Capital Raising Presentation
21st April 2020

Ralph Highnam, PhD (Oxford), CEO

Craig Hadfield, CFO

volpara® health technologies

A Global MedTech SaaS Company using AI to personalize cancer care.

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

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Executive Overview – Volpara Health Technologies ("Volpara")

ASX:VHT

Volpara exceeded already upgraded FY20 forecasts with

~NZ$18,000,000ARR

~27.1% footprint in US breast imaging clinics
~172% ARR growth over 2019

- **Volpara is a Software-As-A-Service ("SaaS") company that utilizes AI to improve the early detection of breast cancer by analysing breast images ("mammograms") and associated patient data to provide:**
  - Clinical Decision Support and Practice Management tools
  - Cost effective reduction of breast cancer deaths (500,000 deaths globally each year)

- **Breast cancer screening is a ~US$750M Annual Recurring Revenue (ARR) opportunity for Volpara:**
  - ~92m women are screened per annum globally
  - Volpara's product suite will sell for up to US$10 per screen (potential ARPU)
  - Data and images from sites go to the Cloud for use in future product development
  - Genuine first mover advantage and established users in 38 countries
  - Competitive moat – intellectual property, papers, product suite, regulatory, scale

- **Volpara's software is experiencing rapid uptake in the US market (39M screenings p.a.):**
  - 27.1% of US screenings (end March) are using at least one of our products
  - NZ$18.0M ARR at end of FY20 (growth of 172% on FY19) with negligible churn
  - Gross margins of above 80% and rising
  - ~A$64M cash-in-bank post-raise

- **Positive outlook for FY21 despite COVID-19 uncertainty due to industry, company & business resilience:**
  - Whilst screening has mostly temporarily stopped, it is a critical service which is expected to restart
  - Volpara team very used to working remotely and working from home & on Cloud
  - Business model is resilient with recurring revenue & annual payments up-front
  - Experienced SaaS direct sales team in the US and ANZ with networks and leads well-established
  - Seeing opportunities arise with companies with less robust structures & finances

- **Volpara is seeking to raise A$35M via a A$28M Placement and a A$7M SPP[1] at A$1.30 per share**
  - Funds will be used to strengthen the balance sheet and pursue several identified M&A opportunities that have the potential to increase US market share and/or ARPU

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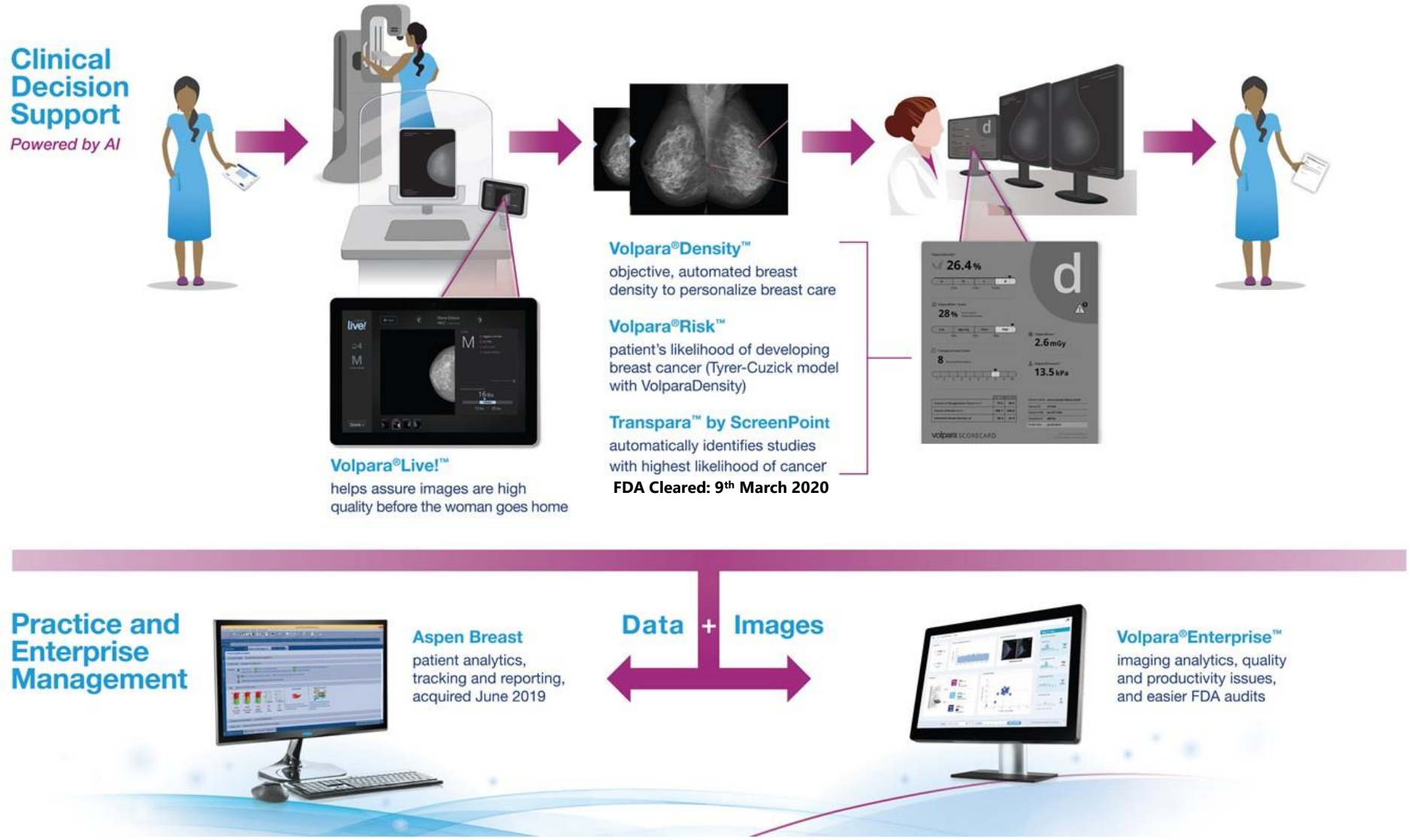
[1] The Directors of Volpara reserve the right to increase the amount raised by the SPP.

Launched - RSNA 2019 (Chicago), 1st December 2019, Integrated Breast Platform



Products improve patient care & profitability of breast imaging sites.

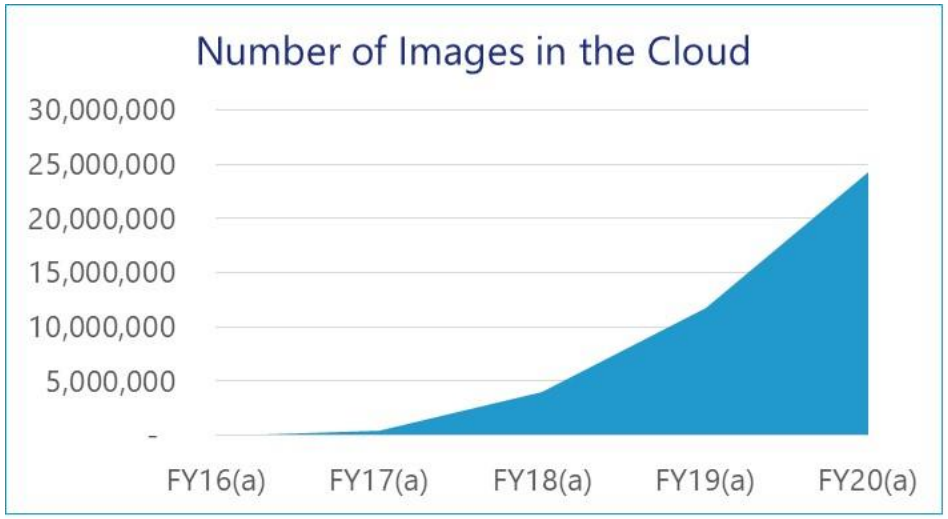
FDA is pushing quality regulations and is expected to put out breast density ruling by Oct 2020.

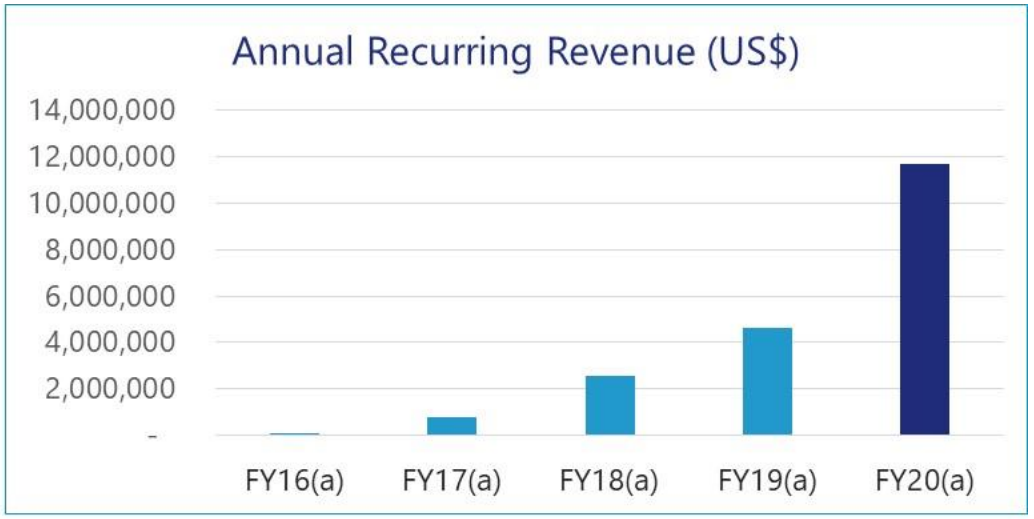
We're now adding ability to electronically link into genetics testing.

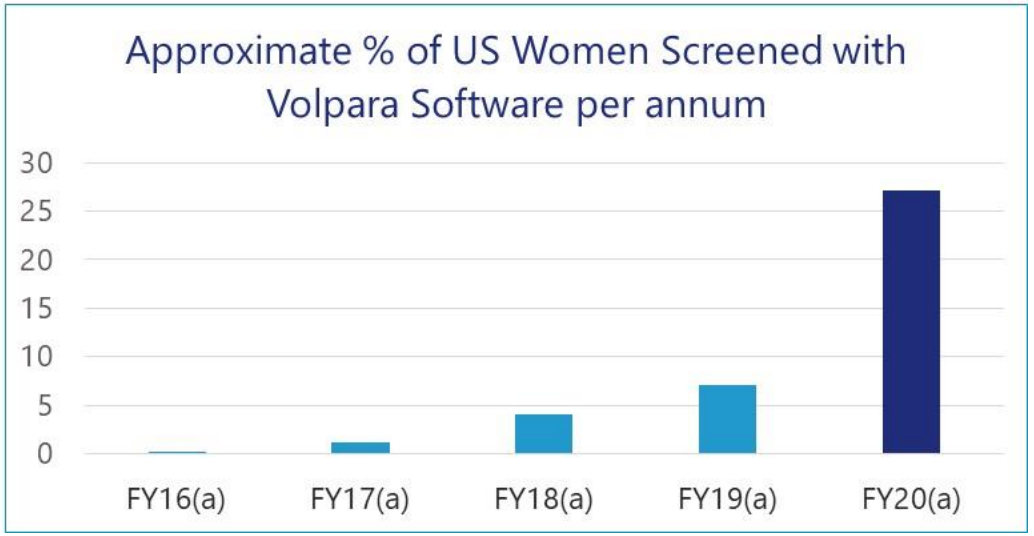
Aspen Breast is also available for Lung Cancer.

Note: Final product names subject to change
Software due for final release in FY2021

Delivering Strong Growth in All Key Metrics







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FY2021 Outlook and Strategy

1. Recognize world has changed with COVID-19 but breast screening remains a critical service

- No governments/regulators want to restrict screening long-term and risk more late stage cancers, increased costs and avoidable deaths
- We will continue to have a US (private-led, Govt paid) & Australia/NZ (Coronavirus under control) focus
- We recognize Europe/Asia will take longer to recover due to porous borders and Govt led screening programs

2. We continue to innovate

- The data we have is valuable, and we need to continue extracting value for women from it
- World class engineering team with a strong R&D pipeline

3. Focus on long-term SaaS contracts which appear resilient even with COVID-19

- Majority of our Volpara contracts are 5-year annual rolling contracts, paid annually in advance
- Contracts are priced on products chosen, seat-licenses and volumes of screens
- Sites expect screening to restart and then to have to catch-up on volumes
- Cash collection continues to be strong & currently no obvious signs of any significant churn risks

4. We can change how we operate and reduce customer acquisition costs

- We have a strong US team that are actively working on closing a large outstanding sales pipeline
- Focus of Q1/Q2 is on closing outstanding deals & increasing the ARPU in the already installed base
- We are transforming to digital & remote sales & marketing with increased sales productivity
- We are also partnering to scale – Ambry Genetics is the first example

5. We want to be ready for opportunities that will emerge in FY2021 from COVID-19

- We are positioned strongly vs other companies due to balance sheet capacity and access to capital
- We have been tracking M&A opportunities for many years that would add to US market share or increase ARPU
- We have identified several M&A opportunities that are at various stages

Recap of Recent Ambry Genetics Partnering Deal

Ambry Genetics®
A Konica Minolta Company

- Genetics testing is reimbursed, but establishing distribution has been difficult for companies with the technology – GP's don't understand & radiologists do not have time: we can automate this testing with Density and Aspen Breast
- Women win from access to genetics testing due to earlier cancer detection and even prevention
- Our sites win from offering state-of-the-art care and extra imaging (extra revenue)
- Volpara wins from high gross margin, increased revenues for those women that get tested

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ASX ANNOUNCEMENT

VOLPARA SIGNS COLLABORATION AGREEMENT WITH AMBRY GENETICS

Wellington, NZ, 14th April 2020: Volpara Health Technologies Limited (**Volpara**; ASX: VHT), a medical technology company whose cancer screening software platform assists in the delivery of personalized patient care, has partnered with Ambry Genetics®, one of the world's leading genetic testing companies to bring a new era of breast care to patients in the United States.

Highlights of the agreement:

- Volpara plans to create an online ordering process for genetic testing within the Aspen® Breast practice management software, including using Volpara®Density™ for an automated breast density measure and subsequent risk calculation.
- Volpara will market Ambry's CARE Program™ (Comprehensive, Assessment, Risk, and Education) within the United States.
- As part of this collaboration agreement with Ambry, Volpara has the potential to significantly increase ARPU upon successful clinical implementation.
- Patients who qualify for supplemental imaging based on genetic results or risk assessments may benefit from early cancer detection.

Ambry Genetics, part of Konica Minolta Precision Medicine, is a leading clinical genetic testing company that has developed the CARE program. The CARE Program is a precision medicine platform that aligns with existing guidelines to help ensure more patients get access to recommended care. Volpara will automate parts of the workflow to make it easier for women to get this potentially life-saving additional screening and testing.

At least one Volpara software product is used in over 27% of women who attend for screening each year in the United States. Customers utilize VolparaDensity for automated breast density assessment, an important breast cancer risk factor, along with breast cancer risk assessment modules in Aspen Breast (acquired from MRS Systems, Inc. in June 2019). These software products help providers confidently make informed decisions about triaging patients to supplemental imaging and/or genetic testing based on risk.

Unaudited Q4 4C & FY Numbers

Q4 4C: Unaudited

- Cash received in Q4, NZ$ 4.7M
- Cash received in FY20, NZ$16.5M
- Net cash used in operations in Q4, NZ$ 4.4M
- Cash-in-bank as at 31st March 2020, NZ$31.4M (~A$64M post-raise with ~A$7M SPP)

FY2020: Unaudited

- Non-GAAP Annualised Revenue (if MRS had been part of Volpara for the full financial year), NZ$18.3M*
- Non-GAAP Revenue (incl. MRS from 13 June 2019), NZ$16.2M
- GAAP/IFRS Revenue (after non-cash PPA deferred revenue adjustment), NZ$12.5M**
- Total comprehensive loss for the period (includes NZ$4.4M of non-cash & acquisition related costs) NZ$20.8M

* This amount includes Capital sales which MRS made between 1 April 2019 and 12 June 2019 (acquisition date). These are non-recurring in nature and not indicative of future performance.

** Difference between NZ$16.2M and NZ$12.5M is due to business combination technical accounting adjustment related to the deferred revenue in MRS as part of the Purchase Price Allocation which was finalized in March 2020. This is a one-off adjustment and there is still a tail of approx. NZ$600K for FY2021.

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Capital Raising Rationale & Details

Capital Raising Rationale

- Volpara is raising ~A$35M to further strengthen its balance sheet and pursue identified M&A opportunities at various stages
- Company will have ~A$64M cash-in-hand post raising and will be in a strong position versus competition to continue R&D and sales momentum versus competition
- Identified M&A opportunities that if executed have the potential to generate significant returns for shareholders
- Focus is on acquisition opportunities that will materially increase US market share and/or expand our product suite / ARPU

Offer Details

Placement

Placement to exempt investors[1] to raise A$28 million via the issue of approx. 21,538,462 fully paid ordinary shares (Placement).

Issue price of A$1.30 per share represents:

- 10.3% discount to the closing price on ASX on 16th April 2020 of A$1.45 per share
- 40.1% discount to the recent high of A$2.17 on 19th November 2019

Share Purchase Plan

Volpara will offer eligible shareholders in Australia and New Zealand the ability to apply and subscribe for up to A$30,000 (equivalent to NZ$31,500[2]) issued under the Placement via a Share Purchase Plan (SPP), to raise up to ~A$7 million[3]. The company reserves the right to take oversubscriptions.

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[1] Persons to whom an offer of new securities in the Company is lawful, in accordance with the international offer restrictions set out on page [2,3]
[2] Calculated using the exchange rate of A$1:NZ$1.05
[3] The Directors of Volpara reserve the right to increase the amount raised by the SPP

Indicative Capital Raising Timetable

Record date for SPP	Monday 20 April 2020
Announcement of Capital Raising	Tuesday 21 April 2020
Settlement of Placement Shares	Friday 24 April 2020
Allotment, quotation and trading of Placement Shares	Monday 27 April 2020
Dispatch SPP Offer Booklet and SPP Offer Opens	Tuesday 28 April 2020
SPP Offer Closes	Monday 11 May 2020
Allotment of SPP Shares	Monday 18 May 2020
Quotation and trading of SPP shares	Tuesday 19 May 2020

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Note: The dates in the timetable above are Sydney, Australia time. All dates are indicative only and may change without notice.

Company and Technology Overview

Saving Families from Breast Cancer

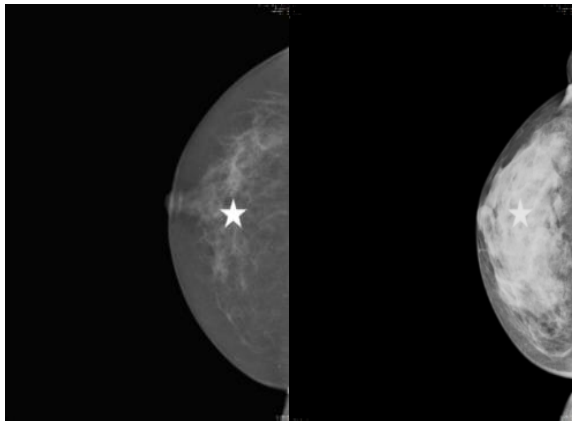
- Earlier detection improves survival & reduces treatment costs, and ~92M women are screened globally each year

- "One size fits all" breast cancer screening using breast x-rays (mammograms) is proven to save lives, but room to improve:
  - 25-40% of cancers are missed by the radiologist
  - 2- 3% of women get recalled due to bad imaging

- US payers reimburse ~US$150 or so per woman per year for screening, giving a total spend of ~US$4.5Bn

- Volpara uses AI algorithms to provide objective measures of the breast from the data & mammograms from any mammography machine to help with clinical decision support and practice management

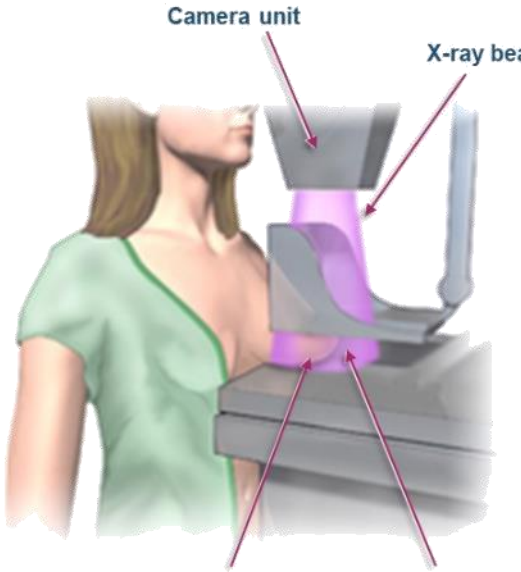
- With over 300+ publications and granted patents and trademarks our technology is world-leading



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

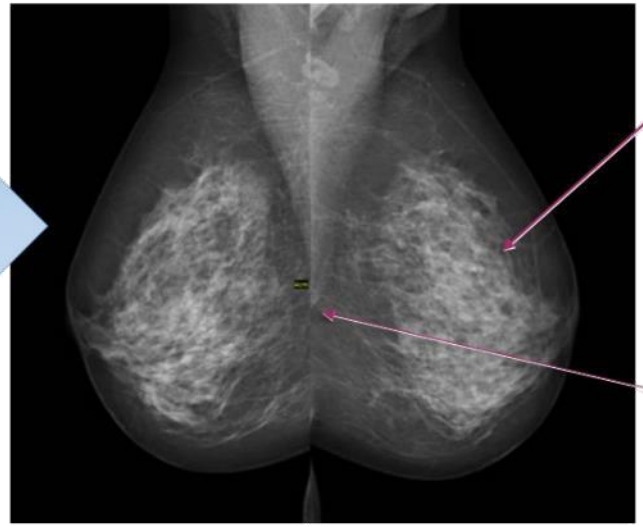
Volpara's Unique Technology

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



Breast compression:
Too hard, exam is painful but usually good images & low dose. Too soft, tissue is not spread enough, high dose, but no pain.

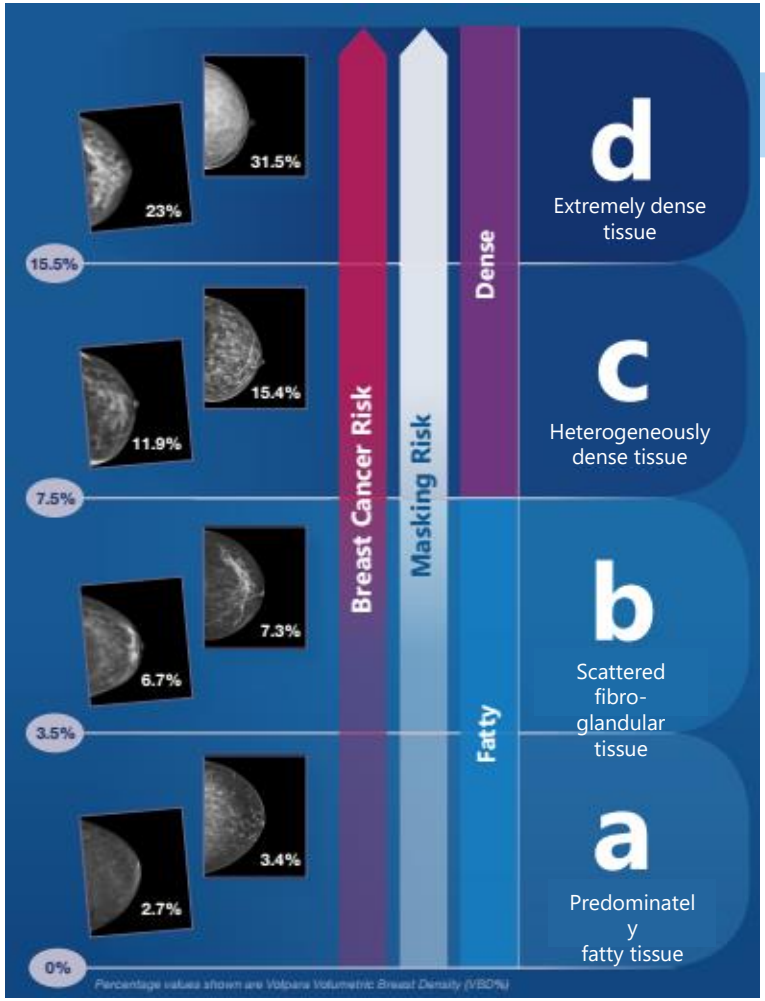
Radiation dose:
Needs be high enough for a good quality image, but low enough so as to not induce a cancer.



Breast density:
The more white tissue, the "denser" the breast which is a risk factor for developing and hiding cancer. Assessment by eye is subjective.

Breast positioning:
All the tissue needs to be imaged, otherwise a cancer might be missed.

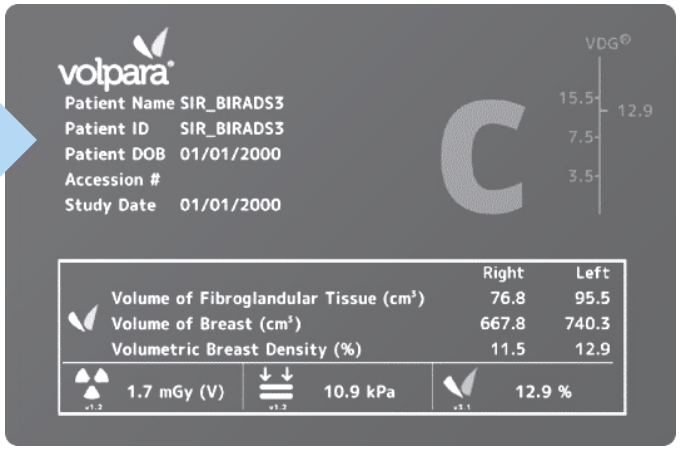
Overview of VolparaDensity



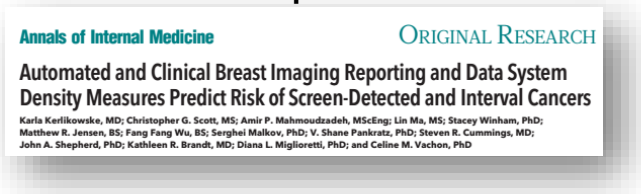
FDA 510(k) cleared

VolparaDensity

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



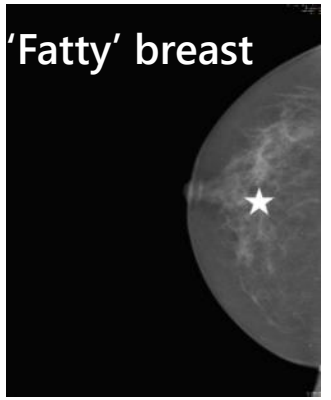
>300 publications

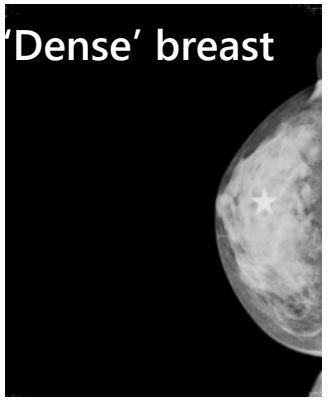

Annals of Internal Medicine ORIGINAL RESEARCH

Automated and Clinical Breast Imaging Reporting and Data System Density Measures Predict Risk of Screen-Detected and Interval Cancers

Karla Kerlikowske, MD; Christopher G. Scott, MS; Amir P. Mahmoudzadeh, MScEng; Lin Ma, MS; Stacey Winham, PhD; Matthew R. Jensen, BS; Fang Fang Wu, BS; Serghei Malkov, PhD; V. Shane Pankratz, PhD; Steven R. Cummings, MD; John A. Shepherd, PhD; Kathleen R. Brandt, MD; Diana L. Miglioretti, PhD; and Celine M. Vachon, PhD

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





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

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

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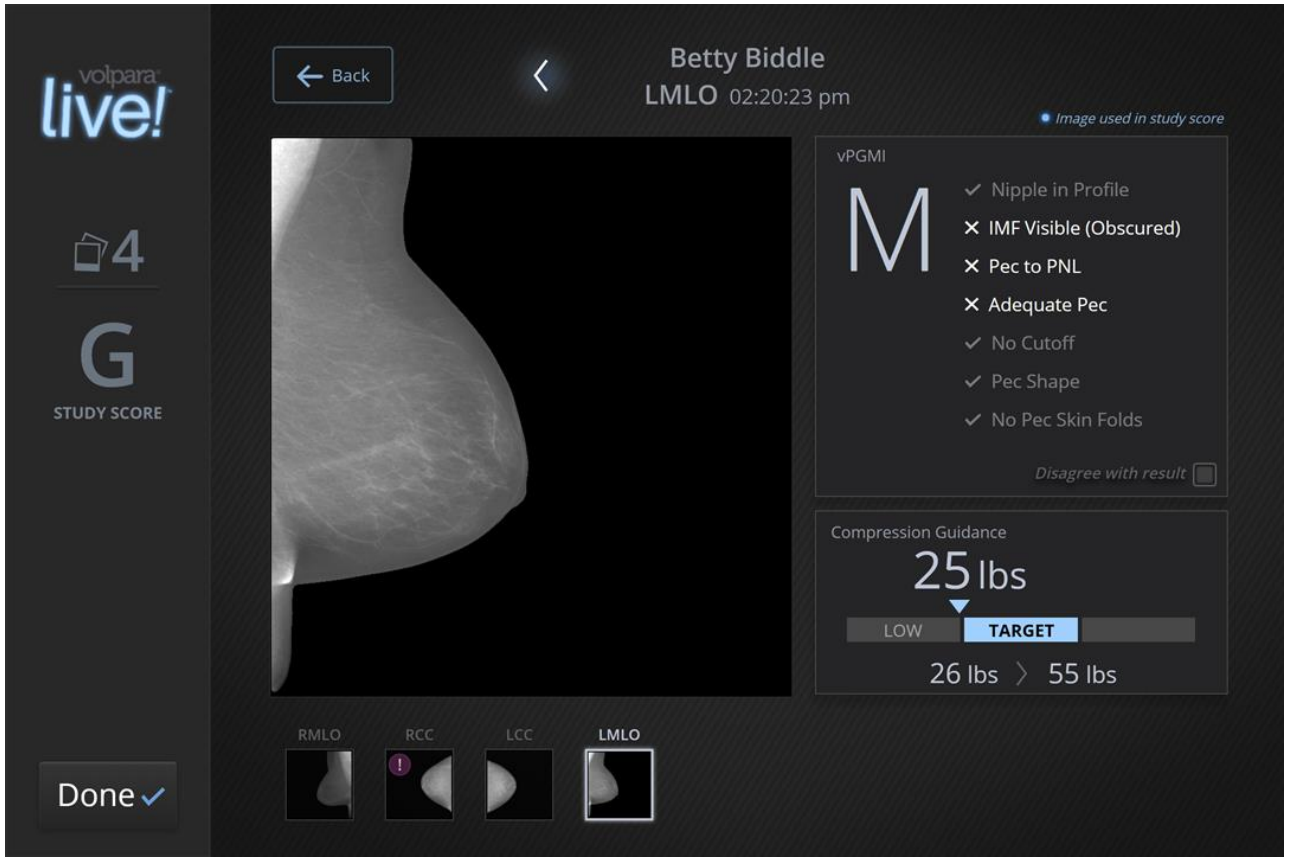
Overview of VolparaLive!



- **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

Overview of VolparaEnterprise

Volpara Cloud on Microsoft Azure
Powered by Volpara Artificial Intelligence

Volpara proprietary software aggregates data

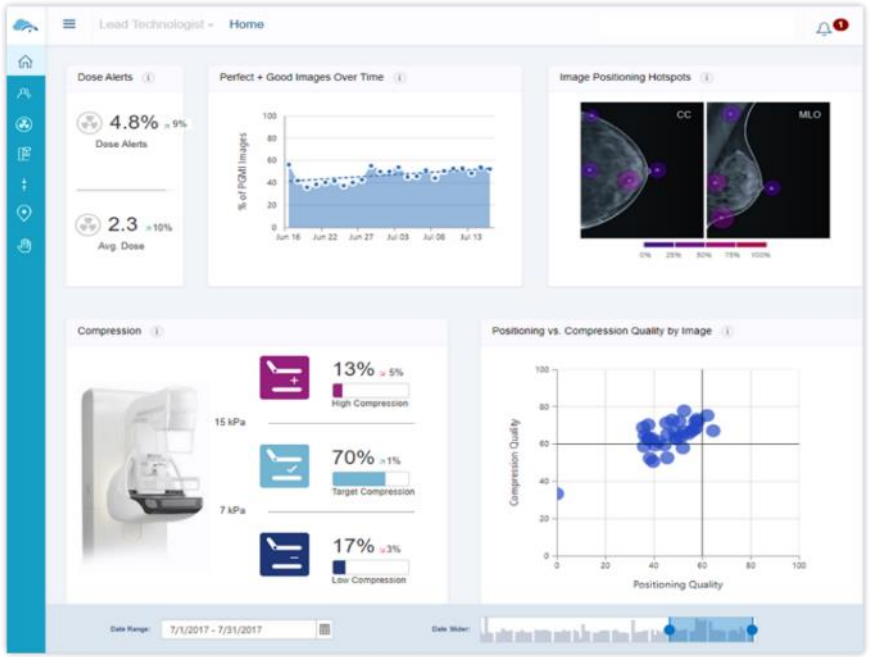
Secure access to Volpara AI Analytics in the Cloud via browser

Lead Technologist accessing VolparaEnterprise

Each uses Volpara dashboards to better manage staff, equipment utilisation, compliance and drive profitability

Breast Imaging Manager accessing VolparaEnterprise

VolparaEnterprise Dashboard



bsi. ISO/IEC 27001 Information Security Management

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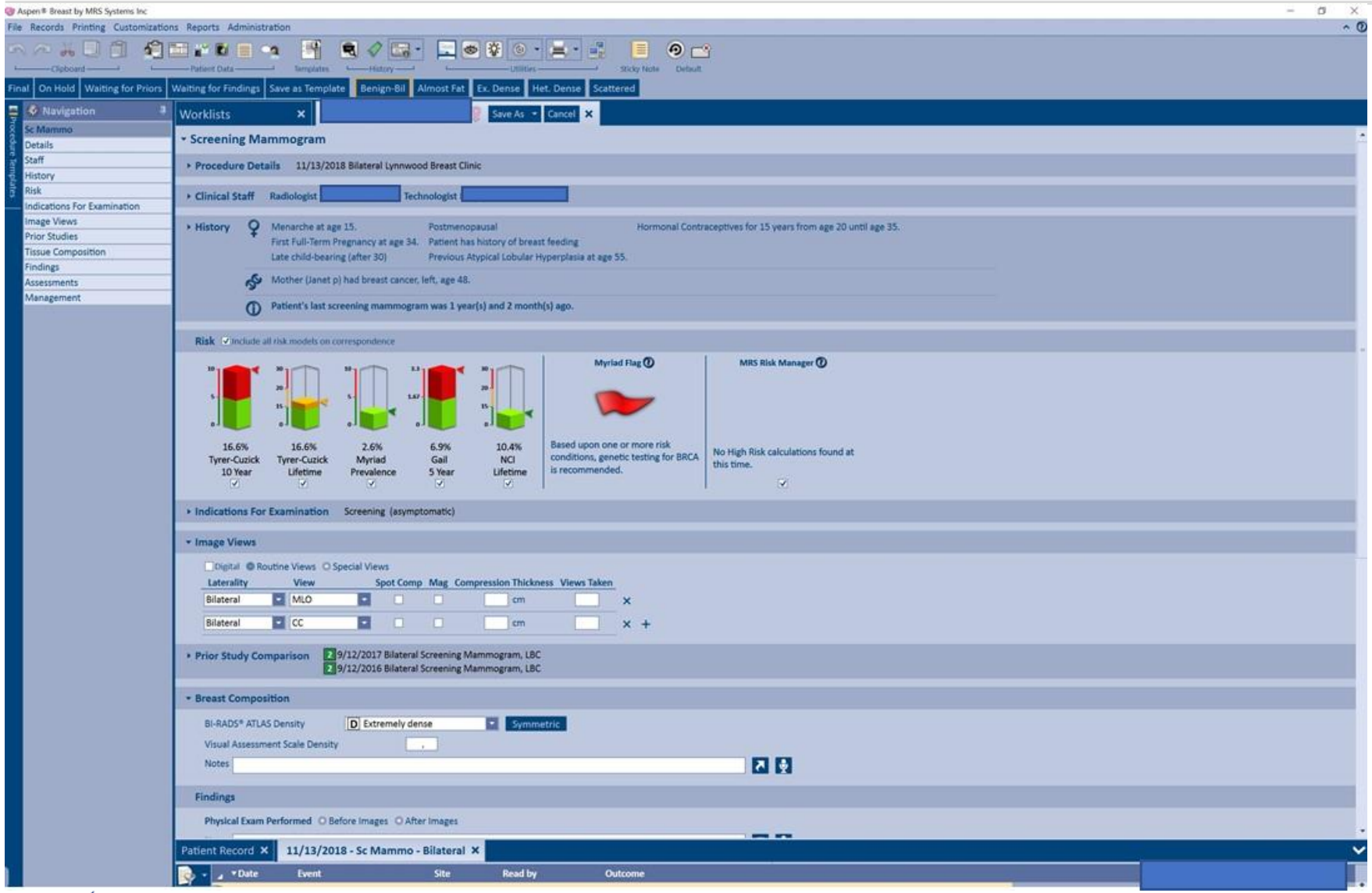
Overview of Aspen Breast – Patient Management Software



- Tracking and reporting breast procedures
- Enables structured reporting, and easy compliance with regulations.
- Fully integrated into clinical IT networks.

Volpara acquired this from MRS Systems Inc, June 2019

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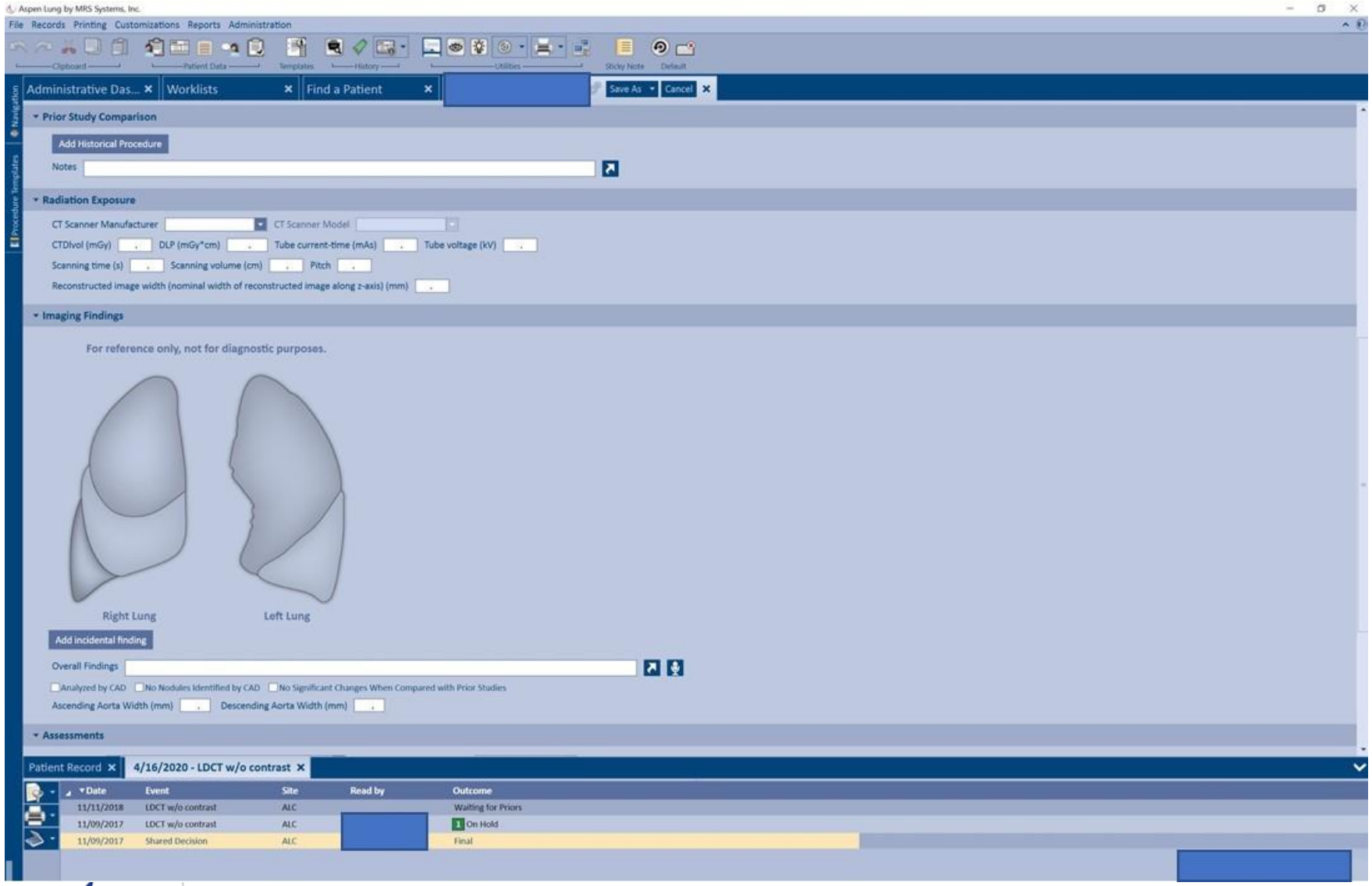
Overview of Aspen Lung – Patient Management Software



- Tracking and reporting lung procedures
- Enables structured reporting, and easy compliance with regulations.
- Fully integrated into clinical IT networks.
- Lung cancer kills 2M a year, 144K in the US. Screening significant reduces mortality.

Volpara acquired this from MRS Systems Inc, June 2019

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Proven to Improve Patient Care & Profitability

Clinical Decision Support

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

- ProMedica reported 7.7 more cancers per 1,000 women using molecular breast imaging[1]
- EWBC reported 3.3 more cancers per 1,000 women using ultrasound[2]

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

Practice Management

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

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

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Attractive Recurring Revenue Model

- Volpara provides Software-as-a-Service (SaaS), with pricing based on the product used and number of women screened at each site
- Most Volpara contracts signed are 5-year annual rolling contracts with effectively fixed amounts paid annually upfront
- Average Revenue Per User (ARPU) is the average revenue achieved per woman screened per year at a site – currently, our ARPU over the entire installed base is US$1.04, it's at that level because most users have only the Aspen product currently which was historically sold as capital with a small service & maintenance contract, not as SaaS
- **Since 1st November 2019, all new quotes/proposals are SaaS contracts, and most new deals are significantly above US$1.04 ARPU comprising multiple products.**

VOLPARA'S AIM IS TO GET TO

~US$10 ARPU per screen

- VolparaEnterprise
- VolparaDensity
- VolparaLive!
- Risk Assessment[1]
- Computer-Aided Detection[2]
- VolparaAspen[3]
- Genetics Testing[4]

1&3 – these were MRS products prior to acquisition
2 - Transpara from ScreenPoint
4 - Fee we receive from Ambry Genetics as part of April 2020 deal

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US Market – ~39M Women a Year, Volpara has ~27.1% Footprint

- ~8,700 sites all regulated by the FDA, who are pushing quality & likely to mandate breast density reporting
- Volpara sells direct with 17 experienced SaaS sales people, and a collaborative working relationship with GE
- The acquisition of MRS has created major cross-selling opportunities, especially around personalized healthcare, 27.1% of US sites now have at least one Volpara product
- Volpara's unique products have created a first mover advantage, built competitive defences, and provide outcomes being requested of sites by the FDA and other groups

THE UNIVERSITY OF TEXAS MD Anderson Cancer Center

Memorial Sloan Kettering Cancer Center

KAISER PERMANENTE®

Walter Reed National Military Medical Center

FDA NEWS RELEASE

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

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

THE AMERICAN SOCIETY OF Breast Surgeons - Official Statement -

Position Statement on Screening Mammography

ASBrS Breast Cancer Screening Guidelines Recommendations

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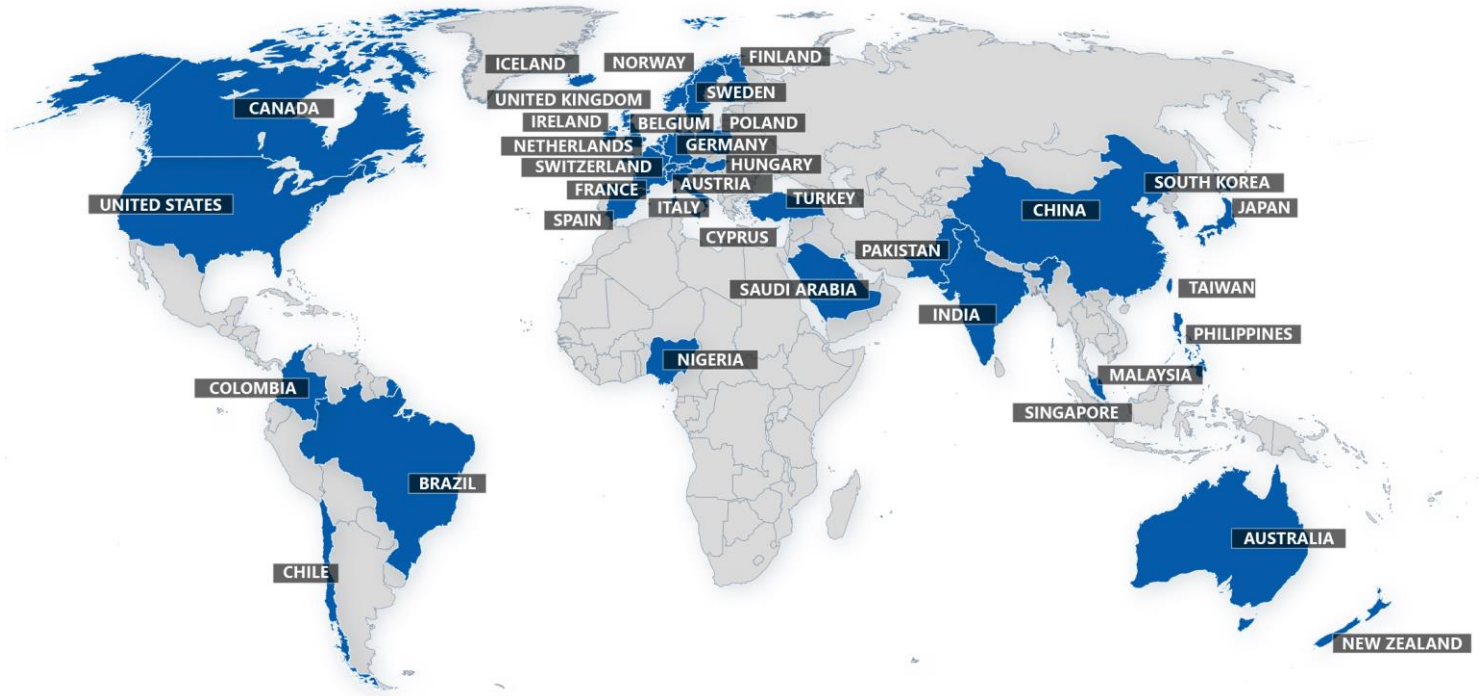
The customer trade marks (above) are the property of the Customer and are used for illustrative purposes only. No rights in or to the trade marks, no association, and no endorsement of our products on the part of the customer is intended or implied. Some sites might still be in the installation phase.

Outside the US – 38 Countries Using Volpara Software



- Major trials underway with public sector run programs, **DENSE announced in Q3 from Netherlands showing major drop in interval cancers:**

> MR Imaging as an Additional Screening Modality for the Detection of Breast Cancer in Women Aged 50–75 Years with Extremely Dense Breasts: The DENSE Trial Study Design[1]

- Key luminaries signed-up across Asia and Europe
- Mix of direct and distributor sales
- Australia & NZ have seen strong private uptake over last year
- **Q3 - First major public screening program signed up to Enterprise – going live in CY2020**

Royal Perth Hospital · I-MED Radiology Network · Imaging Associates · The Wesley Hospital · Women's & Breast Imaging · The Royal Melbourne Hospital · Lake imaging

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

Health

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

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

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

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.

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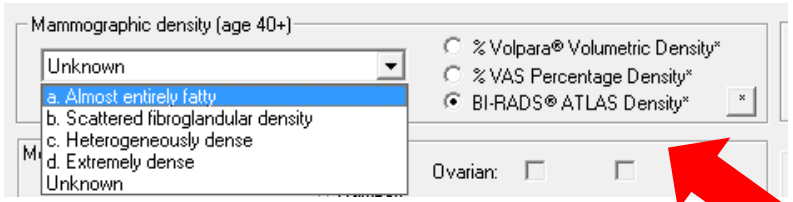
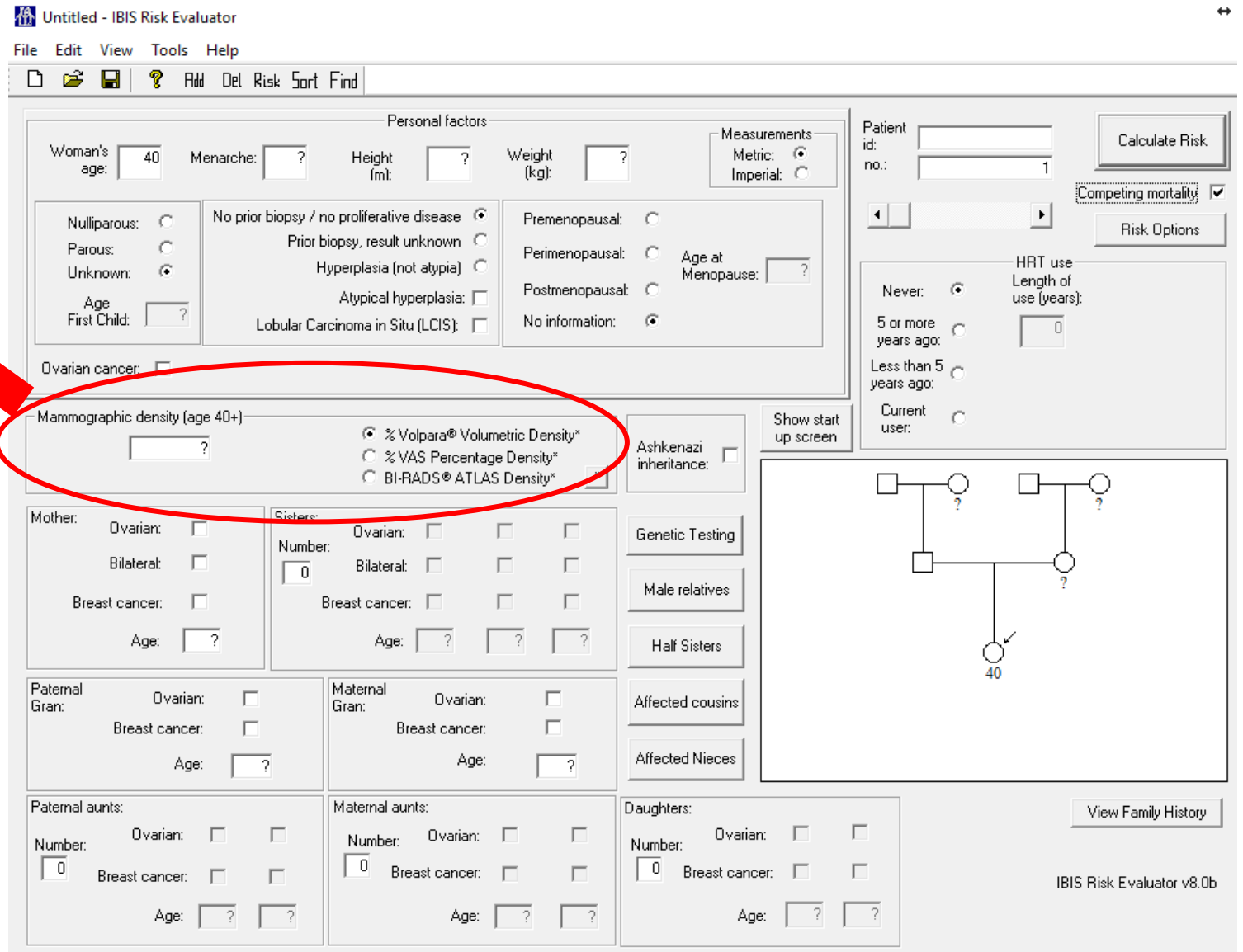
Landmark for Women – Tyrer-Cuzick Version 8 Risk Model



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



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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
- 101 granted national patents, 9 international applications, 4 in progress
- 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

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Strong & Experienced Board

Paul Reid *Chair*

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

Dr Monica Saini *Executive Director*

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

Karin Lindgren *Non-Executive Director*

- Joined the Board in January 2020, based in USA
- Experience Board member
- Healthcare technology lawyer
- Expert in data governance and privacy
- Extensive US healthcare & IT networks

John Diddams *Non-Executive Director*

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

Ralph Highnam, PhD *Managing Director*

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

John Pavlidis *Non-Executive Director*

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

Roger Allen, AM *Non-Executive Director*

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

volpara health technologies

Strong & Experienced Executive Team

Mark Koeniguer *Chief Commercial Officer*

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

Craig Hadfield *Chief Financial Officer*

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

Simon Francis *Chief Operating Officer*

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

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

Mark Morris *Executive VP, Customer Success*

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

Kathryn Greene *Chief People Officer*

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

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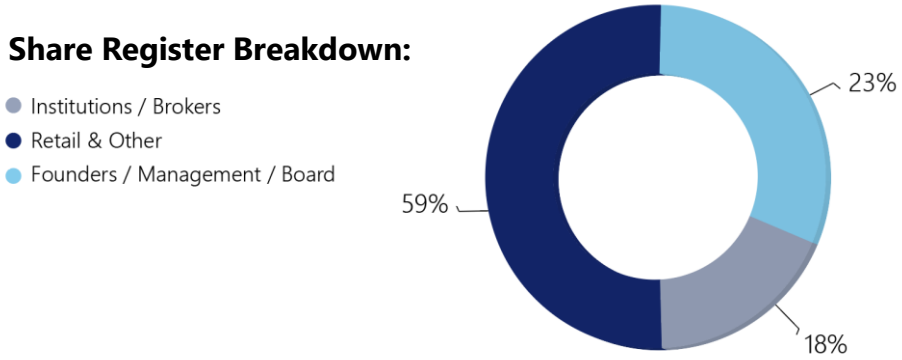
Strong Investor Base – 12,000+ Retail Shareholders & International Institutions

Key Corporate Data 16th April 2020	
Share price	A$1.45
52 week low / high	A$0.79-A$2.17
Shares on issue	218,479,977
Market Cap.	A$316.8m
Cash (Post Raise)	~NZ$67.0m / ~A$64.0m
Debt	No debt
Enterprise value	A$252.8m

Share Register Breakdown:



Top Investors	Balance as at 16 April 2020	%
1 PATAGORANG PTY LTD	18,467,848	8.45%
2 RALPH HIGHNAM	16,190,485	7.41%
3 J P MORGAN NOMINEES AUSTRALIA	16,009,316	7.33%
4 CITICORP NOMINEES PTY LIMITED	12,712,463	5.82%
5 CUSTODIAL SERVICES LIMITED <BENEFICIARIES HOLDING A/C>	8,036,655	3.68%
6 PROF SIR MICHAEL BRADY	6,619,075	3.03%
7 MR MARCUS SARNER	5,980,404	2.74%
8 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,666,461	2.14%
9 NATIONAL NOMINEES LIMITED	4,242,342	1.94%
10 SIR MARTIN FRANCIS WOOD	3,004,655	1.38%
11 LADY KATHLEEN AUDREY WOOD	3,004,654	1.38%
12 BNP PARIBAS NOMS (NZ) LTD <DRP>	2,880,578	1.32%
13 PROF MARTIN YAFFE	2,785,850	1.28%
14 PROF NICO KARSSEMEIJER	2,556,806	1.17%
15 MR JEREMY PALMER	1,966,317	0.90%
16 WHITFIELD INVESTMENTS PTY LTD	1,430,767	0.65%
17 SIR MARTIN GREGORY SMITH	1,366,977	0.63%
18 BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,226,388	0.56%
19 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSI EDA	1,035,002	0.47%
20 PICKARD CAPITAL PTY LTD	888,106	0.41%
Total Securities of Top 20 Holdings	**115,071,149**	**52.67%**
Total of Securities	**218,479,977**	

Research coverage by:

BELL POTTER morgans ORD MINNETT

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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.

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
COVID-19 Business Risk	The ongoing impact of the Coronavirus (COVID-19) on the Company's operations is not currently accurately ascertainable, and may not be known for a period of time. COVID-19 could potentially impact suppliers, customers, employees and the Company's ability to operate and to develop its products. All of these factors, if they eventuate, would have an impact on the Company's financial performance, and depending on the extent of the disruption, the impact could be material.
Failure to attract new customers and to retain existing customers	The success of Volpara's business relies on its ability to attract new customers and to increase revenue from existing customers. Volpara primarily generates revenue through healthcare professionals, including radiologists who typically pay annual subscription fees in advance to access Volpara's products. Reasons that healthcare professionals may be slow to adopt the Volpara products include (but are not limited to): • preference for the products of competitors, where they exist, due to familiarity with those products or for various other reasons; • new Volpara products failing to perform to expected standards; • limited data being available that may illustrate return on investment and cost benefits to healthcare professionals of the use of Volpara products; and • concern over the potential liability risks involved in using a new product. Volpara's customers have no obligation to renew their service offering when their contract term ends and in some cases customers have rights to cancel after each year and Volpara cannot guarantee that all or any of its customers will renew their current service offering after the completion of their contract term. 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.

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)	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. While Volpara seeks to mitigate the risk of an inadvertent disclosure of PHI or a breach of privacy relating to PHI by its employees or contractors by putting in place appropriate internal security measures and training, and taking out insurance cover, if a breach were to arise and Volpara is found to be liable and subject to a payment of damages, this could have a material adverse effect on the financial performance and reputation of Volpara. Further, as Volpara 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.
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 also requires 3rd party licensing of certain software such as Tyrer-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	Volpara currently has FDA clearance (FDA 510(k)) for its products *VolparaDensity*™ and *Volpara Density Maps* and for its quality controls tool. However, as Volpara seeks to diversify its product range and develop new products, Volpara 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. Any delays or barriers to Volpara obtaining necessary regulatory clearances would limit the size of the market opportunity for the new products until such time (if any) that Volpara was able to obtain such clearances for its new products.
Volpara may not be able to successfully deploy its sales, marketing and distribution resources	Volpara will need to ensure compliance with all legal and regulatory requirements for sales, marketing and distribution in each relevant market. There is a risk that Volpara will be unable to successfully deploy its sales, marketing and distribution resources to fully realise the commercialisation of its products.
Volpara may be subject to competition from existing manufacturers of breast screening equipment	Volpara's products are designed to operate on most of the leading breast screening equipment manufactured globally, including equipment manufactured by market leaders Hologic, GE and Siemens. However, manufacturers such as Hologic also manufacture their own software, which can be used on their own equipment and possibly on other manufacturers' equipment. There is a risk that manufacturers such as Hologic make it a condition of the sale of their equipment that Hologic software be used with that equipment, and offer the product for free. This may make it more difficult for healthcare professionals to adopt Volpara's products and use them with their equipment, even though Volpara can successfully demonstrate that its products are superior to those being offered by the equipment manufacturers. If this were to happen, Volpara is likely to experience pressure on its sales, which would impact on its financial performance.
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	The Directors give no assurances that the objectives of Volpara outlined in this Presentation will be met. An investment in New Shares does not guarantee any return, including any guarantee that a shareholder will receive a return on their capital contributed. In the future, Volpara may wish to elect to issue shares or to engage in further capital raisings to help fund the growth of the business or working capital. While Volpara is subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12 month period without shareholder approval (subject to certain exceptions), shareholders at the time may be diluted as a result of such issues of shares under the capital raising.

Key Risks

Type of risk	Description of risk
Acquisitions and other investments by Volpara may not be successful	As evidenced by the acquisition of MRS Systems, Inc. in June 2019, as part of its growth strategy, Volpara may attempt to acquire businesses from time to time. While Volpara will take every effort to ensure that any completed 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. 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. 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.

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	The performance of Volpara, in common with other companies, is subject to general economic conditions, movements in interest and inflation rates, and currency exchange rates which may have an adverse effect on Volpara's activities, as well as its ability to fund those activities. There are also risks associated with any investment in a 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.
Product liability insurance	Volpara is exposed to potential product liability risks that are inherent in the research and development, manufacturing, marketing and use of its products. Volpara has product liability and professional indemnity insurance which the Directors consider is adequate at this time. However, there can be no assurance that adequate or necessary insurance coverage will continue to be available at an acceptable cost or in sufficient amounts, if at all, or that product liability or other claims would not materially and adversely affect the business or financial condition of Volpara (for instance, because the amount of such claims exceeds the level of insurance).

Key Risks

Type of risk	Description of risk
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	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. 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.
Sales of shares by existing shareholders and shareholder continuity test	There is a risk that 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. 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.
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.

Key Risks

Type of risk	Description of risk
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	Volpara is exposed to any changes in regulatory conditions in the jurisdictions in which it operates. Such regulatory changes can include, but are not limited to, changes in applicable law (including tax laws), changes in interpretation of existing laws, changes in policies, regulations standards and practices (including changes in tax or accounting policies), each of which may impact the operations and business practices of Volpara and its management. Any change in the current rate of company income tax in New Zealand or any other jurisdiction in which Volpara operates may impact upon the financial performance and cash flows, ability to pay dividends and Volpara's share price which in turn could impact shareholder returns.
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 SPP outside Australia and New Zealand), except to the extent permitted below.

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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.

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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.

International offer restrictions

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.

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.
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