

# Full-Year Results 2021

## Investor Presentation



Ralph Highnam, CEO  
Craig Hadfield, CFO & Company Secretary

# Important Notice & Disclaimer

This presentation, dated 27<sup>th</sup> May 2021, has been prepared solely for the purpose of providing potential investors with information about Volpara Health Technologies Limited (“**Volpara**,” “**VHT**,” or the “**Company**”). The information contained in this presentation is of a general background nature, is in summary form, and does not purport to contain all the information that a potential investor may need or desire. Potential investors should conduct their own investigation and analysis of Volpara and of the information contained in this presentation and should rely solely on their own judgement, review, and analysis in deciding whether to invest in Volpara. The information in this presentation has been prepared in conjunction with an oral presentation and should not be taken out of context. The content of this presentation is provided as at the date of this presentation (unless otherwise stated) and the information in this presentation is subject to change without notice.

## **Forward-looking statements**

This presentation may include forward-looking statements. Such statements can generally be identified by the use of words such as "may," "will," "expect," "intend," "plan," "estimate," "anticipate," "believe," "continue," "objectives," "outlook," "guidance," "forecast," and similar expressions. Indications of plans, strategies, management objectives, sales, and financial performance are also forward-looking statements. Such statements are based on assumptions and contingencies which are subject to change without notice and are not guarantees of future performance. Such statements involve known and unknown risks, uncertainties, assumptions, contingencies, and other factors, many of which are outside the control of Volpara. No representation is made or will be made that any forward-looking statement will be achieved or will prove to be correct. Actual results, performance, operations, or achievements may vary materially from any forward-looking statements. Circumstances may change and the content of this presentation may become outdated as a result. Readers are cautioned not to place undue reliance on forward-looking statements, and Volpara assumes no obligation to update such statements except as required by law. No representation or warranty, expressed or implied, is made as to the accuracy, reliability, adequacy, or completeness of the information contained in this presentation.

## **Past performance**

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

## **Information is not financial or product advice or offer of securities**

This presentation is not, and is not intended to constitute, financial or product advice, or an offer, invitation, solicitation, or recommendation to acquire or sell Volpara shares or any other financial products in any jurisdiction, and is not a prospectus, product disclosure statement, disclosure document, or other offering document under Australian law or any other law. This presentation also does not form the basis of any contract or commitment to sell or apply for securities in Volpara or any of its subsidiaries. It is for information purposes only. Volpara does not warrant or represent that the information in this presentation is free from errors, omissions, or misrepresentations or is suitable for any intended use. The information contained in this presentation has been prepared without taking account of any person's investment objectives, financial situation, or particular needs and nothing contained in this presentation constitutes investment, legal, tax, or other advice. The information provided in this presentation may not be suitable for a potential investor's specific needs and should not be relied upon in substitution obtaining independent advice. Subject to any terms implied by law and which cannot be excluded, Volpara accepts no responsibility for any loss, damage, cost, or expense (whether direct, or indirect, consequential, exceptional, or special damages including but not limited to loss of revenue, profits, time, goodwill, data, anticipated savings, opportunity, business reputation, future reputation, production or profit, any delay costs, economic loss, or damage) incurred by any person as a result of any error, omission, or misrepresentation in this presentation.

## **Preparation of information**

All financial information has been prepared and reviewed in accordance with Generally Accepted Accounting Practice in New Zealand, New Zealand Equivalents to International Financial Reporting Standards, and International Financial Reporting Standards. Certain financial data included in this presentation is "non-IFRS financial information". The Company believes that this non-IFRS financial information provides useful insight in measuring the financial performance and condition of Volpara. Readers are cautioned not to place undue reliance on any non-IFRS financial information, including ratios, included in this presentation.

## **Third-party information and market data**

The views expressed in this presentation contain information that has been derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness, or reliability of the information. This presentation should not be relied upon as a recommendation or forecast by Volpara. Market share information is based on management estimates except where explicitly identified.

## **No liability or responsibility**

The information in this presentation is general in nature and is provided in summary form and therefore does not purport to be complete. No other party than Volpara has authorised, permitted, or caused the issue or lodgement, submission, dispatch, or provision of this presentation, and there is no statement in this presentation which is based on any statement made by any of them or by any party other than Volpara. To the maximum extent permitted by law, Volpara and each of its affiliates, directors, employees, officers, partners, agents, and advisers expressly disclaim all liabilities in respect of, and make no representations regarding, and take no responsibility for, any part of this presentation and make no representation or warranty as to the currency, accuracy, reliability, or completeness of this presentation.

To the maximum extent permitted by law, Volpara and each of its affiliates, directors, employees, officers, partners, agents, and advisers and any other person involved in the preparation of this presentation disclaim all liability and responsibility (including without limitation, any liability arising from fault or negligence) for any direct or indirect loss or damage which may arise or be suffered through use or reliance on anything contained in, or omitted from, this presentation. Volpara accepts no responsibility or obligation to provide an update in respect of any matter arising or coming to their attention after the date of this presentation which may affect any matter referred to in this presentation. Each recipient of this presentation represents and warrants to Volpara that it is able to receive this presentation without contravention of any applicable law or legal restriction in the jurisdiction in which the recipient resides, conducts business, or receives this document.

**This presentation should be read in conjunction with Volpara's other periodic and continuous disclosure announcements lodged with ASX.**

## Our Mission

# Saving Families from Cancer

# FY21 Highlights

ANNUAL RECURRING REVENUES

**NZ\$27.9M**

**+55%**<sup>2</sup> compared to NZ\$18.0M at the end of the prior corresponding period

NORMALISED NON-GAAP LOSS<sup>1</sup>

**NZ\$12.4M**

**21%** improvement on prior corresponding period

**32%** (approx.)

of US women having a Group product applied on their images and data compared to approx. 27% at the end of the prior corresponding period

TOTAL REVENUE

**NZ\$19.7M**

**+57%** on prior corresponding period

NET OPERATING CASH OUTFLOW

**NZ\$14.0M**

**16%** improvement compared to NZ\$16.6M for the prior corresponding period

GROSS PROFIT MARGIN

**91%**

Up from 86% for the prior corresponding period

SUBSCRIPTION REVENUE

**NZ\$18.1M**

**+99%** on prior corresponding period

NET LOSS AFTER TAX

**NZ\$17.5M**

**14%** improvement on prior corresponding period

CASH AND CASH EQUIVALENTS

**NZ\$32.2M**

at end FY21, up from NZ\$31.4M at end FY20, after the capital raise noted above and acquisition of CRA during the period

<sup>1</sup> Normalised non-GAAP adjusted loss is net loss before interest, tax, depreciation, amortisation, impairment, one-off items, and non-cash items.

<sup>2</sup> Annual Recurring Revenues increased 60% in US\$, from organic and inorganic growth

# Product Update

In FY21, we made significant investments in product development and technology. We focused on expanding the Breast Health Platform to create a better patient experience, easier integration of expanded patient pathways, and support for our customers' reporting, compliance, and image quality needs, all whilst positioning the company to scale.

**Below are some of the highlights:**

## **Personalised risk for all**

---

We acquired CRA Health to expand our best-in-class personalised risk offerings to all customers.

## **Easier connection to genetics companies**

---

As genetics plays an important role in patient understanding of personalised breast cancer risk, we continued to release updates that facilitate easier communication between our customers and genetics companies.

## **Improved EQUIP compliance reporting**

---

Using our TruPGMI image quality evaluation method, we automated more of our customers' EQUIP reporting, driving down their cost of compliance.

## **Key automated reports now emailed directly**

---

Our customers are busy and need valuable insights delivered to them to focus their time. This year we expanded our Analytics capabilities to deliver our actionable insights directly to their inbox.

## **Next-level TruDensity**

---

With 39.5M+ images in the cloud, we continually pushed the results of our TruDensity clinical function, the clear market leader in density assessment.

## **New Scorecard rollout continues**

---

Delivering cross-product value and a growing array of patient insights, our clinical decision-making software continues to roll out with customer buy-in.

# Other Achievements



Acquired CRA Health, LLC, a leader in breast cancer risk assessment & genetics



Signed, via CRA Health, highest-value contract to date with major US hospital chain



Signed collaboration agreement with Ambry Genetics, which has started to generate revenue



Extended distribution agreement with MeVIS Medical Solutions AG



Partnered with Sydney-based DetectED-X



Rebranded Volpara Solutions to Volpara Health to better reflect our mission to prevent advanced-stage breast cancer



Partnered with Sheila R. Veloz Breast Center to provide image-enhanced patient letters, i.e., Project Thumb



Expanded Charlotte Radiology collaboration to sign US Radiology to five-year SaaS contract



Signed five-year SaaS contract with BreastScreen Queensland



Granted 97th US patent



Won Supreme Gold and Cyber Gold Awards at Wellington Gold Awards



Won Absolute IT Supreme Scale-Ups Award



Won European Congress of Radiology Award



Saw significant reduction in false-positive rate in second round of DENSE trial using VolparaDensity software



Relaunched website

# 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.

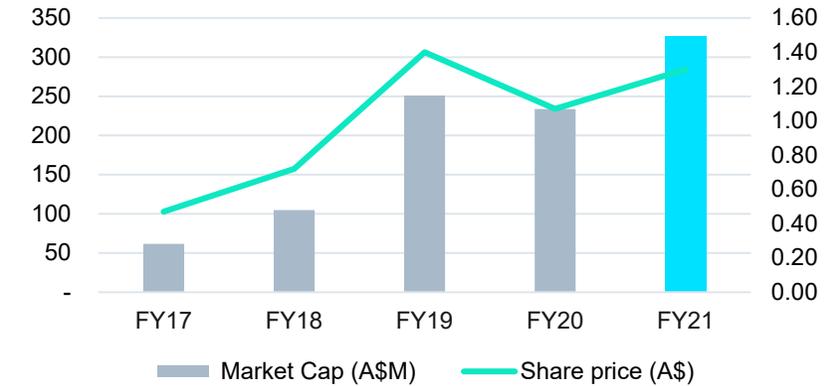
The platform—the most clinically validated in the industry—features Volpara Analytics, Volpara Live, Volpara Lung, Volpara Patient Hub, Volpara Risk, and Volpara Scorecard. These are sold both direct and through leading distribution partners, such as GE Healthcare and Fuji Medical.



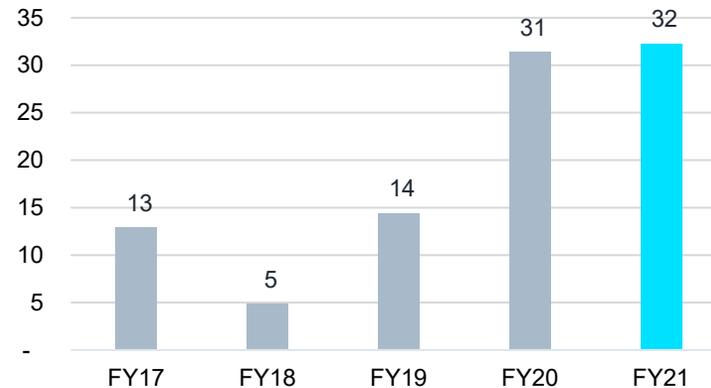
## Key Corporate Data (as of 26 May)

|                                   |                      |
|-----------------------------------|----------------------|
| Share price                       | A\$1.25              |
| 52 week low/high                  | A\$1.20-A\$1.67      |
| Shares on issue                   | 251,019,081          |
| Market cap.                       | A\$313.8M            |
| Cash <sup>1</sup> (31 March 2021) | NZ\$32.2M / A\$29.6M |
| Debt <sup>1</sup> (31 March 2021) | NZ\$2.5M / A\$2.3M   |
| Enterprise value                  | A\$286.5M            |

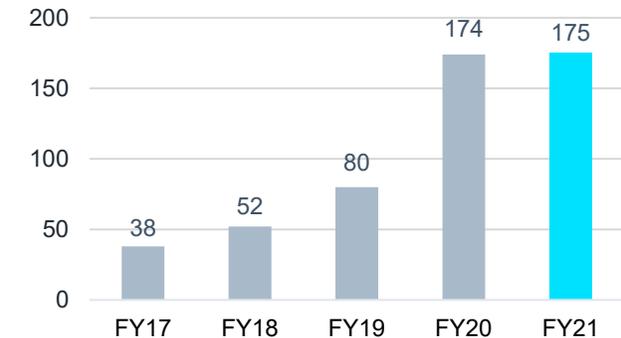
## Share Price vs Market Capitalisation



## Cash on hand (\$M)



## Headcount



Based in Wellington, Volpara's staff totals 175 across New Zealand, Australia, the United States, the United Kingdom, and France.

# Results Summary

## Highlights

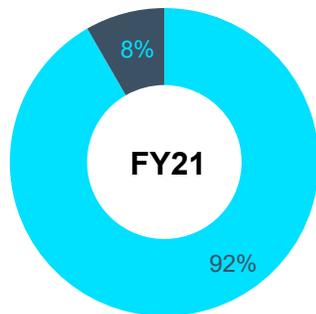
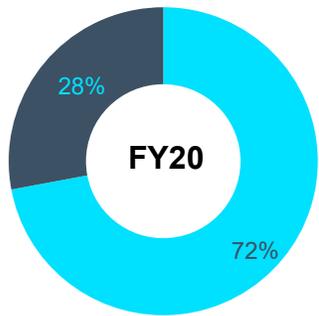
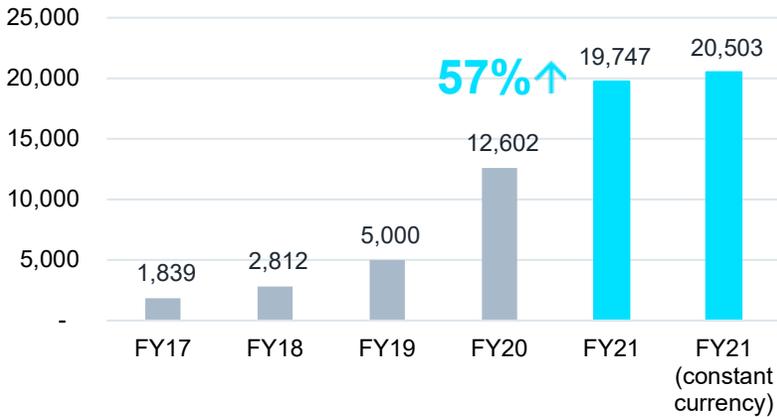
- Revenue up to NZ\$19.75M, up 57% year on year (NZ\$20.5M, up 63% in constant currency)
- Subscription revenues up 99%
- Gross Profit of NZ\$18.1M, up 67%, reflecting a Gross Margin of over 91%
- Decrease in Cost of Revenue is driven primarily by cloud cost reductions (despite increased customers being deployed, cloud costs increased only 1% year on year)
- Sales & Marketing costs decreased year on year, driven by head count changes and reduced travel/conference costs as a result of COVID-19
- General & Administration costs were mostly flat or down year on year; efficiencies due to the completion of the MRS integration offset by increased costs as a result of the acquisition of CRA late in FY21
- Product Research & Development increased 30% year on year as we continue to invest in our Platform and IP (accounting for full year of MRS engineering and majority CRA team acquired January 2021)
- Net loss for the year after tax has decreased 14% year on year; non-GAAP earnings before interest, tax, depreciation, amortisation, impairment, one-off items, and non-cash items decreased 21% from NZ\$15.7M in FY20 to NZ\$12.4M in FY21

| <b>P&amp;L SUMMARY (NZ\$'000's)</b>   | <b>FY21</b>     | <b>FY20</b>     | <b>Change</b> |
|---|-----------------|-----------------|---------------|
| Revenue from contracts with customers   | 19,747          | 12,602          | 57%           |
| Cost of revenue   | (1,692)         | (1,772)         | -5%           |
| <b>Gross profit</b>   | <b>18,055</b>   | <b>10,830</b>   | <b>67%</b>    |
| Government grants and other operating income  | 1,705           | 1,122           | 52%           |
| Sales and marketing   | (12,283)        | (13,248)        | -7%           |
| Product research and development  | (14,171)        | (10,905)        | 30%           |
| General and administration  | (12,542)        | (11,891)        | 5%            |
| Foreign exchange gains/(losses)   | (189)           | 1,087           | -117%         |
| <b>Operating loss</b>   | <b>(19,425)</b> | <b>(23,005)</b> | <b>-16%</b>   |
| Finance income  | 622             | 771             | -19%          |
| Finance expense   | (146)           | (74)            | 97%           |
| <b>Net loss for the period before tax</b>   | <b>(18,949)</b> | <b>(22,308)</b> | <b>-15%</b>   |
| Income tax benefit  | 1,461           | 1,937           | -25%          |
| <b>Net loss for the year after tax</b>  | <b>(17,488)</b> | <b>(20,371)</b> | <b>-14%</b>   |
| Other comprehensive income/(expense)  | (2,968)         | 1,498           | -298%         |
| <b>Total comprehensive loss for the period, net of tax</b>  | <b>(20,456)</b> | <b>(18,873)</b> | <b>8%</b>     |
| <b>IFRS net loss for the year after tax</b>   | <b>(17,488)</b> | <b>(20,371)</b> | <b>-14%</b>   |
| Net interest income   | (476)           | (697)           | -32%          |
| Tax benefit   | (1,461)         | (1,937)         | -25%          |
| Business acquisition- and merger-related expenses   | 698             | 1,004           | -30%          |
| Share-based payments expense  | 1,379           | 1,382           | 0%            |
| Depreciation and amortisation   | 3,089           | 2,240           | 38%           |
| (Gains)/losses on foreign exchange transactions   | 189             | (1,087)         | -117%         |
| Impairment of right-of-use asset  | -               | 106             | -100%         |
| Revenue adjustments   | 627             | 3,648           | -83%          |
| Bad debts written off   | 171             | 44              | 289%          |
| Retention plan costs  | 833             | -               | 100%          |
| <b>Normalised non-GAAP earnings before interest, tax, depreciation, amortisation, impairment, one-off items, and non-cash items</b> | <b>(12,439)</b> | <b>(15,668)</b> | <b>-21%</b>   |

# Revenue

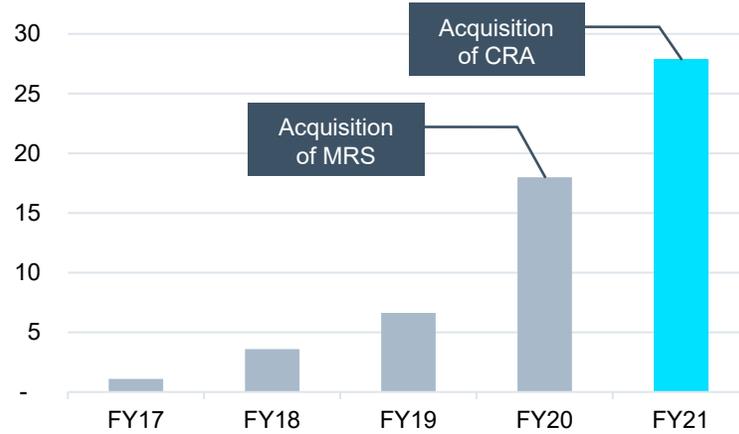
Full-year total revenue up 57% to NZ\$19.7M

Revenue (NZ\$'000's)

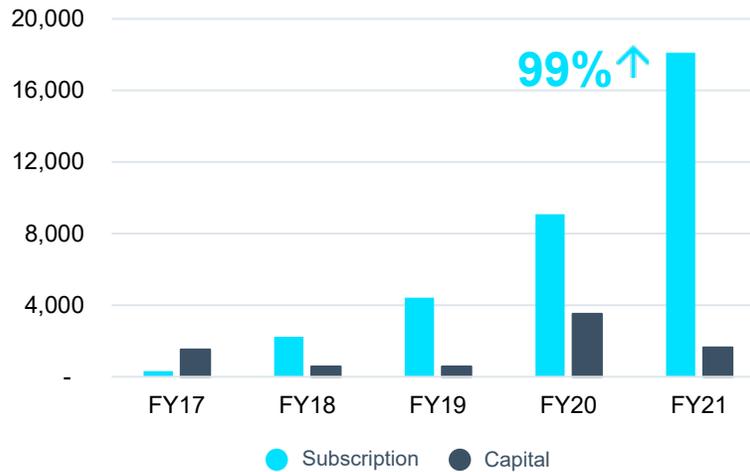


● Subscription ● Capital

Annual Recurring Revenue (NZ\$M)

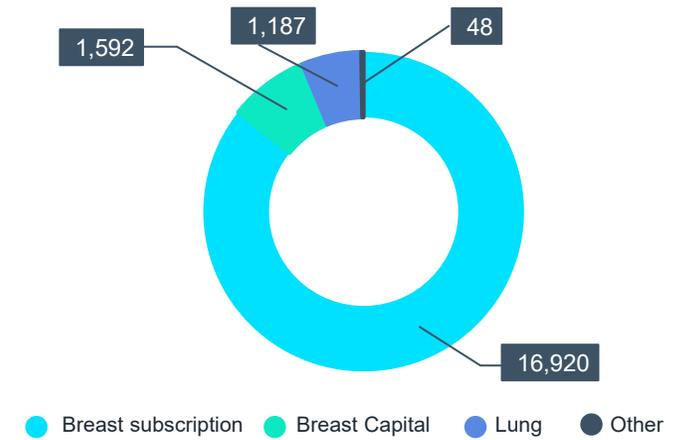


Revenue Mix (NZ\$'000's)



● Subscription ● Capital

FY21 Revenue Mix (NZ\$'000's)



Subscription revenue up 99% to NZ\$18.1M

## Subscription products

Volpara Scorecard, Volpara Analytics, Volpara Live, Volpara Risk, Volpara Patient Hub, Volpara Lung

## Legacy capital

Volpara Scorecard, Volpara Patient Hub

# Operating Costs

Operating expenses increased approx. 8% year on year (11% in constant currency).

Excluding CRA, they increased only 4% year on year.

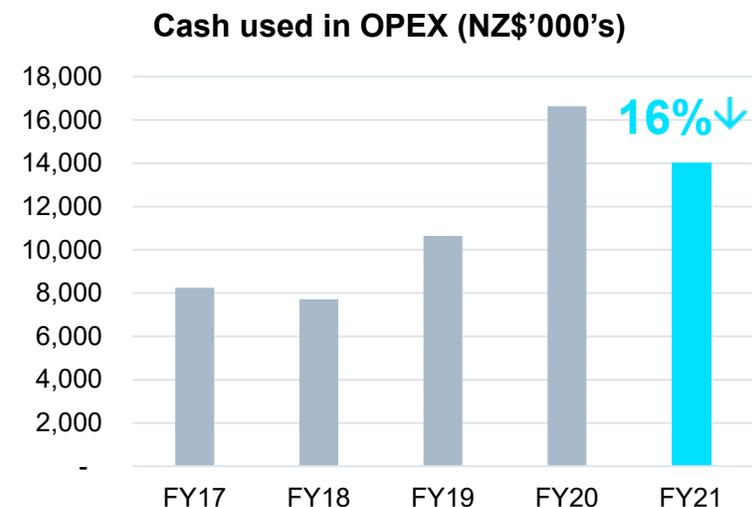
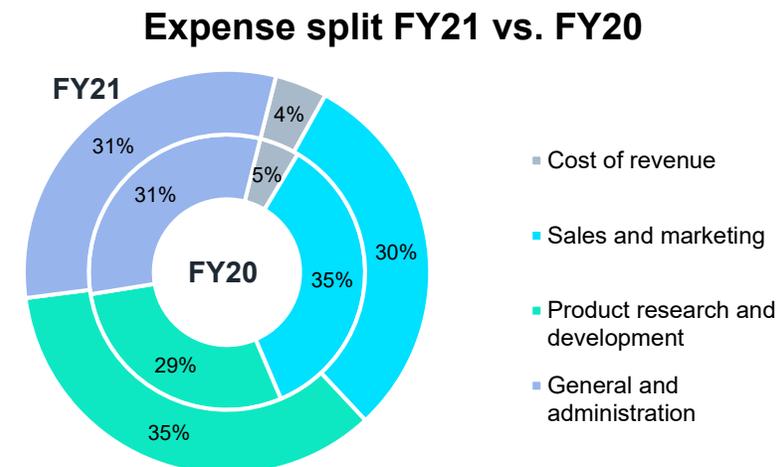
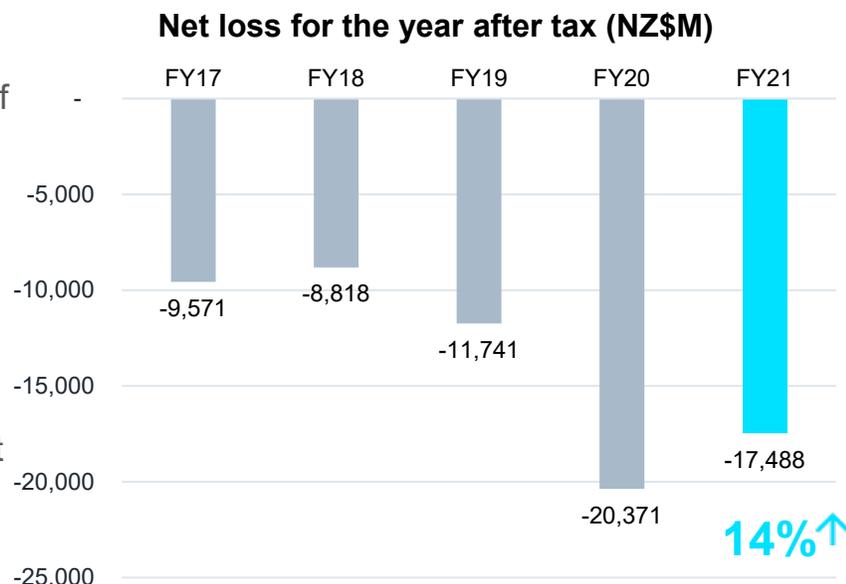
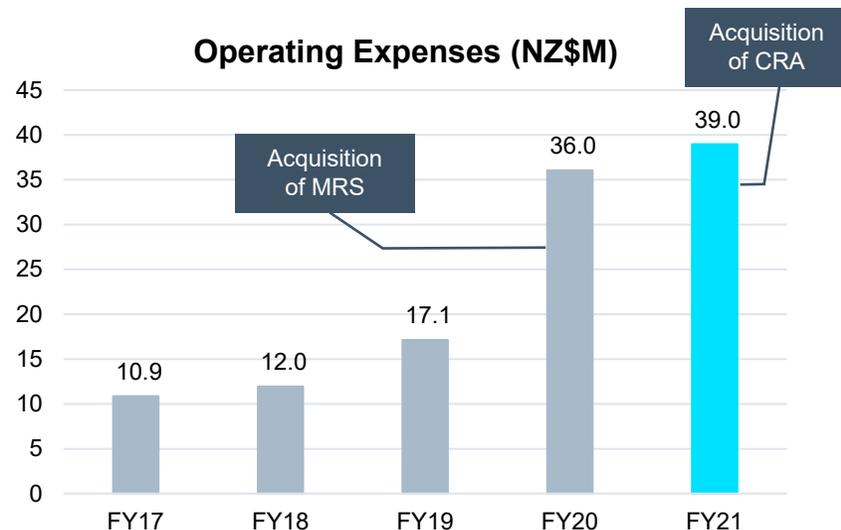
This is the result of:

- post-MRS acquisition integration and restructuring being completed during the year
- reductions in travel and conferences costs
- improvements in Azure costs (Volpara's largest cost outside of headcount)
- general cost reductions and efficiencies (some permanent, some will return as travel and conferences resume)
- first full year of MRS costs and two months of CRA costs

The split in expenses has mostly remained unchanged except for the reduction in Sales & Marketing being picked up by an increase in Product research and development.

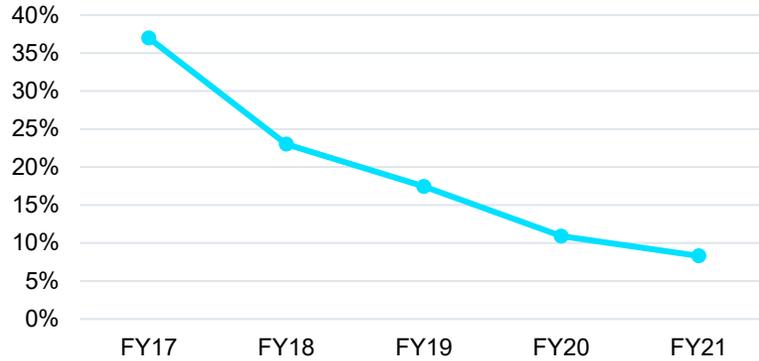
The increase in revenues and the control of operating expenses means a reduction in the net loss after tax for the year of 14% to NZ\$17.5M.

Cash used in operations fell 16% to NZ\$14.0M (15% to NZ\$14.1M in constant currency).

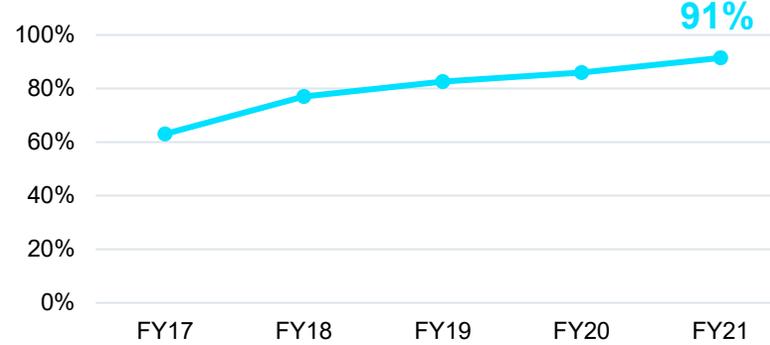


# Other Metrics

**Cost of revenue as a % of revenue (pre-revenue adjustment)**

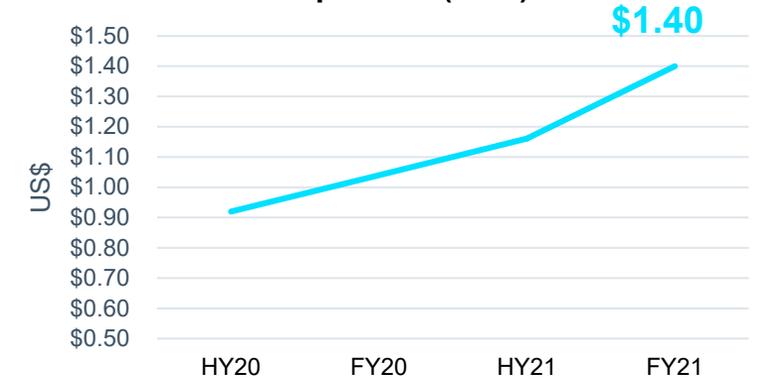


**Gross Margin %**



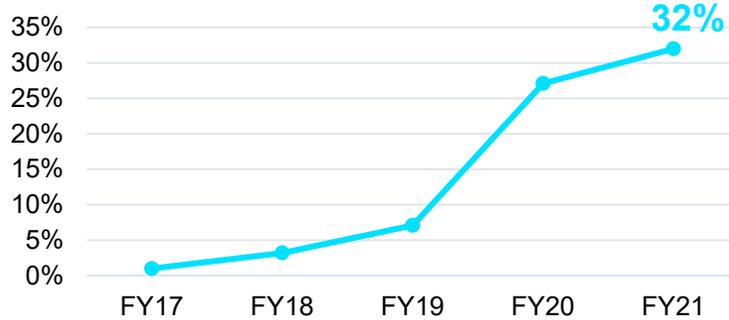
Gross Margin has increased from 86% to 91%.

**Group ARPU (USD)**



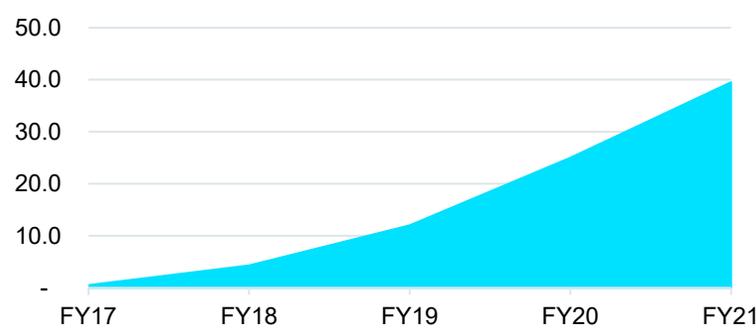
Group ARPU has increased from USD1.16 in HY21 to USD1.40 in FY21.

**Percentage of North American market**



Approx. 32% of North American market.\*

**Number of images (Millions)**



The number of images in the cloud has increased from 25.0M to 39.5M in the last 12 months, up over 58%.

# Breast Health Platform – AI-Powered Software



## Risk

A full program for identifying and managing high-risk patients

## Live

Get instant imaging feedback while the patient is still in the room

## Scorecard

View patient risk insights essential for early detection

## Patient Hub

Speed your workflow with customizable communications

**Risk Score**  
patient's likelihood of developing breast cancer (Tyrrer-Cuzick 8 Lifetime Risk Model)

**Density Score**  
objective, automated breast density score to personalize breast care

**Transpara™ by ScreenPoint**  
Detect and diagnose cancers faster

## Potential triage paths

**Ultrasound**  
Intermediate risk  
High density

**Genetic testing**  
High risk  
Meet guidelines

**MRI**  
High risk

## Patient Hub

Customizable patient reporting and tracking



## Analytics

Monitor your team's performance with automated image quality metrics



# Based on Science



2 million

CRA Health assessments;  
Interfaces and EHR  
integrations



3,600

Technologists use  
Volpara to monitor  
performance



300

Peer-reviewed articles and  
research abstracts that  
include Volpara technology



13.5 million

women have had their  
breast composition  
assessed by Volpara



2,000

Facilities have installed  
Volpara software including  
top US cancer centers



97

Patents that assist in the  
delivery of personalised care



World-class software expertise in:

- Breast cancer risk assessment
- Volumetric breast density
- Mammography quality
- Artificial intelligence & machine learning



39.5 million

Mammography and tomosynthesis images have  
been anonymized and evaluated for positioning  
and compression, and stored in Volpara's cloud



Trusted by breast  
imaging centers



Clinically validated  
by researchers



Born out of Oxford  
and Mass General



Vendor-neutral  
approach

# Areas of Strategic Investment

Our mission is to Save Families from Cancer.

Today Volpara helps prevent advanced-stage breast cancer through an integrated breast health platform that assists in the delivery of personalised patient care.

FY2021 has seen an acceleration in the move towards personalised patient care.

We expect that to continue with what we are seeing from US clinical, regulatory, and government organisations and the subsequent commercial tailwinds.

Our focus for FY2022 is Risk & Genetics.

We will continue to invest and improve (as any SaaS company should) by ensuring:

- the highest quality images are being taken in the most comfortable, safe & streamlined manner
- the most accurate breast density measurements are available to the radiologist and patient
- breast cancer risk assessment is available throughout the patient's journey
- patient management is smooth, convenient, and streamlined all the way through to genetics, as needed

We will continue to apply broad themes as we go through this year—digital first, partnering for success, data & science driven, and doing what's right for patients.

Ultimately, we want to ensure all women get extremely accurate risk assessment, go onto the right pathways, and are monitored with world-class detection—that all requires data & AI.

Our focus remains Breast, but we continue to actively seek partners to help give Lung the focus it deserves.

# Business Outlook

As a rapidly growing SaaS company, Volpara continues to focus on and drive toward the following goals for FY2022

**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 genetics companies is expected to increase that further.

**Organic growth, fresh.** We have a pipeline of new deals lining up thanks to networks, customer referrals, and digital marketing, but the ability to go on-site and attend trade shows remains uncertain for FY2022.

**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 Patient Hub, along with Volpara products. Evidence so far suggests a 200–300% increase in recurring revenue for those upgraded.

**Inorganic growth.** We continue to explore opportunities with companies that can give us expanded customer reach or skills and products to help increase ARPU and/or provide us with technology for the future.

**Continuing low churn.** During the pandemic we've had low churn. Ever-increasing customer value is a key goal, and that means ever-evolving products and ever-improving customer experience.

**Volpara expects revenue in FY22 of approx. NZ\$25.0M to NZ\$26.0M<sup>1</sup>**

<sup>1</sup> Based on a USD:NZD exchange rate of 0.70:1.00

# Q&A

**For further information, please contact:**

Ralph Highnam, CEO  
Volpara Health Technologies Ltd  
[ralph.highnam@volparahealth.com](mailto:ralph.highnam@volparahealth.com)

+64 21 149 0541

Trevor Chappell  
WE Communications  
[WE-AUVolpara@we-worldwide.com](mailto:WE-AUVolpara@we-worldwide.com)

+64 403 933 437

