

Half-Year Results 2021

Investor Presentation



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Our Mission

**PREVENT
ADVANCED-STAGE
BREAST CANCER**

Half-Year 2021 Highlights

NZ\$39.5M

Successful capital raising undertaken (A\$37M)

ANNUAL RECURRING REVENUES

NZ\$19.9M

Compared to NZ\$15.7M at the end of the prior corresponding period

NET OPERATING CASH OUTFLOW

NZ\$7.8M

Compared to NZ\$7.9M for the prior corresponding period

TOTAL REVENUE

NZ\$9.5M

+38% on prior corresponding period

27% (approx.)

of women having a Group product applied on their images and data compared to approx. 25.8% at the end of the prior corresponding period

CASH AND CASH EQUIVALENTS

NZ\$64.3M

at end HY21, up from NZ\$31.4M at end FY20, mainly as a result of the successful capital raise noted above

SUBSCRIPTION REVENUE

NZ\$8.8M

+71% on prior corresponding period

NET LOSS

NZ\$8.9M

+11% on prior corresponding period

NON-GAAP EARNINGS

-7%

before tax, depreciation, amortisation, impairment, one-off items, and non-cash items decreased from NZ\$6.8M in HY20 to NZ\$6.3M in HY21

Continued investment has been made in research and development with the roll out of our Volpara Breast Health Platform, an end-to-end solution (see slide 10) fully integrated and delivered via a virtual appliance

Company Overview

Volpara (ASX:VHT) is an ASX-listed health technology software company whose integrated breast health platform assists in the delivery of personalised patient care.

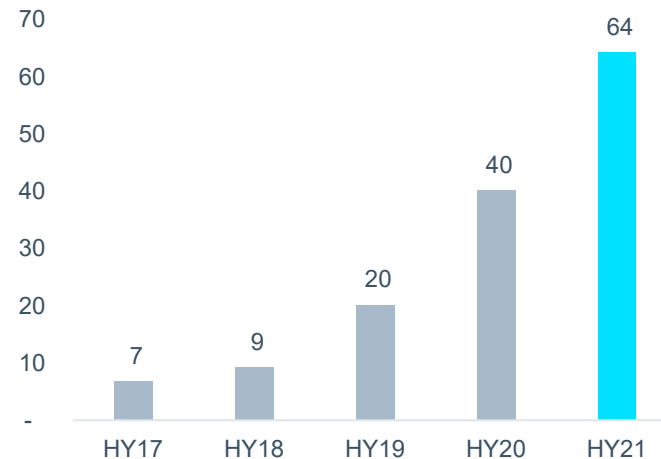
The platform—the most clinically validated in the industry—features Volpara®Density™, Volpara®Enterprise™, Volpara®Live!™, Volpara®Risk™, Aspen Breast™, and Aspen Lung™ software. These are sold both direct and through leading distribution partners, such as GE Healthcare and Fuji Medical.

Based in Wellington, Volpara's staff number 166 across New Zealand, Australia, the United States, the United Kingdom, and France.

Key Corporate Data (as of 24 November)

Share price	A\$1.44
52 week low/high	A\$0.81-A\$1.90
Shares on issue	250,819,081
Market cap.	A\$361.2M
Cash ¹ (30 September 2020)	NZ\$64.3M / A\$61.2M
Debt ¹ (30 September 2020)	NZ\$2.6M / A\$2.5M
Enterprise value	A\$302.5M

Cash on hand (NZ\$M)

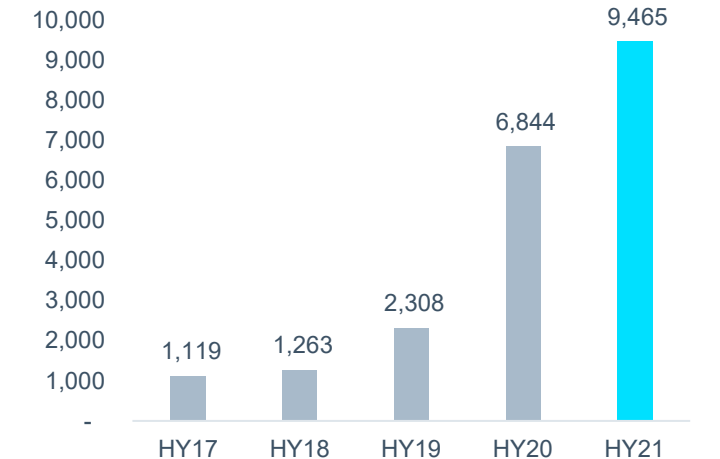


¹ NZ\$:A\$ rate used of 1.05

Share Price vs Market Capitalisation

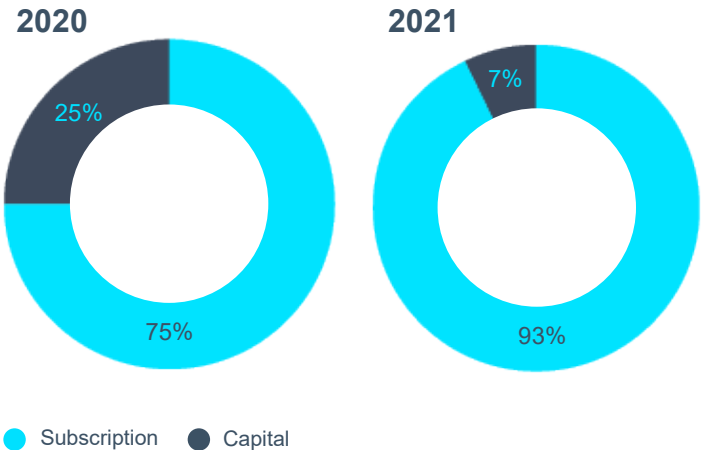


Revenue (NZ\$'000's)

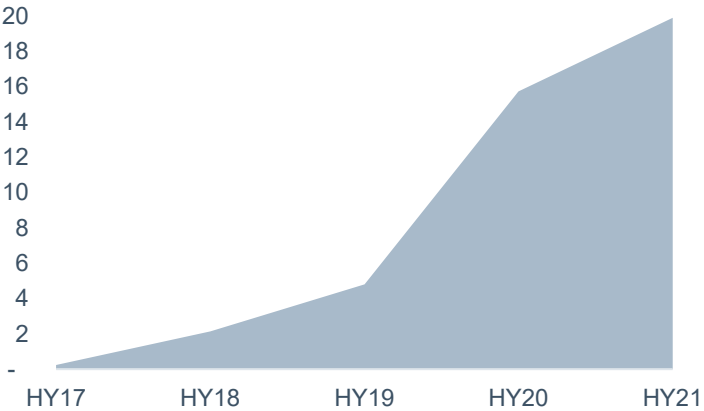


Revenue

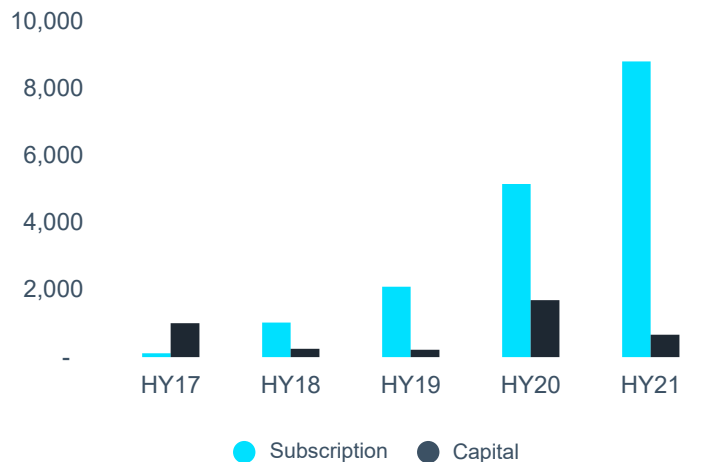
Half-year total revenue up 38% to NZ\$9.5M



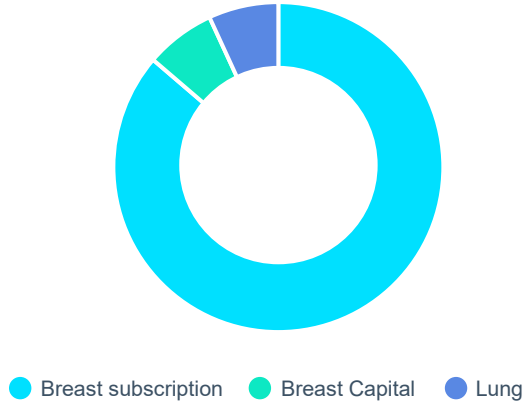
Annual Recurring Revenue (NZ\$M)



Revenue Mix (NZ\$'000's)



HY21 Revenue Mix (NZ\$'000)



Subscription revenue up 71% to NZ\$8.8M

Subscription products

VolparaDensity, VolparaEnterprise, VolparaLive!, VolparaRisk, Aspen Breast, Aspen Lung

Capital products

VolparaDensity, Aspen Breast, Aspen Lung

Operating Costs

COVID-19 brought challenges to many businesses, including ours. For us, this meant bringing forward plans to restructure certain roles after the MRS acquisition in June of last year. It also gave us an opportunity to rethink how we do things, especially in terms of Sales & Marketing.

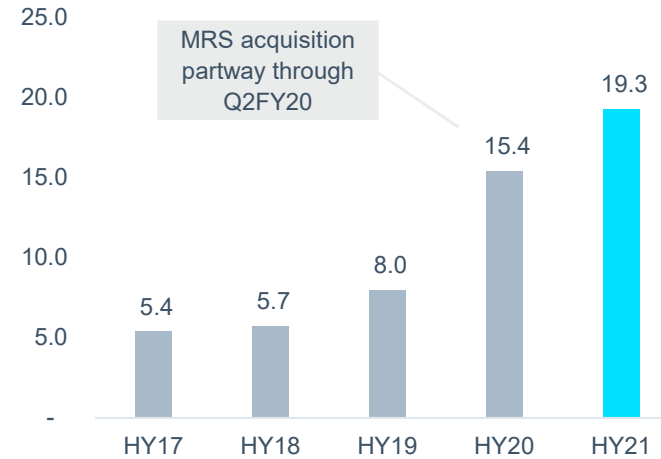
Traditional face-to-face contact and trade shows have all but gone away.

But our swift pivot to digital marketing has already yielded efficiencies whose outcome is evident in the numbers.

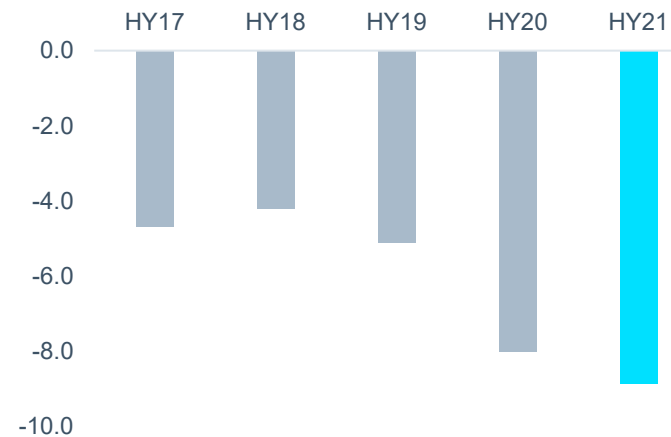
Other gains will only become more visible over time, ultimately appearing on the bottom line in our full-year results and beyond.

Nevertheless, we have made great progress in the last six to 12 months; we continue to focus on efficiencies in all areas of the business while not allowing this effort to impact on the top line.

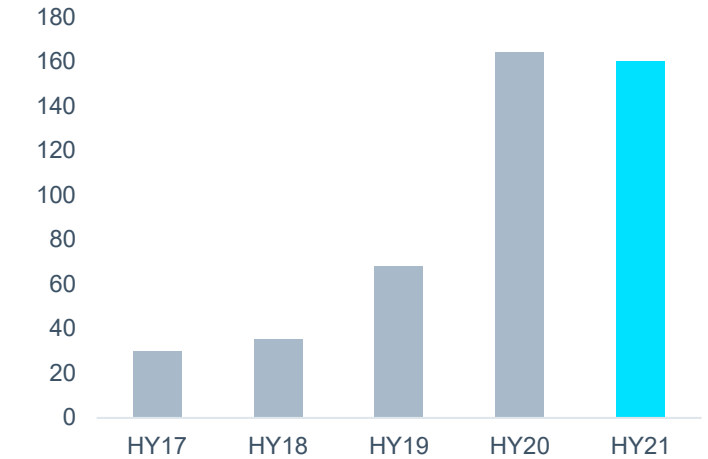
Operating Expenses (NZ\$M)



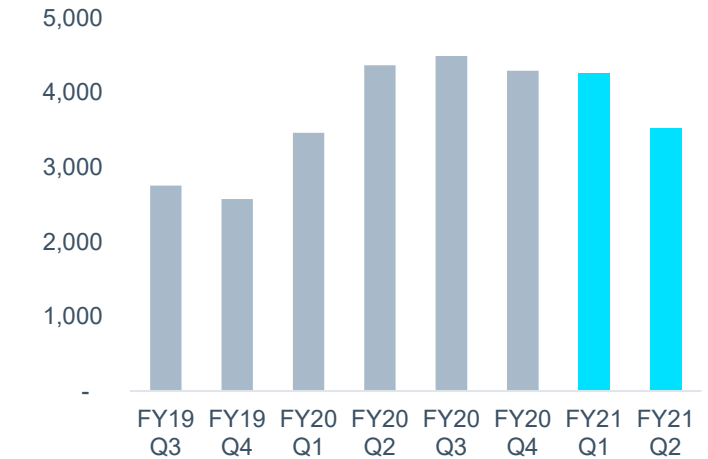
Loss after tax (NZ\$M)



Headcount



Cash used in OPEX (NZ\$'000's)



Profit or Loss Summary

Highlights

Revenue of NZ\$9.5M, up 38% year on year, with subscription revenues up 71%.

Gross Profit of NZ\$8.7M, up 43%, reflecting a Gross Margin of 92%. The increase in Gross Margin has been driven primarily by the legacy MRS products' high gross margins, but also through efficiencies gained on our cloud deployments—which we continue to work on.

Sales & Marketing and General & Administration costs have increased minimally. Various cost-control measures implemented throughout the first half of the year have already seen efficiencies gained in these areas of the business. Product Research & Development has increased as we continue to invest in the Platform and our IP.

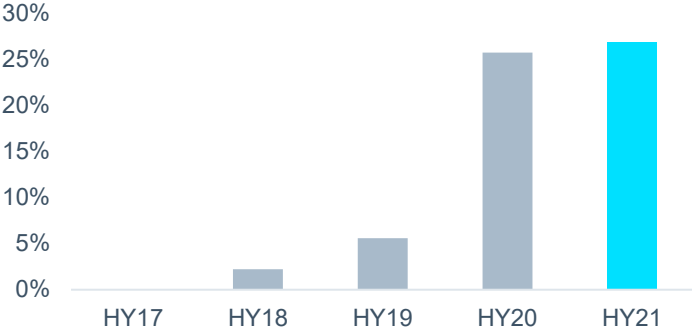
Net loss for the year after tax has increased 11% year on year, pleasingly at a much slower pace than our revenue increases.

Non-GAAP earnings before tax, depreciation, amortisation, impairment, one-off items, and non-cash items **decreased** 7% from NZ\$6.8M in HY20 to NZ\$6.3M in HY21.

P&L SUMMARY (NZ\$'000's)	HY20	HY21	Change
Revenue from contracts with customers	6,844	9,465	38%
Cost of revenue	(770)	(783)	2%
Gross profit	6,074	8,682	43%
Government grants and other operating income	500	1,001	100%
Sales and marketing	(5,894)	(6,518)	11%
Product research and development	(4,580)	(7,218)	58%
General and administration	(4,924)	(5,523)	12%
Foreign exchange gains/(losses)	468	(261)	-156%
Operating loss	(8,356)	(9,837)	18%
Finance income	358	389	9%
Finance expense	(30)	(92)	207%
Net loss for the period before tax	(8,028)	(9,540)	19%
Income tax benefit	20	675	3275%
Net loss for the year after tax	(8,008)	(8,865)	11%
Other comprehensive income/(expense)	90	(1,885)	-2194%
Total comprehensive loss for the period, net of tax	(7,918)	(10,750)	36%
IFRS Net Loss Before Tax	(8,028)	(9,540)	19%
Business acquisition- and merger-related expenses	624	196	-69%
Share-based payments expense	511	732	43%
Depreciation and amortisation	361	1,459	304%
(Gains)/losses on foreign exchange transactions	(468)	261	-156%
Impairment of right-of-use asset	163	0	-100%
Revenue adjustment	0	522	100%
Bad debts written off	0	23	100%
Non-GAAP earnings before tax, depreciation, amortisation, impairment, one-off items, and non-cash items	(6,837)	(6,347)	-7%

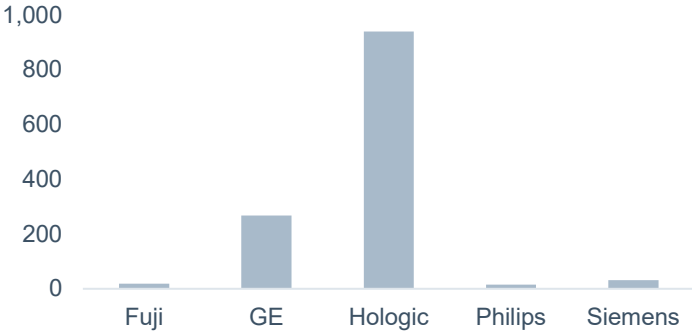
Other Metrics

Percentage of North American market



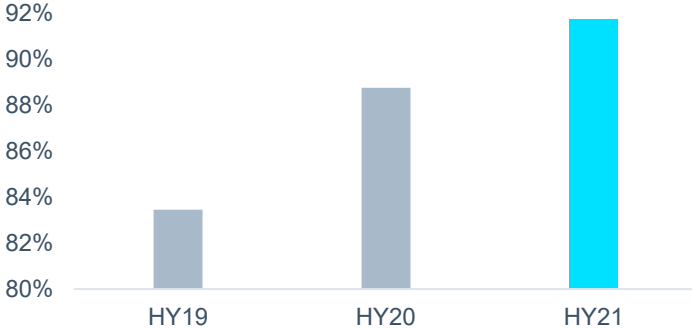
Approx. 27% of North American market.*

X-Ray Machine Vendor - VolparaEnterprise



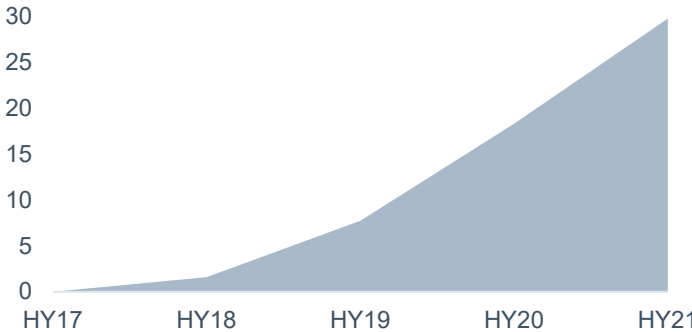
VolparaEnterprise is currently running on over 1,272 x-ray machines. Approx. 74% of those are Hologic machines and approx. 21% GE.

Gross Margin



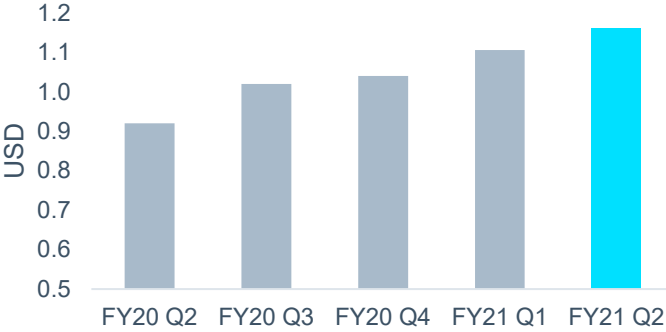
Gross Margin has increased from 89% to 92%.

Number of Images (millions)



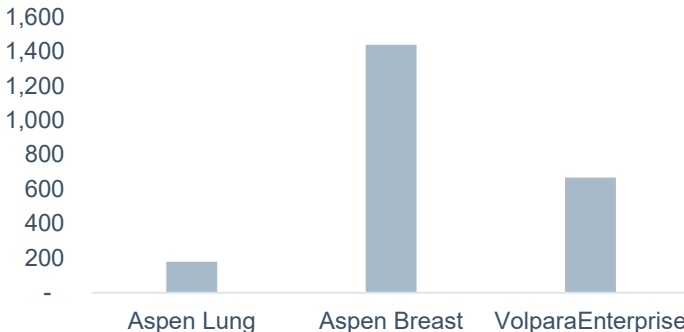
The number of images in the cloud has increased from 18.3M to 29.7M in the last 12 months.

Group ARPU (USD)



Group ARPU has increased from USD1.11 in Q1 to USD1.16 in Q2.

Number of customer sites



* Percentage of market using at least one Volpara product. This provides the Group with the opportunity to cross-sell Volpara's expanded suite of products.

Business Outlook

As a rapidly growing SaaS company, Volpara will continue to focus on and drive toward the following goals for the next six months:

Continuing low churn. We've had remarkably low churn, even during the COVID-19 pandemic. Ever-increasing customer value is a key goal, and that means ever-evolving products and ever-improving customer experience.

Increased ARPU through selling a platform, not just a product. On 1st October 2020, we formally released the Volpara Breast Health Platform. This platform includes all our products with the additional power of multiple integrations to make the suite even more compelling. Most new sales now are for two or three products, representing significantly increased ARPU, and our relationship with a genetics company is expected to start paying dividends.

Organic growth, fresh. We have a pipeline of new deals lining up thanks to networks, customer referrals, and digital marketing, but we are seeing signs of slowing as coronavirus and other pressures permeate the USA.

Organic growth, upselling. We have a very significant upselling opportunity ahead of us as we finish upgrading MRS 6 users and start moving MRS 7 users to the far more powerful and compelling Aspen Breast, along with Volpara products. Evidence so far suggests a 200–300% increase in recurring revenue.

Inorganic growth. Discussions continue with companies that can give us expanded customer reach or skills and products to help increase ARPU and technology for the future.