

ASX RELEASE

Capital Raising – Placement & Entitlement Offer **- \$7 million placement oversubscribed** **- 1 for 20 Entitlement Offer launched**

Wellington, NZ, 22nd November 2016: Volpara Health Technologies ("Volpara"; ASX: VHT), a digital health company focused on early detection of breast cancer by improving quality of screening, is pleased to announce that it has successfully completed a placement of 11.6 million shares at A\$0.60 per share to raise A\$7 million and is now undertaking a 1 for 20 non-renounceable entitlement offer to raise approximately A\$3.7 million at the same price (**Capital Raising**).

The placement and entitlement offer has been fully underwritten by Morgans Corporate Limited (**Underwriter**).

Overview

- Underwritten placement to raise A\$7 million
- Underwritten 1 for 20 non-renounceable entitlement offer to raise approximately A\$3.7 million.
- Offer price of A\$0.60 per new share represents
 - a 3% discount to the 90 day volume weighted average price (VWAP) of shares up to and including 17 November 2016 (the last trading day prior to announcement) of A\$0.616
 - a 18% discount to the 30 day VWAP up to and including 17 November 2016 (the last trading day prior to announcement) of A\$0.732; and
 - a 28% discount to the last traded price on 17 November 2016 of A\$0.835.
- Morgans Corporate Limited acted as the Lead Manager to the Placement and Entitlement Offer.

Use of funds

At 30 September 2016, VHT had a closing cash position of A\$6.4 million. Proceeds from the Capital Raising will be used to accelerate the business development and sales of the Company's products by growing the global sales team and increasing focus on product development, and to supplement working capital to support the rollout of *VolparaEnterprise*[™] its Software as a Service (SaaS) subscription based model. At the completion of the capital raising, Volpara will have pro-forma cash-on-hand of A\$16.6 million (at 30 September 2016).

Placement

Volpara has successfully completed a fully underwritten placement of new ordinary shares at the issue price of A\$0.60 per share to raise A\$7 million (**Placement**). The Placement comprises a placement to institutional and sophisticated investors of approximately 11.6 million shares.

Entitlement Offer

The entitlement offer consists of a fully-underwritten non-renounceable entitlement offer of 1 new share for every 20 shares held at an issue price of A\$0.60 per new share (**Entitlement Offer**).

Participation in the Entitlement Offer will be open to Volpara shareholders who are registered holders of shares on the record date of 7.00pm on Friday, 25 November 2016 and who have a registered address in Australia, New Zealand or the United Kingdom (**Eligible Shareholders**).

The entitlements of an Eligible Shareholder under the Entitlement Offer (**Entitlement**) are non-renounceable and will not be tradeable on ASX or otherwise transferable off-market. Shareholders who do not take up their Entitlements will not receive any value in respect of those Entitlements that

they do not take up. Shareholders who are not eligible to receive Entitlements will not receive any value in respect of the Entitlements they would have received had they been eligible.

Approximately 6.2 million new ordinary shares in Volpara will be issued as part of the Entitlement Offer. Shares issued under the Entitlement Offer will rank equally with existing shares.

The Entitlement Offer will include a shortfall facility under which eligible shareholders who take up their full Entitlement will be invited to apply for additional shares in the Entitlement Offer from a pool of those not taken up by other Eligible Shareholders or by shareholders who are ineligible to participate in the Entitlement Offer. There is no guarantee that applicants under this shortfall facility will receive all or any of the shares they apply for under the shortfall facility.

Volpara will notify shareholders as to whether they are eligible to participate in the Entitlement Offer. Eligible shareholders will receive a prospectus under Section 713 of the *Corporations Act 2001* (Cth) (**Corporations Act**) (**Prospectus**). The Prospectus will include a personalised entitlement and acceptance form which will provide further details of how to participate in the Entitlement Offer.

A company update and details on the Capital Raising has been lodged with ASX today and is able to be downloaded from ASX's website, www.asx.com.au.

Key dates¹

Activity	Date
Announcement of the Placement & Entitlement Offer	Prior to commencement of trading on 22 November 2016
Shares commence trading on an "ex"-entitlement basis	24 November 2016
Record Date to determine Entitlements	7.00 pm (Sydney time) 25 November 2016
Settlement of the Placement	25 November 2016
Placement shares issued	28 November 2016
Dispatch of Prospectus and Entitlement and Acceptance Forms and announcement that has occurred	by 30 November 2016
Opening date of the Entitlement Offer	30 November 2016
Closing Date	5.00 pm (Sydney time) 15 December 2016
Shares commence trading on a deferred settlement basis	16 December 2016
Notification of under subscriptions to ASX (if any)	by 20 December 2016

¹All dates are indicative only and subject to change. Volpara reserves the right, subject to the Corporations Act, the Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer, including extending the Entitlement Offer or accepting late applications, without notice. All times above are daylight savings time

Holding statements expected to be dispatched to Shareholders	22 December 2016
Trading of New Shares expected to commence on ASX on a normal settlement basis	23 December 2016

Company's capital structure pro-forma

The Company currently has 124,279,240 shares on issue.

The table below provides a pro-forma capital structure of the Company after completion of the Entitlement Offer (assuming no other shares are issued by the Company and no options or performance rights are exercised). The actual outcome of the Entitlement Offer may differ.

Share Capital	Shares
Shares on issue before announcement of the Capital Raising	124,279,240
Shares issued under the Placement announced on 22 November 2016	11,600,000
New Shares to be issued under the Entitlement Offer	6,213,962
Potential shares on issue after the Entitlement Offer and Placement	142,093,202

Important information

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States of America, or in any other jurisdiction in which such an offer would be illegal. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933 (the **US Securities Act**), or under the securities laws of any state or other jurisdiction of the United States of America and may not be offered or sold within the United States of America, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available. This document may not be distributed or released in the United States.

No action has been taken to register or qualify the Prospectus, the new shares issued pursuant to the Placement and Entitlement Offer (**New Shares**), or the Entitlement Offer, or otherwise to permit a public offering of the New Shares, in any jurisdiction outside Australia, and, to the extent described in the Prospectus, in New Zealand and the United Kingdom.

This announcement contains certain 'forward-looking statements' within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'may,' 'should,' 'expect,' 'anticipate,' 'estimate,' 'scheduled' or 'continue' or the negative thereof or comparable terminology. Any forecasts or other forward looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. Volpara does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.

For further information, please contact:

Should you have any queries in relation to the Entitlement Offer, please do not hesitate to contact the share registry on 1300 794 935 (within Australia) or +61 1300 794 935 (outside Australia) between 8.30am and 5.00pm (AEDT) Monday to Friday during the offer period.

The Entitlement Offer will be conducted in accordance with section 713 of the Corporations Act 2001 (*Cth*) and Eligible Shareholders will be sent a Prospectus including a personalised entitlement and acceptance form which will provide further details of how to participate in the Entitlement Offer by Wednesday 30 November 2016. The Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offer.

For further information, please contact:

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About Volpara Health Technologies Limited (ASX: VHT)

Founded in 2009 from research originally conducted at Oxford University, VHT is based in Wellington, New Zealand and facilitates the early detection of breast cancer through its digital health solutions to enable personalised, high-quality breast cancer screening based on objective measurements of breast density.

VHT has a number of patents and trademarks and regulatory clearances, including FDA and CE, supporting its technology and services. It launched its cloud based **VolparaEnterprise™** solution which incorporate breast density screening with a range of automated quality control features focused on improving quality and productivity in July 2016.

VHT listed on ASX in April 2016 after a \$10m IPO and has customers and/or research projects in 35 countries.

www.volparasolutions.com