A MedTech SaaS company improving the early detection of breast cancer globally

Ralph Highnam, PhD (Oxford)
Chief Executive Officer

volpara®
health technologies

ASX:VHT

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Executive summary

- Volpara Health Technologies (“Volpara”) is a Software-As-A-Service (“SaaS”) company based on technology originating from the University of Oxford designed to improve the early detection of breast cancer

- Our software is regulatory cleared (FDA, CE, TGA), patent protected, clinically validated, users in 36 countries and has over 273 supporting science publications.

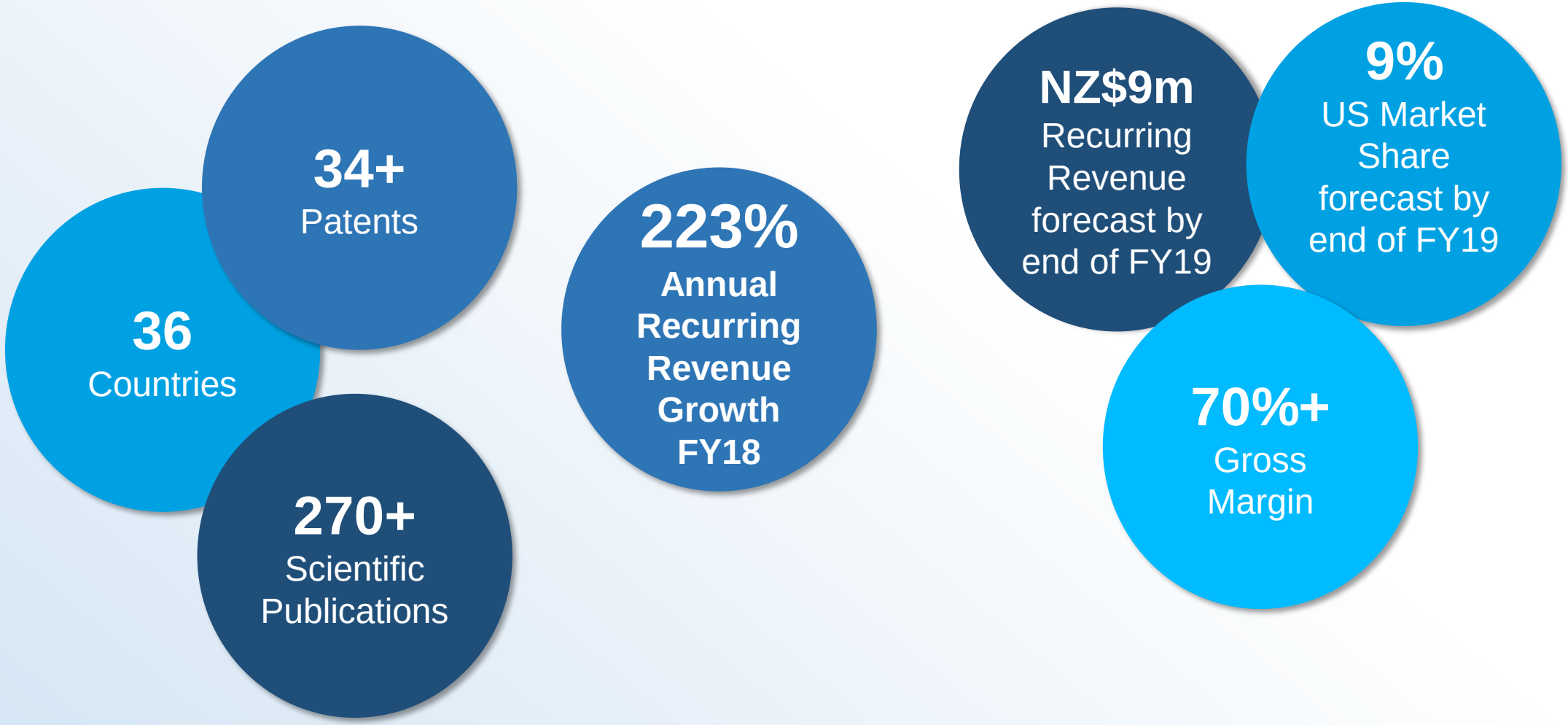
- We are growing sales rapidly in the US, with a direct sales team of (effectively) 7, targeting ~8,700 imaging clinics screening ~40m women:
  - 3.2% (1.3m) of women screened in the US are to be analysed by Volpara, up from 0.7%
  - Forecasting to get 9% by end FY19, with sales visibility today to ~20.0% of the US market
  - Data is flowing into the Cloud, we have rights to use for product development

- We are following a land & expand strategy with a SaaS revenue model with recurring dynamics and gross margins of 70%+:
  - Revenue per woman typically ~US$1.9-3.6 for a base product, with potential for significantly more
  - Revenue per order typically ranges from US$20,000 to US$125,000 per year
  - Current annual recurring revenue (ARR) of NZ$3.6m (up 223%) at end FY18, forecast is to grow to NZ$9m by end FY19

- Our software is experiencing rapid uptake in the US because we are first movers and:
  - There are positive regulatory and legal changes continuing to drive the market
  - Patients have a higher chance of breast cancer detection and a safer and more pleasant screening experience
  - Imaging clinic owners are experiencing productivity, compliance and profitability improvements post installation

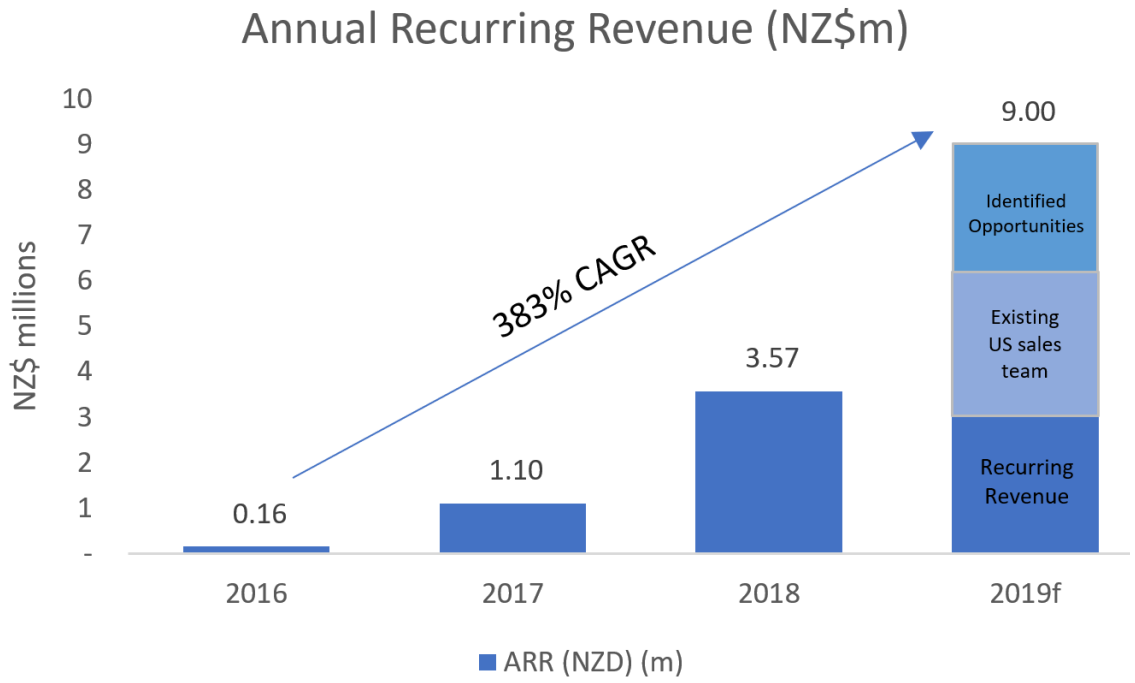
- The company is seeking to raise A$15m via a Placement and up to A$3M via a Share Purchase Plan:
  - To further accelerate the rapid growth in the US and “own” the market based on opportunities already in the pipeline
  - To increase fee per woman by rolling out new features
  - To begin the roll out of direct sales into Asia – a rapidly growing market

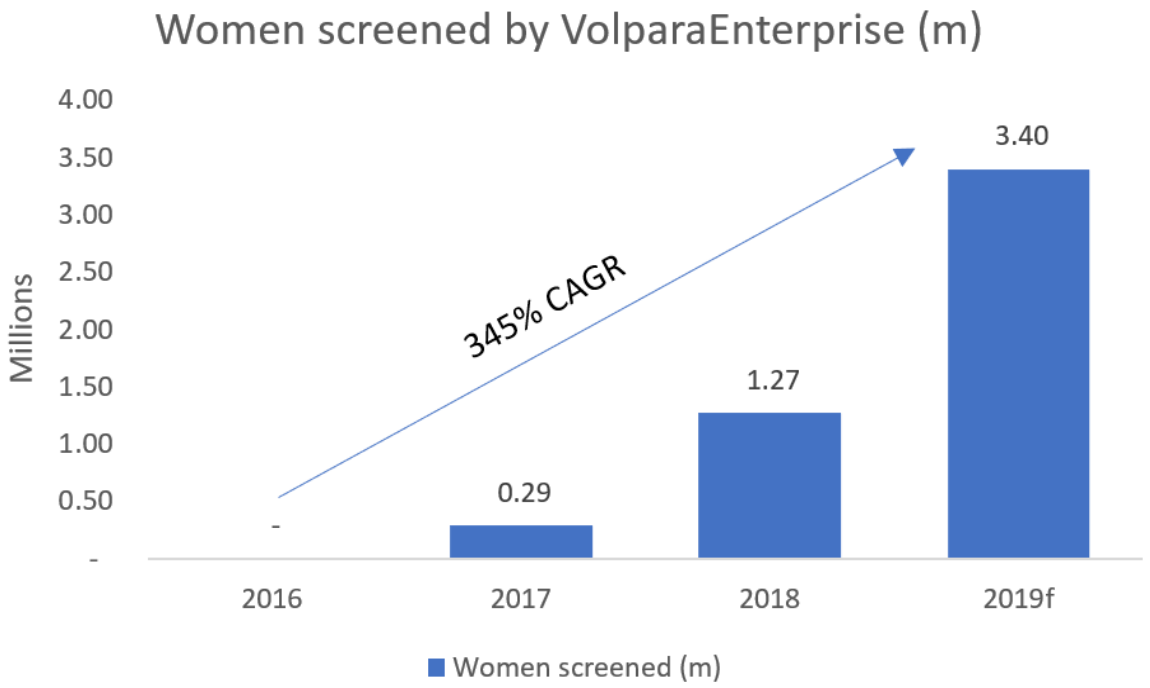
Investment highlights



Volpara's year end is 31st March

Strong growth in key metrics – actual and forecast





VolparaDensity – computing breast density for clinical decision support

VolparaDensity computes breast density objectively, a strong breast cancer risk factor, now mandated in 30+ US states as being essential to report to women.

Patient breast screening via X-Ray

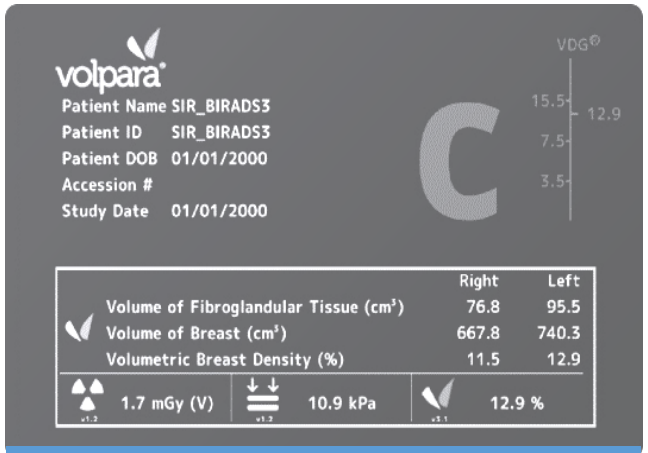
Image of breast sent to clinicians computer

Clinician with Volpara software installed

Volpara's algorithm / AI does automated analysis either on-site or in cloud.

Volpara Cloud powered by Artificial Intelligence

Algorithm generates objective proprietary Volpara Scorecard for clinician review



Volpara Scorecard

Report sent to clinician with objective and clinically proven scorecard. More accurate and faster analysis can now be completed

Volpara is X-ray machine agnostic, a key differentiator along with clinical validation versus competition.

VolparaEnterprise – analytics for imaging clinic management

Volpara Cloud powered by Artificial Intelligence

Volpara proprietary software aggregates data

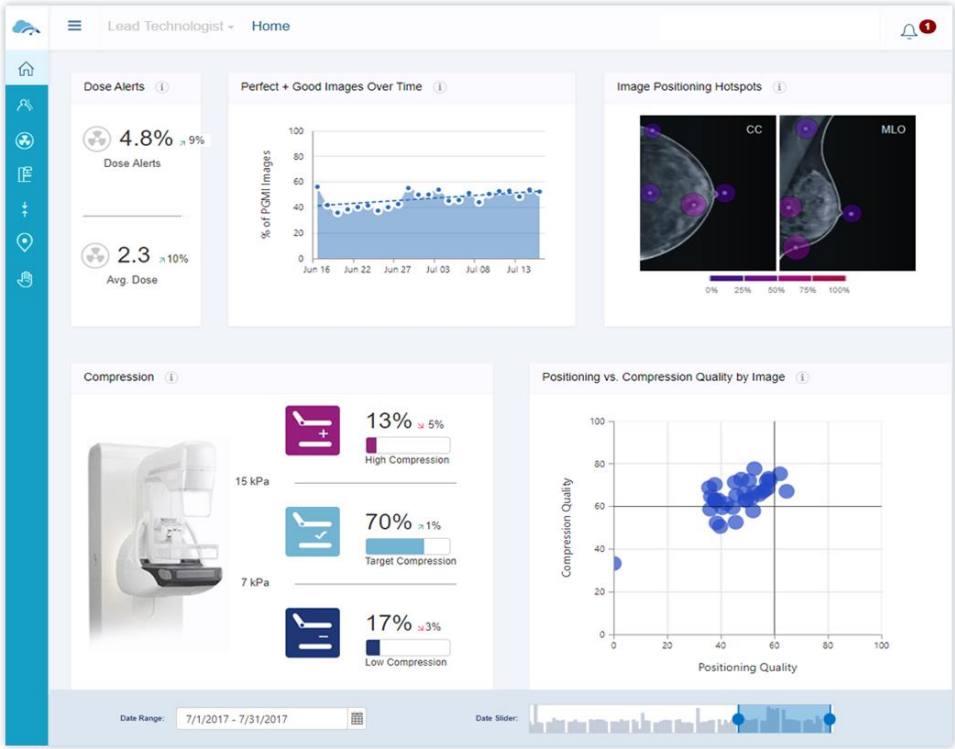
Access to AI Analytics via a web-browser log-in to the Cloud (Microsoft Azure)

Clinician with Volpara software installed

Uses VolparaEnterprise dashboards to better manage staff, utilisation, compliance and ultimately profitability

Imaging Clinic Manager

VolparaEnterprise Dashboard



High quality and large customer base in the US

- Our customers are some of the largest and most respected cancer hospitals and screening sites in the US, and include some of the largest Integrated Delivery Networks where we've signed master agreements.
- Customer success stories are now driving rapid uptake

Customers* include

- MemorialCare Health System
- Memorial Sloan-Kettering Cancer Center
- University of Virginia
- Imaging Associates
- Woman's
- Henry Mayo
- Basset Healthcare Network
- Boca Raton
- Mayfair
- John Muir
- Promedica

Example success stories

- Significantly **more cancers** are found early by radiologists using Volpara to help select women with dense breasts for additional screening:
  - Promedica reported 7.7 more cancers per 1,000 women using molecular breast imaging[1]
  - EWBC reported 3.3 more cancers per 1,000 women using ultrasound[2]
- **20% improvement** in breast compression, **60% improvement** in audit preparation time, **14% improvement** in image quality reported at Mayfair
- **50% improvement** in productivity of machines at Boca Raton and improvements in women attending additional imaging

* Names are shown for illustrative purposes only. No rights to the trade marks are implied, nor any endorsement on the part of the customer.

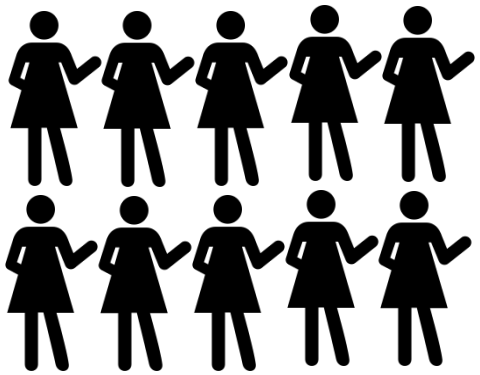
1 – Shermis et al, AJR, 2017
2 – Destounis et al, J Ultrasound in Medicine, 2017

Recurring revenue from our customers, the imaging clinics

Licence Fee Per User

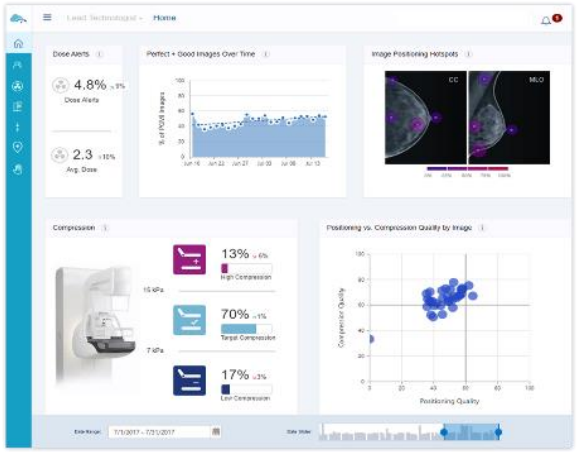
- Users include:
  Technologists (performs mammogram),
  Chief Technologist,
  Breast Imaging Manager,
  Physicist (monitors dose & compression)
  Radiologist (reads the mammograms)
  Risk Counsellor (deals with high risk)

Fee Per Woman Screened



- The volume of women is determined up-front and typically does not vary materially year-on-year.
- A clinic receives ~US$150 per woman it screens.

Total Fee For Volpara Enterprise Software (Density & Analytics)



- Typical contracts range from 3 to 5 years, with most recent ones being 5 years.
- Annual contract size can vary from US$20K – US$125K per year, with most sites paying annually up-front.

A simple model is that we receive ~US$1.9-3.6 per woman screened for the most basic version of the solution, our task under Land & Expand is to increase that fee with new features.

X-ray systems typically are changed every ~10 years, that is an indicator of potential life-time-value for each Volpara customer.

Why patients and imaging clinics appreciate Volpara

Volpara believes our software helps patients because:

1. Women only get the imaging they need, and get it consistently
2. Women are safer via better controlled radiation dose
3. Women are more comfortable via less painful compression
4. Women have cancers detected earlier through appropriate imaging

Imaging clinic owners use Volpara because:

1. Happier women and referrers lead to more patients (new & returning)
2. Less cost and risk associated with insurers via objective evidence
3. More women going on for further imaging via immediate density scoring and risk
4. Less cost and risk associated with audits (e.g. FDA MQSA and EQUIP)
5. Higher quality work leads to MACRA reimbursement boosts
6. Less cost related to technical recalls

Board members

Roger Allen, AM — ***Chairman***

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

Lyn Swinburne, AM — *Non-Executive Director*

- Joined the Board in 2015
- Founder of Breast Cancer Network Australia
- Chair of Royal Women's Hospital in Melbourne

Prof Sir Mike Brady — *Non-Executive Director*

- Founding Director of VHT
- Serial successful entrepreneur at Oxford & MIT
- Author of over 750 articles and 26 patents
- Current Professor of Oncological Imaging at Oxford

John Diddams — *Non-Executive Director*

- Principal of Australia CPA firm, focusing on ASX
- Currently NED of Experience, Olivers and others
- 25 years' raising capital, performing due diligence

Ralph Highnam, PhD — *Chief Executive Officer*

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

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

Paul Reid — *Non-Executive Director*

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

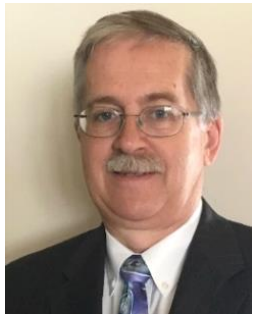
Management team

Mark Koeniguer *Chief Commercial Officer*

- Highly experienced in medical imaging software sales, including SaaS
- Based in Nashville, USA, with over 25 years of leading sales teams
- Worked across radiology, with long tenures in breast imaging specifically

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 Product Officer*

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

Richard Hudson *VP Engineering*

- Joined 1st June 2017
- 30 years' experience in product and software development, including SaaS
- Former Senior Director at Imagination Technologies, a UK high-tech company

Dr Monica Saini *Consultant Radiologist*

- 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
- Based in Wellington

Large global addressable market

- Total addressable market is estimated to be 75m screenings per year.
- **Volpara has a genuine first mover advantage globally,** and has proven commercialisation of its product in the US market (next slide).
- In Europe: we have CE marking, distributors and we are in the final stages of extended trials with the Govt run screening programs, including:
  - UK PROCAS II Trial, a 2 year IT proof of concept, potentially leading to 2M women p.a.
- In Asia & PAC, we have achieved regulatory clearances (Japan, Taiwan, Australia, South Korea..), agents, and started to seed the market with sales to key researchers. With this capital raise we intend to:
  - Target private hospital chains
  - Find the right distribution partners.
  - Ensure we are in Govt run trials, as necessary
- **Number of breast cancers is predicted to double by 2030 due to lifestyle, diet and other changes*.**

GLOBAL MARKET SIZE (ESTIMATES)			
	Number of screening sites	X-ray Systems (2D+3D)	Current women imaged per year
US Market	8,722	17,905	39,311,898
EMEA	1,300	13,000	28,350,000
Asia Pacific	436	4,700	6,556,000

*Peter Boyle and Antony Howell. Breast Cancer Research 2010

US market – 3.2% penetration, forecast to grow to 9.0% in FY19

US MARKET SIZE & PENETRATION @ 31 March 2018			
	Number of screening sites	X-ray Systems (2D + 3D)	Current women imaged per year
US Market	8,722	17,905	39,311,898
Volpara contracted women in the US:			~1,270,000
% Market Penetration			3.2%

Geographically broad penetration of US screening sites by Volpara

Shows research, density only and Enterprise sales since 2009

- Initial sales focus has been the US market - predominantly via direct sales model, but also working alongside GE. Since July 2016, we have had 7 sales people in the field, with a phased increase to match opportunities to 11 in early CY2018. We have had no sales staff turn-over since mid-2016.
- US market penetration forecast to increase to 9% of all women by end of FY19 off the back of strong sales pipeline, unique product, and experienced sales team.
- We are currently installed or in active sales discussions with ~20% of all US sites with a clear strategy to drive up revenue per woman screened in the short term.

Significant tailwinds driving the US market to look for solutions

1. **New FDA regulations (“EQUIP”)** to ensure safe, high quality screening – radiation dose, quality of images, all leading to compliance costs

   VolparaEnterprise helps reduce compliance costs

2. **US State laws pushing for breast density information to be given to women**, sites desire for consistency of care, and insurers and referring physicians looking for objective evidence of need for additional imaging.

   VolparaDensity provides objective, automated breast density scoring

3. **Rise of MACRA** – quality over quantity, with reimbursement scaling based upon quality of work.

   ***VolparaEnterprise* improves quality**

4. **Desire of sites for greater control**, to be seen as cutting edge, improving care, and always looking to become more profitable.

   VolparaEnterprise helps sites with productivity and complete visualization of system

Strategic Outlook / Priorities

Build a strong, independent company by:

1. **"Owning" the US market** – continue our rapid penetration of the US market and deliver 9% market share by end of FY19 through growing the direct sales team up to 22.

2. **Growing revenue per woman screened:**
   - Use customer success stories to grow base package pricing
   - Upsell already developed dashboards for physicists, technologists, risk counsellors
   - Bring through 3rd party apps, such as computer-aided detection
   - Bring through real-time quality control
   - Develop surgery, oncology and change over time applications

3. **Beginning direct sales in Asia-Pac market** – utilise US experience and Asia-Pac experience to date, to deliver a low risk and low cost entry into a rapidly growing market.

4. **Maximising operating leverage of SaaS model –** keep cost base relatively stable post FY19 to maximise profitability.

Capital Raising

volpara®
health technologies

Offer details

- **A placement of approximately ~A$15m;**
- **Offer price of A$0.60per Share**
- **Share Purchase Plan of up to A$3m**
- **Morgans Corporate Limited ('Morgans') and Bell Potter Securities Limited ('Bells') have been appointed as Joint Lead Managers**

Placement	Placement institutions, sophisticated and professional investors to raise approximately ~A$15 million via the issue of ~ 25.0m shares ("Placement"): - Issue price A$0.60 per share - New shares ranked equally with existing shares - New shares represent approximately 15% of Volpara's fully diluted issued shares post Placement - The Placement is within Volpara's existing placement capacity under ASX Listing Rule 7.1 and 7.1A and accordingly shareholder approval is not required.
Pricing	The Offer Price of A$0.60 represents an approximate: - 13.0% discount to the closing price on 24 April 2018 of A$0.69, being the day before the Offer was announced; - 13.1% discount to the 5 day Volume Weighted Average Price (VWAP) up to and including 24 April 2018 of A$0.6907
Share Purchase Plan	Volpara will offer eligible shareholders in Australia and New Zealand the ability to apply and subscribe for up to $15,000 of new shares at the same price at which they are issued under the Placement[1], via a non-underwritten Share Purchase Plan (**SPP**). The SPP documentation will be made available to eligible shareholders on or about 7 May 2018.

1. Volpara reserves the right to vary the Placement and SPP offer details without notice.

Use of funds

Proceeds from the Capital Raising will be used to accelerate the sales of the Company's products by growing the global sales team and increasing focus on product development and to supplement working capital to support the role out of the SaaS model.

Stated Goal	Use of Funds
Accelerate, focused, sales growth to rapidly increase ARR • Expansion of the US direct sales team towards 22 • Expansion of US marketing and customer teams • Follow Land & Expand strategy	~NZ$9m
Expand features to increase fee per woman • Roll-out EnterpriseLive! (real-time quality) to market • Roll-out benchmarking of sites • Roll-out 3rd Party applications • Rolll-out surgery / oncology applications	~NZ$4m
Move Asia & Pacific into commercialization phase • Increase team in Asia & Pacific & expand regulatory breadth • Move from key opinion leaders into sales • Target large private chains of hospitals • Enter public screening programs	~NZ$2m
Working Capital	~NZ$3m

Funds Available After the Offer	
Placement	~A$15.0 million
Share Purchase Plan	~A$3.0 million
Capital Raising (Total)	~A$18.0 million
Less: Offer Costs	~A$0.8 million
Cash on Hand - 31 March 2018	A$4.57 million (NZ$4.84 million)
Pro-Forma Cash on Hand - 31 March 2018	A$21.77 million

Based upon the technology and innovation to date, we have future opportunities in high value markets such as breast surgery, measurement of breast change over time, through to applying our technology platform to other screening modalities with similar issues to breast.

Indicative capital raising timetable

Capital Raising Dates	
Submit ASX trading halt request	Thursday 26 April 2018
Announcement of Placement and Share Purchase Plan	Monday 30 April 2018
Placement settlement	Friday 4 May 2018
Share Purchase Plan opens	Monday 7 May 2018
Share Purchase Plan closes	Friday 25 May 2018
Share Purchase Plan allotment	Thursday 31 May 2018
Share Purchase Plan commence trading	Monday 4 June 2018

All dates specified in the presentation (including the above table) are indicative and subject to change.

March 2018 quarterly update – 4C draft numbers

Total cash inflows				
	FY18	FY17	$ Variance	% Variance
	Unaudited	Audited		
Q1	1,149	805	344	43%
Q2	866	842	24	3%
Q3	1,004	456	548	120%
Q4	1,060	482	578	120%
Total	**4,079**	**2,585**	**1,494**	**58%**

Net operating cash outflows per quarter				
	FY18	FY17	$ Variance	% Variance
Q1	1,644	2,109	(465)	(22)%
Q2	1,753	1,654	99	6%
Q3	2,211	2,583	(372)	(14)%
Q4	2,100	1,900	200	11%
Total	**7,708**	**8,246**	**(538)**	**(7)%**

Cash balance as at 31 March 2018
NZ$4.84m (Unaudited)

Income split				
	FY18	FY17	$ Variance	% Variance
	Unaudited	Audited		
Capital	570	1,527	(957)	(63)%
SMA's	300	219	81	37%
SaaS	1,900	93	1,807	1,943%
Grants	723	208	515	248%
Interest	272	271	1	0%
Other	30	-	30	100%
Total	**3,795**	**2,318**	**1,477**	**64%**

Appendix

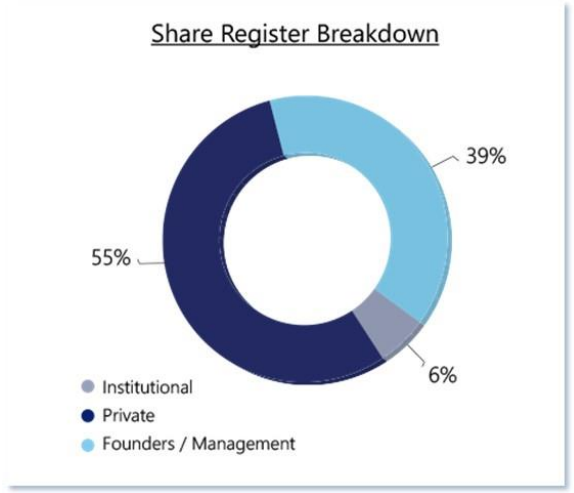
Company Overview

VHT's recent share price momentum reflects confirmation of achievement of FY2018 sales targets.

Share & financial information	
Share price (24 April 2018)	A$0.69
52 week low / high	A$0.30-A$0.80
Current shares on issue:	
- Listed ASX	94.01m
- Subject to voluntary escrow[1]	51.48m
Total Shares	145.49m
Market Capitalisation	A$100.4m
Cash (31 March 2018)[2]	NZ$4.84m / A$4.57m
Debt (31 March 2018)	No debt
Enterprise value	$A95.82m

1. Voluntary escrow of founders / directors shares until 27 April 2019
2. Assumes AUD / NZD exchange rate of A$0.943/NZ$1.00

Share price performance



The Founders and Directors have agreed to escrow their mandatory IPO escrowed shares (51.48m) for a further 12 months (i.e. 36 months in total) until 27 April 2019.

Intellectual property position

VHT intellectual property includes:

- 34 granted patents
- 16 patent applications in final stage of process
- 2 new international patent applications proceeding in 80 countries
- 4 new patent applications
- registered trademarks in 39 countries
- copyright works (software, graphics and text) and
- Trade Secrets (which protect the key part of the code).

VHT protects its on-going innovation with the most effective combinations of IP rights, to anticipate new product development globally

We are building long-term value via transferrable solutions

Global regulatory status

- *VolparaDensity* is considered in most jurisdictions to be a medical “device” since it measures and estimates specific information about the patient.
- Regulatory bodies in each market dictate that medical devices must be manufactured to the highest standards and cleared before they can be marketed in that country. This presents significant barriers to entry for new market participants.
- In the US, Volpara has achieved three FDA 510(k) clearances so far covering *VolparaDensity:*

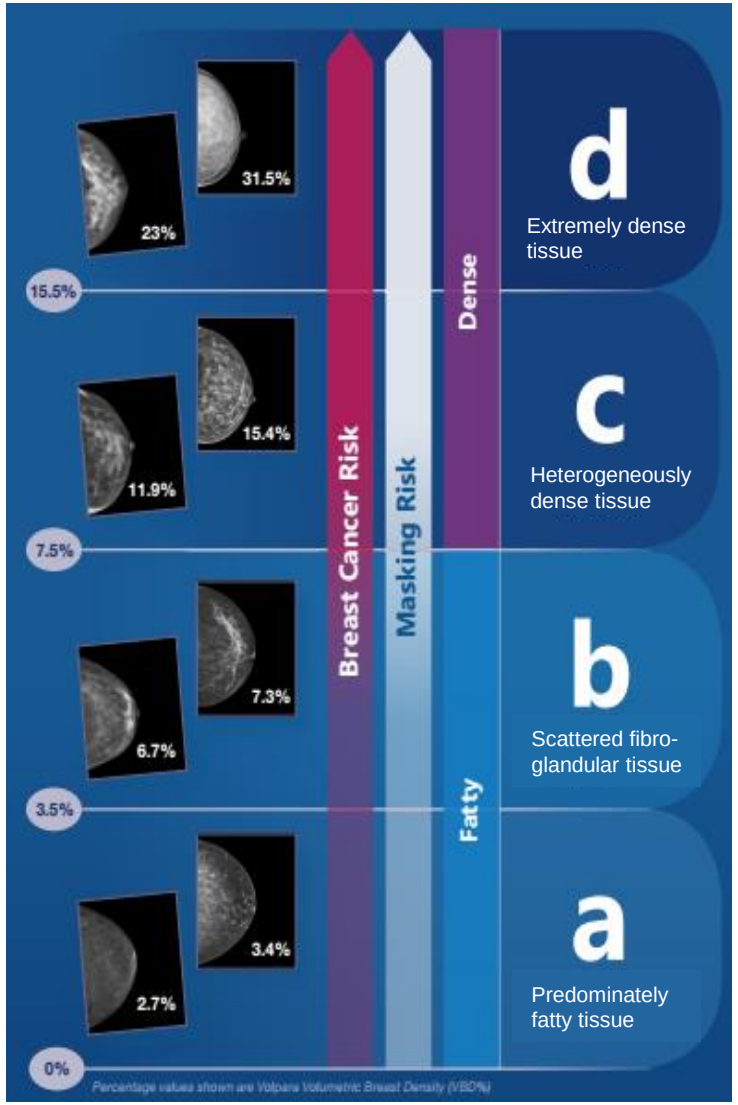
K102556 (2010), K152028 (2015), and K153427 (2016).

- We are also cleared in Europe (Class 1m), Australia, NZ, Canada, South Korea, Thailand, Japan & Taiwan, and other countries that do not regulate software medical devices.

Subscription-based business model

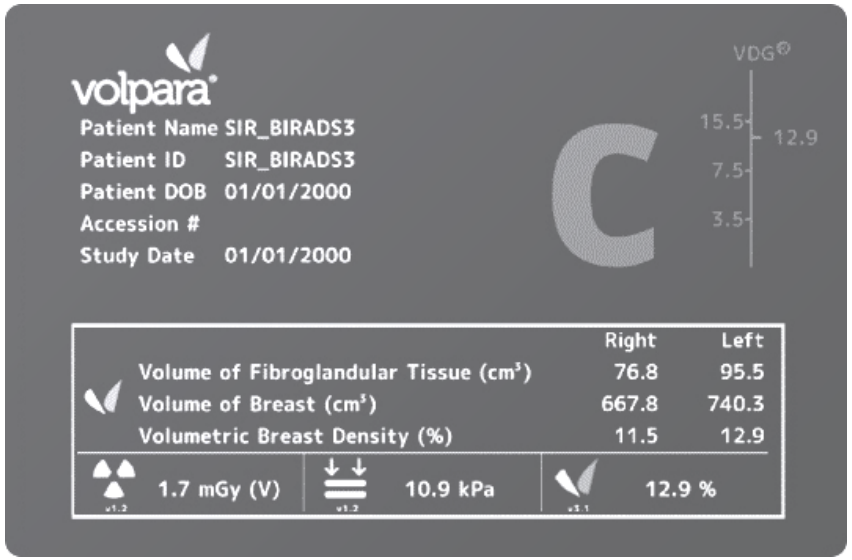
- The customer pays us for a service provided by our software, rather than buys a perpetual license with a once off, up-front fee (a capital sales model).
- Although the customer might pay for the service a year in advance, under accounting standards the majority of revenue can only be recognised once 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.

VolparaDensity

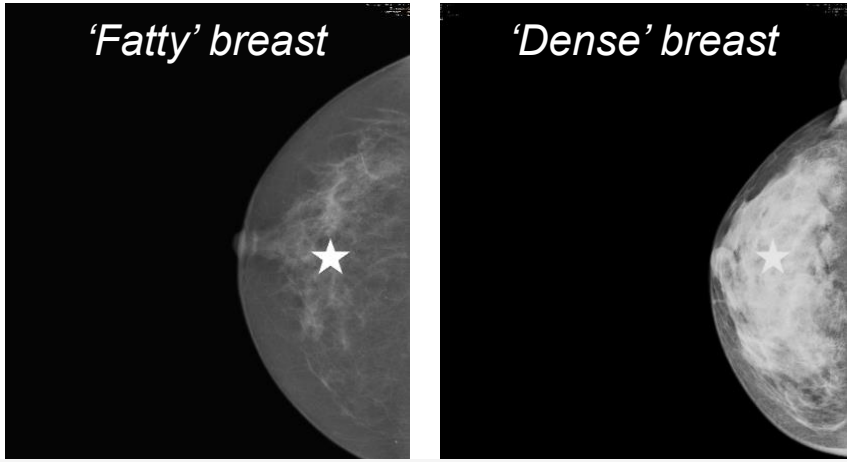


FDA cleared 510(k)

Volpara Density



Automated, objective, density, dose and compression scoring for each patient.



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

Companies* in our space in the US

PACS Systems (Image Archive)
Sectra
Intellerad
GE
Philips…

Information System
MRS
PenRad
MagView
EPIC…

Breast Imaging Analytics
VolparaEnterprise

X-ray Manufacturers
Hologic
GE
Siemens…

Density Assessment
VolparaDensity
Hologic (Quantra)
iCAD…

Computer-Aided Detection
iCAD
Hologic…

Display Workstations
MeVis
Three Palm…

Radiology Analytics
Bayer
GE
Sectra…

Healthcare Big Data
Google
IBM Watson
Microsoft…

*Main companies with FDA clearance, there are many smaller ones in the space.

Competitive Analysis* – Density, Dose and Pressure

To the best of our knowledge, based on marketing materials, FDA information, trade shows and other public sources:

Criteria	Volpara Density	iCAD iReveal	Hologic Quantra
FDA cleared to assess breast density for some x-ray systems	Y	Y	Y
Independent**, vendor neutral –** FDA cleared to work with all leading system manufacturers for 2D mammography & 3D tomosynthesis	Y	N	N
Automatically generates a quantitative volumetric measurement of density	Y	N	Y
Measures compressed thickness of dense tissue to show "focal density" masking risk	Y	N	Y
Clinical Density Map with 1 cm focal density indicator	Y	N	N
Reduces challenge of determining density in synthetic 2D images: C-View, V-Preview	Y	Y	Y
Backed by global validation and more than 250 publications	Y	N	N
Correlated to breast cancer risk and mammography sensitivity in multiple studies	Y	N	N
Patient-specific dose and applied pressure measurements	Y	N	N
Included directly into Tyrer-Cuzick breast cancer risk tool?	Y	N	N

FROST & SULLIVAN

2016

volparasolutions™

2016 Global Competitive Strategy Innovation and Leadership Award

*Philips, Siemens, Densitas, MammoRisk limited user-base

Competitive Analysis* – Analytics and Management Tools

To the best of our knowledge, based on marketing materials, FDA information, trade shows and other public sources:

Criteria	Volpara Enterprise	Philips Intellispace	GE Health Cloud (Dose Watch)	Siemens Teamplay	Sectra Cloud (Dose Track)
Designed primarily for breast rather than general radiology	Y	N	N	N	N
Vendor-neutral density, dose, compression	Y	N	N	N	N
Image viewing in the cloud	Y	Y	Y	Y	Y
Technologist workflow analytics	Y	?	?	?	?
Application of cloud-based learning: • Clinical application for breast density, personalized dose based on breast density and breast compression pressure	Y	N	N	N	N
Automated analysis of patient positioning in mammography	Y	N	N	N	N
Clinical applications support 2D and 3D mammography	Y	N	N	N	N
Embedded technologist training	Y	N	N	N	N

*there are other smaller players operating in this space, including some of the mammography reporting companies.

International selling restrictions

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act of 1933 and applicable U.S. state securities laws.

Australia

The offer of New Shares is being made in Australia only to persons who meet the requirements of section 708(8), section 708(11) or section 761G of the Corporations Act 2001 (Cth) as either sophisticated or professional investors or wholesale clients.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO). No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**). The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the FMC Act and the Securities Act (Overseas Companies) Exemption Notice 2013. The New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This document and any other materials relating to the offer or sale of the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore, and statutory liability under the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**) in relation to the content of prospectuses would not apply. Accordingly, this document or any part thereof and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed in any manner whatsoever, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the SFA, or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are: (i) a person (being no more than 50 in number) that the Company is making or has made an offer of securities to within the last 12 months pursuant to Section 272B of the SFA; (ii) an existing holder of the Company's shares pursuant to Section 273(1)(cd) of the SFA; (iii) an "institutional investor" (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA; or (iv) a "relevant person" (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) or 275(1A) of the SFA. You agree to be bound by the disclaimers, limitations and restrictions described herein. In the event that you are not an investor falling within any of the categories set out above, please return this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares immediately.

This document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares may not be relied upon by any other person other than persons to whom the New Shares are offered or sold, or for any other purpose. You shall not reissue, distribute, forward or circulate this document or any part thereof in any manner whatsoever to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to consider carefully whether the investment is suitable for them and seek independent professional advice to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Accordingly, the Company has represented, warranted and agreed that it has not offered or sold any New Shares or caused the New Shares to be made the subject of an invitation for subscription or purchase, and will not offer or sell the New Shares or cause the New Shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed nor will it circulate or distribute this document or any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, applicable provisions of the SFA.

Investment Risks

volpara®
health technologies

Investment Risks

Key risks specific to an investment in Volpara - The New Shares to be issued under the Capital Raising do not guarantee the payment of dividends, return of capital or any increase in their market value. The list of key risk factors below should be carefully considered, together with all other the information on Volpara before deciding to apply for New Shares.

Type of risk	Description of risk
Failure to attract new customers and to retain existing customers	The success of Volpara's business relies on its ability to attract new customers and to increase revenue from existing customers. Volpara primarily generates revenue through healthcare professionals , including radiologists who typically pay annual subscription fees in advance to access Volpara's products. Reasons that healthcare professionals may be slow to adopt the Volpara products include (but are not limited to): • preference for the products of competitors, where they exist, due to familiarity with those products or for various other reasons; • new Volpara products failing to perform to expected standards; • limited data being available that may illustrate return on investment and cost benefits to healthcare professionals of the use of Volpara products; and • concern over the potential liability risks involved in using a new product. Volpara's customers have no obligation to renew their service offering when their contract term ends and in some cases customers have rights to cancel after each year and Volpara cannot guarantee that all or any of its customers will renew their current service offering after the completion of their contract term. Accordingly, there is a risk that customers reduce or cease usage of Volpara's products which would result in a reduction in the level of payments they make to Volpara including revenue characterised as recurring revenue.
Revenue recognised throughout term of customer contracts	Volpara recognises revenue over the term of the contract with its customers which are typically three to five years in length. Volpara invoices most customers annually, in advance, and recognizes revenue, according to IFRS 15, which is approximately monthly, with some exceptions, on a pro-rated basis throughout the term of the contract. As a result, most of the revenue realised in any given period relates to contracts entered into during previous periods. Consequently, a shortfall in demand for Volpara's products or losses in the existing customer base may not be reflected in the revenue results of that period but are likely to negatively impact revenue in subsequent periods.
Volpara's current business model depends heavily on the success of *VolparaDensity™* and *VolparaEnterprise™*	*VolparaDensity™* and *VolparaEnterprise™* have obtained the required regulatory approvals in the US, the EU, Canada, Australia, NZ and other countries, where the product is already sold and generates revenue. Volpara expects to derive the majority of its revenue in the foreseeable future from sales of its *VolparaDensity™* breast imaging technology and *VolparaEnterprise™* quality assurance 'Software as a Service' (SaaS) products. Volpara's ability to generate revenue will therefore largely depend on how effectively it can market and distribute its product range in the above markets and after obtaining any necessary regulatory approvals in other jurisdictions. If the Company is unable to achieve meaningful market penetration with its product range, its commercial strategy will be unachievable and Volpara will need to reconsider its business model.
Future profitability could be impacted by a number of factors	Volpara is still in an early sales and commercialisation stage for its products. To date, it has funded its operations principally through issuing securities and other domestic capital-raising activities. Volpara is not yet profitable . Volpara is achieving growing revenue ,principally in the US, however there is no guarantee that Volpara will be able to continue to grow revenue in the US or in other jurisdictions such as the EU. Volpara's ability to operate profitably in the future will depend in part on whether it is able to effectively utilise its own direct sales force and/or develop an international distribution network on appropriate terms. If Volpara fails to penetrate, or further penetrate, the international markets (including the US market) for its products, Volpara may never become profitable. Other factors that will determine Volpara's profitability are its ability to manage its costs, its ability to execute its development and growth strategies, economic conditions in the markets in which it operates, competitive factors and regulatory developments. Accordingly, the extent of future profits, if any, and the time required to achieve a sustained profitability are uncertain. Moreover, the level of any profitability cannot be predicted.

Investment Risks (continued)

Type of risk	Description of risk
Dealing with protected health information (PHI)	Volpara's existing revenue stream is heavily dependent on a number of Business Associate Agreements (BAA) with hospitals and clinics in the US. In the US this is driven by the requirements of HIPAA, which provides that healthcare providers in the US who deal with protected health information (PHI), being specific PHI that is governed by HIPAA and its associated regulations, must enter into a BAA with any third parties who receive that PHI in the course of performing services for, or on behalf of, that covered entity. Part of the purpose of the BAA is to ensure that third-party service providers are subject to the same obligations relating to the security of PHI as those that apply directly to covered entities under HIPAA. Under the terms of a BAA it is customary for the hospital or clinic to insist that Volpara is liable for any unauthorised access to, or use or disclosure of, PHI while it is under the control of Volpara or its employees and contractors. While Volpara seeks to limit this liability to a monetary cap in negotiating these contracts, it is not always possible for Volpara to do so, and in some cases Volpara's liability is not limited. Following recent changes to HIPAA regulations, Volpara can also be found to be directly liable to the US authorities for a breach of obligations under the HIPAA regime. Similarly, in Europe, the General Data Protection Regulations (GDPR) seek to protect PHI of European citizens. While Volpara seeks to mitigate the risk of an inadvertent disclosure of PHI or a breach of privacy relating to PHI by its employees or contractors by putting in place appropriate internal security measures and training, and taking out insurance cover, if a breach were to arise and Volpara is found to be liable and subject to a payment of damages, this could have a material adverse effect on the financial performance and reputation of Volpara. Further, as Volpara moves progressively to a Cloud-based information storage system, new risks for the storage of PHI and the maintenance of confidentiality of PHI will arise. Volpara will attempt to mitigate such cyber risks by ensuring that any such Cloud-based system has HIPAA-compliant firewalls, but that in itself may not be sufficient. Any Cloud-based system is subject to cyber-attacks or negligent or malicious action by an employee or contractor, and any inadvertent disclosure of PHI or breach of confidentiality of PHI while under the control of Volpara or its employees and contractors could lead to a damages claim and, if the Company is found liable, could have a material adverse effect on Volpara's reputation and financial performance.
Disruption or failure of technology and software systems	Volpara and its customers are dependent on the performance, reliability and availability of Volpara's platform, data centres and communications systems (including servers, the internet, hosting services and the cloud environment in which Volpara provides its products). There is a risk that these systems may be adversely affected by disruption, failure, service outages or data corruption that could occur as a result of computer viruses, "bugs" or "worms", malware, internal or external misuse by websites, cyber-attacks or other disruptions including natural disasters, power outages or other similar events.
Reliance on third party service providers	Volpara relies on certain contracts with third party service providers to facilitate the use of Volpara's products. In particular, Volpara relies on a third party service provider for Volpara's cloud hosting services. Volpara also relies on the use of third party service providers for system documentation, software layers and code management and monitoring and auditing Volpara's IT infrastructure and network. Any failure or disruption to the service provided from the third party service providers that Volpara's business relies on to efficiently operate could negatively impact Volpara's operating and financial performance.
Protection of intellectual property	The value of Volpara's products is partly dependent on Volpara's ability to protect its intellectual property, including trademarks, copyright and moral rights. There is a risk that Volpara may be unable to detect the unauthorised use of Volpara's intellectual property rights in all instances. Further, actions that Volpara takes to protect its intellectual property may not be adequate or enforceable and thus may not prevent the misappropriation of, or copying or circumvention of, Volpara's intellectual property and proprietary information.
Breach of third party intellectual property rights	There is a risk that third parties may allege that Volpara's products use intellectual property derived from them or from their products without their consent. Volpara may be the subject of claims which could result in disputes or litigation, which could result in the payment of monetary damages, cause delays and increase costs, which in turn could have an adverse impact on Volpara's operations, reputation and financial performance.

Investment Risks (continued)

Type of risk	Description of risk
Recruitment and retention of key personnel	As a relatively small, but growing, organisation, Volpara relies heavily on its existing key management personnel, who have intimate knowledge of its business., its products and its business model. If a member of Volpara's key management personnel was to leave the business for whatever reason this could have an adverse effect on Volpara's performance, and there is no guarantee that Volpara could attract a suitably qualified replacement, or if it is able to do so, how long it may take for Volpara to attract and employ a suitably qualified replacement. Volpara is growing its sales and marketing teams in the US, Asia and Europe over time. An ability to attract quality sales and marketing personnel may adversely impact on Volpara's growth plans and its ability to grow revenue. While Volpara has a structured incentive program for its key management personnel these measures alone may not be sufficient to retain existing personnel, or to attract new personnel in a timely manner, which could negatively affect Volpara's ability to reach its goals.
Brand and reputation	The reputation and brand of Volpara and its products are important in attracting hospitals, medical clinics, large companies and healthcare professionals to use Volpara's products. Any reputation damage or negative publicity around Volpara or its products could adversely affect its business.
Pricing	Volpara primarily generates revenue by charging annual subscription fees to it s customers for the length of the contract which are based on both the type of product as well as the number of end users of that product. Upon completion of their contract, Volpara's customers may try to renegotiate contract terms for more favourable price discounts which, if agreed, would result in a direct reduction in the payments they make to Volpara and have a negative impact on Volpara's financial performance. While Volpara may resist such attempts to renegotiate prices, business economics, market conditions or competitive forces may dictate such terms need to be accepted. In addition, Volpara does not currently incorporate any annual price increase clauses into its contracts, except at the end of the contract period, such as a price increase based on the level of consumer price index. As a result, Volpara is currently unable to pass on any potential costs increases it may face in its business onto its customers. Consequently, any significant increase in costs that Volpara incurs could have a material adverse effect on Volpara's financial performance.
Failure to effectively manage growth	Volpara expects further organic growth in the future which could place significant strain on current management, operational and financial resources as well as the infrastructure supporting Volpara's platform. Volpara's future success depends, to a certain extent, on Volpara's ability to effectively manage this growth.
Failure to realise benefits from product research and development	Developing software and technology, particularly in the medical sector, is expensive and often involves an extended period of time to achieve a return on investment. An important aspect of Volpara's business is to continue to invest in innovation and related product development opportunities. Volpara believes that it must continue to dedicate resources to Volpara's innovation efforts to develop Volpara's software and technology-related product offering and to maintain Volpara's competitive position. Volpara may not however, receive benefits from these investments for several years or may not receive benefits from these investments at all.

Investment Risks (continued)

Type of risk	Description of risk
Potentially adverse effects of healthcare reform legislation in the US and other countries and the impact of advocacy groups and sceptics	In recent years, there have been numerous initiatives at the US federal and state levels for comprehensive reforms affecting the payment for, the availability of, and the reimbursement for, healthcare services. Recent legislation and many of the proposed reform bills include funding to assess the comparative effectiveness of medical devices, being the equipment on which the Volpara products operate. It is unclear what impact the comparative effectiveness analysis will have on the Volpara products or Volpara's financial performance. If significant reforms are made to the healthcare system in the US , or in other jurisdictions, those reforms could adversely affect Volpara's financial condition and operating results.
Volpara may not be able to pass the regulatory hurdles and gain the necessary approvals and clearances to use its products in certain jurisdictions	Volpara currently has FDA clearance (FDA 510(k)) for its products *VolparaDensity™* and Volpara Density Maps and for its quality controls tool. However, as Volpara seeks to diversify its product range and develop new products, Volpara cannot guarantee that it will receive all necessary regulatory approvals, nor can Volpara accurately predict the product approval timelines, cost or other requirements that may be imposed by regulators (e.g. clinical trials or other requirements proving effectiveness of its new products). Further, there may be changes to regulatory standards, which could delay or prevent Volpara from obtaining the necessary regulatory approvals. In addition, any future changes to the treatment may require separate clearance or approval. Any delays or barriers to Volpara obtaining necessary regulatory clearances would limit the size of the market opportunity for the new products until such time (if any) that Volpara was able to obtain such clearances for its new products.
Volpara may not be able to successfully deploy its sales, marketing and distribution resources	Volpara will need to ensure compliance with all legal and regulatory requirements for sales, marketing and distribution in each relevant market. There is a risk that Volpara will be unable to successfully deploy its sales, marketing and distribution resources to fully realise the commercialisation of its products.
Volpara may be subject to competition from existing manufacturers of breast screening equipment	Volpara's products are designed to operate on most of the leading breast screening equipment manufactured globally, including equipment manufactured by market leaders Hologic, GE and Siemens. However, manufacturers such as Hologic also manufacture their own software, which can be used on their own equipment and possibly on other manufacturers' equipment. There is a risk that manufacturers such as Hologic make it a condition of the sale of their equipment that Hologic software be used with that equipment, and offer the product for free. This may make it more difficult for healthcare professionals to adopt Volpara's products and use them with their equipment, even though Volpara can successfully demonstrate that its products are superior to those being offered by the equipment manufacturers. If this were to happen, Volpara is likely to experience pressure on its sales, which would impact on its financial performance.

Investment Risks (continued)

General risks

In addition to the specific risks outlined above, the operating results and profitability of the Company are sensitive to a number of general risk factors including those set out below.

Type of risk	Description of risk
Tax treatment on an investment in New Shares and dividend risk	The tax treatment of an investment in New Shares will differ depending on each Investor's personal circumstances. Investors should seek their own taxation advice in respect of the investment into Volpara. Volpara has not to date paid any dividend on its ordinary shares. There is no certainty that Volpara will pay dividends in the future.
Capital raising	The Directors give no assurances that the objectives of Volpara outlined in this Presentation will be met. An investment in the New Shares does not guarantee any return, including any guarantee that a shareholder will receive a return on their capital contributed. In the future Volpara may wish to elect to issue shares or to engage in further capital raisings to help fund the growth of the business or working capital. While Volpara is subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12 month period without shareholder approval (subject to certain exceptions), shareholders at the time may be diluted as a result of such issues of shares under the capital raising.
General economic and share market risk	The performance of Volpara, in common with other companies, is subject to general economic conditions, movements in interest and inflation rates, and currency exchange rates which may have an adverse effect on Volpara's activities, as well as its ability to fund those activities. There are also risks associated with any investment in a listed company on the ASX. The value of shares may rise above or below the current share price, depending on the operational and financial performance of Volpara and a number of external factors over which Volpara, its Directors nor its employees have any control. Those external factors include economic conditions in the United States, Australia, New Zealand and other overseas jurisdictions which may impact equity capital markets; changing investor sentiment in Australia, New Zealand and other overseas share markets; changes in fiscal, monetary, regulatory or other government policies and developments and general conditions in the markets in which Volpara proposes to operate and which may impact on the future value and pricing of Volpara shares.
Product liability insurance	Volpara is exposed to potential product liability risks that are inherent in the research and development, manufacturing, marketing and use of its products. Volpara has product liability and professional indemnity insurance which the Directors consider is adequate at this time. However, there can be no assurance that adequate or necessary insurance coverage will continue to be available at an acceptable cost or in sufficient amounts, if at all, or that product liability or other claims would not materially and adversely affect the business or financial condition of Volpara (for instance, because the amount of such claims exceeds the level of insurance).
Disputes and litigation	In the ordinary course of business, Volpara may be involved in disputes or litigation from time to time. Any dispute or litigation brought by a third party, including any customer, supplier, business partner or employee may adversely impact the financial performance and industry standing of the business, particularly in the case where the final impact of any litigation is greater than, or outside the scope of, the insurance cover carried by Volpara.
Force majeure	Events may occur within or outside Australia and New Zealand that could impact upon the global and/or Australian and New Zealand economies, the operations of Volpara and the price of its New Shares. Such events include, but are not limited to, acts of terrorism, cyber hostilities, outbreaks of international hostilities, fire, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or manmade events or occurrences that may have an adverse effect on the demand for Volpara products or Volpara's ability to conduct business. Volpara cannot insure against all risks.

Investment Risks (continued)

Type of risk	Description of risk
Foreign exchange	Volpara's financial statements are presented in New Zealand dollars. A substantial portion of current sales revenue and costs are denominated in currencies other than New Zealand dollars, particularly in US dollars. Future changes in the exchange rates in the jurisdictions in which Volpara operates may adversely impact Volpara's financial performance.
Unforeseen increase in operating costs	Volpara's future financial performance is dependent, to a certain extent, on the level of capital expenditure that is required to maintain its assets. Any significant unforeseen increase in the capital and operating costs associated with Volpara's operations would impact its future cash flow and profitability.
Legal, regulatory and tax	Volpara is exposed to any changes in regulatory conditions in the jurisdictions in which it operates . Such regulatory changes can include, but are not limited to, changes in applicable law (including tax laws), changes in interpretation of existing laws, changes in policies, regulations standards and practices (including changes in tax or accounting policies), each of which may impact the operations and business practices of Volpara and its management. Any change in the current rate of company income tax in New Zealand or any other jurisdiction in which Volpara operates may impact upon the financial performance and cash flows, ability to pay dividends and Volpara's share price which in turn could impact shareholder returns.

The above lists of risk factors should not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares.