

ASX RELEASE

Appendix 4C – Q1 FY19 Quarterly Cash Flow Report

Highlights:

- **Successful completion of an over-subscribed placement and share purchase plan**
- **NZ\$22.8m cash on hand at end of Q1**
- **Cash receipts from customers NZ\$987k, up 16% on Q1 FY18**
- **28 new SaaS orders for *VolparaEnterprise*™ (up from 57 at end FY18)**
- **Record quarterly sales performance adding NZ\$4.5m up 180% on Q1 FY18 in Total Contract Value (TCV), in what is traditionally a quieter quarter**
- **Annual Recurring Revenue (ARR) now NZ\$4.46m, up 25% from end FY18, targeting NZ\$9m by end FY19**
- **Now covering 3.7% of women in US, an additional 0.5% added in Q1, with a 9% target for the end of FY19**
- **Average price per woman in the US nearing US\$3.00**
- **Expenditure tracking as planned**
- **Overall churn less than 2% (contraction and cancellation)**

Wellington, NZ, 25 July 2018: [Volpara Health Technologies](#) (“Volpara”; ASX: VHT), a medical technology company whose AI imaging algorithms assist the early detection of breast cancer, has today released its Appendix 4C Quarterly Cash Flow report for the quarter ending 30 June 2018 (Q1 FY19).

Following the successful capital raise and subsequent share purchase plan in April and May, raising A\$20M, Volpara has commenced:

- Expansion of the NZ team to bring new products to market faster
- Expansion of the US sales team to accelerate sales
- Expansion of the customer success team to maintain low churn
- Increased focus on APAC with trial to commence in Singapore, and two ***VolparaEnterprise*™** customers signed in New Zealand

During the quarter, Volpara signed 28 new customers to the ***VolparaEnterprise*™** platform, bringing the total number of SaaS customers to 85. This is the highest number of customers added in a single quarter. While customers were on average smaller, the fee obtained per woman was up 80% on FY18.

Despite Q1 traditionally being a softer quarter, NZ\$4.5m was added to Total Contract Value (TCV), compared to NZ\$4.1m in Q4 FY18, in the Company’s fourth consecutive record quarter. Annual Recurring Revenue (ARR) increased 25 percent to NZ\$4.46m, from NZ\$3.6m at the end of FY18. The NZ\$890k increase in ARR represents the largest increase in a single quarter and puts Volpara on track for its target of NZ\$9.0m by the end of March 2019. The percentage of US women contracted to ***VolparaEnterprise*™** is now 3.7% with the aim of 9.0% by end March 2019.

Volpara continues to hold no debt and held NZ\$22.8m in cash at 30 June 2018. Expenditure in Q1 was just over NZ\$4m, including FY18 bonus payments. The Company expects an increase in costs this year in the pursuit of aggressive growth, before settling next year.

Volpara CEO Dr Ralph Highnam said “We’ve had an outstanding start to the year. Q1 and Q2 are traditionally our quieter quarters, so posting a record quarter in Q1 means we have a great platform from which to reach our targets for FY19. With the capital raising behind us and our fast start, we are now focusing on building out teams, while continuing to improve our current product offering and look to bring new products to the market towards the latter part of the year.”

Volpara will be hosting a conference call at 9am AEST (11am NZST), Wednesday, 25 July 2018 to discuss activity over the last quarter.

Volpara Health Technologies Q1 Conference Call

Conference ID: 325132

Date and Time: 25 July 2018 - 9am AEST (11am NZST)

Australia Toll Free:	1 800 558 698
Alternate Australia Toll Free:	1 800 809 971
Australia Local:	02 9007 3187
New Zealand Toll Free:	0800 453 055
NZ Local (Auckland):	09 929 1687
NZ Local (Wellington):	04 974 7738
NZ Local (Christchurch):	03 974 2632
China Wide:	4001 200 659
Belgium:	0800 72 111
Canada:	1855 8811 339
France:	0800 913 848
Germany:	0800 182 7617
Hong Kong:	800 966 806
India:	0008 0010 08443
Indonesia:	001 803 019 3275
Ireland:	1800 948 625
Italy:	800 793 500
Japan:	0053 116 1281
Malaysia:	1800 816 294
Norway:	800 69 950
Philippines:	1800 1110 1462
Singapore:	800 101 2785
South Korea:	00 798 142 063 275
Sweden:	020 791 959
South Africa:	0800 999 976
Switzerland:	0800 820 030
Taiwan:	008 0112 7397
Thailand:	001800 156 206 3275
UAE:	8000 3570 2705
United Kingdom:	0800 051 8245
United States:	(855) 881 1339
US Local (New York):	(914) 202 3258
US Local (Los Angeles):	(909) 235 4020
US Local (Chicago):	(815) 373 2080

ENDS.

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About Volpara Health Technologies Limited (ASX: VHT)

VHT is a MedTech SaaS company founded in 2009 on research originally conducted at Oxford University. VHT's clinical applications for screening clinics provide feedback on breast density, compression, dose and quality, while its enterprise-wide software, VolparaEnterprise, provides role specific dashboards and wide-ranging benchmarking analytics to help clinics manage their business more efficiently.

VHT's technology and services have been used by customers and/or research projects in 36 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\$40 million, including A\$20 million in April and May 2018. VHT is based in Wellington, New Zealand.

For more information, visit www.volparasolutions.com

VHT uses the following definitions:

Total Contract Value (TCV)—the value of contracts signed in the specified period. The revenue from these deals might be recognised over one or many years, and the customer might or might not have a cancellation clause of some kind.

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

Appendix 4C

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")

Q1 - 30 June 2018 (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	987	987
1.2 Payments for		
(a) research and development	(493)	(493)
(b) product manufacturing and operating costs	(553)	(553)
(c) advertising and marketing	(181)	(181)
(d) leased assets	(2)	(2)
(e) staff costs	(2,178)	(2,178)
(f) administration and corporate costs	(695)	(695)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	29	29
1.5 Interest and other costs of finance paid	(32)	(32)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	231	231
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,887)	(2,887)

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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	(105)	(105)
	(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	(105)	(105)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	21,488	21,488
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	102	102
3.4	Transaction costs related to issues of shares, convertible notes or options	(916)	(916)
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 (provide details if material)	(4)	(4)
3.10	Net cash from / (used in) financing activities	20,670	20,670

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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	4,842	4,842
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,887)	(2,887)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(105)	(105)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	20,670	20,670
4.5	Effect of movement in exchange rates on cash held	265	265
4.6	Cash and cash equivalents at end of quarter	22,785	22,785

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	4,440	4,440
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits >90 days)	18,345	18,345
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	22,785	22,785

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	231
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.

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Quarterly report for entities subject to Listing Rule 4.7B

7. Payments to related entities of the entity and their associates

- 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

Current quarter \$NZ'000
-
-

N/A

8. Financing facilities available

Add notes as necessary for an understanding of the position

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)

Total facility amount at quarter end \$NZ'000	Amount drawn at quarter end \$NZ'000
-	-
(10)	-
-	-

- 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 9.90% and it is unsecured.

9. Estimated cash outflows for next quarter

\$NZ'000

9.1	Research and development	(600)
9.2	Product manufacturing and operating costs	(600)
9.3	Advertising and marketing	(400)
9.4	Leased assets	-
9.5	Staff costs	(2,100)
9.6	Administration and corporate costs	(700)
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows	(4,400)

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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: 
 Company secretary

Date: 25 July 2018

Print name: Craig Hadfield

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.