

## ASX RELEASE

### Appendix 4C – Q1FY24 Quarterly Cash Flow Report

#### Cash Highlights:

- **Third straight net operating cash flow positive quarter, an improvement of 100% from a net outflow of NZ\$2.8M in Q1FY23**
- **Volpara net operating cash flow positive since September 2022 – approx. NZ\$2.4M**
- **Record Q1 cash receipts from customers of NZ\$11.0M+, up over 27% compared to NZ\$8.6M in Q1FY23 (or over 21% constant currency)**
- **Volpara heading towards being net operating cash flow positive in FY24 – a full year ahead of guidance**

#### Software as a Service (SaaS) Highlights:

- **Contracted Annual Recurring Revenue (CARR) now ~US\$27.2M (~NZ\$44.1M<sup>1</sup>), up US\$700K on the prior quarter (Q4FY23)**
- **Annual Recurring Revenue (ARR) now ~US\$21.5M (~NZ\$34.9M<sup>1</sup>), up from US\$20.9M in the prior quarter (Q4FY23)**

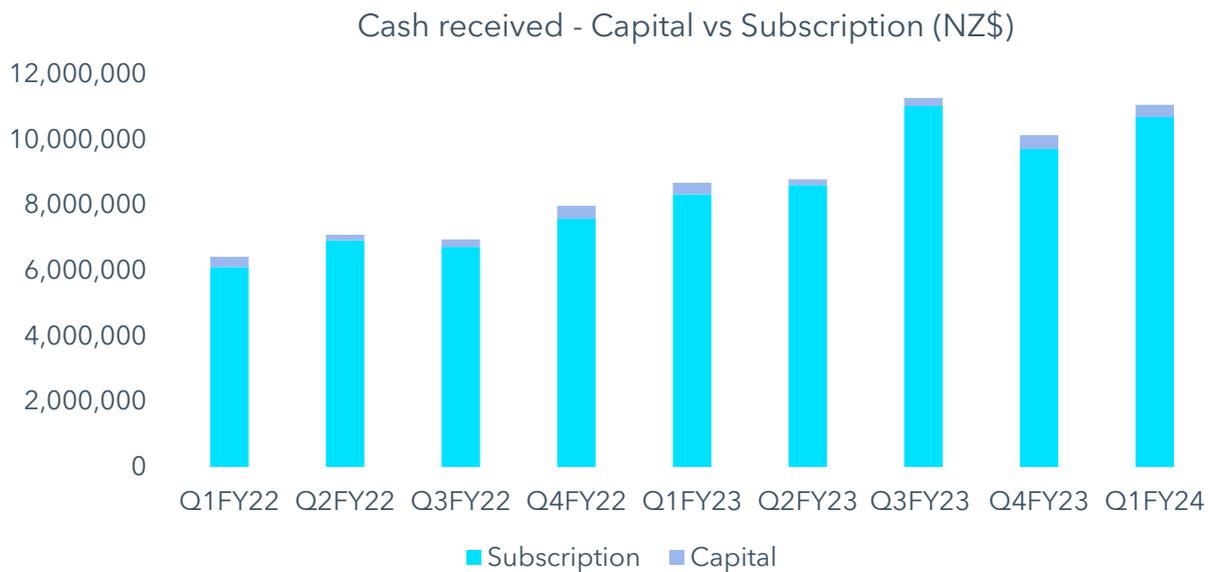
Wellington, NZ, 21 July 2023: [Volpara Health Technologies](#) (“Volpara,” “the Group,” or “the Company”; ASX:VHT), a global leader in software for the early detection of breast cancer, has released its Appendix 4C Quarterly Cash Flow report for the quarter ending 30 June 2023.

On Q1FY24, Volpara CEO & Managing Director Teri Thomas said: “It’s been a great quarter, with our recognition as Microsoft’s global Healthcare and Life Sciences Partner of the Year, but most importantly the continued growth of our customer base. What matters most is the positive impact on families, and our growth and financial strength allow us to explore ways to expand that impact. We are energised and growing both in the United States and in Australia, with the addition of Breast Screen Victoria. We could not be more pleased.”

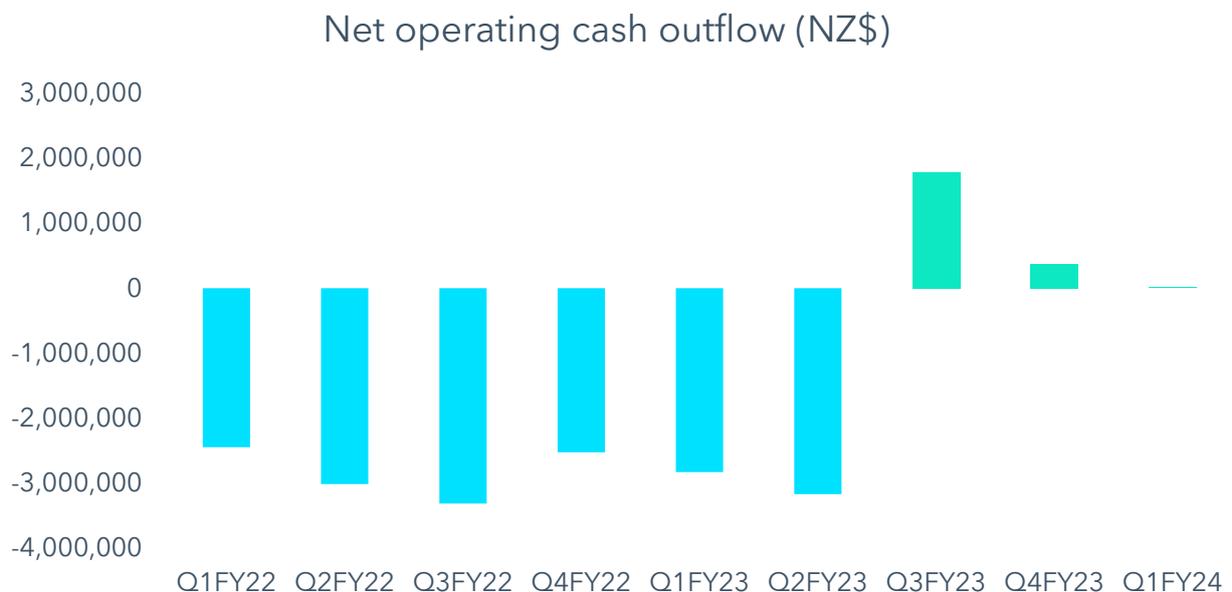
Cash receipts from customers was the second strongest on record, and ahead of expectations, with over NZ\$11.0M received, up over 27% on Q1FY23, or 21% in constant currency.

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<sup>1</sup>Twelve-month trailing exchange rate used of US\$0.616:NZ\$1 vs. US\$0.624:NZ\$1 at end Q4FY23.



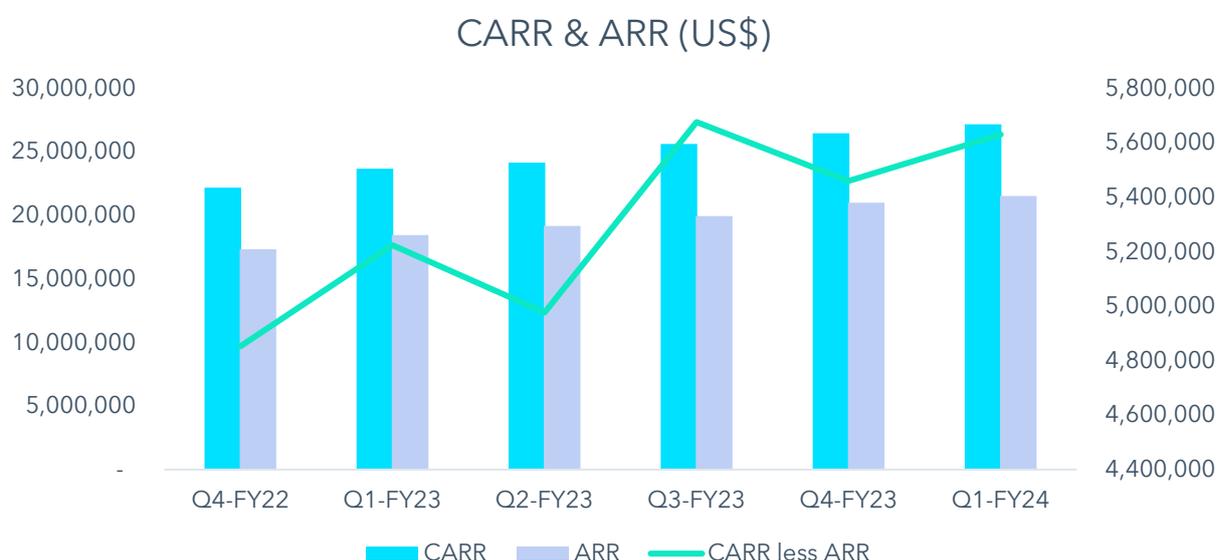
Net operating cash inflow in Q1 was NZ\$9K, a significant improvement on Q1FY23's NZ\$2.8M net operating cash outflow. This also represents the Company's third net operating cash flow positive quarter on record. In July 2022, Volpara's revised strategy suggested net operating cash flow positive will be achieved for the first time in Q4FY24, with FY25 resulting in the first full year of net positive operating cash flow. Volpara is now guiding towards being net operating cash flow positive for the full year in FY24, a full year ahead of guidance.



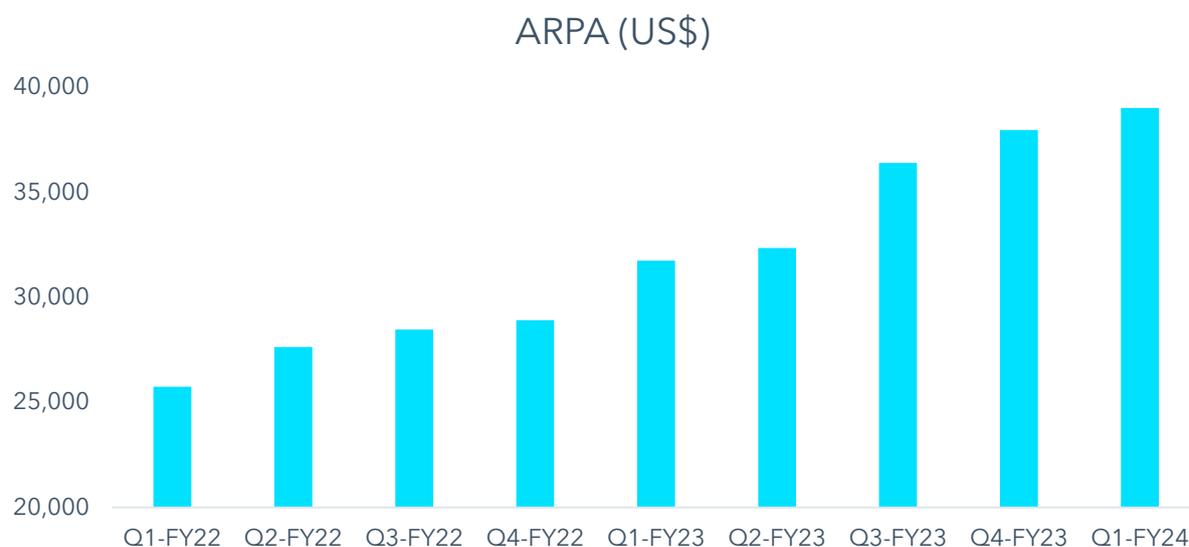
Volpara has operated in a net positive operating cash flow position since September 2022, with the cash balance remaining above \$12.0M as at 30 June 2023. The Company continues to have no debt and recently [reduced its revolving credit facility](#) from NZ\$10.0M to \$2.5M during the quarter.

Overall, the Company added US\$700K of CARR in Q1, increasing total CARR to US\$27.2M. Q1 included a material contract with [BreastScreen Victoria](#). Amongst other contracts, Volpara expanded with some existing customers, including Texas Health Resources (Risk Pathways™), University of Miami (Risk Pathways), and Woman’s Hospital Foundation [Baton Rouge] (Risk Pathways and Professional Services); and welcomed some new customers during the quarter: University of Pennsylvania Health System (Analytics™), Rochester Regional Health (Analytics), and Benson Radiology in Australia (Analytics). We also secured a number of key renewals of 3–5 years: Centura Health (Risk Pathways), SSM Health Care Corporation (Risk Pathways), Christiana Care Health Services, Inc. (Analytics), and Appalachian Regional Healthcare, Inc. (Analytics).

Annual Recurring Revenue (ARR) is now ~US\$21.5M (~NZ\$34.9M), up from US\$20.9M in the prior quarter (Q4FY23).



ARPA has increased from US\$37.4K at the end of Q4FY23 to US\$39.0K at the end of Q1.



## **Other Recent Operational Highlights for the Quarter**

### **Volpara wins Microsoft's global Healthcare & Life Sciences and New Zealand awards**

Volpara has won the global Healthcare & Life Sciences Partner of the Year Award, chosen from a set of more than 4,200 submitted nominations from more than 100 countries worldwide. This award recognises a partner organisation that excels at providing innovative healthcare and life sciences solutions based on Microsoft cloud technologies, driving customer growth, transformation, and enhanced patient care. Microsoft, a major investor in OpenAI, the maker of ChatGPT, supports Volpara in providing AI solutions to the breast cancer detection and prevention market.

Volpara was also named Microsoft's New Zealand Partner of the Year. The award highlights entrepreneurial spirit and social impact, recognising an innovative partner from each country that has built solutions and services on Microsoft Cloud and platforms and who has had substantial growth in their customer base and/or revenue.

### **Volpara signs five-year SaaS contract with BreastScreen Victoria**

Volpara announced a five-year Software as a Service (SaaS) contract with BreastScreen Victoria, a public breast screening programme. The contract represents A\$1.4M (NZ\$1.53M) in total contract value (TCV). Under the agreement, Analytics, Volpara's business intelligence software, will be implemented to optimise mammography operations across their sites. BreastScreen Victoria, which operates across more than 50 locations in the state, diagnoses 37% of all breast cancers in Victoria. By adopting Volpara software, they join a growing number of healthcare providers in Australia that are investing in advanced technology to enhance the quality of their services and detect cancer at earlier stages.

### **CancerX**

Volpara recently announced its founding membership in [CancerX](#), a public-private partnership aimed at revolutionising cancer innovation in the United States. CancerX is part of President Biden's revitalised [Cancer Moonshot](#), which aims to "end cancer as we know it," cutting the US death rate from cancer in half over the next 25 years. Volpara will contribute its deep bench of subject matter expertise and advocate for a comprehensive approach that goes beyond post-diagnosis treatment, addressing cancer risk for improved prevention and early detection.

### **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 21 July 2023  
**Time:** 9:00 am AEDT (Sydney/Melbourne), 11:00 am NZDT (Auckland/Wellington)  
**To register:** [https://us02web.zoom.us/webinar/register/WN\\_yauLLvreR4WkL9NqdHda6g](https://us02web.zoom.us/webinar/register/WN_yauLLvreR4WkL9NqdHda6g)  
**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](mailto:Teri.thomas@volparahealth.com)

t: +64 4 499 6029

#### Investor Relations

Hannah Howlett

WE Communications

[hhowlett@we-worldwide.com](mailto:hhowlett@we-worldwide.com)

t: +61 4 5064 8064

#### Media Enquiries

Trevor Chappell

WE Communications

[tchappell@we-worldwide.com](mailto: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. We help leading healthcare providers positively impact communities around the world. They use Volpara solutions to better understand cancer risk, empower patients in personal care decisions, improve and maintain quality, and guide recommendations about additional imaging, genetic testing, and other interventions.

Our focus on customer value means that our AI-powered image analysis enables radiologists to quantify breast tissue with precision and helps technologists produce mammograms with optimal image quality. In an industry facing increasing staff shortages, our software helps streamline operations and provides key performance insights that support continuous quality improvement.

A Certified B Corporation, Volpara is the preferred partner of leading healthcare institutions around the world. It maintains the most rigorous security certifications and holds over 100 patents and numerous regulatory registrations, including FDA clearance and CE marking. Since listing on the ASX in April 2016, Volpara has raised A\$132 million. Volpara is based in Wellington, New Zealand, with an office in Seattle.

For more information, visit [www.volparahealth.com](http://www.volparahealth.com)

### Definitions:

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

**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.

## 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")**

Q1 – 30 June 2023 (31 March year-end)

Consolidated statement of cash flows	Current quarter \$NZ'000	Year to date (3 months) \$NZ'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	11,048	11,048
1.2 Payments for		
(a) research and development	(1,879)	(1,879)
(b) product manufacturing and operating costs	(2,594)	(2,594)
(c) advertising and marketing	(244)	(244)
(d) leased assets	(30)	(30)
(e) staff costs	(4,642)	(4,642)
(f) administration and corporate costs	(1,651)	(1,651)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	54	54
1.5 Interest and other costs of finance paid	(65)	(65)
1.6 Income taxes paid	12	12
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>9</b>	<b>9</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	(7)	(7)
(j) investments	-	-
(k) intellectual property	(586)	(586)
(l) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date (3 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)*	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(593)</b>	<b>(593)</b>

\*2.5 relates to business integration and acquisition expenses.

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	(2)	(2)
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)*	(141)	(141)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(143)</b>	<b>(143)</b>

\*3.9 relates to interest on lease repayments.

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	12,711	12,711
4.2	Net cash from / (used in) operating activities (item 1.9 above)	9	9

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$NZ'000</b>	<b>Year to date (3 months) \$NZ'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(593)	(593)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(143)	(143)
4.5	Effect of movement in exchange rates on cash held	123	123
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>12,107</b>	<b>12,107</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$NZ'000</b>	<b>Previous quarter \$NZ'000</b>
5.1	Bank balances	10,307	9,711
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits >90 days)	1,800	3,000
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>12,107</b>	<b>12,711</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$NZ'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1*	276
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.

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$NZ'000</b>	<b>Amount drawn at quarter end \$NZ'000</b>
<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)	(2,500)	-
<b>7.4 Total financing facilities</b>	<b>(2,500)</b>	<b>-</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>(2,500)</b>
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 \$2.5m unsecured revolving credit facility with Kiwibank, with a line fee of 1.5% p.a. payable each quarter and interest payable at 10.35% p.a. should Volpara draw down on the facility.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$NZ'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	9
8.2 Cash and cash equivalents at quarter end (item 4.6)	12,107
8.3 Unused finance facilities available at quarter end (item 7.5)	2,500
8.4 Total available funding (item 8.2 + item 8.3)	14,607
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>N/A</b>
<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: 21 July 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.