

ASX RELEASE

4C Quarterly Cash Flow Report

Wellington, NZ, 31st October 2016: Volpara Health Technologies ("Volpara"; ASX: VHT), a digital health company focused on the early detection of breast cancer, has today released its Appendix 4C – Quarterly Cash Flow report for the six months ending June 30, 2016.

The Appendix 4C is the second lodged by Volpara after the company raised A\$10 million in an IPO and listed on the Australian Securities Exchange on April 26, 2016.

Cash at the end of the quarter was NZ\$6.795 million including NZ\$6 million in bank term deposits exceeding 90 days.

Receipts from customers totalled NZ\$1.498 million for the half-year. The company's sales efforts are increasingly focused on VolparaEnterprise, Volpara's cloud-based, software-as-a-service solution that was launched in July 2016. The company signed its first customer, The Women's Breast and Imaging Clinic in Perth, Western Australia, in late September, and has continued to build momentum during October.

Total operating and investing cash outflows were NZ\$3.8 million, in line with the company's growth strategy as outlined in the prospectus to expand its commercial operations focusing on the US market.

The financial results for the half-year ended 30 September 2016 will be released by the end of November.

For further information, please contact:

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Appendix 4C
Quarterly report for entities subject to Listing Rule 4.7B

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Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Volpara Health Technologies Limited

ARBN

609 946 867

Quarter ended ("current quarter")

30 September 2016

Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date (6 months) \$NZ'000
1. Cash flows from operating activities			
1.1 Receipts from customers		699	1,498
1.2 Payments for			
(a) research and development		(273)	(610)
(b) product manufacturing and operating costs		(160)	(349)
(c) advertising and marketing		(242)	(565)
(d) leased assets		-	-
(e) staff costs		(1,204)	(2,213)
(f) administration and corporate costs		(654)	(1,717)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		34	40
1.5 Interest and other costs of finance paid		(1)	(1)
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		109	109
1.8 Other (provide details if material)		38	45
1.9 Net cash from / (used in) operating activities		(1,654)	(3,763)

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(9)	(18)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(9)	(18)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	11,198
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	30	30
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(570)
3.5	Proceeds from borrowings	81	81
3.6	Repayment of borrowings	(24)	(29)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	87	10,710

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	8,392	277
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,654)	(3,763)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9)	(18)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	87	10,710
4.5	Effect of movement in exchange rates on cash held	(21)	(411)
4.6	Cash and cash equivalents at end of quarter	6,795	6,795

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	795	338
5.2	Call deposits	-	2,054
5.3	Bank overdrafts	-	-
5.4	Other (term deposits >90 days)	6,000	6,000
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,795	8,392

6.	Payments to directors of the entity and their associates	Current quarter \$NZ'000
6.1	Aggregate amount of payments to these parties included in item 1.2	297
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
6.1 – Includes those amounts paid to directors only.		

Appendix 4C**Quarterly report for entities subject to Listing Rule 4.7B****7. Payments to related entities of the entity and their associates****Current quarter
\$NZ'000**

7.1 Aggregate amount of payments to these parties included in item 1.2

-

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

N/A

8. Financing facilities available*Add notes as necessary for an understanding of the position***Total facility amount
at quarter end
\$NZ'000****Amount drawn at
quarter end
\$NZ'000**

8.1 Loan facilities

-

-

8.2 Credit standby arrangements

(10)

-

8.3 Other (please specify)

-

-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

The credit standby arrangement is with Kiwibank at a base rate of 9.95% and it is unsecured.

9. Estimated cash outflows for next quarter**\$NZ'000**

9.1 Research and development

(314)

9.2 Product manufacturing and operating costs

(262)

9.3 Advertising and marketing

(642)

9.4 Leased assets

-

9.5 Staff costs

(1,121)

9.6 Administration and corporate costs

(685)

9.7 Other (provide details if material)

-

9.8 Total estimated cash outflows**(3,024)**


Appendix 4C**Quarterly report for entities subject to Listing Rule 4.7B**

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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.

Sign here:


 (Director/Company secretary)

Date: 31 October 2016

Print name: John Diddams

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.