Annual Report
FOR THE YEAR ENDED 31 MARCH 2020

Volpara Health Technologies Limited
ASX:VHT
(NZ Company no. 2206998/ARBN 609 946 867)

volpara®
health technologies

> "Some might think we are situated at the edge of the world. We choose to see it as a starting point, the place from which our connection begins."
>
> —Ralph Highnam, CEO & Chief Scientist

A revolution in healthcare depends in no small measure upon our financial success. By attending to our business, we help ensure the blossoming of widespread, marked change.

$18m
ARR up 172%

$12.6m
Revenue up 152%

86%
Gross Margin

25m+
Over 25 million aggregate, anonymised images in database

Our story.

Volpara's origins go back to our founding CEO Ralph Highnam's breakthrough research in medical physics and artificial intelligence at Oxford University. Deeply affected by the loss of friends and family members to breast cancer, Ralph decided to apply his findings to breast imaging. In 2009, with his cofounders, he set up home base in Wellington, New Zealand. In this small city on the edge of the world, the Volpara journey began.

Since then, Volpara has seen tremendous growth by almost every measure. In the last three years alone, the team has quadrupled in size, its culture embracing those operating out of a second office in Seattle, Washington, USA. More and more customers, especially across North America, Australia, and New Zealand, can now provide a personalised screening experience to more patients. The company's groundbreaking products, now orchestrated in a revolutionary software platform, are supported by an ever-increasing number of patents, trademarks, and regulatory clearances, including FDA clearance and CE marking, and validated by a volume of peer-reviewed publications unrivaled in the breast screening industry. As the number of products has increased, their scope has expanded to include lung cancer screening. These intertwined areas of growth have led to the company's increased revenue and financial stability, with a single constant thread running through them all: **an abiding dedication to helping save families from cancer.**

Annual Report

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About Volpara

Financial Report

We seek nothing short of a revolution in cancer care.

Revolution

n. a sudden, complete or marked change in something.[1]

n. a far-reaching and drastic change, esp. in ideas, methods, etc.[2]

n. a great change in conditions, ways of working, beliefs, etc., that affects large numbers of people.[3]

[1] Dictionary.com
[2] Dictionary.com (British Dictionary)
[3] Oxford Advanced Learner's Dictionary

Building the revolution from the ground up.

To create profound work, to effect great and lasting change, you need the right people. Not just top performers and industry experts, but individuals committed to doing the work of a lifetime—together.

As an international company anchored in New Zealand, we've embraced the Māori concept of *whānau*, or extended family, to point the way forward. This past year we devised a set of core values that inform everything we do.

BE BOLD.

Grand but never grandiose, our ambition is simple: nothing less than a revolution in cancer care.

BE RELENT LESS.

Resolving global health problems doesn't happen overnight. We are persistent and rigorous in our search for innovative solutions.

BE EXTRA ORDINARY.

We strive constantly to do exceptional work, advance our expertise, and honour the differences that make us strong.

BE WHĀNAU.

We are an extended family of colleagues, customers, patients, and communities. By looking after each other, we make our best contribution every day.

The reach of a revolution.

Growing the team, largely through the 2019 acquisition of Seattle-based MRS Systems, Inc. (MRS), has enabled us to expand both the breadth of our offerings—leading to the Volpara®Platform™—and the scope of our inquiry: **To our work in breast cancer screening we add the critical area of lung cancer screening.**

Growing Volpara®Enterprise™ software volumes
Volpara customers are serving a fast-rising number of patients, using VolparaEnterprise to ensure high-quality images and improve the early detection of breast cancer.

27.1%

market share in North America

Of women who have undergone screening, 27.1% have had at least one Volpara product analyse their data and/or images

4.8m+

mammographic and tomosynthesis studies (at least four standard x-ray views of patient's breasts) evaluated for positioning and compression and stored in the Microsoft® Azure* cloud

3m+

unique patients

* Microsoft and Microsoft Azure are copyrighted trademarks of Microsoft Corporation

The world is only ever changed by people committed to a noble cause.

VolparaEnterprise software provides breast imaging facilities with the analytics they need to effectively monitor quality assurance and staff performance. This emphasis on practice management and continuous quality improvement reduces customer costs in two key ways:

It simplifies the process towards accreditation

Customers' usual compliance processes can have them wait up to two months for comments or renewal. Deborah Hamel, Clinical Manager and Breast Health Navigator for Derry Imaging in Derry, New Hampshire, reports that their first submission using VolparaEnterprise to complete their ACR Accreditation received renewal in only 11 days. "We were astounded."

It enables faster staff training

Breast imaging centres know that the better the quality of mammographic images, the higher the cancer detection rate—and this quality depends on a staff's skill. As Dr Eric Kramer, a radiologist in Reno, Nevada, puts it, "VolparaEnterprise is going to let our new team members acquire skills at a faster rate now that we have the ability to give them detailed feedback."

"[Our goal] is to mesh the best of technology with the best of human. Healthcare is always going to be a human-centered business. It's important that we not take the care out. We want to enable our providers with the best technology to spend more time connecting with patients."

—Dr Lloyd McCann, CEO, Mercy Radiology, Auckland, New Zealand

Sparking change.

In FY2020, Volpara's influence reached new heights. The results of the long-running DENSE trial came in and Chief Medical Officer Monica Saini, MD, MS, gave a Wellington TEDx talk, "Breast Density: A Personal Biomarker Of Cancer."

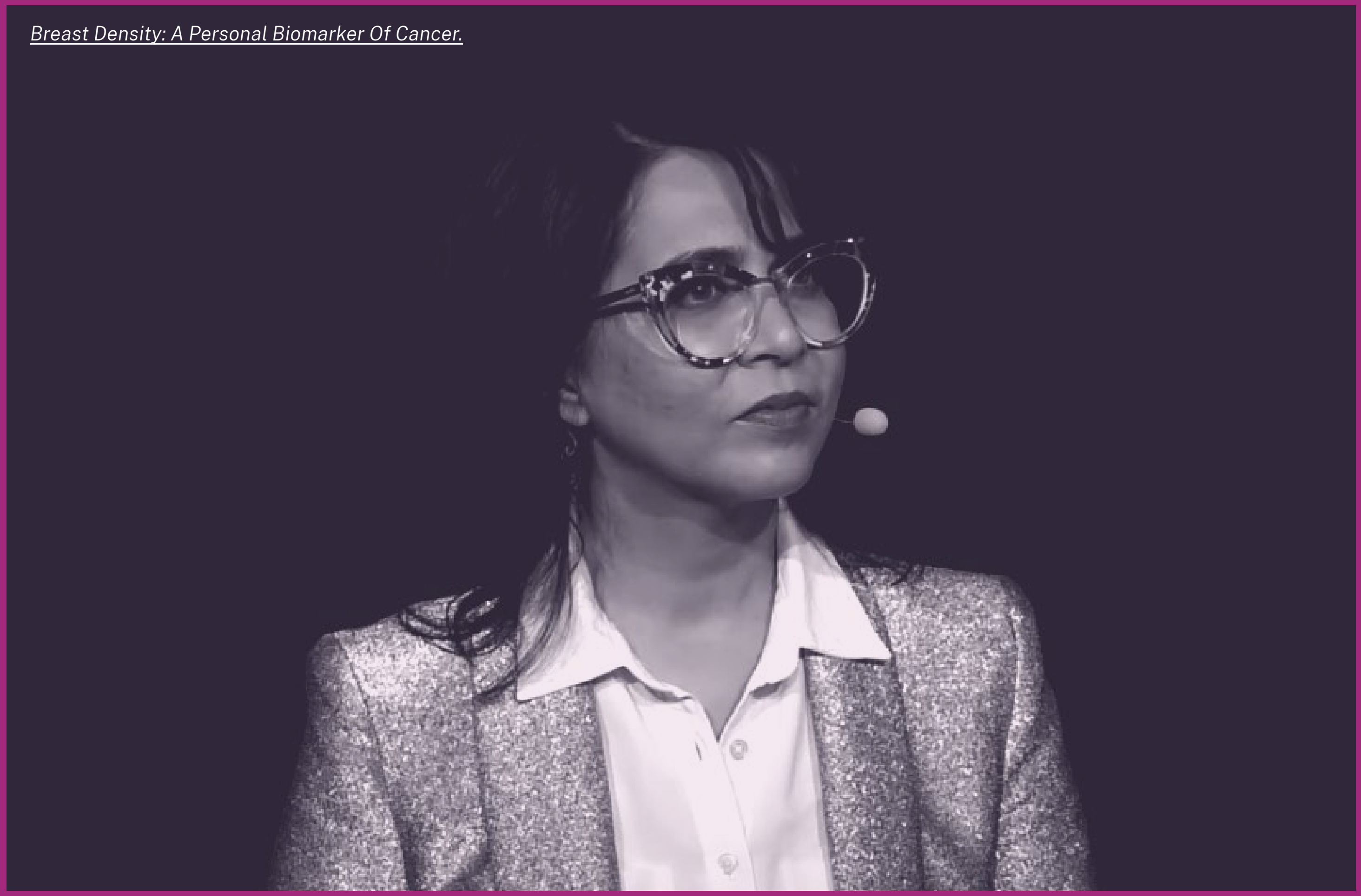
The DENSE trial

In November 2019, the *New England Journal of Medicine* published the long-awaited results of the DENSE breast screening trial. The randomised controlled study, conducted at the University Medical Center Utrecht, showed a halving of interval breast cancers in women who are identified by VolparaDensity as having extremely dense breasts and then offered breast MRI.

The eight-year study, funded by Bayer and other Dutch organisations, points to how population-based screening programs can use automated density assessment to triage women who are at greatest risk of developing interval cancers and thereby reduce the emotional, physical, and financial costs of breast cancer.

"One of the strengths of our trial was the use of fully automated and volumetric measurements of mammographic density. I would like to thank Volpara for supporting our work over these many years."—Professor Carla van Gils, epidemiologist and study leader

At a glance
8 years
40,000 women
50% fewer interval breast cancers
Volpara®Density™ software



"The medical community is concerned that by notifying women of their breast density and the fact that it's an independent risk factor for breast cancer, and reduces your mammographic sensitivity, we'll cause more anxiety for women. But I ask you: If density were a risk factor for prostate cancer, would we hesitate to tell men?"

—Dr Monica Saini, Chief Medical Officer

“The VolparaPlatform is second to none and world leading. Volpara is solving a real-world problem and it is impacting patient care.”

—Dr Lloyd McCann, CEO, Mercy Radiology, Auckland, New Zealand

“VolparaEnterprise has not only simplified our compliance, it’s become a critical foundation for our quality culture. Our staff now have summaries of their own performance at their fingertips. And we can offer additional real-time training to those who need it to make sure every woman’s mammogram is the best we can offer.”

—Deborah Hamel, Clinical Manager and Breast Health Navigator, Derry Imaging Center, Derry, New Hampshire, United States

volpara® platform™

From effortless risk assessment to personalised care, Volpara’s advanced technology platform empowers clinics every step of the way.

Today, breast cancer screening teams have access to better technology than ever dreamed possible. Cancer screening has improved immeasurably over the past 40 years. Many lives have been saved.

However, guiding patients—even those found not to have breast cancer—through their health journeys remains a demanding prospect. Navigating all the steps of that care process—from risk stratification to detection to quality assurance to referring provider communication and beyond—often consists of a fragmented approach of partial solutions that requires staff to adapt the way they work.

Volpara powerfully combines its customers’ expertise with an intelligent cancer screening workflow that streamlines both clinician and patient experience.

From the time a patient enters a clinic to the moment they receive their results, the VolparaPlatform collects and analyses information to better understand a patient’s breast cancer risk. The result is that clinics can provide better, more personalised care to more patients.

Unrivalled scientific validation
100+ peer-reviewed publications
350+ journal articles and conference proceedings
67 patents
39 countries

Dear Shareholders,

THE WORLD HAS CHANGED.

Chair's Letter

The COVID-19 pandemic has generated uncertainty on a scale hardly witnessed before. In ways big and small, mundane and profound, how we move through the world, conduct business, and even relate to one another all point to the differences between the world we knew and the new one we must create together. At Volpara, we trust in our individual and collective resilience, the resilience we have woven into the fabric of the Company and which will see us come through these times more robust than before. As a company headquartered in Wellington, Volpara instituted measures early on to protect itself against the region's earthquake risk, ensuring that its people worked in the Cloud and could work from home. Now that New Zealand, Australia, and other countries are opening up public life, the Wellington office has reopened alongside the nation's schools and workplaces. And our experienced US sales team, having developed deep networks, can follow up on leads remotely without needing to rely on physical meetings.

Our resilience is supported in several other ways:

- Our industry is seeing breast imaging centres across North America and around the world reopen their doors, taking steps to accommodate the large backlog of screening appointments and thereby minimise the risk of advanced cancers.
- Our business model, founded on Software as a Service principles, means that our customers pay annually up-front, with most sites preparing to catch up with screening over the full year.
- Volpara is well funded, especially with the recent fundraising event, positioned not only to survive but to act on new opportunities as they present themselves.

This past financial year, ending in March 2020, saw several accomplishments that stand as testaments to our preparation, strategic planning, and hard work. Our integration of Seattle-based MRS Systems, Inc., acquired after a successful capital raise of A$55 million, has gone very well thanks in no small part to the organisational efforts of the management team.

We've since gone on to reach two key goals for the year: an upgraded Annual Recurring Revenue (ARR) target of NZ$18 million and a US market share of 27%—the percentage of women who have benefitted from a Volpara software product during their healthcare journey.

Post-balance date the Company has also completed a further capital raise of A$37 million to further strengthen the balance sheet and enable Volpara to take advantage of any opportunities that arise after the pandemic.

I attribute the achievements over the last 12 months to the team, the products they have developed, and the growing demand for them. Guided by our vision of Saving Families from Cancer, we are proud to now cover over 10 million women in the United States with increasing numbers in Australia and New Zealand. More than ever, we are committed to helping all women receive high-quality, safe, and comfortable imaging in addition to accurate breast density scores.

For their insights over the year, I'd like to thank my colleagues on the Board, especially Professor Sir Mike Brady, who stepped down in January, and Karin Lindgren, a US-based healthcare technology lawyer and senior IT executive, who joined us at the same time. Her data expertise has already been extremely valuable to us.

Finally, my thanks go to our shareholders for their continued confidence in our journey.

Yours sincerely,

Paul Reid
Chair

Dear Shareholders,

VOLPARA REMAINS STRONG.

Key SaaS metrics to end FY2020:

— Annual Recurring Revenue (ARR) rose from NZ$6.6 million to NZ$18 million, an increase of 172%, thanks to strong organic and inorganic growth
— Average Revenue Per User (ARPU) rose from US$0.94 at the end of Q1 after acquisition of MRS to US$1.04, the ARPU for new deals in Q4 of US$1.45 to US$3.10 showing the scope for significant increased ARR as we penetrate the installed base with more products
— Minimal churn of customers

The traditional accounting metrics for the year:

— Revenue from customers of NZ$12.6 million, up 152% year on year from FY2019 (FY20 includes a reduction in revenue of NZ$3.6 million due to an accounting adjustment)*
— Gross margin of 86%, up from 83% in FY2019
— Net loss of NZ$20.4 million, up from NZ$11.7 million in FY2019

* For further explanation of this adjustment, see the Appendix 4E cover letter.

CEO's Report

In FY2020 we achieved significant growth in ARR and market share, managed a successful corporate integration, and built substantial momentum in our biggest markets—the United States, Australia, and New Zealand. That momentum remains despite the COVID-19 pandemic.

The strong growth stems from big wins in the United States. These include Barnes-Jewish Hospital, AdventHealth, Piedmont Healthcare, and Parkland Comprehensive Breast Center. I'd like to thank Chief Commercial Officer Mark Koeniguer and the sales team, especially our directors of US sales, Debra Saunders (East Region) and Steve Moseley (West Region), for an excellent year and these notable additions to our list of esteemed customers.

Our sales efforts in Australia and New Zealand followed suit, with the notable additions of I-MED Radiology Network, Alfred Imaging (part of Mater Hospital), Lake Imaging (part of Integral Diagnostics Group), The Royal Melbourne Hospital, and many others. Thank you, Anton Zerle (VP Sales & Marketing APAC) and team: Gabrielle Vaughn, Kylie Chandler, and Francois Le Roux.

In Europe, we have trials continuing in the United Kingdom, Norway, the Netherlands, and elsewhere. This coming year, however, we will focus less on the European market for sales, as we believe the pandemic will mean an extended recovery period.

In Asia, we've just had our first sale into Hong Kong, and we retain strong interest and a good distributor network. So, though our focus in Asia will, like Europe, be downplayed this coming year, we would like to thank Paul Clancy for his ongoing efforts in this region.

Sales growth such as that outlined here does not come about without high-quality products to sell. For their leadership in carrying out a massive effort in optimising our software development processes, we thank Chief Operating Officer Simon Francis and Senior Vice President of Product Matt Prickett. They and their respective teams are also responsible for orchestrating a revolutionary software platform that extends us far beyond our competitors.

I'd also like to recognise the following individuals for their contributions this year: Craig Hadfield, Chief Financial Officer, and his team for their fundraising efforts; Mark Morris, Executive Vice President Volpara and Customer Success, for helping make the MRS transition so smooth; and Kat Greene, Chief People Officer, for her human resources and talent management work, particularly in the post-merger period. A review of the overall company structure at that point resulted in a reduction in staffing levels of about 10 percent. We thank the affected staff for their work over the last few years and wish them well going forward.

Finally, I thank Morgans and Bell Potter for continuing to support the Company's vision of Saving Families from Cancer.

Yours sincerely,

Ralph Highnam, PhD
CEO & Chief Scientist

Directors' Report

The Directors present their report on Volpara Health Technologies Limited ("VHT") and the entities it controlled during and at the end of the year ended 31 March 2020.

Directors
The following persons held office as Directors of VHT for the financial year:

— Paul Reid
— Dr Ralph Highnam
— Professor Sir John Michael (Mike) Brady *(retired 31 January 2020)*
— Roger Allen AM
— John Pavlidis
— John Diddams
— Dr Monica Saini
— Karin Lindgren *(appointed 31 January 2020)*

Paul Reid
Chair, Independent Non-Executive Director
BSc (Hons)

Paul joined the Board in March 2018 and brings extensive commercial experience gained across a range of technology/ Software as a Service ("SaaS") businesses. He was the founding CEO and Chairman of Figured Limited, a fintech SaaS company that provides management accounting software to farmers in the United States, United Kingdom, Australia, and New Zealand. Figured was New Zealand's Startup of the Year in 2016 and has grown at an incredible pace, funded by private, corporate, and venture capital investors.

He is also currently CEO of Author-it Software Corporation, which provides documentation software for clinical, medical, and labelling information to life sciences companies in Europe and the United States. Other key directorship roles include Christchurch International Airport Limited and New Zealand Stock Exchange (NZX)–listed Comvita Limted.

Prior to embarking on a startup and governance career, Paul held a number of key executive roles, from CEO to COO, in businesses such as Air New Zealand, MetService, Carter Holt Harvey, and Ernst & Young. He is based in Wellington, New Zealand.

Dr Ralph Highnam
Executive Director and CEO
BSc (Hons) 1st Class, MSc, PhD

Ralph, a founding Director of VHT, has been at the forefront of the digital breast imaging field for over 25 years. Ralph's innovative work as a research scientist in quantitative breast imaging technology at the University of Oxford led him to form first OXIVA Limited and then Mirada Solutions with Professor Sir John Mike Brady. Under Ralph's leadership Mirada became the number-one provider of image registration and fusion tools before being acquired by CTI Molecular Imaging Inc. and later Siemens Medical Solutions USA, Inc.

Before founding VHT in 2009, Ralph consulted for many of the world's top medical imaging companies, including R2, Siemens, Hologic, and Dexela, as well as many leading breast screening programs. During this time, he continued his academic research as part of an international circle of collaborators.

Ralph is the author of numerous articles and, with Brady, the seminal book *Mammographic Image Analysis*. As CEO of VHT, Ralph is dedicated to providing the most accurate measurements possible of breast composition ("breast density") in order to improve the health outcomes of women around the world. Based in Wellington, New Zealand, in 2015 he was named a Wellingtonian of the Year finalist.

Roger Allen AM
Non-Executive Director
BA, FACS

Roger joined the Board in June 2010 and was Chair from October 2015 to March 2019. Roger is a highly experienced entrepreneur and investor in early-stage growth companies in Australia, New Zealand and internationally. In the 1970s, he built Computer Power Group (CPG) from a small startup to a worldwide group of 3,000 people operating from 50 offices in 12 countries, listing on the Australian Stock Exchange (ASX) in 1987. The company was aquired in 1995. In 1996 he cofounded Allen & Buckeridge, an early-stage venture capital fund with offices in Silicon Valley and Australia.

Roger has served on two Prime Ministers' Science and Technology Councils and Advisory Boards, and was Deputy Chairman of the Australian Governments Export Agency, Austrade, from 1990 to 1997. Previously an Adjunct Professor in the Business School of the University of Technology Sydney, he has also lectured at the School of Entrepreneurship at INSEAD. Roger has been awarded the top two lifetime awards in the IT industry (CSIRO Tony Benson award and the Pearcey Medal for lifetime achievement) as well as an Order of Australia Honour for his services to the IT sector through leadership roles, venture capital investment, and professional development, and in recognition of his support of the indigenous community and philanthropic interests. He was also elected as a Fellow of the Australian Computer Society. He is based in Sydney, Australia.

Roger is a member of the Audit Committee and the Remuneration Committee.

John Pavlidis
Independent Non-Executive Director
BS, MS

John joined the VHT board in early 2015 and now has more than 30 years of medical device experience as a senior executive, CEO or company director in the areas of diagnostic imaging, women's health, image analysis and artificial intelligence, and cardiovascular therapies.

Until recently, John served as the President and CEO of Vytronus, Inc., a venture-backed startup using novel catheter-based ultrasound and robotics technology to treat atrial fibrillation, a cardiac arrhythmia. Prior to Vytronus, John was the President and CEO of Endoscopic Technologies, Inc., a leader in minimally invasive and endoscopic treatment of atrial fibrillation, until it was acquired by AtriCure, Inc. in 2014. Since 2007, John has also served on the board of directors of several health technology companies, including U-systems, Inc., which pioneered automated breast ultrasound imaging as an adjunct to mammography for breast cancer screening and was acquired by GE Healthcare in 2012.

Previously, John served as President and CEO of R2 Technology, Inc., the pioneer and leader in computer-assisted detection of breast cancer, until Hologic, Inc. acquired the company in 2006. Before joining R2 Technology, John was president of the global Ultrasound business at Siemens Healthcare, where he led the acquisition and integration of Acuson and subsequent growth of the combined organization to $1 billion in revenue. He is based in Silicon Valley, California, USA.

John Diddams
Independent Non-Executive Director
B Com, FCPA, FAICD

John is the principal of an Australian CPA firm that provides companies with corporate advisory services. John has extensive knowledge and practical experience in the application of Australian corporations law, ASX Listing Rules, international accounting standards, and corporate governance principles.

Over the past 25 years John has managed the processes to raise capital, perform due diligence, and seek ASX listing for a number of enterprises, including IPOs for a wide range of diverse offerings. These include oil and gas interests, food and retail, a fine-wool processing plant, an innovative telephony product, a biotech company, an Internet advertising initiative, a dental device for snoring and sleep apnoea, an indoor skydiving company, the New Zealand developer of the Martin Jetpack, a healthy fast food chain, and Skydive the Beach Group Limited (now Experience Co Limited).

John is a Non-Executive Director of Aroa Biosurgery Limited, a New Zealand–based company that develops and markets proprietary soft-tissue regenerative products, and Surf Lakes Holdings Limited, a Gold Coast–based business with patented technology for recreational wave generation.

John is Chair of the Audit Committee and a member of the Remuneration Committee and is based in Sydney, Australia.

Dr Monica Saini
Executive Director and Chief Medical Officer
BSc, MS, MD

Monica joined the VHT Board in 2018. An internationally recognised expert in breast cancer, especially breast density and breast cancer risk assessment, Monica is a Doctor of Medicine and has a BSc in nursing. She undertook US radiology training and an additional fellowship in women's imaging, and has over 10 years of patient care experience in both private and public sectors.

In 2015 Monica became a medical advisor for GE Healthcare and in 2016 was appointed the company's Medical Director of Automated Breast Ultrasound Systems. In that capacity she worked globally on early detection of breast cancer, breast cancer research, and physician education for breast imaging technologies.

In 2017 Monica relocated to New Zealand, where she was initially a consultant for VHT. Now, as Chief Medical Officer, she implements hands-on expertise in product development, research, and customer relations.

She is medical advisor for the Breast Cancer New Zealand Foundation and continues her clinical practice at Hutt Hospital in Wellington.

Karin Lindgren
Independent Non-Executive Director
BS, JD

Karin joined the Board in 2020. She brings 35 years' experience in health information technology as a senior technology executive and law firm partner. As one of the earliest healthcare technology lawyers in the United States, Karin has an in-depth knowledge of data governance, data privacy, SaaS, and US healthcare, and has extensive professional networks across the IT landscape.

Her previous roles include General Counsel, Chief Compliance Officer & Chief Privacy Officer at the University HealthSystem Consortium (which covers 90% of US academic medical centers); General Counsel & Chief Privacy Officer at ReedGroup, a data and informatics technology company responsible for absence management solutions at over 40% of Fortune 100 companies; and Senior VP, Legal Affairs, General Counsel, Corporate Secretary, Chief Compliance Officer, Chief Privacy Officer, and Chief Audit Executive at Availity, a revenue-cycle management, electronic data interchange platform, PaaS IT company that operates the largest real-time information network in healthcare, connecting payers and providers in over six billion transactions every year.

Karin was a founding faculty member in the Health Informatics Master's Programs at both Northwestern University (Chicago), and University of Colorado (College of Nursing), and has taught in schools of medicine, law, and business at numerous US universities. She is a board member of multiple private and non-profit organisations.

Karin is Chair of the Risk Committee and is based in Boulder, Colorado, USA.

Craig Hadfield
Chief Financial Officer and Company Secretary
CA (SA)

Craig joined VHT in July 2016 and was appointed Chief Financial Officer and Company Secretary on 1 March 2017, prior to which he worked as an Associate Director at Deloitte. Craig is a Chartered Accountant who holds a Higher Diploma in Accounting, is a member of the South African Institute of Chartered Accountants, and is an affiliate member of Chartered Accountants Australia & New Zealand.

Principal activities
The Group's principal activity during the year was the sale of VolparaEnterprise software, a comprehensive cloud-based breast imaging analytics platform that delivers quality assurance and performance monitoring. With dynamic, role-specific dashboards and wide-ranging benchmarking analytics to help clinics manage their business more efficiently, VolparaEnterprise software is supported by the Company's market-leading clinical functions—VolparaDensity, Volpara®Dose™, Volpara®Pressure™, and Volpara®Positioning—and VolparaLive!™ software, which automatically analyses patient positioning and compression and provides real-time feedback to radiographers. After the purchase of MRS Systems, Inc. ("MRS"), the Group's offerings expanded to include Aspen Breast™, Aspen Lung™, and Volpara®Risk™. Aspen Breast and Aspen Lung are patient tracking and reporting software solutions specifically designed to help customers' staff become more productive in the operation and administration of their practice. VolparaRisk™ helps deliver objective insight that assists radiologists in directing women at high risk of breast cancer to appropriate supplemental screening and testing.

Significant changes in the state of affairs
During the year ended 31 March 2020, the Group raised A$55m in a placement and accelerated non-renounceable entitlement offer. In June 2019, some of the proceeds raised were used to acquire MRS, a Seattle-based software company that specialises in mammography reporting systems and practice management software.

Operating results for the year
Statutory results
Below are some of the key statutory results which have been summarised. The total revenue from contracts with customers and SaaS-only revenue both show how the Group continues to gain traction with the SaaS revenue model. The 59% increase in SaaS-only revenue has been driven mostly by the sale of VolparaEnterprise and more lately the Aspen Breast software from the recently acquired MRS. VolparaEnterprise, together with VolparaDensity, is now in use by almost 10% of the US breast screening market. The Volpara Group's combined market share in the United States, where women who undergo screening have at least one of the Group's products applied on their images and data, is now in excess of 27%. Volpara's net loss after tax increased 74% year on year. This was in line with expectations as we continued to invest mainly in our sales and engineering teams and also incurred a number of one-off costs related to the acquisition and subsequent integration of MRS into the Group.

IFRS	2020 NZ$'000	2019 NZ$'000	Variance NZ$'000	Variance %
SaaS	6,430	4,040	2,390	59%
Capital	3,396	581	2,815	485%
Service maintenance agreements	2,309	379	1,930	509%
Lung capital and subscriptions	467	-	467	100%
Total revenue from contracts with customers	**12,602**	**5,000**	**7,602**	**152%**
Total comprehensive loss for the year, net of tax	**(20,371)**	**(11,741)**	**(8,630)**	**74%**

NON-GAAP	
Revenue from contracts with customers pre-revenue adjustment	16,250
Revenue adjustment [1]	(3,648)
Revenue from contracts with customers [2]	**12,602**

1. Accounting standards require assets and liabilities acquired within a business combination to be measured at fair value. Deferred revenue balances are therefore valued at the cost of fulfilling the service plus a small margin. This differs to the normal basis of recognition of deferred revenue. As a result of this adjustment, deferred revenue previously recorded by MRS that would have flowed to revenue in the current year was reduced. Furthermore, it is important for the users to understand that this is a one-off, non-cash, technical accounting adjustment which will not impact revenue in future periods once fully unwound, and does not, nor has impacted the cash generation of the business. The Directors and management believe this measure provides useful information to users of the financial statements to assist in understanding the Group's financial performance and position. Refer to note 23 in the financial statements for more information.
2. As per Consolidated statement of profit or loss and other comprehensive income.

IFRS NET LOSS FOR THE YEAR BEFORE TAX	**(22,308)**
Non-cash and non-operating items	
Business acquisition- and merger-related expenses	1,004
Share-based payments expense	1,382
Depreciation and amortisation	2,240
(Gains)/losses on foreign exchange transactions	(1,087)
Impairment of right-of-use asset	106
Revenue adjustment	3,648
Bad debts written off	44
Non-GAAP earnings before tax, depreciation, amortisation, impairment, one-off items, and non-cash items	**(14,971)**

SaaS and non-GAAP Metrics
Volpara ended the year with Annual Recurring Revenue (ARR) of ~NZ$18M, an increase of 172% year on year over FY19 and Annualised Revenue of NZ$18.3M (if MRS had been part of Volpara for the full financial year) or NZ$16.3M of Revenue from contracts with customers before the revenue adjustment.

It is important to distinguish these SaaS and non-GAAP financial metrics from some of the statutory results seen on the face and in the notes to the financial statements. Deferred revenue per note 4 in the financial statements shows NZ$10.8M vs. NZ$2.2M in FY19. Although the Group has ARR of ~NZ$18M, the deferred revenue represents only that portion of the ARR that has not already been recognised as revenue but which has already been invoiced; i.e., there are amounts for which the Group has not invoiced as the Group has not yet delivered on the performance obligations, and these amounts will not be reflected in either the revenue or deferred revenue numbers.

Non-GAAP measures have been included as we believe they provide useful information for users of the financial statements that assist in understanding Volpara's financial performance. The non-GAAP financial information does not have a standardised meaning prescribed by IFRS and therefore may not be comparable to similar financial information presented by other entities. The non-GAAP financial information has not been subject to audit or review.

Matters subsequent to the end of the financial year
Subsequent to the end of the financial year, the Company successfully raised A$28M through the issue of ~21.5 million shares from a placement to existing and new institutional investors, and a further A$9M from an SPP offer to existing shareholders through the issue of ~6.9 million shares.

Likely developments and expected results of operations
Volpara continued to increase subscription revenues and market reach in FY20, increasing the number of customers using VolparaEnterprise to almost 200, ARR increasing by 172% year on year, making our first combined sales of Aspen Breast and VolparaEnterprise and helping over 27% of women in the US/Canada receive the right treatment at the right time and therefore helping to save families from cancer.

FY21 has started off in unusual fashion with COVID-19 wreaking havoc across the world and impacting most businesses. In early FY21 our Board decided to raise additional capital as mentioned above in order to bolster the Company's already strong balance sheet and provide the funds to make strategic acquisitions as and when the opportunities arise. However, this will not divert attention from continuing to grow revenues by selling integrated, end-to-end cancer screening software platforms and expanding market share in the United States; while continuing to innovate and provide thought leadership in areas such as breast cancer risk assessment. Aspen Lung has given the Group a foothold in the lung market, and with COVID-19 we have the expertise to improve our product offering to take opportunities as they arise.

Dividends paid or recommended
No dividends have been paid or declared for payment during the financial year.

Environmental issues
The Group is not affected by any significant environmental regulation in respect of its operations.

Diversity policy
The Company has adopted a Diversity Policy, which includes the requirement for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the Company's progress in achieving them. However, due to the stage of development and the relatively small number of employees (compared to others listed on the ASX), the Board did not set objectives for diversity for the past financial year. As the Company moves closer to achieving its commercialisation goals and increases its number of employees, it will reexamine its approach in this regard.

There were five men and two woman on the Board at the end of the 2020 financial year with one Director having been replaced during the 2020 financial year.

As at the date of this Annual Report, the proportion of women in the Group as a percentage of its total employees was 71 out of 174, or 40.8%. The proportion of women as a total of the senior executive positions (not including the CEO) is 2 out of 7, or 29%. For this purpose, senior executives are members of management who report directly to the CEO.

Indemnifying officers
During or since the end of the financial year, the Company has given an indemnity, entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows. The Company has entered into deeds of indemnity with each of the Directors in accordance with the constitution, under which the Company indemnifies each Director against:

i. costs incurred by the Director in any proceeding that relates to liability for any act or omission made by the Director as an officer of the Company and in which judgment is given in the Director's favour or in which the Director is acquitted or which is discontinued;
ii. any liability to any third party for any act or omission by the Director as an officer of the Company; and
iii. any costs incurred by the Director in defending or settling any claim or proceeding to any costs or liability of the nature referred to in (i) and (ii).

The Company has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of Directors of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

DIRECTORS' REPORT

Unissued shares
As at 31 March 2020, there were 14.066 million unissued ordinary shares under employee share options. Refer to the remuneration report and note 13 of the financial report for further details of the employee options outstanding.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

Share options
The following ordinary shares of Volpara Health Technologies Ltd were issued during the year ended 31 March 2020 on the exercise of options granted under the Legacy Employee Share Option Plan (LESOP).

Date options exercised	Average Issue Price of Shares NZ$	Number of Shares Issued
1/4/2019	0.157	450,000
28/6/2019	0.312	180,000
28/6/2019	0.467	100,000
9/8/2019	0.0003	748,800
2/12/2019	0.157	191,487
3/3/2020	0.467	100,000
		1,770,287

The following ordinary shares of Volpara Health Technologies Ltd were issued during the year ended 31 March 2020 on the exercise of options granted under the New Employee Share Option Plan (NESOP).

Date options exercised	Average Issue Price of Shares A$	Number of Shares Issued
28/6/2019	0.500	222,000
28/6/2019	0.600	24,000
23/8/2019	0.500	324,000
2/12/2019	0.500	66,000
3/3/2020	0.500	20,000
3/3/2020	0.600	40,000
		696,000

Meetings of Directors
Attendances to meetings by each Director during the year were as follows:

	Board of Directors		Audit Committee [1]		Remuneration and Nominations Committee	
	No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. eligible to attend	No. attended
Paul Reid	10	10	5	5	5	5
Dr Ralph Highnam	10	9				
Professor Sir John Mike Brady	7	4				
Roger Allen AM	10	7	5	3	5	3
John Pavlidis	10	9				
John Diddams	10	10	5	5	5	5
Dr Monica Saini	10	9				
Karin Lindgren	3	3				

1. Previously called the Audit and Risk Committee. A separate Risk Committee was formed in March 2020.

Non-audit services
During the year, there were non-audit services provided by PwC in the form of penetration testing, assessing the effectiveness of the Group's crisis response plan, and performing a security incident review.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out below.

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Volpara Health Technologies Limited for the year ended 31 March 2020, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Volpara Health Technologies Limited and the entities it controlled during the period.

Kevin Brown
Partner
PricewaterhouseCoopers

Wellington
29 June 2020

Remuneration Report (Unaudited)

The Directors are pleased to present your Company's 2020 remuneration report, which sets out remuneration information for Volpara Health Technologies Limited's Non-Executive Directors, Executive Directors, and other key management personnel.

This remuneration report outlines the Director and Executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Companies Act 1993 and its regulations. For the purposes of this report, key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether Executive or otherwise) of the Parent company.

For the purposes of this report, the term "Executive" encompasses the Chief Executive and other senior Executives of the Parent and the Group.

Directors and KMP disclosed in this report

Name	Position
NON-EXECUTIVE AND EXECUTIVE DIRECTORS	
Paul Reid	Chair, Independent Non-Executive Director
Dr Ralph Highnam	Chief Executive Officer, Executive Director
Professor Sir John Michael (Mike) Brady *(retired 31 January 2020)*	Non-Executive Director
Roger Allen AM	Non-Executive Director
John Pavlidis	Independent, Non-Executive Director
John Diddams	Independent, Non-Executive Director
Dr Monica Saini	Chief Medical Officer, Executive Director
Karin Lindgren *(appointed 31 January 2020)*	Independent, Non-Executive Director
OTHER KMP	
Mark Koeniguer	Chief Commercial Officer
Craig Hadfield	Chief Financial Officer & Company Secretary

REMUNERATION PHILOSOPHY

The performance of Volpara is dependent upon the quality of its Directors and senior Executives. Given the developing nature of Volpara, the remuneration policy must reflect the need to attract, motivate, and retain highly skilled Directors and Executives.

To this end, the Group embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high-quality Executives;
- Provide an equity incentive for senior Executives that will highly motivate them and align their motivation with creation of shareholder value; and
- Ensure that rewards are referenced to relevant employment market conditions.

REMUNERATION STRUCTURE

The Remuneration Committee is responsible for making recommendations to the Board on the remuneration arrangements for each of the Non-Executive Directors, Executive Directors, Chief Executive Officer, and senior Executives.

The Remuneration Committee periodically assesses the appropriateness of the nature and amount of Executive remuneration by reference to relevant employment market conditions. Where appropriate the Remuneration Committee may engage external consultants to provide independent advice.

As of the date of this report the Remuneration Committee comprises the following Non-Executive Directors:
— Paul Reid (Chair)
— John Diddams
— Roger Allen

In accordance with best practice corporate governance, the structure of Non-Executive Director and senior Executive remuneration is separate and distinct.

NON-EXECUTIVE DIRECTOR REMUNERATION POLICY

Objective
The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, while incurring a cost that is acceptable to shareholders.

Structure
It has been resolved that the total aggregate amount to be paid to the Directors (excluding any Executive Director) is NZ$500,000 per annum. Under the ASX Listing Rules, any increase to that aggregate annual amount will need to be approved by Shareholders. The Company does not utilise that full amount based on its current Board of Directors.

In addition to their annual remuneration, the Directors may also be reimbursed for expenses properly incurred by the Directors in connection with the affairs of the Company, including travel and other expenses. There are no retirement benefit schemes for Non-Executive Directors. Non-Executive Directors are encouraged to hold shares in the Company. The Non-Executive Directors also participate in the employee share option plans of the Company, which are not linked to performance.

The remuneration of Non-Executive Directors for the year ended 31 March 2020 is detailed later in this report.

EXECUTIVE REMUNERATION POLICY AND FRAMEWORK

Objective
The Company aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company. The objective of the remuneration policy is to:
— reward Executives for company and individual performance;
— align the interests of the Executives with those of the shareholders;
— ensure that total remuneration is competitive by market standards; and
— provide an incentive to achieve or exceed operational targets.

Structure
In determining the level and makeup of Executive remuneration, the Board has reviewed reports detailing market levels of remuneration for comparable roles.

Remuneration consists of fixed and variable elements, with the variable component broken down further into short- and long-term incentives.

BASE SALARY AND BENEFITS

Objective
The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the Board; the process consists of a review of company-wide and individual performance, relevant comparative remuneration from external sources, and relevant comparison between roles within the Company. As noted above, the Board draws on relevant industry remuneration data.

Structure
Executives receive their fixed remuneration as a salary payment.

SHORT-TERM INCENTIVES (STI)

Objective
The objective of the STI is to link the achievement of the Company's operational targets with the remuneration received by the Executives charged with meeting those targets.

Structure
Actual STI payments granted to Executives depend on the extent to which specific targets set at the beginning of the financial year are met. The targets consist of a number of key performance indicators (KPIs) covering both financial and non-financial, corporate, and individual measures of performance. Typically included are measures such as sales growth, process improvement, product development, and overall contribution.

The aggregate pool of potential STI payments has been approved by the Board.

Long-term incentives (LTI)

Objective
The objective of the LTI plan is to reward Executives in a manner which aligns this element of remuneration with the creation of shareholder wealth. They are not, however, linked to performance of the individual.

Structure
LTI grants to Executives are delivered in the form of options.

GENERAL EMPLOYEE SHARE OPTION PLANS (ESOP)

Volpara currently has two ESOPs, a Legacy ESOP and a New ESOP.

Holders of ESOPs

Legacy ESOPs	New ESOPs
John Pavlidis	Dr Ralph Highnam
Mark Koeniguer	Craig Hadfield
	Roger Allen
	Mike Brady
	Mark Koeniguer
	Paul Reid
	Dr Monica Saini
	Karin Lindgren
	John Diddams
	John Pavlidis

Under normal conditions, for the New ESOPs, 40 percent of the options are exercisable on the second anniversary of the grant date. The remaining 60 percent of the options are exercisable in three tranches every 12 months thereafter. The Legacy ESOPs vest on a straight-line basis over a period of time, ranging from monthly over a few years to yearly over a few years. All Legacy ESOPs are now fully vested.

Should a Director (Executive or Non-Executive) or senior Executive cease to be employed by Volpara, then all options which have not yet vested will automatically lapse, unless the Board determines otherwise. Any options that have vested with that person must be exercised within 60 days of ceasing employment or those vested options will also lapse, unless the Board determines otherwise.

The exercise price of the options is determined relative to the prevailing market price of Volpara's shares as at the date of the issue. Options are usually issued at the higher of the 30-day VWAP (volume-weighted average price) and share price achieved at the last capital-raising event.

Historically, the options have had an exercise period of between five and 10 years from the date of issue; however, all issues of options under the New ESOP since March 2016 have an exercise period of seven years, and at any time during that period the Executive can decide to exercise any vested options.

EMPLOYMENT CONTRACTS

CEO

Dr Ralph Highnam is employed by the Company in the role of both Chief Executive Officer and Executive Director. Under the terms of his contract:

- Dr Highnam is entitled to a base salary and benefits plus short-term and long-term incentives.
- Dr Highnam does not receive any additional payments for performance of his role as an Executive Director on the Board.
- Either the Company or Dr Highnam may terminate the employment by providing three months' written notice.
- Dr Highnam's remuneration and performance may be reviewed at the Company's discretion.
- The Company may terminate Dr Highnam's employment immediately for serious misconduct. Dr Highnam may under certain circumstances be subject to a post-employment restraint for a period of up to three months.
- Upon termination, any options that are vested may be exercised by Dr Highnam within a 60-day period. Any options that are unvested, or any vested options not exercised within 60 days of termination of the employment contract, will be forfeited, unless the Board determines otherwise.

KMP

All Executives have rolling contracts.

The Company may terminate the Executive's employment agreement by providing written notice or providing payment in lieu of the notice period (based on the fixed component of the Executive's remuneration). The notice period is determined by the employment agreement for each Executive and can vary from 30 to 90 days. On termination or notice by the Company, any LTI options that have vested or that will vest during the notice period will be released, subject to the standard exercise criteria, unless the Board determines otherwise. LTI options that have not yet vested will be forfeited. The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, the Executive is entitled only to that portion of remuneration that is fixed, and only up to the date of termination. On termination with cause, any unvested options will immediately be forfeited, unless the Board determines otherwise.

PERFORMANCE OF VOLPARA HEALTH TECHNOLOGIES LIMITED

Relationship between remuneration and Volpara Health Technologies Limited's performance.
The following table shows key performance indicators for the Group for this year and the prior year.

Consolidated	2020	2019	$ Variance	% Variance
Sales revenue (NZ$'000)	12,602	5,000	7,602	152%
Operating expenses (NZ$'000)	(36,044)	(17,129)	(18,915)	110%
Net loss after tax for the year (NZ$'000)	(20,371)	(11,741)	(8,630)	74%
Loss per share (NZ$)	(0.10)	(0.07)	(0.03)	-45%
Share price at financial year end (A$)	1.07	1.40	(0.33)	-24%

DETAILS OF REMUNERATION

2020			Short-term employee benefits	Post-employment benefits	Share-based payments [3]	
Name	Cash salary and fees	Cash bonus	Non-monetary benefits	Super-annuation	Options	Total
NON-EXECUTIVE DIRECTORS						
Paul Reid	92,500	-	-	-	65,345	157,845
Professor Sir John Mike Brady [1]	41,667	-	-	-	8,320	49,987
Roger Allen AM	60,833	-	-	-	8,320	69,153
John Pavlidis	61,372	-	-	-	70,618	131,990
John Diddams	80,000	-	-	-	70,618	150,618
Karin Lindgren [2]	14,162	-	-	-	-	14,162
Sub total	**350,534**	**-**	**-**	**-**	**223,221**	**573,755**
EXECUTIVE DIRECTORS						
Dr Ralph Highnam	323,713	30,000	24,827	-	16,640	395,180
Dr Monica Saini	155,407	-	-	1,127	91,113	247,647
Sub total	**479,120**	**30,000**	**24,827**	**1,127**	**107,753**	**642,827**
OTHER KMP						
Mark Koeniguer	442,425	99,913	41,956	18,593	104,425	707,312
Craig Hadfield	227,443	54,835	-	7,903	30,329	320,510
Sub total	**669,868**	**154,748**	**41,956**	**26,496**	**134,754**	**1,027,822**
Total KMP	**1,499,522**	**184,748**	**66,783**	**27,623**	**465,728**	**2,244,404**

1. Mike resigned from the Board 31 January 2020.
2. Karin was appointed on 31 January 2020.
3. These share-based payments are the accounting, non-cash cost of the share options granted based on NZ IFRS 2 - Share-based Payment. No cash payments are made in relation to these.

2019			Short-term employee benefits	Post-employment benefits	Share-based payments [3]	
Name	Cash salary and fees	Cash bonus	Non-monetary benefits	Super-annuation	Options	Total
NON-EXECUTIVE DIRECTORS						
Paul Reid	62,500	-	-	-	66,077	128,577
Professor Sir John Mike Brady	50,000	-	-	-	14,978	64,978
Roger Allen AM	87,500	-	-	-	14,978	102,478
John Pavlidis	58,560	-	-	-	-	58,560
John Diddams	80,000	-	-	-	-	80,000
Lyn Swinburne AM [4]	20,591	-	-	-	8,117	28,709
Sub total	**359,152**	**-**	**-**	**-**	**104,150**	**463,302**
EXECUTIVE DIRECTORS						
Dr Ralph Highnam	299,449	71,158	21,831	-	29,955	422,394
Dr Monica Saini [5]	160,154	-	-	-	54,767	214,921
Sub total	**459,603**	**71,158**	**21,831**	**-**	**84,723**	**637,315**
OTHER KMP						
Mark Koeniguer	381,016	57,515	40,040	24,333	42,541	545,446
Craig Hadfield	194,259	6,000	-	6,128	13,125	219,512
Sub total	**575,275**	**63,515**	**40,040**	**30,461**	**55,667**	**764,958**
Total KMP	**1,394,030**	**134,673**	**61,872**	**30,461**	**244,539**	**1,865,574**

4. Lyn did not stand for re-election on 23 August 2018.
5. Monica was appointed on 23 August 2018.

The relative proportions of remuneration that are linked to performance are as follows:

	STI	
Name	2020 %	2019 %
EXECUTIVE DIRECTOR		
Dr Ralph Highnam	8	17
Dr Monica Saini	-	-
OTHER KMP		
Mark Koeniguer	14	11
Craig Hadfield	17	3

SHARE-BASED COMPENSATION

Remuneration options: granted and vested during the year
During the financial year, options were granted as equity compensation benefits to certain key management personnel. The options were issued for $nil consideration. Each option entitles the holder to subscribe for one fully paid ordinary share in the Company at the specified exercise price. 40 percent of the options may be exercised after two years. The remaining 60 percent may be exercised in three equal tranches over the following three years.

Historically options expire after five to 10 years; however, options issued since March 2016 expire after seven years.

Options are calculated at fair value using the Black-Scholes option pricing model, which takes account of factors including the option exercise price, the current level and volatility of the underlying share price, the risk-free interest rate, expected dividends on the underlying share, current market price of the underlying share and the expected life of the option.

For further details relating to the options, refer to note 13 in the financial statements.

Options granted to Non-Executive Directors, Executive Directors, and key management personnel during the year are detailed in the below table:

	Number Granted	Fair value per option grant date NZ$	Exercise price per share A$	Final vesting date	First exercise date	Last exercise date	Value of options granted during the year NZ$
NON-EXECUTIVE DIRECTORS							
John Pavlidis	450,000	0.72	1.51	20/8/2024	20/8/2021	20/8/2026	322,999
John Diddams	450,000	0.72	1.51	20/8/2024	20/8/2021	20/8/2026	322,999
EXECUTIVE DIRECTOR							
Dr Ralph Highnam	-	-	-	-	-	-	-
Dr Monica Saini	-	-	-	-	-	-	-
OTHER KMP							
Mark Koeniguer	360,000	0.91	1.70	1/7/2024	1/7/2021	1/7/2026	326,333
Craig Hadfield	100,000	0.91	1.70	1/7/2024	1/7/2021	1/7/2026	90,648

REMUNERATION REPORT

EQUITY INSTRUMENT DISCLOSURES RELATING TO KMP

OPTIONS HOLDINGS

The numbers of options over ordinary shares in the Company held during the financial year by each Director of Volpara Health Technologies Limited and other key management personnel of the Group, including their personally related parties, are set out below.

2020 Name	Balance at start of the year	Granted as compensation	Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
DIRECTORS							
Paul Reid	450,000	-	-	-	450,000	180,000	270,000
Dr Ralph Highnam	600,000	-	-	-	600,000	360,000	240,000
Professor Sir John Mike Brady	300,000	-	-	-	300,000	180,000	120,000
Roger Allen AM	300,000	-	-	-	300,000	180,000	120,000
John Pavlidis	451,872	450,000	200,000	-	701,872	251,872	450,000
John Diddams	-	450,000	-	-	450,000	-	450,000
Dr Monica Saini	450,000	-	-	-	450,000	-	450,000
Karin Lindgren	-	-	-	-	-	-	-
Total	**2,551,872**	**900,000**	**200,000**	**-**	**3,251,872**	**1,151,872**	**2,100,000**
OTHER KMP							
Mark Koeniguer	1,450,000	360,000	-	-	1,810,000	1,370,000	440,000
Craig Hadfield	200,000	100,000	100,000	-	200,000	20,000	180,000
Total	**1,650,000**	**460,000**	**100,000**	**-**	**2,010,000**	**1,390,000**	**620,000**
2019							
DIRECTORS							
Paul Reid	450,000	-	-	-	450,000	-	450,000
Dr Ralph Highnam	600,000	-	-	-	600,000	240,000	360,000
Professor Sir John Mike Brady	300,000	-	-	-	300,000	120,000	180,000
Roger Allen AM	300,000	-	-	-	300,000	120,000	180,000
John Pavlidis	451,872	-	-	-	451,872	451,872	-
John Diddams	-	-	-	-	-	-	-
Lyn Swinburne AM	450,000	-	-	-	450,000	450,000	-
Dr Monica Saini	-	450,000	-	-	450,000	-	450,000
Total	**2,551,872**	**450,000**	**-**	**-**	**3,001,872**	**1,381,872**	**1,620,000**
OTHER KMP							
Mark Koeniguer	1,400,000	50,000	-	-	1,450,000	1,350,000	100,000
Craig Hadfield	200,000	-	-	-	200,000	40,000	160,000
Total	**1,600,000**	**50,000**	**-**	**-**	**1,650,000**	**1,390,000**	**260,000**

SHAREHOLDINGS

The numbers of shares in the Company held during the financial year by each Director of Volpara Health Technologies Ltd are set out below:

2020 Name	Balance at start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at end of the year
Paul Reid	-	-	-	-
Dr Ralph Highnam	18,190,485	-	(2,000,000)	16,190,485
Professor Sir John Mike Brady	7,919,211	-	(800,000)	7,119,211
Roger Allen AM	20,467,848	-	(2,000,000)	18,467,848
John Pavlidis	-	200,000	-	200,000
John Diddams	1,803,118	-	(283,900)	1,519,218
Dr Monica Saini	-	-	-	-
Karin Lindgren	-	-	-	-

2019				
Paul Reid	-	-	-	-
Dr Ralph Highnam	18,180,634	-	9,851	18,190,485
Professor Sir John Mike Brady	7,919,211	-	-	7,919,211
Roger Allen AM	20,467,848	-	-	20,467,848
John Pavlidis	-	-	-	-
John Diddams	1,783,416	-	19,702	1,803,118
Lyn Swinburne AM [1]	42,000	-	19,702	61,702
Dr Monica Saini [2]	-	-	-	-

1. Lyn did not stand for re-election on 23 August 2018.

END OF REMUNERATION REPORT

This Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

Ralph Highnam, Executive Director

Independent auditor's report

To the Shareholders of Volpara Health Technologies Limited

We have audited the financial statements which comprise:

- the consolidated statement of financial position as at 31 March 2020;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies.

Our opinion

In our opinion, the accompanying financial statements of Volpara Health Technologies Limited (the Company), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 31 March 2020, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other services for the Group in the areas of system penetration testing, assessing the effectiveness of the Group's crisis response plan, performing a security incident review, and a limited assurance review of the Group's Callaghan Grant return. The provision of these other services has not impaired our independence as auditor of the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matter	How our audit addressed the key audit matter
Appropriateness of revenue recognition As disclosed in note 4 to the financial statements, the Group recognises revenue from goods and services provided under three main product categories: 1. Capital sales contracts which involve the outright sale of software and associated items 2. Software Maintenance Agreements (SMAs) to support previous Capital sales 3. Software as a Service (SaaS) contracts which involve the sale of software on a subscription basis and where applicable, cloud-based support (and associated items). All of the above revenue streams have experienced organic growth over the year. The MRS acquisition has also driven further growth in Capital sales and SMA revenue. Revenue recognition is a key audit matter as it is an area that requires significant audit attention. Determining the allocation of the transaction price for contracts with multiple performance obligations requires judgement. This determination impacts upon the amount of revenue recognised within a period. The key judgements made by management in determining that revenue has been recognised appropriately include: - whether contracts contain elements which should be separated for revenue recognition purposes - determining and applying the appropriate revenue recognition policy for the separable elements of the contract, including - allocating total revenue on a contract between the identified performance obligations, and - determining the period over which revenue should be recognised and whether the conditions for recognition have been met.	We have understood the contractual terms within Volpara's contracts with customers. While a level of standardisation exists, earlier customer contracts include bespoke and tailored terms and conditions. As a result, our audit approach is largely substantive in nature. In responding to the key judgements involved in determining the recognition of revenue, we have: - obtained an understanding of the systems, processes and controls for recognising revenue for all material revenue streams - understood and challenged the judgements made by Volpara in identifying performance obligations for groupings of contracts with similar contractual terms - assessed Volpara's allocation of the consideration receivable to each identified performance obligation, and - considered for each contract grouping the appropriate timing of revenue recognition (point in time, or over time). In addition, for a sample of revenue contracts, with specific focus on high value contracts and contract types with multiple performance obligations, we obtained an understanding of the contractual terms and compared the terms with the revenue recorded by Volpara We also obtained proof of performance of the obligation. We undertook these procedures to assess whether revenue was supported by contract agreements, was recorded within the correct period, and was recognised at the appropriate amount. Based on the above procedures there were no matters to report.

Key audit matter	How our audit addressed the key audit matter
Valuation of intangible assets acquired as part of the MRS Systems, Inc acquisition As disclosed in note 23 to the financial statements, Volpara acquired 100% of MRS Systems, Inc (MRS) on 13 June 2019 for NZ$21.34 million (US$14.06 million). Volpara has identified, and measured at fair value, the assets and liabilities acquired. The consideration paid for the acquisition of MRS has then been allocated to these identifiable assets and liabilities, with any excess consideration being allocated to goodwill. We consider the valuation of the identified assets to be a key audit matter. This is because of the significance of the transaction to the financial statements and the judgements applied by Volpara in determining the assets' fair values. Volpara used an independent valuation expert to assist them to identify and determine the fair value of the MRS assets acquired, including: - $6.03 million of developed technology, valued using the replacement cost method - $3.15 million of trademarks and tradenames, valued using the Relief from Royalty method - $7.65 million of customer relationships, valued using the multi-period excess earnings method - $7.50 million of goodwill. The judgements of most significance to the valuation of the assets include the: - contributory asset charges (CACs). CACs reflect the required return on all contributory assets used to generate the cash flows for the assets being valued. - estimated labour effort and costs associated with developing the MRS technology assets - royalty rate applied to value the trademarks and tradenames. This has been determined by Volpara's independent valuer based on rates	To obtain an understanding of the MRS business combination we read the sale and purchase agreement and minutes of Board of Director meetings relating to the acquisition. Volpara used an independent valuer to assist them with the purchase price allocation exercise. We used our own valuation expert to assess the work of Volpara's expert and to challenge the reasonableness of the fair value measurements of the material intangible assets recognised. Together with our valuation expert we: - assessed the methodology applied by Volpara to fair value the assets acquired. This included comparing the valuation approaches adopted for each of the material intangible assets recognised against our knowledge and experience of commonly used and recognised approaches - assessed the reasonableness of the key assumptions including those for contributory asset charges and royalty rates. This included assessing the approach used by Volpara's expert to derive the assumptions by applying our industry knowledge and our experience of market practice. Information provided by Volpara to their independent valuation expert was a key input to the valuations. The information of most significance related to customer churn rates and cost estimates associated with technology development. To assess the reliability of the information provided we: - compared the customer churn rate provided to the Company's independent

Key audit matter	How our audit addressed the key audit matter
observed within the market and their professional experience - assumed average life of customers based on customer churn rates. This determines the forecast period for cash flows used in the valuation of the customer relationship asset.	valuer to the independent financial due diligence report - inquired of MRS personnel as to the basis for assessment and determination of the estimated labour effort for the development of MRS's patented technology assets - assessed the reasonableness of the average cost of labour development to underlying records. Based on the above procedures there were no matters to report.

Our audit approach

Overview

An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement.

Overall Group materiality: $360,000, which represents approximately 1% of total expenses.

Given the losses incurred to date and the current focus on revenue growth, in our judgement, total expenses provides a more stable basis for calculating materiality.

We have determined that there are two key audit matters:

- Appropriateness of revenue recognition, and
- Valuation of intangible assets acquired as part of the MRS Systems, Inc acquisition.

Materiality

The scope of our audit was influenced by our application of materiality.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Audit scope

We designed our audit by assessing the risks of material misstatement in the financial statements and our application of materiality. As in all of our audits, we also addressed the risk of management

override of internal controls including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We performed full scope audits of the financially significant subsidiaries of the Group. This provided us with significant coverage of the Group's operations. In respect to components not included within the full scope audits, we undertook risk assessment procedures.

The full scope audits, and risk assessment procedures were undertaken by PwC New Zealand.

Information other than the financial statements and auditor's report

The Directors are responsible for the annual report. Our opinion on the financial statements does not cover the other information included in the annual report and we do not and will not express any form of assurance conclusion on the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1/

This description forms part of our auditor's report.

pwc

Who we report to

This report is made solely to the Company's Shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Kevin Brown.

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants
29 June 2020

Wellington

Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

Financial Report

Consolidated statement of profit or loss and other comprehensive income

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 NZ$'000	2019 NZ$'000
REVENUE			
Revenue from contracts with customers	4	12,602	5,000
Cost of revenue	7	(1,772)	(872)
Gross profit		**10,830**	**4,128**
Government grants and other operating income	6	1,122	724
Sales and marketing	7	(13,248)	(8,433)
Product research, development and engineering	7	(10,905)	(5,647)
General and administration	7	(11,891)	(3,049)
Foreign exchange gains		1,087	118
Net loss for the year before interest and tax		**(23,005)**	**(12,159)**
Finance income		771	465
Finance expense		(74)	(59)
Net loss for the year before tax		**(22,308)**	**(11,753)**
Income tax benefit	8	1,937	12
Net loss for the year after tax		**(20,371)**	**(11,741)**
OTHER COMPREHENSIVE INCOME			
Net loss for the year		(20,371)	(11,741)
Other comprehensive (expense)/income			
Items that may be reclassified subsequently to profit or loss (net of tax):			
Exchange differences on translation of foreign operations		1,498	58
Other comprehensive (expense)/income for the year (net of tax)		**1,498**	**58**
Total comprehensive loss for the year, net of tax		**(18,873)**	**(11,683)**
Basic and diluted loss per share (NZ$)	12	(0.10)	(0.07)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

AS AT 31 MARCH 2020

	Notes	2020 NZ$'000	2019 NZ$'000
ASSETS			
Non-current assets			
Fixed assets	21	1,029	337
Intangible assets	22	26,233	355
Trade receivables	10	-	7
Right-of-use assets	14	3,519	217
Contract costs	5	1,593	934
Total non-current assets		**32,374**	**1,850**
Current assets			
Cash and cash equivalents	9	3,673	4,112
Cash on deposit	9	27,705	10,271
Trade receivables	10	7,103	1,919
Contract assets	10	440	157
Prepayments and other receivables		1,186	381
Inventory		54	32
Contract costs	5	389	249
Total current assets		**40,550**	**17,121**
Total assets		**72,924**	**18,971**
EQUITY AND LIABILITIES			
Equity			
Share capital	12	140,078	84,129
Share option reserve	13	3,326	2,374
Foreign currency translation reserve		1,385	(113)
Accumulated losses		(92,569)	(72,208)
Total equity		**52,220**	**14,182**
Non-current liabilities			
Deferred revenue	4	-	19
Lease liabilities	14	3,159	127
Deferred tax liabilities	8	1,641	-
Total non-current liabilities		**4,800**	**146**
Current liabilities			
Trade and other payables	11	4,530	2,318
Deferred revenue	4	10,769	2,165
Lease liabilities	14	605	125
Tax payable		-	35
Total current liabilities		**15,904**	**4,643**
Total liabilities		**20,704**	**4,789**
Total equity and liabilities		**72,924**	**18,971**

For and on behalf of the Board, who authorised the issue of these consolidated financial statements on 29 June 2020.

Ralph Highnam

John Diddams

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Share capital NZ$'000	Share option reserve NZ$'000	Foreign currency translation reserve NZ$'000	Accumulated losses NZ$'000	Total equity NZ$'000
Balance at 1 April 2019		**84,129**	**2,374**	**(113)**	**(72,208)**	**14,182**
Net loss for the year after tax		-	-	-	(20,371)	(20,371)
Other comprehensive loss		-	-	1,498	-	1,498
Total comprehensive loss for the year, net of tax		**-**	**-**	**1,498**	**(20,371)**	**(18,873)**
Transactions with owners:						
Issue of share capital from placement and accelerated non-renounceable entitlement offer (ANREO)	12	58,032	-	-	-	58,032
Costs of placement and ANREO	12	(3,118)	-	-	-	(3,118)
Issue of share capital from exercise of share options	13	1,035	(419)	-	-	616
Forfeiture of share options	13	-	(19)	-	10	(9)
Recognition of share-based payments	13	-	1,390	-	-	1,390
Balance at 31 March 2020		**140,078**	**3,326**	**1,385**	**(92,569)**	**52,220**
Balance at 1 April 2018		**63,192**	**2,066**	**(171)**	**(60,592)**	**4,495**
Net loss for the year after tax		-	-	-	(11,741)	(11,741)
Other comprehensive income		-	-	58	-	58
Total comprehensive loss for the year, net of tax		**-**	**-**	**58**	**(11,741)**	**(11,683)**
Transactions with owners:						
Issue of share capital from placement and share purchase plan		21,488	-	-	-	21,488
Costs of placement and share purchase plan capital raise		(980)	-	-	-	(980)
Issue of share capital from exercise of share options	13	429	(156)	-	-	273
Forfeiture of share options	13	-	(125)	-	125	-
Recognition of share-based payments	13	-	589	-	-	589
Balance at 31 March 2019		**84,129**	**2,374**	**(113)**	**(72,208)**	**14,182**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 NZ$'000	2019 NZ$'000
OPERATING ACTIVITIES			
Receipts from customers		16,339	5,567
Payments to suppliers and employees		(33,550)	(17,218)
Other income received		977	667
Net interest received		487	328
Net taxes (paid)/received		(146)	29
Payment of low value asset leases		(65)	(15)
Net cash utilised in operating activities	9	**(15,958)**	**(10,642)**
INVESTING ACTIVITIES			
Purchases of property and equipment		(484)	(393)
Payments for intangible assets		(525)	(301)
Acquisition of subsidiary net of cash acquired		(21,707)	-
Acquisition related costs		(680)	-
Payments into term deposits		(32,820)	(27,251)
Receipts from term deposits		16,221	18,482
Net cash utilised in investing activities		**(39,995)**	**(9,463)**
FINANCING ACTIVITIES			
Proceeds from issue of share capital from placement and rights issue		58,032	21,488
Transaction costs of raising capital		(3,122)	(980)
Proceeds from exercise of share options		616	273
Payment of principal portion of the lease liabilities		(290)	(87)
Net cash provided by financing activities		**55,236**	**20,694**
Net (decrease)/increase in cash and cash equivalents		**(717)**	**589**
Net foreign exchange difference		278	181
Cash and cash equivalents as at 1 April		4,112	3,342
Cash and cash equivalents at the end of the period	9	**3,673**	**4,112**

Cash and cash equivalents does not include cash on deposits totalling NZ$27.7M (2019: NZ$10.3M). Refer to note 9 for further details.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

1. CORPORATE INFORMATION

The consolidated financial statements of Volpara Health Technologies Limited (the Company or Volpara) and its subsidiaries (collectively, the Group) for the year ended 31 March 2020 were authorised for issue in accordance with a resolution of the Directors on 29 June 2020. The Directors have the power to amend and reissue the financial statements.

Volpara (the Company and the ultimate parent) is a limited liability company incorporated and domiciled in New Zealand and whose shares are publicly traded. Its principal place of business and registered office is Level 14, 40 Mercer Street, Wellington 6011, New Zealand.

Volpara is designated as a for-profit company incorporated under the Companies Act 1993 (NZCN: 2206998) and is listed on the Australian Securities Exchange. The Company is also registered in Australia (ARBN: 609 946 867). The Company's principal sales and services are in the medical device and practice management software industry. Information on the Group's structure and other related party relationships of the Group is provided in note 24.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation
The consolidated financial statements for the year ended 31 March 2020 have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with International Financial Reporting Standards ("IFRS"), New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS"), and other applicable Financial Reporting Standards as appropriate for for-profit entities.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that have been measured at fair value.

The consolidated financial statements are presented in New Zealand dollars, which is the Parent's functional currency and the presentational currency of the Group. All values are rounded to the nearest thousand ($'000) except when otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period.

2.2 Basis of consolidation
The Group's financial statements consolidate the financial statements of Volpara Health Technologies Limited and its subsidiaries. A subsidiary is a controlled entity over which the Group has power, is exposed, or has rights, to variable returns from its involvement with the entity, and has the ability to use its power to affect its returns.

2.3 New and amended standards and interpretations
There are no new standards or interpretations material to the Group to be applied during the year.

2.4 Significant accounting policies
Significant accounting policies, accounting estimates and judgments that summarises the measurement basis used and are relevant to the understanding of the financial statements are provided throughout the accompanying notes:

Note 13: Valuation of share-based payments
Note 22: Intangible assets
Note 23: Acquisition of MRS Systems, Inc

a) Current versus non-current classification
The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:
- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

b) Foreign currencies
For the purposes of presenting the Group financial statements, the assets and liabilities of the Group's foreign operations are expressed in New Zealand Dollars using exchange rates prevailing at the end of the reporting period.

Foreign currency transactions are translated into the functional currency using the average exchange rates for that month. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss.

Exchange differences arising, if any, are recognised in other comprehensive income and accumulated as a separate component of equity in the Group's foreign currency translation reserve.

c) Impairment of non-financial assets
At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). This includes intangible assets such as patents and software and also includes goodwill acquired through business combinations.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount and an impairment loss is recognised immediately in the profit or loss.

Further disclosures relating to impairment of non-financial assets are also provided in note 22.

2.5 Restatement of comparatives
Due to an acquisition during the period, there has been a change in the internal reporting to the Directors. This change has been reflected in the Segmental Information note. Refer to note 3.

2.6 Going concern
The considered view of the Directors of the Group is that the going concern assumption is valid. This view has been reached after making due enquiry and having regard to the circumstances which the Directors consider will occur and those which are reasonably likely to affect the Group during the period of one year from the date these consolidated financial statements are approved.

The Group recorded a net loss of NZ$20.37M for the year ended 31 March 2020 (2019: NZ$11.74M) and is expected to make further losses in 2021.

Notwithstanding the above, the Group has prepared cash flow forecasts which indicate that cash on hand at year end, combined with the net cash flow as a result of operations, will enable the Group to continue operating as a going concern. Furthermore, Volpara has raised additional capital after year end. Refer to note 26.

3. SEGMENT INFORMATION

Following the acquisition of MRS Systems, Inc. (MRS) during the year the operating structure of the Group has changed. The Group's internal financial reporting has evolved and will continue to do so. The Board of Directors, assessed to be the Group's Chief Operating Decision Maker (CODM), now receives financial reports for each region as defined by the five operating subsidiaries and head office (Corporate); whereas previously reporting was limited to Group performance. The reporting to the CODM has been aggregated into four reporting segments based on region and separating out head office. This aggregation is based on products, customers, distribution methods and the regulatory environment being similar in each region.

No single customer contributes more than 10% of the Group's revenue.

Comparative information has been presented on a consistent basis to the revised segments.

The Group derives its revenue from the sale of clinical functions and patient tracking software. The clinical functions business is sold world-wide, whereas the patient tracking software to date has been sold predominantly in North America.

The CODM assesses the performance of the reportable segments based on net profit/(loss) after tax. The segment information provided to the Board of Directors for the year ended 31 March 2020 is as follows:

3. Segment information (continued)

2020

	North America NZ$'000	EMEA NZ$'000	APAC NZ$'000	Corporate NZ$'000	Reconciled to Group NZ$'000
Revenue from Breast contracts:					
- SaaS	5,927	121	382	-	6,430
- SMA	2,286	11	12	-	2,309
- Capital	3,200	2	194	-	3,396
Revenue from Lung contracts	467	-	-	-	467
Total revenue	**11,880**	**134**	**588**	**-**	**12,602**
Cost of revenue	(1,545)	(89)	(138)	-	(1,772)
Gross profit	**10,335**	**45**	**450**	**-**	**10,830**
Government grants and other operating income	-	30	-	1,092	1,122
Sales and marketing	(11,631)	(292)	(880)	(445)	(13,248)
Product research, development, and engineering	(3,624)	(245)	(45)	(6,991)	(10,905)
General and administration	(4,538)	(78)	(10)	(7,265)	(11,891)
Foreign exchange gains	1	2	28	1,056	1,087
Net loss before interest and tax	**(9,457)**	**(538)**	**(457)**	**(12,553)**	**(23,005)**
Finance income	7	-	15	749	771
Finance expense	(50)	(8)	1	(17)	(74)
Net loss for the year before tax	**(9,500)**	**(546)**	**(441)**	**(11,821)**	**(22,308)**
Tax benefit/(expense)	1,931	2	4	-	1,937
Net loss for the year after tax	**(7,569)**	**(544)**	**(437)**	**(11,821)**	**(20,371)**

3. Segment information (continued)

2019

	North America NZ$'000	EMEA NZ$'000	APAC NZ$'000	Corporate NZ$'000	Reconciled to Group NZ$'000
Revenue from Breast contracts:					
- SaaS	3,655	147	238	-	4,040
- SMA	362	5	12	-	379
- Capital	205	91	285	-	581
Revenue from Lung contracts	-	-	-	-	-
Total revenue	**4,222**	**243**	**535**	**-**	**5,000**
Cost of revenue	(730)	(25)	(116)	(1)	(872)
Gross profit	**3,492**	**218**	**419**	**(1)**	**4,128**
Government grants and other operating income	-	-	-	724	724
Sales and marketing	(7,000)	(263)	(777)	(393)	(8,433)
Product research, development, and engineering	(95)	(235)	(5)	(5,312)	(5,647)
General and administration	(377)	(48)	(37)	(2,587)	(3,049)
Foreign exchange gains/(losses)	-	2	(50)	166	118
Net loss before interest and tax	**(3,980)**	**(326)**	**(450)**	**(7,403)**	**(12,159)**
Finance income	-	-	-	465	465
Finance expense	-	-	-	(59)	(59)
Net loss for the year before tax	**(3,980)**	**(326)**	**(450)**	**(6,997)**	**(11,753)**
Tax (expense)/benefit	(8)	86	(66)	-	12
Net loss for the year after tax	**(3,988)**	**(240)**	**(516)**	**(6,997)**	**(11,741)**

Segment non-current assets

As at March 31

	North America NZ$'000	EMEA NZ$'000	APAC NZ$'000	Corporate NZ$'000	Reconciled to Group NZ$'000
2020	27,996	-	-	2,785	30,781
2019	183	4	-	722	909

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group recognises revenue from goods and services provided under three main product categories:
1. Capital sales contracts which involve the outright sale of software and associated items;
2. Software Maintenance Agreements (SMAs) to support previous Capital sales;
3. Software as a Service (SaaS) contracts which involve the sale of software on a subscription basis and where applicable, cloud based support (and associated items).

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when control of a good or service is transferred to the customer. Refer below for more detail.

The Group has determined that no significant financing component exists in respect of the various revenue streams. This is due to there being no significant time lag between the delivery of goods or services and when payment is received.

Further information about the Group's three main product categories and related performance obligations is detailed below:

Capital
Capital sales contracts involve the provision of software licences, server hardware (if applicable), installation services, integrations and training. Customers enter into an arrangement with the Company by signing a contract, which grants the customer a non-transferable, non-exclusive licence to use the software for its internal purposes, generally for a perpetual period of time. The Company recognises revenue when persuasive evidence of an arrangement exists, performance has occurred, the fee is fixed or determinable, and collectability is probable. This is usually the date that the customer has been provided with the server (where applicable) and the license key(s), and training (where applicable) has been completed. Software products are delivered either electronically or via delivery of the software on a device for the customer to install. Electronic delivery occurs when the Company provides the customer with access to the software via a secure portal.

Training and other services are not considered essential to the functionality of the Company's software products. These services are generally delivered on a time and materials basis, and are recognised when services are performed.

Capital contracts do not involve any variable consideration. Management considers whether revenue needs to be allocated to separate performance obligations only where significant elements of the contract remain outstanding at the reporting date (refer below for discussion on how revenue would be allocated if this were the case).

SMAs
The Group's SMA contracts with customers generally comprise of a number of distinct performance obligations, being the provision of the software updates, upgrades, provision of ongoing technical support, IT configuration changes, etc. SMA contracts usually begin one year after the commencement of a Capital Sale and contracts range in length between one and four years. SMA contracts are considered 'stand-ready' performance obligations, where all elements are provided over time. Therefore, revenue is recognised on a straight-line basis over the period of the contract. Payment is usually due upon commencement of each year of the SMA.

Software as a Service
The Group's SaaS contracts with customers generally comprise a range of goods and services. These may include the base software (and hardware in some instances), software updates and upgrades, installation, upfront training and ongoing technical support, integrations and role licences to access services.

As a result, a number of performance obligations exist. The transaction price is therefore allocated to each performance obligation on a relative stand-alone selling price basis. This allocation requires estimation because, while each separate performance obligation is identified in the contract, the contract price is set for the agreement as a whole. In the absence of comparable market prices for the various goods and services provided, the Group relies on internal information such as a master price list to determine the stand-alone selling price for each good or service. This internal information may be adjusted to reflect market conditions across the geographic locations, the nature of the customer and their expected use of the software, and other factors.

Revenue for each performance obligation is recognised as follows:

Performance obligation	Recognition
Base software (and hardware)	Point in time, on installation
Upfront training	Point in time, upon completion
Installation	Over time, as installation is provided
Role licences which provide access to services where the Group is required to maintain access to analytical and other information	Over time, from the completion of installation through to the end of the contract.
Software updates, upgrades and ongoing technical support	These are predominantly "stand-ready" services which are recognised on a straight-line basis over the period of service.

4. Revenue from contracts with customers (continued)

Most contracts involve pricing based on usage of the software (mammography volumes). Revenue based on usage is recognised on a straight-line basis as this is in line with expected usage patterns and for practicality purposes.

Most SaaS contracts are for one to five-year terms, with a right to cancel at the end of each year without penalty. The Group's judgment is that these are one year contracts with a right to renew and accordingly revenue is recognised as the performance obligations are met over the annual period.

A small number of contracts allow the customer to renew the contract at a discount to the initial price, or to obtain additional role licences or other goods and services at a discount. Where the discount is incremental to the range of discounts typically given for the goods or services, the value of the discount is determined and some revenue is allocated to this customer option known as the material right. Revenue allocated to the customer option is recognised when the subsequent discounted goods or services are provided.

There are no warranties to be accounted for on SaaS products for the current period. Warranties will be applicable on VolparaLive! sales after the first year. This will include a warranty on the hardware sold with the VolparaLive! product. It is expected that the number of claims will be minimal. A provision will be recognised for the cost associated with warranty claims if it is expected that these claims will be more than insignificant. The recognition of any provision does not impact revenue recognition.

Contract modifications
There were several contract modifications that occurred during the year where customers on an existing SMA or Density, Dose, and Pressure (DDP) agreement signed SaaS contracts and as a result they were accounted for as contract modifications. Separate performance obligations did not arise from the changes. The cash flow associated with these contracts changed significantly.

Disaggregation of revenue
The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following product categories:

For the year ended 31 March 2020

	Capital sales NZ$'000	Software maintenance agreements NZ$'000	Software as a Service NZ$'000	Total NZ$'000
Timing of revenue recognition				
Goods or services transferred at a point in time	3,396	-	1,298	**4,694**
Services transferred over time	-	2,309	5,599	**7,908**
Total revenue from contracts with customers	**3,396**	**2,309**	**6,897**	**12,602**

For the year ended 31 March 2019

	Capital sales NZ$'000	Software maintenance agreements NZ$'000	Software as a Service NZ$'000	Total NZ$'000
Timing of revenue recognition				
Goods or services transferred at a point in time	581	-	1,052	**1,633**
Services transferred over time	-	379	2,988	**3,367**
Total revenue from contracts with customers	**581**	**379**	**4,040**	**5,000**

4. Revenue from contracts with customers (continued)

Deferred revenue
Payment is usually due annually in advance either upon go-live or an agreed period after the contract is signed, whichever occurs first. If a customer pays consideration before the Group transfers goods or services to the customer, a deferred revenue liability is recognised when the payment is made. Deferred revenue liabilities are recognised as revenue when the Group performs under the contract.

	Notes	2020 NZ$'000	2019 NZ$'000
Opening balance as at 1 April		2,184	934
Amount recognised upon acquisition	23	1,564	-
Amount recognised in revenue during the year		(8,254)	(4,127)
Contracts entered into in the year		15,275	5,377
Closing balance as at 31 March		**10,769**	**2,184**

The outstanding balances of these accounts increased for the 31 March 2020 year due to the large increase in the Group's customer base as well as the acquisition of MRS during the year.

Deferred revenue by years and contract type

As at 31 March 2020

	0 - 12 months NZ$'000	1-2 years NZ$'000	Total NZ$'000
Capital	18	-	**18**
SMA contracts	5,926	-	**5,926**
SaaS contracts	4,825	-	**4,825**
Total deferred revenue	**10,769**	**-**	**10,769**

As at 31 March 2019

	0 - 12 months NZ$'000	1-2 years NZ$'000	Total NZ$'000
Capital	4	-	**4**
SMA contracts	211	6	**217**
SaaS contracts	1,950	13	**1,963**
Total deferred revenue	**2,165**	**19**	**2,184**

5. CONTRACT COSTS

Cost to obtain a contract
The Group pays sales commissions to its employees for each contract that they obtain, subject to conditions. These commission costs are either amortised over the life of the contract, or for contracts recognised at point in time, recognised when the performance obligation is satisfied. Contracts span up to five years in length and correspondingly, amortisation is spread over the contract's life. These costs are recognised in costs of revenue in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

5. Contract costs (continued)

	2020 NZ$'000	2019 NZ$'000
As at 1 April	1,183	557
Costs to obtain contracts entered into in current year	1,363	915
Amortisation within cost of revenue	(564)	(289)
As at 31 March	**1,982**	**1,183**

6. GOVERNMENT GRANTS AND OTHER OPERATING INCOME

For the year ended 31 March	2020 NZ$'000	2019 NZ$'000
Government grants - Callaghan Innovation	1,077	722
Other income	45	2
Total government grants and other operating income	**1,122**	**724**

Government grants are received for certain expenses incurred by the Group, and are recognised in profit or loss, when it becomes reasonably certain that the grants will be received. The Callaghan Innovation R&D Growth Grant has 10% withheld until conditions are met. This has been accrued for on the basis that conditions will be met.

7. OPERATING EXPENSES AND COST OF REVENUE

Cost of revenue
Cost of revenue expenses consists of those expenses which are incremental in deriving additional revenue. This includes cloud costs, commission expenses, hardware, and any travel costs associated with the onboarding process.

Overhead allocation
The presentation of the consolidated statement of profit or loss and other comprehensive income by function requires certain overhead costs to be allocated to functions. These allocations require management to apply judgment.

Sales and marketing
Sales and marketing expenses consist of personnel and related expenses (including salaries, benefits and bonuses) directly associated with the sales and marketing teams and the cost of educating and onboarding customers. Other costs included are external advertising, marketing and conference costs for events such as the Radiological Society of North America (RSNA) conference, as well as allocated overheads.

Product research, development, and engineering
Product research, development, and engineering costs consist primarily of personnel and related expenses (including salaries, benefits and bonuses) directly associated with our product research and development, regulatory and quality employees, as well as allocated overheads.

Under NZ IFRS, the proportion of product research, development, and engineering costs that create a benefit in future years is capitalisable as an intangible asset and is then amortised to profit or loss over the estimated life of the asset created. The amount amortised relating to Volpara's products is included as a product research, development and engineering cost. Refer to note 22 for further details.

General and administration
General and administration expenses consist of personnel and related expenses (including salaries, benefits and bonuses) for the Chief Executive Officer (CEO) as well as the finance, human resources, and administrative employees. It also includes legal, accounting and other professional services fees, insurance premiums, other corporate expenses and allocated overheads. Share-based compensation is included for all directors, Key Management Personnel (KMP) and employees.

7. Operating expenses and cost of revenue (continued)

For the year ended 31 March	Notes	2020 NZ$'000	2019 NZ$'000
Salaries and benefits [1]		17,865	7,733
Research and development costs not capitalised		3,802	2,449
Superannuation contributions		1,567	1,378
Advertising and marketing		1,510	1,153
Travel		1,578	950
Consulting and subcontracting		1,595	791
Share-based payments expense	13	1,382	589
Cloud costs		927	508
Business acquisition- and merger-related expenses	23	1,004	-
Impairment of right-of-use asset		106	-
Directors fees		401	386
Depreciation and amortisation	14, 21, 22	2,240	310
Movement in provision for expected credit losses	10	148	-
Auditor's remuneration		244	115
Bad debts written off		44	16
Low-value lease expenses		65	15
Other operating expenses		3,338	1,608
Total cost of sales and operating expenses [2]		**37,816**	**18,001**

AUDITORS' REMUNERATION

The auditor of the Group in 2020 is PwC (2019: Deloitte Limited).	2020 NZ$'000	2019 NZ$'000
Audit of financial statements	155	70
Review of interim financial statements	35	23
Review of Callaghan Grant return	5	6
Non-assurance engagement [3]	33	-
	228	**99**
Fees to a non PwC/Deloitte audit firm for:		
Audit of financial statements	16	16
	16	**16**

1. Excludes salaries and benefits associated with research for $3,586,000 (2019: $2,309,000). These are included as part of 'Research and development costs not capitalised.'
2. This total excludes foreign exchange gains/(losses).
3. The Group engaged PwC to perform system penetration testing, assess the effectiveness of the Group's crisis response plan and also to perform a security incident review.

8. TAXATION

Current income tax
The income tax benefit for the year comprises current and deferred tax. Tax is recognised in the income tax component of the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. No deferred tax asset has been recorded in the current year.

	2020 NZ$'000	2019 NZ$'000
RECONCILIATION OF EFFECTIVE TAX RATE		
Net loss before tax	(22,308)	(11,753)
Prima facie taxation at 28% (2019: 28%)	(6,246)	(3,291)
Less tax effect		
Income not subject to tax	(302)	(202)
Expenses not deductible for tax purposes	531	817
Tax differences not recognised	4,945	2,711
Tax losses recognised relating to earlier periods	(865)	(47)
Tax benefit	**(1,937)**	**(12)**
Represented by		
Current tax	23	35
Deferred tax	(1,960)	(47)
Income tax benefit	**(1,937)**	**(12)**

8. Taxation (continued)

	2020 NZ$'000	2019 NZ$'000
The Group has unrecognised deferred tax assets consisting of:		
Temporary differences	3,251	1,991
Accumulated losses	7,280	5,237
Total unrecognised deferred tax assets	**10,531**	**7,228**

The Group has tax losses in New Zealand of NZ$25,772,000 (2019: NZ$14,100,000); tax losses in the US of US$3,230,000 (2019: US$965,000); tax losses in Australia of A$70,000 (2019: A$nil) and tax losses in Europe of GBP75,000 (2019: GBP111,000) that are available for offset against future taxable profits of the companies in which those losses arose, subject to satisfying relevant jurisdiction income tax loss carry forward rules and maintaining minimum levels of shareholder continuity; and therefore realisation is currently uncertain.

Deferred tax assets of the Group relating to tax losses and other temporary differences have been recognised to the extent of deferred tax liabilities, where the benefit of those tax losses and other temporary differences are available for offset within the entity or jurisdiction in which the deferred tax liabilities arise.

Deferred tax assets/(liabilities)	Intangible assets NZ$'000	Tax losses NZ$'000	Other NZ$'000	Total NZ$'000
Balance at beginning of year	-	-	-	-
Deferred tax assigned as part of acquisition of a subsidiary[1]	(3,759)	172	219	**(3,368)**
Charged to profit or loss	342	1,280	338	**1,960**
Gain/(loss) from movement in exchange rates	(335)	55	47	**(233)**
Balance at end of year	**(3,752)**	**1,507**	**604**	**(1,641)**

Imputation credits	2020 NZ$'000	2019 NZ$'000
Imputation credit account balances	-	7
Total imputation credits	**-**	**7**

1. Recognised as part of the purchase price allocation exercise. The recognition of this deferred tax liability has increased goodwill.

9. CASH, CASH EQUIVALENTS AND CASH ON DEPOSIT

	2020 NZ$'000	2019 NZ$'000
Cash at bank and on hand	3,673	2,367
Short-term deposits	-	1,745
Cash on deposit *	27,705	10,271
Total cash and cash equivalents and cash on deposit	**31,378**	**14,383**

* Cash on deposit is in the form of term deposits that require a notice period of between 91 - 365 days to access.

Cash at bank and on hand earns interest at floating rates based on daily bank deposit rates (note 16). Short-term deposits are made for varying maturity periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. They are subject to an insignificant risk of changes in value.

At 31 March 2020, the Group had available $10,000 (2019: $10,000) of undrawn committed borrowing facilities.

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and on hand and short-term deposits.

Reconciliation of operating cash flows

For the year ended 31 March	2020 NZ$'000	2019 NZ$'000
Net loss for the year after tax	(20,371)	(11,741)
Non-cash and non-operating items:		
Depreciation and amortisation	2,240	310
(Gains)/losses on foreign exchange transactions	(755)	(121)
Share-based payments	1,382	589
Acquisition related costs (disclosed in investing activities)	680	-
Bad debts write-off	44	16
Impairment of right-of-use asset	106	-
Movement in ECL	148	-
Deferred tax benefit	(1,960)	-
Changes in working capital:		
Increase in trade and other receivables	(2,965)	(1,004)
Increase in contract costs	(603)	(626)
Increase in contract assets	(61)	(87)
Decrease in inventory	(14)	(18)
Increase in trade and other payables	736	760
Increase in deferred revenue	5,931	1,250
Effect of foreign exchange variance	(496)	30
Net cash used in operating activities	**(15,958)**	**(10,642)**

10. TRADE RECEIVABLES AND CONTRACT ASSETS

Trade receivables are amounts due from customers for the sale of goods or services performed in the ordinary course of business that are unconditional. If collection is expected in one year or less they are classified as current assets. If not, they are classified as non-current assets.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

	2020 NZ$'000	2019 NZ$'000
Trade receivables	7,248	1,936
Allowance for expected credit losses	(145)	(10)
Total trade receivables	**7,103**	**1,926**

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Contract assets		
Opening balance as at 1 April	157	70
Amount recognised in revenue during the year	952	292
Amounts transferred to trade receivables during the year	(687)	(205)
Gain from movement in exchange rates	18	
Closing balance as at 31 March	**440**	**157**

Contract assets	454	158
Allowance for expected credit losses	(14)	(1)
Total contract assets	**440**	**157**

Customer credit risk
The Group seeks to trade only with reputable third parties, and as such collateral is typically not requested nor is it the Group's policy to securitise its trade and other receivables. In addition, outstanding customer receivables and contract assets are monitored on an ongoing basis with the result that the Group's experience of bad debts is not significant.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECLs). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. by geographical region, product type). The calculation reflects the probability-weighted outcome, reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for an extended period (e.g. one year) and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables and contract assets. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are generally large institutions.

For trade receivables and contract assets, the Group applies the simplified approach permitted by NZ IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the trade receivables and contract assets.

Customers have been categorised into different Groups based on the ageing of their invoices as shown in the below table.

10. Trade receivables and contract assets (continued)

31 March 2020	**Contract assets**	**Trade receivables**					**Total**
		Days past due					
	NZ$'000	Current NZ$'000	<30 days NZ$'000	31-60 days NZ$'000	61-90 days NZ$'000	>90days NZ$'000	NZ$'000
Expected credit loss rate	3.1%	0.8%	0.5%	0.5%	4.0%	8.5%	**2.1%**
Estimated total gross carrying amount at default	454	2,969	2,485	385	250	1,159	**7,702**
Expected credit loss	14	23	12	2	10	98	**159**
31 March 2019							
Expected credit loss rate	0.6%	0.3%	0.5%	0.7%	2.0%	0.5%	**0.5%**
Estimated total gross carrying amount at default	158	1,069	371	146	151	199	**2.094**
Expected credit loss	1	3	2	1	3	1	**11**

Set out below is the movement in the allowance for expected credit losses of trade receivables and contract assets:

	2020 NZ$'000	2019 NZ$'000
As at 1 April	11	11
Movement in provision for expected credit losses (note 7)	148	-
As at 31 March	**159**	**11**

The outbreak of COVID-19 globally is having significant economic impacts. The Group's customers are typically essential services and are not currently impacted to the same extent as other industries. However, the Group has made the judgment to increase its estimate of expected credit losses based on the global economic downturn and potentially for global recession.

11. TRADE AND OTHER PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are classified as non-current liabilities.

	2020 NZ$'000	2019 NZ$'000
Trade payables	879	543
Accrued expenses	991	105
Employee entitlements	2,660	1,670
Total trade and other payables	**4,530**	**2,318**

Trade payables are generally on terms of 14-30 days.

Employee entitlements comprise entitlements for annual leave, superannuation contributions in their various forms (401k, UK pension, Super and Kiwisaver), salaries and commissions for sales staff. Employee entitlements expected to be settled within 12 months of the reporting date are recognised in respect of employees services up to the reporting date.

12. SHARE CAPITAL AND EARNINGS PER SHARE (EPS)

Ordinary shares are classified as equity. Incremental costs directly attributed to the issue of new ordinary shares or options are shown in equity as a deduction from proceeds.

(a) Ordinary Shares
All issued shares are fully paid and have no par value.
Ordinary shares are entitled to one vote per share at meetings of Volpara Health Technologies Limited.
All ordinary shares rank equally with regard to Volpara Health Technologies Limited residual assets.

(b) Capital management
The Group's capital includes share capital, accumulated losses, and reserves.

The Group's policy is to maintain a sound capital base so as to maintain investor and creditor confidence, sustain future development of the business, and continue as a going concern. The Group's policies in respect of capital management and allocation are reviewed by the Board of Directors.

		2020		2019	
Ordinary Shares Issued and Fully Paid	Notes	NZ$'000	000's	NZ$'000	000's
In issue as at 1 April		84,129	179,350	63,192	145,493
Exercise of share options	13	1,042	2,466	439	524
Issue of share capital from placement		47,485	30,000	16,082	25,000
Issue of share capital from ANREO/entitlement offer		10,547	6,664	5,406	8,333
Issue costs		(3,125)	-	(990)	-
In issue as at 31 March		**140,078**	**218,480**	**84,129**	**179,350**

Subsequent to the end of the financial year, the Company successfully raised A$28M (NZ$29.8M) through the issue of 21.5 million shares at A$1.30 from a placement to institutional shareholders.

A further A$9M (NZ$9.7M) was raised through a fully underwritten share purchase plan.

Dividends
No dividends have been declared or paid for the year ended 31 March 2020 (2019: nil).

Earnings per share
Basic earnings per share is calculated by dividing net loss for the year after tax by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has potential ordinary shares in the form of share options. However as these are anti-dilutive due to the Company being in a loss position, the earnings per share and diluted earnings per share are the same.

The following reflects the income and share data used in the basic and diluted EPS computations:

As at 31 March	2020	2019
Net loss after tax (NZ$'000)	(20,371)	(11,741)
Ordinary number of shares ('000's)	218,480	179,350
Weighted average number of shares on issue ('000's)	210,136	175,196
Basic and diluted loss per share (NZ$)	**(0.10)**	**(0.07)**

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

13. SHARE-BASED PAYMENTS

The Group operates two equity-settled share-based incentive plans for Directors, executives, senior management, employees and others of the Company and its subsidiaries. The plans are designed to retain key personnel. There is a legacy employee share option plan (Legacy ESOP) that was in operation from 2009 until the Initial Public Offering (IPO) in April 2016. Since the IPO a new employee share option plan (New ESOP) has been in operation.

The value of the services rendered for the grant of the share options is recognised as an expense over the vesting period (which ranges from 0 to five years or upon meeting stipulated milestones). The amount is determined by reference to the fair value of the share options granted which is calculated using the Black-Scholes options model. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in profit or loss for the year represents the movement in cumulative expense recognised as at the beginning and end of that year.

The share option reserve arises on recognition of the share-based payment expense. Amounts are transferred out of the reserve and into issued capital when the options are exercised, or into retained earnings when options lapse or are forfeited.

Legacy ESOP
There were no new options issued under this model for the period ended 31 March 2020 (31 March 2019: nil).

Grant date / employees entitled	Number of share options outstanding '000's	Vesting Conditions	Contractual life of options
OPTIONS GRANTED TO DIRECTORS			
2015	252	Monthly over a period of 36 months service from grant date	10 years
OPTIONS GRANTED TO KEY MANAGEMENT PERSONNEL			
2016	1,350	Annually over a period of 3 years service from grant date	5 years
OPTIONS GRANTED TO SENIOR EMPLOYEES			
2011	446	Annually over a period of 1-5 years service from grant date	10 years
2013	520	Annually over a period of 2-3 years service from grant date & subject to performance criteria	10 years
2014	45	Annually over a period of 3 years service form grant date	10 years
2014	192	Quarterly over a period of 1 years service from grant date	10 years
2015	390	1 years service from grant date	10 years
2016	450	Annually over a period of 3 years service from grant date	5 years
Total share options	**3,645**		

The vesting conditions on all options were met in prior periods. As a result, there is no expense recognised for the year ended 31 March 2020 for the Legacy ESOP share options was nil (2019: $35,000).

13. Share-based payments (continued)

The number and weighted-average exercise prices of share options under the Legacy ESOP plan were as follows:

	Number of options	Weighted-average exercise price	Weighted-average share price at date of exercise	Number of options	Weighted-average exercise price	Weighted-average share price at date of exercise
	2020 000's	2020 NZ$	2020 A$	2019 000's	2019 NZ$	2019 A$
Outstanding at 1 April	5,415	0.31	-	5,415	0.31	-
Exercised during the period	(1,770)	0.14	1.55	-	-	-
Outstanding as at 31 March	**3,645**	**0.38**	**-**	**5,415**	**0.31**	**-**
Vested as at 31 March	3,645			5,415		

The options outstanding at 31 March 2020 had an exercise price in the range of $0.08 to $0.4667 (2019: $0.0003 to $0.4667) and weighted-average contractual life of 1.8 years (2019: 2.6 years).

The following Legacy ESOPs were in existence during the current and prior year:

Grant Year (Financial Year)	Number of share options '000's	NZ$ Exercise Price	Expiry Date (Financial Year)	NZ$ Fair Value at Grant Date
2010	749	0.000	2020	0.08
2011	446	0.080	2021	0.10
2012	450	0.157	2022	0.12
2013	360	0.312	2023	0.15
2013	351	0.157	2023	0.21
2014	372	0.312	2024	0.16
2014	45	0.333	2024	0.15
2015	452	0.467	2025	0.20
2015	390	0.460	2025	0.20
2016	1,800	0.467	2021	0.21
Total	**5,415**			
Less forfeited and exercised as at 31/3/2019	-			
Forfeited / Exercised during the year	(1,770)			
Total share options remaining	**3,645**			

No further options are granted under the Legacy ESOP.

The Black-Scholes model was used to value the Legacy ESOPs. Given there have been no issues of options in the current or comparative year, the Company has not disclosed the previously applied valuation assumptions.

13. Share-based payments (continued)

New ESOP
In accordance with the terms of the plan, as approved by shareholders at a previous annual general meeting, executives, senior employees, employees, and others were granted options to purchase ordinary shares at exercise prices detailed below.

Each New ESOP converts into one ordinary share of Volpara Health Technologies Limited on exercise. The options carry neither rights to dividends nor voting rights. Options vest upon satisfying the condition of continued employment with the Group for the service period specified in the contract (ranging from two to five years). Vested options can be exercised at set times during the year, 30 days prior to expiry or at the time of an exit event.

The options granted expire or are forfeited after seven years of their issue or on termination of employment within the vesting period, whichever occurs first.

The key terms and conditions related to the grants under these programs are as follows; all options are to be settled by the issue of ordinary shares.

The vesting conditions of all New ESOPs are annually over a period of five years servuce starting two years from the grant date.

The contractual life of all New ESOPs is seven years.

Grant date/employees entitled	Number of share options outstanding '000's
OPTIONS GRANTED TO DIRECTORS	
2016	300
2018	450
2019	450
2020	900
OPTIONS GRANTED TO KEY MANAGEMENT PERSONNEL	
2016	600
2017	40
2018	110
2019	50
2020	460
OPTIONS GRANTED TO EMPLOYEES	
2016	2,552
2017	443
2018	141
2019	1,085
2020	2,840
Total share options	**10,421**

The expense recognised for the year ended 31 March 2020 for the New ESOP share options was $1,382,000 (of the $1,382,000 per note 7) (2019: $589,000).

13. Share-based payments (continued)

The number and weighted-average exercise prices of share options under the New ESOP plan were as follows:

	Number of options	Weighted-average exercise price	Weighted-average share price at date of exercise	Number of options	Weighted-average exercise price	Weighted-average share price at date of exercise
	2020 000's	2020 A$	2020 A$	2019 000's	2019 A$	2019 A$
Outstanding as at 1 April	6,997	0.56	-	6,668	0.50	-
Granted during the year	4,200	1.66	-	1,725	0.69	-
Exercised during the year	(696)	0.51	1.59	(524)	0.50	0.91
Forfeited during the year	(80)	0.78	-	(872)	0.53	-
Outstanding 31 March	**10,421**	**1.00**	**-**	**6,997**	**0.56**	**-**
Vested as at 31 March	2,339	0.51	-	1,798	0.50	-

The options outstanding at 31 March 2020 had an exercise price in the range of A$0.50 to A$1.84 (2019: A$0.50 to $1.19) and weighted-average contractual life of 4.8 years (2019: 4.7 years).

13. Share-based payments (continued)

The following New ESOPs were in existence during the current and prior year:

Grant year (financial year)	Number of share options granted '000's	A$ exercise price	Expiry date	A$ fair value at grant date
2016	5,158	0.50	2023	0.27
2017	120	0.50	2024	0.27
2017	90	0.50	2024	0.22
2017	50	0.50	2024	0.23
2017	40	0.50	2024	0.20
2017	40	0.50	2024	0.20
2017	140	0.50	2024	0.19
2017	125	0.50	2024	0.17
2017	100	0.50	2024	0.27
2018	160	0.60	2025	0.22
2018	25	0.60	2025	0.16
2018	100	0.67	2025	0.39
2018	80	0.68	2025	0.35
2018	450	0.60	2025	0.39
2018	50	0.60	2025	0.42
2019	675	0.60	2026	0.48
2019	450	0.60	2026	0.52
2019	500	0.89	2026	0.47
2019	40	1.19	2026	0.63
2020	900	1.51	2027	0.68
2020	200	1.58	2027	0.77
2020	90	1.68	2027	0.98
2020	2,770	1.70	2027	0.87
2020	240	1.84	2027	0.89
Total	**12,593**			
Less forfeited and exercised as at 31/3/2019	(1,396)			
Exercised during the year	(696)			
Forfeited during the year	(80)			
Total share options remaining	**10,421**			

13. Share-based payments (continued)

Valuation model assumptions
The Black-Scholes model was used to assess the value of the New ESOPs. Key variables in the model include, where relevant, the expected life used in the model has been adjusted based on management's best estimates for the effects of non-transferability, exercise restrictions and behavioural considerations. Expected volatility is based on the historical volatility in share price along with the volatility in comparable companies in the biomedical field over the past seven years.

Option series	2020	2019
Grant date share price	A$ 1.39 - 1.85	A$ 0.79 - 1.20
Exercise price	A$ 1.51 - 1.84	A$ 0.60 - 1.19
Expected volatility	50.00%	50.00%
Option life	7 years	7 years
Dividend yield	0.00%	0.00%
Risk-free interest rate	0.79% - 1.19%	1.57% - 2.54%

14. LEASE LIABILITIES AND RIGHT-OF-USE ASSETS

The determination of whether a contract is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date of a lease agreement, the Group recognises a right-of-use asset and a lease liability. The right-of-use asset and the lease liability are initially measured at the present value of the minimum lease payments not yet paid at that date.

Subsequently the right-of-use asset is depreciated on a straight-line basis over the expected period of the lease. The carrying amount of the lease liability is increased to reflect interest and reduced by the lease payments made during the period.

Lease liabilities
During the year the following changes occurred to the Group's lease portfolio:
— entered into a new Wellington head office lease in August 2019
— acquired lease agreements as part of the MRS acquisition (refer to note 23).
— extended the lease contract for Suite 220, 19000 33rd Ave W, Lynnwood.

The Group retains the lease for the previous Wellington head office. The premise was unoccupied for a portion of the year but a new tenant was found in February 2020. As a result, there was an impairment made to the right-of-use asset in profit or loss. The lease terminates in November 2020.

14. Lease liabilities and right-of-use assets (continued)

	2020 NZ$'000	2019 NZ$'000
LEASE LIABILITIES		
Balance as at 1 April	252	340
Leases entered into during the year	1,753	-
Leases assigned as part of acquisition of a subsidiary	1,881	-
Principal repayments	(336)	(130)
Interest expense on lease liabilities	74	42
Gain from movement in exchange rates	140	-
Balance as at 31 March	**3,764**	**252**
Current	605	125
Non-current	3,159	127
Total	**3,764**	**252**

The Group's undiscounted cash flows relating to lease liabilities are summarised below:

2020
NZ$'000

Property	≤ 3 months	3 to 6 months	6 months to 1 year	>1 year	**Total**
Level 7, 44 Victoria Street, Wellington, NZ	37	37	61	-	**135**
Level 14 & 15, 40 Mercer Street, Wellington, NZ	86	86	172	1,490	**1,834**
Suite 130, 19000 33rd Ave W, Lynnwood, WA, USA	62	65	130	2,195	**2,452**
Suite 220, 19000 33rd Ave W, Lynnwood, WA, USA	13	13	27	120	**173**
Total	**198**	**201**	**390**	**3,805**	**4,594**

14. Lease liabilities and right-of-use assets (continued)

The details for the leases are as follows:

	Level 7, 44 Victoria Street	Level 14 & 15, 40 Mercer Street	Suite 130, 19000 33rd Ave W	Suite 220, 19000 33rd Ave W
Start date	1-Sep-17	1-Aug-19	1-Jul-13	1-Jul-16
Initial lease period	6 years	6 years	15 years	4 years
Extension options	3 years	6 years	N/A	3 years
Extension options exercised	N/A	N/A	N/A	Yes
Termination options	After 3.25 years and any point thereafter up until 6 years	After 6 years	After 15 years	After 3 years
Termination penalties	3 months rent, reducing by a month each year after 3.25 years.	None	None	None
Residual value guarantees	None	None	None	None
Variable lease payments	None	None	None	None
Indirect costs incurred	Lawyers fees	Lawyers fees	Lawyers fees	Lawyers fees
Restrictions and/or covenants	None	None	None	None
Incremental rate of borrowing	12.00%	6.00%	6.00%	6.00%
Market rent reviews	Every two years	Every three years	None	None

The total cash outflow for leases for the year ended 31 March 2020 totalled $412,000 (31 March 2019: $147,000).

The total cash inflow from subleasing Level 7, 44 Victoria Street was $12,000 (31 March 2019: nil).

The Group considers laptop computers to be of "low value" and has therefore used the recognition exemption. The lease expense related to these items are therefore recognised as an expense on a straight-line basis over the lease term (2020: NZ$65,000, 2019: NZ$15,000). There are commitments relating to low-value assets totalling NZ$230,000 (2019: NZ$87,000).

Right-of-use assets
Right-of-use assets are recognised when the Group, as a lessee, has the right to use an underlying asset for the lease term. In the Group's case the underlying asset relates to the office space as disclosed in the lease liability above.

14. Lease liabilities and right-of-use assets (continued)

	2020 NZ$'000	2019 NZ$'000
COST		
Balance as at 1 April	424	424
Leases entered into during the year	1,753	-
Leases assigned as part of acquisition of a subsidiary	1,881	-
Balance as at 31 March	**4,058**	**424**
DEPRECIATION		
Balance as at 1 April	(207)	(76)
Depreciation	(405)	(131)
Impairment	(106)	-
Balance as at 31 March	**(718)**	**(207)**
Gain/(loss) from movement in exchange rates	179	-
Net book value	**3,519**	**217**

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has various financial instruments such as cash and cash equivalents, cash on deposit, trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, and liquidity risk (refer to notes 16 - 19 for more detail). The Group's senior management oversees the management of these risks. The objective of the management of these risks is to support the delivery of the Group's financial targets while protecting future financial security. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange. Ageing analyses and monitoring of specific allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

16. INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash and cash equivalents with floating interest rates. The Group holds $10,000 with varying interest rates (2019: $764,000).

At balance date, the Group had the following mix of financial assets exposed to New Zealand interest rate risk.

16. Interest rate risk (continued)

	2020 NZ$'000	2019 NZ$'000
FINANCIAL ASSETS		
Cash and cash equivalents	3,673	4,112
Cash on deposit	27,705	10,271
Net exposure	**31,378**	**14,383**

The cash on deposit has fixed interest rates between 1.3% and 2.7%.

The Group does not enter into interest rate swaps to manage the interest rate risk.

The Group consistently analyses its interest rate exposure. Within this analysis, consideration is given to potential renewals of existing positions, and the mix of fixed and variable interest rates.

Sensitivity analysis
The following table summarises the sensitivity of the Group's post-tax loss and equity to interest rate risk.

At 31 March 2020 if interest rates had moved on the basis that all investments had rolled, as illustrated in the table below, assuming the amount of the financial instruments outstanding at balance date was outstanding for the whole year and all other variables held constant, post-tax loss and equity would have been affected as follows:

	Post-Tax Loss Higher / (Lower)	
	2020 NZ$'000	2019 NZ$'000
+1.0% (100 basis points)	(277)	(128)
-1.0% (100 basis points)	277	128

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17. FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's presentation currency) receivables or payables in the statement of financial position related to the operating activities.

The Group does not enter into any forward contracts or any other instrument to hedge the currency exposure; however where possible, the Group maintains a portion of available funds in USD, AUD, and GBP to match the respective expected expenses. The following tables demonstrate the sensitivity to a reasonably possible change in USD, AUD, and GBP exchange rates, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material.

	Carrying amount in USD	Carrying amount in GBP	Carrying amount in AUD
2020			
Cash	1,516	324	368
Trade receivables	3,744	3	59
Trade payables	(356)	(13)	(25)
Total	**4,904**	**314**	**402**
2019			
Cash	522	195	106
Trade receivables	979	37	23
Trade payables	(64)	(13)	(20)
Total	**1,437**	**219**	**109**

17. Foreign currency risk (continued)

Sensitivity analysis	Carrying amount US$'000	Change in USD rate %	Effect on loss before tax/equity NZ$'000
2020	4,904	10%	741
		-10%	(906)
2019	1,437	10%	192
		-10%	(235)

	Carrying amount in GBP	Change in GBP rate	Effect on loss before tax NZ$'000
2020	314	10%	59
		-10%	(72)
2019	219	10%	38
		-10%	(47)

	Carrying amount in AUD	Change in AUD rate	Effect on loss before tax NZ$'000
2020	402	10%	37
		-10%	(46)
2019	109	10%	10
		-10%	(13)

18. CREDIT RISK

Credit risk arises from the financial assets of the Group; which comprise cash and cash equivalents, cash on deposit, and trade receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

There are significant concentrations of credit within the Group with $27,705,000 in outstanding term deposits held at the end of the financial year (2019: $12,016,000). The Group holds some cash in current and savings accounts with various large and reputable financial institutions in New Zealand, Australia, the United Kingdom, and the United States of America. The credit risk is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. In the United States of America, deposits are insured by the government up to US$250k per bank.

The Group does not hold any credit derivatives to offset its credit exposure.

The Parent has a policy of lending to its wholly owned subsidiaries ensuring their continued operations as required.

The fair value of all financial instruments held are measured at amortised cost.

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19. LIQUIDITY RISK

Liquidity risk represents the Group's ability to meet its contractual obligations. The Group has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term, and long-term funding and liquidity requirements. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

All financial liabilities are due for payment in less than 12 months. This is the undiscounted contractual position.

	≤ 3 months NZ$'000	3 to 6 months NZ$'000	6 months to 1 year NZ$'000	>1 year NZ$'000	**Total** NZ$'000
FINANCIAL LIABILITIES					
As at year ended 31 March 2020					
Trade and other payables	1,870	-	-	-	**1,870**
Lease liabilities	198	201	390	3,805	**4,594**
Provision for commissions	539	-	-	-	**539**
	2,607	**201**	**390**	**3,805**	**7,003**
As at year ended 31 March 2019					
Trade and other payables	648	-	-	-	**648**
Lease liabilities	30	31	64	127	**252**
Provision for commissions	306	-	-	-	**306**
	984	**31**	**64**	**127**	**1,206**

20. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Management assessed that the fair value of cash and cash equivalents, cash on deposit, trade receivables, trade and other payables and lease liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and/or because the interest rates applied are variable in nature.

Financial assets
Initial recognition and measurement
Financial assets are classified, at initial recognition, as measured at amortised cost if the Group's intentions is to hold the financial assets for collecting cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest.

The Group currently classifies its cash and cash equivalents, cash on deposit, trade receivable and other receivables as financial assets measured at amortised cost.

Subsequent measurement
Where financial assets are measured at amortised cost, interest revenue, expected credit losses and foreign exchange gains or losses are recognised in profit or loss. On derecognition, any gain or loss is recognised in profit or loss.

Impairment of financial assets
The Group recognises an allowance for expected credit losses (ECLs) for trade receivables and contract assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

Financial liabilities
Initial recognition and measurement
The Group currently, upon initial recognition, classifies its financial liabilities made up of trade payables and accrued expenses at amortised cost.

20. Financial instruments (continued)

Financial instruments by category	2020 NZ$'000	2019 NZ$'000
FINANCIAL ASSETS MEASURED AT AMORTISED COST		
Cash and cash equivalents	3,673	4,112
Cash on deposit	27,705	10,271
Trade receivables	7,103	1,926
Other receivables	1,186	381
Total	**39,667**	**16,690**
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST		
Trade and other payables	1,870	648
Total	**1,870**	**648**

Subsequent measurement
The Group's financial liabilities subsequently measured at amortised cost are measured using the effective interest method.

21. Fixed assets

Fixed assets consists of leasehold improvements, property, computer equipment and vehicles. They are all initially measured at cost and subsequently depreciated.

Assets are either fully depreciated after acquisition where initial recognition amounts are less than a certain threshold or depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:
— Leasehold improvements - 3 to 4 years
— Property - 3 to 15 years
— Computer equipment - 1 to 5 years
— Vehicles - 5 years

Leasehold improvements or an item of property or computer equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of leasehold improvements, property and computer equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

21. Fixed assets (continued)

	Leasehold Improvements NZ$'000	Property NZ$'000	Computer Equipment NZ$'000	Vehicles NZ$'000	**Total** NZ$'000
COST					
Balance as at 1 April 2019	49	221	347	-	**617**
Additions	377	48	59	-	**484**
Acquisitions of a subsidiary	293	60	173	22	**548**
Disposals and write-offs	-	(1)	(14)	-	**(15)**
Balance as at 31 March 2020	**719**	**328**	**565**	**22**	**1,634**
DEPRECIATION AND IMPAIRMENT					
Balance as at 1 April 2019	(23)	(43)	(214)	-	**(280)**
Depreciation	(103)	(145)	(128)	(13)	**(389)**
Disposals and write-offs	-	1	14	-	**15**
Balance as at 31 March 2020	**(126)**	**(187)**	**(328)**	**(13)**	**(654)**
Gain/(loss) from movement in exchange rates	25	18	5	1	**49**
Net book value	**618**	**159**	**242**	**10**	**1,029**
COST					
Balance as at 1 April 2018	44	12	187	-	**243**
Additions	5	211	177	-	**393**
Disposals and write-offs	-	(2)	(17)	-	**(19)**
Balance as at 31 March 2019	**49**	**221**	**347**	**-**	**617**
DEPRECIATION AND IMPAIRMENT					
Balance as at 1 April 2018	(8)	(5)	(124)	-	**(137)**
Depreciation	(15)	(40)	(107)	-	**(162)**
Disposals and write-offs	-	2	17	-	**19**
Balance as at 31 March 2019	**(23)**	**(43)**	**(214)**	**-**	**(280)**
Net book value	**26**	**178**	**133**	**-**	**337**

22. INTANGIBLE ASSETS

Intangible assets consist of both internally generated intangible assets such as capitalised software development costs, and externally generated intangible assets such as patents and trademarks, customer relationships, and goodwill upon acquisition. Intangible assets acquired in a business combination are measured at fair value, while other intangible assets acquired are initially measured at cost. Internally generated intangible assets, excluding capitalised software development costs are measured at cost. Research costs are expensed in profit or loss. Development costs (internally generated software intangible assets) are capitalised in accordance with the software accounting policy below.

Where the useful lives of intangible assets are assessed to be finite, the assets are amortised over their useful life and tested for impairment whenever there is an indication that they may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with useful lives is recognised in profit or loss.
Where the useful lives of intangible assets are assessed to be indefinite, or where internally generated assets are not yet available for use, the assets are not amortised but are subject to an impairment test each year and whenever there is an indication that they may be impaired. The Group holds an intangible asset with an indefinite useful life in the form of Goodwill acquired and has software under development which is not yet available for use.

Software development
Research costs and costs associated with maintaining software products are expensed as incurred.

Costs that are directly associated with the development of new or substantially improved medical technology software products controlled by the Group are recognised as intangible assets only where the following criteria can all be met:
— it is technically feasible to complete the product so that it will be available for sale;
— management intends to complete the product and sell it;
— there is an ability to sell the product;
— it can be demonstrated how the product will generate future economic benefits;
— adequate technical, financial and other resources to complete the development and to sell the product are available; and
— the expenditure attributable to the product during its development can be reliably measured.

Development costs previously recognised as expenses are not recognised as assets in a subsequent period.

Goodwill
Goodwill arising from business combinations is initially measured at cost, being the excess of the sum of the consideration transferred over the net identifiable assets acquired and liabilities assumed.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

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22. Intangible assets (continued)

	Goodwill	Software development	Patents, trademarks and copyrights	Customer Relationships
Useful lives	Indefinite		Finite	
Estimated useful lives	Indefinite but assessed annually for impairment	3 - 10 years	3 - 20 years	20 years
Estimated residual value			Nil	
Method used	Assessed annually for impairment	Amortised over the period of expected future benefit from the related project on a straight-line basis		
Internally generated / acquired	Acquired		Internally generated / acquired	
Impairment test / recoverable amount test	Management believes the most relevant indicators of impairment are where there is evidence of obsolescence or where unfavourable changes to the economic benefits derived from the assets have been experienced.			

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

The goodwill acquired through business combinations is allocated to the North America CGU when testing for impairment. The North American CGU is also an operating and reportable segment.

The Group performed its annual impairment test as at 31 March 2020, using an external independent expert.

North America CGU
Using the capitalisation of revenue method (a market approach) the recoverable amount of the North America CGU was estimated to be US$114M to US$137M, as at 31 March 2020. This was determined based on a fair value less costs of disposal, as it exceeded the value in use. In order to determine the fair value using the market approach a multiple of revenue which a hypothetical buyer (i.e. average market participant) would pay for the business that reflects the size, growth potential, risks and other characteristics of the business were considered by the external independent expert in preparing their report, as was the appropriate revenue multiple. The external independent expert also considered the discounted cash flow (DCF) method (income approach) for the valuation, which resulted in an enterprise value in the range of $114.4M to $141.1M. Based on the valuation of the recoverable amount as calculated by the external independent expert, no impairment charge is required at this time.

The determination of the growth rate assumptions (income approach) and revenue multiple (market approach) are areas that the Group and its expert have exercised judgment, taking into account past experience and external sources. Based on the level of headroom (excess of recoverable amount above the carrying value of assets of the CGU), the Group does not envisage a scenario in which the reasonable changes to these estimates would result in impairment of the goodwill balance.

The inputs used in calculating the fair value less costs of disposal are deemed to be level 2 given that revenue is observable by the market.

22. Intangible assets (continued)	Goodwill NZ$'000	Software development NZ$'000	Patents, trademarks and copyrights NZ$'000	Customer relationships NZ$'000	**Total** NZ$'000
COST					
Balance as at 1 April 2019	-	89	283	-	**372**
Additions	-	413	112	-	**525**
Acquisitions of a subsidiary	7,504	6,026	3,376	7,645	**24,551**
Balance as at 31 March 2020	**7,504**	**6,528**	**3,771**	**7,645**	**25,448**
AMORTISATION AND IMPAIRMENT					
Balance as at 1 April 2019	-	(8)	(9)	-	**(17)**
Amortisation	-	(526)	(607)	(313)	**(1,446)**
Balance as at 31 March 2020	**-**	**(534)**	**(616)**	**(313)**	**(1,463)**
Gain/(loss) from movement in exchange rates	717	541	282	708	**2,248**
Net book value	**8,221**	**6,535**	**3,437**	**8,040**	**26,233**
COST					
Balance as at 1 April 2018	-	-	71	-	**71**
Additions	-	89	212	-	**301**
Balance as at 31 March 2019	**-**	**89**	**283**	**-**	**372**
AMORTISATION AND IMPAIRMENT					
Balance as at 1 April 2018	-	-	-	-	**-**
Amortisation	-	(8)	(9)	-	**(17)**
Balance as at 31 March 2019	**-**	**(8)**	**(9)**	**-**	**(17)**
Net book value	**-**	**81**	**274**	**-**	**355**

Refer to note 23 for details on the goodwill acquired through a business combination.

23. Acquisition of MRS Systems, Inc.

100% of MRS Systems, Inc.'s (MRS) shares were acquired on 13 June 2019, thereby enabling Volpara to obtain control. MRS is a mammography reporting system company whose primary function is to enable the reporting and tracking of patients in breast and lung screening. The primary purpose of the acquisition is to enable Volpara to expedite product development through the use of existing offerings of the acquiree. MRS's year-end is 31 December.

MRS has contributed revenue of NZ$5.5M and a net loss after tax of NZ$3.4M in the period from 13 June 2019. If the acquisition had occurred on 1 April 2019, the revenue and net loss after tax for the Group would have been NZ$7.6M and NZ$3.5M, respectively. As part of the purchase price allocation exercise (refer below) an adjustment was made to reduce the deferred revenue balance of MRS on acquisition date. This adjustment (NZ$3.6M) was to reflect the cost of providing these services, rather than the deferral of revenue.

Intangible assets arising from the acquisition include goodwill. Goodwill represents the combination of synergies expected to be realised through a combined entity such as sales, marketing, and administration, and items that are not separable from the business, such as the assembled workforce. The Group has recognised other separately identifiable intangible assets, including customer relationships, software (developed technology), patents and trademarks and a restraint of trade, refer to note 22.

The fair value consideration paid for MRS is summarised as follows:

	US$'000
Cash paid	11,964
Working capital adjustments	177
Indebtedness	(708)
Deferred cash payment	2,626
Purchase price	**14,059**

Note that the agreement included a portion of deferred consideration (US$2.6M) which refers to funds which have been paid by Volpara and are being kept in escrow for 18 months for the purposes of collateral in the case of any indemnities or warranties.

Upon acquisition, the Group engaged an independent valuation expert to assist the Group in identifying and valuing the assets and liabilities of MRS. The below summarises the assessment:

23. Acquisition of MRS Systems, Inc. (continued)

	US$'000	NZ$'000
Trade receivables	1,444	2,192
Other receivables	96	146
Fixed assets	361	548
Right-of-use assets	1,239	1,881
Deferred tax liabilities	(2,219)	(3,368)
Trade and other payables	(742)	(1,126)
Deferred revenue	(1,030)	(1,564)
Tax payable	(24)	(36)
Lease liability	(1,239)	(1,881)
Developed technology recognised on consolidation	3,970	6,026
Trademarks and trade names recognised on consolidation	2,074	3,148
Customer relationships recognised on consolidation	5,036	7,645
Restraint of trade recognised on consolidation	150	228
Goodwill recognised on consolidation	4,943	7,504
	14,059	**21,343**

Business acquisition and merger related expenses, per note 7, total NZ$1,004,000 and have been expensed in these financial statements.

No goodwill is expected to be deductible for tax purposes.

The fair value of trade and other receivables acquired was equal to the carrying value and the contractual amounts receivable. As at acquisition date, there were no contractual cash flows which were not expected to be received from trade and other receivables.

	US$'000	NZ$'000
MRS CONTRIBUTIONS TO GROUP ACCOUNTS:		
MRS revenue included in statement of profit or loss	3,496	5,453
MRS loss included in statement of profit or loss	(2,216)	(3,375)
IF MRS HAD BEEN ACQUIRED AS AT 1 APRIL 2019:		
MRS revenue included in statement of profit or loss	4,943	7,632
MRS loss included in statement of profit or loss	(2,156)	(3,466)

The above numbers include adjustments required under IFRS 3 to reflect the fair value of the assets and liabilities acquired.

23. Acquisition of MRS Systems, Inc. (continued)

The key estimates and judgments used in determining the assets are as follows:

Asset/liability	Valuation methodology	Estimates and judgments used in the valuations
Customer relationships	Multiple period excess earnings method	Estimates were made for the following inputs: average customer life*, average customer spend, gross margin operating costs, contributory asset charges* and income tax rates.
Trademarks and trade names	Relief from royalty method	Estimates were made for the following inputs: revenue, royalty rate*, economic life and income tax rates.
Developed technology	Replacement cost	Estimates were made for the following inputs: labour effort and costs*, overhead costs, developer's profit, entrepreneurial incentive and obsolescence.
Deferred revenue	Costs to fulfil obligation	Estimates were made for the following inputs: overhead costs, labour effort and costs and an operating profit margin.

*Denotes key estimates and judgments that have the largest impact on the valuations.

24. RELATED PARTIES

The consolidated financial statements include the financial statements of Volpara Health Technologies Limited and the subsidiaries listed in the following table:

Name of entity	Country of Incorporation	2020 Ownership	2019 Ownership
Volpara Solutions Limited	New Zealand	100%	100%
Volpara Solutions Europe Limited	United Kingdom	100%	100%
Volpara Solutions Incorporated *	United States	100%	100%
Volpara Solutions Australia Pty Limited	Australia	100%	100%
MRS Systems, Inc.	United States	100%	0%

The entities in the Group all have a balance date of 31 March except for MRS which has a 31 December balance date.

* Volpara Solutions Incorporated merged with MRS Systems, Inc. on 31 March 2020. MRS Systems Inc. then then changed its name to Volpara Solutions Incorporated in early April 2020.

Financial support is provided to subsidiaries in accordance with Volpara's transfer pricing policy.

Ultimate Parent
Volpara Health Technologies Limited is the ultimate parent entity.

Key Management Personnel (KMP) and Director Compensation
Key management personnel include the Chief Executive Officer (CEO), and those employees who report directly to the CEO who have authority and responsibility for planning, directing and controlling the activities of the Group.

24. Related parties (continued)

Compensation of Key Management Personnel and Directors	2020 NZ$	2019 NZ$
Short-term employee benefits (i)	1,283,737	1,139,174
Post-employment benefits and medical benefits	94,406	92,333
KMP share based payment expense	151,394	140,389
Directors' fees	400,534	389,528
Directors' share-based payment expense	314,333	104,150
	2,244,404	**1,865,574**

i. Short-term employee benefits include salaries and wages, car allowances, short-term incentives earned during the period, and non-monetary benefits such as insurance;
ii. Some KMPs are based in the United States and are paid in US$. The total compensation is therefore translated for financial reporting purposes to NZ$ on a monthly basis.

The value of outstanding balances payable to KMP and Directors at balance date totalled $128,000 (2019: $148,000).

For additional detail related to the compensation of KMP and Directors please refer to the accompanying Directors' Report.

Interests held by Key Management Personnel and Directors
Share options held by KMP and Directors, under the Legacy ESOP and New ESOP to purchase ordinary shares, have the following expiry dates and exercise prices:

Issue Date	Expiry Date	Exercise Price NZ$	2020 000s	2019 000s
KMP	15/01/2021 - 1/07/2026	0.47 - 1.74	2,610	3,250
Directors	15/03/2023 - 20/08/2026	0.47 - 1.54	2,352	1,952
			4,962	**5,202**

Loans to directors
There were no loans to directors issued during the year ended 31 March 2020 (2019: Nil).

Other transactions and balances
During the year, fees were paid to Karin Lindgren totalling $77,000 for legal services provided (2019: Karin was not a Director). Of this, $10,000 was paid to Karin after she was appointed as a Director.

Directors of Volpara Health Technologies Limited control 19.91% of the voting shares of the Company at balance date (2019: 27.01%).

25. CONTINGENCIES AND COMMITMENTS

Contingent liabilities and capital commitments
The Group had no contingencies or commitments to purchase fixtures or equipment as at 31 March 2020 (2019: nil).

26. EVENTS AFTER THE BALANCE DATE

On 1 April 2020, MRS Systems, Inc., was merged into Volpara Solutions Incorporated. This merger creates synergies for operations in the United States. There were no other significant events between balance date and the date these financial statements were authorised for issue.

Subsequent to the end of the financial year, the Company successfully raised additional capital through a placement to institutional shareholders and a fully underwritten share purchase plan. Refer to note 12 for more details.

27. IMPACT OF COVID-19

The Group has, since its inception in 2009, configured the business globally to be able to support customers and continue operations on a remote basis. For example, before the acquisition of MRS, the Group's operations in the United States were run entirely remotely. Consequently, there has not been any significant impact on our business as of the date of this report, although the scale and duration of developments relating to COVID-19 will continue to be monitored closely for any impacts on the business.

The Directors considered the following factors, considering the facts and circumstances known at the date of this report, in assessing the potential impacts on the financial statements in light of COVID-19:
- On 26 March 2020 the American Society of Breast Surgeons (ASBrS) and the American College of Radiology (ACR) recommended that medical facilities postpone all breast screening exams (to include screening mammography, ultrasound, and MRI) effective immediately. As a result, we observed a large drop-off in screening through our real-time monitoring of all customers; however, to date we have not seen this impact materially on revenue. During the period from late March until early May customers continued to perform diagnostic screenings. However, from early May, as the various states in the United States began to relax stay-at-home orders, we have seen screening volumes start to increase.
- The Group's administrative functions operate globally and are able to operate satisfactorily during periods of restrictions.
- The Group has not experienced a significant increase in customer credit risk and continues to receive cash receipts.
- Impairment testing has been performed over the Group's indefinite life intangible assets. The significant headroom afforded by the valuations provides the Directors with confidence that reasonable deviations from expected cash flows will not result in impairment.
- The Group had sufficient funds to enable it to meet its cash flow requirements before the successful capital raise as discussed above. However, the funds from the capital raise provide further certainty about the Group's ability to continue operations for the foreseeable future.

Additional information for Listed Companies (unaudited)

Volpara Health Technologies Limited

(NZ Company no. 2206998 / ARBN 609 946 867)

Stock Exchange Listing

Our shares listed on the Australian Stock Exchange (ASX: VHT).

Analysis of Shareholding at 16 June 2020

Range	Securities	%	No. of holders	%
1 to 1000	2,231,261	0.90%	3,808	26.34%
1,001 to 5000	14,909,845	6.01%	5,570	38.53%
5,001 to 10,000	17,884,997	7.21%	2,379	16.46%
10,001 to 100,000	64,212,812	25.91%	2,558	17.70%
100,001 and over	148,657,736	59.97%	140	0.97%
Total	**247,896,651**	**100.00%**	**14,455**	**100.00%**

The number of shareholdings held in less than marketable parcels is 859, representing 207,966 shares.

Twenty largest shareholders at 16 June 2020

Rank	Name	Shareholding	Percentage Holding
1	J P MORGAN NOMINEES AUSTRALIA	20,995,670	8.47%
2	PATAGORANG PTY LTD	18,467,848	7.45%
3	RALPH HIGHNAM AND KYC TRUSTEES 106 LIMITED <HIGHNAM SHARE A/C>	16,213,561	6.54%
4	CITICORP NOMINEES PTY LIMITED	13,410,249	5.41%
5	CUSTODIAL SERVICES LIMITED <BENEFICIARIES HOLDING A/C>	9,123,587	3.68%
6	NATIONAL NOMINEES LIMITED	7,482,711	3.02%
7	PROF SIR MICHAEL BRADY	6,619,075	2.67%
8	MR MARCUS SARNER	5,980,404	2.41%
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,745,453	1.51%
10	BNP PARIBAS NOMS (NZ) LTD <DRP>	3,329,230	1.34%
11	SIR MARTIN FRANCIS WOOD	3,004,655	1.21%
12	LADY KATHLEEN AUDREY WOOD	3,004,654	1.21%
13	PROF MARTIN YAFFE	2,785,850	1.12%
14	PROF NICO KARSSEMEIJER	2,556,806	1.03%
15	MR JEREMY PALMER	1,966,317	0.79%
16	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSI EDA	1,635,001	0.66%
17	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,495,154	0.60%
18	WHITFIELD INVESTMENTS PTY LTD	1,430,767	0.58%
19	SIR MARTIN GREGORY SMITH	1,366,977	0.55%
20	PICKARD CAPITAL PTY LTD	917,106	0.37%
	Total	**125,531,075**	**50.62%**
	Balance of Register	**122,365,576**	
	Grand Total	**247,896,651**	

Donations made during the year
Donations made during the year ended 31 March 2020 totalled NZ$4,000 (2019: NZ$2,000).

Employee remuneration
Remuneration and other benefits (excluding commissions and non-cash share based payments) of NZ$100,000 per annum or more received by employees (excluding Company Directors) in their capacity as employees during the period were as follows:

Remuneration range			Number of employees
100,000	to	110,000	7
110,001	to	120,000	10
120,001	to	130,000	10
130,001	to	140,000	8
140,001	to	150,000	4
150,001	to	160,000	5
160,001	to	170,000	6
170,001	to	180,000	6
180,001	to	190,000	8
190,001	to	200,000	3
200,001	to	210,000	8
210,001	to	220,000	4
220,001	to	230,000	-
230,001	to	240,000	3
240,001	to	250,000	4
250,001	to	260,000	-
260,001	to	270,000	1
270,001	to	280,000	3
280,001	to	290,000	1
290,001	to	300,000	1
320,001	to	330,000	1
350,001	to	360,000	1
420,001	to	430,000	3
560,001	to	570,000	1
730,001	to	740,000	1

ADDITIONAL INFORMATION FOR LISTED COMPANIES

Substantial Shareholders
The names of the substantial shareholdings listed in the Company's register are:

Shareholder	Shareholding	Percentage Holding
HARBOUR ASSET MANAGEMENT LIMITED	19,677,115	7.94%
PATAGORANG PTY LTD *(beneficiary for Roger Allen AM)*	18,467,848	7.45%
RALPH HIGHNAM AND KYC TRUSTEES 106 LIMITED <HIGHNAM SHARE A/C>	16,213,561	6.54%

Voting Rights
The voting rights attaching to each class of equity securities are set out below:
i. All ordinary fully paid share carry one vote per share without restrictions.
ii. Options do not carry a right to vote.

Entries recorded in the interest register
The Company maintains an Interest Register in accordance with the Companies Act 1993. The following are particulars of entries made in the Interest register for the period 1 April 2019 to 31 March 2020.

Director	Date	Interest
Roger Allen	26/04/2019	Director - Mihaven Social Housing Pty Ltd
Roger Allen	12/06/2019	Resigned as Director - Paloma Mobile Pty Ltd
Roger Allen	7/07/2019	Resigned as Director - eWise Systems Pty Ltd (Australian subsidiary only)
Roger Allen	10/09/2019	Director & Secretary - Welcome to Country Ltd
Roger Allen	6/01/2020	Director - HACH Private Capital Pty Ltd
Roger Allen	23/03/2020	Resigned as Director - National Narrowband Network Communications Pty Ltd
Roger Allen	19/02/2020	Resigned as Director - First Australians Capital
John Pavlidis	28/12/2019	Stepped down as CEO due to company being sold - VytronUS
John Diddams	1/11/2019	Director - Mihaven Social Impact Property Fund Pty Ltd
John Diddams	20/11/2019	Director - Surf Lakes Holdings Limited
John Diddams	21/11/2019	Director - Aroa Biosurgery Limited
Karin Lindgren	1/09/2012	Advisory Board - SyTrue Inc.
Karin Lindgren	1/06/2013	Advisory Board - Vheda Health

Restricted Securities as at 31 March 2020
As at 31 March 2020, there were no shares on issue in escrow.

Corporate Directory

Registered Office
Volpara Health Technologies Limited
Level 14, 40 Mercer Street
Wellington Central
Wellington, 6011
New Zealand

Board of Directors
Paul Reid - Chair, Non-Executive Independent
Dr Ralph Highnam - Chief Executive Officer
Roger Allen AM - Non-Executive Independent
John Pavlidis - Non-Executive Independent
John Diddams - Non-Executive Independent
Dr Monica Saini - Chief Medical Officer
Karin Lindgren - Non-Executive Independent

Company Secretary
Craig Hadfield

New Zealand Incorporation
The Company is registered under the laws of New Zealand, company number 2206998

Australian Registered Body Number (ARBN)
609 946 867

The Company's registered office address in Australia
Suite 9, Level 1, 357 Military Road
Mosman
Sydney
NSW, 2088
Australia

Share Register
Boardroom Pty Limited
Grosvenor Place
Level 12, 225 George Street
Sydney
NSW, 2000
Australia

Auditor
PwC
10 Waterloo Quay
Wellington, 6011
New Zealand

Legal Advisers
Davis Wright Tremaine LLP (USA)
Mills Oakley (Australia)
Simmonds Stewart (New Zealand)

Bankers
1st Security Bank (USA)
Bank of America (USA)
Banner Bank (USA)
HomeStreet Bank (USA)
JPMorgan Chase Bank (USA)
Key Bank (USA)
Kiwibank (New Zealand)
Lloyds Bank (United Kingdom)
NAB (Australia)
Pacific Crest Savings Bank (USA)

"The majority of women who come here for screening will not have breast cancer. But they will have an experience, so our goal is to optimise that experience."

—Dr Samir B Patel, Director of Radiology,
Elkhart General Hospital, Elkhart, Indiana, USA

volpara® health technologies

Volpara Health Technologies Limited
ASX:VHT
(NZ Company no. 2206998/ARBN 609 946 867)