



Investor Presentation

Half-year results to 30 September 2022



Teri Thomas
CEO



Craig Hadfield
CFO

Important Notice & Disclaimer

This presentation, dated 23rd November 2022, has been prepared solely for the purpose of providing potential investors with information about Volpara Health Technologies Limited ("Volpara," "VHT," or the "Company"). The information contained in this presentation is of a general background nature, is in summary form, and does not purport to contain all the information that a potential investor may need or desire. Potential investors should conduct their own investigation and analysis of Volpara and of the information contained in this presentation and should rely solely on their own judgement, review, and analysis in deciding whether to invest in Volpara. The information in this presentation has been prepared in conjunction with an oral presentation and should not be taken out of context. The content of this presentation is provided as at the date of this presentation (unless otherwise stated) and the information in this presentation is subject to change without notice.

Forward-looking statements

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 Circumstances may change and the content of this presentation may become outdated as a result.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

Past performance

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

Information is not financial or product advice or offer of securities

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

Preparation of information

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

Third-party information and market data

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

No liability or responsibility

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

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

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

OUR PURPOSE:

Saving families
from cancer.



Impact

- **Saving families from cancer**
- **A principled, resilient business**
- **Responsible climate stewardship**
- **A thriving workforce**



- Advancing cancer screening science and protocols
- Detection and increasing prevention
- Empowerment of women to demand personalised care



- Ethical governance to create sustained stakeholder value
- Preservation of health privacy with the highest security measures
- Strategic partnerships with leading risk and genetic companies



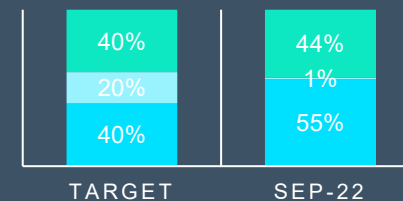
- A culture of waste reduction
- Reduced carbon footprint via a digital-first engagement model



- Empowered, diverse & inclusive workforce

GENDER

■ Male ■ Other ■ Female



- Engaged staff having fun while changing women's health

Half-year 2023 highlights¹

CONTRACTED ANNUAL RECURRING REVENUE

US\$24.1M (NZ\$36.6M)

+18% YOY from US\$20.4M (NZ\$29.0M)

ANNUAL RECURRING REVENUE

US\$19.1M (NZ\$29.0M)

+27% YOY from US\$15.0M (NZ\$21.3M)

TOTAL REVENUE

NZ\$16.9M

+37% YOY (22% in constant currency)

NORMALISED NON-GAAP EBITDA LOSS²

NZ\$4.2M

33% improvement YOY

NET OPERATING CASH OUTFLOW

NZ\$6.0M

-10% YOY from NZ\$5.5M

NET LOSS AFTER TAX

NZ\$5.3M

38% improvement YOY

MARKET REACH

40.5% (approx.)

of women having at least one product applied on their images and data, **up** from approx. 34%

GROSS PROFIT MARGIN

91.8%

Up from 91.4%

CASH AND CASH EQUIVALENTS

NZ\$11.6M

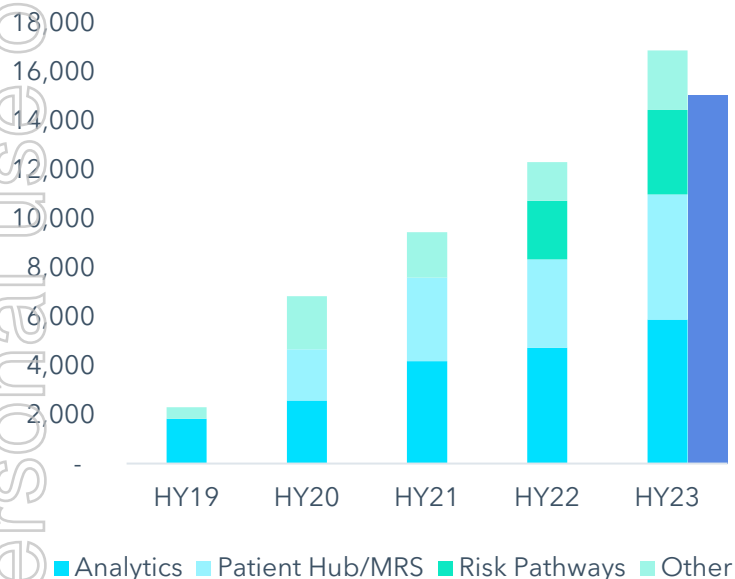
down from NZ\$18.1M at end FY22

¹ Comparatives are HY22 results unless otherwise stated.

² Normalised non-GAAP adjusted loss is net loss before interest, tax, depreciation, amortisation, impairment, one-off items, and non-cash items.

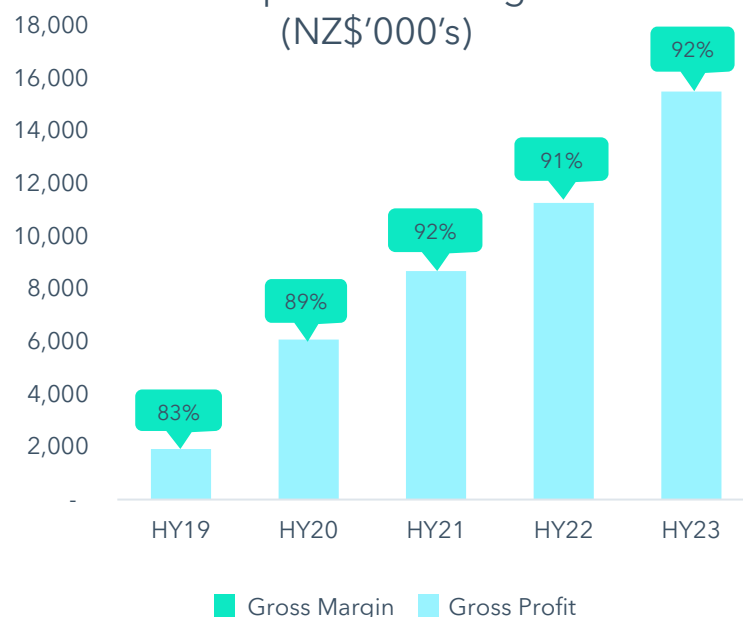
Solid growth on the top line and margin

Revenue (NZ\$'000's)



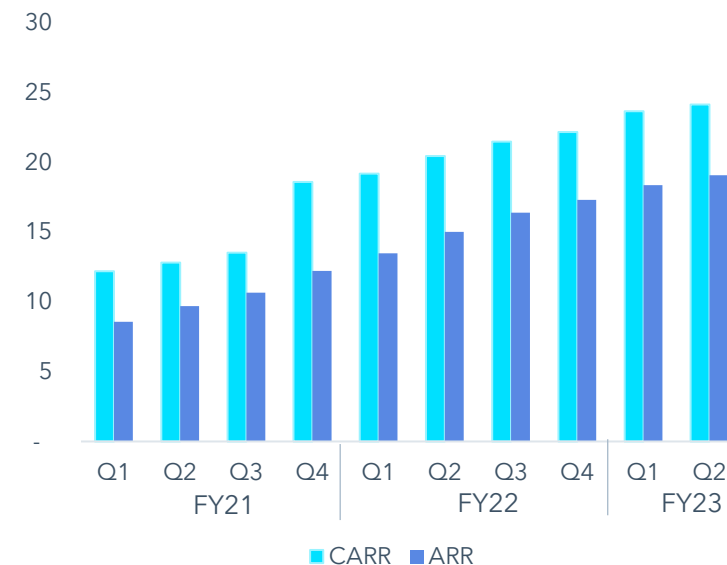
Revenue has grown in all three core products of Analytics™, Patient Hub™/MRS®, and Risk Pathways™ by 24%, 41%, and 45%, respectively. "Other" includes Lung and Genetics revenue (among other items), all up on prior period.

Gross profit and margin % (NZ\$'000's)



Scalability of the back end of the cloud-based products continues to reduce costs to serve and increase gross margin.

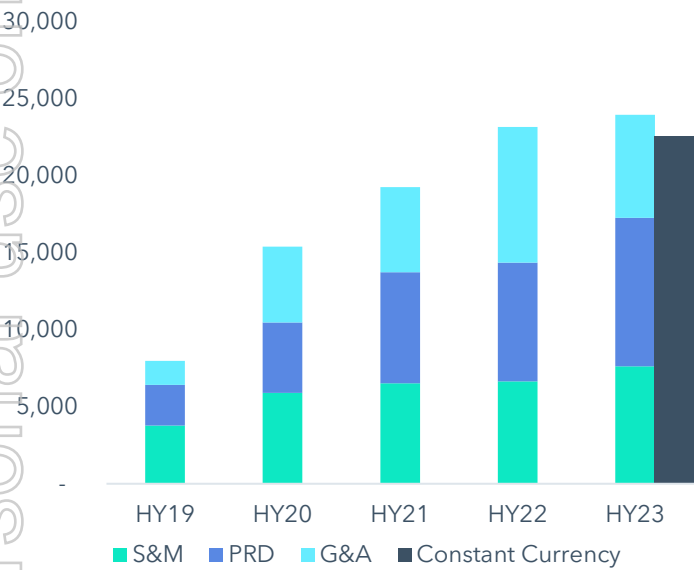
CARR vs ARR (US\$M)



Both CARR and ARR continue to grow QoQ with the gap between them decreasing as we focus on improving speed to go-live from order.

Scalable cost base

Operating expenses (NZ\$'000's)



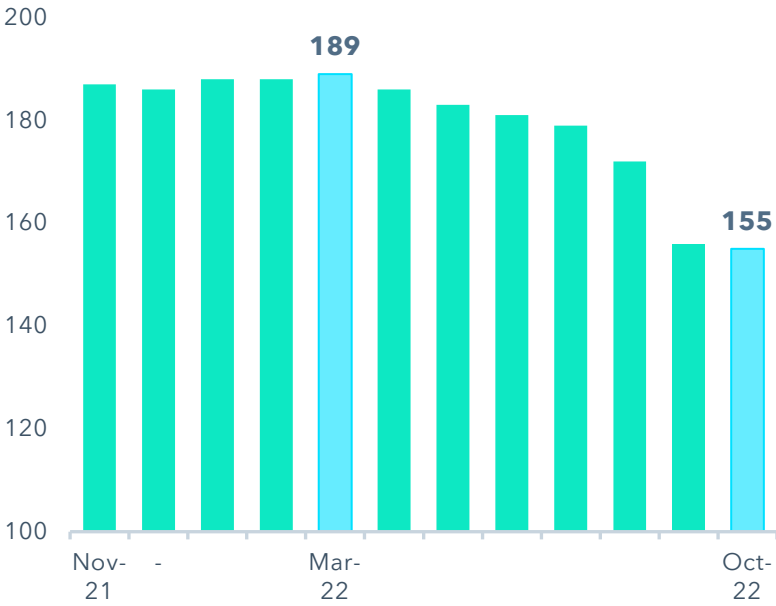
Operating expenses increased 3.4% YoY; however, on a CC basis decreased by 2.5%. The revised strategy will deliver cost savings in excess of NZ\$3M (in CC) in H2 and NZ\$7-8M in FY24, where the focus will remain on both R&D and S&M.

EBITDA (NZ\$'000's)



EBITDA continues to improve YoY, with HY23 decreasing by NZ\$2.2M to NZ\$4.2M. The reduced headcount and other cost reductions combined with increased revenue in H2FY23 will see further improvements in EBITDA as the business tracks toward break-even.

Headcount



As signalled in the revised strategy update, headcount has been reduced from a high of 189 in March '22 to 155 as of end October '22. Current plans will see headcount settle around 160-165 until break-even is achieved in line with guidance.

Financial Performance

Revenue grew 37% YoY (22% constant currency) to NZ\$16.9M, driven primarily through continued growth in the revenue base over time, supplemented by new installations going live.

Gross profit increased 38% YoY (22% constant currency), reflecting an increased gross margin of 92%.

Sales & marketing and product research, development, and engineering increased 15% and 25% YoY (4% and 21% constant currency), respectively, driven by increased headcount on HY22. H2FY23 should see material reductions as a result of the restructure completed in September.

General and administration costs have decreased 24%, or NZ\$2.1M, mostly as a result of HY22 having included a one-off NZ\$2.5M accrual for the earn-out related to the CRA acquisition milestone.

Net loss for the period after tax has improved 38% YoY; similarly, the normalised non-GAAP EBITDA^{1,2} improved 33% YoY to NZ\$4.2 from NZ\$6.4M in HY22. These both reflect the improved scalability of the cost base.

	HY22	HY23	Change
Revenue from contracts with customers	12,323	16,884	37%
Cost of revenue	(1,059)	(1,383)	31%
Gross profit	11,264	15,501	38%
Gross margin	91.4%	91.8%	+0.4pp
Grants and other income	2,506	465	(81%)
Sales and marketing	(6,652)	(7,633)	15%
Product research, development, and engineering	(7,702)	(9,632)	25%
General and administration	(8,808)	(6,687)	(24%)
Foreign exchange gains	423	2,578	509%
Net loss for the period before interest and tax	(8,969)	(5,408)	(40%)
Net finance income/(expense)	11	(140)	(1,373%)
Income tax benefit	448	262	(42%)
Net loss for the period after tax	(8,510)	(5,286)	(38%)
Normalised non-GAAP EBITDA^{1,2}	(6,350)	(4,233)	(33%)
Normalised non-GAAP EBITDA margin	(52%)	(25%)	+51.4pp

¹ Non-GAAP measures are not prepared in accordance with NZ GAAP, do not comply with International Financial Reporting Standards, and therefore are not uniformly defined. The non-GAAP measures reported in this document may not be comparable with those that other companies report and should not be viewed in isolation. 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.

² Refer to the Directors' Report in the Half-Year Financial Report for a detailed reconciliation of Normalised non-GAAP EBITDA.

Outlook for remainder of FY23

Volpara is delivering strong growth in line with its upgraded guidance of between NZ\$33.5M and NZ\$34.5M

We continue our strategy of balancing purpose with profitable growth leveraging focus: our most profitable products, most lucrative markets, and providing the best value for "elephants," or large enterprise accounts.

We continue to work towards the stated goal of operating cash flow break-even by Q4FY24 which will be achieved through new customer contracts expanding Volpara's CARR and working largely within the current FTE headcount of approx. 160.

Operating expenses for the remainder of the year will decrease by approx. NZ\$3.0M, as stated previously, showing further improvement in the scalability of the cost base. We're building a strong base to take advantage of our investment in R&D for new innovations in the next few years, and to continue our top-line growth in new ways.

We await the release of the FDA's breast density legislation, expected between now and early 2023 as per the latest FDA release, which can be found [here](#).



RSNA

- World's largest radiology-focused conference
 - 400 educational presentations
 - 700 exhibitors
 - Strong attendance expected
- Volpara ready to meet with "elephant" prospects, partners, collaborators
- Our focus: key markets & products, generating leads

FDA's density mandate - late 2022/early 2023

- Validates importance of breast density
- Sets example for ROW
- Federal ruling = everyone must be informed
- Density feeds into risk assessment





Q&A

For further information, please contact:

Teri Thomas, CEO
Volpara Health Technologies Ltd
teri.thomas@volparahealth.com

Trevor Chappell
WE Communications
WE-AUVolpara@we-worldwide.com