



Volpara Health Technologies Limited

ARBN 609 946 867

Retail Entitlement Offer Booklet

**1 FOR 27 FULLY UNDERWRITTEN
PRO RATA ACCELERATED NON-
RENOUNCEABLE ENTITLEMENT
OFFER OF ORDINARY SHARES AT AN
OFFER PRICE OF \$1.50 PER NEW
SHARE**

RETAIL ENTITLEMENT OFFER CLOSES
AT 5.00PM (SYDNEY TIME) ON
WEDNESDAY, 26 JUNE 2019

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This is an important document and requires your immediate attention. This document is accompanied by a personalised Entitlement and Acceptance Form. You should read both documents in their entirety before making any investment decision.

This document is not a prospectus or other form of disclosure document and it has not been lodged with the Australian Securities and Investments Commission. It does not contain all of the information that an investor may require to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered under this Retail Entitlement Offer Booklet.

If you are in any doubt about what to do, please consult your stockbroker, accountant, or other professional adviser, or call the Volpara Offer Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) Monday to Friday from 8.30am to 5.30pm (Sydney time) during the Offer Period.

IMPORTANT INFORMATION

Defined terms used in these important notices have the meaning given in this Retail Entitlement Offer Booklet.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES.

This information is important and requires your immediate attention.

You should read this Retail Entitlement Offer Booklet carefully in its entirety before deciding whether to invest in new fully paid ordinary shares (**New Shares**) in Volpara Health Technologies Limited ARBN 609 946 867 (**Volpara** or **Company**). In particular, you should consider the risk factors outlined in the “*Key Risks*” section of the enclosed Investor Presentation that could affect the operating and financial performance of Volpara or the value of an investment in Volpara.

The Underwriter has not authorised, permitted or caused the issue or lodgement, submission, despatch or provision of this Retail Entitlement Offer Booklet and there is no statement in this Retail Entitlement Offer Booklet which is based on any statement made by the Underwriter or by any of its affiliates, related bodies corporate, officers or employees. To the maximum extent permitted by law, the Underwriter and its affiliates, related bodies corporate, officers, employees and advisers expressly disclaim all liabilities in respect of, and make no representations regarding, and take no responsibility for, any part of this Retail Entitlement Offer Booklet other than references to its name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Retail Entitlement Offer Booklet.

Future performance and forward looking statements

This Retail Entitlement Offer Booklet contains certain ‘forward looking statements’. Forward looking statements can generally be identified by the use of forward looking words such as ‘expect’, ‘anticipate’, ‘likely’, ‘intend’, ‘propose’, ‘should’, ‘could’, ‘may’, ‘predict’, ‘plan’, ‘will’, ‘believe’, ‘forecast’, ‘estimate’, ‘target’, and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, the outcome and effects of the Entitlement Offer and the use of proceeds. The forward looking statements contained in this Retail Entitlement Offer Booklet involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Volpara, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Refer to the “*Key Risks*” section of the Investor Presentation included in Section 6.2 of this Retail Entitlement Offer Booklet for a summary of specific risk factors that may affect Volpara and certain general risk factors. There can be no assurance that actual outcomes will not differ materially from these forward looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. Investors should consider the forward looking statements contained in this Retail Entitlement Offer Booklet in light of those disclosures.

The forward looking statements are based on information available to Volpara as at the date of this Retail Entitlement Offer Booklet. Except as required by law or regulation (including the ASX Listing Rules), Volpara is under no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Past performance

Investors should note that past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) future Volpara performance including future share price performance.

Jurisdictions

This Retail Entitlement Offer Booklet, or any accompanying Australian Securities Exchange (**ASX**) announcements or the Entitlement and Acceptance Form, does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be illegal. Neither this Retail Entitlement Offer Booklet nor the Entitlement and Acceptance Form may be distributed or released in the United States. Neither the entitlements to purchase New Shares pursuant to the offer described in this Retail Entitlement Offer Booklet (**Entitlements**) nor the New Shares have been, nor will be, registered under the US Securities Act of 1933 (**US Securities Act**), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States or to persons acting for the account or benefit of a person in the United States unless they have been registered under the U.S. Securities Act (which Volpara has no obligation to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws. The New Shares in the offer described in this Retail Entitlement Offer Booklet (**Retail Entitlement Offer**) will only be sold in ‘offshore transactions’ (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act.

References to ‘you’, ‘your Entitlement’ and ‘your Retail Entitlement’

In this Retail Entitlement Offer Booklet, references to ‘you’ are references to Eligible Retail Shareholders and references to ‘your Entitlement’ or ‘your Retail Entitlement’ (or ‘your Entitlement and Acceptance Form’) are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Retail Shareholders (as defined in Section 7.3).

Times and dates

Times and dates in this Retail Entitlement Offer Booklet are indicative only and subject to change. All times and dates refer to Sydney time. Refer to the “*Key Dates*” section of this Retail Entitlement Offer Booklet for more details.

Currency

Unless otherwise stated, all dollar values in this Retail Entitlement Offer Booklet are in Australian dollars (A\$).

Trading New Shares

Volpara and the Underwriter will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Volpara or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters, you should first consult with your stockbroker, accountant or other professional adviser.

Refer to Section 7 of this Retail Entitlement Offer Booklet for more details.

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CAPITAL RAISING – KEY DATES

Event	Date
Announcement of Acquisition and Capital Raising	Monday, 3 June 2019
Placement and Institutional Entitlement Offer opened	Monday, 3 June 2019
Placement and Institutional Entitlement Offer closed	Tuesday, 4 June 2019
Record Date for determining entitlements to subscribe for New Shares under the Retail Entitlement Offer	7.00pm (Sydney time) on Wednesday, 5 June 2019
Despatch of Retail Entitlement Offer Booklet and Entitlement and Acceptance Form to Eligible Retail Shareholders	Tuesday, 11 June 2019
Retail Entitlement Offer opens	
Settlement of New Shares under the Placement and Institutional Entitlement Offer (on a DvP basis)	Wednesday, 12 June 2019
Allotment and issue of New Shares under the Placement and Institutional Entitlement Offer	Thursday, 13 June 2019
New Shares under the Placement and Institutional Entitlement Offer commence trading on ASX	Friday, 14 June 2019
Closing Date of Retail Entitlement Offer¹	5:00pm (Sydney time) on Wednesday, 26 June 2019, unless extended
Settlement and issue of New Shares (incl. Additional Shares) under Retail Entitlement Offer	Before 12:00pm (Sydney time) on Wednesday, 3 July 2019
New Shares issued under the Retail Entitlement Offer commence trading on ASX	Thursday, 4 July 2019
Despatch of holding statements under Retail Entitlement Offer	Thursday, 4 July 2019

The timetable above is indicative only and may be subject to change. Volpara, in conjunction with the Underwriter, reserves the right to amend any or all of these dates and times without notice subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Volpara reserves the right to extend the closing date of the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares.

The commencement of quotation of New Shares is subject to confirmation from ASX.

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted. Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens.

Enquiries

If you have any questions, please call the Volpara Offer Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia), or consult your stockbroker, accountant or other professional adviser. The Volpara Offer Information Line will be open from 8.30am to 5.30pm (Sydney time), Monday to Friday during the Offer Period.

¹ Eligible Retail Shareholders who wish to take up all or a part of their Entitlement must complete and return their personalised Entitlement and Acceptance Form with the requisite accompanying payment (**Application Monies**) OR pay their Application Monies via BPAY® or, if a resident of New Zealand, by international electronic funds transfer, by following the instructions set out on the personalised Entitlement and Acceptance Form in each case by no later than 5.00pm (Sydney time) on Wednesday, 26 June 2019.

LETTER FROM THE CHAIRMAN



5 June 2019

Dear Volpara Shareholder,

Acquisition of MRS Systems, Inc. and Capital Raising

On 3 June 2019, Volpara Health Technologies Limited (**Volpara** or the **Company**) announced that it had agreed to acquire Seattle-based MRS Systems, Inc. (**MRS**) and launched an equity capital raising to raise approximately A\$55 million by way of:

- a private placement of new fully paid ordinary shares in Volpara (**New Shares**) to certain existing and new institutional investors (**Placement**) to raise A\$45 million; and
- an accelerated non-renounceable entitlement offer to raise approximately A\$10 million (**Entitlement Offer**),

each at an offer price of A\$1.50 (**Offer Price**) per New Share (together, the **Capital Raising**).

The Capital Raising is being lead managed, and fully underwritten, by Bell Potter Securities Limited (**Underwriter**). Morgans Corporate Limited has been appointed as a co-lead manager.

Purpose of the Capital Raising and use of proceeds

Volpara has entered into a binding merger agreement to acquire 100% of the issued share capital of MRS for total consideration of US\$14.59 million (~A\$21.15m²), subject to certain purchase price adjustments at completion (including for working capital) (**Acquisition**). MRS is a medical software company that provides comprehensive patient tracking, and communication, and a radiology reporting platform, for sub-specialty radiology applications including breast and lung imaging.

Volpara will fund the Acquisition through part of the proceeds raised under the Capital Raising. The remaining proceeds raised under the Capital Raising will be used by Volpara for future growth and working capital and to pay the costs and expenses of the Capital Raising.

Strategic rationale for the Acquisition

The Acquisition is consistent with Volpara's goal to save families from breast cancer through the use of artificial intelligence (**AI**) imaging algorithms to assist the early detection of breast cancer. Application of AI requires well-curated data and the combination of the two companies opens up that potential. The integration of MRS' solution instantly increases the number of US clinics to which Volpara has access from approximately 400 to over 2,000 (an increase of more than 400%). This access will provide a platform to enable many more women to benefit from Volpara's personalised risk assessment and enhanced patient-outcome tracking while generating the massive amounts of data that optimise AI. The combination of MRS' clinical data and Volpara's breast images and algorithms provides the basis for more complete products, greater customer support through more efficient workflow, and ultimately more accurate risk-detection tools powered by AI, as well as increased revenue and enhanced profitability for both companies.

In the shorter-term, it is expected that the Acquisition will provide Volpara with:

- a much stronger US presence, technical expertise, and a mature, experienced US HQ based in Seattle;
- a significant increase in ARR (annual recurring revenue);
- accelerated sales through cross-selling opportunities; and

² Based on an AUD:USD exchange rate of A\$1.42 : US\$1.00.

- increased potential ARPU (annual revenue per user) through new products for the sales team.

The Entitlement Offer

Under the Entitlement Offer, Eligible Shareholders are entitled to acquire one New Share for every 27 existing fully paid ordinary shares in Volpara (**Share**) registered in their name at 7.00pm (Sydney time) on the Record Date at the Offer Price (**Entitlement**). The Offer Price represents:

- an 18.9% discount to the last closing price of the Shares on ASX on 31 May 2019, being A\$1.85;
- a 14.9% discount to the 30 day volume weighted average price (VWAP) of the Shares on ASX; and
- a 16.2% discount to the theoretical ex-rights price (TERP) of the Shares, being A\$1.79.³

The New Shares will be issued on a fully paid basis and will rank equally with existing Shares on issue.

The Entitlement Offer comprises:

- an institutional component being the Institutional Entitlement Offer; and
- a retail component being the Retail Entitlement Offer.

The Placement, Institutional Entitlement Offer and Institutional Shortfall Bookbuild were completed on 4 June 2019 and raised gross proceeds of approximately A\$50 million.

Offer Booklet

This Retail Entitlement Offer Booklet relates to the Retail Entitlement Offer. This Retail Entitlement Offer Booklet is important and requires your immediate attention. It is accompanied by your personalised Entitlement and Acceptance Form which contains details of your Entitlement and important information including:

- key dates for the Entitlement Offer;
- instructions on how to apply, setting out how to take up all or part of your Entitlement in the Retail Entitlement Offer if you choose to do so; and
- a copy of the key ASX Announcements and the Investor Presentation issued by the Company in connection with the Acquisition and Capital Raising.

The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Wednesday, 26 June 2019.

To participate, you need to ensure that you have completed your application by:

- paying Application Monies via BPAY®⁴ pursuant to the instructions that are set out in the Entitlement and Acceptance Form so that your payment via BPAY® is received by Volpara by 5.00pm (Sydney time) on Wednesday, 26 June 2019 (you do not need to return an Entitlement and Acceptance Form under this option);
- lodging your Entitlement and Acceptance Form, together with payment of Application Monies by cheque so that it is received by the Company's share registry, Boardroom Pty Limited, by 5.00pm (Sydney time) on Wednesday, 26 June 2019; or
- if you are a New Zealand resident and unable to pay in Australian currency or use BPAY®, by making payment by international electronic funds transfer in accordance with the instructions on the Entitlement and Application Form or in accordance with the separate instructions provided to New Zealand resident shareholders by 5.00pm (Sydney time) on Wednesday, 26 June 2019 (you will need to also send a copy of your remittance advice by post or email to the Share Registry under this option).

³ TERP is the theoretical price at which Volpara shares should trade immediately after the ex-date for the Entitlement Offer based on the last traded price and issue of Shares at the Offer Price in the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Volpara shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP.

⁴ ® Registered to BPAY Pty Ltd ABN 69 079 137 518

Please refer to the instructions in Section 3.6 of this Retail Entitlement Offer Booklet for further information.

Your Entitlement cannot be traded on ASX or on any other exchange or privately transferred. If you do not take up some or all of your Entitlement, New Shares equivalent to that part (or all) of the Entitlement you did not take up and those not taken up by other Eligible Retail Shareholders under a shortfall facility, along with New Shares that would have been offered to Ineligible Retail Shareholders had they been entitled to participate in the Retail Entitlement Offer, will be taken up by the Underwriter. If you take no action, you will not be issued New Shares, your Entitlement will lapse, and you will not receive any value for your Entitlement.

Additional information

This Retail Entitlement Offer Booklet should be read carefully and in its entirety before deciding whether or not to participate in the Retail Entitlement Offer. In particular, you should consider the risks outlined in the “Key Risks” section of the Investor Presentation in Section 6.2 of this Retail Entitlement Offer Booklet.

If you have any questions in respect of the Retail Entitlement Offer, please consult your stockbroker, accountant, or other professional adviser or call the Volpara Offer Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) Monday to Friday from 8.30am to 5.30pm (Sydney time) during the Offer Period.

On behalf of the Board of Volpara, I invite you to consider this investment opportunity and thank you for your ongoing support of our Company.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Paul Reid', is positioned above the printed name.

Paul Reid
Chair
Volpara Health Technologies Limited

1 IS THIS BOOKLET RELEVANT TO YOU?

This Retail Entitlement Offer Booklet is relevant to you if you are an Eligible Retail Shareholder.

In this Retail Entitlement Offer Booklet, references to “you” are references to Eligible Retail Shareholders and references to “your Entitlement” or “your Retail Entitlement” (or “your Entitlement and Acceptance Form”) are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Retail Shareholders.

Eligible Retail Shareholders are those persons who:

- are registered as a holder of Shares as at the Record Date, being 7.00pm (Sydney time) on Wednesday, 5 June 2019;
- have a registered address on the Volpara share register in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States);
- were not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and were not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or other document to be lodged or registered in the jurisdiction in which the offer is received by them.

If you are a retail Shareholder that is not an Eligible Retail Shareholder, you are an Ineligible Retail Shareholder and cannot participate in the Retail Entitlement Offer.

Refer to Sections 7.2 and 7.3 for further details.

2 SUMMARY OF OPTIONS AVAILABLE TO YOU

If you are an Eligible Retail Shareholder (as defined in Section 7.3) you may take any one of the following actions:

- (a) take up all or part of your Entitlement and, if you choose to do so, apply for Additional Shares up to a maximum number equal to your original Entitlement;
- (b) take up part of your Entitlement and allow the balance of your Entitlement to lapse; or
- (c) do nothing and allow all of your Entitlement to lapse.

Options available to you	Key considerations
1. Take up all of your Entitlement and, if you choose to do so, apply for Additional Shares up to a maximum number equal to your original Entitlement	<ul style="list-style-type: none">You may elect to purchase New Shares at the Offer Price (see Section 3.5.1 for instructions on how to take up your Entitlement).If you subscribe for your full Entitlement, you may apply for Additional Shares up to a maximum number equal to your original Entitlement (i.e. 1 Additional Share for every 27 existing Shares held). The offer price of each Additional Share will be the Offer Price (see Section 3.5.1 for instructions on how to take up Additional Shares). The issue of Additional Shares remains at the discretion of the Board so there is no guarantee that you will receive Additional Shares and the Board does not represent that any Application for Additional Shares will be successful, in whole or in part.The New Shares (and Additional Shares) will be fully paid and rank equally in all respects with existing Shares.The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Wednesday, 26 June 2019.
2. Take up part of your Entitlement and allow the balance of your Entitlement to lapse	<ul style="list-style-type: none">You may elect to take up only part of your Entitlement (see Section 3.5.1 for instructions on how to take up part of your Entitlement).If you do not take up all of your Entitlement, the portion of your Entitlement that you do not take up will lapse and you will not receive any value for that portion of your Entitlement.
3. Do nothing and allow all of your Entitlement to lapse	<ul style="list-style-type: none">If you take no action, you will not be issued New Shares, your Entitlement will lapse and you will not receive any value for your Entitlement.

3 HOW TO APPLY

3.1 Overview of the Entitlement Offer

Eligible Shareholders are being offered the opportunity to purchase one New Share for every 27 existing Shares registered in the name of the Eligible Shareholder as at 7.00pm (Sydney time) on Wednesday, 5 June 2019 (**Record Date**), at the offer price of \$1.50 per New Share.

The Entitlement Offer comprises the following components:

- (a) **Institutional Entitlement Offer** – Eligible Institutional Shareholders (as defined in Section 7.2) were given the opportunity to take up all or part of their Entitlement on 3 June 2019;
- (b) **Institutional Shortfall Bookbuild** – Entitlements not taken up under the Institutional Entitlement Offer and Entitlements of ineligible institutional shareholders were sold through a bookbuild process on 4 June 2019 (**Institutional Shortfall Bookbuild**); and
- (c) **Retail Entitlement Offer** – Eligible Retail Shareholders (as defined in Section 7.3) will be allotted Entitlements under the Retail Entitlement Offer which can be taken up in whole or in part. Entitlements under the Retail Entitlement Offer are non-renounceable. This means that if you do not take up your Entitlement, you will not be issued New Shares, your Entitlement will lapse, and you will not receive any value for your Entitlement.

The Entitlement Offer is being lead managed and is fully underwritten by Bell Potter Securities Limited (**Underwriter**).

The Institutional Entitlement Offer and Institutional Shortfall Bookbuild were completed on 4 June 2019 and raised approximately A\$5 million.

Further details on the Retail Entitlement Offer are set out below. You have a number of decisions to make in respect of your Entitlement. These decisions may materially affect the value (if any) that may be received in respect of your Entitlement. You should read this Retail Entitlement Offer Booklet carefully before making any decisions in relation to your Entitlement.

3.2 The Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders are invited to apply for one New Share for every 27 existing Shares registered in the name of the Eligible Retail Shareholder as at the Record Date at the offer price of \$1.50 per New Share.

The offer ratio and Offer Price under the Retail Entitlement Offer are the same as for the Institutional Entitlement Offer.

The Retail Entitlement Offer opens at 9.00am (Sydney time) on Tuesday, 11 June 2019 and will close at 5.00pm (Sydney time) on Wednesday, 26 June 2019.

3.3 Your Entitlement

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as one New Share for every 27 existing Shares registered in your name as at the Record Date. If the result is not a whole number, your Entitlement has been rounded up to the nearest whole number of New Shares.

If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding.

New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with existing Shares.

See Sections 7.3 and 7.13 for information on restrictions on participation.

3.4 Consider the Retail Entitlement Offer carefully in light of your particular investment objectives and circumstances

The Retail Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow entitlement offers to be made without a prospectus. This Retail Entitlement Offer Booklet does not contain all of the information which may be required in order to make an informed decision regarding an application for New Shares offered under the Retail Entitlement Offer. As a result, it is important for you to read carefully and understand the information on Volpara, the Acquisition and the Retail Entitlement Offer made publicly available, prior to deciding whether to take up all or part of your Entitlement or do nothing in respect of your Entitlement. In particular, please refer to this Retail Entitlement Offer Booklet and other announcements made available at www.asx.com.au (ASX: VHT) (including announcements which may be made by Volpara after publication of this Retail Entitlement Offer Booklet).

Please consult with your stockbroker, accountant or other professional adviser if you have any queries or are uncertain about any aspect of the Retail Entitlement Offer or call the Volpara Offer Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) Monday to Friday from 8.30am to 5.30pm (Sydney time) during the Offer Period. You should also refer to the “Key Risks” section of the Investor Presentation included in Section 6.2 of this Retail Entitlement Offer Booklet.

3.5 Options available to you

If you are an Eligible Retail Shareholder, you may take any of the following actions. Each of these options may have a materially different outcome on any value you receive in respect of your Entitlement:

- (a) take up all or part of your Entitlement and, if you choose to do so, apply for Additional Shares up to a maximum number equal to your original Entitlement (see Section 3.5.1);
- (b) take up part of your Entitlement and allow the balance of your Entitlement to lapse (see Section 3.5.1); or
- (c) do nothing and allow all of your Entitlement to lapse (see Section 3.5.2).

3.5.1 If you wish to take up all or part of your Entitlement

If you wish to take up all or part of your Entitlement, please:

- (a) complete and return your personalised Entitlement and Acceptance Form with the requisite Application Monies;
- (b) pay your Application Monies via BPAY® on the internet or by telephone by following the instructions set out on your personalised Entitlement and Acceptance Form; or
- (c) if you are a New Zealand resident and unable to pay in Australian currency or use BPAY®, pay your Application Monies by international electronic funds transfer in accordance with the instructions set out on your personalised Entitlement and Acceptance Form,

in each case, by no later than 5.00pm (Sydney time) on Wednesday, 26 June 2019.

If you take up and pay for all or part of your Entitlement before the close of the Retail Entitlement Offer, it is expected that you will be issued New Shares on Wednesday, 3 July 2019. Volpara's decision on the number of New Shares to be issued to you will be final.

Please note that if you have more than one holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding. A separate Entitlement and Acceptance Form and payment of Application Monies must be completed for each separate Entitlement you hold.

Volpara also reserves the right (in its absolute discretion) to reduce the number of New Shares issued to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if Volpara believes their claims to be overstated or if they or their nominees fail to provide information to substantiate their claims to Volpara's satisfaction (see Section 7.6).

Ability to subscribe for Additional Shares

Eligible Retail Shareholders who subscribe for their **full** Entitlement may apply for Additional Shares up to a maximum number equal to their original Entitlement (i.e. 1 Additional Share for every 27 existing Shares held). To do this, please enter the number of Additional Shares you wish to subscribe for (up to a maximum number equal to your original Entitlement) in the field marked “*Application for Additional Shares*” on the Entitlement and Acceptance Form. The issue of Additional Shares remains at the discretion of the Board so there is no guarantee that you will receive Additional Shares and the Board does not represent that any Application for Additional Shares will be successful, in whole or in part. This means you may receive a lesser number of Additional Shares than you applied for.

The amount of Applications Monies you submit with your Application (refer to Section 3.6) must equal the Offer Price multiplied by the total number of New Shares, including any Additional Shares you are applying for. If you do not receive any or all of the Additional Shares you applied for, any excess Application Monies will be returned to you (without interest).

3.5.2 If you wish to do nothing

If you take no action, you will not be issued New Shares, your Entitlement will lapse, you will not receive any value for your Entitlement, and your shareholding in Volpara will be diluted following the close of the Entitlement Offer.

3.6 Payment

You can pay in the following ways:

- (a) by BPAY®;
- (b) by cheque; or
- (c) if you are a New Zealand resident and unable to pay in Australian currency or use BPAY®, by international electronic funds transfer.

Cash payments will not be accepted. Receipts for payment will not be issued.

Volpara will treat you as applying for as many New Shares (including any Additional Shares) as your payment will pay for in full.

3.6.1 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your application will not be recognised as valid.

Should you choose to pay by BPAY®, please note that:

- you do not need to submit your personalised Entitlement and Acceptance Form, but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 3.8 of this Retail Entitlement Offer Booklet; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares that is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (Sydney time) on Wednesday, 26 June 2019. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

3.6.2 Payment by cheque

For payment by cheque, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque in Australian currency for the amount of the Application Monies, payable to 'Volpara Retail Entitlement Offer' and crossed 'Not Negotiable'.

Your cheque must be:

- for an amount equal to A\$1.50 multiplied by the number of New Shares (including any Additional Shares) that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution.

Payment by cheque cannot be made in New Zealand dollars.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheque will be processed on the day of receipt. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares (including any Additional Shares) that you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your application will not be accepted, in which case any Application Monies will be refunded to you (without interest).

If you do not receive any or all of the Additional Shares you applied for, any excess Application Monies will be returned to you (without interest).

3.6.3 Payment by electronic funds transfer – New Zealand shareholders

If you are an Eligible Retail Shareholder who is resident in New Zealand and you are unable to pay in Australian currency or use BPAY®, you may apply for New Shares by making payment by international electronic funds transfer in accordance with the instructions on your personalised Entitlement and Acceptance Form or in accordance with the separate instructions provided to New Zealand resident shareholders. **Any payment under this option is likely to incur international transfer and currency conversion fees levied by your financial institution such that the amount received by Volpara in Australian dollars will be less than the amount remitted by you in New Zealand dollars. You will need to ensure that the amount paid by you takes into account any international transfer and currency conversion fees levied by your financial institution. Volpara will only issue New Shares based on the actual amount of Application Monies received by Volpara.** If your Application Monies do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares that is covered in full by the actual amount of Application Monies received by Volpara. If Application Monies received exceed your full Entitlement, you are deemed to have taken up your full Entitlement and separately you will be deemed to have taken up such whole number of Additional Shares that is covered in full by the amount that exceeds your full Entitlement, up to a maximum number equal to your full Entitlement. If you do not receive any or all of the Additional Shares covered by the amount that exceeds your Entitlement, any excess Application Monies will be returned to you in Australian dollars (without interest).

For processing and reconciliation, when making your payment, please add to the remittance advice your CRN which appears under the Biller Code on the front of the Entitlement and Acceptance Form and forward a copy of the remittance advice to the Share Registry, by post to the address below or by e-mail to corporateactions@boardroomlimited.com.au, as soon as the payment is made. Failure to do so may result in funds not being matched to your application and Volpara being unable to issue you New Shares under the Retail Entitlement Offer.

3.7 Mail or hand delivery

To participate in the Retail Entitlement Offer, your payment must be received no later than the close of the Retail Entitlement Offer, being 5.00pm (Sydney time) on Wednesday, 26 June 2019. If you make payment via cheque, you should mail or hand deliver your completed personalised Entitlement and Acceptance Form together with Application Monies to:

Mailing Address	Hand Delivery Address
Volpara Health Technologies Limited C/- Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001	Volpara Health Technologies Limited C/- Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 <i>(Please do not use this address for mailing purposes)</i>

Personalised Entitlement and Acceptance Forms and Application Monies will not be accepted at Volpara's registered or corporate offices, or other offices of the Share Registry.

3.8 Representations by acceptance

By completing and returning your personalised Entitlement and Acceptance Form and cheque, or making a payment by BPAY[®] or, if you are a resident of New Zealand, by international electronic funds transfer, you will be deemed to have represented to Volpara that you are an Eligible Retail Shareholder and:

- acknowledge that you have read and understood this Retail Entitlement Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Entitlement Offer Booklet (including Section 7.5), and Volpara's constitution;
- authorise Volpara to register you as the holder(s) of New Shares allotted to you;
- declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- acknowledge that once Volpara receives your personalised Entitlement and Acceptance Form and cheque or any payment of Application Monies via BPAY[®] or, if you are a resident of New Zealand, by international electronic funds transfer, you may not withdraw your application or the Application Monies submitted, except as allowed by law;
- agree to apply for, and be issued up to, the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY[®] or cheque or, if you are a resident of New Zealand, by international electronic funds transfer, at the Offer Price per New Share;
- authorise Volpara, the Underwriter, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being registered in your name on the Record Date;
- acknowledge that the information contained in this Retail Entitlement Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that this Retail Entitlement Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Volpara and is given in the context of Volpara's past and ongoing continuous disclosure announcements to ASX;

- acknowledge the statement of risks in the “Key Risks” section of the Investor Presentation contained in Section 6.2 of this Retail Entitlement Offer Booklet, and that investments in Volpara are subject to those risks and other risks;
- acknowledge that you have taken the “Key Risks” section of the Investor Presentation contained in Section 6.2 of this Retail Entitlement Offer Booklet into account when applying for New Shares;
- acknowledge that none of Volpara, the Underwriter, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of Volpara, nor do they guarantee the repayment of capital;
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- authorise Volpara to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- represent and warrant (for the benefit of Volpara, the Underwriter and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- acknowledge and agree that:
 - determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Volpara and / or the Underwriter;
 - each of Volpara and the Underwriter, and each of their respective affiliates, disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- represent and warrant that the law of any place does not prohibit you from being given this Retail Entitlement Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- represent and warrant (for the benefit of Volpara, the Underwriter and their respective related bodies corporate and affiliates) that you are not in the United States and you are not acting for the account or benefit of a person in the United States;
- you understand and acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States, and therefore the New Shares may not be offered, sold or otherwise transferred, directly or indirectly, except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws;
- you are subscribing for the New Shares in an ‘offshore transaction’ (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act;
- you have not and will not send this Retail Entitlement Offer Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand, or to any person acting for the account or benefit of a person in the United States;
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Retail Entitlement Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person; and
- agree that you will not deposit any New Shares in any unrestricted American Depositary Receipt facility that has been or may be established with respect to the ordinary shares of Volpara until 40 days after the closing date of the Retail Entitlement Offer.

3.9 Enquiries

If you have not received, or you have lost, your personalised Entitlement and Acceptance Form, or have any questions, please contact the Volpara Offer Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) Monday to Friday from 8.30am to 5.30pm (Sydney time) during the Offer Period.

If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

4 AUSTRALIAN TAXATION CONSIDERATIONS

4.1 General

The section below provides a general summary of the Australian income tax, capital gains tax (**CGT**), goods and services tax (**GST**) and stamp duty implications of the Retail Entitlement Offer for certain Eligible Retail Shareholders.

This Section 4 does not constitute financial product advice as defined in the Corporations Act, is confined to taxation issues, and is only one of the matters investors need to consider when making a decision about their investments. Investors should seek advice from their own independent professional adviser before deciding whether to invest in Volpara.

The following tax comments in this Section 4 are based on the tax law in Australia in force as at the date of this Retail Entitlement Offer Booklet. Australian tax laws are complex. This summary is general in nature and is not intended to be an authoritative or complete statement of all potential tax implications for each investor or relied upon as tax advice. During the period of ownership of the New Shares by investors, the taxation laws of Australia, or their interpretation, may change. The precise implications of ownership or disposal will depend upon each investor's specific circumstances. Investors should seek their own independent professional advice on the taxation implications of receiving the Retail Entitlement Offer, holding or disposing of the New Shares, taking into account their specific circumstances.

The comments in this section deal only with the Australian taxation implications of the Retail Entitlement Offer if you:

- are a resident for Australian income tax purposes; and
- hold your existing Shares, and will hold New Shares, on capital account.

The comments do not apply to you if you:

- are not a resident for Australian income tax purposes;
- hold your Shares as revenue assets or trading stock (which will generally be the case if you are a bank, insurance company or carry on a business of share trading);
- are subject to the "TOFA provisions" in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to the Shares; or
- acquired the Shares in respect of which the Retail Entitlement Offer is issued under any employee share scheme or where the New Shares are acquired pursuant to any employee share scheme.

The taxation implications of the Retail Entitlement Offer will vary depending on your particular circumstances. Accordingly, you should seek and rely on your own professional advice before concluding on the particular taxation treatment that will apply to you.

Volpara and its officers, employees, taxation or other advisers do not accept any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences.

This taxation summary is general in nature. It is not, nor should it be relied on as, tax advice or financial product advice. It is strongly recommended that each Eligible Retail Shareholder seek its own independent professional tax advice applicable to its individual particular circumstances.

4.2 Issue of Entitlements

The issue of Entitlements should not, of itself, result in any amount being included in your assessable income.

4.3 Non-Resident CGT Withholding

Volpara will be issuing New Shares to investors pursuant to the Retail Entitlement Offer. In accordance with subsection 14-225(2) of the *Taxation Administration Act 1953* (Cth), the Company declares that, for the period from the date of this Retail Entitlement Offer Booklet until the date New Shares are issued under the Retail Entitlement Offer, all New Shares will be membership interests but will not be indirect Australian real property interests. Accordingly, investors should not have an

obligation to withhold any portion of the price paid for the New Shares under the Retail Entitlement Offer.

4.4 Exercise of Entitlements

Eligible Retail Shareholders who exercise their Entitlements will acquire New Shares. No assessable income or capital gain should arise for you on the exercise (i.e. taking up) of your Entitlements.

The New Shares will constitute an asset for CGT purposes.

If an Eligible Retail Shareholder takes up all or part of its Entitlement, the Shareholder will acquire New Shares in the Company with a cost base for CGT purposes of each New Share equal to the amount paid by the Shareholder for each New Share, plus certain non-deductible incidental costs incurred in acquiring those New Shares (if any).

The New Shares will be taken to be acquired on the date that the Entitlement in respect of the New Share is exercised.

4.5 Distributions on New Shares

Future distributions made in respect of New Shares will be subject to the same income taxation treatment as distributions made on existing Shares held in the same circumstances.

4.6 Disposal of New Shares

The disposal of a New Share (referred to in this section as a Share) will constitute a disposal for CGT purposes.

On disposal of a Share you will make a capital gain if the capital proceeds on disposal exceed the total CGT cost base of the Share. You will make a capital loss if the capital proceeds are less than the total reduced cost base of the Share.

Individuals, complying superannuation entities or trustees that have held Shares for at least 12 months after the date of the acquisition (not including the dates of acquisition and disposal of the Shares) should be entitled to a discount on the amount of any capital gain resulting from the disposal of the Shares (after the application of any current year or carry forward capital losses).

The CGT discount application is currently one-half for individuals and trustees and one-third for complying superannuation entities. The CGT discount is not available for companies that are not acting as trustee for another entity. In relation to trusts, the CGT discount rules are complex, but the discount may flow through to presently entitled beneficiaries of the trust where the beneficiary would themselves be entitled to apply the CGT discount. Trustees should seek specific tax advice regarding the tax consequences arising to beneficiaries because of the CGT discount.

If a capital loss arises on disposal of the Shares, the capital loss can only be used to offset capital gains, and cannot be used to offset ordinary income. However, the capital loss can be carried forward to use in future income years if the loss cannot be used in a particular income year, subject in some cases to the investor satisfying certain rules relating to the recoupment of carried forward losses.

4.7 Entitlements not taken up

As described in Section 3.5.2 above, any Entitlement not taken up under the Retail Entitlement Offer will lapse and the Eligible Retail Shareholder will not receive any consideration for those Entitlements. In this circumstance, there should not be any tax implications for the Eligible Retail Shareholder.

4.8 Tax file number and Australian business number withholding

If a Shareholder has provided its Australian business number (**ABN**), tax file number (**TFN**) or claimed an exemption from quoting its TFN in respect of an existing Share, this will also apply in respect of any New Shares acquired by that Shareholder.

If a Shareholder has not provided its ABN, TFN or claimed an exemption, income tax may be required to be deducted and withheld by Volpara for any distributions at the highest marginal tax rate plus the Medicare levy.

4.9 Other Australian taxes, including GST

No Australian GST will be payable by Eligible Retail Shareholders in respect of the issue or exercise of the Entitlements or the acquisition of New Shares pursuant to the Retail Entitlement Offer.

An Australian resident investor registered for GST may not be entitled to claim full input tax credits in respect of GST on expenses incurred relating to the acquisition, redemption or disposal of the New Shares (e.g. lawyers' and accountants' fees).

Investors should seek their own tax advice on the impact of GST in their own particular circumstances.

On the basis that no investor, together with their associates, should exceed the landholder acquisition threshold for a listed entity (being 90%), no stamp duty should be payable by investors on the acquisition of the New Shares.

Investors should seek their own tax advice as to the impact of stamp duty in their own particular circumstances.

5 NEW ZEALAND TAXATION CONSIDERATIONS

5.1 General

The section below provides a general summary of the New Zealand income tax and goods and services tax (**NZ GST**) of the Retail Entitlement Offer for certain Eligible Retail Shareholders.

The comments in this section deal only with the New Zealand taxation implications of the Retail Entitlement Offer if you:

- are a resident for New Zealand income tax purposes; and
- hold your Shares on capital account.

The comments do not apply to you if you:

- are not a resident for New Zealand income tax purposes;
- hold your Shares as revenue account property or trading stock (which will generally be the case if you acquired the Shares with a dominant purpose of disposal, or you are a bank, insurance company or carry on a business of share trading); or
- where the New Shares are acquired pursuant to any employee share scheme.

The taxation implications of the Retail Entitlement Offer will vary depending on your particular circumstances. Accordingly, you should seek and rely on your own professional advice before concluding on the particular taxation treatment that will apply to you.

Volpara and its officers, employees, taxation or other advisers do not accept any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences.

This taxation summary is general in nature. It is not, nor should it be relied on as, tax advice or financial product advice. It is strongly recommended that each Eligible Retail Shareholder seek its own independent professional tax advice applicable to its individual particular circumstances.

5.2 Issue of Entitlements

The issue of Entitlements should not, of itself, result in any amount being included in your assessable income. The acquisition of the Entitlements should be characterised as flowing from the capital rights of your existing Shares and should therefore be treated as being held on capital account for New Zealand income tax purposes.

5.3 Exercise of Entitlements

Eligible Retail Shareholders who exercise their Entitlements will acquire New Shares. The exercise of any Entitlements under the Offer by you is not likely to give rise to any assessable income for New Zealand income tax purposes, provided you hold your existing Shares on capital account, notwithstanding that the New Shares are being acquired at a discount to the market price of the shares before the exercise of the Entitlements.

5.4 Distributions on New Shares

Future distributions made in respect of New Shares will be subject to the same income taxation treatment as distributions made on existing Shares held in the same circumstances.

5.5 Disposal of New Shares

Provided the New Shares were held by you on capital account, the disposal of a New Share will not give rise to any New Zealand income tax consequences. Shareholders will generally be considered to hold the New Shares on capital account where they did not acquire the New Shares with the dominant purpose of reselling or disposing the New Shares and they are not in the business of dealing in shares.

5.6 Entitlements not taken up

As described in Section 3.5.2 above, any Entitlement not taken up under the Retail Entitlement Offer will lapse and the Eligible Retail Shareholder will not receive any consideration for those Entitlements. In this circumstance, there should not be any tax implications for the Eligible Retail Shareholder.

5.7 Tax file number and withholding

If a Shareholder has provided its IRD number or a withholding tax exemption certificate in respect of an existing Share, this will also apply in respect of any New Shares acquired by that Shareholder.

If a Shareholder has not provided its IRD number, or provided a withholding tax exemption certificate, income tax may be required to be deducted and withheld by Volpara for any distributions at the highest marginal tax rate.

5.8 NZ GST

No NZ GST will be payable by Eligible Retail Shareholders in respect of the issue or exercise of the Entitlements or the acquisition of New Shares pursuant to the Retail Entitlement Offer.

6 ASX ANNOUNCEMENTS

6.1 Acquisition and Capital Raising Announcement dated 3 June 2019



ASX ANNOUNCEMENT

VOLPARA TO ACQUIRE MRS SYSTEMS, INC. AND LAUNCH CAPITAL RAISING

Wellington, NZ, 3rd June 2019: Volpara Health Technologies Limited (**Volpara**; ASX: VHT), a medical technology company whose AI imaging algorithms assist the early detection of breast cancer, has today entered into a binding agreement to acquire US-based MRS Systems, Inc. (**MRS**) and launched a fully underwritten \$55m equity capital raising to fund both the acquisition and further organic growth.

Highlights

- Volpara has agreed to acquire MRS for US\$14.59 million¹ (~A\$21.15 million²) (**Acquisition**)
- MRS is a medical software company that provides comprehensive patient tracking, and communication, and a radiology reporting platform, for sub-specialty radiology applications including breast and lung imaging
- A leading provider of breast clinic management software, MRS has an estimated ~20% market share of breast clinics in the US, with its software used in more than 1700 breast clinics, and is forecasting Annual Recurring Revenue (**ARR**) of ~US\$4.5million for FY19 (year ending 31 December 2019), and along with capital sales, expects ~US\$7.5m total revenue for FY19
- The Acquisition provides Volpara with an expanded and mature presence in the US, with an enlarged sales footprint and technical support; product suites that are highly complementary - creating cross-selling opportunities for both MRS and Volpara; the combination of MRS clinical data and Volpara images will enrich Volpara's AI capability
- To fund the Acquisition (and costs) and to fund further organic growth, Volpara will launch a fully underwritten equity capital raising consisting of an institutional placement to raise A\$45 million and a pro rata accelerated non-renounceable entitlement offer to raise approximately A\$10 million (**Capital Raising**)
- Completion of the Acquisition is expected to occur around mid-June 2019, subject to the satisfaction of customary conditions precedent

ACQUISITION DETAILS

Overview

Volpara has today (Sydney time) entered into a binding merger agreement to acquire 100% of the issued share capital of MRS for total consideration of US\$14.59 million (~A\$21.15 million²), subject to certain purchase price adjustments at completion (including for working capital).

Strategic rationale for the Acquisition

The Acquisition is consistent with Volpara's goal to save families from breast cancer through the use of AI imaging algorithms to assist the early detection of breast cancer. Application of AI requires well-curated data, and the combination of the two companies opens up that potential. The integration of MRS' solution instantly increases the number of US clinics to which Volpara has access from ~400 to over 2,000 (an increase of more than 400%). This access will provide a platform to enable many more women to benefit from Volpara's personalised risk assessment and enhanced patient-outcome tracking while generating the massive amounts of data that optimise AI. The combination of MRS' clinical data and Volpara's breast images and algorithms provides the basis for more complete products, greater customer support through more efficient workflow, and ultimately more accurate risk-

¹ The final purchase price will be adjusted for certain purchase price adjustments (including working capital)

² Assumes an exchange rate of A\$1.42 – US\$1.00



detection tools powered by AI, as well as increased revenue and enhanced profitability for both companies.

In the shorter term, it is expected that the Acquisition will provide Volpara with:

- a much stronger US presence, technical expertise, and a mature, experienced US HQ based in Seattle
- a significant increase in ARR
- accelerated sales through cross-selling opportunities
- increased potential ARPU (annual revenue per user) through new products for the sales team

Volpara CEO, Dr Ralph Highnam, commenting on the Acquisition, said: *"We've been talking to MRS for many years and have been extremely impressed with the quality of the people and the products they build. So I'm very happy to now announce that we are combining to create a world-class entity with a strong US base and an extended range of integrated products which will help detect breast cancer earlier."*

FUNDING

Volpara is issuing further equity to fund the purchase price for MRS (including the associated costs of the transaction) and to fund further organic growth. The fully underwritten equity raising comprises:

- a placement to institutional shareholders at an offer price of A\$1.50 per new share (**Offer Price**) to raise A\$45 million (**Placement**); and
- a 1 for 27 pro rata accelerated non-renounceable entitlement offer to Eligible Shareholders (**Entitlement Offer**) that hold Volpara shares (**Shares**) at 7:00 pm (Sydney time) on Wednesday, 5 June 2019 (**Record Date**) at the Offer Price to raise approximately A\$10 million.

The Offer Price for each new Volpara share (**New Share**) of A\$1.50 represents:

- an 18.9% discount to the last closing price of the Shares on ASX on Friday, 31 May 2019, being A\$1.85;
- a 14.9% discount to the 30 day VWAP of the Shares on ASX; and
- a 16.2% discount to the theoretical ex-rights price (**TERP**) of the Shares, being \$1.79.³

The Capital Raising is lead managed, and fully underwritten, by Bell Potter Securities Limited (**Bell Potter**). Morgans Corporate Limited has been appointed as a co-lead manager.

Placement and Institutional Entitlement Offer

In addition to the Placement, eligible institutional shareholders of Volpara are being invited to participate in the accelerated institutional component of the Entitlement Offer (**Institutional Entitlement Offer**). Any New Shares that would have been issued in respect of institutional entitlements not taken up by eligible institutional shareholders by the close of the Institutional Entitlement Offer and the New Shares that would have been issued to ineligible institutional shareholders (had such ineligible institutional shareholders taken up their entitlements) (**Institutional Shortfall Shares**), will be offered through an institutional shortfall bookbuild expected to be conducted on Tuesday, 4 June 2019 (**Institutional Shortfall Bookbuild**).

Volpara shares have been placed in a trading halt while the Placement, Institutional Entitlement Offer and Institutional Shortfall Bookbuild are undertaken.

³ TERP is the theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer based on the last traded price and issue of Shares at the offer price in the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Volpara shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP.



Settlement of the New Shares issued under the Placement, the Institutional Entitlement Offer and the Institutional Shortfall Bookbuild is expected to occur on Wednesday, 12 June 2019, with allotment of New Shares expected to occur on Thursday, 13 June 2019.

The New Shares to be issued under the Placement will be issued within Volpara's existing placement capacity under ASX Listing Rules 7.1 and 7.1A.

Retail Entitlement Offer

Eligible Retail Shareholders will be entitled to participate in the retail component of the Entitlement Offer (**Retail Entitlement Offer**) which will open on Tuesday, 11 June 2019 and will close at 5:00 pm (Sydney time) on Wednesday, 26 June 2019.

Eligible Retail Shareholders are those shareholders with a registered address in Australia or New Zealand at the Record Date who were not invited to participate in the Institutional Entitlement Offer. Volpara considers it is unreasonable to extend the Retail Entitlement Offer to shareholders with registered addresses in jurisdictions outside Australia and New Zealand having regard to the small number and nominal value of New Shares that would be offered in such jurisdictions and the cost of complying with the legal and regulatory requirements in those jurisdictions.

In addition to each Eligible Retail Shareholder's entitlement under the Retail Entitlement Offer, Eligible Retail Shareholders will also be offered the opportunity to subscribe for additional New Shares, up to a maximum number of additional New Shares equal to each Eligible Shareholder's initial entitlement, but only to the extent that there is a shortfall under the Entitlement Offer (**Shortfall Facility**) and at the Board's absolute discretion. Any New Shares that are not taken up by Eligible Retail Shareholders (whether on exercise of any entitlement or under the Shortfall Facility) will be subscribed for by Bell Potter as underwriter.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferrable.

Each New Share will rank equally with existing Shares on issue. Volpara will seek quotation of the New Shares issued under the Placement and the Entitlement Offer on ASX.

An investor presentation which provides further details on the Acquisition, the Company's business operations and strategy, and on the Placement and Entitlement Offer, was lodged with ASX today and is also available to shareholders outside the United States at the Company's website at www.volparasolutions.com. The retail entitlement offer booklet for the Retail Entitlement Offer (**Retail Entitlement Offer Booklet**) will be released to the ASX separately and will be mailed to all Eligible Retail Shareholders on Tuesday, 11 June 2019.

Indicative Timetable**

Event	Date (2019)
Trading halt request Announcement of the Acquisition and Capital Raising	Before market open on Monday, 3 June
Conduct of Placement and Institutional Entitlement Offer	Monday, 3 June and Tuesday, 4 June
Institutional Shortfall Bookbuild	Tuesday, 4 June
Announcement of results of Placement and Institutional Entitlement Offer Trading halt lifted and trading resumes on an ex-entitlement basis	Before market open on Wednesday, 5 June
Record Date for eligibility to participate in the Entitlement Offer	7:00 pm (Sydney time) on Wednesday, 5 June

Event	Date (2019)
Retail Entitlement Offer Booklet and Entitlement and Acceptance Form despatched to shareholders	Tuesday, 11 June
Retail Entitlement Offer opens	Tuesday, 11 June
Settlement of New Shares under the Placement and the Institutional Entitlement Offer	Wednesday, 12 June
New Shares allotted and issued under the Placement, the Institutional Entitlement Offer and the Institutional Shortfall Bookbuild	Thursday, 13 June
New Shares allotted and issued under the Placement, the Institutional Entitlement Offer and the Institutional Shortfall Bookbuild commence trading on ASX on a normal settlement basis and despatch of holding statements	Friday, 14 June
Closing Date of Retail Entitlement Offer	5:00 pm (Sydney time) on Wednesday, 26 June, unless extended
Announcement of results of Retail Entitlement Offer (including any shortfall)	Monday, 1 July
Settlement of Retail Entitlement Offer and New Shares allotted and issued under the Retail Entitlement Offer	Wednesday, 3 July
New Shares issued under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis	Thursday, 4 July
Despatch of holding statements for New Shares issued under the Retail Entitlement Offer	

*** These dates are indicative only and are subject to change. Volpara reserves the right, subject to the Corporations Act 2001 (Cth) and the ASX Listing Rules, to amend this indicative timetable. In particular, Volpara reserves the right to extend the Closing Date, accept late applications under the Entitlement Offer (either generally or in particular cases), and withdraw or vary the Placement or Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the date for the allotment and issue of New Shares. Volpara will consult with Bell Potter in relation to any change to this indicative timetable and any such change may require the consent of the Bell Potter.*

INVESTOR PRESENTATION

Further details of the Acquisition and the Capital Raising are set out in the investor presentation also provided to ASX today. The investor presentation contains important information including the terms and effects of the Acquisition, key risks relating to the Acquisition, and an investment in Volpara shares and foreign selling restrictions with respect to the Capital Raising. Any person considering an investment in Volpara should read the investor presentation, including the key risks, in its entirety and seek their own independent advice before making any decision in this regard.

INVESTOR CONFERENCE CALL

Investors are invited to join a conference call hosted by CEO, Dr Ralph Highnam, CFO, Craig Hadfield, and CCO, Mark Koeniguer on Wednesday, 5 June 2019 at 11.00 am (Sydney time).

To register, please follow this link:

<https://services.choruscall.com.au/diamondpass/volpara-10000454-invite.html>

You will receive a calendar notification with dial-in details and a PINK for fast track access to the call.

RETAIL ENTITLEMENT OFFER

For further information on, or if you have any questions in respect of, the Retail Entitlement Offer, you may call the Volpara Offer Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) Monday to Friday from 8.30 am to 5.30 pm (Sydney time), during the retail offer period, being 11 June 2019 until 26 June 2019.

ENDS.

For further information, please contact:

Ralph Highnam, CEO
Volpara Health Technologies Limited
ralph.highnam@volparasolutions.com
T: +64 21 149 0541

ABOUT VOLPARA HEALTH TECHNOLOGIES LIMITED (ASX:VHT)

VHT is a MedTech SaaS company founded in 2009 on research originally conducted at Oxford University. VHT's clinical applications for screening clinics provide feedback on breast density, compression, dose, and quality, while its enterprise-wide software, VolparaEnterprise, provides role-specific dashboards and wide-ranging benchmarking analytics to help clinics manage their business more efficiently.

VHT's technology and services have been used by customers and/or research projects in 38 countries and are supported by numerous patents, trademarks, and regulatory clearances, including FDA clearance and CE marking. Since its listing on the ASX in April 2016, VHT has raised A\$40 million, including A\$20 million in April and May 2018. VHT is based in Wellington, New Zealand.

For more information, visit www.volparasolutions.com.

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This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act of 1933 and any applicable US state securities laws.

This announcement contains certain "forward-looking statements". Forward-looking statements can generally be identified by the use of forward-looking words such as "forecast", "estimate", "likely", "anticipate", "believe", "expect", "future", "project", "opinion", "opportunity", "predict", "outlook", "guidance", "intend", "should", "could", "may", "target", "plan", "propose", "to be", "foresee", "aim", "will", and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements, and include statements in this announcement regarding the conduct and outcome of the Capital Raising, the use of the proceeds, and the Acquisition. Forward-looking statements, opinion, and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements including projections and guidance on future earnings and estimates are provided as a general guide only and should not be relied on as an indication or guarantee of future performance and may involve significant elements of subjective judgement, assumptions as to future events that may not be correct, known and unknown risks, uncertainties, and other factors, many of which are outside the control of Volpara. A number of factors could cause actual results, performance, or achievements to vary materially from any forward-looking statements and the assumptions on which statements are based, including but not limited to the risk factors set out in the investor presentation released by Volpara to ASX today. Except as required by applicable law or regulation (including the ASX Listing Rules), Volpara undertakes no obligation to provide any additional or updated information or update any forward-looking statements, whether as a result of new information, future events or results, or otherwise.

The Information in this announcement is of general background and does not purport to be complete. It should be read in conjunction with Volpara's other periodic and continuous disclosure announcements lodged with ASX Limited, which are available at www.asx.com.au. You are advised to read these Important Notices carefully before reading or making any other use of this announcement or any information contained in this announcement. In accepting this announcement, you agree to be bound by these terms and conditions, including any modifications to them.

6.2 Investor Presentation dated 3 June 2019

Acquisition of MRS Systems, Inc. and A\$55m Capital Raising



*A Global MedTech SaaS Company
using AI to personalize breast care.*

Not for release to US wire services or distribution in the United States

Important Notice & Disclaimer

This investor presentation (**Presentation**) is dated 3rd June 2019 and has been prepared by Volpara Health Technologies Limited (**Volpara VHT** or the **Company**) in connection with the proposed acquisition by Volpara of MRS Systems, Inc. (**MRS**) (**Acquisition**) and includes information regarding an institutional placement and entitlement offer by Volpara of new fully paid ordinary shares (**New Shares**) (**Offer**) in part to fund the consideration to be paid by Volpara for the Acquisition.

Summary information

The information in this Presentation is of a general background nature, is in summary form and does not purport to be complete. It does not contain all information relevant or necessary for an investment decision or that would be required to be included in a prospectus under the Corporations Act 2001 (Cth) (**Corporations Act**) for an offer of securities in Australia. It should be read in conjunction with Volpara's most recent financial report and other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (**ASX**) available at www.asx.com.au. The content of this Presentation is provided as at the date of this Presentation (unless otherwise stated). The information in this Presentation is subject to change without notice. No representation or warranty, express or implied, is made by Volpara or any of its advisers as to the accuracy, adequacy or reliability of any information contained in this Presentation.

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Financial data

Prospective investors should note that this Presentation contains pro forma historical and forecast financial information. In particular, pro forma financial information has been prepared by Volpara based on the audited Volpara financial statements as at 31 March 2018, the unaudited 31 March 2019 management accounts and the unaudited management accounts relating to MRS as at 31 December 2018. The historical and pro forma financial information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of Volpara's views on its future financial condition and / or performance. The pro forma historical financial information included in this Presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission. Investors should also be aware that certain financial data included in this Presentation are "non-GAAP financial measures" under Regulation G of the U.S. Securities Exchange Act of 1934, as amended. These measures include "CAGR", "Annual Recurring Revenue", "Annual Revenue Per User (ARPU)" and "Enterprise Value (EV)". The disclosure of such non-GAAP financial measures in the manner included in this Presentation may not be permissible in a registration statement under the Securities Act. These non-GAAP financial measures do not have a standardized meaning prescribed by New Zealand Equivalents to International Financial Reporting Standards (**NZ IFRS**) and therefore may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with NZ IFRS. Although the Company believes these non-GAAP financial measures provide useful information to users in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-GAAP financial measures included in the Presentation. All references starting with "FY" refer to the financial year for Volpara ended 31 March in each year. For example, "FY2018" refers to the financial year ending 31 March 2018. Certain figures, amounts, percentages, estimates, calculations of value and fractions provided in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

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The Lead Manager Parties may, from time to time, have interests in the shares or other securities of Volpara, including by providing investment banking services to Volpara. Further, they may act as market maker or buy or sell those securities or associated derivatives as principal or agent, and may earn brokerage, fees or other benefits from Volpara. The Lead Manager will receive fees for acting in its capacity as lead manager to the Offer.

Acceptance

By attending an investor presentation or briefing, or accepting, accessing or reviewing this Presentation, you acknowledge and agree to the terms set out in this section of the Presentation titled 'Important Notice & Disclaimer'.



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Executive Summary

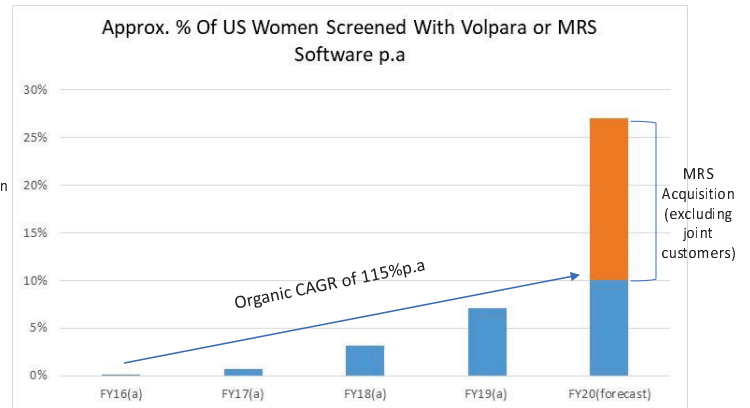
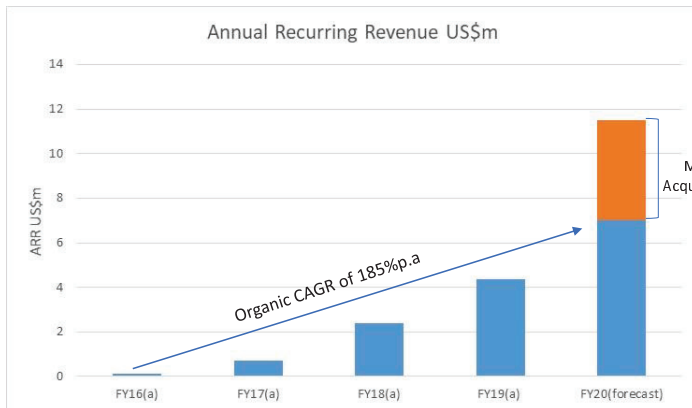
- **Volpara Health Technologies ("Volpara") is a Software-As-A-Service ("SaaS") company that utilises AI to improve the early detection of breast cancer by analysing breast images ("mammograms")**
 - Volpara®Density & Volpara®Live! provide automated, objective decision support at the clinic
 - Volpara®Enterprise provides Cloud-based trend analytics to help breast imaging clinics manage quality & productivity
 - Our aim is to use AI to personalize breast care to reduce the 500,000 deaths from breast cancer each year
- **Volpara's software is experiencing rapid uptake in the US market (39m screenings p.a.)**
 - ~7% of US women screened at end of FY19 (2.8m women) used Volpara software, forecast to grow to 10% in FY20
 - Forecast ARR of US\$7.0m in FY20¹ (midpoint of guidance)
 - ARR is expected to have grown with a CAGR of 185% p.a. from FY16 to FY20f
 - Gross margin ~83% with a relatively fixed cost base
 - Built a 'competitive moat' – Intellectual property, clinical validation, regulatory approvals and 'marquee' clinics
- **Volpara has entered into an agreement to acquire 100% of Seattle based MRS Systems Inc. ("MRS") for ~US\$14.6m²:**
 - A leading provider of breast clinic practice management software
 - ~50 employees and ~20% US market share - ~1,700 breast imaging clinics
 - FY20 forecast Annual Recurring Revenue of ~US\$4.5m
 - Clinical data held by MRS could make the Volpara-held images & analytics far more useful
 - **Combination provides a pathway to increase ARPU from US\$2.20 towards US\$10, which gives a TAM of US\$390M ARR in US**
- **The Company is conducting a fully underwritten A\$55m capital raising at A\$1.50 per share via a:**
 - A\$45m Placement to Institutional and Sophisticated Investors
 - ~A\$10m 1 for 27 Fully Underwritten Accelerated Non-Renounceable Rights Issue to existing shareholders
 - Funds the purchase of MRS for ~US\$14.6m² and ~A\$30m to expand the team and support growth over next 3 years.



1 – Based on exchange rates, 13th May 2019
2 – Less adjustments

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Strong Growth in Key Metrics



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Impact of Acquisition on Financial Metrics

	volpara [®] health technologies	+	MRS Medical Reporting Software	volpara [®] health technologies	POST TRANSACTION
Annualized Revenue (FY20f)	US\$5.3m		US\$7.5m ¹	US\$12.8m ¹	↑142%
ARR (FY20f) mid-point of guidance for VHT	US\$7.0m ²		US\$4.5m	US\$11.5m	↑64%
No of Customers (at Mar-19)	128 ³		552	655 ⁴	↑412%
% Of US Women Screened Using a Volpara/MRS product (FY20f)	10%		20% ⁵	27% ^{4,5}	↑170%
Net Cash (at Mar-19)	A\$13.6m		-	A\$45.2m ⁶	↑232%
EV ⁷ / FY20 Revenue	35.8x		2.0x ⁸	14.8x	↓59%
EV ⁷ / FY20 ARR	27.1x		3.3x ⁸	16.5x	↓39%

1 - Might differ due to US GAAP v IFRS, assumes MRS business continues as capital, reported revenues will be lower than the annualized value shown.

2 - Mid point of guidance

3 - VolparaEnterprise US customers only

4 - Assumes 20% overlap of customers

5 - Assumes MRS clinics screen a US average number of women per clinic

6 - Includes cash raised under the capital raising and associated costs

7 - Assuming EV (A\$269.7m @ A\$1.50) remains unchanged after acquisition

8 - Multiple calculated using acquisition price of ~US\$14.6m, that will change with adjustments

Note the above assumes: USD/AUD 1.42 USD/NZD 1.51 AUD/NZD 1.06 & Volpara Year End is March 31st



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Attractive Recurring Revenue Model

- Volpara calculates ARPU as US\$ per woman screened
- Current ARPU of ~US\$2.20¹ per woman screened at end of FY19
- ARPU is ultimately a blend of:
 - Fee per woman screened (major component)
 - Annual licence fees per user at each clinic (small component)
- ARPU is increasing with a “Land & Expand” SaaS strategy:
 - Organic growth based on ROI stories we are now amassing (ARPU up 37% FY19 to FY18)
 - Selling new products, such as VolparaLive!
 - Looking to sell 3rd party products
- Our revenue model is attractive because:
 - It is recurring
 - Most new contracts signed are on a 5-year term
 - Paid annually upfront - great for cashflow
 - Number of woman screened is effectively ‘take or pay’

VOLPARA’S AIM IS TO GET TO

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

VolparaEnterprise

VolparaDensity

VolparaLive!

Risk Assessment

Computer-Aided Detection

Mammo Information System

**Volpara + MRS will increase ARPU
and thus sales productivity**



¹US Enterprise customers in FY19

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The Global Market – 75M Screenings per Year

- Total global addressable market is estimated at approximately 75M² screenings per year
- Volpara is already installed in 38 countries, including in major trials in Europe and elsewhere

Volpara’s Total Addressable Market is US\$750m ARR globally, assuming we can get to US\$10 ARPU

Volpara Global Coverage¹



38
COUNTRIES
and growing...



¹Clinical & research users

²Management estimates/market research

AI for the early detection of breast cancer 8

Summary of Transaction Rationale & Potential Synergies

SHORT TERM

- ✓ Acquisition is consistent with Volpara's ambition to 'win' the US market
- ✓ Significant increase in Volpara's ARR
- ✓ Provides us a mature, experienced HQ in the US to leverage off
- ✓ Provides us technical expertise in interfacing
- ✓ **Accelerated sales:**
 - Ability to cross-sell Volpara product into MRS installed base
 - Ability to cross-sell MRS software, such as risk assessment into Volpara installed base
 - Gain an experienced additional US based sales team to further drive growth
 - Gives Volpara increased access to the DoD & Veteran organizations in the US
- ✓ **Increased ARPU:**
 - More products for each sales person to sell
 - Accelerate products to market such as risk assessment
- ✓ **Less likelihood of churn:**
 - Better integrated, more powerful & sticky products
 - Mature customer support team based in time-zone

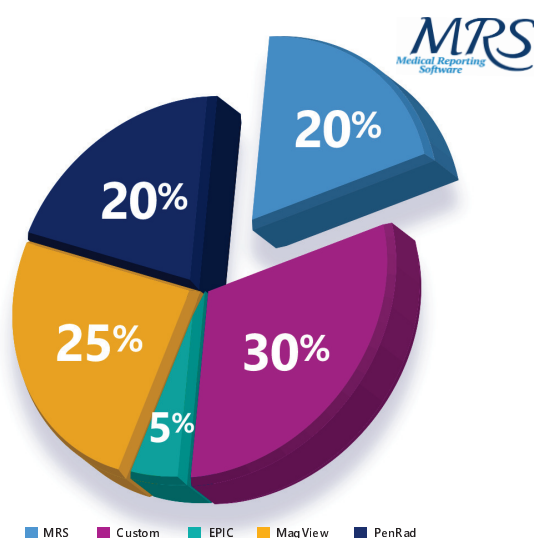
MEDIUM TERM

- ✓ Consolidation of costs around sales, IT implementations, support and service.
- ✓ Convert MRS sites to pure SaaS recurring revenue using Volpara experience and expertise
- ✓ Next generation of tightly integrated analytics products



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Mammography Information Systems (MIS) Market Landscape



- All breast imaging clinics have an MIS for practice management, patient tracking, reporting, compliance and reimbursement management.
- MRS, PenRad, MagView¹ are the major players in MIS in US, it is very specialized versus the more generic Electronic Patient Record companies, such as EPIC.
- MIS are highly embedded and 'sticky'. Clinics reluctant to change MIS unless compelling new features added.
- Market is relatively stagnant and lacking innovation, thus ready for disruption.
- Volpara when tightly integrated with MRS will become compelling enough to win market share.



¹ Estimates based on public sources and management observations, there are many smaller players also.

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Overview of MRS Systems Inc.

MRS Systems, Inc. is a leading player in the Mammography Information Systems (MIS) sector in the US.

- Founded 1987 in Seattle, USA with ~50 employees
- Bootstrapped to date, no outside investment
- Founders are no longer involved in day-to-day operations
- Profitable, relatively flat revenues, Gross Margin > 90%
- Experienced management team in place

Software specifically designed for breast (& lung) imaging clinics:

- Provides structured reporting and patient communications
- Aids regulatory, audit and reimbursement compliance
- Provides clinical and business intelligence
- Has integration & interoperability with many IT systems

Value proposition of MRS to customers:

- **Automation** – limits manual work of clinical staff, more time to focus on patient care - simplifies and speeds up
- **Compliance Features** – minimise legal liability and maintain FDA approved status
- **Reimbursement** – help ensure no missed revenue

Rationale for acquisition of MRS



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High Quality Customer Base Proves Clinical Need

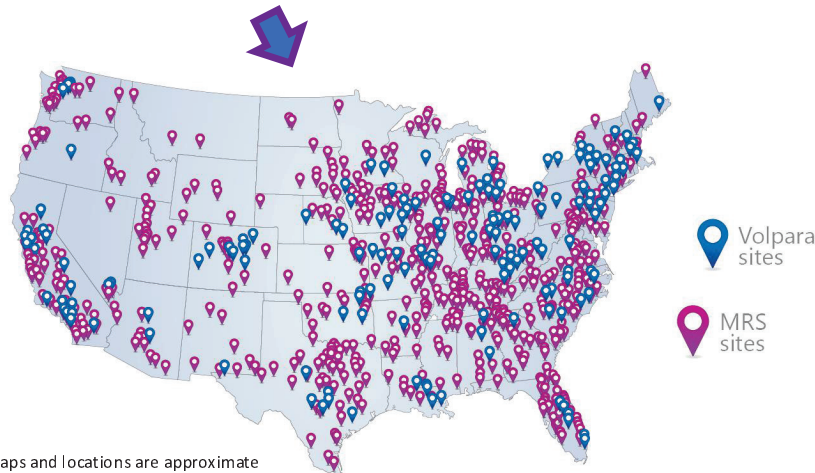
- Our customers are some of the largest and most respected cancer hospitals and imaging clinics globally. These 'Marquee' customers provide proof of clinical need and significantly aid our sales effort into the rest of the market
- MRS has a large number of high quality customers that Volpara has yet to penetrate, and vice versa



The customer trade marks (above) are the property of the Customer and are used for illustrative purposes only. No rights in or to the trade marks, no association, and no endorsement of our products on the part of the customer is intended or implied. Some sites might still be in the installation phase.

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US Market Penetration – Volpara & MRS



Maps and locations are approximate

- Volpara currently in ~407 clinics, with a concentration on the East Coast of the US
- MRS installed in ~1,700 clinics in a broad geographic spread across the US

Volpara + MRS will have much greater presence across the country, with significant cross-sell opportunities

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

The Washington Post
Democracy Dies in Darkness

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

THE AMERICAN SOCIETY OF
Breast Surgeons

- 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



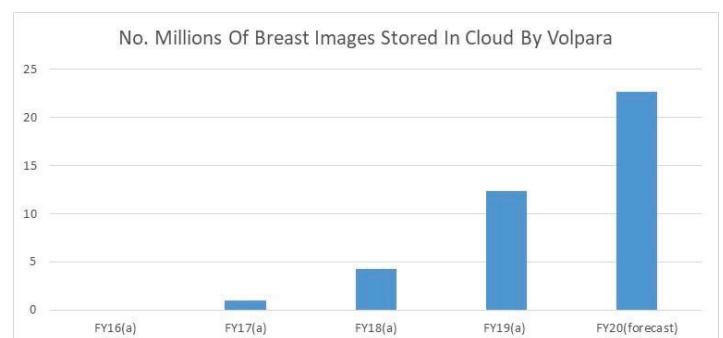
Volpara + MRS provides a far more complete and stickier solution, and brings in MRS's decades of interfacing experiencing and large installed base – we have critical mass



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Volpara is Accumulating One of the Most Valuable Datasets in e-health

- Personalized health care involves tough choices about screening protocols, surgery & treatment options, and increasingly about ways to prevent disease – the key to those choices is data
- Volpara has amassed a massive database of over 10m images in the Cloud – and growing rapidly
- These images are valuable to Volpara now, and will become ever more valuable, if we add clinical data alongside those images



MRS potentially gives us access to clinical data, making us one of the few global entities with a data set rich enough for predictive healthcare - Volpara is experienced in de-identification, Cloud and information security concerns.



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Volpara Aims to become the World's Leading Software Provider for Breast Care

Outlook & Priorities for FY2020 – Personalize Breast Care

1. “Light Touch” integration of Volpara & MRS with a focus on maintaining high growth rates into FY21
2. Begin selling MRS risk assessment & CAD products into Volpara customers for quick increase in ARPU
3. Expand the US sales team and roll-out further new products to increase ARPU
4. At least ~27% of US women screened using a Volpara/MRS product at end FY2020
5. Be ready for possibility of FDA mandating breast density reporting
6. Be ready for a positive trial result out of the Netherlands (DENSE, 9 year randomized control trial, 40K patients) – could drive substantial global interest and sales pipeline outside the US
7. Continue to have a strong global presence – support the trials in Europe, and keep growth in Asia
8. Start collecting and using the clinical data associated with the Volpara images



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Track Record of Driving ARR and Shareholder Value Creation



- Volpara has a track record of delivering ARR growth and in turn shareholder returns
- We aim to continue to drive rapid ARR growth into FY21 and beyond whilst maintaining a relatively stable cost base



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Volpara Software & Company Overview



*A Global MedTech SaaS Company
using AI to personalize breast care.*

Experienced Board of Directors



Paul Reid *Chairman*

- Joined the Board in 2018, based 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 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



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 in fields including machine vision and AI
- Current Professor of Oncological Imaging at Oxford



John Diddams *Non-Executive Director*

- 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
- Successful tech entrepreneur, and established VC
- Served on 2 Australian PMs' Science & Tech Councils Advisories

Experienced Management Team



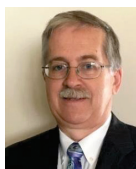
Mark Koeniguer *Chief Commercial Officer*

- 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 Strategy 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 *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



Ralph Highnam, PhD *Chief Executive Officer*

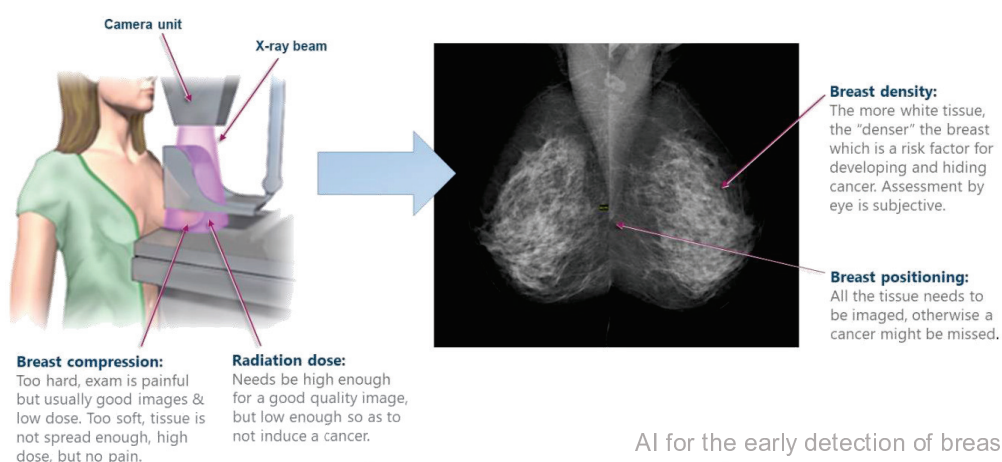
- PhD, AI and Breast Imaging, University of Oxford
- Former CEO of successful Mirada Solutions
- Co-founded Volpara (VHT) 2009, to exploit concepts from PhD work



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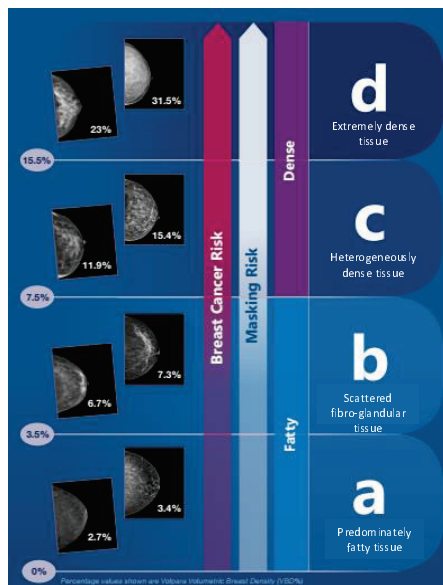
Overview of Volpara

- Our mission is to reduce the mortality and cost of breast cancer globally through AI powered software that allows control of high-quality screening, diagnosis and treatment
- Volpara is unique in measuring and reporting on the four key metrics at the point of screening: breast density, positioning, radiation dose & breast compression



AI for the early detection of breast cancer 22

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

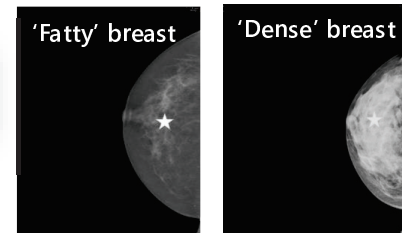
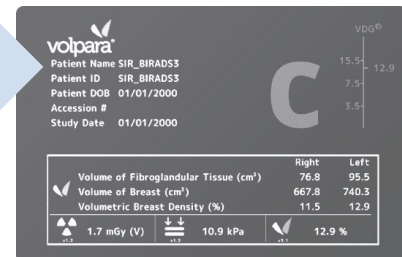
> 300 publications

Annals of Internal Medicine ORIGINAL RESEARCH
Automated and Clinical Breast Imaging Reporting and Data System Density Measures Predict Risk of Screen-Detected and Interval Cancers



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

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

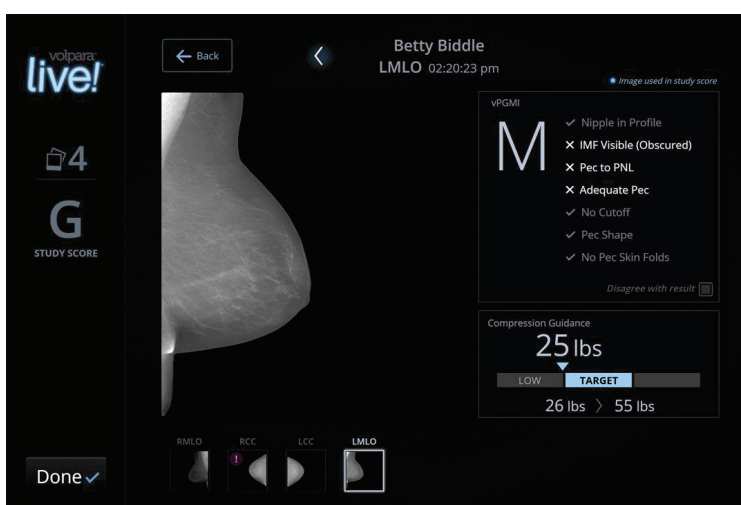


The white star mimics a cancer – easy to see in a fatty breast, much harder on a dense breast.



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Overview of VolparaLive!



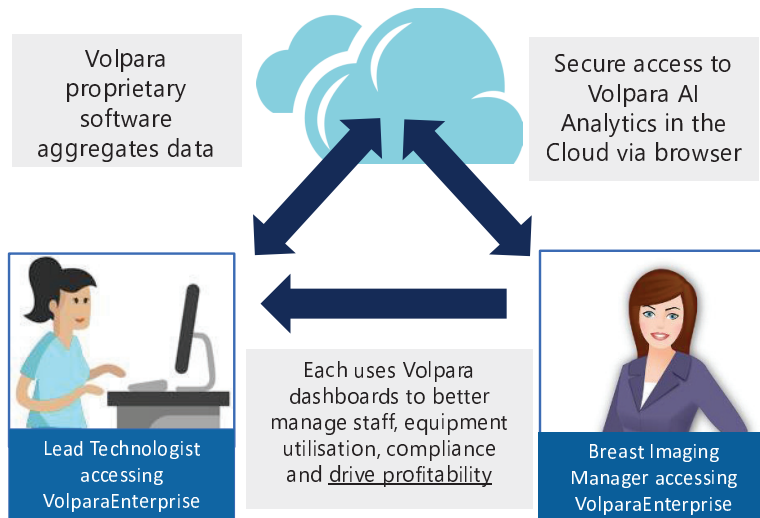
- VolparaLive! makes patients happier and clinics more profitable**
 - By ensuring that high quality images are taken the first time, fewer women are recalled for a repeat image
 - When patients are recalled for repeat images, the clinic is not reimbursed
- Launched at RSNA (Chicago, Nov 2018)**
 - First sales achieved
 - Significant interest from existing customer base and new prospects
 - Will drive ARPU growth



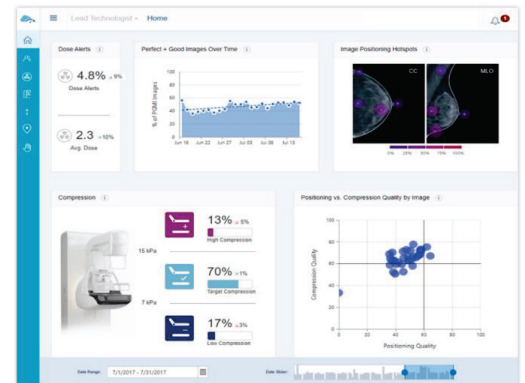
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Overview of VolparaEnterprise

Volpara Cloud on Microsoft Azure Powered by Volpara Artificial Intelligence



VolparaEnterprise Dashboard



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Summary of Why Clinics are Adopting Volpara

- **Better care for their patients** – more cancers detected with density based screening
- **Saves radiologist time** – no longer required to interpret density manually & reduced audit preparation time
- **More revenue** – high density can help justify referrals to additional imaging (ultrasound and MRI)
- **Potentially reduced litigation risk** – automated objective evidence can justify decisions
- **Improved efficiency** – ability to monitor efficiency of staff and x-ray machines via Enterprise
- **Multi site remote monitoring** – Managers of multiple clinics can remotely monitor via Enterprise
- **Reduced 'technical recalls' of women** – ~2-3% of women are recalled back to clinic to retake poor quality images, this is an opportunity cost and is not reimbursed
- **Reduced regulatory audit preparation and potentially less chance of being penalized**
- **Anticipation of FDA adopting mandatory density reporting & trend to risk-based screening**

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Transaction & Capital Raising Details



*A Global MedTech SaaS Company
using AI to personalize breast care.*

Transaction Overview

Summary	<ul style="list-style-type: none">Volpara has entered into an agreement to acquire MRS Systems, Inc. ("MRS") a leading provider of breast clinic management software:<ul style="list-style-type: none">Market leading product suite supporting breast and lung cancer screeningAnnual Recurring Revenue (ARR) forecast to be US\$4.5m as at 31 December 2019Strong footprint: approx. 1,700 medical imaging sites are using MRS products in US
Purchase price	<ul style="list-style-type: none">Purchase price of ~US\$14.6 million (subject to adjustments):<ul style="list-style-type: none">Equivalent to ~A\$21.15 millionEV/ARR multiple of 3.3x and EV/Revenue multiple of 2.0x
Structure & Vendors	<ul style="list-style-type: none">All cash consideration (founders are retired and no longer involved in day to day operations)Key management, including the existing CEO, to continue employment with the business post-closingEmployee incentive plan to be implemented for key management personnel
Acquisition funding	<p>Volpara is conducting a fully underwritten A\$55m capital raising at A\$1.50 to fund the acquisition and provide additional working capital:</p> <ul style="list-style-type: none">A\$45m Placement at A\$1.50 per share to Institutional and Sophisticated investors1 for 27 Fully Underwritten Accelerated Non-renounceable Entitlement Offer at A\$1.50 per share to raise ~A\$10m (together the "New Shares")

Capital Raising Overview

Transaction structure	<ul style="list-style-type: none"> Fully Underwritten Placement to institutional and sophisticated investors of 30m shares to raise approximately A\$45m under the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A ("Placement") 1 for 27 Fully Underwritten Accelerated Non-renounceable Entitlement Offer to raise approximately A\$10m ("Entitlement Offer")
Issue price	<ul style="list-style-type: none"> Issue price of A\$1.50 per share which represents: <ul style="list-style-type: none"> 18.9% discount to last close on 31st May 2019 14.9% discount to 30 day VWAP 16.2% discount to the theoretical ex-rights price (TERP) of the Shares, being A\$1.79¹
Ranking	New shares issued under the Placement and Entitlement Offer will rank parri passu with existing fully paid ordinary Volpara shares on issue
Lead Manager, Corporate Advisor and Underwriter	Bell Potter Securities Limited ("Bell Potter")
Co-Lead Manager	Morgans Corporate Limited ("Morgans")



¹ TERP is the theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer based on the last traded price and issue of Shares at the offer price in the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Volpara shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP.

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Capital Raising Overview

Capital raising proceeds will be applied towards the cash consideration of MRS, plus additional working capital to continue Volpara's growth

Sources	\$m	Uses	\$m
Institutional placement	A\$45.0	Cash consideration for the acquisition on MRS	~A\$21.0
		Costs of Offer	~A\$3.2
1 for 27 Accelerated Non-Renounceable Entitlement Offer	A\$10.0 ¹	Balance Sheet for Growth: <ul style="list-style-type: none"> Expansion and integration of US sales teams Grow the marketing and customer teams Expand engineering and build a data team Working capital 	~A\$30.8
Total sources	A\$55.0	Total uses	A\$55.0

Note: ¹ Subject to rounding and fractional entitlements



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Timetable

Trading Halt	pre-market, Monday, 3 June 2019
Company resumes trading and results of Placement announced	Wednesday, 5 June 2019
Record date for participating in the Entitlement Offer	7.00pm (Sydney time) Wednesday, 5 June 2019
Retail Entitlement Offer opens and despatch of Retail Offer Booklet	Tuesday, 11 June 2019
Settlement of New Shares issued under the Placement and the Institutional Entitlement Offer	Wednesday, 12 June 2019
Allotment of New Shares issued under the Placement and Institutional Entitlement Offer	Thursday, 13 June 2019
Retail Entitlement Offer closes	5.00pm (Sydney time) Wednesday, 26 June 2019
Allotment of New Shares issued under the Retail Entitlement Offer	Wednesday, 3 July 2019

Note: This timetable is indicative only. Volpara reserves the right to amend any dates and times without notice subject to the Corporations Act, the ASX Listing Rules and other applicable laws.



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Key Risks



*A Global MedTech SaaS Company
using AI to personalize breast care.*

Key Risks

Note: References in this section to Volpara include, to the extent applicable, references to the Volpara Group comprising Volpara Health Technologies Limited and its subsidiaries, including MRS following the Acquisition.

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 the other information on Volpara before deciding to apply for New Shares.

Type of risk	Description of risk
Due diligence in relation to MRS	<p>Volpara undertook a detailed due diligence process in respect of MRS involving the retention of professional advisers in the US as well as its own personnel, which relied mostly on the review of legal, financial and other information relating to MRS that was provided by the vendors of MRS. While Volpara considers the due diligence process undertaken to be appropriate, Volpara has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. Similarly, Volpara has prepared (and made assumptions in the preparation of) the financial information relating to the combination of MRS and Volpara following the closing of the Acquisition set out in this Presentation in reliance on the financial information and other information provided by the vendors of MRS, which in some cases may be limited. Some of the financial information provided by MRS is unaudited. If any of the data or information provided to and relied upon by Volpara in its due diligence process and its preparation of this Presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of Volpara following the Acquisition may be materially different to the financial position and performance expected by Volpara and reflected in this Presentation.</p> <p>While Volpara considers the due diligence process undertaken to be appropriate in the context of the Acquisition, Volpara cannot provide assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the Acquisition have been identified. Therefore, there is a risk that unforeseen issues and risks may arise, which may have a material impact on Volpara's business. This could adversely affect the operations, financial performance or financial position of Volpara. Further, the information reviewed by Volpara in its due diligence process includes forward looking information. While Volpara has been able to review some of the foundations for the forward looking information relating to MRS, forward looking information is inherently unreliable and based on assumptions that may change in the future. To the extent that the actual results achieved by MRS are different than those indicated by Volpara's analysis, there is a risk that the profitability and future earnings of the operations of Volpara may be materially different from the profitability and earnings expected as reflected in this Presentation.</p> <p>Volpara has sought to mitigate the risks associated with the information provided during due diligence by seeking certain warranties, representations and indemnities from the vendors of MRS under the terms of the merger agreement for the Acquisition.</p>

Key Risks

Type of risk	Description of risk
Volpara and MRS management personnel	<p>The existing MRS management team are expected to continue in the business following the Acquisition, and will join Volpara's long term incentive program. Volpara depends on the talent and experience of its existing management personnel, including those who will join from MRS. However, despite incentives offered to key personnel, there can be no assurance that Volpara will be able to retain all of its key personnel, including any key personnel of MRS following the Acquisition. The loss of any key management or other personnel (including any of the MRS management team), or a significant number of personnel generally, may have an adverse impact on Volpara. It may be difficult to replace those personnel, or to do so in a timely manner, or at a comparable expense. The loss of key management personnel could cause material disruption to Volpara's activities in the short to medium term. Further, Volpara is growing its sales and marketing teams in the US, Asia and Europe over time. An inability to attract quality sales and marketing personnel may adversely impact on Volpara's growth plans and its ability to grow revenue.</p> <p>The Board reviews the employment conditions of Volpara's employees on an ongoing basis with a view to ensuring Volpara remains competitive in terms of remuneration and other incentives. The Board also reviews employee incentive plans from time to time with a view to further aligning management and employees' interests with those of Volpara and its shareholders. While Volpara has an 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.</p>
Acquisition funding risk	<p>Volpara has entered into an agreement (Underwriting Agreement) with Bell Potter Securities Limited (Underwriter) with respect to the management of the Capital Raising and the underwriting of the entitlement offer. If certain conditions precedent are not satisfied or certain events occur during the offer period, the Underwriter may be entitled to terminate the Underwriting Agreement, which would have an adverse impact on Volpara's funding for the Acquisition.</p> <p>If the Underwriting Agreement is terminated, and Volpara has insufficient funding to close the Acquisition and is unable to source alternate funding, it may be unable to close the Acquisition and it could be required to pay damages to the vendors of MRS.</p>
Acquisition completion risk	<p>The merger agreement for the Acquisition contains conditions precedent to closing. While the closing of the Acquisition is scheduled to occur as soon as practicable after settlement of the Placement, there is a risk that a condition precedent cannot be satisfied and the Acquisition does not proceed on the current terms and expected timing. If this were to occur, this could materially and adversely affect Volpara and its financial position.</p>
The Acquisition and other investments by Volpara may not be successful	<p>As evidenced by the Acquisition, as part of its growth strategy, Volpara may acquire businesses from time to time. While Volpara will take every effort to ensure that any acquisition is successfully integrated and benefits realised, there can be no assurance that Volpara will be successful in realising the anticipated benefits and synergies of any businesses that it acquires, including the MRS business. The ability to realise these benefits will depend in part on whether Volpara can efficiently integrate acquired businesses with its existing operations. The challenges of integrating and operating acquired businesses may be greater if Volpara acquires businesses that provide services outside Volpara's current geographic offering, particularly if it is unable to retain the acquired company's management. In addition, there is a risk that Volpara will overestimate the value of acquired businesses and therefore overpay. These factors may adversely impact Volpara's financial performance.</p> <p>The Acquisition involves the integration of MRS, which has previously operated independently from Volpara. As a result, there is a risk that the integration of MRS may be more complex than currently anticipated, encounter unexpected challenges or issues and take longer than expected, divert management attention or not deliver the expected benefits. This may affect Volpara's operating and financial performance. Further, the integration of MRS' accounting functions may lead to revisions, which may impact on Volpara's reported financial results.</p> <p>As Volpara's business expands, the complexity of its business will increase. If Volpara is unable to adapt to address different market dynamics, Volpara's operational and financial performance may be adversely affected.</p>

Key Risks

Type of risk	Description of risk
Customer acquisition risk	A key driver of the Acquisition is acquiring access to MRS' customers' clinical & patient data to further enhance Volpara's products and make them more valuable for long-term predictive healthcare. While Volpara will discuss the Acquisition with MRS' customers, there is a risk that customers may not provide their consent for Volpara to access their patients' health and associated clinical data. If a significant number of customers deny Volpara access to their patients' health and associated clinical data, it may have an adverse impact on Volpara's ability to realise the value of the Acquisition, which would adversely impact Volpara's financial performance and prospects. There can be no assurance that Volpara will be able to access MRS' customers' health data.
Historical liabilities	Since Volpara is undertaking a US-style merger with MRS, Volpara will indirectly assume any liabilities that MRS has from its past operations, including any liabilities which were not identified during Volpara's due diligence or which may be greater than identified during due diligence, for which insurance may not be adequate or available, and for which Volpara may not have recourse under the merger agreement following the closing of the Acquisition. Such liabilities may adversely affect the financial performance or financial position of Volpara.
Failure to attract new customers and to retain existing customers	<p>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):</p> <ul style="list-style-type: none"> • 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. <p>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. The same is true for a number of existing MRS customers. A number of contracts may also be terminable by the counterparty for convenience or a consent that is required on a change of control of MRS may not be given. 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. Volpara also believes that there is also a risk that in certain cases following the Acquisition, competitors of MRS may try to influence their clients to cease using Volpara products alongside their own products and convince those clients to switch to an alternative offering.</p>

Key Risks

Type of risk	Description of risk
Competition risk	There are a number of organisations which compete both directly and indirectly with Volpara in the breast imaging analytics sectors. While Volpara is a leading provider of breast imaging analytics and analysis products that improve clinical decision-making and the early detection of breast cancer, some of Volpara's competitors may have or may develop competitive advantages over Volpara and may be larger on an international or regional basis and have greater access to capital or other resources. The market share of Volpara's competitors may increase or decrease as a result of various factors such as securing large new customers, developing new technologies and adopting pricing strategies specifically designed to gain market share. These competitive actions may reduce the prices that Volpara is able to charge for its products and services or reduce Volpara's activity levels, both of which would negatively impact the financial performance of Volpara.
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 NZ 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™, VolparaEnterprise™ and VolparaLive™ have each obtained regulatory approvals, where required, 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™ and VolparaLive™ 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 considers itself to be 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. However, Volpara is 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 sustainability of any profitability cannot be predicted.

Key Risks

Type of risk	Description of risk
Dealing with protected health information (PHI)	<p>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. 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.</p> <p>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.</p> <p>Further, as Volpara utilises a Cloud-based information storage system, additional risks for the storage of PHI and the maintenance of confidentiality of PHI arise. Volpara attempts 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.</p>
Breach of privacy laws	Privacy laws around the world continue to develop and impose greater burdens on businesses when dealing with personally identifiable information. The laws are designed to give greater protections to data owners, improve transparency and require businesses develop better privacy practices and security processes. Failure to do so can result in pecuniary penalties, negative publicity, damage to brand and a requirement to improve processes and controls, each of which, were they to happen, would adversely impact Volpara's financial position.
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. Volpara & MRS also require 3 rd party licensing of certain software such as Tyler-Cuzick, and the license holders might choose not to transfer licensing rights to the new entity or might choose to change contract terms.

Key Risks

Type of risk	Description of risk
Protection of intellectual property	The value of Volpara's products is partly dependent on Volpara's ability to protect its intellectual property, including trademarks, patents, 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.
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 Volpara's customer relationships, general business and ultimately its financial performance. The actions of Volpara's employees, including breaches of any regulations to which Volpara is subject, or any negligence in the provision of data, may damage Volpara's brand.
Pricing	Volpara primarily generates revenue by charging annual subscription fees to its 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 would 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 a 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.
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.

Key Risks

Type of risk	Description of risk
Volpara may not be able to pass the regulatory hurdles and gain the necessary approvals and clearances to use its products in certain jurisdictions	<p>Volpara currently has FDA clearance (FDA 510(k)) for its products <i>VolparaDensity™</i> and <i>Volpara Density Maps</i> and for its quality controls tool.</p> <p>However, as Volpara seeks to diversify its product range and develop new products, Volpara can neither guarantee that it will receive all necessary regulatory approvals, nor 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 or Volpara may disagree from time to time with the views taken by the FDA on certain products or the approval process adopted by the FDA. In addition, any future changes to the products or the treatment may require separate clearance or approval.</p> <p>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.</p>
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.
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. To date, Volpara has not paid any dividend on its ordinary shares. There is no certainty that Volpara will pay dividends in the future.
Capital raising	<p>The Directors give no assurances that the objectives of Volpara outlined in this Presentation will be met.</p> <p>An investment in New Shares does not guarantee any return, including any guarantee that a shareholder will receive a return on their capital contributed.</p> <p>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.</p>

Key Risks

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

Type of risk	Description of risk
General economic and share market risk	<p>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.</p> <p>There are also risks associated with any investment in a company listed 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 none of Volpara, its Directors or its employees have any control. Those external factors include economic conditions in the US, 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.</p>
Product liability insurance	<p>Volpara is exposed to potential product liability risks that are inherent in the research and development, manufacturing, marketing and use of its products.</p> <p>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).</p>
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 the US, Australia and New Zealand that could impact upon the global and/or US, Australian and New Zealand economies, the operations of Volpara and the price of its 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.
Foreign exchange	<p>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.</p> <p>Movements in foreign exchange rates could also impact the cost competitiveness of both Volpara and its competitors. Any adverse movement in foreign exchange rates against Volpara but to the benefit of its competitors could affect Volpara's ability to obtain business which could adversely impact the future financial performance of Volpara. Movements in the exchange rate may also affect the decision of potential clients to enter certain markets.</p>

Key Risks

Type of risk	Description of risk
Sales of shares by existing shareholders and shareholder continuity test	<p>A number of Volpara shares held by substantial shareholders in Volpara were released from escrow in late April 2019 following a three year (including a one year voluntary extension) escrow period. Following the release of these shares there is a risk that any of these substantial shareholders (including Directors) may seek to sell-down a portion of their shareholding in Volpara. A significant sale of shares, or a perception that a sell-down may occur, could adversely affect the price of Volpara shares.</p> <p>Under New Zealand tax law, carry forward tax losses may only be used by Volpara to offset future taxable gains where Volpara continues to satisfy the "shareholder continuity test". As Volpara grows and it raises more equity capital, which dilutes its original major shareholders, Volpara becomes increasingly exposed to failing to continue to satisfy the shareholder continuity test under the tax law. As Volpara discloses in its annual financial statements on an ongoing basis, the result is that Volpara is unlikely to be able to continue to use certain carry forward tax losses to offset future taxable gains in the company.</p>
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.
Accounting standards	MRS currently complies with US GAAP accounting standards, while Volpara complies with NZ IFRS accounting standards. While most standards are the same or similar, some differences do exist between US GAAP and NZ IFRS, such as capitalisation of R&D costs, revenue recognition and lease accounting. Following the Acquisition, MRS will comply with existing Volpara NZ IFRS accounting standards. While Volpara does not anticipate any changes in accounting treatment for MRS to be significant in the context of Volpara's financial position, some differences may arise following the Acquisition which could impact Volpara's financial performance.
Legal, regulatory and tax	<p>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.</p> <p>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.</p>
Other risks	The above risks should not be taken as a complete list of the risks associated with an investment in Volpara or Volpara shares. The risks outlined above and other risks not specifically referred to may in the future materially adversely affect the value of Volpara shares and their performance. Accordingly, no assurance or guarantee of future performance or profitability is given by Volpara in respect of Volpara shares.

International offer restrictions

This document does not constitute an offer of New Shares of Volpara in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia (or in the case of the Entitlement Offer, outside Australia and New Zealand), except to the extent permitted below.

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 New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New 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 New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New 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.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, 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 issued, circulated or distributed, 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 Securities and Futures Act, Chapter 289 of Singapore (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) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document 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 acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

International offer restrictions

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

United States

This document has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US 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) or section 708(11) of the Corporations Act 2001 (Cth) as either a professional or sophisticated investor or the requirements of section 761G of the Corporations Act 2001 (Cth) as a wholesale client.

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 (**FMC Act**). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than 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.

6.3 Institutional Offer Completion Announcement dated 5 June 2019



ASX ANNOUNCEMENT

SUCCESSFUL COMPLETION OF PLACEMENT AND INSTITUTIONAL COMPONENT OF ENTITLEMENT OFFER

Wellington, NZ, 5th June 2019: Volpara Health Technologies Limited ("**Volpara**"; ASX: VHT), a medical technology company whose AI imaging algorithms assist the early detection of breast cancer, today announces the successful completion of the institutional placement and the institutional component of its entitlement offer announced on ASX on Monday, 3 June 2019. Funds raised from the capital raising will be used by Volpara to fund the purchase price under a merger agreement to acquire US-based MRS Systems, Inc. (**MRS**) (the **Acquisition**) (and associated costs) and to fund further organic growth.

Placement and Institutional Entitlement Offer

The institutional placement (**Placement**) and the institutional component of the 1 for 27 pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) were conducted on 3 and 4 June 2019. The oversubscribed Placement raised A\$45 million and the institutional component of the Entitlement Offer raised the maximum amount of approximately A\$5 million.

The Placement and Entitlement Offer are being lead managed, and fully underwritten, by Bell Potter Securities Limited (**Bell Potter**). Morgans Corporate Limited has been appointed as a co-lead manager.

Ralph Highnam, CEO of Volpara, said: "*The institutional portion of Volpara's capital raising was well supported by our existing institutional shareholders, and also saw Volpara welcome a number of new domestic and international institutional investors onto the register. With the support of the market, we are very much looking forward to completing the acquisition of MRS and moving forward with the integration of the business into the Volpara group of companies.*"

Settlement of the Placement and the institutional component of the Entitlement Offer is expected to occur on Wednesday, 12 June 2019 with allotment of the new shares expected to occur on Thursday, 13 June 2019. The new shares issued under the Placement and the institutional component of the Entitlement Offer (**New Shares**) will rank equally with existing Volpara ordinary shares on issue.

Retail Entitlement Offer

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) is expected to raise a further A\$5 million approximately. The Retail Entitlement Offer will be made to eligible retail shareholders who are registered as holding existing Volpara shares at 7.00pm (Sydney time) on Wednesday, 5 June 2019 (**Record Date**) at the same offer price as the Placement, being A\$1.50 per new share. The retail offer booklet for the Retail Entitlement Offer, which was released on ASX today, contains information for eligible retail shareholders in relation to the Retail Entitlement Offer and will be despatched to eligible retail shareholders on Tuesday, 11 June 2019.

Additional disclosure regarding the Placement required under ASX Listing Rules 7.1A.4(b) and 3.10.5A

As a consequence of the Company using its placement capacity under ASX Listing Rule 7.1A to issue some of the New Shares to be issued under the Placement, the Company is required to provide shareholders with some additional information with respect to the Placement only. In accordance with ASX Listing Rules 7.1A.4(b) and 3.10.5A, Volpara provides the following information with respect to the Placement:

- (a) Volpara will issue a total of 30,000,000 New Shares under the Placement, of which 17,980,015 New Shares in the Placement will be issued under Volpara's placement capacity under ASX Listing Rule 7.1A. The issue of the New Shares in the Placement under ASX Listing Rules 7.1 and 7.1A will result in the following dilution to existing Volpara shareholders:

	Number of New Shares to be issued	% of post-Placement Shares ¹
New Shares issued under ASX Listing Rule 7.1	12,019,985	5.7
New Shares issued under ASX Listing Rule 7.1A	17,980,015	8.6
Total	30,000,000	14.3

- (b) Volpara's board of directors resolved to proceed with the Placement, having given consideration to the expediency of a share placement, Volpara's recent announcement regarding the Acquisition, the need to raise immediate funds to fund the Acquisition by mid-June and advice from external advisers. As mentioned above, Volpara is also undertaking an Entitlement Offer for existing Volpara shareholders. Volpara considers this offer structure to be the most efficient and expedient method for raising the funds required to achieve its stated objectives, while still ensuring that existing Volpara shareholders are able to participate in the capital raise at the same offer price as participants in the Placement.
- (c) The Placement is fully underwritten by Bell Potter Securities Limited.
- (d) Bell Potter Securities Limited will receive fees (comprising both a management and advisory fee and an underwriting and selling fee) equivalent to 4.75% of the dollar amount raised by the issue of the New Shares under the Placement.
- (e) In addition to the fees payable to the underwriter noted above, Volpara expects to incur costs and expenses of approximately A\$120,000 in connection with the Placement.

For further information, please contact:

Ralph Highnam, CEO
Volpara Health Technologies Limited
ralph.highnam@volparasolutions.com
T: +64 21 149 0541

ABOUT VOLPARA HEALTH TECHNOLOGIES LIMITED (ASX: VHT)

VHT is a MedTech SaaS company founded in 2009 on research originally conducted at Oxford University. VHT's clinical applications for screening clinics provide feedback on breast density, compression, dose and quality, while its enterprise-wide software, VolparaEnterprise, provides role specific dashboards and wide-ranging benchmarking analytics to help clinics manage their business more efficiently.

VHT's technology and services have been used by customers and/or research projects in 38 countries and are supported by numerous patents, trademarks and regulatory clearances, including FDA clearance and CE marking. Since its listing on the ASX in April 2016, VHT has raised A\$40 million, including A\$20 million in April and May 2018. VHT is based in Wellington, New Zealand.

For more information, visit www.volparasolutions.com.

IMPORTANT NOTICES

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction. Any shares issued to eligible retail shareholders under the Entitlement Offer have not been, and will not be registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act of 1933 and any applicable US state securities laws.

The Information in this announcement is of general background and does not purport to be complete. It should be read in conjunction with Volpara's other periodic and continuous disclosure announcements lodged with ASX Limited, which are available at www.asx.com.au. You are advised to read these Important Notices carefully before reading or making any other use of this announcement or any information contained in this announcement. In accepting this announcement, you agree to be bound by these terms and conditions, including any modifications to them.

¹ Excluding New Shares to be issued under the Entitlement Offer.

7 IMPORTANT INFORMATION

7.1 Responsibility for Retail Entitlement Offer Booklet

This Retail Entitlement Offer Booklet (including the ASX announcements in Section 6) and enclosed personalised Entitlement and Acceptance Form (**Information**) have been prepared by Volpara.

This Information is dated 5 June 2019 (other than the Investor Presentation and the Capital Raising Announcement published on the ASX website on 3 June 2019). This Information remains subject to change without notice and Volpara is not responsible for updating this Information.

There may be additional announcements made by Volpara after the date of this Retail Entitlement Offer Booklet and throughout the Offer Period that may be relevant to your consideration of whether to take up or do nothing in respect of your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by Volpara (by visiting the ASX website at www.asx.com.au (ASX: VHT)) before submitting your application to take up your Entitlement.

No party other than Volpara has authorised or caused the issue of this Information, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information.

7.2 Eligible Institutional Shareholders

Eligible Institutional Shareholders are institutional shareholders to whom the Underwriter made an offer on behalf of Volpara under the Institutional Entitlement Offer.

Determination of eligibility of investors for the purposes of the Entitlement Offer, and in particular, the question as to whether an eligible shareholder is an Eligible Institutional Shareholder or an Eligible Retail Shareholder, is determined by reference to a number of matters, including legal requirements and the discretion of Volpara and the Underwriter. Volpara and the Underwriter disclaim any liability in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

7.3 Eligible Retail Shareholders

This Information contains an offer of New Shares to Eligible Retail Shareholders in Australia and New Zealand and has been prepared in accordance with section 708AA of the Corporations Act as notionally modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84.

Eligible Retail Shareholders are those persons who:

- are registered as a holder of Shares as at the Record Date, being 7.00pm (Sydney time) on Wednesday, 5 June 2019;
- have a registered address on the Volpara share register in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Volpara ordinary shares for the account or benefit of such person in the United States);
- were not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and were not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or other document to be lodged or registered in the jurisdiction in which the offer is received by them.

Retail Shareholders who are not Eligible Retail Shareholders are Ineligible Retail Shareholders. Volpara reserves the right to determine whether a shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

By returning a completed personalised Entitlement and Acceptance Form or by making a payment by cheque or BPAY® or, if you are a resident of New Zealand, by international electronic funds transfer, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Retail Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

Volpara may (in its absolute discretion) extend the Retail Entitlement Offer to any institutional shareholder that was eligible to participate in the Institutional Entitlement Offer but was not invited to participate in the Institutional Entitlement Offer (subject to compliance with relevant laws).

Volpara has decided that it is unreasonable to make offers under the Retail Entitlement Offer to shareholders who have registered addresses outside Australia and New Zealand, having regard to the number of such holders in those places and the number and value of the New Shares that they would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places.

Volpara may (in its absolute discretion) extend the Retail Entitlement Offer to shareholders who have registered addresses outside Australia and New Zealand in accordance with applicable law.

7.4 Ranking of New Shares

New Shares (including Additional Shares) issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with existing Shares. The rights and liabilities attaching to the New Shares are set out in Volpara's constitution, a copy of which is available at www.volparasolutions.com.

7.5 Risks

The Investor Presentation details important factors and risks that could affect the financial and operating performance of Volpara. You should refer to the "Key Risks" section of the Investor Presentation included in Section 6.2 of this Retail Entitlement Offer Booklet. You should consider these factors in light of your personal circumstances, including financial and taxation issues, before making a decision in relation to your Entitlement.

7.6 Reconciliation, Top-Up Shares and the rights of Volpara and the Underwriter

The Entitlement Offer is a complex process and in some instances investors may believe that they will own more Shares than they ultimately did as at the Record Date or are otherwise entitled to more New Shares than initially offered to them. These matters may result in a need for reconciliation. If reconciliation is required, it is possible that Volpara may need to issue additional New Shares (**Top-Up Shares**) to ensure that the relevant investors receive their appropriate allocation of New Shares. The price at which these Top-Up Shares would be issued is not known.

Volpara also reserves the right to reduce the size of an Entitlement or number of New Shares allocated to Eligible Institutional Shareholders or Eligible Retail Shareholders, or persons claiming to be Eligible Institutional Shareholders or Eligible Retail Shareholders or other applicable investors, if Volpara believes in its complete discretion that their claims are overstated or if they or their nominees fail to provide information requested to substantiate their claims. In that case, Volpara may, in its discretion, require the relevant shareholder to transfer excess New Shares to the Underwriter at the Offer Price per New Share. If necessary, the relevant shareholder may need to transfer existing Shares held by them or to purchase additional Shares on-market to meet this obligation. The relevant shareholder will bear any and all losses caused by subscribing for New Shares in excess of their Entitlement and any actions they are required to take in this regard.

By applying under the Entitlement Offer, those doing so irrevocably acknowledge and agree to do the above as required by Volpara in its absolute discretion. Those applying acknowledge that there is no time limit on the ability of Volpara or the Underwriter to require any of the actions set out above.

7.7 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

7.8 Rounding of Entitlements

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares.

7.9 Notice to nominees and custodians

If Volpara believes you hold Shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to, and they must not purport to accept the Retail Entitlement Offer in respect of, Eligible Institutional Shareholders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not) and Institutional Shareholders who were treated as ineligible institutional shareholders under the Institutional Entitlement Offer.

For the purpose of determining Entitlements:

- where Shares are held by a nominee, the nominee is treated as a separate shareholder in respect of Shares held for Institutional Shareholders, and Shares held for other shareholders, and may receive both offers in respect of Shares held as nominee for Institutional Shareholders and offers in respect of Shares held as nominee for other shareholders. Offers will be treated as being made to the nominee, even where made directly to the Institutional Shareholder for whom the nominee holds Shares; and
- Volpara may ignore changes in holdings which occur after the implementation of the trading halt in its Shares (other than registrations of transactions which were effected through a market licensee's trading platform before the implementation of the trading halt).

Nominees and custodians may not distribute any part of this Retail Entitlement Offer Booklet in the United States or in any other country outside Australia and New Zealand except (i) Australian and New Zealand nominees may send this Retail Entitlement Offer Booklet and related offer documents to beneficial shareholders who are professional or institutional shareholders in other countries (other than the United States) listed in, and to the extent permitted under, the "*International Offer Restrictions*" section of the Investor Presentation in Section 6.2 of this Retail Entitlement Offer Booklet and (ii) to beneficial shareholders in other countries (other than the United States) where Volpara may determine it is lawful and practical to make the Retail Entitlement Offer.

Persons acting as nominees for other persons must not take up any Entitlements on behalf of, or send any documents related to the Retail Entitlement Offer to, any person in the United States or any person that is acting for the account or benefit of a person in the United States.

Volpara is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of existing Shares or Entitlements. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether or not indirect participation in the Entitlement Offer by the beneficiary complies with applicable foreign laws.

7.10 Not investment advice

This Retail Entitlement Offer Booklet does not constitute financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Volpara is not licensed to provide financial product advice in respect of the New Shares. This Information does not purport to contain all the information that you may require to evaluate a possible application for New Shares, nor does it purport to contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Volpara's other periodic statements and continuous disclosure announcements lodged with ASX, which are available at www.volparasolutions.com.

Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant or other professional adviser or call the Volpara Offer Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) Monday to Friday from 8.30am to 5.30pm (Sydney time) during the Offer Period.

Volpara and the Underwriter will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Volpara or the Share Registry or otherwise or who

otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters, you should first consult with your stockbroker, accountant or other professional adviser.

7.11 Quotation and trading

Volpara has applied to the ASX for official quotation of the New Shares to be issued under the Entitlement Offer in accordance with the ASX Listing Rule requirements. If ASX does not grant quotation of those New Shares, Volpara will repay all Application Monies (without interest).

Subject to approval being granted, it is expected that normal trading of New Shares allotted under the Retail Entitlement Offer will commence at 10.00am (Sydney time) on Thursday, 4 July 2019.

7.12 Information availability

If you are in Australia or New Zealand, you can obtain a copy of this Retail Entitlement Offer Booklet during the Entitlement Offer by calling the Volpara Offer Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) Monday to Friday from 8.30am to 5.30pm (Sydney time) during the Offer Period.

A replacement Entitlement and Acceptance Form can also be requested by calling the Volpara Offer Information Line.

If you access an electronic version of this Retail Entitlement Offer Booklet, you should ensure that you download and read the entire Retail Entitlement Offer Booklet. The electronic version of this Retail Entitlement Offer Booklet will not include an Entitlement and Acceptance Form.

7.13 Foreign jurisdictions

This Information has been prepared to comply with the requirements of the securities laws of Australia and New Zealand. To the extent that you hold Shares or Entitlements on behalf of another person resident outside Australia or New Zealand, it is your responsibility to ensure that any participation (including for your own account or when you hold Shares or Entitlements beneficially for another person) complies with all applicable foreign laws and that each beneficial owner on whose behalf you are submitting the personalised Entitlement and Acceptance Form is not in the United States and not acting for the account or benefit of a person in the United States.

This Retail Entitlement Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

Because of these legal restrictions, you must not distribute, release or send copies of this Retail Entitlement Offer Booklet or any other material relating to the Retail Entitlement Offer to any person in the United States.

7.13.1 New Zealand

The New Shares are not being offered by Volpara to investors in New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities can be made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This Retail Entitlement Offer Booklet has been prepared in compliance with Australian law and has not been prepared under or in accordance with the Financial Markets Conduct Act 2013 (**FMC Act**) or any other relevant law in New Zealand. This Retail Entitlement Offer Booklet is not a product disclosure statement under FMC Act or any other similar offering or disclosure document under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain. This Retail Entitlement Offer Booklet has not been filed with, or approved by, any New Zealand regulatory authority.

The distribution of this Information (including an electronic copy) outside Australia and New Zealand may be restricted by law. If you come into possession of this Information, you should observe such restrictions and should seek your own advice on such restrictions. See the foreign selling restrictions

set out in the “*International Offer Restrictions*” section of the Investor Presentation in Section 6.2 of this Retail Entitlement Offer Booklet for more information.

Any non-compliance with these restrictions may contravene applicable securities laws.

7.14 Underwriting of the Entitlement Offer

The Entitlement Offer is fully underwritten.

Volpara and the Underwriter have entered into an underwriting agreement (**Underwriting Agreement**) under which the Underwriter has agreed to lead manage the Entitlement Offer and to take up any New Shares for which Applications are not received from Eligible Shareholders plus any New Shares which would have been offered to ineligible shareholders had such holders been Eligible Shareholders.

A summary of the material terms of the Underwriting Agreement is set out below.

7.14.1 Termination events

The Underwriter may terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events including, but not limited to, where:

- a statement in any of the offer documents (including this Retail Entitlement Offer Booklet and market announcements made in connection with the Entitlement Offer) does not comply in any material respect with the Corporations Act or the ASX Listing Rules, due to the statement being, or becoming, misleading or deceptive, or likely to mislead or deceive (including by omission);
- an event in the offer timetable is delayed by more than two Business Days without the consent of the Underwriter;
- there is a 10% or more fall in the S&P/ASX 200 Index on two consecutive Business Days prior to, or, if shorter, on the Business Day that is immediately prior to, the settlement date under either the Institutional Entitlement Offer or the Retail Entitlement Offer;
- Volpara ceases to be admitted to the official list of ASX, or its Shares are suspended from trading for more than two Business Days, or cease to be quoted, on ASX;
- there is an adverse change in the financial, political or economic conditions in certain key countries or hostilities commence or escalate in certain key countries which in the opinion of the Underwriter (acting reasonably) is likely to have a material adverse effect on the success, settlement or marketing of the Retail Entitlement Offer; or
- there is a material adverse change, or an event occurs which is in the reasonable opinion of the Underwriter likely to give rise to an adverse change, in the business, assets, liabilities, financial position or performance, profits, losses, results, operations or prospects of Volpara and its subsidiaries, which in the opinion of the Underwriter (acting reasonably) is likely to have a material adverse effect on the success, settlement or marketing of the Retail Entitlement Offer.

7.14.2 Fees

In consideration for the Underwriter’s services in connection with the Entitlement Offer, Volpara will pay:

- an underwriting and selling fee equal to 3.25% of the gross proceeds raised under the Entitlement Offer; and
- a management and advisory fee equal to 1.5% of the gross proceeds raised under the Entitlement Offer.

7.14.3 Other provisions

As is customary with underwriting agreements, Volpara has also (subject to certain limitations) agreed to indemnify the Underwriter, its affiliates and related bodies corporate, and their respective directors, officers and employees, against losses they may suffer in connection with the Entitlement Offer, or the documentation issued by the Company in connection with the Entitlement Offer.

7.15 Governing law

This Information, the Retail Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in New South Wales, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

7.16 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Information.

Any information or representation that is not in this Information may not be relied on as having been authorised by Volpara, or its related bodies corporate, in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, neither Volpara, nor any other person, warrants or guarantees the future performance of Volpara or any return on any investment made pursuant to this Information or its content.

7.17 Withdrawal of the Entitlement Offer

Volpara reserves the right to withdraw all or part of the Entitlement Offer and this Information at any time, subject to applicable laws, in which case Volpara will refund Application Monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest. In circumstances where allotment under the Institutional Entitlement Offer has occurred, Volpara may only be able to withdraw the Entitlement Offer with respect to New Shares to be issued under the Retail Entitlement Offer.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to Volpara will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to Volpara.

7.18 Privacy

As a shareholder, Volpara and the Share Registry have already collected certain personal information from you. If you apply for New Shares, Volpara and the Share Registry may update that personal information or collect additional personal information. Such information may be used to assess your acceptance of the New Shares, service your needs as a shareholder, provide facilities and services that you request and carry out appropriate administration.

To do that, Volpara and the Share Registry may disclose your personal information for purposes related to your shareholdings to their agents, contractors or third party service providers to whom they outsource services, in order to assess your application for New Shares, the Share Registry for ongoing administration of the register, printers and mailing houses for the purposes of preparation of the distribution of shareholder information and for handling of mail, or as otherwise under the *Privacy Act 1988* (Cth).

If you do not provide us with your personal information we may not be able to process your application. In most cases you can gain access to your personal information held by (or on behalf of) Volpara and the Share Registry. We aim to ensure that the personal information we retain about you is accurate, complete and up to date. To assist us with this please contact us if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information we have about you, we will take steps to correct it. You can request access to your personal information by telephoning or writing to Volpara through the Share Registry as follows:

C/- Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

GLOSSARY

Terms and abbreviations used in this Retail Entitlement Offer Booklet have the following meaning:

A\$	Australian dollars.
Acquisition	The merger of Volpara (or a wholly-owned subsidiary of Volpara) with, and the resulting acquisition of, MRS.
Additional Shares	New Shares applied for by Eligible Retail Shareholders in excess of their Entitlement.
Application	A valid application by way of an Entitlement and Acceptance Form.
Application Monies	Monies paid by Eligible Retail Shareholders in respect of New Shares (including any Additional Shares) they apply for.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691, or the market operated by it, as the context requires.
ASX Listing Rules	The listing rules of ASX.
Board	The board of directors of the Company.
Business Day	An Australian business day that is not a Saturday, Sunday, or any other day which is a public holiday or bank holiday in the place where an act is to be performed or a payment is to be made.
Capital Raising	The Placement and the Entitlement Offer.
Closing Date	5:00pm (Sydney time) on Wednesday, 26 June 2019, unless extended.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Eligible Institutional Shareholder	A person who meets the requirements set out in Section 7.2.
Eligible Retail Shareholder	A person who meets the requirements set out in Section 7.3.
Eligible Shareholders	Eligible Institutional Shareholders and Eligible Retail Shareholders
Entitlement	The entitlement of an Eligible Retail Shareholder under the Retail Entitlement Offer or of an Eligible Institutional Shareholder under the Institutional Entitlement Offer, as the context requires.
Entitlement and Acceptance Form	The entitlement and acceptance form which accompanies this Retail Entitlement Offer Booklet.
Entitlement Offer	The Institutional Entitlement Offer (including the Institutional Shortfall Bookbuild) and the Retail Entitlement Offer (including the Retail Shortfall Bookbuild).
GST	Goods and services or any similar tax.

Ineligible Retail Shareholder	Has the meaning set out in Section 7.3.
Institutional Entitlement Offer	The pro rata non-renounceable entitlement offer of one New Share for every 27 Shares registered in the name of an Eligible Institutional Shareholder on the Record Date at the Offer Price that is being made to Eligible Institutional Shareholders.
Institutional Shortfall Bookbuild	Bookbuild process in respect of those New Shares not subscribed for by Eligible Institutional Shareholders under the Institutional Entitlement Offer.
Investor Presentation	The Investor Presentation released by Volpara to ASX on Monday, 3 June 2019 and included in Section 6.2 of this Retail Entitlement Offer Booklet.
MRS	MRS Systems, Inc., a corporation registered in the State of Washington, United States of America.
New Share	A Share to be issued pursuant to the Capital Raising.
Offer Period	The period from the opening date of the Retail Entitlement Offer on 11 June 2019 until the Closing Date.
Offer Price	A\$1.50 per New Share.
Placement	The private placement of New Shares to certain existing and new institutional investors.
Record Date	7:00pm (Sydney time) on Wednesday, 5 June 2019.
Retail Entitlement Offer	The pro rata non-renounceable entitlement offer of one New Share for every 27 Shares registered in the name of an Eligible Retail Shareholder on the Record Date at the Offer Price that is being made to Eligible Retail Shareholders under this Retail Entitlement Offer Booklet.
Retail Entitlement Offer Booklet	This document dated 5 June 2019, including the accompanying Entitlement and Acceptance Form.
Share	A fully paid ordinary share in the Company.
Share Registry	Boardroom Pty Limited ABN 14 003 209 836.
Shareholder	A registered holder of Shares.
US Securities Act	The U.S. Securities Act of 1933, as amended.
US\$	United States dollars.
Underwriter	Bell Potter Securities Limited ABN 25 006 390 772.
Volpara or Company	Volpara Health Technologies Limited, NZ Company Number 2206998, ARBN 609 946 867.

CORPORATE DIRECTORY

Volpara Health Technologies Limited (ARBN 609 946 867)

Level 7, 44 Victoria Street
Wellington Central
Wellington NZ 6011

www.volparasolutions.com

Lead Manager and Underwriter

Bell Potter Securities Limited
(ABN 25 006 390 772)
Level 29, 101 Collins Street
Melbourne VIC 3000

Co-Lead Manager

Morgans Corporate Limited
Level 29, 123 Eagle Street
Brisbane QLD 4000

Share Registry

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

New Zealand Legal Adviser

Simmonds Stewart
Level 6, 15 Courtenay Place
Te Aro
Wellington 6011

Australian Legal Adviser

Mills Oakley
Level 7, 151 Clarence Street
Sydney NSW 2000

Volpara Offer Information Line

1300 737 760 (within Australia)
+61 2 9290 9600 (outside Australia)

Open between 8.30am to 5.30pm (Sydney time)
Monday to Friday

Website

Corporate information and disclosures made by Volpara to ASX can be found on Volpara's website at www.volparasolutions.com

ENTITLEMENT AND ACCEPTANCE FORM

Entitlement No.

Subregister

SRN/HIN.

Number of Shares held at 7pm
(Sydney time) on 5 June 2019

**Closing Date: 26 June 2019
at 5:00pm (Sydney time)**

SAMPLE

OFFER OF NEW SHARES UNDER NON-RENOUNCEABLE ENTITLEMENT OFFER AT AN OFFER PRICE OF \$1.50 PER NEW SHARE ON THE BASIS OF 1 NEW SHARE FOR EVERY 27 ORDINARY SHARES HELD, PAYABLE IN FULL UPON ACCEPTANCE OF THIS OFFER.

A Entitlement Acceptance

If you wish to accept your **FULL ENTITLEMENT** please complete and return this Form **WITH YOUR PAYMENT FOR THE AMOUNT(S) SHOWN BELOW**, unless paying by BPAY®, in which case you do not need to return this Form. The return of this Form by the Closing Date with/or payment will constitute acceptance of the Offer. Your signature is only required when an alteration to your address is indicated by you over the page.

Entitlement to New Shares on the basis of 1 New Share for every 27 Shares held	Offer Price Per New Share	Amount Payable for Full Entitlement at \$1.50 per New Share
	\$1.50 Per New Share =	

If you wish to accept **PART OF YOUR ENTITLEMENT ONLY** please complete this Form showing in the box below the **NUMBER OF NEW SHARES BEING APPLIED FOR** and the corresponding amount payable.

Number of New Shares applied for	Offer Price Per New Share	Amount Enclosed
	\$1.50 per New Share =	\$

B Application for Additional Shares if available *The maximum number of Additional Shares you can apply for is a number equal to your full Entitlement shown above.*

If you applied for your full Entitlement above and you wish to apply for Additional Shares up to a maximum number equal to your full Entitlement shown above, please insert the number of Additional Shares you wish to apply for in the box below and note the corresponding amount payable. These Additional Shares will only be allotted if available and at the discretion of the Volpara Board.

Number of Additional Shares applied for (up to a maximum number equal to your full Entitlement)	Offer Price Per Additional Share	Amount Enclosed
	\$1.50 per Additional Share =	\$

C Payment and lodgement instructions

PLEASE READ THESE INSTRUCTIONS CAREFULLY

Payment may only be made by BPAY® or cheque or as set out in the Retail Entitlement Offer Booklet. Cash will not be accepted. Payments cannot be made at any bank.

If you are an Eligible Retail Shareholder who is resident in New Zealand and you are unable to pay in Australian currency or use BPAY®, you will receive separate instructions on how you may apply for New Shares (including Additional Shares) by making payment by international electronic funds transfer.

Option 1 - BPAY®



Biller Code:
Ref:

Telephone & Internet Banking - BPAY®

Contact your bank, credit union or building society to make this payment from your cheque or savings account.

More info: www.bpay.com.au

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- To pay via BPAY®, please contact your Australian bank, credit union or building society to make this payment from your cheque or savings account. For more information: www.bpay.com.au.
- Payments must be received by BPAY® before **5.00 pm (Sydney time) on 26 June 2019**.
- If paying by BPAY® you do not need to return this Entitlement and Acceptance Form.**
- If paying by BPAY® the amount of your payment received in the account divided by the Offer Price will be deemed to be the total number of New Shares (including Additional Shares) you are applying for.

- You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and should therefore take this into consideration when making payment(s). Neither Boardroom Pty Limited nor Volpara accepts any responsibility for loss incurred through incorrectly completed BPAY® payments. It is your responsibility to ensure that funds submitted through BPAY® are received by Volpara before **5.00 pm (Sydney time) on 26 June 2019**.

Option 2 – Cheque (Record cheque details below)

DRAWER	CHEQUE NO.	BSB NO.	ACCOUNT NO.	AMOUNT \$AUD
				\$

- Only cheques in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.
- Your cheque must be made payable to **“Volpara Retail Entitlement Offer”** and crossed “Not Negotiable.”
- Please ensure that you submit the correct amount. Incorrect payments may result in your Application being rejected.
- Complete your cheque details above and send your cheque and completed Form to:

Postal Address:

Boardroom Pty Limited
GPO Box 3903
Sydney NSW 2001

Hand delivery address:

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

- The cheque and this completed Form must be received by Boardroom Pty Limited before **5.00 pm (Sydney time) on 26 June 2019**.
- Neither Boardroom Pty Limited nor Volpara accepts any responsibility if you lodge the Form and the cheque at any other address or by any other means.
- OVERSEAS SHAREHOLDERS ARE ADVISED TO ENSURE THEIR DOCUMENTS ARE POSTED TO AUSTRALIA BY EXPRESS AIRMAIL.

D Contact Details

CONTACT NAME	TELEPHONE WORK	TELEPHONE HOME	EMAIL ADDRESS
	()	()	

By submitting this Form or by using the BPAY® facility to accept the Offer, I/We represent and warrant that I/we have read and understood the Retail Entitlement Offer Booklet to which this Form relates and declare that this Application is completed and lodged according to the Retail Entitlement Offer Booklet and the instructions in this Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the constitution of Volpara Health Technologies Limited and agree to the terms and conditions of the Offer. I/We represent and warrant that I/we have not relied on any other information provided by the Company other than as set out in the Retail Entitlement Offer Booklet (or referred to in the Retail Entitlement Offer Booklet) when making my/our decision to invest.

The Offer to which this Form relates does not constitute an offer to any person who is not an Eligible Retail Shareholder This Form does not constitute an offer in the United States of America (or to, or for the account or benefit of, US Persons) or in any jurisdiction in which, or to any persons to whom it would not be lawful to make such an offer.

INTERPRETATION

Terms used in this Form, but not otherwise defined, have the same meaning as defined in the Retail Entitlement Offer Booklet

CHANGES OF ADDRESS SUPPORTED BY YOUR SIGNATURE(S)

If your address is not exactly as shown over page, please provide correct details below. This is only relevant for Issuer Sponsored registered holdings. CHESS holders must notify your sponsoring broker for amendments to holdings on the CHESS Subregister.

CHANGE OF ADDRESS DETAILS – ISSUER SPONSORED ONLY		
SIGN HERE FOR ADDRESS AMENDMENTS:		
Shareholder 1 (Individual) / Sole Director & Sole Company Secretary	Joint Shareholder 2 (Individual) / Director	Joint Shareholder 3 (Individual) / Director/Company Secretary (Delete one)

Privacy Statement:

Boardroom Pty Limited advises that Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you as a Shareholder (including your name, address and details of the Shares you hold) to be included in the public register of Volpara Health Technologies Limited. Information is collected to administer your Share holding and if some or all of the information is not collected then it might not be possible to administer your Share holding. Your personal information may be disclosed to Volpara Health Technologies Limited. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Form. Our privacy policy is available on our website (<https://www.boardroomlimited.com.au/corp/privacy-policy>).