



Ralph Highnam, PhD
CEO & Chief Scientist

I'm very happy to present Volpara's first quarterly newsletter. The intent of this newsletter is to connect with you in a more informal way than offered at the AGM or in our standard ASX financial releases. We plan to cover wider industry news which may have a specific bearing on our financials and on the well-being of women at risk of breast cancer.

Since our IPO on the ASX in April 2016, we've reported our FY2016 results, specifically a 31% rise in product revenues to **NZ\$2.5M**, and announced our achievement of the two main growth strategies documented in our prospectus: increased, direct sales and marketing in the US and the launch of products (such as VolparaEnterprise) which appeal not just to clinicians but to every stakeholder across the breast imaging organisation. With its focus

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Meet the team “Broker Meets Biotech”

on safety, quality, comfort and productivity, VolparaEnterprise's launch is a pivotal moment for the company. It switches Volpara from being a company known purely for breast density measurement to one appealing directly to budget holders who are constantly seeking cost-savings and increased revenue and with pricing based upon the recurring revenue, software-as-a-service pricing model.

As to be expected, much has happened even since the company AGM on 11 August. In particular, I had the honour of presenting two keynote speeches to the Australian Breast Density Meeting in Kingscliff, NSW, 15-16 August. Run by Professor John Hopper from the University of Melbourne and Dr Jennifer Stone from the University of Western Australia, this gathering also featured speakers from the National Institute of Health in the

US and the International Agency of Cancer Research in France. In my speeches, I explained the history of breast density from the mid-1970s and noted the highly anticipated launch of the new version of one of the world's leading breast cancer risk models, the so-called IBIS or Tyrer-Cuzick. This model will be especially significant for Volpara and its customers, as it is the first one to include breast density as a factor in assessing women's risk of developing breast cancer, in addition to breast density's role in masking cancers.

Upcoming on 15 September (US), the US Food and Drug Administration is holding a National Mammography Quality Assurance Advisory Committee meeting. The agenda includes discussion of the Mammography Quality Standards Act's requirement for reporting breast density at a federal level and we expect high profile density notification advocates to be given the opportunity to present, as well as ourselves presenting on our enterprise-wide quality tools.

Volpara remains well positioned to execute on its key growth strategies. I expect Volpara will continue the positive momentum it has achieved over the past few years and that our two key growth strategies will deliver results for shareholders. I am committed to maintaining open communication with all our investor groups throughout the year to ensure you are all kept up to speed on our progress.

September Investor Events >

8th September
QLD Broker Meets Biotech
Stamford Plaza Brisbane

15th September
WA Broker Meets Biotech
Parmelia Hilton,
14 Mill Street, Perth

20th September
ASX CEO Sessions
ASX Auditorium,
18 Bridge Street, Sydney

22nd September
SA Broker Meets Biotech
Crowne Plaza Adelaide

Introducing Volpara's expanded sales team

Volpara has expanded its sales force in the US, UK and Australia with the appointment of eight new high-calibre sales representatives to work under Nashville-based Chief Commercial Officer Mark Koeniguer.

Each of our new sales reps has many years of experience in medical device sales in breast screening and imaging, and has worked for some of the biggest and most respected companies in the field, such as GE, Hologic, Mammotome, Gamma Medica, Carestream Health and OvaScience.

In the US we're pleased to welcome Dana Ahrold, Michael Claywell, Perry Norris, Peter Graham, Susan Tripp and Scott McCloskey, who join the highly experienced Steve Moseley and Dave Mezzoprete as feet on the street to address the 8,700 or so US breast imaging sites. We're joined in the UK by David Lee as VP Sales for EMEA and in Australia by Anton Zerle as VP Sales for APAC.

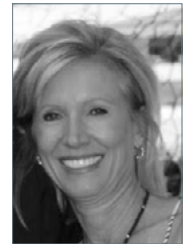
All share our commitment to providing world-leading technology to breast screening clinics so they can deliver reliable and comfortable screening services to women around the world.

With the ramp-up in our sales activity, we look forward to increased sales and penetration of the breast screening market, especially in the US, where so far we have reached just 1% of screening clinics. With a recent sale of VolparaDensity to Royal Perth Hospital, and a recent tender RFI by BreastScreen Queensland for x-ray units including breast density and automated quality control software, we also have plenty of opportunities outside the US.

The opportunity to grow and make a difference to the lives of women around the world is unparalleled. We look forward to sharing with you our progress.



Peter Graham
SENIOR ACCOUNT
MANAGER



Dana Ahrold
SENIOR ACCOUNT
MANAGER



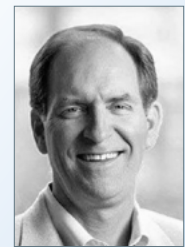
Susan Tripp
INSIDE SALES ACCOUNT
MANAGER



Scott McCloskey
SENIOR ACCOUNT
MANAGER



Michael Claywell
SENIOR ACCOUNT
MANAGER



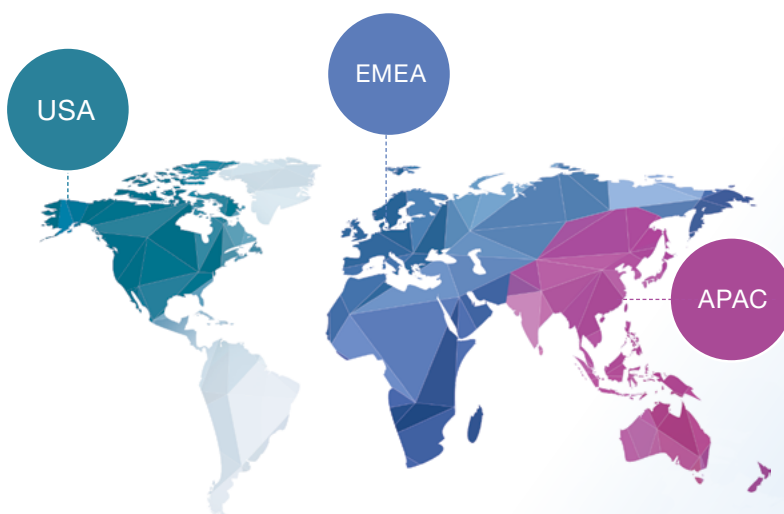
Perry Norris
SENIOR ACCOUNT
MANAGER



David Lee
VP SALES FOR EMEA



Anton Zerle
VP SALES FOR APAC



VolparaEnterprise case studies

The launch of our VolparaEnterprise platform in mid-July was a significant moment for the company. The platform will enable breast screening clinics to improve their productivity and access vast amounts of data stored in the cloud to provide better, potentially life-changing services for women.

Examples of how VolparaEnterprise software has already helped sites improve productivity, quality assurance and cancer detection rates include the following:

CASE STUDY 1

A facility discovered that a mammography system was using an incorrect dose setting, over-exposing patients compared to the same machine type and same patient body habitus in similar facilities.



CASE STUDY 2

Another facility discovered that it did not need to purchase an additional mammography machine because the software demonstrated that utilisation was below the break-even point.

CASE STUDY 3

Another site told Volpara, "Your initial report was what prompted discussion, but being able to navigate around and see that out of 900 dose alerts they were all from the same unit was priceless."

VolparaEnterprise software is designed to scale to handle both large and small enterprises, whether located entirely in one site or across many. With a central database, users can securely access their dashboard from any browser or mobile device to be able to contrast and compare performance in each facility or view quality and performance metrics in aggregate.

“VolparaEnterprise software offers the first comprehensive tool to analyse clinical, quality and business data that impact nearly every aspect of a breast imaging practice”

“VolparaEnterprise software offers the first comprehensive tool to analyse clinical, quality and business data that impact nearly every aspect of a breast imaging practice,” said Bruce F. Schroeder, MD, Carolina Breast Imaging Specialists in Greenville, North Carolina.

“There is a tremendous amount of data that we’ve never been able to access easily. The ability to track trends for hundreds of quality metrics over time can dramatically enhance our ability to maintain quality patient care as well as reduce the amount of time our staff spends on quality assurance.”

Commercially, the product is compelling both because it appeals to the budget holders and because the cloud aspect requires an ongoing recurring revenue payment. We now have many quotes for this product out in the market.

Latest research

Two recent peer-reviewed papers are of great interest.

Firstly, in *Annals of Internal Medicine* (19 July 2016) came a paper from Sprague et al., "Variation in Mammographic Breast Density Assessments Among Radiologists in Clinical Practice".

They showed a staggering variation in the percentage of women whose breast tissue is deemed dense by radiologists, ranging from 6.3% of the population up to 84.5%. They conclude: "There is wide variation in density assessment across radiologists that should be carefully considered by providers and policymakers when considering supplemental screening strategies. The likelihood of a woman being told she has dense breasts varies substantially according to which radiologist interprets her mammogram."

Secondly, a group of Dutch researchers have reported Volpara's breast density software is more consistent in categorising mammograms into density classes than human expert readers.

Their research was recently published in respected research journal *The Breast*. They wrote: "Reliable breast density measurement is needed to personalise screening by using density as a risk factor and offering supplemental screening to women with dense breasts. We investigated the categorisation of pairs of subsequent screening mammograms into density classes by human readers and by an automated system."

"The categorisation of serial mammograms in density classes is more consistent with automated software than with a mixed group of human readers. When using breast density to personalise screening

protocols, assessment with software may be preferred over assessment by radiologists."

The article can be read in full [here](#).

"This study and others that have been conducted around the world, including this [one](#), show that identifying dense breasts via visual examination of mammograms is not ideal," says Volpara CEO Dr Ralph Highnam.

"This research is important because it reinforces our message that digital, automated screening such as we provide is more reliable than the human eye. That's something that will increasingly be noticed by health insurers and clinics."

Volpara podcasts

Volpara has twice been featured on the Morgans Financial podcast series with healthcare analyst Scott Power.

Scott interviewed non-executive director Lyn Swinburne about Volpara and why she joined the Company's board, and then Chief Marketing Officer Julian Marshall about the company launching its VolparaEnterprise platform and new sales reps.