26.5M (~NZ\$42.4M²), up approx. US\$900k on the prior quarter (Q3FY23). A record net new CARR added in FY23 of US\$4.3M (NZ\$6.9M).**
- **Annual Recurring Revenue (ARR) now ~US\$20.9M (~NZ\$33.6M²), up from US\$19.9M in the prior quarter (Q3FY23)**

Wellington, NZ, 28 April 2023: Volpara Health Technologies (“Volpara,” “the Group,” or “the Company”; ASX:VHT), a global leader in software for the early detection of breast cancer, has released its Appendix 4C Quarterly Cash Flow report for the quarter ending 31 March 2023.

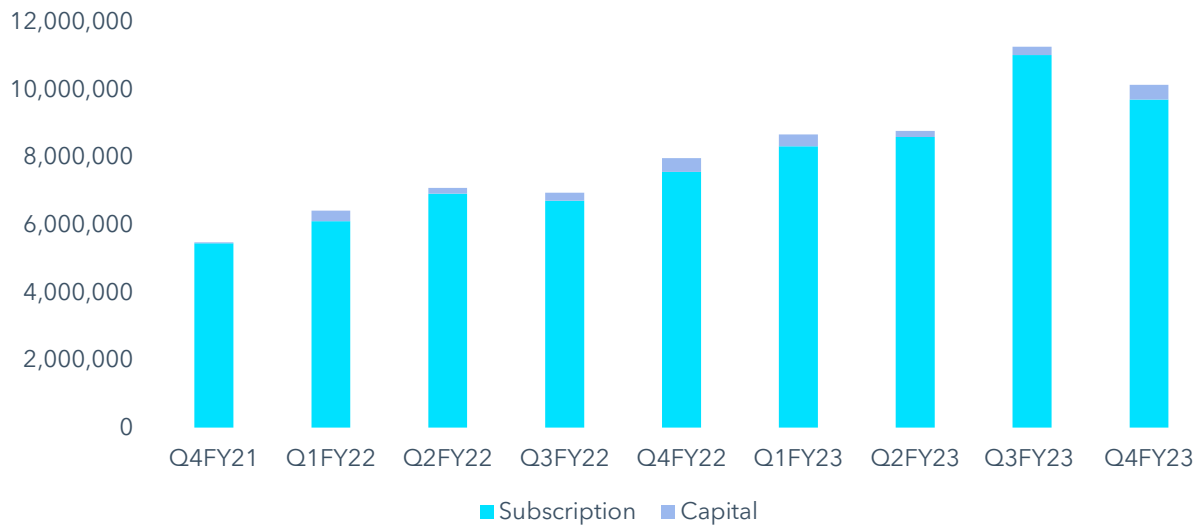
On Q4FY23, Volpara CEO & MD Teri Thomas said: “We are happy with our results. More elephant-sized customers, sophisticated buyers, rely on Volpara. This continues to drive our top line growth while we remain steady with our cost base. We’re excited about the future areas to grow including new forays into primary care.”

Cash receipts from customers was the second strongest on record, and ahead of expectations, with ~NZ\$10.0M received, up over 25% on Q4FY22, or 19% in constant currency.

¹ Includes payments to acquire intellectual property from investing activities, which includes product development. Excludes investments.

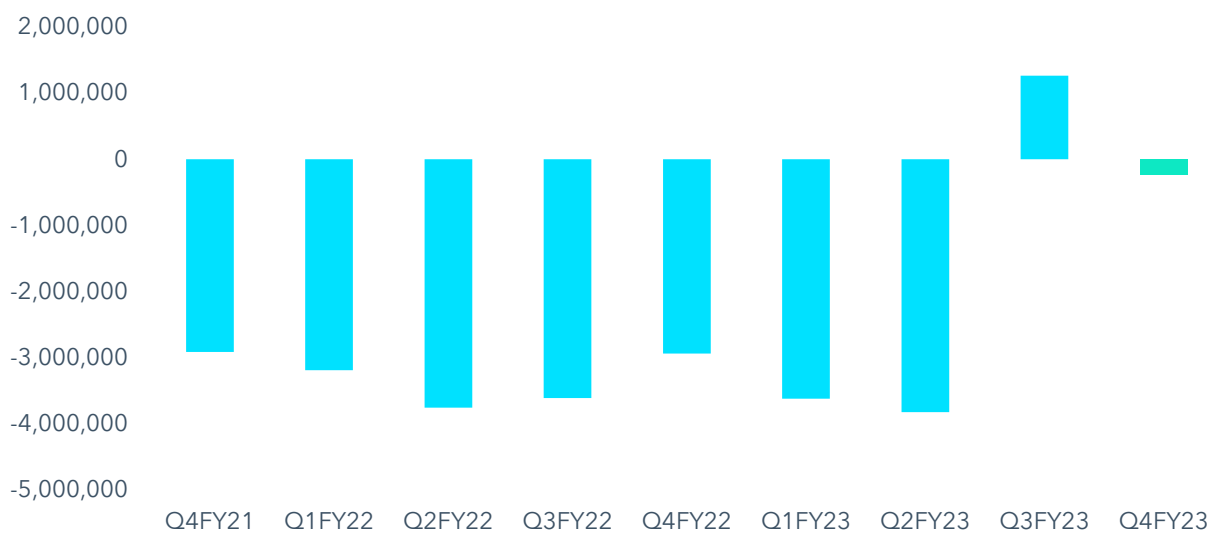
²Twelve-month trailing exchange rate used of US\$0.624:NZ\$1 vs. US\$0.6363:NZ\$1 at end Q3FY23.

Cash received - capital vs subscription (NZ\$)



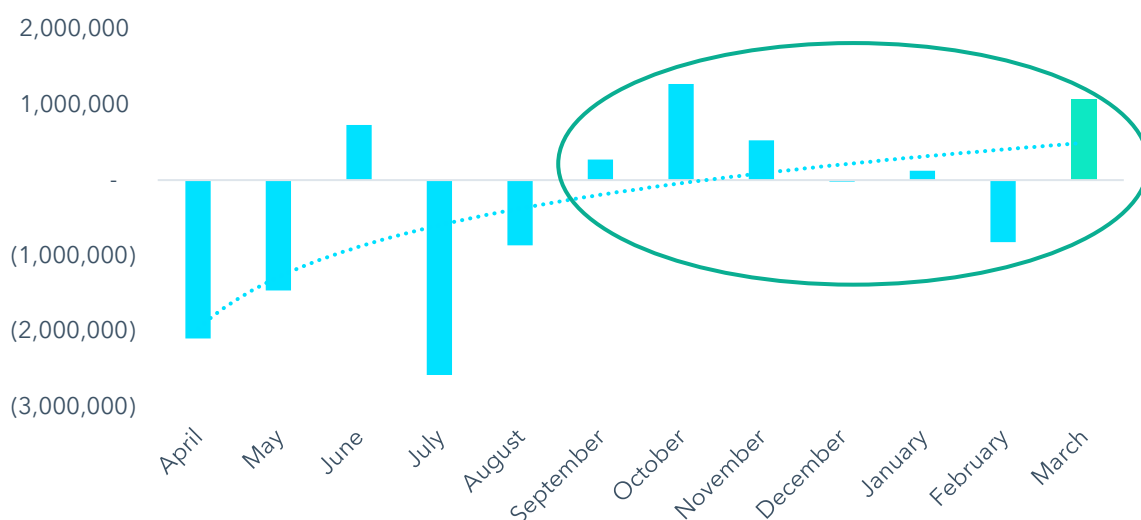
Net operating and investing cash outflow in Q4 was NZ\$0.2M¹, a significant improvement on Q4FY22's NZ\$2.9M net cash outflow. This also represents the Company's second ever net operating cash flow positive quarter on record and well ahead of guidance of Q4FY24. Together with greater than forecasted cash receipts, expenses were well within market guidance provided in the strategy update of July 2022. We do not expect Q1FY24 to be cash flow positive due to annual staff performance payments appropriate for our progress in hitting targets. Going forward Volpara will be reporting on operating cash flows as they make up approx. 93-94% of the overall cost base.

Net operating and investing¹ cash outflow (NZ\$)



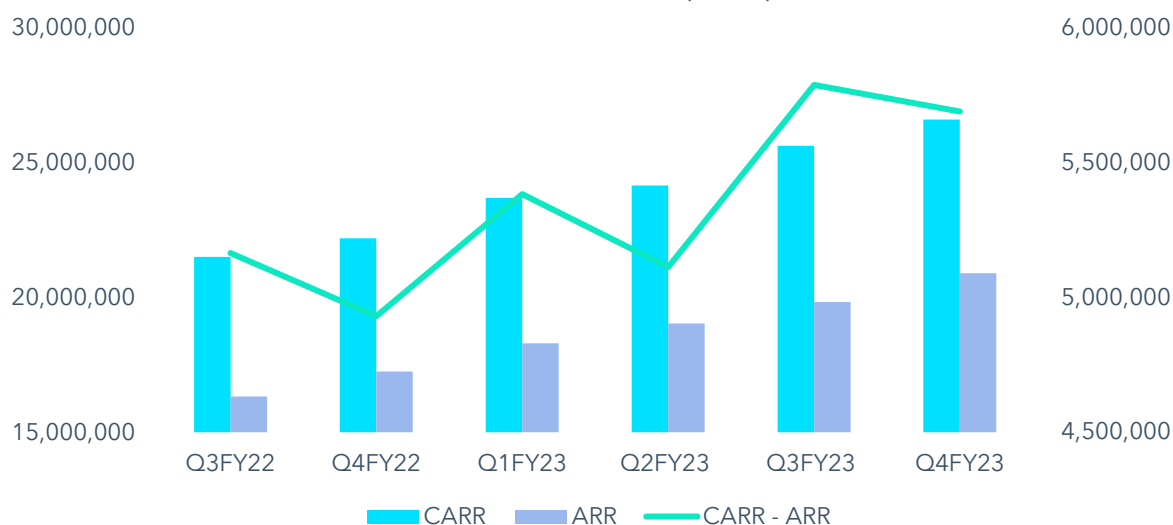
Volpara has operated in a net positive cash flow position since September 2022, with the result being a net increase in the cash balance from NZ\$11.6M to NZ\$12.7M at the end of March 2023. Volpara has no debt and continues to maintain a revolving credit facility of NZ\$10M with our main commercial bank. With this, Volpara management continues to maintain that the cash on hand is sufficient to achieve maintainable net operating cashflow break-even without the need for further capital.

Monthly net operating³ cashflow (NZ\$) - FY23



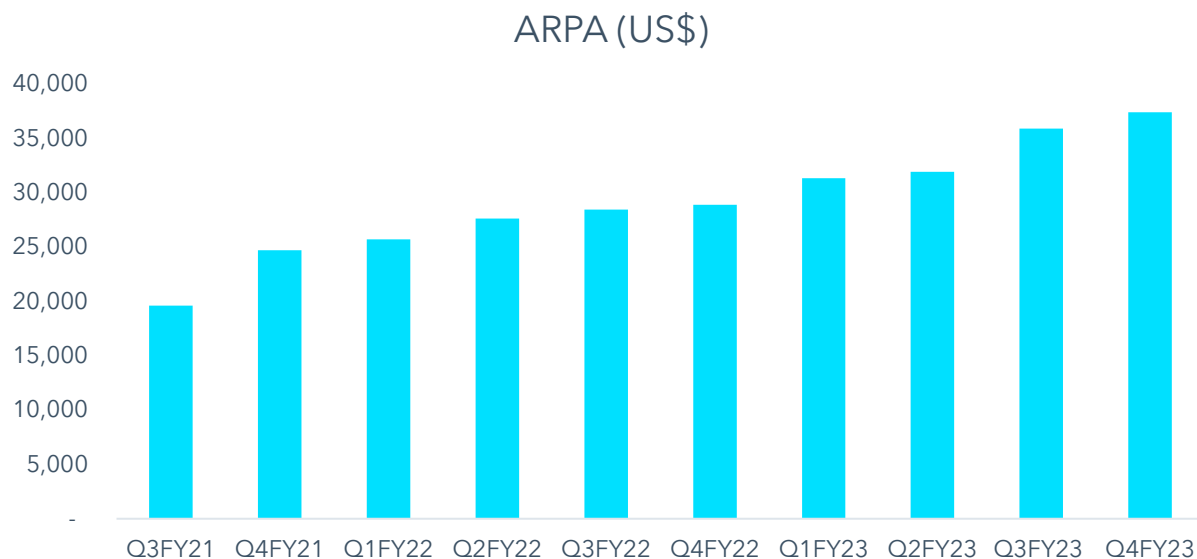
Overall, the Company added approx. US\$900k of CARR in Q4, resulting in an increase in net new CARR of US\$4.3M (approx. US\$1.1M per quarter) for FY23. Q4 included material contracts with both Sutter Health and Banner Health as per the separate ASX announcements made on 9 March 2023 and 11 April 2023 respectively.

CARR & ARR (US\$)



³ Operating cash flows as per section 1 of Appendix 4C.

ARPA has increased from US\$35.9K at the end of Q3FY23 to US\$37.4K at the end of Q4.



Other Recent Operational Highlights for the Quarter

Final FDA breast density notification ruling. The US Food and Drug Administration (FDA) has finalized its rule requiring mammography facilities across the country to inform patients whether their breasts are composed of dense tissue by September 2024. The regulation standardizes language and expands the number of states with density disclosure laws nationwide. Currently 6 million patients annually have their breast density assessed by providers using Volpara software. At the National Consortium of Breast Centers annual conference—the industry’s first gathering since the official ruling—Volpara introduced new Professional Services to help customers educate referrers and patients and to maximize the value of dense breast screening programs. Volpara has already contracted with two customers for this Professional Services offering.

Large healthcare providers select Volpara. More leading US institutions are turning to Volpara to provide data-driven, personalised, high-quality care. The second half of the year brought additional contracts with several “elephants” including Banner Health, Sutter Health, Bon Secours Mercy Health, Adventist Health, Duly Health and Care, and Onsite Women’s Health as per previous ASX announcements.

New AI research. Volpara’s leadership in scientific communities continues with new scientific evidence leveraging Volpara’s technology. One study presented at the European College of Radiology annual conference found that pairing the Transpara™ AI CAD with Volpara’s volumetric density assessment improves screening efficacy for women with dense breast tissue compared to a traditional double read by radiologists¹. Another study published in *The Breast* reported that when MRI is not widely available, the top three percent of patients with high breast density—identified by Volpara volumetric assessment—will benefit most from the additional imaging².

Other

The payments to related parties of the entity and their associates included in item 6.1 of the Appendix 4C relates to salaries paid to executive directors and fees paid to non-executive directors.

Webinar details

Date: Friday 28th April 2023
Time: 9:00am AEST (Sydney/Melbourne), 11:00am NZST (Auckland/Wellington)
To register: https://us02web.zoom.us/webinar/register/WN_q-QGThQL6sZ-uuwam1xQ
Dial in details: Will be provided to you upon registration

Authorisation & Additional Information

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

ENDS

For further information, please contact:

Corporate Enquiries

Teri Thomas, CEO & Managing
Director
Volpara Health Technologies
Teri.thomas@volparahealth.com
t: +64 4 499 6029

Investor Relations

Hannah Howlett
WE Communications
hhowlett@we-worldwide.com
t: +61 4 5064 8064

Media Enquiries

Trevor Chappell
WE Communications
tchappell@we-worldwide.com
t: +61 407 933 437

About Volpara Health Technologies Limited (ASX:VHT)

Volpara Health Technologies makes software to save families from cancer. Healthcare providers use Volpara to better understand cancer risk, empower patients in personal care decisions, and guide recommendations about additional imaging, genetic testing, and other interventions. Our AI-powered image analysis enables radiologists to quantify breast tissue with precision and helps technologists produce mammograms with optimal image quality, positioning, compression, and dose. In an industry facing increasing staffing shortages, our software streamlines operations and provides key performance insights that support continuous quality improvement.

Volpara is the preferred partner of leading healthcare institutions around the world. Our software is used in over 2,000 facilities by more than 5,000 technologists, impacting nearly 15 million patients globally. It helps providers conduct more than three million cancer risk assessments each year and can be deployed stand-alone or fully integrated with electronic health record systems, mammography reporting systems, imaging hardware, and genetic laboratories. Volpara holds the most rigorous security certifications and numerous patents and regulatory registrations, including

FDA clearance and CE marking. Since listing on the ASX in April 2016, the Company has raised A\$132 million. With an office in Seattle, Volpara is based in Wellington, New Zealand.

For more information, visit www.volparahealth.com

Definitions:

Annual Recurring Revenue (ARR): Annualised recurring revenue based on the trailing 12 months' average accounting revenue. Excludes non-recurring revenue items such as capital sales.

Average Revenue Per Account (ARPA): CARR per customer account.

Contracted Annual Recurring Revenue (CARR): Total annual recurring revenue for all signed contracts, regardless of installation status.

Citations:

¹: Koch HW, Larsen M, Bartsch H, Kurz KD, Hofvind S. Artificial intelligence in BreastScreen Norway: a retrospective analysis of a cancer-enriched sample including 1254 breast cancer cases. *Eur Radiol.* 2023 Mar 14.

²: Larsen M, Lynge E, Lee CI, Lång K, Hofvind S. Mammographic density and interval cancers in mammographic screening: Moving towards more personalized screening. *Breast.* 2023 Mar 21

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Volpara Health Technologies Limited

ABN

609 946 867

Quarter ended ("current quarter")

Q4 – 31 March 2023 (31 March year-end)

Consolidated statement of cash flows	Current quarter \$NZ'000	Year to date (12 months) \$NZ'000
1. Cash flows from operating activities		
1.1 Receipts from customers	10,006	38,582
1.2 Payments for		
(a) research and development	(1,746)	(8,970)
(b) product manufacturing and operating costs	(1,960)	(7,981)
(c) advertising and marketing	(321)	(1,695)
(d) leased assets	(35)	(147)
(e) staff costs	(3,522)	(17,330)
(f) administration and corporate costs	(1,783)	(6,459)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	47	185
1.5 Interest and other costs of finance paid	(73)	(379)
1.6 Income taxes paid	(238)	(89)
1.7 Government grants and tax incentives	-	439
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	375	(3,844)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	17	(28)
(j) investments	-	-
(k) intellectual property	(632)	(2,540)
(l) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$NZ'000	Year to date (12 months) \$NZ'000
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (acquisition related costs)*	-	(4)
2.6 Net cash from / (used in) investing activities	(615)	(2,572)

*2.5 relates to business integration and acquisition expenses.

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	1,055	1,125
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (lease liability principal payments)*	(143)	(589)
3.10 Net cash from / (used in) financing activities	912	536

*3.9 relates to interest on lease repayments.

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	11,955	18,152
4.2 Net cash from / (used in) operating activities (item 1.9 above)	375	(3,844)

Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date (12 months) \$NZ'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(615)	(2,572)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	912	536
4.5	Effect of movement in exchange rates on cash held	84	439
4.6	Cash and cash equivalents at end of period	12,711	12,711

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$NZ'000	Previous quarter \$NZ'000
5.1	Bank balances	9,711	11,955
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits >90 days)	3,000	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	12,711	11,955

6.	Payments to related parties of the entity and their associates	Current quarter \$NZ'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1*	241
6.2	Aggregate amount of payments to related parties and their associates included in item 2*	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

*6.1 relates to fees paid to Directors.

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities	Total facility amount at quarter end \$NZ'000	Amount drawn at quarter end \$NZ'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	(10,000)	-
7.4 Total financing facilities	(10,000)	-
7.5 Unused financing facilities available at quarter end		(10,000)
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
	7.3 is a \$10.0m unsecured revolving credit facility with Kiwibank, with a line fee of 1.5% p.a. payable each quarter and interest payable at 9.60% p.a. should Volpara draw down on the facility.	

8. Estimated cash available for future operating activities	\$NZ'000
8.1 Net cash from / (used in) operating activities (item 1.9)	375
8.2 Cash and cash equivalents at quarter end (item 4.6)	12,711
8.3 Unused finance facilities available at quarter end (item 7.5)	10,000
8.4 Total available funding (item 8.2 + item 8.3)	22,711
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer: N/A
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
	Answer: N/A
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
	Answer: N/A
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 April 2023
.....

Authorised by: By the Board
.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.