Market update & capital raising
November 2016

ASX:VHT

volpara®
health technologies

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Breast cancer – a large and growing global problem

- 1 in 8 women in the developed world* will develop breast cancer and cases are rising across Asia with rates anticipated to double by 2030
- Catching cancer early saves lives, ~75 million women are screened each year with breast x-ray (mammography).
- The US, VHT's main commercial focus, spends US$7.8bn each year on screening 39 million women at ~8,700 sites.
- **VHT aims to reduce the mortality & cost of breast cancer through mission-critical, quality assurance software.**

** (Note: specifically: the US, Australia, Canada, New Zealand and most of Europe)*

Company overview: reducing mortality & cost of breast cancer

- VHT formed in 2009, by world-leading breast cancer scientists, to deliver software to identify women with a high risk of breast cancer using patented quantitative analysis of breast x-rays
- First product, *VolparaDensity*™, measures breast density, a key indicator in high risk women
- FDA and other regulatory clearances achieved
- High level of clinical validation, regulatory & patents, forming high barrier to entry
- Solid early sales: FY16 revenue NZ$2.5m, up 31% pcp, with small sales team and capital sales model, ~93% of sales are in the US, but low recurring revenues:
  1. OEM's too slow in selling
  2. Automated density market substantial, but still developing
  3. New opportunities opening up around quality assurance
  4. Growing market acceptance of software as a service (SaaS)

Listed on ASX, April 2016 – raised A$10M to accelerate & transition

Aim A - Sales team fully on board
Achieved 1st July 2016

Anton Zerle
VP S&M, APAC

David Lee
VP S&M, EMEA

About ~40 FTE, October 2016

Aim B - Expanded products for quality assurance
Achieved mid-July 2016

- Complete overview of breast imaging
- Covers productivity, safety, comfort & quality
- Recurring revenue, software as a service model (SaaS)
- Appeals to managers, radiologists and whole team
- Expected clear return on investment to sites
- Moves us in to big-data – Microsoft collaboration

US Sales, Board & Management engaged, San Francisco, October 2016

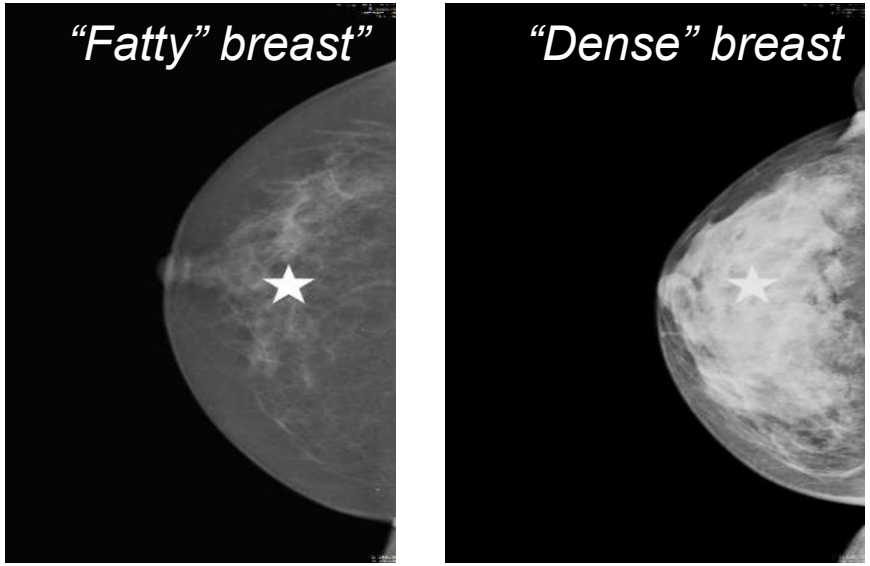
- US Sales, Board & Management
- Sales training
- Strategy discussions
- Interaction & integration

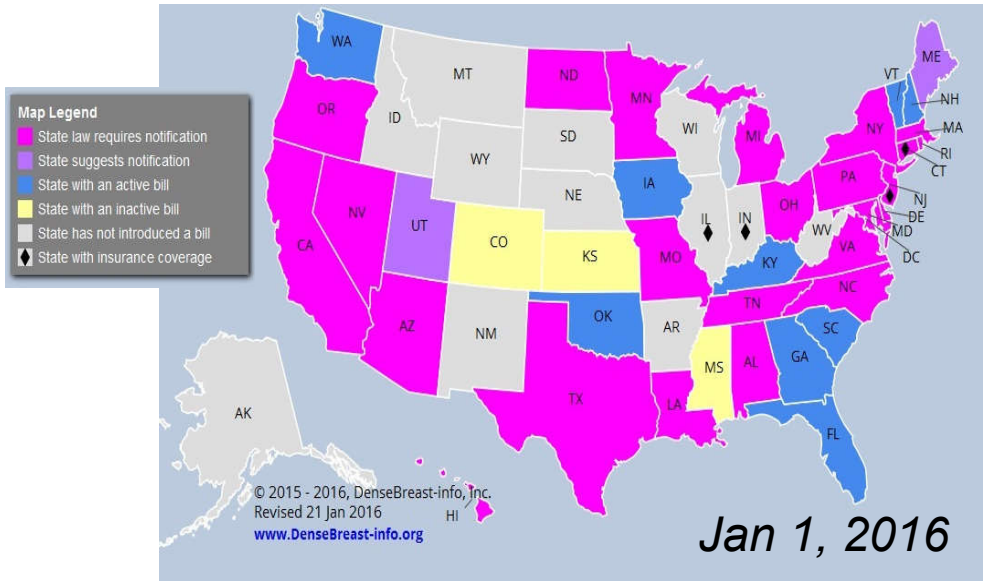
Key Driver 1:
Personalized Breast Cancer Screening

volpara®
health technologies

Screening saves lives, but can be optimized

Breast density ≈ percentage of breast that is glandular tissue.

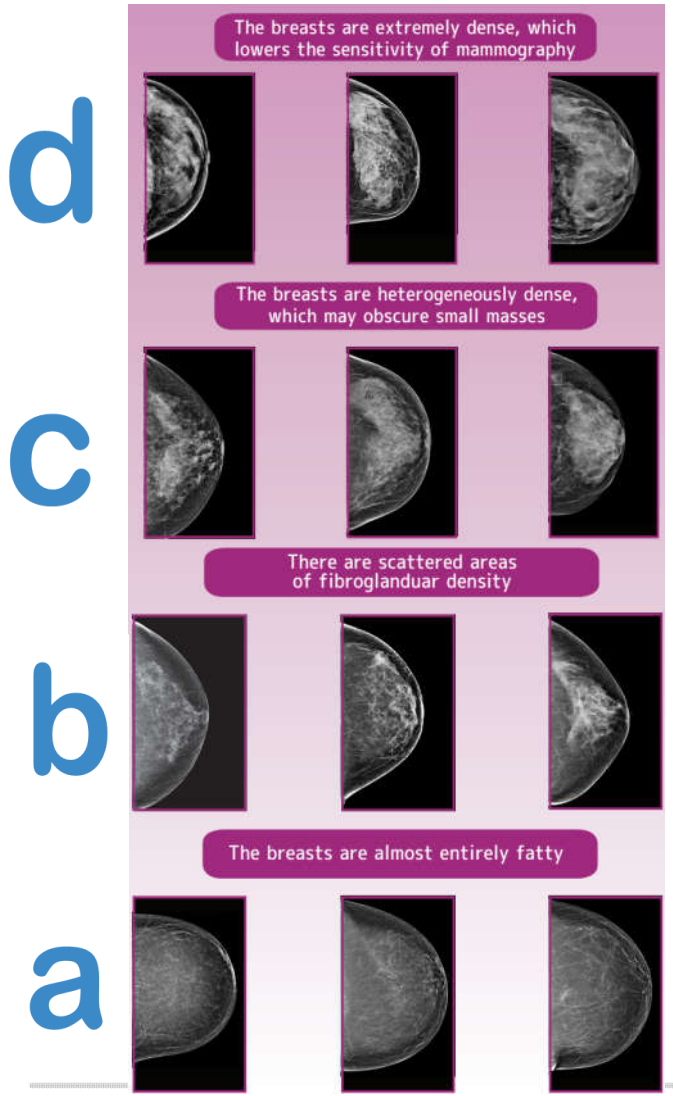




- 20–30% of cancers are missed mostly due to high breast density, which also increases risk of developing cancer.
- 40–50% of women in the US have dense breasts.
- Additional imaging of women with dense breasts such as with ultrasound drives up costs and increases false results.

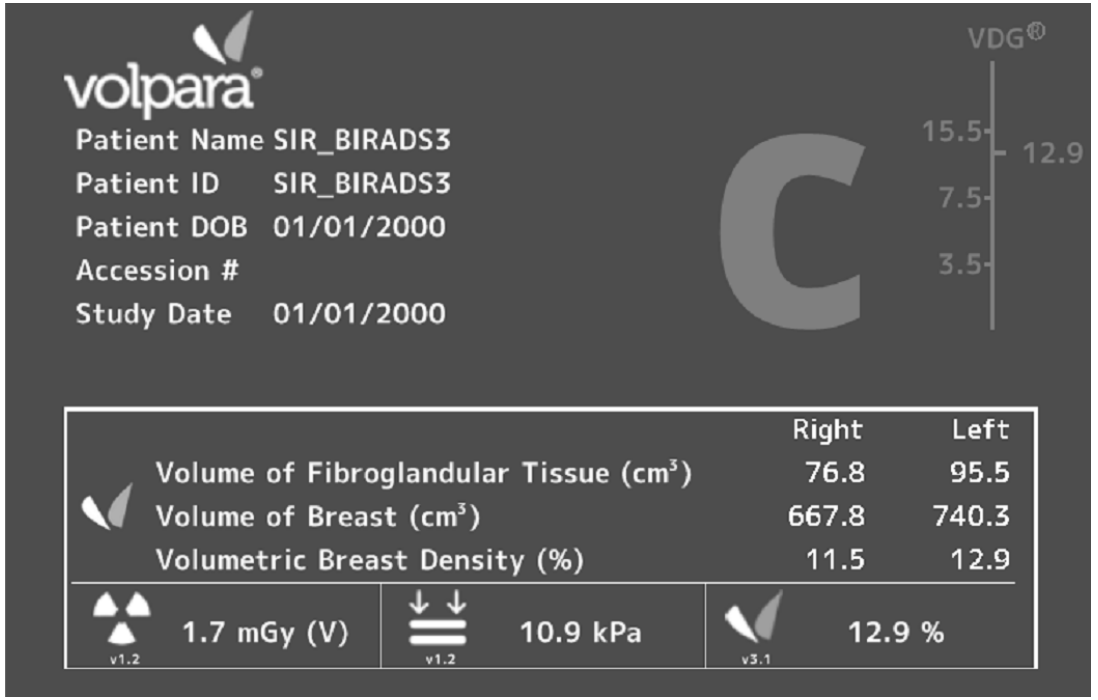
- 27 US states have laws requiring women to be informed about their breast density (~70% of population).
- Medical insurers do not yet have to pay for additional imaging.
- FDA is talking about making it a federal requirement.

VolparaDensity™ – automated, objective density scoring



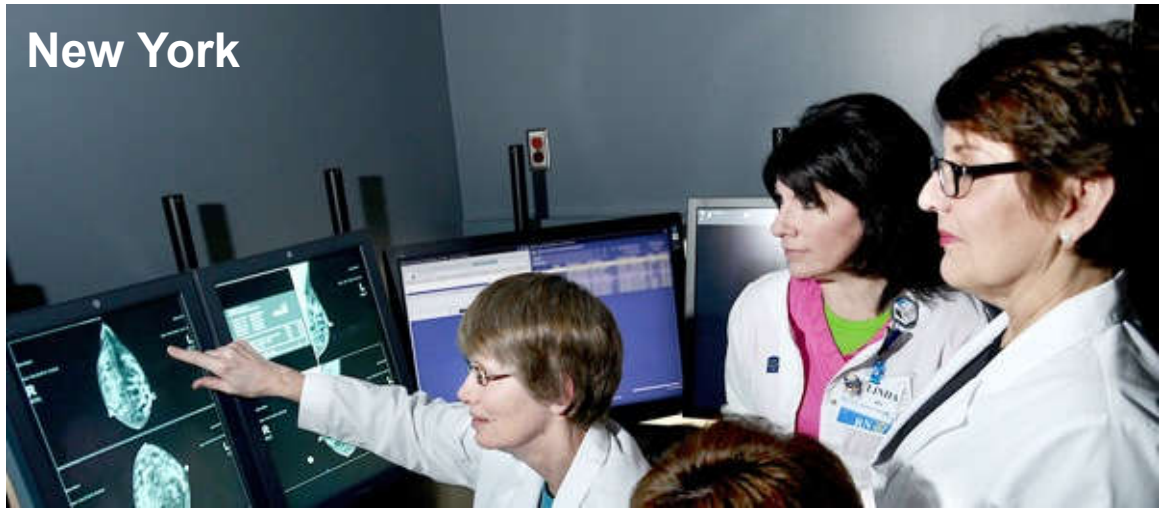
Subjective readings by two expert radiologists will disagree up to 35% of the time.

The Volpara software improves quality of care by providing **objective** evidence for density.

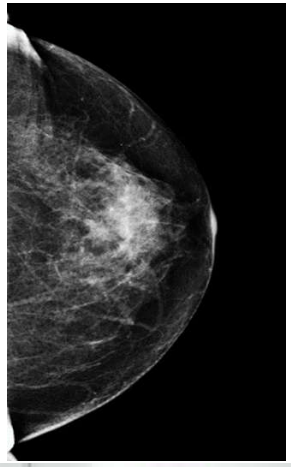


TGA CE FDA

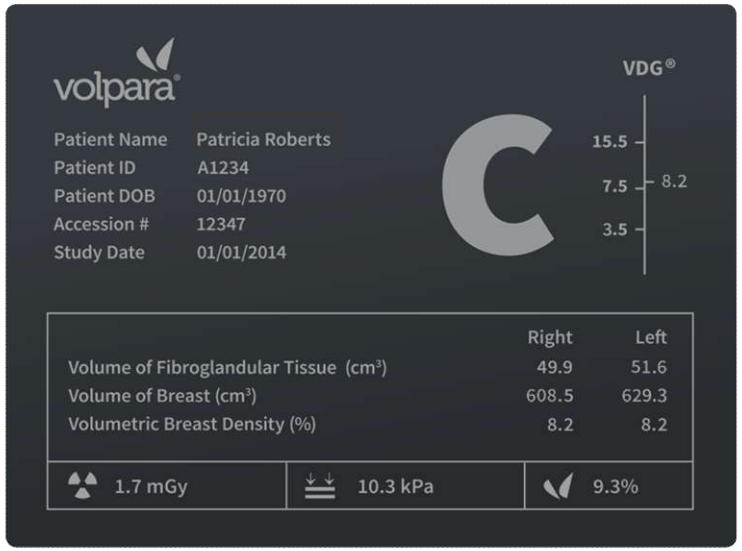
VolparaDensity™ – sold & integrated into workflow across the US



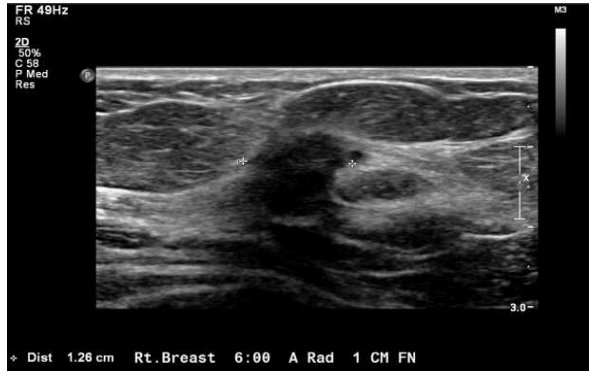
VolparaDensity™ helping detect cancer early – real example from Connecticut



VolparaDensity™



After Volpara test results patient sent for additional imaging and cancer found behind the nipple using ultrasound



- Competitors lack clinical validation and/or are specific to certain x-ray hardware
- *VolparaDensity™* is vendor neutral and has over 140 publications and installed in 35 countries
- Frost & Sullivan Global Award winners for Breast Density Assessment 2016
- New clinical utility will come when density incorporated directly into cancer risk models

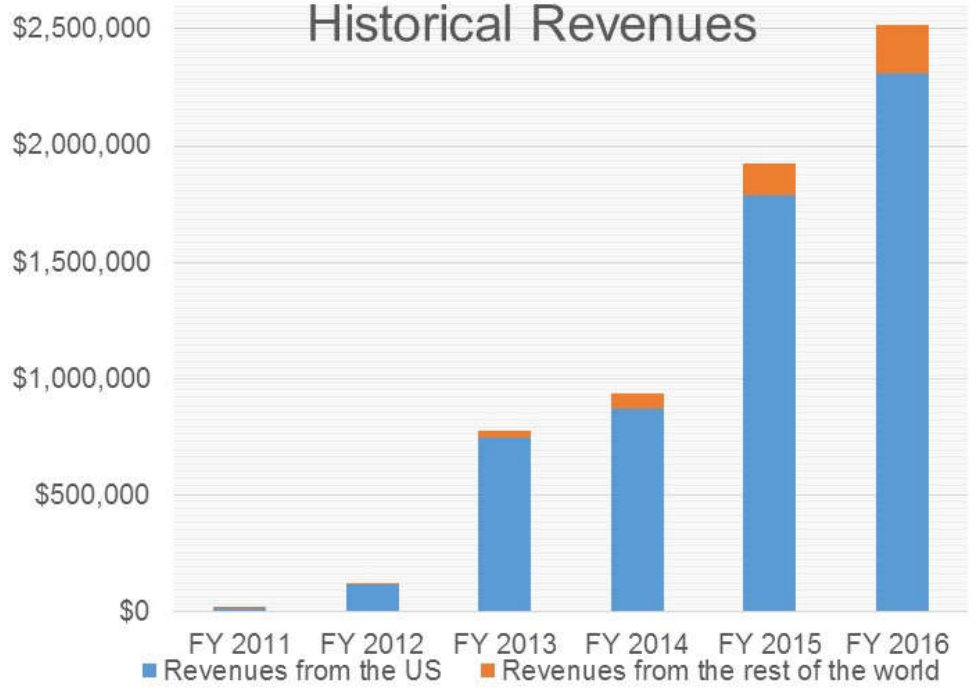
Opportunity to grow breast screening in a consistent, objectively justified manner & catch cancer early

Solid early sales performance from *VolparaDensity™*

- Strategy has been balanced distribution model using small direct sales force & distributors:

GE Healthcare SIEMENS

- Over 100 sales across the US, based on capital sales model, US$50K average price.
- FY16 revenue up 31% to NZ$2.5m, ~93% from the US but low recurring revenue.



Only ~1% of US breast centres now have *VolparaDensity™*, market is increasingly educated on subjectivity of visual assessment, more rapid adoption will likely come when we go beyond visual assessments capabilities, into risk models and/or insurers require objective measurement prior to additional imaging.

Australia & NZ and Breast Density

INFORMD
INformation FORum on Mammographic Density

auckland breast centre

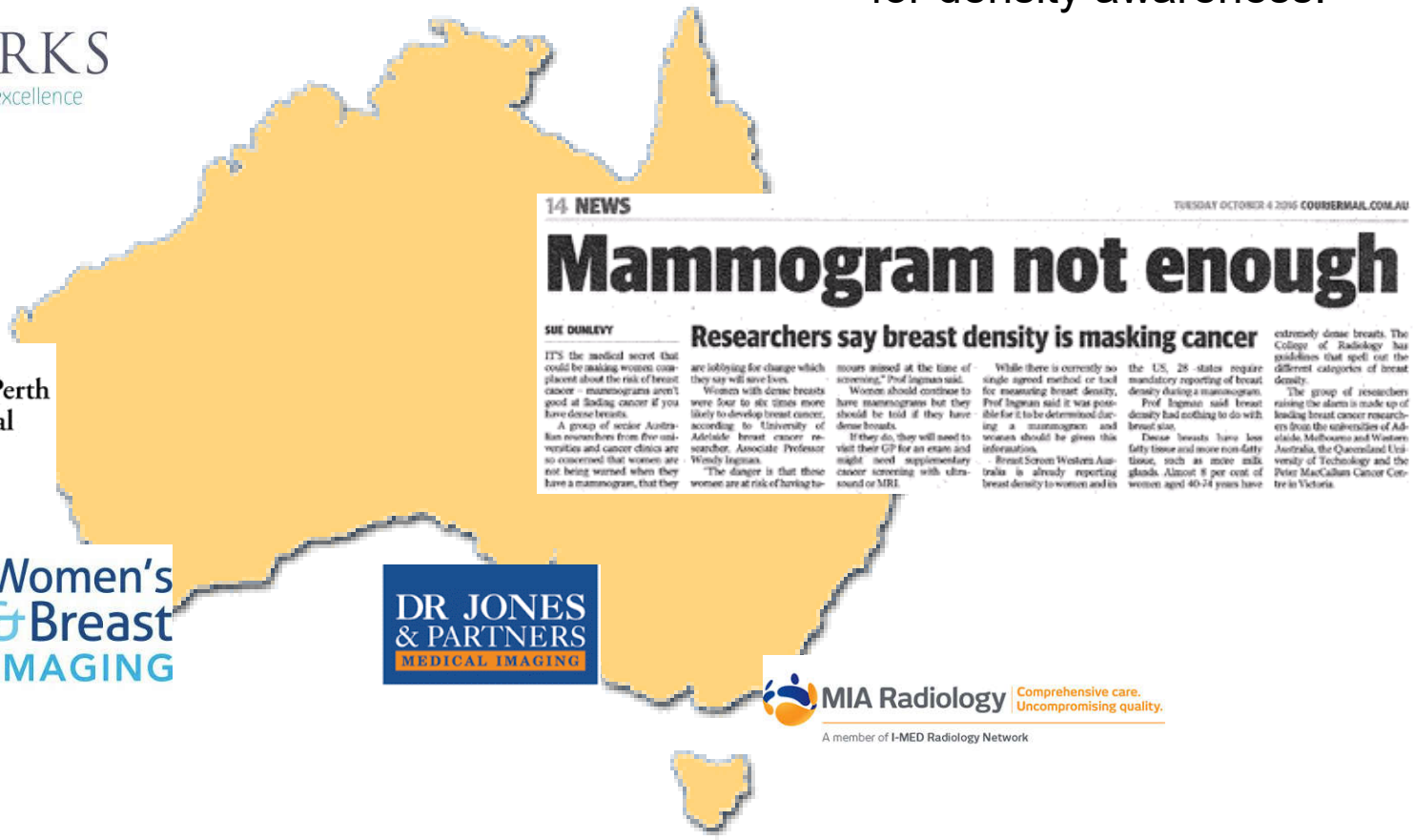
ST MARKS
breast centre of excellence

Royal Perth Hospital

Women's & Breast IMAGING

DR JONES & PARTNERS MEDICAL IMAGING

MIA Radiology Comprehensive care. Uncompromising quality.
A member of I-MED Radiology Network



Australian academics pushing for density awareness:

14 NEWS TUESDAY OCTOBER 4 2016 COURIERMAIL.COM.AU

Mammogram not enough

Researchers say breast density is masking cancer

SUE DUNLEVY

IT'S the medical secret that could be making women complacent about the risk of breast cancer – mammograms aren't good at finding cancer if you have dense breasts.

A group of senior Australian researchers from five universities and cancer clinics are so concerned that women are not being warned when they have a mammogram, that they are lobbying for change which they say will save lives.

Women with dense breasts were four to six times more likely to develop breast cancer, according to University of Adelaide breast cancer researcher, Associate Professor Wendy Ingman.

"The danger is that those women are at risk of having tumours missed at the time of screening," Prof Ingman said.

Women should continue to have mammograms but they should be told if they have dense breasts.

If they do, they will need to visit their GP for an exam and might need supplementary cancer screening with ultrasound or MRI.

While there is currently no single agreed method or tool for measuring breast density, Prof Ingman said it was possible for it to be determined during a mammogram and women should be given this information.

Breast Screen Western Australia is already reporting breast density to women and in the US, 28 states require mandatory reporting of breast density during a mammogram.

Prof Ingman said breast density had nothing to do with breast size.

Dense breasts have less fatty tissue and more non-fatty tissue, such as more milk glands. Almost 8 per cent of women aged 40-74 years have extremely dense breasts. The College of Radiology has guidelines that spell out the different categories of breast density.

The group of researchers raising the alarm is made up of leading breast cancer researchers from the universities of Adelaide, Melbourne and Western Australia, the Queensland University of Technology and the Peter MacCallum Cancer Centre in Victoria.

Associate Professor Wendy Ingman
University of Adelaide

Wendy has been researching breast biology and cancer for 15 years and leads her research group, the Breast Biology and Cancer Unit, at The Queen Elizabeth Hospital. She has been supported by the National Health and Medical Research Council, National Breast Cancer Foundation, and The Hospital Research Foundation. Her research interests include understanding the biology underpinning breast cancer risk factors, and in particular the immune system in breast density.

Professor John Hopper
University of Melbourne

John is a statistician and epidemiologist who has been researching breast and other cancers for more than 20 years. He is a research director at the Centre for Epidemiology and Biostatistics at The University of Melbourne. He is funded by the National Health and Medical Research Council and he has also been supported by the National Institute of Health (USA), the National Breast Cancer Foundation, and Cancer Australia. His interests include understanding the epidemiology and genetic factors involved in measures of breast cancer risk, and of breast cancer masking, based on features in breast images.

Associate Professor Jennifer Stone
University of Western Australia

Jennifer is an internationally recognised expert in breast density research and is currently a National Breast Cancer Foundation funded Postdoctoral Training Fellow at the Centre for Genetic Origins of Health and Disease at The University of Western Australia. She is leading two nationally funded grants investigating breast density in Western Australian Aboriginal women as well as novel measures of breast density in younger women. She is also involved with several international projects investigating the genetic determinants of breast density as a strong and highly heritable intermediate phenotype for breast cancer risk.

Professor Rik Thompson
Queensland University of Technology

Rik has been researching breast cancer for over 30 years and is currently Professor of Breast Cancer Research at the Queensland University of Technology. He has developed clinically relevant models to help understand how high breast density contributes to increased breast cancer risk. His research has been supported by the National Health and Medical Research Council, National Breast Cancer Foundation, The St. Vincent's Hospital Research Endowment Fund, The University of Melbourne, The Translational Research Institute, and the Princess Alexandra Hospital Foundation.

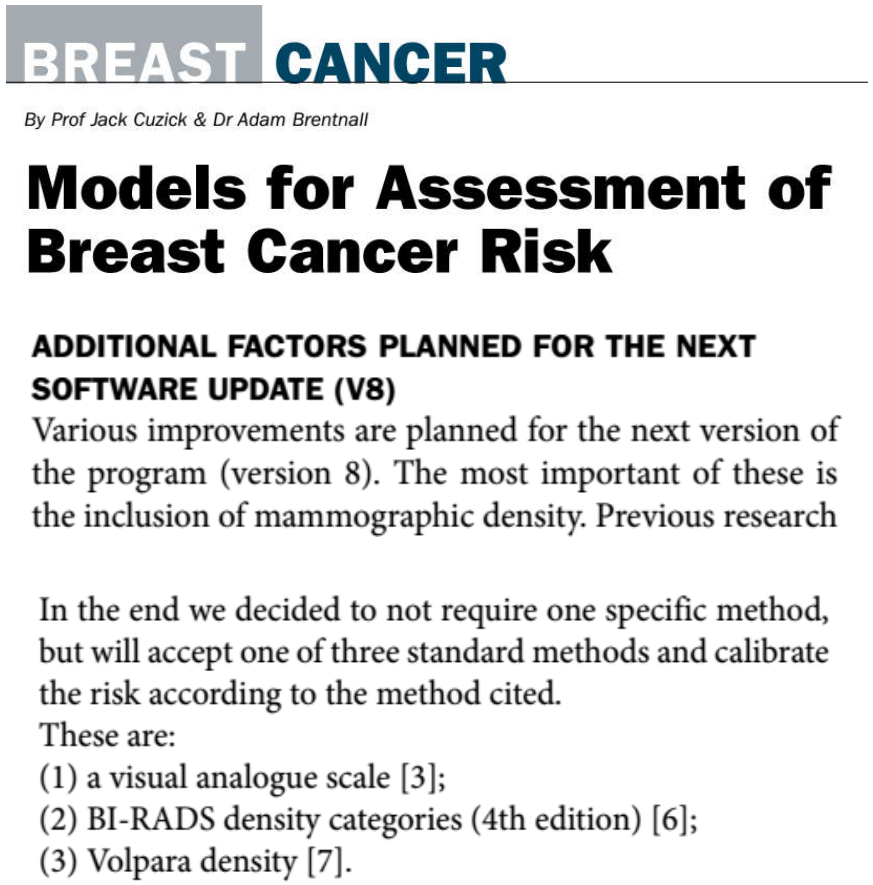
Dr Kara Britt
Peter MacCallum Cancer Centre

Kara leads a team at the Peter MacCallum Cancer Centre researching breast cancer risk in an effort to develop preventative therapies. Kara's research has been supported by the National Health and Medical Research Council, National Breast Cancer Foundation, and the Peter MacCallum Cancer Centre. Her research interests include understanding why parity (childbearing) decreases breast cancer risk and why breast density increases risk. Kara is interested in defining the initiation steps of breast cancer in an effort to block them therapeutically.

VHT funded density awareness: *#BreastKeptSecret*

October 2016, Tyrer-Cuzick v8 announced, includes *VolparaDensity™*

Diagnostic Imaging Europe, October 2016, pg 54-55:



BREAST CANCER

By Prof Jack Cuzick & Dr Adam Brentnall

Models for Assessment of Breast Cancer Risk

ADDITIONAL FACTORS PLANNED FOR THE NEXT SOFTWARE UPDATE (V8)

Various improvements are planned for the next version of the program (version 8). The most important of these is the inclusion of mammographic density. Previous research

In the end we decided to not require one specific method, but will accept one of three standard methods and calibrate the risk according to the method cited.
These are:
(1) a visual analogue scale [3];
(2) BI-RADS density categories (4th edition) [6];
(3) Volpara density [7].

The Tyrer-Cuzick model is a leading breast cancer risk model used to predict the risk of developing cancer.

Launch of Tyrer-Cuzick v8, including *VolparaDensity™*, will offer:

1. Significant validation of technology & density
2. Opens up new clinical utility for *VolparaDensity™*
3. Offers potential new return on investment for sites through increased genetics & other testing

November 2016, Microsoft and Volpara announce collaboration

VHT ASX Release, 17th November 2016:

Volpara and Microsoft have announced a collaboration around breast imaging analytics that will help breast imaging centres analyse clinical, quality and business data to optimise productivity, quality assurance and patient care.

The collaboration will be based on the next generation of Volpara's cloud based breast imaging analytics platform, *VolparaEnterprise™* 2.0 to be launched in late November 2016 .

VolparaEnterprise™ software is a unique cloud-based solution that enables breast imaging centers to perform rapid quality control checks to optimise the productivity and efficiency of imaging resources, lower costs through the reduction of retakes, increase staff effectiveness and provide objective evidence to demonstrate compliance and quality of care.

The platform's dynamic, interactive dashboards – built on Microsoft's Power BI suite of business analytics tools and powered by Microsoft's Azure integrated cloud-computing services – provide updates with every patient study.

The ongoing collaboration between Volpara and Microsoft will see development of new analysis tools that pave the way for personalised predictive healthcare, including sophisticated models to assess women's individual risk of breast cancer.

volpara health technologies

Microsoft

MEDIA RELEASE

Volpara and Microsoft collaborate to apply intelligent data analytics to the early detection of breast cancer

Kiwi-developed imaging solution to run Power BI Embedded on Microsoft's Azure cloud platform

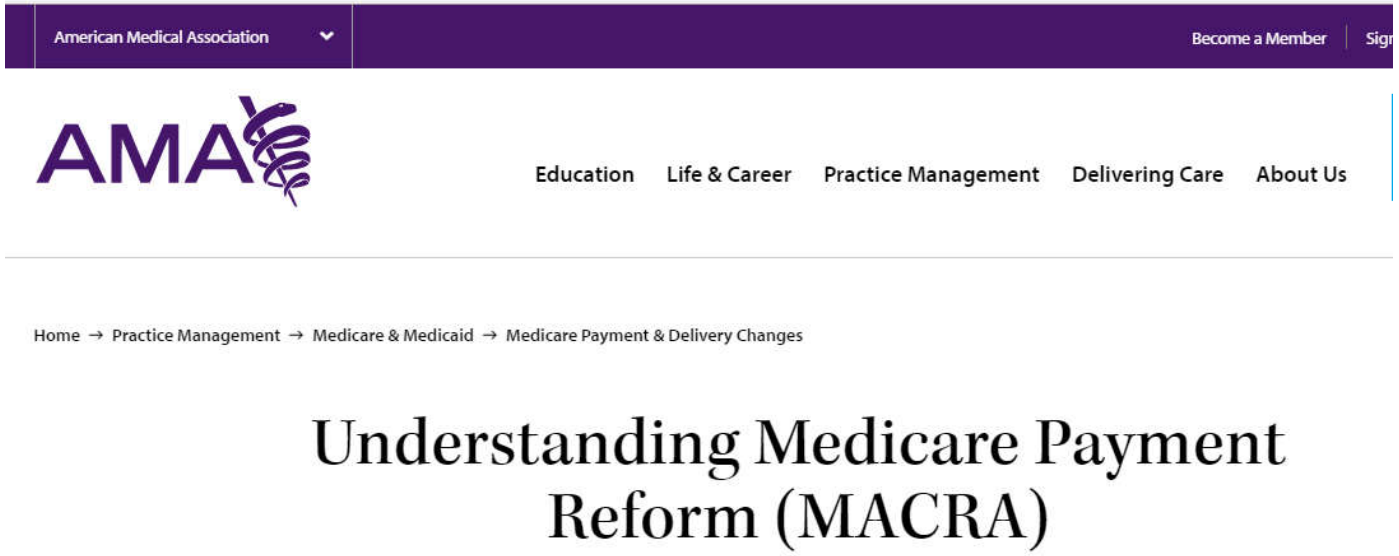
WELLINGTON, New Zealand, November. 17, 2016 — Volpara Health Technologies Limited and Microsoft Corp. today announced a new collaboration around breast imaging analytics that will help breast imaging centers analyse clinical, quality and business data to optimise productivity, quality assurance and patient care.

"*Innovative applications in healthcare data operations such as Volpara's demonstrate the power of analytics to positively impact public health at an individual level.*"
"*We're pleased to join Volpara in its quest to provide the rigorous analytics that bolster mammography's ability to detect breast cancer early and save women's lives,*"
Gabe Rijpma, Senior Director of Health and Social Services Asia at Microsoft

Key Driver 2:
Safety, Comfort, Productivity & Quality

volpara®
health technologies

US MACRA – moving towards pay for quality, not just quantity

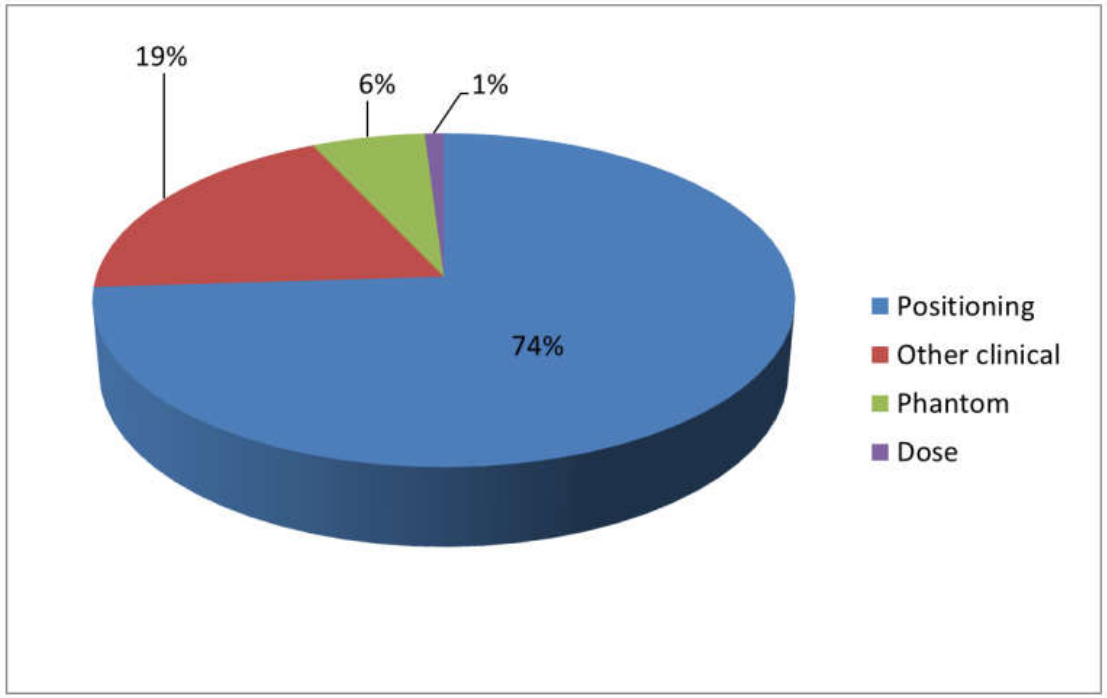


- Cost reimbursement will be tilted towards sites performing with high quality.
- Exact implications yet to be determined for breast imaging.
- Clinical image quality is a lead indicator of health outcome performance (e.g. cancer detection rate), and therefore likely reimbursement levels in future.

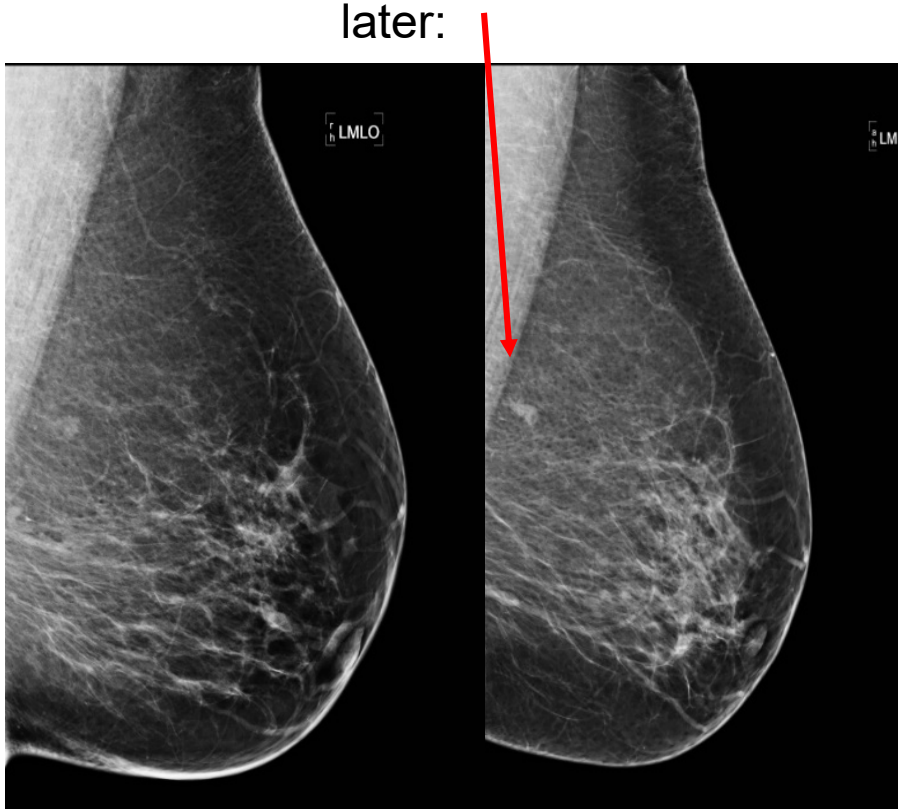
October 2016 - US FDA believe that clinical image quality is “Achilles’ Heel”

U.S. Food and Drug Administration
Protecting and Promoting Public Health

ACR First Attempt Accreditation Deficiencies 2015



Breast compression or “squeezing” is essential for mammography. Poor compression on the left leads to cancer being missed, spotted two years later:



US FDA launches EQUIP, 1st January 2017

FDA U.S. FOOD & DRUG ADMINISTRATION

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EQUIP: Enhancing Quality Using the Inspection Program

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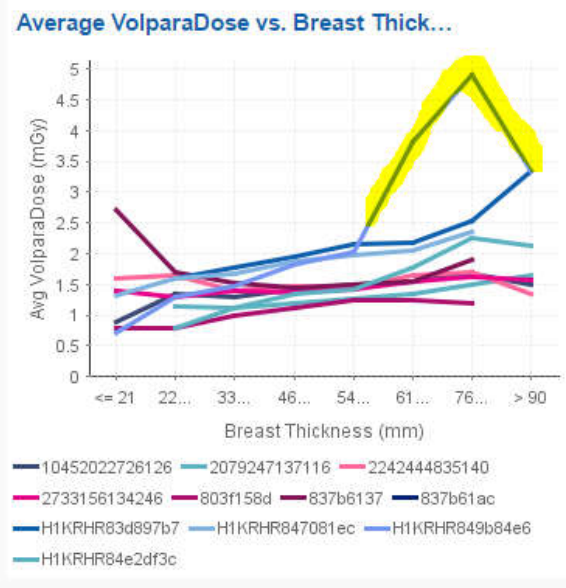
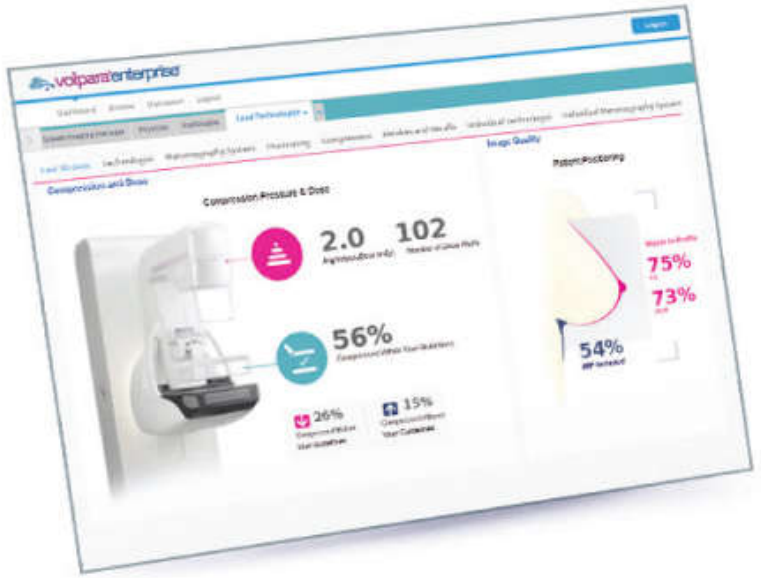
The promotion of clinical image quality is a primary goal of the Mammography Quality Standards Act (MQSA). In fact, there is a requirement in the MQSA regulations that "[c]linical images produced by any certified facility must continue to comply with the standards for clinical image quality established by that facility's accreditation body" (21 CFR 900.12(i)). When performing clinical image reviews, FDA-approved accreditation bodies (AB) must include in the review the eight image quality attributes listed at 21 CFR 900.4(c)(2) .

As we have noted in a previous MQSA Insights article, one of the most consequential of these attributes is patient positioning; poor positioning is a factor in most deficiencies and failures of clinical images. The regulations also require that all interpreting physicians interpreting mammograms for the facility shall "[f]ollow the facility procedures for corrective action when the images they are asked to interpret are of poor quality" (21 CFR 900.12(d)(1)(ii)(A)).

- EQUIP requires all ~8,700 sites in the US to report on quality of clinical image quality and to have processes in place to improve that quality.

VolparaEnterprise™ – mission critical, quality assurance

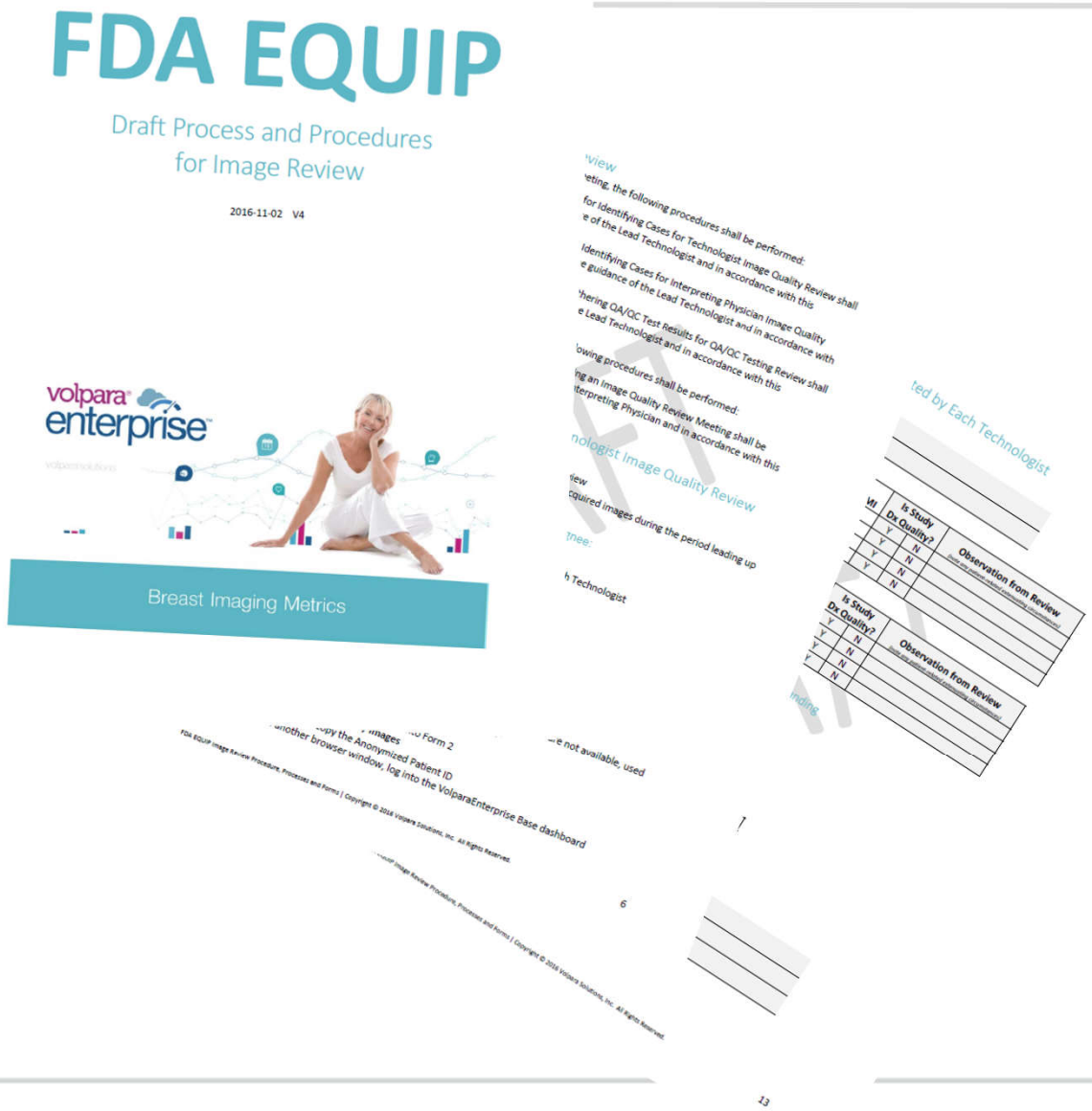




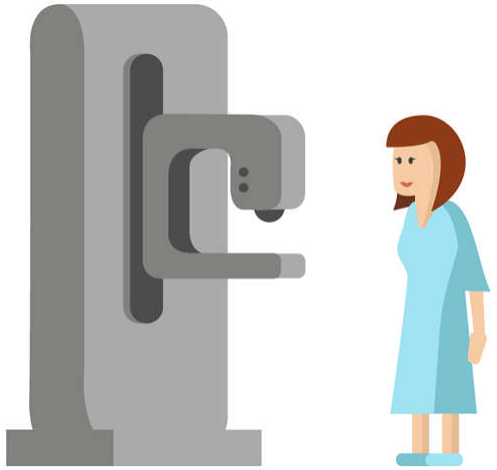
volpara® enterprise™

- Displays personalized and actionable metrics on every patient
- Monitors equipment performance across rooms and locations
- Measures the quality and efficiency of staff
- Captures referral patterns and demographic trends

November 2016 - *VolparaEnterprise™* – "EQUIP Ready"



VolparaEnterprise™ – potential benefits to patients, physicians and centres



Patient

Cancer detected earlier
More comfortable
Fewer retakes & call-backs
Lower radiation dose
More rapid results

Physician

Referrer, radiologist, surgeon
Lowered liability
Provides quality assurance metrics
Reduced human-error
Triage high-risk patients
Consistency of care

Screening centre

Budget controllers
Improved patient care
Enhanced profitability
Key performance metrics
Understand customers
Increased profit / return on investment

VolparaEnterprise™ - revenue model

- Move to “Software as a Service” (SaaS) model provides lower entry costs and volume based, user pay model appealing to purchasing decision makers
- Recurring revenue stream with annual license based on number of users + additional volume based payments for each breast screen
- Independent pricing survey completed 1st July 2016, supports model & pricing.

Total addressable market for VHT’s product line is over A$1 billion per year based on numbers of screening sites, screening volumes, and estimated numbers and types of personnel.

VolparaEnterprise™ momentum since launch mid-July 2016

First sales of *VolparaEnterprise*™ achieved:

Perth, Australia

Los Gatos, California

Stanford University Medical Center, California

- Significant sales interest generated in the 4 months since launch
- High quality, major accounts expressing interest
- Enterprise SaaS model understood and being accepted
- Momentum being accelerated by changing FDA requirements (EQUIP)
- Major pipeline of interest building – around 170 accounts from small to big
- About 60% of the opportunities are SaaS

Recent financial and share trading update

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health technologies

FY17 half year results & share price trading

Volpara unaudited FY17 Half Year Results to 30 September 2016

Reported increased revenue of NZ$1.22 million (up 4.8%) for the first half of FY17 (commencing 1st April 2016), during a period of investment which saw the company:

- List on the Australian Securities Exchange, raising A$10 million;
- Expand its sales team across North America, Europe and APAC to ten people;
- Expedite the development of its cloud-based clinical management software, *VolparaEnterprise*™ 1.0, marking the commencement of its transition to a Software as a Service (SaaS) subscription style revenue model;
- Deliver first sales of *VolparaEnterprise*™ to Women's and Breast Imaging in Perth, Western Australia, and Breast Imaging Specialists in Los Gatos, California and Stanford University in Stanford, California
- Feature *VolparaDensity*™ in several academic and clinical validation studies, highlighting the importance of breast density in the detection of cancer and further strengthening the *VolparaDensity*™ position as the breast density measurement tool with the highest level of clinical validation;
- Present at the FDA-hosted National Mammography Quality Assurance Advisory Committee (NMQAAC), an important opportunity to showcase the quality control features of *VolparaEnterprise*™ in the context of the FDA's focus on quality control in mammogram screening and the need to report breast density to patients.

The net loss was NZ$4 million, and was in line with expectations.

The closing cash position was NZ$6.795M, including NZ$6M in bank term deposits.

Share price as at end Thursday 17 November 2016:

Key Statistics

Share price as at 17th Nov 2016	A$ 0.835
52 week share price range	A$ 0.31 – 0.88
Shares on issue[1]	124.3mn
Market Capitalisation	A$ 103.8mn
Options	14.536mn
Average Option Exercise Price	NZ$ 0.32
Average volume traded	~82k per day

1. Includes 93.9M shares on escrow (12-24 months)

Anticipated news flow to end FY2017 (31 March 2017)

Anticipated timing	Event
Sept ✓	First sales of *VolparaEnterprise™*
Sept 15th ✓	FDA panel on Mammography Quality Standards and breast density
Sept ✓	Roadshow around Australia to meet investors
Oct, Nov, Dec ✓	Launch of major new breast cancer risk model including density
Nov, Dec, Jan	Launch of UK project looking at implementation of density
Nov, Dec, Jan	Announcement of major new distributor
Nov ✓	Density awareness campaign, Australia
Dec	RSNA 2016, Chicago, launch of *VolparaEnterprise™* 2.0
Jan	Report on reimbursement potential
Jan	Increasing use of *VolparaDensity™* in clinical trials
March	Sales of *VolparaEnterprise™* to mix of sites, including brand names
March ✓	Partnership with “Big Data”/”Deep Learning” company

Investment summary

- ✓ Regulatory clearances
- ✓ Patented, clinically validated software
- ✓ Major drivers (State/Federal density laws, risk model, MACRA, EQUIP…)
- ✓ Experienced board, management and sales team
- ✓ Leading brand, first mover in Enterprise
- ✓ Enterprise SaaS model validated, and being accepted
- ✓ Significant, high quality sales funnel
- ✓ High margin product
- ✓ Evidence of ability to deliver targets
- ✓ Aim to increase recurring revenue from SaaS

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Capital Raising

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Overview of the Capital Raising

Offer Details	◉ A capital raising of approximately A$10.7 million (before expenses), comprising: ◉ A placement to institutional and sophisticated investors of 11.6 million shares at an Offer Price of A$0.60 per new ordinary share to raise approximately A$7 million (**Placement);** and ◉ a 1 for 20 non-renounceable pro rata entitlement offer **(Entitlement Offer)** to existing shareholders at an Offer Price of A$0.60 per ordinary new share targeted to raise approximately A$3.7 million (before expenses).
Pricing	◉ The Offer Price of A$0.60 represents an approximate: ◉ 28% discount to the closing price on 17 November 2016 of A$0.835, being the day before the Entitlement Offer was announced; ◉ 18% discount to the 30 day Volume Weighted Average Price **(VWAP)** up to and including 17 November 2016 of A$0.732; and ◉ 3% discount to the 90 day VWAP of shares up to and including 17 November 2016 of A$0.616.
Use of Funds	◉ Proceeds 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 role out of the SaaS model.
Other	◉ New securities issued pursuant to the placement will rank equally with Volpara's existing securities ◉ There will be a shortfall facility to allow existing shareholders to apply for additional shares under the Entitlement Offer ◉ Morgans Corporate Limited is Lead Manager and underwriter to the Placement and Entitlement Offer

Indicative timetable

Event	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
Notification of under subscriptions to ASX (if any)	by 20 December 2016
Holding statements expected to be dispatched to Shareholders	22 December 2016
Trading of New Shares expected to commence on ASX	23 December 2016

** These dates are indicative only and are subject to change. Volpara reserves the right, subject to the ASX Listing Rules, to amend this indicative timetable. For example, Volpara reserves the right to extend the Closing Date, accept late applications under the Entitlement Offer (either generally or in particular cases) and to withdraw or vary the Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the date for the issue of new shares under the Entitlement Offer. The last date to extend the Closing Date is 12 December 2016. Volpara will consult with the Lead Manager in relation to any change to this indicative timetable and any such change will require the consent of the Lead Manager. All times above are Australian daylight savings time.

Use of funds

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 role out of the SaaS model.

Application of Funds Raised	
Entitlement Offer	A$3.7 million
Placement	A$7 million
Capital Raising (Total)	A$10.7 million
Less: Offer Costs	~A$0.5 million
Cash on Hand – 30 September 2016	A$6.4 million (NZ$6.795 million)
Pro-Forma Cash on Hand – 30 September 2016	A$16.6 million

Investment Risks

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Investment Risks

Key risks specific to an investment in Volpara

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

Type of risk	Description of risk
The Company has a limited operating history and may face difficulties encountered by companies early in their commercialisation	Volpara was established in 2009 and has a limited operating history upon which to evaluate its business and forecast future net sales and operating results. In assessing Volpara's business prospects you should consider the various risks and difficulties frequently encountered by companies early in their commercialisation in competitive markets, particularly companies that develop and sell medical technology. These risks include Volpara's ability to: • implement and execute its business strategy; • expand and improve the productivity of its sales force and marketing programs; • increase awareness of its brand and build loyalty among healthcare professionals; • manage expanding operations; and • respond effectively to competitive pressures and developments.
Volpara's current business model depends heavily on the success of *VolparaDensity*™ and *VolparaEnterprise*™ and Volpara's ability to diversify in the future	*VolparaDensity*™ and *VolparaEnterprise*™ have obtained the required regulatory approvals in the US, the EU, Canada, Australia, NZ and other countries, where the product is already sold and generates revenue. Volpara expects to derive the majority of its revenue in the foreseeable future from sales of its *VolparaDensity*™ breast imaging technology and *VolparaEnterprise*™ quality assurance 'Software as a Service' (SaaS) products. Volpara's ability to generate revenue will therefore largely depend on how effectively it can market and distribute its product range in the above markets and after obtaining any necessary regulatory approvals in other jurisdictions. If the Company is unable to achieve meaningful market penetration with its product range, its commercial strategy will be unachievable and Volpara will need to reconsider its business model.
Future profitability uncertain	Volpara is still in an early sales and commercialisation stage for its products. To date, it has funded its operations principally through issuing securities and other domestic capital-raising activities. Volpara is not yet profitable and has incurred losses in each year since incorporation. Volpara has achieved early revenue principally in the US, however there is no guarantee that Volpara will be able to continue to grow in the US or in other key jurisdictions such as the EU. Volpara's ability to operate profitably in the future will depend in part on whether it is able to effectively utilise its own direct sales force and/or develop an international distribution network on appropriate terms. If Volpara fails to penetrate, or further penetrate, the international markets (including the US market) for its products, Volpara may never become profitable. Other factors that will determine Volpara's profitability are its ability to manage its costs, its ability to execute its development and growth strategies, economic conditions in the markets in which it operates, competitive factors and regulatory developments. Accordingly, the extent of future profits, if any, and the time required to achieve a sustained profitability are uncertain. Moreover, the level of any profitability cannot be predicted.

Investment Risks (continued)

Type of risk	Description of risk
Business Associate Agreements (BAA) and dealing with protected health information	Volpara's existing revenue stream is heavily dependent on a number of Business Associate Agreements (BAA) with hospitals and clinics in the US. In the US this is driven by the requirements of HIPAA, which provides that healthcare providers in the US who deal with protected health information (PHI), being specific PHI that is governed by HIPAA and its associated regulations, must enter into a BAA with any third parties who receive that PHI in the course of performing services for, or on behalf of, that covered entity. Part of the purpose of the BAA is to ensure that third-party service providers are subject to the same obligations relating to the security of PHI as those that apply directly to covered entities under HIPAA. Under the terms of a BAA it is customary for the hospital or clinic to insist that Volpara is liable for any unauthorised access to, or use or disclosure of, PHI while it is under the control of Volpara or its employees and contractors. While Volpara seeks to limit this liability to a monetary cap in negotiating these contracts, it is not always possible for Volpara to do so, and in some cases Volpara's liability is not limited. Following recent changes to HIPAA regulations, Volpara can also be found to be directly liable to the US authorities for a breach of obligations under the HIPAA regime. While Volpara seeks to mitigate the risk of an inadvertent disclosure of PHI or a breach of privacy relating to PHI by its employees or contractors by putting in place appropriate internal security measures and training, and taking out insurance cover, if a breach were to arise and Volpara is found to be liable and subject to a payment of damages, this could have a material adverse effect on the financial performance and reputation of Volpara. Further, as Volpara moves progressively to a Cloud-based information storage system, new risks for the storage of PHI and the maintenance of confidentiality of PHI will arise. Volpara will attempt to mitigate such cyber risks by ensuring that any such Cloud-based system has HIPAA-compliant firewalls, but that in itself may not be sufficient. Any Cloud-based system is subject to cyber-attacks or negligent or malicious action by an employee or contractor, and any inadvertent disclosure of PHI or breach of confidentiality of PHI while under the control of Volpara or its employees and contractors could lead to a damages claim and, if the Company is found liable, could have a material adverse effect on Volpara's reputation and financial performance.
Volpara is reliant on the acceptance, promotion and usage of its products by healthcare professionals	Regulatory approval and clearance of its products, including in Australia and the US, will not guarantee market adoption of Volpara's products. In order to achieve commercial success, Volpara is reliant on the acceptance and promotion of its products by healthcare professionals, including radiologists. Reasons that healthcare professionals may be slow to adopt the Volpara products include (but are not limited to): • preference for the products of competitors 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.
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 (the risk of which could be increased following the forthcoming change of Government in the US), or in other jurisdictions, those reforms could adversely affect Volpara's financial condition and operating results.

Investment Risks (continued)

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 (currently commercially unavailable), and for its quality controls tool. However, as Volpara seeks to diversify its product range and develop new products, Volpara cannot guarantee that it will receive all necessary regulatory approvals, nor can Volpara accurately predict the product approval timelines, cost or other requirements that may be imposed by regulators (e.g. clinical trials or other requirements proving effectiveness of its new products). Further, there may be changes to regulatory standards, which could delay or prevent Volpara from obtaining the necessary regulatory approvals. In addition, any future changes to the treatment may require separate clearance or approval. Any delays or barriers to Volpara obtaining necessary regulatory clearances would limit the size of the market opportunity for the new products until such time (if any) that Volpara was able to obtain such clearances for its new products.
Volpara may not be able to successfully deploy its sales, marketing and distribution resources	Volpara will need to ensure compliance with all legal and regulatory requirements for sales, marketing and distribution in each relevant market. There is a risk that Volpara will be unable to successfully deploy its sales, marketing and distribution resources to fully realise the commercialisation of its products.
Volpara may be subject to competition from existing manufacturers of breast screening equipment	Volpara's products are designed to operate on most of the leading breast screening equipment manufactured globally, including equipment manufactured by market leaders Hologic, GE and Siemens. However, manufacturers such as Hologic also manufacture their own software, which can be used on their own equipment and possibly on other manufacturers' equipment. There is a risk that manufacturers such as Hologic make it a condition of the sale of their equipment that Hologic software be used with that equipment, and offer the product for free. This may make it more difficult for healthcare professionals to adopt Volpara's products and use them with their equipment, even though Volpara can successfully demonstrate that its products are superior to those being offered by the equipment manufacturers. If this were to happen, Volpara is likely to experience pressure on its sales, which would impact on its financial performance.

Investment Risks (continued)

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

Type of risk	Description of risk
Tax treatment on an investment in New Shares and dividend risk	The tax treatment of an investment in New Shares will differ depending on each Investor's personal circumstances. Investors should seek their own taxation advice in respect of the investment into Volpara. Volpara has not to date paid any dividend on its ordinary shares. There is no certainty that Volpara will pay dividends in the future.
Capital raising	The Directors give no assurances that the objectives of Volpara outlined in this Presentation will be met. An investment in the New Shares is considered to be speculative in nature and the capital contributed and the returns projected are not guaranteed by Volpara, its Directors, officers or any other person. The speculative nature of the investment poses a risk and the capital may not be returned.
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. In particular, the Company currently sources a significant proportion of its income from the US. Volpara's financial position may be substantially affected by future US$ currency exchange fluctuations as well as currency exchange fluctuations in other jurisdictions in which the Company operates. Further, share market conditions may affect the value of the New Shares regardless of Volpara's operating performance.
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).
Legal risk	Volpara is exposed to the risk of changes to the applicable laws and/or the interpretation of existing laws which may have a negative effect on Volpara, its investments and/or returns to Shareholders or the risks associated with non-compliance with these laws (including reporting or other legal obligations). Non-compliance may result in financial penalties being levied against Volpara.
Force majeure	Events may occur within or outside Australia and New Zealand that could impact upon the global and/or Australian and New Zealand economies, the operations of Volpara and the price of its New Shares. Such events include, but are not limited to, acts of terrorism, cyber hostilities, outbreaks of international hostilities, fire, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or manmade events or occurrences that may have an adverse effect on the demand for Volpara Products or Volpara's ability to conduct business. Volpara cannot insure against all risks.

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

Appendix

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Who are we? A reputable, influential Board

Roger Allen, AM — *Chairman*

- Joined the Board in 2010, appointed Chairman in Oct 2015
- Built CPG, co-founded Allen & Buckeridge (VC fund)
- Served on 2 PMs' Science & Tech Councils, Advisory Boards

Lyn Swinburne, AM — *Non-Executive Director*

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

Prof Sir Mike Brady — *Non-Executive Director*

- Founding Director of VHT and Perspectum Diagnostics
- Author of over 750 articles and 26 patents
- Current professor of Oncological Imaging at Oxford

John Pavlidis — *Non-Executive Director*

- Joined the Board in 2015
- Over 25 years' medical device experience
- CEO of VytronUS, former president and CEO of R2 Technology

John Diddams — *Non-Executive Director*

- Principal of Australia CPA firm providing corporate advisory service
- Currently NED of Skydive and House with No Steps
- 25 years' experience raising capital, performing due diligence, IPOs

Who are we? An experienced, qualified management team

Ralph Highnam, PhD — *Chief Executive Officer*

- PhD, Breast Imaging, University of Oxford 1992
- Former CEO of Mirada Solutions: medical imaging software sold in US
- Co-founded Volpara (VHT) 2009, time right to exploit concepts from PhD

Julian Marshall — *Chief Marketing Officer*

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

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

David Murray — *Chief Technology Officer*

- 25 years experience in medical device companies
- Director of Product Develop for TomoTherapy (acquired by Accuray)
- 10 years as chair of DICOM Working Group 7 (Radiation Therapy)

Brian Leighs — *Chief Financial Officer*

- Member of VHT management since 2010
- 40 years' experience in senior financial management
- Holds directorships on 2 other health technology companies

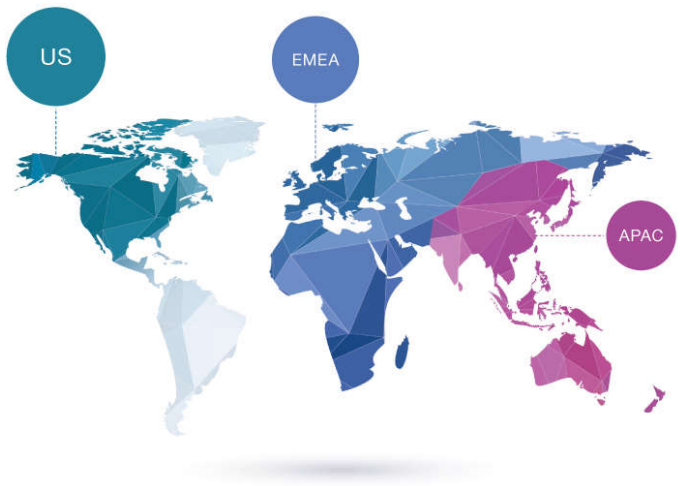
Intellectual property position

The Volpara intellectual property portfolio currently comprises

- granted patents in 41 countries
- patent applications in 160 countries
- registered trademarks in 38 countries and 2 new international trade marks pending
- unregistered trademarks
- copyright works (including software, graphical and text) and
- trade secrets (which protect the key part of the code).

VHT continues to file and protect ongoing innovation and new product development.

Screening globally



2016 VHT estimates	Number of screening sites	X-ray systems	Current women screened per year
US	8,700	15,500	38,577,000
EMEA	1,300	13,000	28,350,000
APAC	456	4,700	6,556,000

Placement Selling Restrictions

The distribution of this Presentation and participation in the placement to institutional and sophisticated investors ("Placement") and non-renounceable pro rata entitlement offer ("Entitlement Offer") (the Placement and the Entitlement Offer, together being the "Capital Raising") referred to in this Presentation may be restricted by law in certain jurisdictions. Accordingly, shareholders and investors should exercise caution with respect to the use of the Presentation and any proposed participation in the Capital Raising. This Presentation does not constitute an offer of securities in any jurisdiction in which it could be unlawful.

The Entitlement Offer will be made to eligible shareholders of the Company under a prospectus to be lodged with the Australian Securities and Investments Commission ("Prospectus"). Further details on shareholders' ability to participate in the Entitlement Offer (including shareholders located in jurisdictions outside Australia) will be sent to shareholders separately and will be included in the Prospectus. Shareholders should read the Prospectus carefully before participating in the Entitlement Offer.

The Placement will only be made to institutional and sophisticated investors to whom invitations are made by the Lead Manager. Investors intending to participate in the Placement should pay particular attention to the selling restrictions set out in this section of the Presentation. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. No action has been, or will be taken, in any jurisdiction that would permit a public offering of the new Volpara shares to be issued under the Placement ("Shares") or possession or distribution of this Presentation or any other offering material in any country or jurisdiction where action for that purpose is required. The Shares may not be offered or sold, directly or indirectly, and neither this Presentation nor any other offering material or advertisement in connection with the Shares may be distributed or published in or from any country or jurisdiction except in circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Each participant in the Placement in each jurisdiction below represents and warrants that it is able to receive this Presentation, and to participate in the Placement, without contravention of any applicable legal restriction in the jurisdiction in which it resides.

For the purposes of the expression "Lead Manager" means Morgans Corporate Limited or, outside Australia, their broker-dealer affiliates in the jurisdiction in which you receive this Presentation.

Australia

If you are a resident of Australia, you acknowledge that no disclosure document will be lodged with ASIC for the purposes of the Placement. Accordingly, each participant in the Placement must meet the requirements of section 708(8) or section 708(11) of the Corporations Act 2001 (Cth) as either a sophisticated investor or a professional investor.

United Kingdom

Neither the information in this Presentation nor any other document relating to the Capital Raising 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 Shares. For the purposes of the Placement, this Presentation is issued to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the Shares may not be offered or sold in the United Kingdom by means of this Presentation, 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 Presentation 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 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 Volpara.

In the United Kingdom, this Presentation 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, as amended ("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 Shares are available only to, and any invitation, 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 Presentation or any of its contents.

Hong Kong

WARNING: This Presentation 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 ("SFO"). No action has been taken in Hong Kong to authorise or register this Presentation or to permit the distribution of this Presentation or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

Selling Restrictions (continued)

Hong Kong (continued)

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Presentation have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Placement. If you are in doubt about any contents of this Presentation, you should obtain independent professional advice.

Singapore

This Presentation and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Presentation and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the 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 ("SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Presentation has been given to you on the basis that you are (i) an existing holder of Volpara's shares, (ii) an "institutional investor (as defined in the SFA) or (iii) a 'relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this Presentation immediately. You may not forward or circulate this Presentation to any other person in Singapore.

Any offer is not made to you with a view to the 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 Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

New Zealand

This Presentation has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 ("FMC Act"). The Shares are not being offered or sold in New Zealand (or allotted with a view to be offered for sale in New Zealand) other than to a person who:

(a) an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;

(b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;

(c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;

(d) is a is government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or

(e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

United States

This Presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation Sunder the US Securities Act of 1933, as amended ("Securities Act")) ("U.S. Person"). Volpara shares and the offer and sale of Volpara shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any U.S. Person absent registration except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable securities laws. This document may not be distributed or released in the United States or to any U.S. Person.

By accepting, accessing or reviewing this Presentation you agree to be bound by the foregoing limitations.