



CELEBRATING

10

YEARS

of helping save families
from breast cancer.



Investor Update September 2019



Ralph Highnam,
PhD (Oxford),
CEO

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Executive Overview – Volpara Health Technologies (“Volpara”)



FY2019 Actuals
\$6,630,000 ARR
ARR ↑86%
7% footprint in US

**volpara®
solutions™**

MRS
a volpara company

FY2020 Mid-Forecasts
~\$17,100,000 ARR
~27% footprint in US

volpara®
health technologies

Volpara is a Software-As-A-Service (“SaaS”) company that utilizes AI to improve the early detection of breast cancer by analysing breast images (“mammograms”) and associated patient data to provide:

- Clinical decision support
- Practice management
- The aim is to cost effectively reduce the 500,000 deaths globally each year

Breast cancer screening is a ~US\$750M Annual Recurring Revenue (ARR) opportunity for Volpara

- ~75m women are screened per annum globally
- Genuine first mover advantage and users in 38 countries
- Volpara is well-funded, net cash ~NZ\$40M (end Q1) after acquisition of MRS Systems Inc.
- Volpara’s product suite with MRS will sell for up to US\$10 per screen

Volpara’s software is experiencing rapid uptake in the US market (39M screenings p.a.)

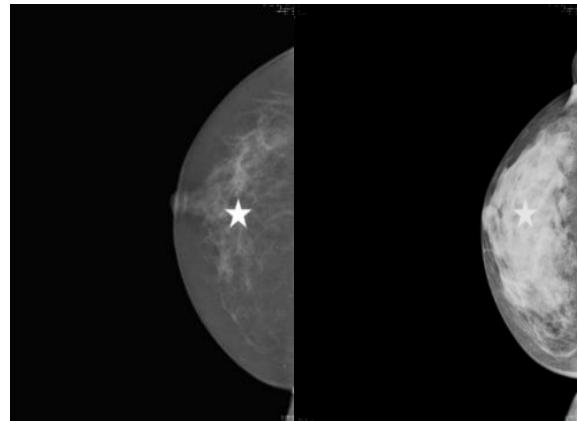
- 25% of US screenings (end Q1) are using at least one of our products, on-track to 27%
- Much of data from those screenings is flowing to the Cloud for use in product development
- NZ\$14.6M ARR at end Q1 on track to mid-forecast of NZ\$17.1M (~US\$11.5M)
- Gross margins of above 80%
- Negligible churn
- Experienced SaaS direct sales team
- Competitive moat – intellectual property, papers, product suite, regulatory, scale

Multiple major catalysts and tailwinds at play, including

- FDA pushing quality control & looking to make breast density reporting mandatory
- Large randomized-control trial using VolparaDensity, results expected soon
- Multiple new cross-sell opportunities coming out of recent MRS acquisition
- Multiple new products coming into the sales pipeline after MRS acquisition

Saving Families from Breast Cancer

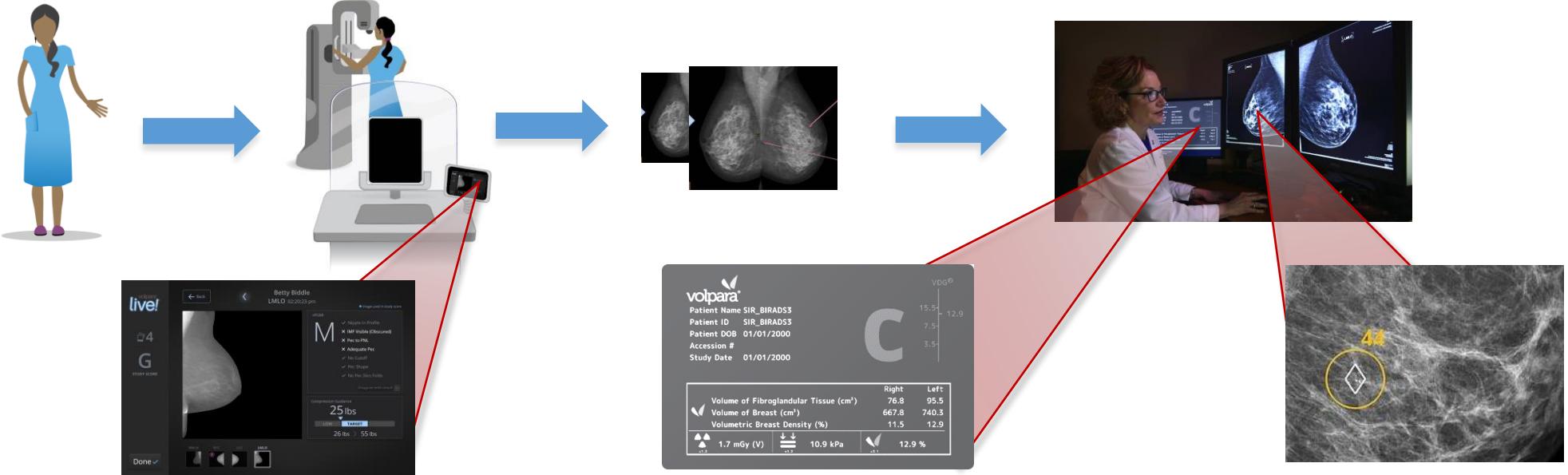
- Earlier detection improves survival & reduces treatment costs, and ~75M women are screened globally each year
- “One size fits all” breast cancer screening using breast x-rays (mammograms) is proven to save lives, but room to improve:
 - 25-40% of cancers are missed by the radiologist
 - 2- 3% of women get recalled due to bad imaging
- US payers reimburse ~US\$150 or so per woman per year for screening, giving a total spend of ~US\$4.5Bn
- Volpara uses AI algorithms to provide objective measures of the breast from the data & mammograms from any mammography machine to help with clinical decision support and practice management
- With over 300+ publications and granted patents and trademarks our technology is world-leading



The whiter breast is “denser” – more likely to develop cancer and more likely to have cancer missed – can you see the star?

A State-of-the-Art, Volpara Clinic

Clinical Decision Support



Practice Management



Volpara® Aspen™*
patient analytics, tracking & reporting, acquired June 2019



Volpara® Enterprise™
imaging analytics, safety, quality & productivity issues, and easier FDA audits

Proven to Improve Patient Care & Profitability

Clinical Decision Support

Using **VolparaDensity** to help judge who should have additional imaging:

- ProMedica reported 7.7 more cancers per 1,000 women using molecular breast imaging¹
- EWBC reported 3.3 more cancers per 1,000 women using ultrasound²

1 – Shermis et al, AJR, 2017

2 – Destounis et al, J Ultrasound in Medicine, 2017

Practice Management

"I can't see how a large and busy practice in breast imaging can meaningfully meet quality assurance without VolparaEnterprise" [ProMedica, Ohio]

"[VolparaEnterprise is...] A tremendous tool in both our quality improvement and operational efficiency efforts." [Swedish, Seattle]

Attractive Recurring Revenue Model

- Volpara provides Software-as-a-Service (SaaS), with pricing on the product used and number of women screened at each site
- Average Revenue Per User (ARPU) is the average revenue achieved per woman screened per year at a site
- ARPU for VolparaEnterprise alone has been rising organically, and in FY19 was US\$2.20, 37% higher than FY18. In Q1, contracts signed ranged up to an ARPU of US\$7 – the aim with MRS and other products is to get to US\$10 and beyond
- Most contracts signed are 5-year terms with effectively fixed amounts paid annually upfront

VOLPARA'S AIM IS TO GET TO

**~US\$10 ARPU
per screen**

VolparaEnterprise

VolparaDensity

VolparaLive!

Risk Assessment¹

Computer-Aided Detection²

VolparaAspen³

1&3 – these were MRS products prior to acquisition

2 – Transpara from ScreenPoint

US Market – ~39M Women a Year, Volpara has 25% Footprint



- ~8,700 sites all regulated by the FDA, who are pushing quality & likely to mandate breast density reporting
- Volpara sells direct with (now) 20 experienced SaaS sales people, and a collaborative working relationship with GE
- The acquisition of MRS has created major cross-selling opportunities, especially around personalized healthcare, 25% of US sites now have at least one Volpara product
- Volpara's unique products have created a first mover advantage, built competitive defences, and provide outcomes being requested of sites by the FDA and other groups



Memorial Sloan Kettering
Cancer Center



FDA NEWS RELEASE

FDA advances landmark policy changes to modernize mammography services and improve their quality

Proposed rule would require breast density reporting, enhance the FDA's ability to enforce mammography facilities' compliance with standards



- Official Statement -

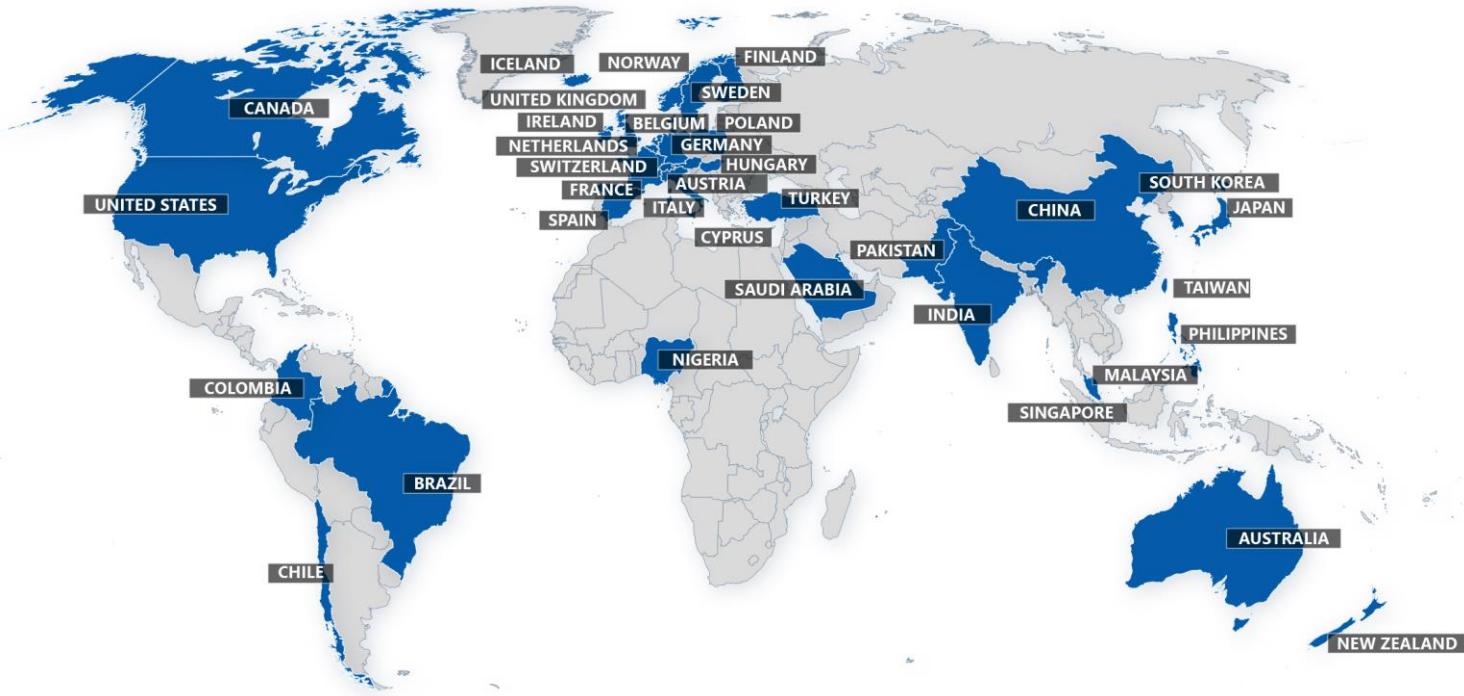
Position Statement on Screening Mammography

[ASBrS Breast Cancer Screening Guidelines Recommendations](#)



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Outside the US – 38 Countries Using Volpara Software



- Major trials underway with public sector run screening programs – UK 2M a year, Netherlands 1M a year:

MR Imaging as an Additional Screening Modality for the Detection of Breast Cancer in Women Aged 50–75 Years with Extremely Dense Breasts: The DENSE Trial Study Design¹

- Key luminaries signed-up across Asia and Europe
- Mix of direct and distributor sales
- Australia & NZ have seen strong private uptake over last year



Business Status at End Q1 (June 30th, 2019)



- ARR of NZ\$14.6M
on track for NZ\$17.1M (US\$11.5M)



- 25% footprint in US market¹
on track for 27%



- Churn negligible



- Gross margin >80%



- ARPU potential up to US\$10
range of deals in Q1 US\$1-US\$7.23



- TAM US\$750M ARR

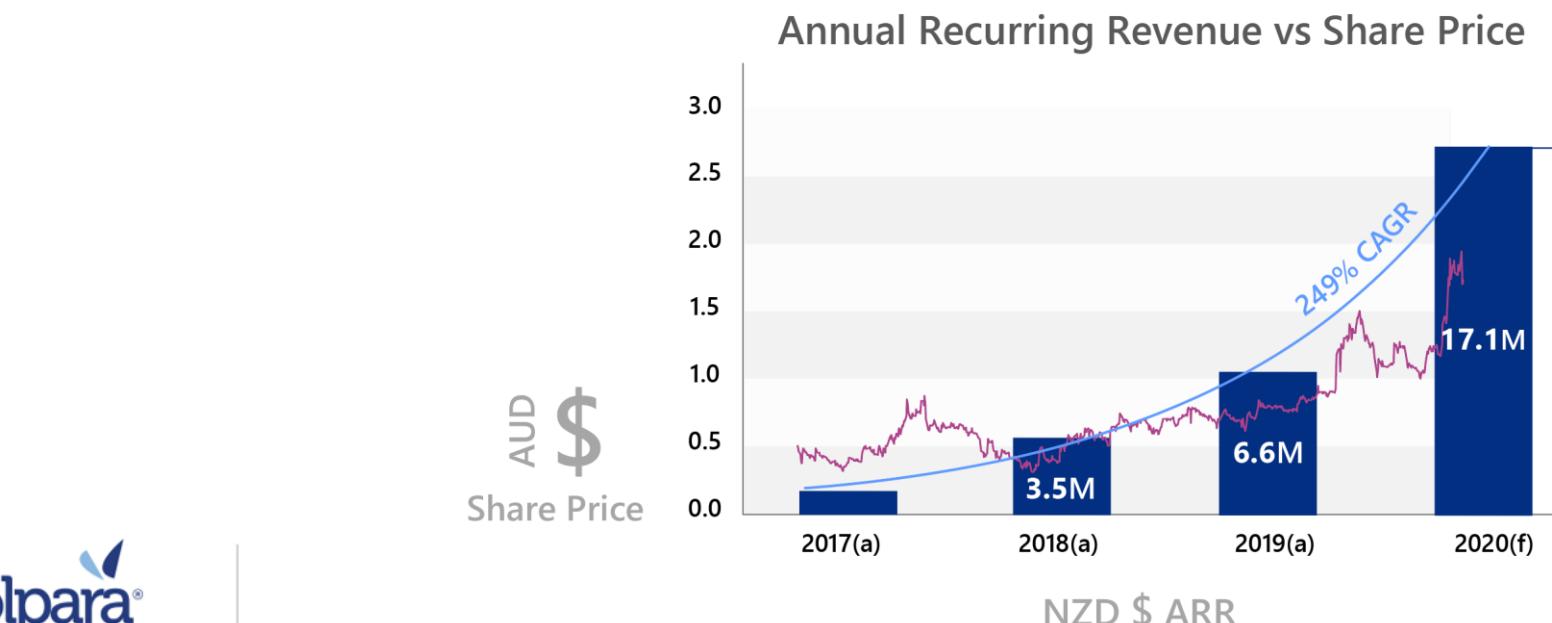
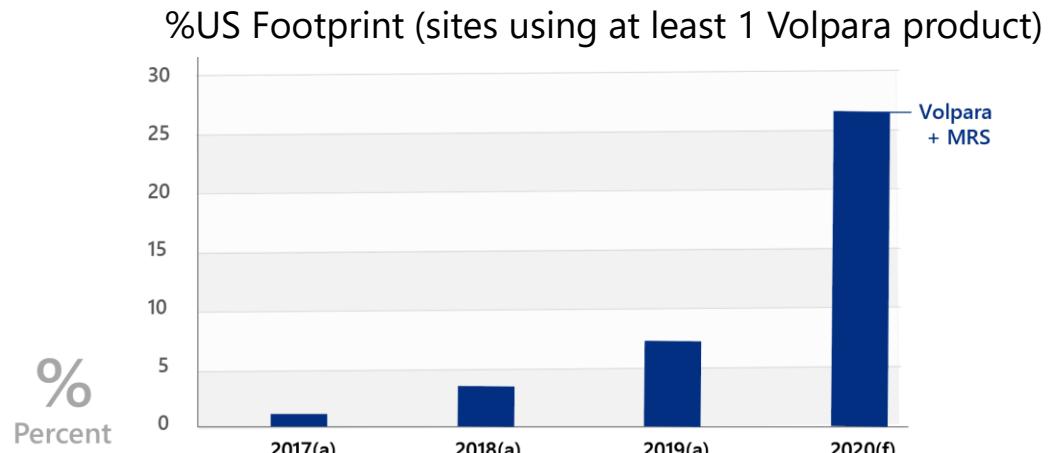


- Cash in bank
NZ\$39.9M



- Data flowing to Cloud for product development
...over 16M images so far

Sustained, Strong Year-on-Year Growth



These images and associated data are a powerful resource for new product development

Strong & Experienced Board



Paul Reid *Chair*

- Joined the Board in 2018, based in Wellington.
- Former CEO of MetService, Figured, and Executive at AirNZ, Carter Holt Harvey.
- Chairman of Figured, Pukeko Pictures and Director for NZ listed Comvita and Christchurch Airport.



Dr Monica Saini *Executive Director*

- Joined the Board in 2017, based in Wellington
- Former Chief of Breast Imaging, Santa Fe, USA
- Former Chief of Breast Imaging, Christus St. Vincent, USA
- Former Medical Director of Breast Ultrasound, GE Medical
- Breast Radiologist, New Zealand Breast Screening



Prof Sir Mike Brady *Non-Executive Director*

- Founding Director of VHT, based in UK
- Serial successful entrepreneur at Oxford & MIT
- Author of over 750 articles and 26 patents in fields including machine vision and AI
- Current Professor of Oncological Imaging at Oxford



John Diddams *Non-Executive Director*

- Joined the Board in 2015, based in Australia
- Principal of Australia CPA firm, focusing on ASX
- Currently non-executive director of ExperienceCo
- 25 years raising capital, performing due diligence



Ralph Highnam, PhD *Managing Director*

- PhD, AI and Breast Imaging, University of Oxford
- Former CEO of successful Mirada Solutions
- Co-founded Volpara (VHT) 2009 to exploit concepts from PhD work



John Pavlidis *Non-Executive Director*

- Joined the Board in 2015, based in USA
- Over 25 years' medical device experience
- CEO of VytronUS, former president and CEO of R2 Technology (AI for Breast Imaging)



Roger Allen, AM *Non-Executive Director*

- Joined the Board in 2010, Chairman from Oct 2015-Feb 2019, based in Australia
- Successful tech entrepreneur, and established VC
- Served on 2 Australian PMs' Science & Tech Councils
- Advisories

Strong & Experienced Executive Team



Mark Koeniguer *Chief Commercial Officer*

- Joined 1st January 2016, based in Nashville
- Highly experienced in medical imaging software sales
- 25 years of leading sales teams
- Worked across radiology



Craig Hadfield *Chief Financial Officer*

- Appointed full-time CFO, 1st March 2017
- Over 8 years' experience in senior and managerial auditing roles around the world, ex Deloitte and EY



Julian Marshall *Chief Knowledge Officer*

- Joined 1st March 2016, based in San Francisco
- 30 years' experience in breast imaging software
- Former Senior Director of Global Product at Hologic



Dr Monica Saini *Chief Medical Officer*

- Joined 1st November 2017
- Former Chief of Breast Imaging, Santa Fe, USA
- Former Chief of Breast Imaging, Christus St. Vincent, USA
- Former Medical Director of Breast Ultrasound, GE Medical
- Breast Radiologist, New Zealand Breast Screening



Simon Francis *Chief Operating Officer*

- Joined 1st August 2019, based in Wellington
- Director in Technology Consulting at PwC for 8 years
- Highly experienced with regulatory & compliance
- Run large international delivery teams
- Extensive background in process and optimization



Kathryn Greene *Chief People Officer*

- Joined 1st August 2019
- BCom, Management & Employment Relations
- Previously at Orion Healthcare with global responsibility



Mark Morris *Senior VP, Customer Success*

- Joined June 2019, based in Seattle
- Former CEO of MRS Systems, Inc, 2007-2019

Investor Relations Remains a Key Focus



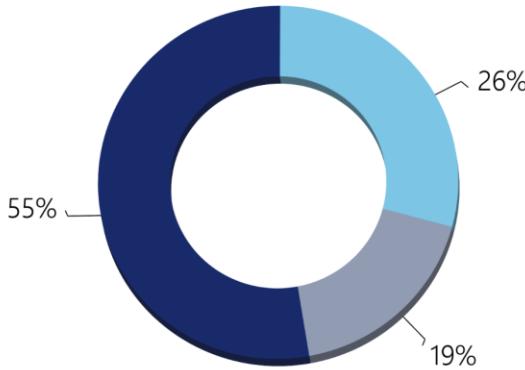
Investor Events Coming Up:

- 2-6th Sept Adelaide/Melbourne/Sydney/Brisbane, "ASX Small Caps"
- 10th Sept Singapore Investor Day
- 26th Sept UK Investor Day
- **3rd Oct** **European Society of Breast Imaging, Hungary**
- 22nd/24th Oct TechKnow Invest Roadshow, Melbourne & Sydney
- 30th Oct (TBC) Wellington Office Opening
- End Nov Wilsons & Macquarie Conferences
- **1st Dec** **RSNA, Chicago, ~55,000 attendees**

Strong Investor Base – 10,000+ Retail Shareholders & International Institutions

Share Register Breakdown

- Institutions / Brokers
- Retail & Other
- Founders / Management / Board



Top Investors		Balance as at	28 Aug 2019	%
1	ROGER ALLEN		20,467,848	9.386%
2	DR RALPH HIGHNAM		18,190,485	8.342%
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED		15,432,336	7.077%
4	CITICORP NOMINEES PTY LIMITED		12,841,242	5.889%
5	CUSTODIAL SERVICES LIMITED <Beneficiaries Holding A/C>		8,265,000	3.790%
6	NATIONAL NOMINEES LIMITED		8,015,168	3.676%
7	PROF SIR MICHAEL BRADY		7,419,075	3.402%
8	MR MARCUS SARNER		5,980,404	2.743%
9	PROF MARTIN YAFFE		3,885,850	1.782%
10	PROF NICO KARSSEMEIJER		3,556,806	1.631%
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED		3,548,496	1.627%
12	SIR MARTIN FRANCIS WOOD		3,004,655	1.378%
13	LADY KATHLEEN AUDREY WOOD		3,004,655	1.378%
14	BNP PARIBAS NOMS (NZ) LTD <DRP>		2,218,275	1.017%
15	MR JEREMY PALMER		1,966,317	0.902%
16	WHITFIELD INVESTMENTS PTY LTD		1,430,767	0.656%
17	SIR MARTIN GREGORY SMITH		1,366,977	0.627%
18	CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>		1,200,326	0.550%
19	HALIX PTY LTD		1,004,975	0.461%
20	RX HOUSE TRUST PTY LTD		880,758	0.404%
Total Securities of Top 20 Holdings			123,680,414	56.718%
Total of Securities			218,062,490	

Share & financial information

Share price (30 August 2019)	A\$1.46
52 week low / high	A\$0.84-A\$1.93
Total shares on issue	218,062,490
Market Capitalisation	A\$318.3M
Cash (30 June 2019)	NZ\$39.9M
Debt (30 June 2019)	No debt
Enterprise value	A\$280.8M

Research coverage by:

BELL POTTER

morgans

ORD MINNETT

Short Term Drivers to Accelerate Sales



FDA NEWS RELEASE
FDA advances landmark policy changes to modernize mammography services and improve their quality
Proposed rule would require breast density reporting, enhance the FDA's ability to enforce mammography facilities' compliance with standards

MR Imaging as an Additional Screening Modality for the Detection of Breast Cancer in Women Aged 50–75 Years with Extremely Dense Breasts: The DENSE Trial Study Design¹

Cross-selling underway driving an expanded pipeline and increased ARPU

1st December - Launch of integrated product set with compelling new features, this will drive sales & increase ARPU

FDA mandatory density reporting, will drive interest in VolparaDensity, this is expected soon

DENSE is a 10-year, randomized control trial using VolparaDensity; this is the evidence that public sector run screening programs have been waiting for, publication expected soon

Longer Term Goals

Helping Save Families From Cancer

- **Continue to innovate** and bring to market new products in the core area of early detection using AI and the massive temporal datasets available to Volpara+MRS
- **Predictive healthcare** – use the datasets to produce new products that most accurately predict who might develop breast cancer – the aim is to get to prevention
- **Expand into Lung cancer screening** - replicate IT infrastructure and AI skills to do the same in lung as what we do in breast today – MRS Aspen Lung is already establishing a strong market position – this will increase total available market significantly.





CELEBRATING

10

YEARS

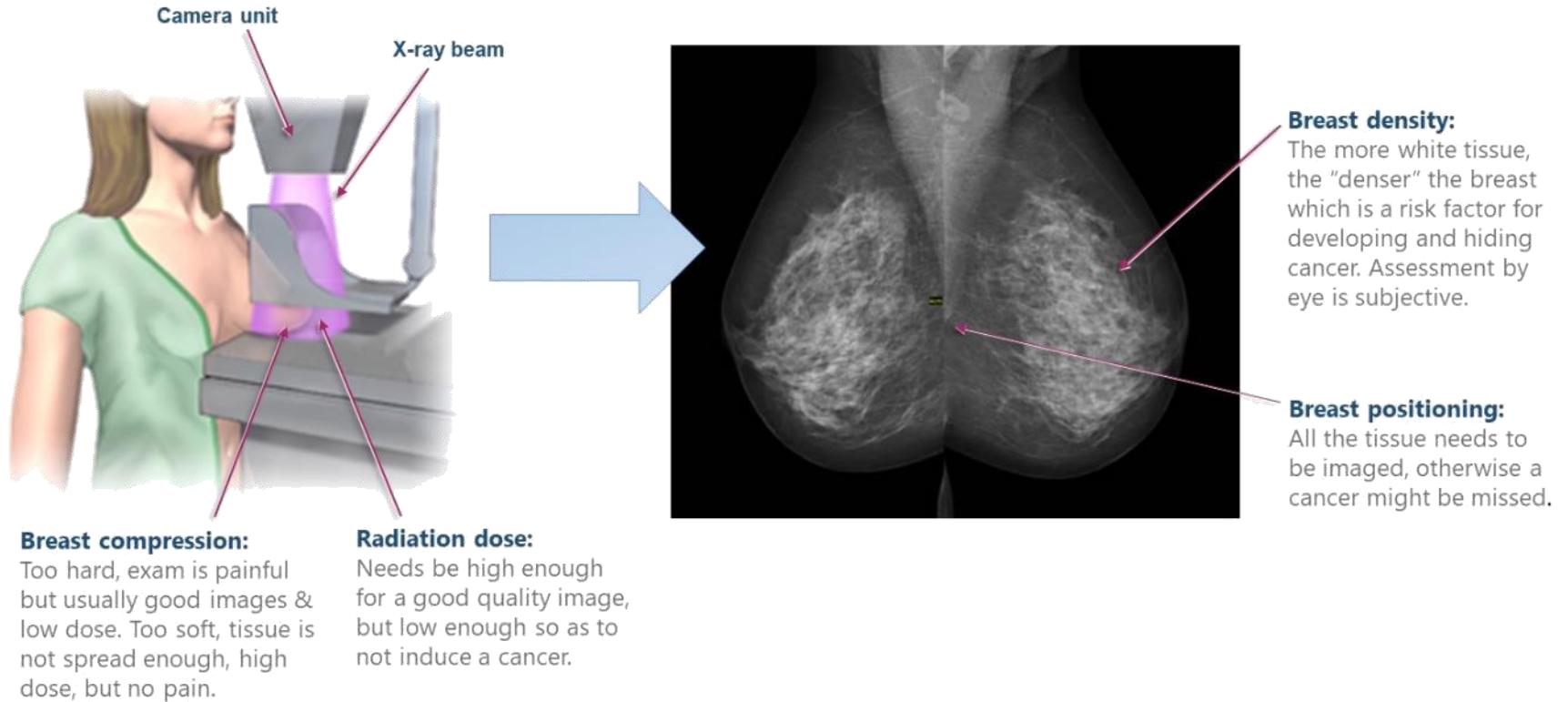
of helping save families
from breast cancer.

Appendix

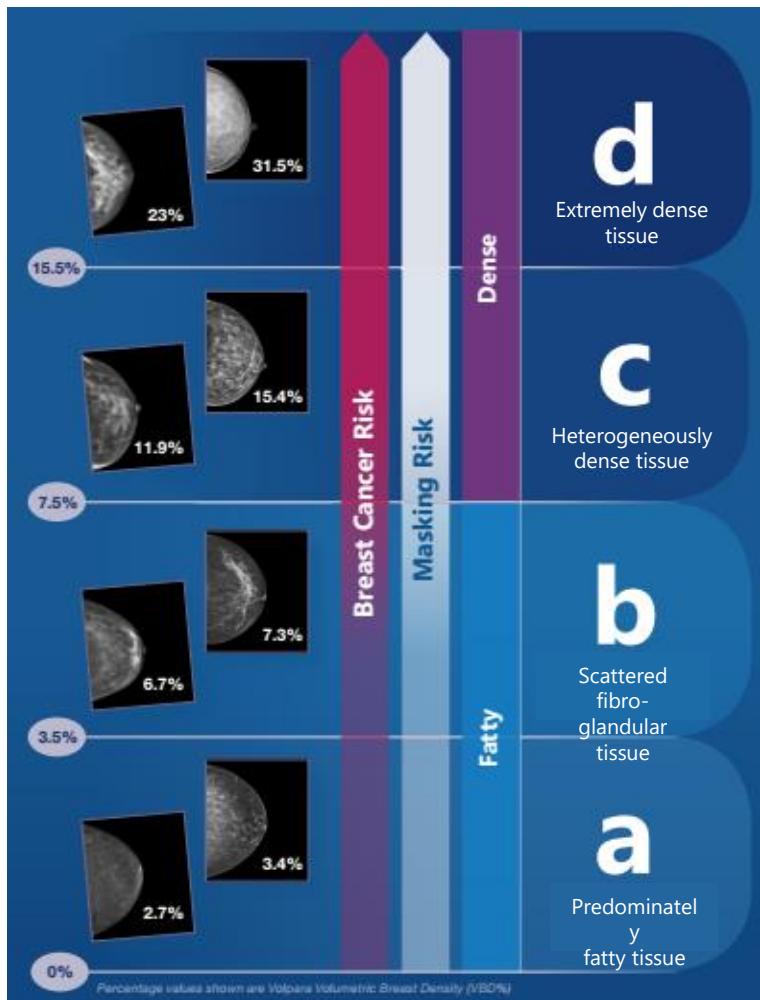


Volpara's Unique Technology

Volpara is unique in measuring and reporting on the four key metrics at the point of screening: volumetric breast density, positioning, radiation dose & breast compression



Overview of VolparaDensity



FDA 510(k) cleared

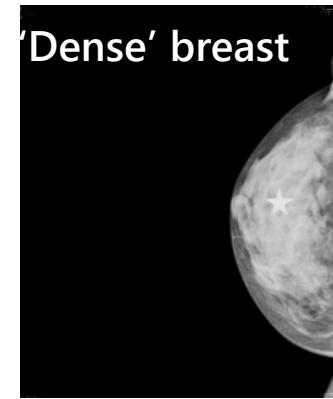
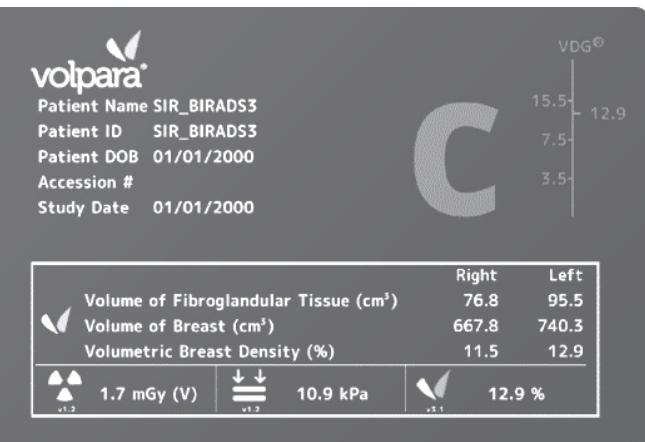
VolparaDensity

- Automated, objective, density scoring for each patient
- VolparaDensity is the only commercial density tool included in leading risk model Tyrer-Cuzick

>300 publications



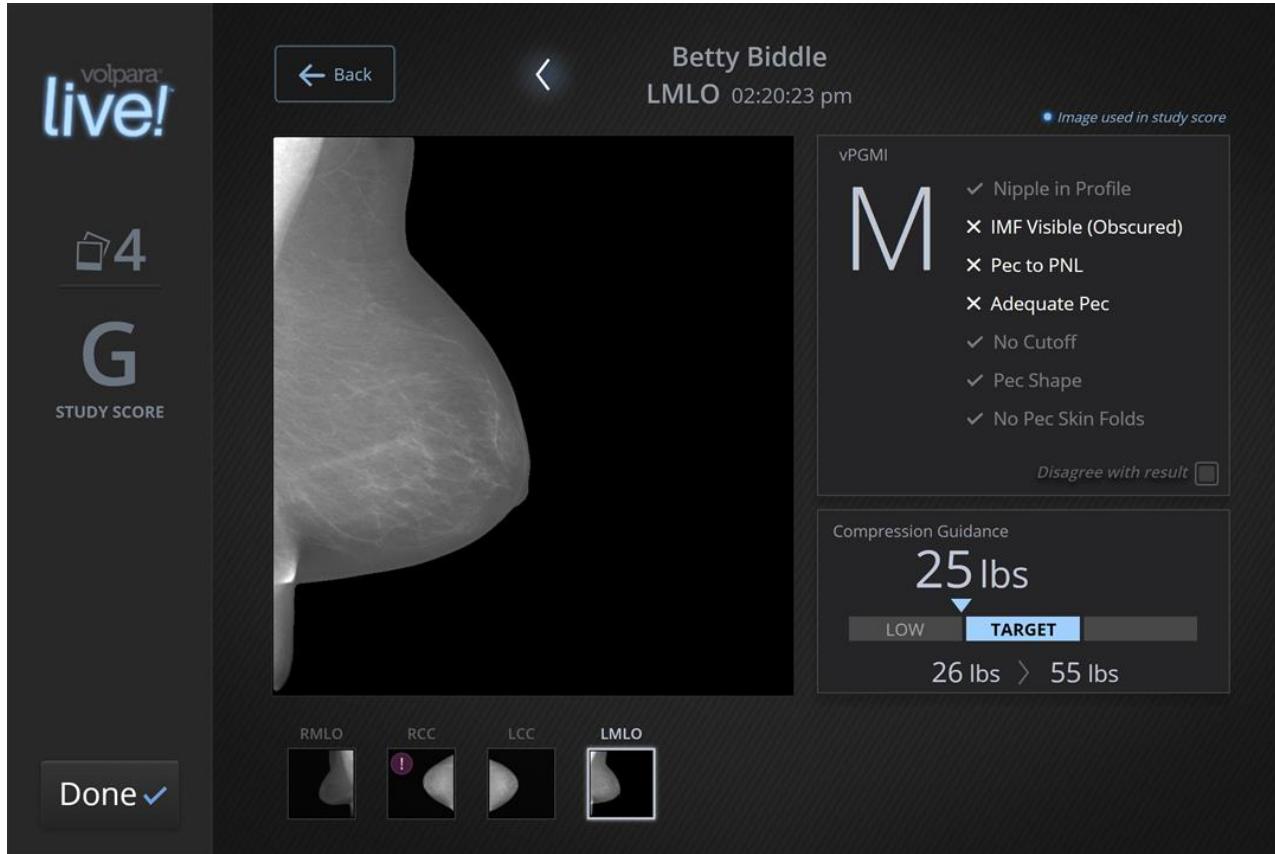
- Most US women are routinely told their breast density
- FDA is planning to ensure all are told



The white star mimics a cancer – easy to see in a fatty breast, much harder on a dense breast.

Nancy Cappello drove the idea of density notification. Sadly, she succumbed to complications of breast cancer, 15th Nov 2018.

Overview of VolparaLive!

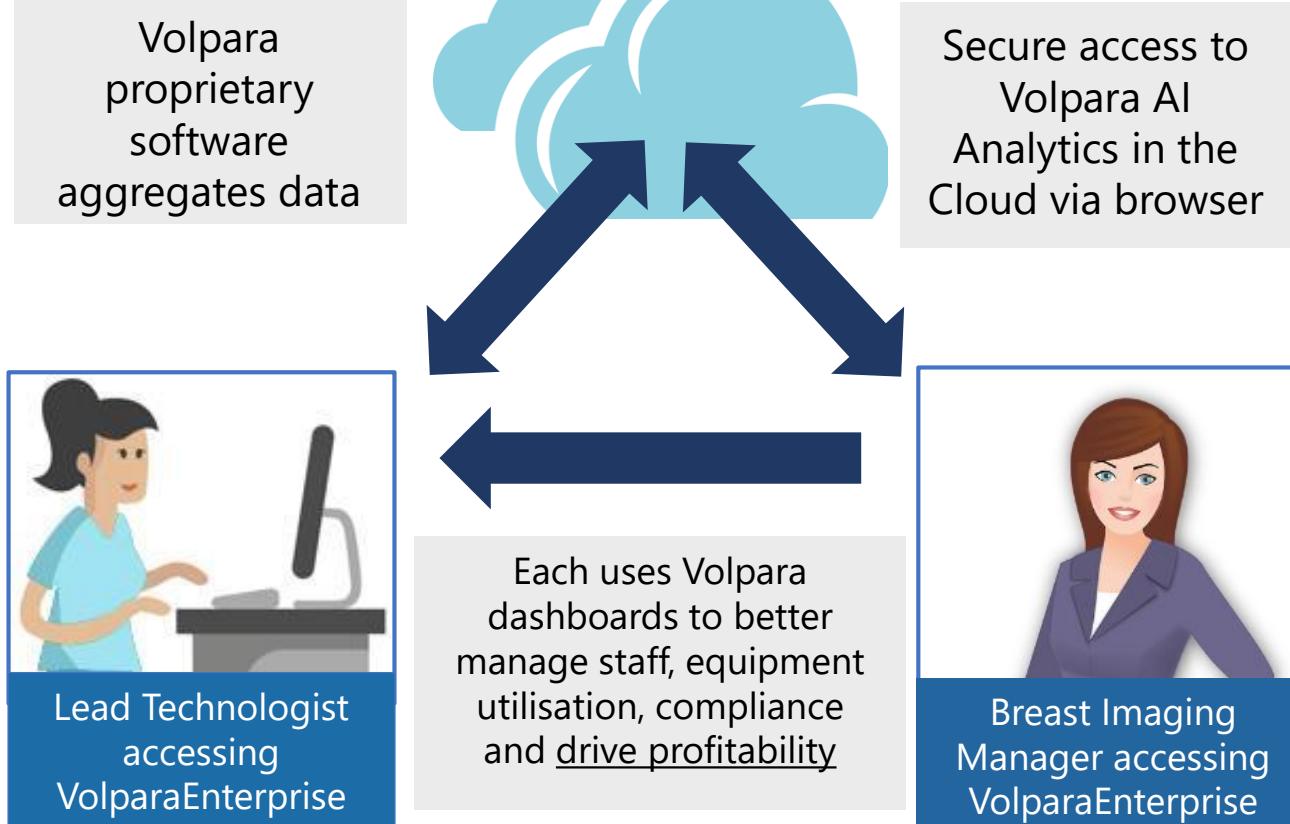


- VolparaLive! makes patients happier and clinics more profitable

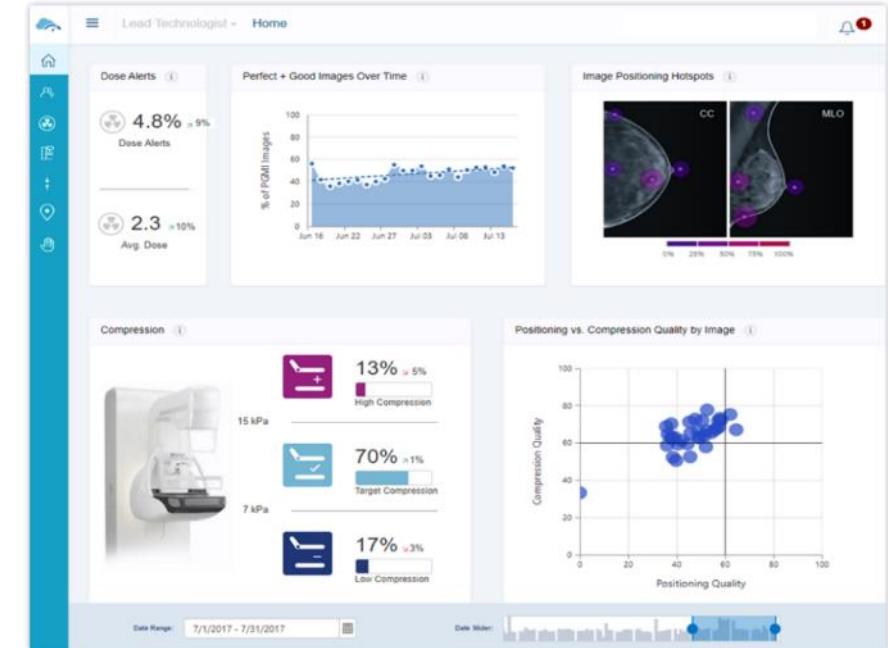
- By ensuring that high quality images are taken the first time, fewer women are recalled for a repeat image
- When patients are recalled for repeat images, the clinic is not reimbursed

Overview of VolparaEnterprise

Volpara Cloud on Microsoft Azure Powered by Volpara Artificial Intelligence



VolparaEnterprise Dashboard



Major Tailwinds in the US – Regulatory, Legal & Society Guidelines

Health



FDA wants women to get breast-density information along with their mammograms

Agency proposal would update mammography regulations for the first time in two decades.

- Breast density advocates have forced 38 US states to legislate that radiologists notify women screened about breast density (when mammography is less effective)
- FDA has announced (March 2019) new draft regulations:
 - All women must be informed of their breast density
 - This is additional to their push for higher quality, EQUIP



- Official Statement -

Position Statement on Screening Mammography

ASBrS Breast Cancer Screening Guidelines Recommendations

May 3, 2019 ASBrS recommends risk-based screening, where risk is assessed using a model such as Tyrer-Cuzick including breast density

VolparaDensity is the only commercial density product approved for use in Tyrer-Cuzick.

MRS has a full risk product already built.

Volpara + MRS allows a more complete offering to customers to help them comply with all the new guidelines.

Significant Barriers to Entry

- Unlike some SaaS businesses there are significant barriers to entry for anyone trying to replicate our software:
 - Years of lead time developing the software (we have invested 10+ years)
 - Embedded and sticky nature of the software
 - FDA clearance under 510(k) as a medical device, and global regulatory clearances
 - Hundreds of clinical publications including global, multi-year clinical trials
 - Only commercial density tool in the leading risk model, Tyrer-Cuzick
 - 50 granted (international) patents
 - 73 national patent applications in final stage of process
 - Registered trademarks in 39 countries
 - Copyright works (software, graphics and text)
 - Trade Secrets (which protect the key part of the code)
 - High level of data security – ISO27001 certified



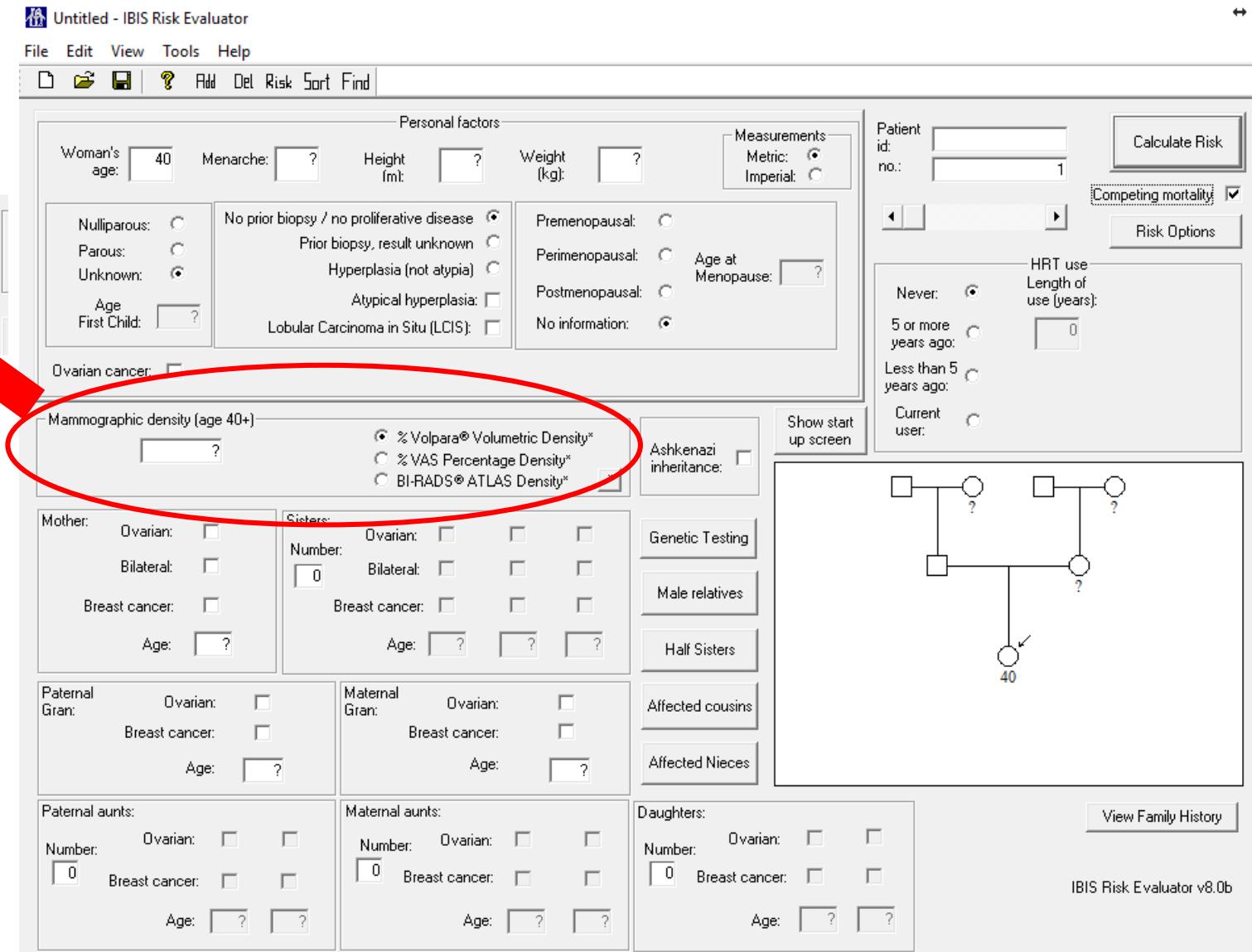
- In addition our first mover advantage and installations at Marquee Customers in the US leaves us better positioned to win new business than a new entrant

Volpara + MRS provides a far more complete and stickier solution, and brings in MRS's decades of interfacing experiencing and large installed base – we have critical mass

Landmark for Women – Tyrer-Cuzick Version 8 Risk Model

VolparaDensity is the only commercial density measure in Tyrer-Cuzick, one of the most used breast cancer risk models globally

Mammographic density (age 40+)	<input type="radio"/> % Volpara® Volumetric Density*
Unknown	<input type="radio"/> % VAS Percentage Density*
a. Almost entirely fatty	<input checked="" type="radio"/> BI-RADS® ATLAS Density*
b. Scattered fibroglandular density	
c. Heterogeneously dense	
d. Extremely dense	
Unknown	
	Ovarian: <input type="checkbox"/> <input type="checkbox"/>



Subscription-Based Business Model

The customer pays Volpara for a service provided by the software, rather than buys a perpetual license with a once off, up-front fee (a capital sales model).

Although the customer might pay for the service a year in advance, under accounting standards the majority of revenue can only be recognised once the service has been provided (i.e. over time).

The model is attractive to companies & investors as it is a recurring revenue model (less lumpy), but there are different metrics people use to judge progress, the definitions VHT currently focuses on are:

- **Total Contract Value (TCV)** - this is the value of contracts signed in the current financial year, the revenue from these deals might be recognised over one or many years and the customer might, or might not have a cancellation clause of some kind
- **Annual Recurring Revenue (ARR)** - this is the normalized amount of cash reasonably expected to be booked for the next 12 months on the basis of the contracts signed previously, and assuming installation upon order
- **Churn** - is the percentage of revenue from customers that either discontinue or reduce their subscription in a given 12-month period
- **Average Revenue Per User (ARPU)** – this is the expected revenue each year from each woman screened using Volpara software