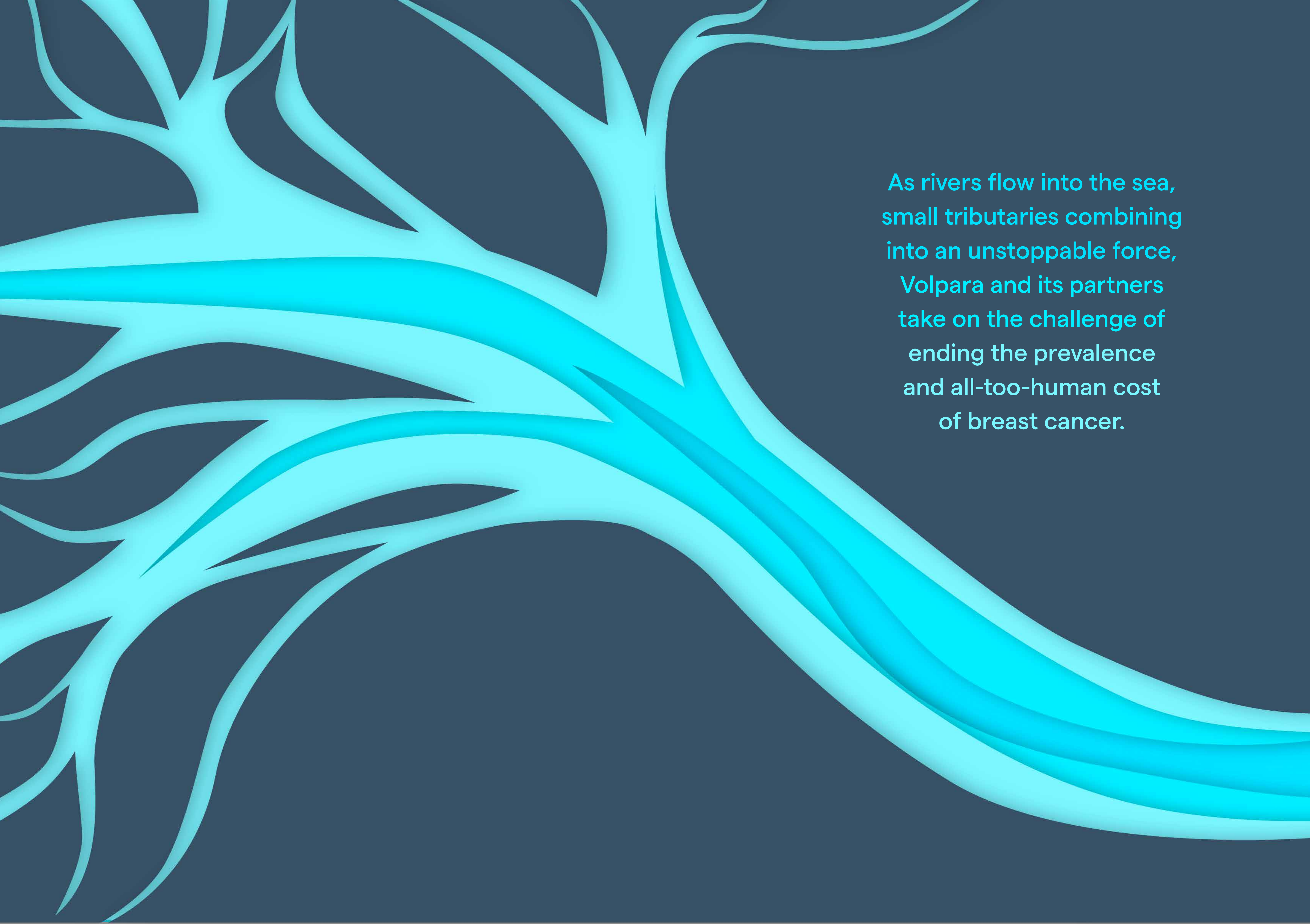
Volpara HEALTH

Annual Report

2022



As rivers flow into the sea,
small tributaries combining
into an unstoppable force,
Volpara and its partners
take on the challenge of
ending the prevalence
and all-too-human cost
of breast cancer.

14.7m

women globally impacted by a Volpara product in FY22

2,000+

facilities have installed Volpara software, including top US centres

5,200+

technologists use Volpara to monitor performance

400+

publications, including 200+ peer-reviewed articles and research abstracts that include Volpara technology

ABOUT VOLPARA HEALTH

Joining together, surging forward

By aligning our expertise in breast density, data, and artificial intelligence with leaders in risk assessment and genetics, we launch an oceanic effort to change the story, maybe even the fate, of millions of families across the world.

Some things are too big to take on alone. Even if we haven't personally been impacted by cancer, we all know someone who has. It's this interconnectedness, the personal impact of losing friends and family to breast cancer, that inspired Ralph Highnam to apply his background in mathematics and x-ray physics to the study of breast density measurement. His groundbreaking research at the University of Oxford was only the beginning of what would one day become Volpara Health Technologies.

Even then Ralph understood the value of a carefully chosen partnership. As a graduate student, he was mentored by Professor Sir Mike Brady, an expert in computer vision and eventual Volpara cofounder. Later, as a consultant to the breast imaging industry, Ralph established professional relationships that would help Volpara develop the breast health industry's most scientifically validated technology platform.

Throughout Volpara's history, Ralph and his staff have always sought to identify the most promising technologies, partner with market leaders, and work with the best minds. That's how, in the last few years, Volpara came to acquire MRS Systems, Inc., and CRA Health, LLC, leaders in software for patient management and risk assessment, respectively. This collaborative approach has seen Volpara become a world leader in artificial intelligence, machine learning, and quantification of tissue—techniques that vastly improve the quality, efficiency, and personalisation of screening for both breast cancer and lung cancer.

This year, Volpara has made exciting new connections with industry leaders, technologists, and the chief beneficiaries of the software—women. The pages that follow highlight how partnering with each of these groups has brought Volpara ever closer to fulfilling its purpose of saving families from cancer.

Volpara is the preferred partner of leading clinical sites around the world. Volpara's work is supported by 100 patents, over 200 peer-reviewed publications, the most rigorous security certifications, and numerous trademarks and regulatory registrations, including FDA clearance and CE marking.

Since listing on the ASX in April 2016, Volpara has raised A$132 million and grown globally. With offices in Seattle and Boston, and staff on four continents, Volpara is proudly based in Wellington, New Zealand.

"I am turning commercial responsibility over to a gifted and knowledgeable leader. Teri's experience is ideal to help Volpara reach more patients in more ways."

Ralph Highnam, PhD
Volpara cofounder,
Chief Science and Innovation Officer

COLLABORATIONS

Volpara's leadership change

In late April, Volpara announced one of the biggest developments in its history: the transition of Group CEO Ralph Highnam to a new position, Chief Science and Innovation Officer, and the appointment of Teri Thomas, a highly experienced healthcare industry executive, as Volpara's new Group Chief Executive Officer. In line with our constitution, Ralph has also stepped down as a Company director.

The change in leadership arises from Ralph and Teri's close collaboration over the past 18 months and their recognition of not only their complementary skill sets but the foundation afforded by the Company's success. Under Ralph's direction, Volpara has grown by all measures—including revenue, portfolio of offerings, company size, and number of patents—aand amassed one of the world's largest datasets of de-identified images. Now, with Teri serving as Volpara's commercial leader, Ralph will dedicate his time to delivering Volpara's next wave of artificial intelligence–powered products.

Teri's long history of executive management in healthcare IT has seen her in leadership roles ranging from strategy and operations to global sales and marketing teams. During her 20 years with Epic, a leading healthcare systems provider, she worked closely with the CEO and was instrumental in profitably growing the company from under 100 employees with little market recognition to a global operation of over 10,000 employees. A registered nurse with a Master of Science degree, Teri has held executive roles at Orion Health, in Auckland, New Zealand, and UNC Health, in Chapel Hill, North Carolina. Most recently, as Volpara's Strategic Advisor, she was a key member of the decision-making team behind Volpara's acquisition of Harvard spin-out CRA Health, LLC, in February 2021. Teri's focus as Volpara's Group CEO is helping the Company to serve its purpose of saving lives, while driving profitable growth and delivering ever more value for patients, customers, employees, and shareholders.

Over the next several months, Teri will engage with the sales and marketing teams on the ground in the United States and meet with strategic partners and customers to further develop and define Volpara's business strategy. Teri and Ralph will continue their deep collaboration as they lead Volpara in its next phase of growth and innovation.

COLLABORATIONS

We partner with others we trust, the ones who make us better.

This year, on a grander scale than ever before, that's exactly what we've done.

Women

Thanks largely to grassroots efforts across the United States, public awareness of high breast density as a key risk factor for breast cancer is higher than ever. At a legislative level, most states now require that women be notified of their breast density. Still, much remains to be done both in the US market and throughout the rest of the world.

Part of Volpara's work in this area began nearly two years ago with the initiation of Project Thumb. The premise was twofold: first, that women deserve to know their own breast composition and understand what the different breast density categories might mean for their breast health; and second, that Volpara could connect with women directly. Project Thumb would be a strategy for reaching patients and healthcare providers directly with educational content while potentially increasing market share of Volpara's proprietary density assessment technology.

As part of the user testing process, Project Thumb was integrated into its first US site this past year. Here's how it works. Volpara® Patient Hub™, Volpara's customisable mammography reporting and patient communications software, generates density notification letters that are personalised with expanded breast density information. This information, called the Volpara® Density Profile™, features two thumbnail images of the patient's mammography exam, a precise volumetric density score, and a QR code pointing to a Volpara educational webpage specific to that score. This page is part of a consumer-facing microsite that Volpara launched last October for Breast Cancer Awareness Month.

The Density Profile has received positive feedback from clinicians, patient advocates, and patients alike, and sees its formal release with the latest version of Patient Hub in June 2022. For healthcare sites that have both Volpara® Scorecard™ and Patient Hub, the Density Profile not only steps us toward having women demand Volpara-level care, but also provides a powerful motivation for healthcare providers to buy multiple Volpara software products.

Our hope is that women are empowered with science-based knowledge so they are aware of their options and can engage with their healthcare practitioners more fully informed.

Experts

In FY22, Volpara added several cutting-edge organisations to its growing list of expert collaborators across multiple markets in two main areas.

Risk and genetics

Volpara's strategy around risk assessment and genetic testing for personalised breast care reflects the fact that about 10 percent of all breast cancers are genetically based.

In FY22, Volpara entered into collaboration agreements with two additional leading genetics laboratories: Natera™, Inc. (NASDAQ:NTRA), and Invitae Corporation (NYSE:NVTA). As part of the agreements, Volpara will integrate the companies' genetic testing offerings into its software workflow to provide US women at high risk of developing breast cancer with improved access to comprehensive genetic testing services across clinical settings.

These agreements add to Volpara's collaborations with Ambry Genetics® and Myriad® Inc. and allow healthcare providers the ability to order genetic testing services for qualified patients from the genetic laboratory of their choice. When implemented, each collaboration is expected to bring Volpara additional ARR.

Lung

To further its expansion into the US lung market, Volpara joined with two leading lung AI companies. Volpara signed a collaboration agreement with Riverain Technologies™, based in Miamisburg, Ohio, and made an initial investment into RevealDx™, based in Seattle, Washington. Both partnerships will enable lung cancer screening programs to have access to expanded services for patient reporting and tracking, cancer risk assessment, and nodule detection. In addition, the RevealDX agreement gives Volpara non-exclusive rights to sell the RevealAI-Lung product into the United States and exclusive rights to sell RevealAI-Lung into Australia and New Zealand.

> “Volpara Analytics contains the amazing capability to analyse patient positioning. We can now get objective measurements and feedback on the quality of positioning by our technologists. We can then personalise training based on their needs and partner them with other staff who excel in their area of opportunity.”

Shakira Sarquis-Kolber
Director of Women’s Imaging,
Boca Raton Regional Hospital,
Baptist Health South Florida

Technologists & Mammography Educators

So much of breast cancer screening depends on technologists, the experts who perform mammograms. Their tools, training, and even workplace culture all impact the quality of the images they obtain—and therefore the accuracy of the mammograms used to find breast cancer. We knew that technologists have a major advantage in Volpara® Analytics™. As the only software that provides automated and objective assessment of image quality on every mammogram, it provides technologists with feedback on their positioning performance, enhancing their ability to improve over time.

As with any tool, however, practice makes perfect, and technologists face significant time pressure to maintain quality while keeping patient volume high. That’s why we worked first-hand with them to develop our Analytics in Action™ program. We wanted to provide a client-centred service that helps breast imaging facilities not only encourage a culture of learning and continuous performance improvement but also recognise individuals who meet the quality benchmarks objectively measured by Analytics.

For the program’s personalised, hands-on element, we went straight to the best in the business, Mammography Educators. Their guidance further differentiates the Analytics product while potentially increasing staff engagement, customer retention, and ARPU.

“Proper breast positioning is critical for optimal cancer detection but is difficult to assess objectively,” says Louise Miller, RT(R)(M)(ARRT), CRT, FSBI, FNCBC, Director of Education and Cofounder of Mammography Educators. "We are excited to extend our partnership with Volpara to make hands-on, personalised training sessions available to sites to help address common positioning performance issues that can be routinely identified using Volpara Analytics software.”

Analytics in Action was a highlight of Volpara’s presentation at last November’s RSNA, the world’s largest radiology conference, in Chicago. A pilot program initiated with several customers earlier this year has already provided training to over 20 technologists.

Mammography Educators has trained over 40,000 technologists in the United States and Canada alone. All Mammography Educators positioning trainers meet the standards established by the FDA’s Mammography Quality Standards Act and teach positioning techniques supported by the American College of Radiology. Using the objective data from Volpara Analytics, they deliver personalised and targeted training based on the needs of the individual and team.

KEY FIGURES

Measuring the growth of our success

MARKET SHARE OF NORTH AMERICA

35.5%

+3.5%

GROSS MARGIN

91%

ARR

US$22.2m

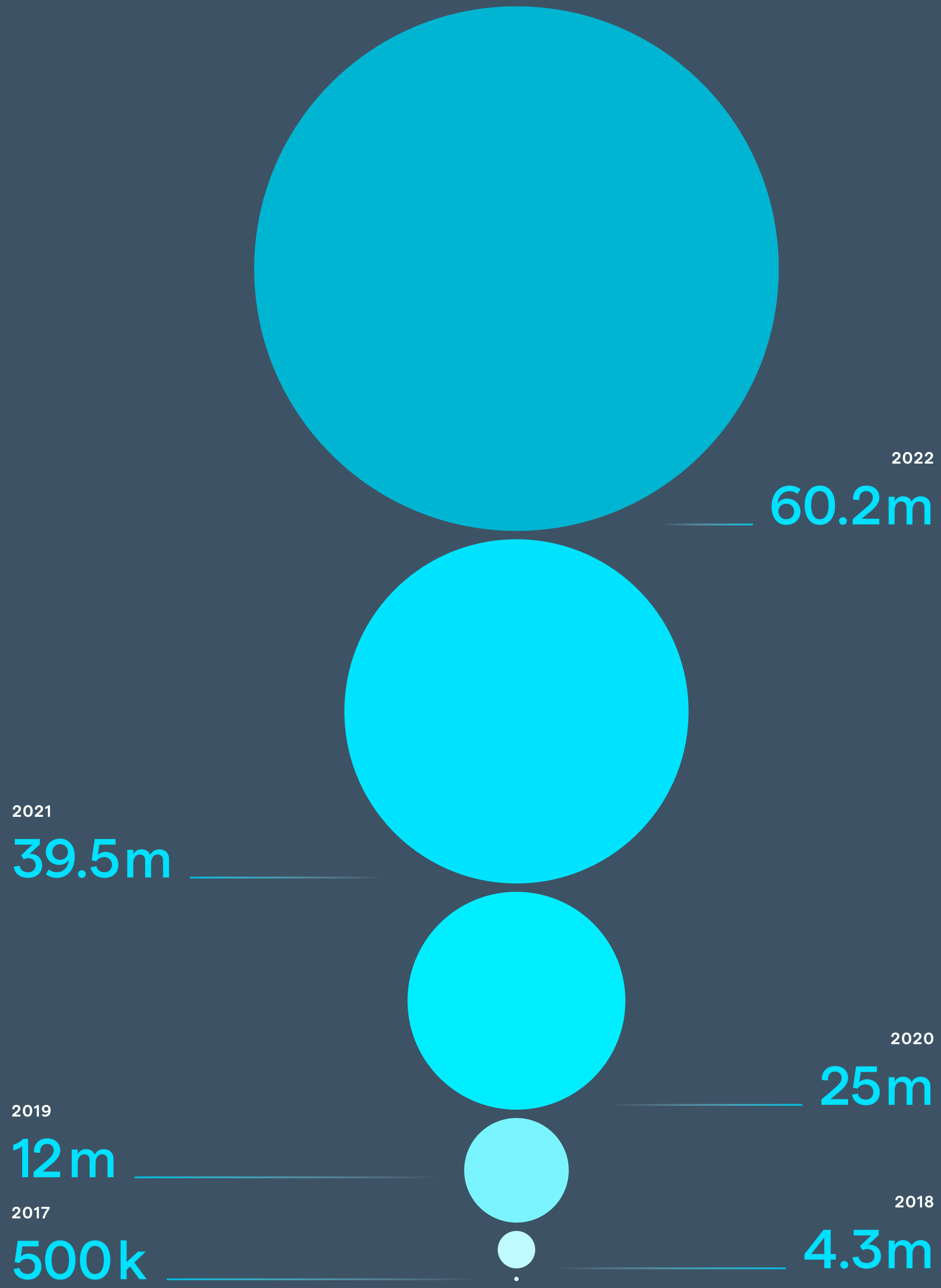
+19%

REVENUE

NZ$26.1m

+32%

DE-IDENTIFIED IMAGE DATASETS



Environmental, social, and governance report

Welcome to Volpara's inaugural environmental, social, and governance report. We are excited to share with you this inside look at some of the drivers that have been part of the Company's DNA from its inception. The report encapsulates those means, apart from the strictly financial, by which we measure our success.

When Volpara was just an idea and not yet a living, breathing thing, Ralph and his cofounders resolved that any commercial venture they began would need, above all, to be ethical and sustainable. On top of an obligation to shareholders, they would need to do right by everyone impacted by their decisions and actions: employees, customers, business partners, investors, and of course all the individuals whose lives they hoped to better, even save, with science. By entering the commercial world, Volpara's founders were freed from academia's particular constraints, but they knew they'd be held up to other standards. In the years since, we have welcomed these challenges, doing our best to implement guidelines, policies, and practices that would see Volpara not only doing the noble work of detecting and preventing cancer but participating in the world as a good corporate citizen.

We are hardly alone in this resolve. Environmental, social, and governance reporting is rightly a timely topic, one that provides a framework for us to share our efforts in these areas. And though "creating stakeholder value" is at the heart of ESG reporting, we are careful to point out that by "stakeholders" we mean not just shareholders, but all those who have an interest in what we do—whether that interest is personal, professional, legal, or financial. We take our work to heart and, through the impact it continues to make on countless families, know that we are not alone here.

The framework and commentary that follow showcase our achievements and aspirations across the environmental, social, and governance spaces. We hope that they will not only help Volpara's engagement with impact investors and ESG-focused funds but also establish transparency, trust, and social credibility for all our stakeholders—in short, the impact we're making in the world.

We're proud of the work we've done so far and excited about what lies ahead. If you ever have any questions about Volpara's commitment to sustainability, please don't hesitate to contact us.

Sincerely,

Teri Thomas

Teri Thomas
Group CEO

Ralph P. Highnam, PhD
Chief Science and Innovation Officer

Our roadmap

The first step in developing our ESG framework was to consider our broad range of stakeholders, defined as follows in no particular order:

Volpara's stakeholders

- Women and their families
- Healthcare providers
- Staff
- Shareholders/Investors
- Research partners
- Suppliers
- Strategic partners
- Advocacy groups

We then set up a cross-functional internal working group to determine the environmental, social, and governance issues, or materiality, most important to our stakeholders. Working with external experts, we identified the following material topics as the basis of our initial ESG framework:

Improved cancer prevention.
Our commitment to our purpose—saving families from cancer. We enable equitable access to personalised cancer care throughout the world by promoting screening protocols optimised by AI-based solutions.

A principled, resilient business.
Strong governance practices to safeguard our IP and protect the health information we're entrusted with while ensuring sustainable and continued growth.

A thriving workforce.
An empowering environment for our diverse and skilled workforce to do their best work.

Responsible climate stewardship.
Our best practices to protect our world from climate change.

Finally, we look forward to further developing our ESG framework over time, incorporating feedback from our stakeholders, sustainability frameworks, and guidelines such as those published by the Sustainability Accounting Standards Board (SASB), United Nations Sustainable Development Goals (UN SDGs), and Task Force on Climate Related Financial Disclosures (TCFD).

This development, or roadmap, we expect to occur over three phases:

1. Evolve and refine the base ESG framework. Volpara's current phase.
2. Establish foundational climate governance and risk management practices.
3. Develop tighter definitions for metrics, targets, and the associated measurement process for climate disclosures.

Improved cancer prevention

OUR TARGETS

- Reach underserved populations
- Expand US personalised breast screening
- Impact the global cancer scientific community

OUR FOCUS AREAS

- Development of clinically validated AI solutions that improve the quality, efficiency, and personalisation of screening
- Optimised cancer screening protocols
- A paradigm shift from detection to prevention of cancer
- Independent scientific validation
- Empowerment of women to demand personalised cancer healthcare

OUR INDICATORS

- 14,000 research hours
- Used in 40 countries
- 14.7M women globally impacted by a Volpara product, including 13.9M US women
- 2,200 potential extra cancers detected in the US via supplemental screening (annually)
- 463 publications that include one or more Volpara products

UN SDG GOALS ALIGNMENT

3 GOOD HEALTH AND WELL-BEING
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

A principled, resilient business

OUR TARGETS

- Safeguard our IP
- Maintain our market-leading information security stance
- Achieve B Corp Certification

OUR FOCUS AREAS

- Purpose-driven, ethical governance to create sustained stakeholder value and protect against crisis
- Rigorous software development practices
- Preservation of health information privacy with the highest security measures
- Strategic partnerships and collaborations with leading risk and genetic companies

OUR INDICATORS

- 100 patents, 4 trademarks
- MDSAP Certificate of Registration*
- CE Marking/510(k)**
- ISO 13485:2016
- Microsoft Gold Partner
- 100+ years healthcare experience on Board
- Security certifications:
  SOC 2 Type 2, ISO 270001:2013
- Vendor neutrality: software compatible with 36 manufacturer/model types

UN SDG GOALS ALIGNMENT

8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

A thriving workforce

OUR TARGETS

- Improve eNPS score to approach +50
- Achieve 40:40:20 gender ratio for both workforce and Board

OUR FOCUS AREAS

- Empowered, diverse, and inclusive workforce
- A culture of technical excellence and continuous learning
- Highly engaged staff having fun while changing the face of women's health

OUR INDICATORS

- +30 eNPS score
- 40% female, 60% male workforce
- 33% female, 67% male Board composition
- 2,500+ annual training hours

UN SDG GOALS ALIGNMENT

5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
11 SUSTAINABLE CITIES AND COMMUNITIES

Responsible climate stewardship

OUR TARGETS

Reduce our greenhouse gas emissions, with long-term goal of net-zero carbon emissions

OUR FOCUS AREAS

- A culture of waste reduction
- Reduced carbon footprint via a digital-first customer engagement model

OUR INDICATORS

- Environmentally preferable purchasing policy
- 1,700 hours of remote customer training

UN SDG GOALS ALIGNMENT

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
15 LIFE ON LAND

* MDSAP Certificate demonstrates compliance with QMS requirements for medical devices in Australia, Canada, Japan, and USA.
** CE Marking enables EU sales and marketing of Volpara Scorecard and Volpara Live; 510(k) clearance enables US sales and marketing of Volpara Scorecard.

Commentary

Improved cancer prevention

Volpara's software and AI play a leading role in personalising 35.5% of all US breast cancer screenings. We're always looking for opportunities to use AI to improve patient care and increase clinics' productivity. Rooted in Ralph Highnam's breakthrough PhD research at the University of Oxford, supported by independent scientific validation, Volpara's approach to breast imaging emphasises the quantification of breast tissue. This approach recognises that generalised, one-size-fits-all screening fails to detect cancers in too many younger women. Instead, personalised care through risk-based assessments will characterise the paradigm shift from detection to prevention of cancer, our ultimate goal.

To this end, Volpara's science and data teams have spent more than six years collecting raw mammograms. In that time, they've amassed over 60 million de-identifed images, one of the largest such datasets in the world. In the last financial year alone, these teams—which count 11 PhDs among them—have conducted over 14,000 hours of research.

The result of their work, brought to life by the product and engineering teams, is an increasingly refined Volpara Breast Health Platform that

- offers superior breast density assessment to better identify those women with high breast density who would most benefit from additional screening modalities;
- provides technologists with positioning and compression feedback to dramatically improve their image quality for enhanced cancer detection;
- performs over 2.5 million risk assessments per year; and
- empowers women to demand personalised cancer healthcare by communicating their breast density results and providing resources on how to interpret them and where to find more information.

As proud as we are of our work, there is much more to do. For example, we aim to

- expand the prevalence of personalised breast screening by increasing the number of women we serve and thus the number of cancers detected; and
- impact the global scientific community by increasing Volpara's total number of publications to provide even further independent scientific validation.

We trust that our science and innovation, collaboration with our research partners, and growth of our customer base will lead to significant advances in cancer prevention.

A principled, resilient business

Volpara's executive team is backed by a Board with a deep knowledge of the healthcare industry, sharing over 100 years of experience between them. Together, they have charted a course that reflects an understanding of the responsibility they bear not only to shareholders but to customers and their patients.

The Board channels its varied expertise through several subcommittees to provide oversight of how we manage our organisational risk profile. The Risk, Audit, and Remuneration & Nomination committees, for example, balance risk tolerance with the need to innovate and grow, direct Volpara's financial profile and costs toward financial prudence, and set staff and executive remuneration to drive performance and retention, respectively.

From the beginning, Volpara's leadership has taken measures to protect the organisation in a highly regulated industry. Key examples of such measures include

- the privileging of information security as a competitive differentiator;
- an insistence on rigorous software development processes to deliver products that comply with FDA and other regulatory standards and are appropriate for safety-critical clinical environments;
- the formation of strategic partnerships and collaborations with leading healthcare organisations, most recently in the areas of risk assessment and genetic testing; and
- applying for B Corp Certification.

Volpara's commitment to information security

The Volpara® Breast Health Platform™ is built to meet healthcare organisations' exacting data security requirements. Volpara has held ISO 27001:2013 certification for most of its business functions since 2018. The platform leverages Microsoft Azure's industry-leading cloud compliance certifications and de-identifies all Protected Health Information (PHI) in accordance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) before transmission to the cloud. Volpara has used this model successfully since 2016. In addition, Volpara maintains SOC 2 Type 2 audit certification for Volpara® Risk Pathways™.

A thriving workforce

Volpara understands that a workforce committed to saving families from cancer must also be looked after. Teri Thomas's mantra of "do good, make money, and have fun" encapsulates the atmosphere we seek to create. Every day we see how Volpara's people work together to beautiful effect. They hail from a rich diversity of backgrounds, cultures, and countries. Nearly half are women, a gender balance that is also a goal for the Board.

Volpara prides itself on its technical excellence, innovation, and culture of continuous learning. Last year, Volpara's highly educated employees (11 with PhDs and another 28 with master's degrees) took an average of 14 courses through the Company's training portal, totalling over 2,500 hours. Volpara extends this value of learning through its support of the First Foundation, which aims to "give talented young Kiwis a brighter future" through financial assistance for higher education. Volpara is providing a four-year scholarship and paid work experience to a promising young man studying science, technology, engineering, and mathematics (STEM) subjects. A second-generation Pasifika New Zealander, he is the first in his household to attend university.

As an ambassador of science and innovation, Volpara also contributes to a thriving workforce in a broader, more public sense, its employees regularly engaging in a variety of speaking events. They might, for example, present at university fairs or lower-decile schools to promote the possibilities of careers in STEM or cyber security to young women or other underrepresented groups.

Volpara employees enjoy numerous benefits, including flexible hours, life insurance, paid parental leave, and access to employee assistance. Volpara aims to provide a living wage for all employees and the opportunity for recognition, reward, and advancement. Wherever possible, the Company seeks to promote from within, encouraging internal moves to allow the development of its people.

Going forward, Volpara aims to achieve an Employee Net Promoter Score (eNPS) of 50 ("excellent"), up from its current 30 ("good").

Responsible climate stewardship

Volpara's role in addressing climate change is an area of increasing focus and study. As a global citizen, we take seriously our responsibility to minimise our impact on the environment. Though we have some initiatives underway, we know that we have more to do to reach our long-term goal of net-zero carbon emissions.

For now, our Wellington office is powered entirely by renewable energy. We encourage a culture of waste reduction and paperless work processes, and follow an environmentally preferable purchasing policy. For example, the supplier of our Analytics in Action program's customer rewards is a member of 1% for the Planet, a global network of businesses, individuals, and not-for-profit organisations committed to environmental causes. We have also designated an individual to act in the capacity of environmental officer.

To date, our biggest impact in this area may stem from our shift in 2020 to digital marketing and remote-first customer engagement. Last year we provided 1,700 remote training hours to our customers as part of our customer onboarding process. We expect to see this continue to increase through our digital-first approach to customer success.

Finally, as part of our B Corp Certification application process and in line with our climate disclosure aspirations, we have begun to assess mechanisms to inventory our scope 1 and scope 2 emissions as per the Greenhouse Gas (GHG) Protocol. We are hopeful we can soon join the increasing number of organisations worldwide already on this journey.

MICROSOFT NEW ZEALAND PARTNER AWARDS 2021

Winner, SaaS Award

TECHNOLOGY INVESTMENT NETWORK 2021

Absolute IT Supreme Scale-Ups Award

DELOITTE FAST 50 INDEX 2021

16th

Dear Shareholders,

Amazing things happen when we work together. That is the simple, unadorned message I take from witnessing recent world events, and it is the theme that has been powerfully at work at Volpara through some of the most challenging, complex times many of us can remember. Only two years ago I reflected on the resilience that characterises Volpara, that was baked into the Company by its founders. Now that it appears the pandemic is easing into something more manageable, I am gratified to see that what I had anticipated has come to pass—an increasingly robust organisation with strong succession planning.

Volpara's work within the breast health industry exemplifies the rewards to be gained through strategic partnerships large and small. In fact, Volpara cofounder Ralph Highnam himself illustrates the virtues of collaboration. From his initial work at the University of Oxford to his early, highly successful entrepreneurial efforts with OXIVA Limited and then Mirada Solutions and his subsequent founding of Volpara, Ralph has taken his breakthrough research into clinics around the world, impacting the industry by working with the best people and companies he could find. It takes vision, generosity, and perhaps some faith to discern those partners that will serve as multipliers of your own efforts. This organising principle—and the understanding that the quest to save families from cancer will be achieved by many helping hands—has served Ralph and the Company in good stead for 13 years.

At the close of yet another successful financial year, the time couldn't be better for Ralph to shift into his new role as Chief Science and Innovation Officer and pass the baton of Group CEO to a trusted partner. In Teri Thomas we have someone of intelligence, humour, and candour whose rich experience in global commercial healthcare has already served Volpara well, perhaps most notably in its acquisition last year of CRA Health, LLC. Teri's knowledge of the intersection of information technology, clinician workflow, and patient experience brings added depth to Volpara and goes right to the heart of two of Volpara's most promising areas of innovation—risk assessment and genetics.

We have entered a new era, and I have every confidence in Teri's leadership to guide Volpara to unprecedented heights. I thank Ralph for his tremendous leadership in bringing Volpara to this point, and I thank you, our shareholders, for your ongoing support of Ralph and his work. Finally, I invite you to join me in welcoming Teri in our shared journey forward.

Yours sincerely,

Paul Reid
Chair

FOUNDER'S REPORT

Dear Shareholders,

I am very proud of how far we've come, and I truly believe that with the data and people we have, we're going to find out things no one has ever realised before...and truly transform patient care.

FY22 saw yet another strong performance by Volpara on many fronts. We achieved two record-breaking quarters in terms of ARR, together with record revenue of over $26m. We expanded our global reach to 40 countries. We earned recognition for our science, in the form of our 99th and 100th patents, and our IT work, winning multiple major industry awards. And we furthered our clinical influence on public breast screening policy, as in the European Society of Breast Imaging's recommendations, based on research featuring Volpara®Density™ software, that European breast cancer screening programs should tell women their breast density and offer breast MRI to women with extremely dense breasts.

As proud as I am of all these accomplishments, the one I find most gratifying is our increasing impact in our largest market, the United States. Here we are now helping 35.5 percent of women get higher-quality, more-effective, personalised breast cancer screening. To put that into perspective, that's over 53,000 women we are helping every single day. I find this an incredibly humbling number and a testament to the massive progress we've made over the last 13 years in our efforts to save families from cancer.

The year was not without its challenges, however. We acknowledge that, due to global macrotrends, the Company's share price has been weaker than anticipated. As a major shareholder myself, I know firsthand, as do several members of the Board, the discomfort of volatile share prices. But I trust that if we keep executing and making impact, in time the share price will reflect that work.

FY22 saw the Volpara Group add US$3.6M in net new ARR.

Q2 saw Volpara's highest-ever ARR for a single quarter.

De-identified image dataset grew over 52% from 39.5m to 60.2m.

I also trust in the guidance we received this year from the Board, and thank them for their insights, networks, and advice. They have been an invaluable resource. I would also like to thank the staff, who have worked exceptionally hard this year, the second of the pandemic. In particular, the executive team have worked extremely collaboratively and to great effect. Thank you, Craig Hadfield, Chief Financial Officer; Simon Francis, Chief Operating Officer; Kathryn Greene, Chief People Officer; Fred Struve, General Counsel; and Jill Spear, Executive Vice President of Sales and Marketing. Through the sustained efforts of your teams, Volpara has become an ever-more-impactful global company, with the foundations set for a strong push for profitable growth.

Volpara's future is bright. Our strengths in breast cancer risk assessment and genetics are the very things highlighted by US President Joe Biden as being fundamental to the White House's Cancer Moonshot, the reduction of cancer deaths by 50 percent in the next 25 years. To be sure, this goal is hugely ambitious, but we are ready to play our part.

We have now amassed one of the biggest de-identified datasets in the world, and it is our responsibility—and my personal ambition—to make the most of that data for the good of women around the world.

Finally, Volpara's future is bright for a much more immediate reason: Teri Thomas. Our collaboration over the past 18 months has been immensely pleasurable and productive. Over that time, it became clear to us both that, by bringing on Teri full time and optimising how we use our skills, we could contribute even more effectively to the Company and to the women we serve.

Leading Volpara has been my great privilege, and now it is my great honour to see someone as capable and determined as Teri take over as Group CEO and take Volpara to new heights of commercial success. I am very proud of how far we've come, and I truly believe that with the data and people we have, we're going to find out things no one has ever realised before... and truly transform patient care.

Yours sincerely,

Ralph Highnam, PhD
Chief Science and Innovation Officer

CEO'S REPORT

Dear Shareholders,

I wish we lived in a world where we didn't have to deal with cancer, but I'm grateful to work with people dedicated to preventing it.

As I write this, I am one week into my new role and about 250 miles away from my next destination of Greenville, South Carolina. That's where Volpara's customer success and sales and marketing teams are meeting for Customer Obsessed 2023, this year's strategy kick-off. This is home turf for me in more ways than one—I'm an American, I'm focused on the customer's experience, and I spent many years of my healthcare career leading teams in this space.

While on the road I reflected on the customer I had just visited, a large healthcare network of 18 hospital campuses that provides over three million patient visits each year. This customer is already plugged in to the value of data-driven decision-making, but the screening program implemented across these sites is not (yet!) coordinated in a way that would yield the greatest benefit to the most women. One site uses Volpara Risk Pathways, another Volpara Scorecard, and a third is looking at Volpara Analytics right now. That's a good start, but using only part of the Volpara Breast Platform will provide only part of the tremendous benefits possible. Imagine if each of those sites were using Scorecard and Analytics for automated, objective, accurate breast density assessment and top-notch imaging quality, respectively. Imagine if we also had the primary care offices performing risk screening on all their women over age 25—before they're "of mammography age". This is what we rely on our talented salespeople to do, to not just give quotes and take orders but to kick off customer success by helping people see—ideally at an enterprise level—what is possible. To see the value of our products and how, for clinics large and small, they can be transformative in their reach and effects. And by supporting customers in designing and running breast screening programs that include upstream risk and genetic testing, we open new revenue streams while doubling down on our purpose of saving families from cancer.

Customers of this scope and complexity are our focus. We are aligning our sales and marketing team to pursue bigger-revenue, multi-product, and larger deployments for longer periods of time. Not only will this focus bring higher-quality, personalised screening to more women around the world, it's also a key element of our strategy to bring Volpara to growth and profitability.

One of my chief responsibilities, of course, is to look after Volpara's commercial prospects. Though our strategy is still evolving, one key way we will seek to expand revenue is through strategic partnerships: leveraging our contracts with genetic labs and partnering with radiology providers and vendors of electronic health records. Our recent distribution agreement with IMS Giotto to sell Volpara Scorecard in Italy is a prime example. We have multiple orders in place, with the possibility of up to 100 orders through leading Italian breast imaging sites, and we aim to make such strategic partnerships again in 2023.

Our challenge this year will be to continue growth in these new directions while also bolstering our foundation as a single company, leveraging the talent and best practices from our acquisitions of the last few years. My job as CEO is to lead a strong culture that is firmly rooted in our purpose, saving lives, flavoured by our company values of Being Bold, Relentless, Extraordinary, and Whānau. Aligning our global team around driving value for our customers, we are cultivating ever-bigger projects and innovations that will serve us for years to come.

Now, a word about me. Decades ago, I was on a path to medical school, but I decided to take a break to work for Epic. That "break" lasted over 20 years! Working under an exceptionally strong CEO, I learned an incredible amount about how to create a deliberate culture and a well-run profitable company. Then, in nursing school, I returned to engaging in medicine more directly. I experienced first-hand the pressures clinicians face and a deep understanding of the intimacy of caring for individual patients within the New Zealand context. It was an ideal environment in which to learn, explore, and question why things are done the way they are.

Here, at Volpara, I've alerted the staff that I will be asking "why?" often, maybe even to the point of trying their patience. I am constantly on the lookout for ways to do things better. I have encouraged our staff to ask why, too. In doing so, we can discover new organisational efficiencies, what we must prioritise right now, and what we can let go of. We are blessed with such deep knowledge and expertise throughout our company—from Wellington to Seattle to Boston and beyond—that I'm sure our answers will guide us as we strive to do even better. And guide us to do our best in fulfilling what I learned was possible at Epic: in looking after our customers, ourselves, our environment, and you, our investors, we can do good, make money, and have fun.

I wish we lived in a world where we didn't have to deal with cancer, but I'm grateful to work with people dedicated to preventing it. We will always have challenges to face, as individuals and as communities and countries. The struggles will find us. But I know that rising to meet these challenges can bring out the very best in people. They may find out what they're made of—and it's almost always more than they ever dreamed possible. This is the magic that has guided my journey—when I've let it, listened to it, followed it—and this is what brought me to New Zealand and to Volpara. Here, with a team that's highly educated, trained, and driven to do great work on behalf of the women and families affected by cancer, I get to go to work each day knowing that my individual effort is amplified by all the connections within Volpara and without, that together we are making an impact of the highest order.

I'm ready to work. I thank you for joining me.

Yours sincerely,

Teri Thomas
Group CEO

Meet the Board

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 2022.

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

Paul Reid

Dr Ralph Highnam

Roger Allen AM

John Pavlidis

John Diddams

Dr Monica Saini (retired 18 August 2021)

Karin Lindgren

Ann Custin (appointed 1 September 2021)

Company Secretary
Craig Hadfield

Paul Reid

Chairman, 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 USA, United Kingdom, Australia, and New Zealand ("NZ"). 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 (VC) 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 of America ("USA"). Other key directorship roles include Christchurch International Airport Limited and Virsae Group Limited.

Prior to embarking on a start-up 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, NZ.

Dr Ralph Highnam

Executive Director & CEO (through end FY22)
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 30 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*. 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, NZ, in 2015 he was named a Wellingtonian of the Year finalist.

Roger Allen AM

Non-Executive Director
BA, FACS

Roger Allen AM joined the Board in June 2010 and was Chairman from October 2015 to March 2019. Roger is a member of the Audit Committee and the Remuneration and Nomination Committee.

Roger is a well-known entrepreneur, venture capitalist, and social impact investor and philanthropist whose global career has spanned over 50 years. He helped pioneer the Australian technology industry through the Computer Power Group, one of the first Australian-founded tech companies to scale globally and subsequently IPO in 1987, turning over approx. $1B in today's currency. Following the company's acquisition in 1995, he cofounded Allen & Buckeridge Pty Ltd, one of the first early-stage VC firms.

After helping establish two successor VC firms, Allen retired from the firm in 2007 and has since focused on his private VC portfolio of over 50 companies and his many social impact investments. He also established and funded a Public Benevolent Institute called Indigenous Capital Limited (ICL) to focus on indigenous economic development using best practise experience from the technology world.

Roger has served on two Prime Ministers' Science and Technology Councils, chaired State Government ICT Advisory Boards, served as deputy Chairman of Austrade for seven years, and been an Adjunct Professor at Swinbourne University, UTS, and INSEAD school of Entrepreneurship in Paris & Singapore. Along with many prestigious industry accolades, in 2011 Allen was awarded the Order of Australia honour for services to IT, venture capital, and in recognition of his support of the Indigenous community and philanthropic sector.

John Pavlidis

Independent Non-Executive Director
BS, MS

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

From 2015 through 2019, John served as the President and CEO of Vytronus, Inc., a venture-backed start-up using novel catheter-based ultrasound, machine learning, 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 shares his time between Europe and the 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 30 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 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 NZ developer of the Martin Jetpack, a healthy fast food chain, and Skydive the Beach Group Limited (now Experience Co Limited).

John is currently a Non-Executive Director of Aroa Biosurgery Limited, an NZ-based company that develops and markets proprietary soft-tissue regenerative products; Surf Lakes Holdings Limited, a Gold Coast–based business with patented technology for recreational wave generation; and DIT AgTech Limited, a Queensland-based "AgTech" company focussed on nutrient supplementation for livestock, using "Internet of Things" technology to help farmers do more for less. John has recently been appointed Chairman and a Non-Executive Director of xReality Group Limited, a New South Wales company developing and operating physical and digital simulations.

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

Karin Lindgren

Independent Non-Executive Director
BS, JD

Karin joined the Board in 2020. She brings over 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 US, 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 Health System 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 50 percent 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 seven 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.

Ann Custin

Independent Non-Executive Director
BA

Ann joined the Board in 2021 and brings a deep network of industry contacts from an extensive career in healthcare across Europe, the Americas, and Asia. Her most recent executive role was with Siemens Healthineers, where she served as both CFO and board director of Siemens Medical Solutions. Prior to this role, Ann served as Chief Operating and Financial Officer of Scient'x and President & CEO of USA Draeger Medical Systems, Inc.

Ann is also a Non-Executive Director of NASDAQ-listed Establishment Labs Holdings Inc., a medical technology company focused on women's health, initially in the breast aesthetics and reconstruction market, that has a market capitalisation of approximately US$1.7 billion.

Ann recently became a board member of Mayne Pharma Group, a pharmaceutical company based in Australia that develops, manufactures, and markets branded and generic pharmaceutical products globally.

Ann is a member of the Audit Committee and is based in Bethlehem, Pennsylvania, USA.

Craig Hadfield
Chief Financial Officer & Company Secretary
H Dip Acc (Hons)/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. He 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 the Analytics (incl. Scorecard), Patient Hub (incl. Volpara® Risk™), and Risk Pathways (fka CRA Risk) products. Analytics is a comprehensive cloud-based breast imaging analytics software that delivers quality assurance and performance monitoring. Designed to help clinics manage their business more efficiently, Analytics is supported by the Company's market-leading Volpara Scorecard, powered by the TruDensity™, TruRadDose™, TruPressure™, and TruPGMI™ clinical functions. Patient Hub and Lung™ are patient tracking and reporting software solutions designed to help customers' staff become more productive in the operation and administration of their practice. Volpara Risk helps deliver objective insight that assists radiologists in directing women at high risk of developing breast cancer to essential screening and testing. Risk Pathways continued to be sold as a stand-alone, cloud-based, risk modelling product and is being integrated into Volpara's suite of products. In time it will replace Volpara Risk. We also continued to roll out Volpara® Live™ software, which provides timely imaging feedback and on-the-job training to technologists.

Significant changes in the state of affairs

Subsequent to year-end, Volpara completed a revolving credit facility with Kiwibank, the Company's primary bank in New Zealand and the one with which the Company has banked since inception. Though Volpara does not require additional funds at this time, the revolving credit facility provides the Company with a low-cost, non-dilutionary working capital facillity. Based upon our current forecasts and combined with the cash on hand, Volpara has access to sufficient capital to continue to execute on our growth strategy.

Operating results for the year

Statutory results

Some of the key statutory results are summarised on the next page. Total revenue from contracts with customers and SaaS-only revenue have continued to show solid growth, both organically and inorganically. The 32% and 69% (or 37% and 76% constant currency) increases in total revenue and SaaS-only revenue, respectively, have been driven by a combination of Analytics, Patient Hub, and Risk (both Risk Pathways [fka CRA Risk] and Volpara Risk). Excluding the contribution of CRA Health, LLC, in FY22 results in increases of 6% and 20% (11% and 24% constant currency) for total revenue and SaaS revenue, respectively. The 24% constant currency growth in SaaS-only revenues is an important indicator of the strength of the underlying business as Volpara continues its SaaS-first focus. The COVID-19 pandemic and other resultant knock-on impacts such as severe shortages of IT staff at customer sites slowed down the implementations of a number of contracts, resulting in delayed revenue recognition, some of which was recognised in FY22 and some of which has been delayed into FY23 , and in some cases beyond.

Capital revenues continue to decline, in line with expectations, as we continue to focus primarily on SaaS-based contracts. The capital revenues from legacy MRS have largely been replaced by SaaS revenues this year and we continue to see strong uptake with the SaaS business model. Service maintenance agreements (SMAs) also continue to decline, mostly as a result of upselling the existing legacy MRS installed base onto Patient Hub SaaS contracts or upgrading customers from legacy density contracts to either Analytics and/or Scorecard, both of which are also SaaS contracts. Lung revenues increased 10% or 13% constant currency. From a Non-GAAP perspective, revenue growth was 30%.

Volpara's net loss for the year before tax decreased 15% year on year. As with the prior year, this was ahead of expectations as we continue to invest in our people and products but also carry a number of one-off and non-cash costs related to the acquisition and subsequent integration of both MRS and CRA into the Group.

Refer to the SaaS, non-GAAP metrics, and constant currency section below for further commentary.

IFRS	2022 NZ$'000	2021 NZ$'000	Variance NZ$'000	Variance %
SaaS	17,395	10,286	7,109	69%
Service maintenance agreements	6,114	6,634	(520)	-8%
Capital	1,193	1,592	(399)	-25%
Lung capital and subscriptions	1,301	1,187	114	10%
Other	110	48	62	129%
Total revenue from contracts with customers	**26,113**	**19,747**	**6,366**	**32%**
Net loss for the year before tax	(16,154)	(18,949)	2,795	-15%
NON-GAAP				
Revenue from contracts with customers pre-revenue adjustment	26,402	20,374	6,028	30%
Revenue adjustment[1]	(289)	(627)	338	-54%
Revenue from contracts with customers[2]	**26,113**	**19,747**	**6,366**	**32%**

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 and CRA 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 neither impacts, 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 24 in the financial statements for more information.
2. As per Consolidated statement of profit or loss and other comprehensive income.

	2022 NZ$'000	2021 NZ$'000	Variance NZ$'000	Variance %
IFRS Net loss for the year after tax	**(16,441)**	**(17,488)**	**1,047**	**-6%**
Non-cash and non-operating items				
Net interest income	(29)	(476)	447	-94%
Tax expense/(benefit)	287	(1,461)	1,748	-120%
Business integration and acquisition expenses	45	698	(653)	-94%
Share-based payments expense	1,102	1,379	(277)	-20%
Depreciation and amortisation	4,659	3,089	1,570	51%
(Gains)/losses on foreign exchange transactions	(578)	189	(767)	-406%
Revenue adjustment	289	627	(338)	-54%
Bad debts writen off	(3)	171	(174)	-102%
(Release of)/provision for employee retention plan	(928)	833	(1,761)	-211%
PPP loan forgiveness	(2,478)	-	(2,478)	100%
Non-GAAP net loss before interest, tax, depreciation, amortisation, impairment, one-off items, and non-cash items	**(14,075)**	**(12,439)**	**(1,636)**	**13%**

Constant currency

Constant Currency (CC) analysis is non–GAAP financial information that is not prepared in accordance with IFRS. CC information has been provided to assist users of financial information to better understand and assess the Group's financial performance without the impacts of foreign currency fluctuations.

	2022 (CC) NZ$'000	2022 NZ$'000	2021 NZ$'000	Change in CC %	Reported change %
For the year ended 31 March					
Revenue from contracts with customers	27,135	26,113	19,747	37%	32%
Cost of revenue	(2,380)	(2,290)	(1,692)	41%	35%
Operating expenses					
Sales and marketing	(14,657)	(14,121)	(12,283)	19%	15%
Product research, development and engineering	(17,045)	(16,838)	(14,171)	20%	19%
General and administration	(12,691)	(12,259)	(12,542)	1%	-2%
Total operating expenses	**(44,393)**	**(43,218)**	**(38,996)**	**14%**	**11%**
Normalised non-GAAP earnings before interest, tax, depreciation, amortisation, impairment, one-off items, and non-cash items	(13,990)	(14,075)	(12,439)	12%	13%

SaaS, non-GAAP metrics, and constant currency

Volpara ended the year with Annual Recurring Revenue (ARR) of ~US$22.2M (or ~NZ$31.8M), an overall increase of ~19% year on year—all organic.

The Volpara Group's (incl. CRA) combined market share in the United States, where women who are screened have at least one of the Group's products applied on their images and data, is now in excess of 35.5%, up from approx. 32% at the end FY21.

On a normalised non-GAAP earnings before interest, tax, depreciations and amortisation, impairments, and other one-off or non-cash items, Volpara declined by 13% year on year from NZ$12.4M to NZ$14.1M. This was mostly driven by a combination of a change in the regulatory environment in New Zealand whereby the grant-funding regime of which Volpara was the recipient of NZ$1.3M was changed to a tax credit regime for which Volpara is in the process of applying and which may result in funding in FY23; as well as a planned increase in headcount from 175 at end of FY21 to 189 at the end of FY22. Importantly, in CC, general and admininistration costs were flat, showing operating leverage now starting to be achieved. Sales and marketing saw increased costs through a slow return to trade shows and associated increases in marketing spend. Additionally, and applicable to product research, development, and engineering costs equally, was the impact of the increased head count. FY22 also included a full year of CRA costs for the first time (versus two months in FY21), totalling approximately NZ$3.8M (accounting for more than 70% of the operating expenditure increase in FY22 over FY21).

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 year-end, Volpara completed a revolving credit facility with Kiwibank, the Company's primary bank in New Zealand and the one with which the Company has banked since inception. Though Volpara does not require additional funds at this time, the revolving credit facility provides the Company with a low-cost, non-dilutionary working capital facillity. Based upon our current forecasts and combined with the cash on hand, Volpara has access to sufficient capital to continue to execute on our growth strategy.

Likely developments and expected results of operations

We have just had our most successful year in terms of new organic business won. Promisingly, this record new revenue growth derived not from a single product but from across the entire product suite. We have also made a number of hires in strategic parts of the business, including a Chief Information Security Officer and a Director of Product Marketing and Innovation. We are now convinced, more than ever, that our full product suite can bring signficant benefits to our customers and ultimately to women all over the world. In particular, we see very strong tailwinds with cancer risk assessments. Volpara is very well placed here with Risk Pathways, which, together with Scorecard, provides a very powerful offering to clinics providing patient-centric care. Combining this with our commercial relationships with genetic laboratories and the follow-up DENSE trial results means that women globally can start to receive the level of care right for them. Volpara's balance sheet remains strong with over NZ$18M of cash on hand. This balance, together with the newly secured NZ$10M (on demand) revolving credit facility, if required, provides us with the resources necessary to execute—under the the leadership of new CEO Teri Thomas—on our strategy to increase market penetration and revenue and move ever closer to profitability. We will also continue to invest in our current product suite, making them ever more tightly integrated, but also look to invest in our future products—especially with Ralph moving into his new role as Chief Science and Innovation Officer, where this forms the core of his remit. Volpara has built up a de-identified dataset that is unique and unrivalled in the industry; we have the opportunity to unlock significant benefits, both commerically and scientifically, which will allow us to remain leaders in our field.

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 women on the Board at the end of the 2022 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 73 out of 183, or 39.9%. The proportion of women as a total of the senior executive positions is 3 out of 7, or 42.9%.

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 (and KMP, as appropriate) in accordance with the constitution, under which the Company indemnifies each Director against the following:

1. 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;
2. any liability to any third party for any act or omission by the Director as an officer of the Company; and
3. 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 (1) and (2).

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.

Unissued shares

As at 31 March 2022, there were 10.113M 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 2022 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
17 February 2022	0.4600	390,000
		390,000

The following ordinary shares of Volpara Health Technologies Ltd were issued during the year ended 31 March 2022 on the exercise of options granted under the New Employee Share Option Plan (NESOP).

Date options exercised	Average issue price of shares NZ$	Number of shares issued
1 June 2021	0.6681	296,000
21 August 2021	0.5000	38,000
1 December 2021	0.5222	108,000
17 February 2022	0.5286	84,000
		526,000

Meetings of Directors

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

	Board of Directors		Audit Committee		Remuneration and Nominations Committee		Risk Committee	
	No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. eligible to attend	No. attended
Paul Reid	9	9	4	4	3	3	4	4
Dr Ralph Highnam	9	9						
Roger Allen AM	9	9	4	4	3	3		
John Pavlidis	9	9					4	4
John Diddams	9	9	4	4	3	3		
Dr Monica Saini	4	4						
Karin Lindgren	9	9					4	4
Ann Custin	5	5	3	3				

Non-audit services

During the year, there were non-audit services provided by PwC in the form of ESG reporting assistance, advisory services relating to IT security risks, and a market survey of executive remuneration levels.

Auditor's Independence Declaration

As lead auditor for the audit of Volpara Health Technologies Limited for the year ended 31 March 2022, 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
26 May 2022

The Directors are pleased to present this report, which is intended to provide clarity about the ways we seek to reward and recognise the contribution Volpara Health Technologies Limited's Non-Executive Directors, Executive Directors, and other key management personnel are making to the ongoing growth of the business.

In outlining the Director and Executive remuneration arrangements of the Company and the Group, this report is intended to provide greater transparency and insight into our practices, going beyond what we are required to disclose as a New Zealand incorporated company under the requirements of the Companies Act 1993 and its regulations.

This report defines Key Management Personnel (KMP) of the Group 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. The term "Executive" encompasses the Chief Executive and other Key Management Personnel of the Parent and the Group.

Remuneration and Nomination Committee

The Remuneration and Nomination 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 Key Management Personnel.

The Remuneration and Nomination 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 Non-Executive Directors listed here. In accordance with best-practice corporate governance, the structure of Non-Executive Director and senior Executive remuneration is separate and distinct.

Paul Reid (Chair)
Independent

John Diddams
Independent

Roger Allen AM

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$700,000 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 2022 is detailed later in this report.

Executive remuneration policy

Objective

Volpara Health Technology's purpose is to save families from cancer. This purpose is underpinned by our strategic plan and values that are fundamental to how we do things as a company (see below).

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.

VOLPARA VALUES

Be Bold

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

Be Extra ordinary

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

Be Relent less

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

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.

Component	Description	Link to strategy & performance
Fixed annual remuneration	• Base salary • Retirement benefits (superannuation/ KiwiSaver or local equivalent)	Reviewed annually based on individual skills, experience, accountabilities, performance, leadership, and behaviours
Short-term incentive (STI)	• An at-risk component set as a percentage of base salary • Calculated based on achievement against a range of company-wide operational targets (financial and non-financial) • Paid after a one-year performance period (1 April–31 March). • The aggregate pool of potential STI payments has been approved by the Remuneration and Nomination Committee	Rewards delivery of key strategic and financial objectives, in line with the annual business plan, and rewards outcomes aligned to Volpara's goals to Prevent Advanced-stage Breast Cancer and Advance our Industry Leader position.
Long-term incentive (LTI)	• An at-risk component in the form of a Share Options • Participating Executives are granted Share Options as outlined later in this section. • Vesting is subject to continuing employment, which provides an additional time-based retention incentive.	Rewards delivery against longer-term strategy and sustained shareholder value creation. Provides alignment between shareholder and executive outcomes.

Remuneration benchmarking

Executive remuneration is reviewed annually by the Remuneration and Nomination Committee; 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.

Employee share option plans (ESOP)

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

Key remuneration components for the CEO

The CEO’s cash-based remuneration mix is as follows:

Base salary
Base salary makes up 71% of the CEO's on-target cash-based remuneration, the remainder being made up of at-risk STI as outlined below.

At-risk short-term incentive (STI)
STI is an at-risk component of remuneration that is structured to reward progress towards the delivery of key strategic and financial objectives, in line with the annual business plan.

Purpose	Rewards delivery of key strategic and financial objectives, in line with the annual business plan
Target opportunity (% base salary)	40% (target)/50% (maximum)
Performance period	1 April to 31 March
Long-term incentive (LTI)	• Annual recurring revenue • Gross margin • Keep within Board-approved budget
Non-financial objectives	• Market share • Compliance • Employee voluntary turnover • CRA merger • Employee engagement
Payment	• 100% cash

The STI performance objectives have been chosen as they focus the CEO on sustainably growing the global business. The targets are set at the beginning of each financial year and are reviewed and approved by the Remuneration and Nomination Committee.

Performance against financial and non-financial objectives is determined at the end of each financial year after review of CEO performance by the Remuneration and Nomination Committee.

At all times the Remuneration and Nomination Committee retains discretion over the STI Plan and any resulting payments.

STI outcome
Based on Volpara’s FY22 performance, the CEO achieved 84.03% of target STI and 67.23% of the maximum STI available.

Employment contracts

Chief Executive Officer
Dr Ralph Highnam was employed by the Company in the role of both Chief Executive Officer and Executive Director until 21 April 2022. 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	2022	2021	$ Variance	% Variance
Revenue from contracts with customers (NZ$'000)	26,113	19,747	6,366	32%
Operating expenses (NZ$'000)	(43,218)	(38,996)	(4,222)	11%
Net loss for the year after tax (NZ$'000)	(16,441)	(17,488)	1,047	-6%
Loss per share (NZ$)	(0.07)	(0.07)	0.00	0%
Share price at financial year-end (A$)	0.88	1.30	(0.42)	-32%
Net cash utilised in operating activities	(11,358)	(14,021)	2,663	-19%

DETAILS OF REMUNERATION

2022			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	110,000	-	-	-	16,453	126,453
Roger Allen AM	63,680	-	-	-	37,986	101,666
John Pavlidis	61,922	-	-	-	75,656	137,578
John Diddams	90,213	-	-	-	71,362	161,575
Dr Monica Saini[1]	29,167	-	-	-	29,687	58,854
Karin Lindgren	71,767	-	-	-	135,096	206,863
Ann Custin[2]	36,504	-	-	-	-	36,504
Subtotal[4]	**463,252**	**-**	**-**	**-**	**366,240**	**829,492**
Executive Directors						
Dr Ralph Highnam	407,991	134,451	28,465	14,639	79,420	664,965
Subtotal	**407,991**	**134,451**	**28,465**	**14,639**	**79,420**	**664,965**
Other KMP						
Craig Hadfield	281,575	58,822	-	9,467	164,518	514,382
Subtotal	**281,575**	**58,822**	**-**	**9,467**	**164,518**	**514,382**
Total KMP	**1,152,818**	**193,274**	**28,465**	**24,105**	**610,178**	**2,008,840**

1. Dr Saini stepped down as a Director on 18 August 2021 but remained a subcontractor until 31 October 2021. The table above includes her remuneration earned in that role for that period.
2. Ann Custin was appointed as a Director 1 September 2021.
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.
4. The total director's fee pool is $700,000.

2021			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	94,000	-	-	-	28,730	**122,730**
Roger Allen AM	58,051	-	-	-	22,557	**80,608**
John Pavlidis	57,702	-	-	-	115,070	**172,772**
John Diddams	80,072	-	-	-	115,070	**195,142**
Dr Monica Saini[4]	139,074	-	-	2,772	60,162	**202,008**
Karin Lindgren	69,461	-	-	-	170,892	**240,353**
Subtotal	**498,360**	**-**	**-**	**2,772**	**512,481**	**1,013,613**
Executive Directors						
Dr Ralph Highnam	341,694	79,963	26,919	8,681	86,382	**543,639**
Subtotal	**341,694**	**79,963**	**26,919**	**8,681**	**86,382**	**543,639**
Other KMP						
Mark Koeniguer[5]	236,678	163,386	27,359	15,112	876	443,411
Craig Hadfield	241,366	58,984	-	8,736	97,576	406,662
Subtotal	**478,044**	**222,370**	**27,359**	**23,848**	**98,452**	**850,073**
Total KMP	**1,318,098**	**302,333**	**54,278**	**35,301**	**697,315**	**2,407,325**

4. Dr Saini stepped down from her executive role as Chief Medical Officer on 5 January 2021 but remained a Director, therefore her salary above includes her salary earned in that role for that period.
5. Mark Koeniguer stepped down effective 2 October 2020.

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

	STI	
Name	2022 %	2021 %
Executive Directors		
Dr Ralph Highnam	20	15
Other KMP		
Craig Hadfield	11	15

Non-Executive Directors do not receive any remuneration linked to performance.

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.

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 KMP during the year are detailed in the table below:

2022 OPTIONS

Name	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							
Paul Reid	-	-	-	-	-	-	-
Roger Allen AM	150,000	0.71	1.33	1/10/2025	1/10/2022	1/10/2027	105,787
John Pavlidis	-	-	-	-	-	-	-
John Diddams	-	-	-	-	-	-	-
Karin Lindgren	-	-	-	-	-	-	-
Ann Custin	-	-	-	-	-	-	-
Executive Director							
Dr Ralph Highnam	-	-	-	-	-	-	-
Other KMP							
Craig Hadfield	-	-	-	-	-	-	-

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.

HOLDERS OF OPTIONS UNDER ESOPS

Legacy ESOPs	New ESOPs	
John Pavlidis	Paul Reid	John Diddams
	Dr Ralph Highnam	Dr Monica Saini
	Roger Allen AM	Karin Lindgren
	John Pavlidis	Craig Hadfield

2022 OPTIONS

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	360,000	90,000
Dr Ralph Highnam	1,002,200	-	-	-	1,002,200	600,000	402,200
Roger Allen AM	300,000	150,000	-	-	450,000	300,000	150,000
John Pavlidis	650,000	-	-	-	650,000	380,000	270,000
John Diddams	450,000	-	-	-	450,000	180,000	270,000
Dr Monica Saini[6]	450,000	-	180,000	-	270,000	90,000	180,000
Karin Lindgren	450,000	-	-	-	450,000	180,000	270,000
Ann Custin	-	-	-	-	-	-	-
Total	**3,752,200**	**150,000**	**180,000**	**-**	**3,722,200**	**2,090,000**	**1,632,200**
Other KMP							
Craig Hadfield	734,900	-	40,000	-	694,900	40,000	654,900
Total	**734,900**	**-**	**40,000**	**-**	**694,900**	**40,000**	**654,900**

2021 OPTIONS

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	270,000	180,000
Dr Ralph Highnam	600,000	402,200	-	-	1,002,200	360,000	642,200
Roger Allen AM	300,000	-	-	-	300,000	240,000	60,000
John Pavlidis	701,872	-	51,872	-	650,000	200,000	450,000
John Diddams	450,000	-	-	-	450,000	-	450,000
Dr Monica Saini	450,000	-	-	-	450,000	180,000	450,000
Karin Lindgren	-	450,000	-	-	450,000	-	450,000
Total	**2,951,872**	**852,200**	**51,872**	**-**	**3,752,200**	**1,250,000**	**2,502,200**
Other KMP							
Mark Koeniguer	1,810,000	279,500	1,390,000	(699,500)	-	-	-
Craig Hadfield	200,000	574,900	40,000	-	734,900	-	734,900
Total	**2,010,000**	**854,400**	**1,430,000**	**(699,500)**	**734,900**	**-**	**734,900**

6. Dr Saini stepped down as a Director on 18 August 2021. These balances are up until that date.

Shareholdings

The number of shares in the company held during the financial year by each Director of Volpara Health Technologies Limited is set out below:

2022 SHAREHOLDINGS

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
Directors				
Paul Reid	-	-	-	-
Dr Ralph Highnam	16,213,561	-	-	16,213,561
Roger Allen AM	18,467,848	-	-	18,467,848
John Pavlidis	-	-	-	-
John Diddams	1,142,294	-	-	1,142,294
Dr Monica Saini[7]	-	180,000	(100,000)	80,000
Karin Lindgren	-	-	-	-
Ann Custin	-	-	-	-

2021 SHAREHOLDINGS

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
Directors				
Paul Reid	-	-	-	-
Dr Ralph Highnam	16,190,485	-	23,076	16,213,561
Roger Allen AM	18,467,848	-	-	18,467,848
John Pavlidis	200,000	51,872	(251,872)	-
John Diddams	1,519,218	-	(376,924)	1,142,294
Dr Monica Saini	-	-	-	-
Karin Lindgren	-	-	-	-

7. Dr Saini stepped down as a Director on 18 August 2021. These balances are up until that date.

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	Remuneration range			Number of employees
100,000	to	110,000	19	360,001	to	370,000	1
110,001	to	120,000	18	370,001	to	380,000	-
120,001	to	130,000	9	380,001	to	390,000	-
130,001	to	140,000	23	390,001	to	400,000	-
140,001	to	150,000	6	400,001	to	410,000	1
150,001	to	160,000	10	410,001	to	420,000	-
160,001	to	170,000	7	420,001	to	430,000	-
170,001	to	180,000	7	430,001	to	440,000	-
180,001	to	190,000	5	440,001	to	450,000	-
190,001	to	200,000	6	450,001	to	460,000	-
200,001	to	210,000	5	460,001	to	470,000	-
210,001	to	220,000	6	470,001	to	480,000	-
220,001	to	230,000	2	480,001	to	490,000	-
230,001	to	240,000	1	490,001	to	500,000	-
240,001	to	250,000	3	500,001	to	510,000	-
250,001	to	260,000	3	510,001	to	520,000	1
260,001	to	270,000	1	520,001	to	530,000	-
270,001	to	280,000	2	530,001	to	540,000	-
280,001	to	290,000	-	540,001	to	550,000	1
290,001	to	300,000	3	550,001	to	560,000	-
300,001	to	310,000	1	560,001	to	570,000	-
310,001	to	320,000	1	570,001	to	580,000	-
320,001	to	330,000	-	580,001	to	590,000	-
330,001	to	340,000	1	590,001	to	600,000	-
340,001	to	350,000	1	600,001	to	610,000	-
350,001	to	360,000	-	610,001	to	620,000	1

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

....

Paul Reid, Chair

Independent auditor's report

To the shareholders of Volpara Health Technologies Limited

Our opinion

In our opinion, the accompanying consolidated 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 2022, 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).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 March 2022;
- 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 consolidated financial statements, which include significant accounting policies and other explanatory information.

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 consolidated 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.

Independence

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for 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 comprising the provision of advisory services relating to the Group's Environmental, Social and Governance reporting, advisory services relating to IT security risks and the provision of a market survey relating to executive remuneration levels. 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 consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers, PwC Centre, 10 Waterloo Quay, PO Box 243, Wellington 6140, New Zealand T: +64 4 462 7000, pwc.co.nz

<table>
<tr><th>Description of the key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>
Assessing the 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. 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);
2. Capital sales contracts which involve the outright sale of software and associated items; and
3. Software Maintenance Agreements (SMAs) to support previous Capital sales.
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, particularly SaaS contracts, requires judgement. Performance obligations have differing patterns of revenue recognition. As a result, the allocation of the transaction price 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; and
• determining and applying the appropriate revenue recognition policy for the separable elements of the contract, including allocating contract revenue to the identified performance obligations, and determining the period over which revenue should be recognised.
</td><td>
We have understood the contractual terms within Volpara's contracts with customers and note that a high level of standardisation exists.
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;
• reconfirmed and challenged our understanding of the judgements made by Volpara in identifying performance obligations for groupings of contracts with similar contractual terms;
• assessed Volpara's allocation of the transaction price 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 contract types with multiple performance obligations (SaaS contracts), we obtained an understanding of the contractual terms and compared the terms with the revenue recognised by Volpara. We also obtained evidence to support the performance of the obligation. We undertook these procedures to assess whether revenue was supported by contractual agreements, was recorded within the correct period, and was recognised at the appropriate amount.
We have no matters to report.
</td></tr>
</table>

Description of the key audit matter	How our audit addressed the key audit matter
Recognition of research and development costs The Group incurred $16.8 million of product research, development and engineering costs during the year, which were all expensed. A further $2.1 million of software development costs were capitalised. These capitalised costs met the criteria under NZ IAS 38 Intangible Assets (as disclosed in Note 22). There is judgement in determining whether particular activities meet the definition of "research" and/or "development" and whether the costs should then be expensed or capitalised as software development costs (an intangible asset) in accordance with accounting standards. All costs incurred as part of the research phase are expensed. Costs incurred in the development phase are only capitalised if they meet the capitalisation criteria. The treatment of these research and development costs was a key audit matter because we spend significant audit effort in this area. Additionally, management exercises judgement in determining which software projects, or stages of projects, are classified as either research or development. These costs are also material to the financial statements.	We obtained an understanding of the processes and controls over the recognition of research and development costs. For a sample of both expensed and capitalised software projects, we obtained an understanding of the nature of the research and development work undertaken. This included discussions with software development managers, inspection of minutes of Programme Steering Committee meetings, and project status tracking tools. For each project we considered management's assessment. Our consideration included challenging management's assessment of the technical feasibility of the project and the certainty of future economic benefits resulting in management's conclusion to capitalise or expense software development costs. We then recalculated the amount expensed or capitalised, verifying the time charged to each project was being appropriately recognised, the hourly rates used, and the appropriateness of capitalisation of employee time based on their role within the organisation. We have no matters to report.

Our audit approach

Overview

Overall group materiality: $422,000, 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 provide a more stable basis for calculating materiality.

Following our assessment of the risk of material misstatement, we performed:

- full scope audits for the Group's principal business units being Volpara Health Technologies Limited, Volpara Health, Inc. and CRA Health, Inc.;
- substantive audit procedures over consolidation entries; and
- analytical review procedures over the remaining group entities.

As reported above, we have two key audit matters, being:

- Revenue recognition
- Recognition of research and development costs.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. 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.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated 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 consolidated financial statements as a whole.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated 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 applied the Group materiality level to the full scope audits of the principal business units. This was appropriate as there is minimum aggregation risk between the subsidiaries' operations. Where financial statement balances were disaggregated across the business units we applied a portion of the Group materiality level, using auditor judgement, to these areas.

All audit procedures were performed by PricewaterhouseCoopers New Zealand.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 consolidated financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

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

This description forms part of our auditor's report.

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
26 May 2022

Wellington

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 March 2022

	Notes	2022 NZ$'000	2021 NZ$'000
REVENUE			
Revenue from contracts with customers	4	26,113	19,747
Cost of revenue	7	(2,290)	(1,692)
Gross profit		**23,823**	**18,055**
Government grants and other operating income	6	2,634	1,705
Sales and marketing	7	(14,121)	(12,283)
Product research, development, and engineering	7	(16,838)	(14,171)
General and administration	7	(12,259)	(12,542)
Foreign exchange gains/(losses)		578	(189)
Net loss before interest and tax		**(16,183)**	**(19,425)**
Finance income		173	622
Finance expense		(144)	(146)
Net loss for the year before tax		**(16,154)**	**(18,949)**
Income tax (expense)/benefit	8	(287)	1,461
Net loss for the year after tax		**(16,441)**	**(17,488)**
OTHER COMPREHENSIVE INCOME			
Net loss for the year		(16,441)	(17,488)
Other comprehensive expense			
Items that may be reclassifed subsequently to profit or loss (net of tax):			
Exchange differences on translation of foreign operations		(78)	(2,968)
Other comprehensive expense for the year (net of tax)		**(78)**	**(2,968)**
Total comprehensive loss for the year, net of tax		**(16,519)**	**(20,456)**
Basic and diluted loss per share (NZ$)	12	(0.07)	(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 2022

	Notes	2022 NZ$'000	2021 NZ$'000
ASSETS			
Non-current assets			
Fixed assets	21	548	720
Intangible assets	22	44,987	46,426
Right-of-use assets	14	2,239	2,686
Contract costs	5	2,333	1,753
Deferred tax assets	8	85	80
Investments	23	359	-
Total non-current assets		**50,551**	**51,665**
Current assets			
Cash and cash equivalents	9	9,676	7,873
Cash on deposit	9	8,469	24,357
Trade receivables	10	8,111	7,754
Contract assets	10	1,356	862
Prepayments and other receivables		1,816	1,608
Financial assets		299	-
Inventory		-	53
Contract costs	5	707	442
Total current assets		**30,434**	**42,949**
Total assets		**80,985**	**94,614**
EQUITY AND LIABILITIES			
Equity			
Share capital	12	181,496	180,678
Share option reserve	13	4,351	3,759
Foreign currency translation reserve		(1,661)	(1,583)
Accumulated losses		(126,297)	(110,057)
Total equity		**57,889**	**72,797**
Non-current liabilities			
Employee entitlements	11	-	856
Lease liabilities	14	1,905	2,416
Borrowings	25	-	486
Deferred tax liabilities	8	286	281
Total non-current liabilities		**2,191**	**4,039**
Current liabilities			
Trade and other payables	11	5,366	3,872
Deferred revenue	4	14,965	11,434
Lease liabilities	14	574	483
Borrowings	25	-	1,989
Total current liabilities		**20,905**	**17,778**
Total liabilities		**23,096**	**21,817**
Total equity and liabilities		**80,985**	**94,614**

For and on behalf of the Board, who authorised the issue of these consolidated financial statements on 26 May 2022.

Paul Reid **John Diddams** **Ralph Highnam**

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 2022

	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 2021		**180,678**	**3,759**	**(1,583)**	**(110,057)**	**72,797**
Net loss for the year after tax		-	-	-	(16,441)	(16,441)
Other comprehensive loss		-	-	(78)	-	(78)
Total comprehensive loss for the year, net of tax		**-**	**-**	**(78)**	**(16,441)**	**(16,519)**
Transactions with owners:						
Issue of share capital from exercise of share options	13	818	(306)	-	-	512
Forfeiture of share options	13	-	(293)	-	-	(293)
Expiry of share options	13	-	(201)	-	201	-
Recognition of share-based payments	13	-	1,392	-	-	1,392
Balance at 31 March 2022		**181,496**	**4,351**	**(1,661)**	**(126,297)**	**57,889**
Balance at 1 April 2020		**140,078**	**3,326**	**1,385**	**(92,569)**	**52,220**
Net loss for the year after tax		-	-	-	(17,488)	(17,488)
Other comprehensive income		-	-	(2,968)	-	(2,968)
Total comprehensive loss for the year, net of tax		**-**	**-**	**(2,968)**	**(17,488)**	**(20,456)**
Transactions with owners:						
Issue of share capital from placement and share purchase plan	12	39,499	-	-	-	39,499
Costs of placement and share purchase plan capital raise	12	(1,601)	-	-	-	(1,601)
Issue of share capital from exercise of share options	13	2,702	(955)	-	-	1,747
Forfeiture of share options	13	-	(772)	-	-	(772)
Recognition of share-based payments	13	-	2,160	-	-	2,160
Balance at 31 March 2021		**180,678**	**3,759**	**(1,583)**	**(110,057)**	**72,797**

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 2022

	Notes	2022 NZ$'000	2021 NZ$'000
OPERATING ACTIVITIES			
Receipts from customers		28,485	19,685
Payments to suppliers and employees		(40,159)	(35,141)
Other income received		492	1,686
Net interest received		35	1,014
Net taxes paid		(51)	(137)
Business integration and acquisition expenses		(55)	(1,032)
Payment of low-value-asset leases		(105)	(96)
Net cash utilised in operating activities	9	**(11,358)**	**(14,021)**
INVESTING ACTIVITIES			
Purchases of property and equipment		(4)	(76)
Proceeds from sale of PPE		-	48
Payments for intangible assets		(2,170)	(751)
Acquisition of subsidiary net of cash acquired		(131)	(24,672)
Payments for investments		(357)	-
Payments into term deposits		(19,919)	(116,732)
Receipts from term deposits		35,777	119,078
Net cash from/(to) investing activities		**13,196**	**(23,105)**
FINANCING ACTIVITIES			
Proceeds from issue of share capital from placement and share purchase plan		-	39,499
Transaction costs of raising capital		-	(1,601)
Proceeds from exercise of share options		511	1,747
Proceeds from borrowings		-	2,822
Payment of principal portion of the lease liabilities		(536)	(599)
Net cash (to)/from financing activities		**(25)**	**41,868**
Net increase in cash and cash equivalents		**1,813**	**4,742**
Net foreign exchange difference		(10)	(542)
Cash and cash equivalents as at 1 April		7,873	3,673
Cash and cash equivalents at the end of the period*	9	**9,676**	**7,873**

*Cash and cash equivalents does not include cash on deposit totalling NZ$8.5M (2021: NZ$24.4M). 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 consolidated financial statements

for the year ended 31 March 2022

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 2022 were authorised for issue in accordance with a resolution of the Directors on 26 May 2022.

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 at Levels 14–15, 40 Mercer Street, Wellington Central, 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 26.

2 Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements for the year ended 31 March 2022 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. The Group does not anticipate adopting any standards prior to their effective date. There are no standards or amendments that have been issued but not yet effective that are expected to have a material impact on the Group.

2.4 Significant accounting policies

Significant accounting policies, accounting estimates, and judgments that summarise 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 24: Acquisitions

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 12 months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

The Group classifies all other assets 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 12 months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least 12 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 on translation for consolidation, are recognised in other comprehensive income (OCI) and accumulated as a separate component of equity in the Group's foreign currency translation reserve. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

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 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 inquiry 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$16.4M for the year ended 31 March 2022 (2021: NZ$17.5M) and is expected to make further losses in the following financial year.

Volpara, subsequent to year-end, has secured a NZ$10M (on demand) revolving credit facility with an initial term of three years. This provides non-dilutive funding for the business, to allow management flexibility regarding ongoing operations for the foreseeable future, with over NZ$28M in funding available.

Notwithstanding the above, the Group has prepared cash flow forecasts which indicate that funding 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. The Directors will continue to monitor and assess the funding requirements of the Group, including the potential for capital raise, if required.

3. Segment information

The Board of Directors, assessed to be the Group's Chief Operating Decision Maker (CODM), receives financial reports for each region as defined by the four operating subsidiaries and head office (Corporate). The reporting to the CODM has been aggregated into four reporting segments based on region and separating out head office:

- North America
- Europe, Middle East, and Africa (EMEA)
- Asia Pacific (APAC)
- Corporate

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.

The Group derives its revenue from the sale of clinical functions and patient tracking software. Most of the clinical functions business is sold worldwide, with the exception of risk assessment (product acquired through the acquisition of CRA Health, LLC, in January 2021), 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 2022 is as follows:

2022

	North America NZ$'000	EMEA NZ$'000	APAC NZ$'000	Corporate NZ$'000	Reconciled to Group NZ$'000
Revenue from breast contracts					
• SaaS	16,415	55	925	-	17,395
• SMA	6,067	24	23	-	6,114
• Capital	1,112	67	14	-	1,193
Revenue from lung contracts	1,301	-	-	-	1,301
Other	110	-	-	-	110
Total revenue	**25,005**	**146**	**962**	**-**	**26,113**
Cost of revenue	(2,118)	(47)	(126)	1	(2,290)
Gross profit	**22,887**	**99**	**836**	**1**	**23,823**
Government grants and other operating income	2,529	105	-	-	2,634
Sales and marketing	(12,752)	(99)	(997)	(273)	(14,121)
Product research, development, and engineering	(5,134)	(326)	(10)	(11,368)	(16,838)
General and administration	(5,962)	(111)	(57)	(6,129)	(12,259)
Foreign exchange gains/(losses)	-	(2)	(2)	582	578
Net loss before interest and tax	**1,568**	**(334)**	**(230)**	**(17,187)**	**(16,183)**
Finance income	25	-	-	148	173
Finance expense	(71)	-	-	(73)	(144)
Net loss for the year before tax	**1,522**	**(334)**	**(230)**	**(17,112)**	**(16,154)**
Tax expense	(287)	-	-	-	(287)
Net loss for the year after tax	**1,235**	**(334)**	**(230)**	**(17,112)**	**(16,441)**

2021

	North America NZ$'000	EMEA NZ$'000	APAC NZ$'000	Corporate NZ$'000	Reconciled to Group NZ$'000
Revenue from breast contracts					
• SaaS	9,781	82	423	-	10,286
• SMA	6,601	15	18	-	6,634
• Capital	1,501	3	88	-	1,592
Revenue from lung contracts	1,187	-	-	-	1,187
Other	48	-	-	-	48
Total revenue	**19,118**	**100**	**529**	**-**	**19,747**
Cost of revenue	(1,496)	(89)	(107)	-	(1,692)
Gross profit	**17,622**	**11**	**422**	**-**	**18,055**
Government grants and other operating income	17	88	106	1,494	1,705
Sales and marketing	(10,624)	(319)	(995)	(345)	(12,283)
Product research, development, and engineering	(4,832)	(369)	(8)	(8,962)	(14,171)
General and administration	(6,989)	(128)	(172)	(5,253)	(12,542)
Foreign exchange gains/(losses)	9	(2)	(150)	(46)	(189)
Net loss before interest and tax	**(4,797)**	**(719)**	**(797)**	**(13,112)**	**(19,425)**
Finance income	1	-	-	621	622
Finance expense	(91)	(1)	-	(54)	(146)
Net loss for the year before tax	**(4,887)**	**(720)**	**(797)**	**(12,545)**	**(18,949)**
Tax benefit	1,426	(3)	38	-	1,461
Net loss for the year after tax	**(3,461)**	**(723)**	**(759)**	**(12,545)**	**(17,488)**

SEGMENT NON-CURRENT ASSETS

	North America NZ$'000	EMEA NZ$'000	APAC NZ$'000	Corporate NZ$'000	Reconciled to Group NZ$'000
As at 31 March 2022*	37,473	-	153	12,925	50,551
As at 31 March 2021	48,725	4	123	2,813	51,665

* During the year the Group transferred IP from the North America segment to Corporate.

4. Revenue from contracts with customers

The Group recognises revenue from goods and services provided under three main product categories:

1. 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);
2. software Maintenance Agreements (SMAs) to support previous Capital sales;
3. capital sales contracts which involve the outright sale of software 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.

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 and volume 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, upon installation
Upfront training	Point in time, upon completion
Installation	Over time, as installation is provided; typically over a short period of time
Role and volume 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	Predominantly "stand-ready" services which are recognised on a straight-line basis over the period of service

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.

There are no warranties to be accounted for on SaaS products for the current period. Warranties will be applicable on Live sales after the first year. This will include a warranty on the hardware sold with the Live 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.

SMAs

The Group's SMA contracts with customers generally comprise 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.

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 licence 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.

Contract modifications

There were several contract modifications that occurred during the year where customers on an existing SMA or Scorecard 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 as a result of these modifications.

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 2022

	Capital sales NZ$'000	Software maintenance agreements NZ$'000	Software as a service NZ$'000	Other NZ$'000	Total NZ$'000
Timing of revenue recognition					
Goods or services transferred at a point in time	1,193	-	2,315	110	3,618
Services transferred over time	-	6,114	16,381	-	22,495
Total revenue from contracts with customers	**1,193**	**6,114**	**18,696**	**110**	**26,113**

For the year ended 31 March 2021

	Capital sales NZ$'000	Software maintenance agreements NZ$'000	Software as a service NZ$'000	Other NZ$'000	Total NZ$'000
Timing of revenue recognition					
Goods or services transferred at a point in time	1,592	-	2,046	48	3,686
Services transferred over time	-	6,634	9,427	-	16,061
Total revenue from contracts with customers	**1,592**	**6,634**	**11,473**	**48**	**19,747**

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	2022 NZ$'000	2021 NZ$'000
Opening balance as at 1 April		11,434	10,769
Amount recognised upon acquisition	24	-	1,135
Amount recognised in revenue during the year		(22,812)	(16,649)
Contracts entered into in the year		26,343	16,179
Closing balance as at 31 March		**14,965**	**11,434**

Deferred revenue by contract type

As at 31 March	2022 NZ$'000	2021 NZ$'000
Capital	423	276
SMA contracts	3,962	3,829
SaaS contracts	10,580	7,329
Total deferred revenue	**14,965**	**11,434**

5. Contract costs

Cost to obtain a contract

The Group pays sales commissions to its employees for each contract they obtain, subject to conditions. These commission costs are either amortised over the life of the contract or, for contracts recognised at a 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 cost of revenue in profit or loss.

	2022 NZ$'000	2021 NZ$'000
As at 1 April	2,195	1,982
Costs to obtain contracts entered into in current year	1,544	771
Amortisation within cost of revenue	(699)	(558)
As at 31 March	**3,040**	**2,195**

6. Government grants and other operating income

For the year ended 31 March	2022 NZ$'000	2021 NZ$'000
Government grants – Callaghan Innovation	-	1,314
Other income	2,634	391
Total government grants and other operating income	**2,634**	**1,705**

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 ceased from 1 April 2021. It has been replaced with the R&D Tax Incentive Scheme for which Volpara is in the process of applying. The Group has not recognised any R&D tax incentive grants within the year.

Other income includes income received relating to the US government's Paycheck Protection Program (PPP) loan scheme established in response to COVID-19. Refer to note 25 for more details.

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, development, engineering, regulatory and quality employees, as well as allocated overheads.

Under NZ IFRS, the proportion of product research and development 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.

For the year ended 31 March	Notes	2022 NZ$'000	2021 NZ$'000
Salaries and benefits [1]		19,552	17,043
Research and development costs not capitalised		9,022	7,251
Depreciation and amortisation	14, 21, 22	4,659	3,089
Superannuation contributions		2,355	2,073
Advertising and marketing		1,642	847
Consulting and subcontracting		1,543	2,035
Customer cloud costs		1,252	933
Share-based payments expense	13	1,102	1,379
Directors fees		453	406
Fees paid to auditors (see below)		320	373
Travel		290	47
Low-value lease expenses		105	90
Business integration and acquisition expenses	23	45	698
Bad debts written off		(3)	171
Movement in provision for expected credit losses	10	(59)	(55)
(Release of)/provision for employee retention plan [2]	11	(928)	833
Other operating expenses		4,158	3,475
Total cost of revenue and operating expenses [3]		**45,508**	**40,688**

AUDITORS' REMUNERATION

The auditor of the Group is PwC	2022 NZ$'000	2021 NZ$'000
Audit of financial statements	205	220
Review of interim financial statements	35	35
Review of Callaghan Grant return	-	5
Non-assurance engagement [4]	64	97
Total	**304**	**357**

FEES TO A NON-PWC AUDIT FIRM

Audit of financial statements	16	16
Total	**16**	**16**

1. Excludes salaries and benefits associated with research for $8,725,000 (2021: $6,962,000). These are included as part of "Research and development costs not capitalised".
2. As part of the acquisition of CRA, Volpara entered into a retention plan agreement with key employees of CRA. Refer to note 11 for more details.
3. This total excludes foreign exchange gains/(losses).
4. The Group engaged PwC to perform advisory services relating to IT security risks, a market survey of executive remuneration levels, and also to advise on environmental, social, and governance (ESG) reporting.

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.

As at 31 March	2022 NZ$'000	2021 NZ$'000
RECONCILIATION OF EFFECTIVE TAX RATE		
Net loss before tax	(16,154)	(18,949)
Prima facie taxation at 28% (2021: 28%)	(4,523)	(5,306)
Less tax effect		
Income not subject to tax	(68)	(757)
Difference in effective tax rate	(63)	259
Gain on transfer of intellectual property	677	-
Expenses not deductible for tax purposes	962	340
Tax differences not recognised	3,770	4,066
Deferred tax on temporary differences relating to earlier periods	(508)	(18)
Tax losses recognised relating to earlier periods	40	(45)
Tax expense/(benefit)	**287**	**(1,461)**
Represented by:		
Current tax	291	(200)
Deferred tax	(4)	(1,261)
Income tax expense/(benefit)	**287**	**(1,461)**
The Group has unrecognised deferred tax assets consisting of:		
Temporary differences	3,870	3,986
Accumulated losses	13,481	10,411
Total unrecognised deferred tax assets	**17,351**	**14,397**

The Group has gross tax losses in New Zealand of NZ$51,329,000 (2021: NZ$37,103,000); gross tax losses in the US of US$nil (2021: US$4,050,000); gross tax losses in Australia of AU$nil (2021: A$nil) and gross tax losses in Europe of GBP47,800 (2021: GBP61,000) 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/(LIABILITIES)	Intangible assets	Tax losses	Other	Total
Balance at beginning of year	(2,828)	1,471	1,156	(201)
Charged to profit or loss	443	(437)	(2)	4
Gain/(loss) from movement in exchange rates	(12)	7	1	(4)
Balance at end of year	**(2,397)**	**1,041**	**1,155**	**(201)**

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.

9. Cash, cash equivalents, and cash on deposit

	2022 NZ$'000	2021 NZ$'000
Cash at bank and on hand	9,676	5,873
Short-term deposits	-	2,000
Cash on deposit*	8,469	24,357
Total cash and cash equivalents and cash on deposit	**18,145**	**32,230**

* 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 2022, the Group had available NZ$10,000 (2021: NZ$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	2022 NZ$'000	2021 NZ$'000
Net loss for the year after tax	(16,441)	(17,488)
NON-CASH AND NON-OPERATING ITEMS		
Depreciation and amortisation	4,659	3,089
(Gains)/losses on foreign exchange transactions	(322)	1,151
Share-based payments	1,102	1,379
Gain on disposal of fixed assets	-	(48)
Loss on disposal of inventory	42	-
Bad debts (recovered)/written-off	(3)	171
Movement in provision for expected credit losses	(59)	(55)
Deferred tax benefit	(4)	(1,261)
Interest on loan	6	24
Write-off lease liability	-	(33)
Loan forgiveness	(2,478)	-
CHANGES IN WORKING CAPITAL		
Increase in trade and other receivables	(481)	(1,342)
Increase in contract costs	(838)	(506)
Decrease in inventory	-	2
Increase in trade and other payables	777	335
Increase in deferred revenue and contract assets	3,011	511
Effect of foreign exchange variance	(329)	50
Net cash used in operating activities	**(11,358)**	**(14,021)**

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.

	2022 NZ$'000	2021 NZ$'000
Trade receivables	8,150	7,846
Allowance for expected credit losses	(39)	(92)
Total trade receivables	**8,111**	**7,754**

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

CONTRACT 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.

	2022 NZ$'000	2021 NZ$'000
Opening balance as at 1 April	862	440
Amount recognised in revenue during the year	1,998	1,458
Amounts transferred to trade receivables during the year	(1,506)	(1,005)
Gain/(loss) from movement in exchange rates	2	(31)
Closing balance as at 31 March	**1,356**	**862**

Contract assets	1,362	874
Allowance for expected credit losses	(6)	(12)
Total contract assets	**1,356**	**862**

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.

31 March 2022	**Contract assets**			**Trade receivables**			**Total**
				Days past due			
		Current	<30 days	31–60 days	61–90 days	>90 days	
	NZ$'000	NZ$'000	NZ$'000	NZ$'000	NZ$'000	NZ$'000	NZ$'000
Expected credit loss rate	0.4%	0.3%	0.3%	0.7%	0.6%	1.3%	**0.5%**
Estimated total gross carrying amount at default	1,362	4,338	1,331	984	511	986	**9,512**
Expected credit loss	6	12	4	7	3	13	**45**

31 March 2021	**Contract assets**			**Trade receivables**			**Total**
				Days past due			
		Current	<30 days	31–60 days	61–90 days	>90 days	
	NZ$'000	NZ$'000	NZ$'000	NZ$'000	NZ$'000	NZ$'000	NZ$'000
Expected credit loss rate	1.4%	0.7%	0.6%	1.4%	1.3%	2.6%	**1.2%**
Estimated total gross carrying amount at default	874	4,560	800	587	151	1,748	**8,720**
Expected credit loss	12	31	5	8	2	46	**104**

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

	2022 NZ$'000	2021 NZ$'000
As at 1 April	104	159
Movement in provision for expected credit losses (note 7)	(59)	(55)
As at 31 March	**45**	**104**

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.

	2022 NZ$'000	2021 NZ$'000
Trade payables	1,283	949
Accrued expenses	441	549
Employee entitlements	3,245	2,336
Retention plan provision	118	856
Tax payable	279	38
Total trade and other payables	**5,366**	**4,728**

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, commissions for sales staff and an accrual for the CRA retention bonus. 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.

As part of the acquisition of CRA, Volpara entered into a retention plan agreement with key employees of CRA. This retention plan involves two potential US$2M payouts which are to be made if CRA achieves certain ARR performance and staff-retention targets by 31 December 2021 and 30 June 2022. These retention payments related to employee remuneration and are not treated as consideration for the purchase of the business. The Directors have assumed that all employees will meet the service conditions. The first ARR target was not met. This resulted in a US$1.8M writeback to the statement of profit or loss. The Directors have considered the likelihood of achievement of the second ARR performance targets as possible and have therefore accrued an apportioned amount to reflect this.

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.

		2022		2021	
Ordinary shares issued and fully paid	Notes	NZ$'000	000's	NZ$'000	000's
In issue as at 1 April		180,678	251,019	140,078	218,480
Exercise of share options	13	818	916	2,702	4,078
Issue of share capital from placement		-	-	29,768	21,538
Issue of share capital from share purchase plan		-	-	9,731	6,923
Issue costs		-	-	(1,601)	-
In issue as at 31 March		**181,496**	**251,935**	**180,678**	**251,019**

Dividends

No dividends have been declared or paid for the year ended 31 March 2022 (2021: $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	2022	2021
Net loss after tax (NZ$'000)	(16,441)	(17,488)
Ordinary number of shares ('000's)	251,935	251,019
Weighted average number of shares on issue ('000's)	251,375	247,257
Basic and diluted loss per share (NZ$)	**(0.07)**	**(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 zero 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 reversed through profit or loss when options lapse or are forfeited.

Legacy ESOP

There were no new options issued under this model for the period ended 31 March 2022 (31 March 2021: nil).

Grant date/employees entitled	Number of share options outstanding '000's	Vesting conditions	Contractual life of options
OPTIONS GRANTED TO DIRECTORS			
2015	200	Monthly over a period of 36 months service from grant date	10 years
OPTIONS GRANTED TO EMPLOYEES			
2013	64	Annually over a period of 2–3 years' service from grant date & subject to performance criteria	10 years
2014	192	Quarterly over a period of 1 year's service from grant date	10 years
2016	450	Annually over a period of 3 years' service from grant date	10 years
Total share options	**906**		

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 2022 for the Legacy ESOP share options (2021: nil).

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
	2022 000's	2022 NZ$	2022 A$	2021 000's	2021 NZ$	2021 A$
Outstanding at 1 April	1,296	0.43	-	3,645	0.38	-
Exercised during the period	(390)	0.46	0.78	(2,349)	0.35	1.36
Outstanding as at 31 March	**906**	**0.41**	**-**	**1,296**	**0.43**	**-**
Vested as at 31 March	906			1,296		

The options outstanding at 31 March 2022 had an exercise price in the range of $0.1567 to $0.4667 (2021: $0.1567 to $0.4667) and weighted-average contractual life of 2.8 years (2021: 3.6 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
2011	446	0.0800	2021	0.10
2013	360	0.3117	2023	0.15
2013	160	0.1567	2023	0.21
2014	192	0.3117	2024	0.16
2014	45	0.3333	2024	0.15
2015	252	0.4667	2025	0.20
2015	390	0.4600	2025	0.20
2016	1,350	0.4667	2021	0.21
2016	450	0.4667	2026	0.21
Total	**3,645**			
Less forfeited and exercised as at 31/3/2021	(2,349)			
Exercised during the year	(390)			
Total share options remaining	**906**			

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.

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.

Standard New ESOPs have a service period of five years and a contractual life of seven years. There are four tranches which begin to vest two years after the grant date and annually thereon.

Grant date/employees entitled	Number of share options outstanding ‘000's
OPTIONS GRANTED TO DIRECTORS	
2016	300
2018	450
2020	900
2021	450
2022	150
OPTIONS GRANTED TO KEY MANAGEMENT PERSONNEL	
2016	600
2018	20
2020	100
2021	977
OPTIONS GRANTED TO EMPLOYEES	
2016	582
2017	185
2018	40
2019	866
2020	1,820
2021	477
2022	1,310
Total share options	**9,227**

The expense recognised for the year ended 31 March 2022 for the New ESOP share options was $1,102,000 as per note 7 (2021: $1,379,000).

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
	2022 000'	2022 A$	2022 A$	2021 000's	2021 A$	2021 A$
Outstanding as at 1 April	9,190	1.18	-	10,421	1.00	-
Granted during the year	1,500	1.38	-	4,171	1.42	-
Exercised during the year	(526)	0.60	1.17	(1,729)	0.51	1.36
Forfeited during the year	(715)	1.47	-	(3,673)	1.27	-
Expired during the year	(222)	1.70	-	-	-	-
Outstanding 31 March	**9,227**	**1.21**	**-**	**9,190**	**1.18**	**-**
Vested as at 31 March	3,805	0.94	-	2,164	0.56	-

The options outstanding at 31 March 2022 had an exercise price in the range of A$0.50 to A$1.84 (2021: A$0.50 to A$1.84) and weighted-average contractual life of 4.0 years (2021: 4.6 years).

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	3,452	0.50	2023	0.27
2017	125	0.50	2024	0.17
2017	80	0.50	2024	0.19
2017	40	0.50	2024	0.20
2017	90	0.50	2024	0.22
2017	48	0.50	2024	0.27
2017	100	0.50	2024	0.27
2018	25	0.60	2025	0.16
2018	96	0.60	2025	0.22
2018	450	0.60	2025	0.39
2018	50	0.60	2025	0.42
2018	40	0.67	2025	0.39
2018	40	0.68	2025	0.35
2019	675	0.60	2026	0.48
2019	450	0.60	2026	0.52
2019	420	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
2021	450	1.84	2028	0.89
2021	1,454	1.30	2028	0.54
2021	40	1.41	2028	0.72
2021	1,587	1.42	2028	0.65
2021	40	1.31	2028	0.66
2021	500	1.38	2028	0.69
2021	100	1.46	2028	0.75
2022	100	1.30	2029	0.51
2022	150	1.33	2029	0.65
2022	400	1.49	2029	0.74
2022	250	1.34	2029	0.59
2022	400	1.35	2029	0.59
2022	200	1.35	2029	0.61
Total	**16,092**			
Less forfeited and exercised as at 31/3/2021	(5,402)			
Exercised during the year	(526)			
Forfeited during the year	(715)			
Expired during the year	(222)			
Total share options remaining	**9,227**			

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	2022	2021
Grant date share price	A$ 1.19 - 1.49	A$ 1.14 - 1.79
Exercise price	A$ 1.30 - 1.49	A$ 1.30 - 1.84
Expected volatility	50.00%	50.00%
Option life	5.23 years	7 years
Dividend yield	0.00%	0.00%
Risk-free interest rate	0.63% - 1.83%	0.51% - 0.81%
Estimated forfeiture rate	18.01%	0.00%

The New ESOP scheme has now been operational for five years. The Company now has enough data to calculate an accurate option life and estimated forfeiture rate. Assumptions have been updated to reflect this.

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:

- Suite 220, 19000 33rd Ave W, Lynnwood, WA, USA was sublet from 19 April 2021.
- The lease for Level 2, 204 Second Ave, Waltham, MA, USA was renewed for a further 18 months from 1 October 2021.

LEASE LIABILITIES	2022 NZ$'000	2021 NZ$'000
Balance as at 1 April	2,899	3,764
Leases entered into during the year	86	-
Principal repayments	(536)	(599)
Interest expense on lease liabilities	138	156
Write off lease liability	-	(33)
Loss from movement in exchange rates	(108)	(389)
Balance as at 31 March	**2,479**	**2,899**
Current	574	483
Non-current	1,905	2,416
Total	**2,479**	**2,899**

The details for the leases are as follows:

	Level 14–15, 40 Mercer Street	Suite 130, 19000 33rd Ave W	Suite 220, 19000 33rd Ave W	Level 2, 204 Second Avenue
Start date	1 Aug 19	1 Jul 13	1 Jul 16	1 Apr 16
Initial lease period	6 years	15 years	4 years	1 year
Extension options	6 years	N/A	3 years	1 year
Extension options exercised	N/A	N/A	Yes	Yes
Termination options	After 6 years	After 15 years	After 3 years	After 18 months
Termination penalties	None	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	6.00%	6.00%	6.00%	6.00%
Market rent reviews	Every three years	None	None	None

The total cash outflow for leases for the year ended 31 March 2022 totalled $650,000 (31 March 2021: $755,000).

The total cash inflow from subleasing Suite 220, 19000 33rd Ave W, Lynnwood, WA, USA was $43,000 (31 March 2021: $58,000 received relating to Level 7, 44 Victoria Street).

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 (2022: NZ$105,000, 2021: NZ$90,000). There are commitments relating to low-value assets totalling NZ$154,000 (2021: NZ$125,000).

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.

	2022 NZ$'000	2021 NZ$'000
COST		
Balance as at 1 April	3,515	4,249
Leases entered into during the year	86	-
Disposals	-	(424)
Foreign exchange differences	7	(310)
Balance as at 31 March	**3,608**	**3,515**
DEPRECIATION		
Balance as at 1 April	(829)	(730)
Depreciation	(539)	(535)
Disposals	-	424
Foreign exchange differences	(1)	12
Balance as at 31 March	**(1,369)**	**(829)**
Net book value	**2,239**	**2,686**

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 NZ$2,512,000 with varying interest rates (2021: $1,510,000).

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

	2022 NZ$'000	2021 NZ$'000
FINANCIAL ASSETS		
Cash and cash equivalents	9,676	7,873
Cash on deposit	8,469	24,357
Total exposure	**18,145**	**32,230**

The cash on deposit has fixed interest rates between 0.40% and 1.72%.

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 2022 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)	
	2022 NZ$'000	2021 NZ$'000
+0.5% (50 basis points)	(55)	(139)
-0.5% (50 basis points)	55	139

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 has forward foreign exchange contracts in place to manage its estimated foreign currency exposure in respect of forecasted foreign currency receipts. 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
2022			
Cash & deposits	4,206	630	496
Trade receivables	5,480	35	140
Trade payables	(536)	(20)	-
Foreign currency forwards	(5,850)	-	-
Total	**3,300**	**645**	**636**
2021			
Cash & deposits	6,860	695	1,242
Trade receivables	4,996	43	159
Trade payables	(83)	(15)	(4)
Borrowings	(1,732)	-	-
Total	**10,041**	**723**	**1,397**

SENSITIVITY ANALYSIS	Carrying amount US$'000	Change in USD rate %	Effect on loss before tax/equity NZ$'000
2022	3,300	10%	430
		-10%	(526)
2021	10,041	10%	1,305
		-10%	(1,595)

	Carrying amount in GBP	Change in GBP rate	Effect on loss before tax/equity NZ$'000
2022	645	10%	110
		-10%	(135)
2021	723	10%	129
		-10%	(158)

	Carrying amount in AUD	Change in AUD rate	Effect on loss before tax/equity NZ$'000
2022	636	10%	62
		-10%	(76)
2021	1,397	10%	138
		-10%	(169)

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 $8,469,000 in outstanding term deposits held at the end of the financial year (2021: $26,357,000). 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. Volpara holds US$3,367,000 in excess of the $250k threshold.

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.

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.

	≤ 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 2022					
Trade and other payables	1,724	-	-	-	**1,724**
Lease liabilities	170	173	347	2,237	**2,927**
Provision for commissions	312	-	-	-	**312**
	2,206	**173**	**347**	**2,237**	**4,963**
As at year ended 31 March 2021					
Trade and other payables	1,498	-	-	-	**1,498**
Lease liabilities	153	154	311	2,860	**3,478**
Provision for commissions	354	-	-	-	**354**
Borrowings	-	497	1,492	507	**2,496**
	2,005	**651**	**1,803**	**3,367**	**7,826**

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, lease liabilities and loan payable 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.

Non-derivative financial assets

Initial recognition and measurement
Non-derivative 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.

Non-derivative financial liabilities

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

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

Financial instruments by category	2022 NZ$'000	2021 NZ$'000
FINANCIAL ASSETS MEASURED AT AMORTISED COST		
Cash and cash equivalents	9,676	7,873
Cash on deposit	8,469	24,357
Trade receivables	8,111	7,754
Other receivables	203	195
Total	**26,459**	**40,179**
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST		
Trade and other payables	1,724	1,498
Borrowings	-	2,475
Total	**1,724**	**3,973**

Derivative financial assets
The Group had forward foreign exchange contracts of US$5,850,000 (2021: nil) with the following amounts recognised in the statement of financial position in relation to foreign exchange currency contracts.

	2022 NZ$'000	2021 NZ$'000
DERIVATIVE FINANCIAL ASSETS NOT DESIGNATED AS HEDGING INSTRUMENTS		
Forward foreign exchange contracts	299	-
Total	**299**	**-**

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.

Year ended 31 March 2022	Leasehold improvements NZ$	Property NZ$'000	Computer equipment NZ$'000	Vehicles NZ$'000	**Total NZ$'000**
COST					
Balance as at 1 April 2021	664	357	560	-	**1,581**
Additions	-	1	3	-	**4**
Disposals and write-offs	-	-	(16)	-	**(16)**
Foreign exchange differences	1	1	-	-	**2**
Balance as at 31 March 2022	**665**	**359**	**547**	**-**	**1,571**
DEPRECIATION AND IMPAIRMENT					
Balance as at 1 April 2021	(179)	(269)	(413)	-	**(861)**
Depreciation	(93)	(9)	(75)	-	**(177)**
Disposals and write-offs	-	-	15	-	**15**
Foreign exchange differences	-	(1)	1	-	**-**
Balance as at 31 March 2022	**(272)**	**(279)**	**(472)**	**-**	**(1,023)**
Net book value	**393**	**80**	**75**	**-**	**548**

Year ended 31 March 2021					
COST					
Balance as at 1 April 2020	747	361	580	24	**1,712**
Additions	4	39	33	-	**76**
Acquisitions of a subsidiary	-	-	6	-	**6**
Disposals and write-offs	(44)	-	(18)	(24)	**(86)**
Foreign exchange differences	(43)	(43)	(41)	-	**(127)**
Balance as at 31 March 2021	**664**	**357**	**560**	**-**	**1,581**
DEPRECIATION AND IMPAIRMENT					
Balance as at 1 April 2020	(129)	(202)	(338)	(14)	**(683)**
Depreciation	(98)	(101)	(107)	(10)	**(316)**
Disposals and write-offs	44	-	17	24	**85**
Foreign exchange differences	4	34	15	-	**53**
Balance as at 31 March 2021	**(179)**	**(269)**	**(415)**	**-**	**(861)**
Net book value	**485**	**88**	**147**	**-**	**720**

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 all the following criteria can 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.

	Goodwill	Software development	Patents, trademarks & copyrights	Customer relationships
Useful lives	Indefinite		Finite	
Estimated useful lives	Indefinite but assessed annually for impairment	3–10 years	3–20 years	15 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 a reportable segment.

The Group performed its annual impairment test as at 31 March 2022, using the model developed by an external independent expert.

North America CGU

The recoverable amount of the North American CGU was determined based on a fair value less cost of disposal (FVLCD) basis. FVLCD was used as it exceeded the value in use. The recoverable value was determined to be between US$144M and US$161M as at 31 March 2022. 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 management, as was the appropriate revenue multiple.

These assumptions were determined with reference to the Company's historic growth rates, future growth expectations, and the valuation expert's experience with valuations of a similar nature. The Company's Management also considered the discounted cash flow (DCF) method (income approach) for the valuation. The average of these valuations was used to determine the range of enterprise value and the associated recoverable value. These estimates are deemed level 3 within the fair value hierarchy. Key assumptions used are:

- Forecast period: 5 years + exit multiple
- Discount rate: 12.0%

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 reasonable changes to these estimates would result in impairment of the goodwill balance.

Management also considered the discounted cash flow (DCF) method (income approach) for the valuation, which resulted in an enterprise value in the range of US$161M to US$178M. Based on the valuation of the recoverable amount as calculated by the external independent expert, no impairment charge is required at this time. The North American CGU was cash flow positive for the first time in the year ended 31 March 2022. We expect this to continue and to grow further as SaaS revenues continue to grow faster than expenses.

Year ended 31 March 2022	Goodwill NZ$'000	Software development NZ$'000	Patents, trademarks & copyrights NZ$'000	Customer relationships NZ$'000	**Total** NZ$'000
COST					
Balance as at 1 April 2021	19,255	10,734	4,398	15,560	**49,947**
Additions	-	2,052	118	-	**2,170**
Foreign exchange differences	73	225	74	59	**431**
Balance as at 31 March 2022	**19,328**	**13,011**	**4,590**	**15,619**	**52,548**
AMORTISATION AND IMPAIRMENT					
Balance as at 1 April 2021	-	(1,475)	(1,294)	(752)	**(3,521)**
Amortisation	-	(1,947)	(948)	(1,048)	**(3,943)**
Foreign exchange differences	-	(51)	(35)	(11)	**(97)**
Balance as at 31 March 2022	**-**	**(3,473)**	**(2,277)**	**(1,811)**	**(7,561)**
Net book value	**19,328**	**9,538**	**2,313**	**13,808**	**44,987**
Year ended 31 March 2021					
COST					
Balance as at 1 April 2020	8,221	7,104	4,092	8,375	**27,792**
Additions	-	698	53	-	**751**
Acquisitions of a subsidiary	11,886	3,764	753	8,154	**24,557**
Foreign exchange differences	(852)	(832)	(500)	(969)	**(3,153)**
Balance as at 31 March 2021	**19,255**	**10,734**	**4,398**	**15,560**	**49,947**
AMORTISATION AND IMPAIRMENT					
Balance as at 1 April 2020	-	(569)	(655)	(335)	**(1,559)**
Amortisation	-	(1,003)	(756)	(479)	**(2,238)**
Foreign exchange differences	-	97	117	62	**276**
Balance as at 31 March 2021	**-**	**(1,475)**	**(1,295)**	**(752)**	**(3,521)**
Net book value	**19,255**	**9,259**	**3,104**	**14,808**	**46,426**

Refer to note 24 for details on the goodwill acquired through a business combination.

23. Investments

In September 2021, the Company invested US$250,000 into Precision Medical Ventures (PMV), trading as RevealDx, in the form of a convertible promissory note. RevealDX, is a Seattle-based software company focused on dramatically improving lung cancer outcomes by delivering the most advanced, radiomics and AI-enabled, lung cancer decision-support software to drive the optimal clinical pathway for each patient based on automated analytics of each lung nodule. A distribution agreement has also been signed which gives Volpara exclusive distribution rights in Australia and New Zealand for 3 years and non-exclusive rights to sell in the US.

The investment in PMV is measured at fair value through profit or loss.

24. Acquisitions

Acquisition of CRA Health, LLC

One hundred percent of CRA Health, LLC's (CRA), units were acquired on 31 January 2021, thereby enabling Volpara to obtain control. CRA is an industry leader in breast cancer risk assessment spun out from Massachusetts General Hospital, a Harvard Medical School teaching hospital. The primary purpose of the acquisition is to enable Volpara to expedite product development through the use of existing offerings of the acquiree. CRA's year-end is 31 December.

As part of the purchase price allocation exercise (refer below) an adjustment was made to reduce the deferred revenue balance of CRA on acquisition date. This adjustment (NZ$339k) 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), brands and trademarks and a restraint of trade, refer to note 22.

The fair value consideration paid for CRA was US$17,700,000.

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

	US$'000
Net purchase price	**17,700**

Note that the agreement included a portion of deferred consideration (US$1.8M) 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 CRA. The below summarises the assessment:

	US$'000	NZ$'000
Trade receivables	905	1,261
Other receivables	109	152
Fixed assets	4	6
Trade and other payables	(121)	(169)
Deferred revenue	(814)	(1,135)
Developed technology recognised on consolidation	2,700	3,764
Brands and trademarks recognised on consolidation	20	28
Customer relationships recognised on consolidation	5,850	8,154
Restraint of trade recognised on consolidation	520	725
Goodwill recognised on consolidation	8,527	11,886
	17,700	**24,672**

25. Borrowings

In May 2020, the Company received approximately US$1.7M as part of the US government's Paycheck Protection Program (PPP) loan scheme established in response to COVID-19. Under the terms of the loan, the loan and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the forgiveness period.

On 27 September 2021, the Company received confirmation that the loan and any accrued interest had been forgiven and all obligations have been met. As a result, NZ$2.5M has now been recognised as other operating income and the corresponding liability has been extinguished.

26. 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	2022 Ownership	2021 Ownership
Volpara Health Limited	New Zealand	100%	100%
Volpara Finance Limited	New Zealand	100%	0%
Volpara Health Europe Limited	United Kingdom	100%	100%
Volpara Health, Inc.	United States	100%	100%
Volpara Health Australia Pty Limited	Australia	100%	100%
CRA Health, LLC	United States	100%	100%

The entities in the Group all have a balance date of 31 March except for Volpara Health, Inc. and CRA Health LLC which have 31 December balance dates.

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.

Compensation of Key Management Personnel and Directors	2022 NZ$	2021 NZ$
Short-term employee benefits[1]	882,839	1,051,093
Termination benefits	-	163,386
Post-employment benefits and medical benefits	52,570	89,578
KMP share-based payment expense	243,938	184,834
Directors' fees	463,252	405,953
Directors' share-based payment expense	366,240	512,481
	2,008,840	**2,407,325**

1. Short-term employee benefits include salaries and wages, car allowances, short-term incentives earned during the period and non-monetary benefits such as insurance;
2. Some KMP's and Directors are based in the US and Australia and are paid in US$ and AUD$ respectively. 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 $193,000 (2021: $114,000).

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$	2022 000s	2021 000s
KMP	14/03/2023–17/11/2027	0.54–1.83	1,697	1,737
Directors	14/03/2023–30/09/2027	0.47–1.98	2,450	2,750
			4,147	**4,487**

Loans to directors
There were no loans to directors issued during the year ended 31 March 2022 (2021: Nil).

Other transactions and balances
During the year, no fees were paid to Karin Lindgren for legal services provided after the Company hired in-house legal counsel (2021: $66,000).

Directors of Volpara Health Technologies Limited control 14.25% of the voting shares of the Company at balance date (2021: 14.27%).

27. Contingencies and commitments

Contingent liabilities and capital commitments

The Group had no contingencies or commitments to purchase fixtures or equipment as at 31 March 2022 (2021: nil).

28. Events after the balance date

Volpara has secured a NZ$10M (on demand) revolving credit facility with an initial term of three years. This provides non-dilutive funding for the business to allow management flexibility regarding ongoing operations for the foreseeable future, with over NZ$28M in funding available.

Additional Information for Listed Companies

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

Stock exchange listing
Volpara's shares are listed on the Australian Stock Exchange (ASX:VHT).

Analysis of shareholding at 13 May 2022

Range	Securities	%	No. of holders	%
1 to 1000	3,164,923	1.26%	5,215	30.65%
1,001 to 5000	17,743,862	7.04%	6,689	39.31%
5,001 to 10,000	18,561,930	7.37%	2,434	14.30%
10,001 to 100,000	64,906,814	25.76%	2,541	14.93%
100,001 and over	147,557,552	58.57%	137	0.81%
Total	**251,935,081**	**100.00%**	**17,016**	**100.00%**

The number of shareholdings held in less than marketable parcels is 1,814, representing 588,461 shares.

Twenty largest shareholders at 13 May 2022

Rank	Name	Shareholding	Percentage holding
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	21,552,331	8.55%
2	PATAGORANG PTY LTD	18,467,848	7.33%
3	RALPH HIGHNAM AND KYC TRUSTEES 106 LIMITED <HIGHNAM SHARE A/C>	16,213,561	6.44%
4	CITICORP NOMINEES PTY LIMITED	11,668,974	4.63%
5	CUSTODIAL SERVICES LIMITED <BENEFICIARIES HOLDING A/C>	8,570,155	3.40%
6	PROF SIR MICHAEL BRADY	6,619,075	2.63%
7	MR MARCUS SARNER	5,980,404	2.37%
8	NATIONAL NOMINEES LIMITED	5,278,091	2.10%
9	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	4,239,652	1.68%
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,043,265	1.60%
11	SIR MARTIN FRANCIS WOOD	3,004,655	1.19%
12	LADY KATHLEEN AUDREY WOOD	3,004,654	1.19%
13	BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	2,296,110	0.91%
14	BNP PARIBAS NOMS (NZ) LTD <DRP>	2,221,506	0.88%
15	PROF MARTIN YAFFE	2,066,483	0.82%
16	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	1,903,048	0.76%
17	PROF NICO KARSSEMEIJER	1,806,806	0.72%
18	MELBOURNE SECURITIES CORPORATION LIMITED <HORIZON 3 BIOTECH FUND A/C>	1,519,964	0.60%
19	SIR MARTIN GREGORY SMITH	1,366,977	0.54%
20	MR JOHN ANTHONY DELL	1,288,864	0.51%
	Total	**123,112,423**	**48.85%**
	Balance of register	**128,822,658**	
	Grand Total	**251,935,081**	

Donations made during the year

Donations made during the year ended 31 March 2022 totalled NZ$7,000 (2021: NZ$1,000).

Substantial shareholders

The names of the substantial shareholdings listed in the company's register are:

Shareholder	Shareholding	Percentage holding
HARBOUR ASSET MANAGEMENT LIMITED	28,448,525	11.29%
PATAGORANG PTY LTD (beneficiary for Roger Allen AM)	18,467,848	7.33%
RALPH HIGHNAM AND KYC TRUSTEES 106 LIMITED <HIGHNAM SHARE A/C>	16,213,561	6.44%

Voting rights

The voting rights attaching to each class of equity securities are set out below:

(a) All ordinary fully paid share carry one vote per share without restrictions.

(b) 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 2021 to 31 March 2022.

Director	**Date**	**Interest**
Paul Reid	30 Oct 2021	Stepped down as Director - Comvita Limited
Paul Reid	28 Feb 2022	Stepped down as Chair - TLS Group Holdings Limited
John Diddams	24 Jan 2022	Appointed Chair - xReality Group Limited
Ann Custin	22 Mar 2022	Appointed Director - Mayne Pharma Group Limited

Restricted securities as at 31 March 2022

As at 31 March 2022, there were no shares on issue in escrow.

Glossary

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

Average Revenue Per User (ARPU)
ARR per US woman screened as used to calculate the percentage of US market.

Constant currency analysis
Non–GAAP financial information, not prepared in accordance with IFRS, intended to assist users of financial information to better understand and assess financial performance without the impacts of foreign currency fluctuations.

Microsoft® Azure[6]
The cloud computing platform connected to the Virtual Appliance for the purposes of data storage, support, and providing anonymised data for the dashboards in Volpara Analytics.

Percentage of US market
An estimate of the number of US women who are imaged using at least element from the Volpara Breast Health Platform, based on the approximately 39 million women imaged in the United States each year, most of them screening (as opposed to diagnostic). The percentage given should be considered indicative and not definitive.

TruDensity™ (formerly Volpara®Density™)
A Volpara clinical function which calculates volumetric breast density, fibroglandular tissue volume, and breast volume to assign a Volpara® Density Grade™ (VDG®). This score is used by healthcare professionals to evaluate breast density and is validated in the Tyrer-Cuzick v8 Risk Evaluation Tool (TC8) for objective, precise, and consistent assessment.

TruPGMI™
A Volpara clinical function which uses artificial intelligence to automatically and objectively assess the positioning of the patient and resulting image quality. Radiographers can use this information to further develop their positioning skills.

TruPressure™
A Volpara clinical function which determines whether the compression pressure applied by the radiographer is in the "sweet spot" that yields the best-quality images, minimal radiation exposure, and the least discomfort.

TruRadDose™
A Volpara clinical function which analyses the radiation dose delivered to patients based on their breast density instead of the equipment manufacturer's estimate. This can be used by healthcare professionals as a quality assurance metric.

Virtual Appliance
The virtual computing platform, operating within a breast imaging facility's virtual environment, that hosts Volpara software products and manages Protected Health Information (PHI) as it arrives.

Volpara® Analytics™
Smart dashboards, alerts, and mammography quality reports that optimise breast cancer screening operations. The only vendor-neutral software that provides automated, objective assessment of image quality on every mammogram.

Volpara® Breast Health Platform™
Volpara's advanced AI software platform, an integrated suite of software solutions that collects and analyses information to better understand a patient's breast cancer risk, while objectively evaluating image quality and workflow-improvement opportunities. These capabilities are being extended to lung cancer screening. Includes Analytics, Live, Lung, Patient Hub, Risk, and Scorecard.

Volpara clinical functions
Clinically relevant information generated by Volpara's clinically validated algorithms and expressed as TruDensity, TruPGMI, TruPressure, and TruRadDose.

Volpara® Live™
Provides technologists timely patient-based image quality feedback and on-the-job training.

Volpara® Lung™
Patient management software that streamlines lung screening workflow, compliance, and reimbursement.

Volpara® Patient Hub™
Customisable mammography reporting and patient communications software.

Volpara® Risk™
An integration with Patient Hub that uses TC8 to calculate patients' risk of developing breast cancer.

Volpara® Risk Pathways™
A full program for identifying and managing high-risk breast cancer screening patients.

Volpara® Scorecard™
Displays patient breast density and risk insights essential for improved clinical decision-making and early detection.

Volpara® Science™
The AI-based software that powers Volpara software products. Includes breast cancer risk models and a set of clinically validated algorithms for assessing breast tissue composition, compression, radiation dose, and positioning quality.

6. Microsoft and Microsoft Azure are copyrighted trademarks of Microsoft Corporation

Corporate Directory

Registered Office
Volpara Health Technologies Limited
Levels 14–15, 40 Mercer Street
Wellington Central
Wellington 6011
NZ

Board of Directors
Paul Reid - Chair, Non-Executive Independent
Roger Allen AM - Non-Executive
John Pavlidis - Non-Executive Independent
John Diddams - Non-Executive Independent
Karin Lindgren - Non-Executive Independent
Ann Custin - 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
AUS

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

Auditor
PwC
10 Waterloo Quay
Wellington 6011
NZ

Legal Advisers
Mills Oakley (AUS)
Kindrik Partners Limited (NZ)
Stoel Rives LLP (USA)

Bankers
1st Security Bank (USA)
JPMorgan Chase Bank (USA)
Kiwibank (NZ)
Lloyds Bank (UK)
NAB (AUS)
Needham Bank (USA)
TD Bank (USA)

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

A world without breast cancer may seem far-fetched, but a sea change is already underway. Strengthened by our tributaries, together we push forward to stem the tide of breast cancer and its impact on families.

Volpara HEALTH

volparahealth.com