

VOLPARA HEALTH TECHNOLOGIES LIMITED

Notice of Meeting and Scheme Booklet

In relation to the proposed acquisition of all of the fully paid ordinary shares in Volpara Health Technologies Limited (Volpara) in return for payment to Shareholders of AU\$1.15 per Scheme Share by Lunit Inc. (the Acquirer) by way of scheme of arrangement.

VOTE IN FAVOUR
The Volpara Directors
unanimously recommend
that Shareholders vote
in favour of the Scheme,
in the absence of a
Superior Proposal.

The special meeting of Shareholders to consider, and vote on, the Scheme will be held:

Time: 11:00am (Sydney time)

Date: 12 April 2024 (Sydney time)

Place: Online through the web platform Lumi AGM at <https://web.lumiagm.com/331-237-318> using the meeting ID 331-237-318. Volpara will also hold a concurrent physical meeting at MinterEllison, Level 40, Governor Macquarie Tower, 1 Farrer Place, Sydney, Australia.

See the Notice of Meeting in Section 4 of this Scheme Booklet for details.

IMPORTANT

This is an important document and requires your urgent attention. You are encouraged to vote and have your say on the Scheme.

You should carefully read this Scheme Booklet in its entirety before deciding whether or not to vote in favour of the Scheme. If you are in any doubt as to any aspect of the Scheme, you should consult your financial, taxation or legal advisers.

An Independent Adviser's Report on the merits of the Scheme accompanies this Scheme Booklet as Annexure A and should be read carefully in conjunction with this Scheme Booklet.

Important Information

Purposes of this Scheme Booklet

The purposes of this Scheme Booklet are to:

- provide you with information about the proposed acquisition of Volpara by the Acquirer by way of the Scheme;
- provide you with the material terms and conditions of the Scheme and explain their effect;
- explain the manner in which the Scheme will be considered by Shareholders and, if approved, implemented;
- provide you with information that could reasonably be expected to be material to your decision whether to vote in favour of, or against, the Scheme; and
- include the information required by the Takeovers Panel in relation to the Scheme.

This Scheme Booklet is not a product disclosure statement.

Your decision

This Scheme Booklet does not take into account your individual investment objectives, financial situation or needs. You need to make your own decisions and seek your own advice in this regard.

The information and recommendations contained in this Scheme Booklet do not constitute, and should not be taken as constituting, financial advice, financial product advice, tax advice or legal advice.

If you are in any doubt as to what you should do, you should seek advice from your financial, taxation or legal advisers before making any decision regarding the Scheme.

Not an offer

This Scheme Booklet does not constitute an offer to Shareholders (or any other person), or a solicitation of an offer from Shareholders (or any other person), in any jurisdiction.

Laws of New Zealand

This Scheme Booklet has been prepared in accordance with New Zealand law. Accordingly, the information contained in this Scheme Booklet may not be the same as that which would have been disclosed in this Scheme Booklet if it had been prepared in accordance with the laws of another jurisdiction.

Forward looking statements

This Scheme Booklet contains certain forward looking statements. You should be aware that there are risks (both known and unknown), uncertainties, assumptions and other important factors that could cause the actual conduct, results, performance or achievements of Volpara to be materially different from the future conduct, market conditions, results, performance or achievements expressed or implied by such statements or that could cause future conduct to be materially different from historical conduct.

Deviations as to future conduct, market conditions, results, performance and achievements are both normal and to be expected.

Forward looking statements generally may be identified by the use of forward looking words such as 'aim', 'anticipate', 'believe', 'estimate', 'expect', 'forecast', 'foresee', 'future', 'intend', 'likely', 'may', 'outlook', 'planned', 'potential', 'projection', 'should', or other similar words.

No person (including Volpara, the Acquirer and their respective Representatives) gives or makes any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Scheme Booklet will actually occur. You are cautioned against relying on any such forward looking statements.

Privacy and personal information

Volpara and the Acquirer, and their respective Representatives, may collect personal information in the process of implementing the Scheme. Such information may include the name, contact details and shareholdings of Shareholders and the names of persons appointed by those persons to act as a proxy or corporate representative at the Scheme Meeting. The primary purpose of the collection of personal information is to assist Volpara and the Acquirer to conduct the Scheme Meeting and implement the Scheme. Personal information may be stored in hard copy form or electronic form, including with third party data storage facilities and in cloud storage located inside or outside New Zealand.

Personal information of the type described above may be disclosed to Boardroom (Volpara's share registrar), design, print and mail service providers, proxy solicitation firms, Related Companies of Volpara and/or the Acquirer, and Volpara's and the Acquirer's respective service providers and advisers. Shareholders have certain rights to access personal information that has been collected. Shareholders who wish to access their own personal information should contact Boardroom in the first instance. The contact details for Boardroom are set out in the Directory. Shareholders who appoint a named person to act as their proxy or corporate representative should make sure that person is aware of these matters.

No website forms part of this Scheme Booklet

Any reference in this Scheme Booklet to any website is for informational purposes only. No information contained on any website forms part of this Scheme Booklet.

To the maximum extent permitted by law, Volpara, the Acquirer and their respective Representatives do not assume any responsibility for the content of any website referenced in this Scheme Booklet.

Times and dates

All references to times and dates in this Scheme Booklet are references to the time and the date in Sydney, Australia, unless otherwise stated. Any obligation to do an act by a specified time in Sydney must be done in any other jurisdiction by the specified Sydney time.

All references to expected dates and times in this Scheme Booklet in respect of procedural aspects of the Scheme are indicative only and, among other things, are subject to obtaining all necessary approvals from the Court.

Responsibility for information

Volpara has prepared, and is responsible for, this Scheme Booklet other than, to the maximum extent permitted by law:

- the Acquirer Information, which has been prepared by, and is the responsibility of, the Acquirer. Volpara, its Related Companies and their respective Representatives do not assume any responsibility for the accuracy or completeness of the Acquirer Information. The Acquirer and its directors do not assume any responsibility for the accuracy or completeness of any information in this Scheme Booklet other than the Acquirer Information; and
- the Independent Adviser's Report set out in Annexure A, which has been prepared by, and is the responsibility of, the Independent Adviser. Volpara and the Acquirer, and their respective Related Companies and Representatives do not assume any responsibility for the accuracy or completeness of the Independent Adviser's Report.

Currency

Unless expressly specified otherwise, all references to money or currency in this Scheme Booklet are to Australian dollars.

Diagrams, charts, maps, graphs and tables

Any diagrams, charts, maps, graphs and tables appearing in this Scheme Booklet are illustrative only and may not be to scale.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, actual calculations may differ from amounts set out in this Scheme Booklet.

Role of Takeovers Panel and Court

The fact that the Takeovers Panel has provided a letter of intention indicating that it does not intend to object to the Scheme (or subsequently issues a no-objection statement in respect of the Scheme), or that the Court has ordered that a meeting be convened, does not mean that the Takeovers Panel or the Court:

- has formed any view as to the merits of the proposed Scheme or as to how Shareholders should vote on the Scheme (on this matter Shareholders must reach their own decision); or
- has prepared, or is responsible for the content of, this Scheme Booklet or any other material.

Notice of the Final Court Hearing

If you wish to oppose the Scheme at the Final Court Hearing (which will take place after the Scheme Meeting), at the High Court, Parliament Street, Auckland, you must file in the High Court a notice of appearance or a notice of opposition together with supporting documents on which you wish to rely in the manner set out in Section 6.9. The deadline for such filing will be 26 April 2024 or any later date announced by Volpara on ASX. See Section 6.9 for more detail.

Defined terms

Capitalised terms set out in this Scheme Booklet have the meanings given to them in the Glossary in Section 11 of this Scheme Booklet.

Date of this Scheme Booklet

This Scheme Booklet is dated 20 March 2024.

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Part A

Key information about
the Scheme and the
Scheme Meeting

Section 1

Chair's Letter

Dear Shareholder,

On behalf of the Volpara Board, I am pleased to provide you with this Scheme Booklet which contains information relating to the proposed acquisition of your Volpara Shares by Lunit Inc. (Acquirer) by way of scheme of arrangement. A summary of the Scheme is set out in Section 5.1 of this Scheme Booklet.

If the proposed Scheme is approved by Shareholders and the High Court of New Zealand, Auckland Registry (Court), all other Conditions are satisfied or (if capable of waiver) waived, and the Scheme Implementation Agreement is not terminated, the Acquirer will acquire all of the Volpara Shares and you will be paid the Scheme Consideration of AU\$1.15 in cash for each Volpara Share that you hold on the Scheme Record Date. Your Volpara Shares will be acquired, and you will be paid, on the Implementation Date, which is currently anticipated to be on or about 21 May 2024.¹

I encourage you to read this Scheme Booklet, including the Independent Adviser's Report, carefully before you vote on the Scheme.

The Volpara Directors unanimously recommend that you VOTE IN FAVOUR of the Scheme and have undertaken to vote all of the Volpara Shares held or controlled by them in favour of the Scheme, in the absence of a Superior Proposal.²

The Scheme follows the Volpara Board appointing external advisors to evaluate offers after being approached by multiple parties expressing interest in acquiring Volpara, a select group of which undertook due diligence on Volpara's business. Following a thorough assessment of different strategic options, the Volpara Board has assessed the Scheme as providing the most compelling value for Shareholders (in the absence of a Superior Proposal). It provides Shareholders with an opportunity to accelerate a capital return, while also mitigating the risks and uncertainties otherwise involved in Volpara executing its strategic plan over time (and otherwise inherent in an investment in the technology sector). Section 5.2 of this Scheme Booklet provides further detail regarding how the Scheme came about.

The Volpara Directors consider that AU\$1.15 per Scheme Share is an attractive price for your Volpara Shares and unanimously believe the reasons for you to vote in favour of the Scheme outweigh the reasons for you to vote against the Scheme. In summary, the Volpara Directors recommend you vote in favour of the Scheme for the following reasons (further detail is set out in Section 5.6):

- The Scheme Consideration of AU\$1.15 in cash per Scheme Share is significantly above the Independent Adviser's valuation range of AU\$0.67 to AU\$0.82 per Volpara Share;
- The Scheme Consideration is at a significant premium to Volpara's pre-announcement trading and represents:
 - a 47.4% premium to Volpara's last closing share price of AU\$0.78 per Volpara Share on 13 December 2023 (being the last day of trading prior to Volpara announcing it had entered into the Scheme Implementation Agreement);
 - a 55.4% premium to Volpara's one-month volume weighted average price up to 13 December 2023 of AU\$0.74 per Volpara Share; and
 - a 59.7% premium to Volpara's three-month volume weighted average price up to 13 December 2023 of AU\$0.72 per Volpara Share,

and, in the opinion of the Independent Adviser, is significantly above the average premium of control generally observed in successful takeovers of other listed companies (as set out in section 7.1 of the Independent Adviser's Report).

- The aggregate Scheme Consideration represents an enterprise value to FY24 revenue multiple of approximately 7.5x based on Volpara's broker consensus forecast revenue, an implied equity value of AU\$295.7 million³, and an implied enterprise value of AU\$285.5 million⁴. This revenue multiple is significantly higher than the average of the Independent Adviser's assessed precedent comparable transaction⁵ multiples of 4.6x forecast revenue (as set out in section 6.4.3 of the Independent Adviser's Report).

- The Scheme is a result of a comprehensive competitive process, and, having assessed various options through that process including remaining as a publicly listed company, the Volpara Directors are satisfied that the Scheme is the most attractive option for Shareholders coming out of that process;
- No better offer has emerged since the Scheme was announced⁶, and the Volpara Directors do not believe that a better offer is likely to emerge;
- You can realise the value of your Volpara Shares for 100% cash consideration upon implementation of the Scheme, and (if the Scheme does not proceed and Volpara remains as a publicly listed company) there is no assurance that you will be able to achieve returns that are equivalent to or better than the Scheme Consideration at any time in the future;
- You will no longer be subject to the risks that would otherwise be involved in executing Volpara's strategic plan over time, which include:
 - Volpara specific risks including (a) increased competitive pressure if Volpara continues to execute its existing strategy while competitors adopt computer-aided detection (CAD), image-based risk and/or additional artificially-intelligent (AI) products and technologies, and (b) the need to raise significant capital and the likelihood of reduced profitability in the short to medium term if Volpara seeks to develop or acquire CAD, image-based risk and/or additional AI capabilities (for more detail please see Section 5.6.7); and
 - External economic and market risks including the impacts of inflationary pressures and the uncertain economic outlooks in Volpara's key markets, in addition to increased competitive pressure due to the expansion of product offerings provided by vendors of traditional CAD, risk and/or mammography quality, reporting or workflow automation (for more detail please see Section 5.6.7);
- While the Volpara Directors are unable to predict the price at which Volpara Shares will trade in the future, the Volpara Directors (and the Independent Adviser)⁷ believe that if the Scheme is not implemented, and in the absence of a Superior Proposal, the Volpara Share price will likely remain at a price below the Scheme Consideration of AU\$1.15 per Scheme Share; and
- No brokerage charges will be charged to you on the transfer of your Volpara Shares to the Acquirer if the Scheme proceeds.

Further, while the Volpara Directors are comfortable that the Scheme is the most attractive option for Shareholders resulting from the comprehensive competitive process outlined in Section 5.2 of this Scheme Booklet, they are also pleased that the Acquirer (a publicly listed company on the KOSDAQ board of the Korea Exchange) shares a similar vision as Volpara to "conquer cancer through AI". The Volpara Board is encouraged that implementation of the Scheme will support and enhance Volpara's ability to save families from cancer via greater access to research resources, technology, people, products and capital.

While the Volpara Directors have also considered the reasons why you may decide to vote against the Scheme (which can be read in Section 5.7 of this Scheme Booklet), we are of the view that the reasons to vote in favour of the Scheme significantly outweigh the reasons to vote against it.

Conditions to implementation of the Scheme

The Scheme is subject to customary Conditions for a transaction of this nature, including approval by Shareholders at the Scheme Meeting, and Court approval. The outstanding Conditions are described in further detail in Section 6.2 of this Scheme Booklet.

Volpara has no reason to believe that any of the outstanding Conditions will not be satisfied, including within the indicative timetable set out in this Scheme Booklet.

Intentions of Volpara's Major Shareholders

The Acquirer has entered into Voting Deeds with three Shareholders that are, as at the date of this Scheme Booklet, Volpara's largest Shareholders.

Under the terms of the Harbour Voting Deed, Harbour Asset Management Limited (in its capacity as investment manager of managed investment schemes and under investment management agreements) acknowledged that, on the date of that deed, it had the power to control the voting rights attaching to 31,267,134 Volpara Shares (representing approximately 12.29% of the Volpara Shares on issue on the date of this Scheme Booklet) and agreed to vote the Volpara Shares it controls at the Scheme Meeting in favour of the Scheme Resolution.⁸

Under the terms of the Patagorang Voting Deed, Patagorang Pty Ltd (an Associate of Volpara Director Roger Allen) has agreed to retain (and not sell) the 18,467,848 Volpara Shares it owns (representing approximately 7.26% of the Volpara Shares on issue on the date of this Scheme Booklet) and to vote its shareholding in favour of the Scheme Resolution.

Under the terms of the Highnam Voting Deed, Ralph Highnam and KYC Trustees 106 Limited have agreed to retain (and not sell) the 16,213,561 Volpara Shares that they jointly own (representing approximately 6.37% of the Volpara Shares on issue on the date of this Scheme Booklet) and to vote their shareholding in favour of the Scheme Resolution.

Details of these Voting Deeds are set out in Section 8.7 of this Scheme Booklet.

Independent Adviser's Report

The Volpara Directors appointed Grant Samuel, with the approval of the Takeovers Panel, as the Independent Adviser to assess the merits of the Scheme. The Independent Adviser has concluded that the Scheme Consideration of AU\$1.15 per Scheme Share is significantly above the Independent Adviser's valuation range of AU\$0.67 to AU\$0.82 per Volpara Share.

A complete copy of the Independent Adviser's Report is included in Annexure A of this Scheme Booklet. The report was finalised by the Independent Adviser on 16 February 2024 prior to Volpara applying to the Court for Initial Court Orders in connection with the Scheme.

A summary of the Independent Adviser's assessment of the merits of the Scheme is set out at the beginning of the Independent Adviser's Report.

Non-voting equity securities

In addition to Volpara Shares, Volpara has issued Options, Restricted Stock Units and entitlements to Restricted Stock Units. The Volpara Board has broad discretion under the terms of those non-voting equity securities to decide what will happen to them in the context of the Scheme. The Volpara Board has determined that the holders of Restricted Stock Units will receive the Scheme Consideration for each unit held and the holders of Options will receive the Scheme Consideration less the applicable exercise price of those Options for each Option held. Option holders that hold Options with an exercise price greater than the Scheme Consideration are not expected to receive anything in connection with the Scheme. All of these equity securities are non-voting so holders will not be entitled to vote on the Scheme Resolution. For more details on the treatment of these non-voting equity securities, see Section 6.4 of this Scheme Booklet.

The important thing for Shareholders to understand is that the treatment of these non-voting equity securities will not adjust the Scheme Consideration. If the Scheme is Implemented, each Scheme Shareholder will receive AU\$1.15 per Scheme Share in cash.

Your action is required

The Scheme will be implemented if it is approved by the required majorities of Shareholders at the Scheme Meeting, all other Conditions are satisfied or (if capable of waiver) waived, and the Scheme Implementation Agreement is not terminated. If the Scheme is implemented, your Volpara Shares will be transferred to the Acquirer regardless of whether or how you voted. **It is therefore very important that you take this opportunity to have your say on the Scheme by voting, no matter how many Volpara Shares you own.**

Voting will occur at the Scheme Meeting. You can vote by attending the Scheme Meeting in person or online, or alternatively by appointing a person to vote on your behalf by completing the Proxy Form accompanying this Scheme Booklet. The Scheme Meeting is to be held at 11:00am (Sydney time) on Friday, 12 April 2024. There are instructions for online attendance and voting, and appointment of a proxy, in the Notice of Meeting set out in Section 4 of this Scheme Booklet. A personalised Proxy Form accompanies this Scheme Booklet, but a proxy can also be appointed online by going to <https://www.votingonline.com.au/VolparaScheme2024>.

Further information

This Scheme Booklet sets out important information regarding the Scheme, including the reasons for your Volpara Directors' recommendation and includes the Independent Adviser's Report.

Please read this Scheme Booklet carefully and in its entirety as it will assist you in making an informed decision on how to vote. I would also encourage you to seek independent financial, taxation, legal and other professional advice before voting on the Scheme.

If you have any questions regarding the Scheme or this Scheme Booklet, you can call the Volpara Shareholder Scheme information line on the following numbers between 9:00am and 5:00pm (Sydney time), Monday to Friday:

Toll: 1300 513 794

AU Toll-free: +61 2 9066 4082

NZ Toll-free: +64 9 889 6570

I would also like to take this opportunity to thank you for your continued support of Volpara.

Yours sincerely,

Paul Reid

Chair of Volpara

Section 2

What do Shareholders need to do?

2.1 Read this Scheme Booklet and seek advice if you are in doubt

Please read this Scheme Booklet, including the Independent Adviser's Report, carefully and in full. It will assist you in making an informed decision on how to vote on the Scheme Resolution.

If you are in doubt as to what you should do, you should seek advice from your financial, taxation or legal advisers.

2.2 Vote on the Scheme

IT IS VERY IMPORTANT THAT YOU VOTE

Voting is how you have your say in determining the future of your investment in Volpara.

For the Scheme to proceed, it is necessary that **BOTH** of the two voting thresholds are met, being:

- at least 75% of the votes of Shareholders in each interest class **who are entitled to vote and who actually vote** must be voted in favour of the Scheme Resolution; and
- more than 50% of the total number of Volpara Shares on issue must be voted in favour of the Scheme Resolution.⁹

Volpara has one class of shares, all of which are fully paid up ordinary shares with identical voting rights. At the date of this Scheme Booklet, there is one interest class (being all Shareholders). This is expected to remain the case at the time of the Scheme Meeting. See Section 6.1(b) of this Scheme Booklet for more information about what an interest class is, including whether the Acquirer or its Associates can acquire Volpara Shares before the Voting Eligibility Date.

The Scheme Meeting will be held at 11:00am (Sydney time) on 12 April 2024, both online and in person:

Online: Through the web platform Lumi AGM at <https://web.lumiagm.com/331-237-318> using the meeting ID 331-237-318. Details of how to participate online are provided in the accompanying Online Meeting Guide (which contains instructions for participating online) as well as in the Explanatory Notes to the Notice of Meeting.

In person: at MinterEllison, Level 40, Governor Macquarie Tower, 1 Farrer Place, Sydney, Australia.

If you are a Shareholder on the Voting Eligibility Date (11:00am on 10 April 2024), you are entitled to vote on the Scheme. Voting will occur at the Scheme Meeting.

You can vote at the Scheme Meeting in person or online, by proxy or, if you are a company, by a corporate representative. If your share broker or financial adviser holds Volpara Shares as custodian on your behalf, we encourage you to instruct your broker or adviser how to vote. The fastest way for you to vote is to complete your Proxy Form online. Alternatively, you may return your Proxy Form by email, mail, in person or by fax or attend and vote in person or online at the Scheme Meeting.

Information on how to appoint a proxy or corporate representative, and how to ask questions before the Scheme Meeting, is set out in the Explanatory Notes part of the Notice of Meeting in Section 4 of this Scheme Booklet.

2.3 If you are in favour of the Scheme

If you are in favour of the Scheme, you should vote in favour of the Scheme Resolution at the Scheme Meeting, by proxy, in person or online.

2.4 If you are not in favour of the Scheme

If you are not in favour of the Scheme, you can vote against the Scheme Resolution at the Scheme Meeting, by proxy, in person or online. As a Shareholder, you also have the right to appear and be heard at the Final Court Hearing, provided you file a notice with the Court. Further details on how to do this are set out in Section 6.9.

If you do not want to participate in the Scheme, you are free to sell your Volpara Shares on ASX at any time up to the close of trading on the Trading Halt Date. However, if you sell your Volpara Shares on ASX, the sale price may be less than the Scheme Consideration of AU\$1.15 cash per Scheme Share, and you may incur brokerage charges on the sale. You should seek your own professional advice to determine if your individual financial or taxation circumstances may make it preferable for you to do so.

Regardless of whether you vote for or against the Scheme, abstain or do not vote, the Scheme will still be implemented if it is approved by Shareholders by the requisite majorities and by the Court, the other Conditions are satisfied or (if capable of waiver) waived, and the Scheme Implementation Agreement is not terminated.

2.5 You may need to provide your bank account details to Boardroom, Volpara's share registrar

If the Scheme is implemented and you hold Scheme Shares on the Scheme Record Date, you will be paid the Scheme Consideration of AU\$1.15 in cash for each of your Scheme Shares. See Section 6.3 for full details of how the Scheme Consideration will be paid. You may need to take the actions contemplated by that Section to ensure payment of the Scheme Consideration in your desired currency to your desired bank account. **If you have not previously provided Boardroom with your bank account details, you will need to do this in the manner contemplated by Section 6.3 to enable you to receive the Scheme Consideration.**

Section 3

Key indicative dates

EVENT	INDICATIVE DATE AND TIME
Proxy Forms due – this is the closing time and date for Proxy Forms for the Scheme Meeting to be submitted to Boardroom	11:00am on 10 April 2024
Voting Eligibility Date – for determining eligibility to vote at the Scheme Meeting	11:00am on 10 April 2024
Scheme Meeting – the meeting of Shareholders where Shareholders will vote on the Scheme Resolution	11:00am on 12 April 2024
IF THE SCHEME IS APPROVED BY SHAREHOLDERS	INDICATIVE DATE AND TIME
Note of Appearance or Opposition – this is the last day on which Shareholders may file a notice of appearance or a notice of opposition at the Court in respect of the Final Orders	26 April 2024
Final Court Hearing – to approve the Scheme and grant the Final Orders	3 May 2024

IF THE SCHEME IS APPROVED BY SHAREHOLDERS AND THE COURT GRANTS THE FINAL ORDERS, THEN THE INDICATIVE DATES FOR IMPLEMENTATION OF THE SCHEME ARE SET OUT BELOW.

Trading Halt Date – Volpara Shares will be suspended from trading on ASX	Close of trading on 3 May 2024
Scheme Record Date – date for determining entitlements to the Scheme Consideration	7:00pm on 13 May 2024
Implementation Date – date on which payment of the Scheme Consideration to Scheme Shareholders will occur	21 May 2024
Delisting Date – the date on which Volpara will be delisted from ASX	Close of trading on 22 May 2024

FINAL DATE FOR SATISFACTION OR WAIVER OF CONDITIONS AND IMPLEMENTATION OF THE SCHEME

End Date – the last date by which the Scheme must be implemented (unless Volpara and the Acquirer agree to extend the End Date)	14 July 2024
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All dates and times in the table above (and other references to such dates and times in this Scheme Booklet), except the End Date, are indicative only and, among other things, are subject to obtaining all necessary approvals from the Court.

Any changes to the above indicative timetable will be announced to ASX (at www.asx.com.au) (ASX code: VHT) and notified on Volpara's website (at www.volparahealth.com).

Section 4

Notice of Meeting

Notice is given that a special meeting of Shareholders of Volpara Health Technologies Limited (**Scheme Meeting**) will be held:

Date: 12 April 2024

Time: 11:00am (Sydney time)

Where: *Online:* Through the web platform Lumi AGM at <https://web.lumiagm.com/331-237-318> using the meeting ID 331-237-318. Details of how to participate online are provided in the accompanying Online Meeting Guide (which contains instructions for participating online) as well as in the Explanatory Notes below.

Physical: Volpara will also hold a concurrent physical meeting at MinterEllison, Level 40, Governor Macquarie Tower, 1 Farrer Place, Sydney, Australia.

AGENDA

Scheme Resolution

To consider and, if thought fit, to pass the following resolution:

THAT the Scheme (the terms of which are described in the Scheme Booklet) be and is hereby approved.

The Scheme Resolution will be put as a single resolution for the purposes of confirming the approvals of each interest class and a simple majority of the votes of all Shareholders (see Explanatory Notes 2, 3 and 4 below). The Scheme Booklet referred to in the Scheme Resolution is this Scheme Booklet.

Voting will be by a poll and Boardroom will confirm whether or not each of the relevant voting thresholds have been met in respect of the Scheme Resolution (see the Explanatory Notes below). PricewaterhouseCoopers, Volpara's auditors, will act as scrutineer in respect of the vote.

By order of the Volpara Board

Paul Reid

Chair of the Volpara Board

20 March 2024

EXPLANATORY NOTES

Scheme Booklet and Proxy Form

1. This Scheme Booklet (which includes this Notice of Meeting) provides information in relation to the Scheme Resolution and the Scheme, how the Scheme will be implemented and the reasons for proposing the Scheme. In particular, Section 2 of this Scheme Booklet contains details about the actions you can take in respect of the Scheme. A Proxy Form accompanies this Scheme Booklet.

Scheme of Arrangement

2. The Scheme is to be implemented by way of a Court approved scheme of arrangement under Part 15 of the Companies Act 1993 (New Zealand) (**Companies Act**) pursuant to the Scheme Plan included as Annexure B of this Scheme Booklet. Volpara has obtained the Initial Court Orders which are available to view at www.volparahealth.com. The next significant step in the Scheme process is seeking the approval of the Shareholders by voting on the Scheme Resolution.

Voting on the Scheme Resolution

3. As required by the Companies Act, for the Scheme to be approved by the Shareholders:

- at least 75% of the votes of Shareholders in each interest class **who are entitled to vote and who actually vote must be** voted in favour of the Scheme Resolution; and
- more than 50% of the total number of Volpara Shares on issue must be voted in favour of the Scheme Resolution.

4. Both of the voting thresholds set out in Explanatory Note 3 above must be met for the Scheme Resolution to be approved. Volpara has one class of shares, all of which are fully paid up ordinary shares with identical voting rights. As at the date of this Scheme Booklet, there is one interest class (being all Shareholders). This is expected to remain the case at the time of the Scheme Meeting. See Section 6.1(b) of this Scheme Booklet for more information about what an interest class is, including whether the Acquirer or its Associates can acquire Volpara Shares before the Voting Eligibility Date.

5. Whether or not you are in favour of the Scheme, it is very important that you cast your vote.

Eligibility to vote on the Scheme Resolution

6. The persons who will be entitled to vote at the Scheme Meeting are those persons (or their proxies or representatives) whose name is recorded in the Register as a Shareholder at the Voting Eligibility Date.

How to vote

7. If you are eligible to vote at the Scheme Meeting, you can vote:

- (a) **by proxy** – by completing, signing and lodging the Proxy Form in accordance with the instructions on that form and the instructions set out in Explanatory Notes 8 to 13 below;
- (b) **by corporate representative** – a company which is a Shareholder may appoint a representative to vote on its behalf at the Scheme Meeting in the same manner as appointing a proxy;
- (c) **online** – by attending the Scheme Meeting virtually at <https://www.votingonline.com.au/VolparaScheme2024>. Information on attending online, how to ask questions and how to vote, is available in the Online Meeting Guide at: <https://web.lumiagm.com/331-237-318>; or
- (d) **in person** – by attending the physical Scheme Meeting with your personalised Proxy Form (which accompanies this Scheme Booklet). You will then receive a voting card that will entitle you to vote on the Scheme Resolution.

How to appoint a proxy

8. You may appoint a proxy to attend, and vote at, the Scheme Meeting on your behalf. If you wish to appoint a proxy, you must ensure that Boardroom receives your completed Proxy Form by no later than 11:00am (Sydney time) on 10 April 2024. Completed Proxy Forms can be submitted:

(a) **online:** at Boardroom's website by following the instructions on that website:

<https://www.votingonline.com.au/VolparaScheme2024>;

(b) **by mail:** by sending to:

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

(c) **in person:** by delivering to:

Boardroom Pty Limited
Level 8, 210 George St
Sydney NSW 2000 Australia

(d) **by email:** proxy@boardroomlimited.com.au (please type "Volpara Proxy Form" in the subject line for easy identification)

(e) **by fax:** by sending to: +61 2 9290 9655.

9. If you appoint a proxy, you can either direct your proxy how to vote or let them decide on your behalf by ticking the box marked "proxy discretion". If you do not tick a box for the Scheme Resolution, then your proxy will be treated as having discretion on how to vote.

10. A proxy need not be a Shareholder. You may, if you wish, appoint the Chair or any other Volpara Director as your proxy. The Chair and all other Volpara Directors intend to vote undirected proxies in favour of the Scheme Resolution unless a majority of the Volpara Directors have changed their recommendation prior to the Scheme Meeting, in which event the Chair and all other Volpara Directors will vote all undirected proxies against the Scheme Resolution.¹⁰

11. If, in appointing a proxy, a Shareholder has not named a person to be the Shareholder's proxy (either online or on the Proxy Form), or the Shareholder's named proxy does not attend the Scheme Meeting, the Chair of the Scheme Meeting will be that Shareholder's proxy and will vote in accordance with that Shareholder's express direction. If the Shareholder has not included an express direction (either online or in the Proxy Form), the Chair of the Scheme Meeting will exercise that Shareholder's vote in favour of the Scheme Resolution unless a majority of the Volpara Directors have changed their recommendation prior to the Scheme Meeting in which event the Chair of the Scheme Meeting will vote undirected proxies against the Scheme Resolution.¹¹

12. Once appointed, a proxy can be revoked or your voting directions to your proxy can be changed by lodging a new Proxy Form online (as set out in Explanatory Note 8(a) above) or giving written notice to the address details set out in Explanatory Notes 8(b), 8(c), 8(d) or 8(e) above if such notice is received before 11:00am (Sydney time) on 10 April 2024. If you attend the Scheme Meeting in person or online you may, but are not required to, revoke your proxy.

13. Despite Explanatory Notes 8 and 12, Volpara may in its discretion accept proxy appointments received after 11:00am (Sydney time) on 10 April 2024.

How to ask questions at the Scheme Meeting

14. Shareholders are invited to submit questions to be addressed at the Scheme Meeting. Volpara has discretion as to which, and how, questions will be answered during the Scheme Meeting. If you wish to submit a question or questions, you may do so by completing the relevant section on the Proxy Form:

- (a) **by email:** proxy@boardroomlimited.com.au (please type "Scheme Meeting Volpara Question" in the subject line for easy identification)
- (b) **by mail:** to Boardroom Pty Limited at GPO Box 3993, Sydney NSW 2001, Australia
- (c) **in person:** to Boardroom Pty Limited at Level 8, 210 George St, Sydney NSW 2000 Australia
- (d) **online:** at Boardroom's website by following the instructions on that website: <https://www.votingonline.com.au/VolparaScheme2024>. Information on how to ask questions is in the Online Meeting Guide available at: <https://web.lumiagm.com/331-237-318>

15. There will also be an opportunity for Shareholders to raise questions during the Scheme Meeting in person or through the online platform at: <https://web.lumiagm.com/331-237-318>.

Effect of Scheme

16. If the Scheme Resolution is passed and the Scheme is implemented, all of the Volpara Shares you hold on the Scheme Record Date will be transferred to the Acquirer, regardless of whether or how you voted on the Scheme Resolution, and you will be paid the Scheme Consideration. This will result in the Acquirer acquiring 100% of the Volpara Shares. **It is therefore very important that you have your say by voting on the Scheme Resolution, regardless of how many Volpara Shares you hold.**

How to ask questions about the Scheme Meeting

17. If you have any questions about this Notice of Meeting or the Scheme Meeting, you can contact Boardroom at the contact details set out in the Directory between 9:00am and 5:00pm (Sydney time), Monday to Friday.

Defined terms

18. Capitalised terms used in this Notice of Meeting have the meanings given to them in Section 11 (Glossary) of this Scheme Booklet.

Part B

Detailed information
about the Scheme

Section 5

Key considerations relevant to your vote

5.1 Summary of the Scheme

Volpara has agreed to propose a scheme of arrangement under Part 15 of the Companies Act for the Acquirer to acquire all of the Volpara Shares. While Volpara is an ASX listed company, it is incorporated in New Zealand hence why the Scheme is being proposed under New Zealand's Companies Act. Information regarding the legal requirements and steps for implementation of the Scheme are set out in Section 6.1.

The Acquirer is head-quartered in Seoul, South Korea and is listed on the KOSDAQ board of the Korea Exchange. Further information about the Acquirer is set out in Section 7 of this Scheme Booklet.

For the Scheme to be implemented, it needs to be approved by the required majorities of Shareholders and the Court. The Scheme is also subject to the satisfaction or (if capable of waiver) waiver of all other Conditions, including the absence of a Material Adverse Change during the period commencing on the date the Scheme Implementation Agreement was entered into (being 14 December 2023) and ending at 8:00am on the Implementation Date. The Scheme was subject to the OIO Condition but that was satisfied on 30 January 2024 and announced on 1 February 2024 (you can access information released by Volpara to ASX at www.asx.com.au (ASX code: VHT)). For more information about the Conditions to the Scheme, see Section 6.2.

5.2 How the Scheme came about

In July 2022, Volpara announced that it had completed its strategic review and it was going to execute a strategy focused on delivering operating cash flow break-even by the last quarter of FY24 without having to raise additional capital. Volpara successfully restructured its business and it has achieved a sustainable operational platform. However, Volpara identified a need to accelerate its development of CAD to complement its existing technology platform. During 2023, Volpara considered a range of options to maximise value for Shareholders including:

- (a) raising capital to develop its own CAD. Volpara's management concluded that it does not have the time, resource or expertise to compete with leaders in CAD and capture the market opportunity;
- (b) acquiring a company that has market leading CAD. Volpara did identify some potential targets to acquire but due to its capital constraints, subdued equity markets and the cost to acquire the potential targets existing Shareholders would have likely faced significant dilution; and
- (c) divesting Volpara and maximising the value for Shareholders by leveraging Volpara's intellectual property that it had developed over the last 14 years in a structured sales process.

During 2023, multiple parties expressed an interest in acquiring Volpara so the Volpara Board considered whether it should divest Volpara to maximise value for Shareholders. In connection with this process, the Volpara Board appointed external advisers, including D23 Capital & Advisory Pty Ltd as financial adviser and MinterEllisonRuddWatts as legal adviser, to evaluate offers. A select group of these parties entered into non-disclosure agreements with Volpara, undertook due diligence on Volpara's business and certain of these parties submitted non-binding indicative offers to acquire Volpara.

Following a thorough assessment of the various options, including the possibility of remaining listed and executing Volpara's strategic plan (which is subject to the risks outlined in Section 5.6.7 of this Scheme Booklet), the Volpara Board assessed that the Scheme proposed by the Acquirer provided the most compelling value for Shareholders. It provides Shareholders with an opportunity to accelerate a capital return, while also mitigating the risks and uncertainties otherwise involved in Volpara executing its strategic plan over time (and otherwise inherent in an investment in the technology sector).

On 14 December 2023, Volpara and the Acquirer entered into the Scheme Implementation Agreement which sets out the terms on which Volpara and the Acquirer will propose and implement the Scheme. A summary of the Scheme Implementation Agreement is set out in Section 10 of this Scheme Booklet and a fully copy of the Scheme Implementation Agreement, and the Amendment Agreement, is available on Volpara's website: www.volparahealth.com.

5.3 Scheme Consideration

The Scheme Consideration is AU\$1.15 per Scheme Share. If the Scheme is implemented and you hold Scheme Shares on the Scheme Record Date, on the Implementation Date you will be paid the Scheme Consideration of AU\$1.15 in cash for each Scheme Share that you hold. See Section 6.3 for further details on how the Scheme Consideration will be paid.

5.4 Funding for the Scheme

The Acquirer intends to fund the amount necessary to pay the aggregate Scheme Consideration through a combination of cash on hand (being the proceeds of a recent capital raise), third-party debt financing, and third-party equity financing. The Acquirer has entered into a legally binding commitment letter with a third-party debt financier to ensure that it has debt available to it which, when combined with cash on hand, is sufficient to pay the aggregate Scheme Consideration.

5.5 The Volpara Directors unanimously recommend that you VOTE IN FAVOUR of the Scheme

The Volpara Directors unanimously recommend that you vote in favour of the Scheme Resolution at the Scheme Meeting to be held on 12 April 2024, in the absence of a Superior Proposal.¹²

In reaching their recommendation to vote in favour of the Scheme, the Volpara Directors have considered:

- (a) the merits of the Scheme, including the factors set out in Sections 5.6, 5.7 and 5.8;
- (b) the Scheme Consideration in relation to the Independent Adviser's valuation range and the Volpara Directors' own views of the value of Volpara; and
- (c) Volpara's growth prospects and the risks and uncertainties involved in Volpara executing its strategic plan over time compared to realising value for Shareholders now.

The Volpara Directors have undertaken to vote, or procure the voting of, all of the Volpara Shares held or controlled by them in favour of the Scheme, in the absence of a Superior Proposal.¹³ The interests of the Volpara Directors in Volpara Shares are set out in Section 9.5.

5.6 Reasons to vote in favour of the Scheme

Here are the key reasons why the Volpara Directors unanimously recommend that you vote in favour of the Scheme.

5.6.1 The Scheme Consideration of AU\$1.15 per Scheme Share is significantly above the Independent Adviser's valuation range of AU\$0.67 to AU\$0.82 per Scheme Share

The Volpara Directors appointed, with the prior approval of the Takeovers Panel, Grant Samuel as the Independent Adviser to prepare an Independent Adviser's Report on the merits of the Scheme. The Independent Adviser's Report is set out in Annexure A to this Scheme Booklet and you are encouraged to read it.

Grant Samuel has assessed the value of the Volpara Shares to be in the range of AU\$0.67 to AU\$0.82 per Volpara Share. That assessment includes a premium for control of Volpara, which the Independent Adviser has observed is significantly above the average premium of control generally observed in successful takeovers of other listed companies. The Scheme Consideration of AU\$1.15 per Scheme Share is significantly above the range determined by the Independent Adviser.

5.6.2 The Scheme Consideration of AU\$1.15 per Scheme Share represents a significant premium to pre-announcement trading

The Scheme Consideration represents:

- (a) a 47.4% premium to Volpara's last closing share price of AU\$0.78 per Volpara Share on 13 December 2023 (being the last day of trading prior to Volpara announcing it had entered into the Scheme Implementation Agreement);
- (b) a 55.4% premium to Volpara's one-month volume weighted average price up to 13 December 2023 of AU\$0.74 per Volpara Share;
- (c) a 59.7% premium to Volpara's three-month volume weighted average price up to 13 December 2023 of AU\$0.72 per Volpara Share;
- (d) an implied equity value of AU\$295.7 million;¹⁴ and
- (e) an implied enterprise value of AU\$285.5 million.¹⁵

5.6.3 The aggregate Scheme Consideration represents an enterprise value to FY24 revenue multiple of approximately 7.5x

The aggregate Scheme Consideration represents an enterprise value to FY24 revenue multiple of approximately 7.5x based on Volpara's broker consensus forecast revenue model. This revenue multiple is significantly higher than the average of the Independent Adviser's assessed precedent comparable transaction¹⁶ multiples of 4.6x forecast revenue (as set out in section 6.4.3 of the Independent Adviser's Report).

5.6.4 The Scheme is the result of a comprehensive competitive process, and the Volpara Directors are satisfied that the Scheme is the most attractive option for Shareholders coming out of that process

The Scheme is the result of the comprehensive competitive process described in Section 5.2 of this Scheme Booklet. Having assessed various options through that process including remaining as a publicly listed company, the Volpara Directors are satisfied that the Scheme is the most attractive option for Shareholders coming out of that process. The Volpara Directors believe that the Scheme provides compelling, risk-adjusted value for Shareholders.

5.6.5 No better offer has emerged since the Scheme was announced, and the Volpara Directors do not believe that a better offer is likely to emerge

Since the announcement of the Scheme by Volpara on ASX on 14 December 2023, and up to the date of this Scheme Booklet, no Superior Proposal has emerged.

The Volpara Directors do not believe that a Superior Proposal is likely to emerge prior to the implementation of the Scheme for the following reasons:

- (a) the Scheme is a result of a comprehensive competitive process which included multiple parties undertaking due diligence on Volpara's business as described in Section 5.2 of this Scheme Booklet;
- (b) the Scheme was the most attractive option coming out of that process (and reflects the highest price submitted by a bidder involved in that process); and
- (c) if another transaction proposal did emerge, the competing bidder would need to take into account the Break Fee of AU\$2,957,406 that would be payable to the Acquirer.

The Volpara Board does, however, retain the discretion to consider any Competing Proposal that the Volpara Board has determined, after taking advice from its external financial and legal advisers, is reasonably capable of becoming a Superior Proposal if it is necessary to respond to such a proposal in order for the Volpara Directors to comply with their fiduciary duties or statutory obligations (subject always to the Acquirer's right to match the Superior Proposal). However, there can be no expectation or assurance that any further proposals will emerge at any time.

5.6.6 You can realise the value of your Volpara Shares for 100% cash consideration upon implementation of the Scheme

The all-cash Scheme Consideration of AU\$1.15 per Scheme Share provides you with an opportunity to realise certainty of value for your Volpara Shares (subject to the Scheme being implemented).

While Volpara is currently executing its strategic plan, there are risks and uncertainties involved in executing that plan over time and there is an uncertain range of possible outcomes. The Scheme provides Shareholders with an opportunity to accelerate a capital return, while also mitigating the risks and uncertainties otherwise involved in Volpara executing its strategic plan.

You can realise the value of your Volpara Shares for 100% cash consideration upon implementation of the Scheme, and if the Scheme is implemented you will no longer be subject to the business risks, investment risks and other risks associated with an investment in Volpara Shares.

Given these risks, if the Scheme does not proceed and Volpara remains as a publicly listed company, there is no assurance that you will be able to achieve returns that are equivalent to or better than the Scheme Consideration at any time in the future.

5.6.7 You will no longer be exposed to the risks associated with executing Volpara's strategic plan over time

Volpara-specific existing operational risks that may adversely impact future financial performance include:

- (a) if Volpara continues executing its current strategy, products, technologies, geographies and teams, it risks being outpaced by its competitors that provide CAD, image-based risk and/or additional AI products and technologies;
- (b) if Volpara seeks to build its own CAD, short-term risk and/or additional AI products and technologies, this will take years to implement, will require significant capital investment and is likely to negatively impact profitability and cash flow in the short to medium term; and
- (c) if Volpara seeks to acquire a company with CAD, image-based risk and/or additional AI capabilities, it will need to undertake a significant capital raise, it will need to identify and execute an appropriate transaction, it may face integration issues, and profitability is likely to be negatively impacted in the short to medium term.

External economic and general market risks that may adversely impact future financial performance include:

- (d) inflationary pressures and an uncertain economic outlook in Volpara's key markets, which may result in greater price sensitivity, lower growth in revenue as customers come under cost pressures, and/or result in cost increases to Volpara itself with staff located in those key markets; and
- (e) increased competitive pressure due to the expansion of product offerings provided by vendors of traditional CAD, risk and/or mammography quality, reporting or workflow automation, which may cause Volpara to lose customers, result in its growth rate slowing, and/or require it to lower its prices to attract and retain customers.

5.6.8 Shares in Volpara will likely remain at a price below AU\$1.15 if the Scheme does not proceed

Volpara Shares closed at AU\$0.78 per Volpara Share on 13 December 2023, being the last day of trading prior to Volpara announcing it had entered into the Scheme Implementation Agreement. While the Volpara Directors are unable to predict the price at which Volpara Shares will trade in the future, the Volpara Directors believe that if the Scheme is not implemented, and in the absence of a Superior Proposal, the Volpara Share price will likely remain at a price below the Scheme Consideration of AU\$1.15 per Scheme Share.

In addition, the future trading price of Volpara Shares will continue to be subject to any market volatility. This contrasts with the certainty of value of the Scheme Consideration under the Scheme.

5.6.9 No brokerage charges

No brokerage charges will be charged to you on the transfer of your Volpara Shares to the Acquirer if the Scheme proceeds. This is in contrast to selling your Volpara Shares on ASX where you may incur brokerage charges.

5.7 Reasons you may choose not to vote in favour of the Scheme

Here are some of the reasons why you may decide to vote against the Scheme. While the Volpara Directors acknowledge these, we believe that the reasons to vote in favour of the Scheme significantly outweigh the reasons to vote against it.

5.7.1 You may consider that Volpara could have greater value over the longer term than you will receive under the Scheme

You may consider that Volpara could have strong long-term growth potential and/or that the risks identified in Section 5.6.7 are unlikely to adversely affect Volpara's future financial performance (compared to what is currently expected). Accordingly, you may consider that the Scheme Consideration does not fully reflect your views on long term value. You may therefore prefer to retain your Volpara Shares and realise the value of your Volpara Shares over the longer term.

If the Scheme is approved and implemented, it is expected to be completed on or about 21 May 2024.¹⁷ This timeframe may not be consistent with your investment objectives.

5.7.2 You may wish to maintain an investment in a publicly listed company with the specific characteristics of Volpara in terms of industry, operations, profile, size and capital structure

If the Scheme is approved and implemented, you will be paid the Scheme Consideration in cash for all of your Scheme Shares, you will cease to be a Shareholder, Volpara Shares will cease to be quoted on ASX and Volpara will be delisted by ASX. As a result, you will no longer be able to participate in the benefits of Volpara's future financial performance or the future prospects of its ongoing business.

However, as with all investments in listed securities, there is no guarantee of Volpara's future financial performance.

5.7.3 You may disagree with the Independent Adviser's value range for the Volpara Shares or the Independent Adviser's assessment of the merits of the Scheme

You may consider that the Independent Adviser's valuation range undervalues your Volpara Shares or have a different view to the Independent Adviser on the merits of the Scheme.

5.7.4 You may consider that there is a possibility that a Superior Proposal could emerge

As noted in Section 5.6.5, from the announcement of the Scheme on 14 December 2023 to the date of this Scheme Booklet, no Superior Proposal has emerged, and the Volpara Directors do not believe that a Superior Proposal is likely to emerge. However, you may disagree with the Volpara Directors, and you may believe that a Superior Proposal is possible prior to implementation of the Scheme.

5.7.5 The tax implications of the Scheme may not suit your current financial position

If the Scheme is approved and implemented, it may potentially result in adverse tax implications for you, which may arise earlier than may otherwise have been the case. If you are in doubt about the potential tax implications of the Scheme, you should seek advice from your tax adviser.

5.7.6 You may consider that the Scheme is subject to Conditions that you consider unacceptable

All of the Conditions to the Scheme are summarised in Sections 6.2 and 10.2 of this Scheme Booklet. If those Conditions are not satisfied or (if capable of waiver) waived by the End Date, the Scheme will not proceed (even if it has been approved by Shareholders) and you will not be paid the Scheme Consideration.

5.7.7 You may consider that the Scheme is not in your best interests

For any, or a combination, of the reasons set out above in this Section 5.7 and/or for reasons that are particular to you or your circumstances, you may believe that the Scheme is not in your best interests.

5.8 Additional matters for you to consider

We believe you should also carefully consider the following when deciding whether to vote in favour of the Scheme.

5.8.1 The Independent Adviser's Report

The Independent Adviser, who was appointed by Volpara with the approval of the Takeovers Panel, has prepared a report for Shareholders on the merits of the Scheme. The Independent Adviser's Report is set out in Annexure A of this Scheme Booklet. You are encouraged to carefully read that report before making a decision in respect of the Scheme.

5.8.2 You may sell your Volpara Shares on ASX at any time before the Volpara Shares are suspended from trading

If you do not want to hold your Volpara Shares or participate in the Scheme, you may be able to sell your Volpara Shares on ASX at any time before the close of trading on the Trading Halt Date (expected to be 3 May 2024).

However, if you sell your Volpara Shares on ASX the sale price may be less than the Scheme Consideration of AU\$1.15 per Scheme Share, and you may incur brokerage charges on the sale. You should seek your own professional advice to determine if your individual financial or taxation circumstances may make it preferable for you to do so.

5.8.3 The Scheme may be implemented even if you do not vote at the Special Meeting or you vote against the Scheme

Regardless of whether you vote for or against the Scheme, abstain or do not vote at all, the Scheme may still be implemented if it is approved by Shareholders by the requisite majorities and the Court, the other Conditions are satisfied or (if capable of waiver) waived, and the Scheme Implementation Agreement is not terminated. If implementation occurs and you hold Volpara Shares on the Scheme Record Date, those Volpara Shares will be transferred to the Acquirer and you will be paid the Scheme Consideration for those Volpara Shares on the Implementation Date.

5.8.4 A Break Fee may be payable in some circumstances

Volpara may be required to pay the Break Fee of AU\$2,957,406 (inclusive of GST, if any) to the Acquirer in certain circumstances if the Scheme does not proceed. Those circumstances include where:

- (a) at any time before the Scheme Implementation Agreement is terminated, a Competing Proposal is publicly announced and the person making the Competing Proposal or one or more persons that control, or are under the control of, or who are Associated with, that person completes, within 12 months after the date of that announcement, a Competing Proposal with any member of the Volpara Group or with the Shareholders (whether or not the completed Competing Proposal is the same as or different to the Competing Proposal that was originally announced);
- (b) any Volpara Director adversely changes, qualifies or withdraws, or makes any statement inconsistent with, the recommendation of the Volpara Directors in this Scheme Booklet to vote in favour of the Scheme, except as a result of one or more of the following:
 - (i) subject to the proviso below, the Independent Adviser issuing an Independent Adviser's Report which concludes that the Scheme Consideration is not within or above the Independent Adviser's valuation range for the Volpara Shares; or
 - (ii) Volpara receiving a Superior Proposal, subject to Volpara's compliance with the provisions of the Scheme Implementation Agreement regarding the Acquirer's matching rights;

Notwithstanding Section 5.8.4(b)(i) above, the Break Fee will be payable by Volpara if, prior to the issue of the relevant Independent Adviser's Report, a Competing Proposal is received by Volpara or made public and within 12 months after the date that Competing Proposal is received or becomes public, the person making the Competing Proposal or one or more persons that control, or are under the control of, or are Associated with, that person completes a Competing Proposal with any member of the Volpara Group or with the Shareholders (whether or not the completed Competing Proposal is the same as or different to the Competing Proposal that was originally announced);

- (c) the Scheme Implementation Agreement is terminated by the Acquirer due to a breach of the Scheme Implementation Agreement by Volpara where the consequences of that breach (other than in respect of a breach of certain fundamental Volpara warranties) are material in the context of the Scheme taken as a whole;
- (d) the Scheme Implementation Agreement is terminated by the Acquirer due to a Prescribed Occurrence (except for termination in reliance on a Prescribed Occurrence that was not under, or within, the control of the Volpara Group it being acknowledged that any action, investigation, inquiry, audit, dispute, demand, claim, litigation, arbitration, mediation or other dispute resolution proceeding being brought by any person, or any decision, determination or ruling by a Government Agency, is deemed to be under, or within, the control of the Volpara Group except for certain actions which are commenced against the Volpara Group in connection with the Scheme);
- (e) the Scheme Implementation Agreement is terminated by either Volpara or the Acquirer where the Acquirer fails to match a Superior Proposal.

Volpara is not required to pay the Break Fee if the Scheme Resolution is not passed (provided none of the above matters occurs or has occurred).

5.8.5 The Reverse Break Fee may be payable by the Acquirer in some circumstances

The Acquirer may be required to pay the Reverse Break Fee of AU\$2,957,406 (inclusive of GST, if any) to Volpara in certain circumstances if the Scheme does not proceed. Those circumstances are where the Scheme Implementation Agreement is terminated by Volpara due to a breach of the Scheme Implementation Agreement by the Acquirer where the consequences of that breach are material in the context of the Scheme taken as a whole.

5.8.6 Volpara's and the Acquirer's liability is limited

The maximum aggregate liability of Volpara to the Acquirer under or in connection with the Scheme Implementation Agreement or the Scheme is limited to an amount equal to the Break Fee (AU\$2,957,406). However, nothing limits Volpara's liability for fraud or Intentional Breach (except that the maximum aggregate liability of Volpara to the Acquirer as a result of Volpara's Intentional Breach is limited to an amount equal to the aggregate Scheme Consideration).

The maximum aggregate liability of the Acquirer to Volpara under or in connection with the Scheme Implementation Agreement or the Scheme is limited to an amount equal to the Reverse Break Fee (AU\$2,957,406). However, nothing limits the Acquirer's liability for fraud or Intentional Breach (except that the maximum aggregate liability of the Acquirer to Volpara as a result of the Acquirer's Intentional Breach is limited to an amount equal to the aggregate Scheme Consideration).

An "Intentional Breach" is where Volpara or the Acquirer (as applicable) breaches an undertaking in the Scheme Implementation Agreement (or, with respect to the Acquirer, the Deed Poll) where the relevant act or omission was intentionally made or not taken (as the case may be) and resulted, and could reasonably be expected to have resulted, in the Scheme not being Implemented.

The limitations of liability described above do not prevent Volpara or the Acquirer from seeking specific performance.

5.8.7 Dispute resolution is to be conducted through the New Zealand Courts

All disputes under the Scheme Implementation Agreement will be resolved through litigation in the New Zealand Courts. You should be aware that:

- (a) litigation can be a time-consuming and costly process. If a dispute arises in respect of the Scheme, the outcome of the High Court process will be uncertain and enforcement of any court order may require litigation in other jurisdictions;
- (b) if Volpara asks the High Court to grant specific performance of the Scheme Implementation Agreement,¹⁸ Volpara must continue to comply with the Scheme Implementation Agreement during the litigation process, including by operating within the restrictions imposed by the Scheme Implementation Agreement as it will still be in force until the issue is determined by a New Zealand Court; and
- (c) any party may appeal a High Court decision to the Court of Appeal, and, with leave, to the Supreme Court.

5.9 What happens if the Scheme is not approved?

If the Scheme is not approved by Shareholders, or the Court, or the other Conditions are not satisfied or (if capable of waiver) waived, or if the Scheme Implementation Agreement is terminated:

- (a) you will not be paid the Scheme Consideration;
- (b) your Volpara Shares will not be transferred to the Acquirer (they will be retained by you);
- (c) Volpara will continue to operate as stand-alone company listed on, and with Volpara Shares quoted on, ASX;
- (d) you will continue to be exposed to the benefits and risks associated with an investment in Volpara (and other general benefits and risks relating to any investment in a publicly listed company) for so long as you hold Volpara Shares;
- (e) depending on the reasons why the Scheme does not proceed, Volpara may be required to pay the Acquirer the Break Fee or, if the Scheme does not proceed due to an Intentional Breach by Volpara, an amount equal to the aggregate Scheme Consideration (see Sections 5.8.4 and 5.8.6 of this Scheme Booklet) or the Acquirer may be required to pay Volpara the Reverse Break Fee or, if the Scheme does not proceed due to an Intentional Breach by the Acquirer, an amount equal to the aggregate Scheme Consideration (see Sections 5.8.5 and 5.8.6 of this Scheme Booklet); and
- (f) in the absence of a Superior Proposal, the price for Volpara Shares on ASX is likely to fall (noting that the Volpara Directors are unable to predict the price at which Volpara Shares will trade in the future).

Section 6

Further information about the Scheme

6.1 Key steps in the Scheme

The Scheme is to be implemented by way of a scheme of arrangement under Part 15 of the Companies Act. While Volpara is an ASX listed company, it is incorporated in New Zealand hence why the Scheme is being proposed under New Zealand's Companies Act. The key steps in the process to implement the Scheme are summarised briefly below:

(a) Initial Court Orders

Volpara applied to the Court for, and on [insert] 2024 was granted, the Initial Court Orders. The Initial Court Orders require Volpara to convene the Scheme Meeting for Shareholders to consider, and vote on, the Scheme. A copy of the Initial Court Orders is available at www.volparahealth.com. In addition, the Initial Court Orders were released to ASX on [insert] 2024. You can access information released by Volpara to ASX at www.asx.com.au (ASX code: VHT).

The Scheme will only be implemented if:

- Shareholders approve the Scheme Resolution by the requisite majorities at the Scheme Meeting (see Section 6.1(b) below);
- the Court approves the Scheme and grants the Final Orders;
- the other Conditions are satisfied or (if capable of waiver) waived; and
- the Scheme Implementation Agreement is not terminated in accordance with its terms.

(b) Shareholder approval requirements

What are the voting requirements?

For the Scheme Resolution to be approved at the Scheme Meeting by the Shareholders:

- at least 75% of the votes of Shareholders in each interest class **who are entitled to vote and who actually vote** must be voted in favour of the Scheme Resolution; and
- more than 50% of the total number of Volpara Shares on issue must be voted in favour of the Scheme Resolution.¹⁹

Both of the voting thresholds set out above must be met for the Scheme Resolution to be approved. If the Scheme Resolution is approved by the requisite majorities of Shareholders at the Scheme Meeting, then Volpara will apply to the Court for orders approving the Scheme (being the Final Orders).

What is an interest class?

Shareholders whose rights are so dissimilar that they cannot sensibly consult together about a common interest will form a separate interest class for the purposes of voting on the Scheme Resolution.

Volpara has one class of shares, all of which are fully paid up ordinary shares with identical voting rights. Given the legal effect of the Scheme is the same for all Shareholders, as at the date of this Scheme Booklet, there is one interest class (being all Shareholders). This is expected to remain the case at the time of the Scheme Meeting.

For clarity, Restricted Stock Units, entitlements to Restricted Stock Units and Options are not Volpara Shares or voting securities in Volpara and holders of those equity securities will not be entitled to vote on the Scheme (see Section 6.4 for details on how these equity securities will be dealt with in the context of the Scheme). Accordingly, such holders do not form a separate interest class for the purposes of the Scheme Resolution.

Can the Acquirer acquire Volpara Shares before the Scheme Meeting?

The Acquirer agreed to customary standstill provisions in the Non-Disclosure Agreement (as amended) referred to in Sections 9.12.2 and 9.12.3 including agreeing not to (directly or indirectly through its affiliates or other third parties) acquire any equity securities of Volpara for a twelve-month period except pursuant to the Scheme. However, this obligation terminated when the Scheme was announced on 14 December 2023.

Therefore, the Acquirer and its Associates can acquire up to 20% of the Volpara Shares or over 20% of the Volpara Shares in compliance with the Takeovers Code. The Acquirer currently has voting control in respect of more than 20% of the Volpara Shares (by virtue of the Voting Deeds). Accordingly, currently, the Acquirer can only acquire further Volpara Shares in compliance with the Takeovers Code. In broad terms, to acquire over 20% of the Volpara Shares, such acquisition could only be made by way of a full or partial takeover offer or with Shareholder approval by ordinary resolution. That said, if the Acquirer was to reduce its voting control below 20% it could, in theory, acquire Volpara Shares prior to the Scheme Meeting.

If the Acquirer or an Associate of the Acquirer does acquire Volpara Shares prior to the Scheme Meeting, it will form a separate interest class (such that there will be two interest classes – namely, the Acquirer and/or its Associate in one interest class, and all other Shareholders being in the other interest class). If that occurs, the Acquirer has committed in the Scheme Implementation Agreement to enter into (or procure that its Associate enters into) a deed poll under which the Acquirer (or its Associate, as the case may be) agrees to vote the relevant Volpara Shares it holds in favour of the Scheme Resolution at the Scheme Meeting. The Acquirer will need to be mindful of any such dealings because if dealings occur that would not be permitted under a Takeovers Code offer, the Takeovers Panel may withhold its no-objection statement or may make submissions to the Court regarding such dealings.

Scheme Meeting

While it is expected that there will be one interest class at the time of the Scheme Meeting, if there are two interest classes (due to the Acquirer and/or its Associates acquiring Volpara Shares), there will be only one Shareholder meeting (being the Scheme Meeting) held to consider the Scheme Resolution.

If the Acquirer and/or its Associates hold or control Volpara Shares at the time of the Scheme Meeting, the votes cast by them:

- will be counted separately for the purposes of the interest class vote; and
- will be counted together with the votes of all other Shareholders when assessing whether more than 50% of the total number of Volpara Shares on issue are voted in favour of the Scheme Resolution.

Voting commitments

Patagorang Pty Ltd (an Associate of Volpara Director Roger Allen) has committed to vote the 18,467,848 Volpara Shares it holds in favour of the Scheme, in accordance with the Patagorang Voting Deed (which is described in Section 8.7 of this Scheme Booklet).

Ralph Highnam and KYC Trustees 106 Limited have committed to vote the 16,213,561 Volpara Shares they jointly hold in favour of the Scheme, in accordance with the Highnam Voting Deed (which is described in Section 8.7 of this Scheme Booklet).

Harbour Asset Management Limited (in its capacity as investment manager of managed investment schemes and under investment management agreements) acknowledged that, on 14 December 2023, it had the power to control the voting rights attaching to 31,267,134 Volpara Shares, and has committed to vote the Volpara Shares it holds at the Scheme Meeting in favour of the Scheme, in accordance with the Harbour Voting Deed (which is described in Section 8.7 of this Scheme Booklet).²⁰

All of these Shareholders will vote in the same interest class as the other Shareholders (except the Acquirer and/or its Associates if they hold Volpara Shares at the time of the Scheme Meeting).

(c) Takeovers Panel's no objection statement

Under the Companies Act, Volpara may request a statement from the Takeovers Panel indicating that the Takeovers Panel has no objection to the Court making the Final Orders to approve the Scheme. This is commonly referred to as a "no objection statement".

If the Scheme Resolution is passed at the Scheme Meeting, Volpara will promptly apply for a no objection statement from the Takeovers Panel. The Takeovers Panel does not typically issue no objection statements until just before documents are filed for the Final Court Hearing in respect of the Scheme.

The Takeovers Panel has granted a preliminary statement (called a "letter of intention"), indicating that, on the basis of the documents and information provided to it, it is minded to issue a final no objection statement on or before the Final Orders Date.

Even when a no objection statement is granted by the Takeovers Panel, the Court still has the discretion to determine whether or not to approve the Scheme.

(d) Final Court Hearing

If Shareholders approve the Scheme Resolution at the Scheme Meeting, Volpara will apply to the Court for the Final Orders.

The Final Orders, if granted by the Court, will make the Scheme binding on Volpara, all Shareholders (including any Shareholders who did not vote for the Scheme), the Acquirer, and such other persons as the Court may specify (subject to the satisfaction or (if capable of waiver) waiver of any of the Conditions which continue to apply until the implementation of the Scheme).

In considering the application for the Final Orders, the Court will consider whether:

- there has been compliance with the relevant procedural rules, the relevant legislation and the Initial Court Orders (including in relation to the Scheme Meeting);
- the Scheme has been fairly put to Shareholders, including whether this Scheme Booklet puts the information reasonably necessary to enable each interest class of Shareholders to consider and vote on the Scheme;
- Shareholders in each interest class are fairly represented by those Shareholders who vote on the Scheme; and
- the Scheme is such that it might reasonably be approved by an intelligent and honest business person acting in respect of his or her own interest. In considering this fourth limb, the Court will also consider whether the Scheme is generally fair and equitable.

Each Shareholder has the right to appear at the Final Court Hearing if the Shareholder has taken the steps set out in Section 6.9 of this Scheme Booklet.

The Scheme will be implemented in accordance with the Scheme Plan if the Court approves the Scheme, all other Conditions have been satisfied or (if capable of waiver) waived, and the Scheme Implementation Agreement is not terminated.

(e) Scheme Record Date

If all of the Conditions to the Scheme are satisfied or (if capable of waiver) waived and you are a Shareholder on the Register on the Scheme Record Date and the Scheme Implementation Agreement has not been terminated, on the Implementation Date you will be entitled to be paid the Scheme Consideration for all of the Volpara Shares you hold as at the Scheme Record Date.

(i) Dealings on or prior to the Scheme Record Date

Subject to certain limited exceptions set out in the Scheme Plan, Volpara must, before 7.00pm on the Scheme Record Date, register registrable transmission applications or registrable transfers of Volpara Shares received, in either case, on or before 7.00pm on the Scheme Record Date.

For the purposes of determining entitlements under the Scheme, Volpara will not accept for registration, nor recognise for any purpose (except a transfer of Volpara Shares in accordance with the Scheme Plan or any subsequent transfer by the Acquirer or its successors in title), any Volpara Share transfer or Volpara Share transmission application or other similar request received after 7.00pm on the Scheme Record Date, or received prior to such time but not in registrable or actionable forms.

Volpara intends to apply to ASX for trading in Volpara Shares to be suspended with effect from the close of trading on the Trading Halt Date (being the Final Orders Date, given the OIO Condition has been satisfied).

(ii) Dealings after the Scheme Record Date

You must not dispose of, or purport or agree to dispose of, any Volpara Shares or any interest in them after close of trading on the Trading Halt Date, otherwise than pursuant to the Scheme Plan, and any attempt to do so will have no effect and Volpara and the Acquirer shall be entitled to disregard any such disposal.

For the purpose of determining entitlements to the Scheme Consideration, Volpara must maintain the Register in its form as at the Scheme Record Date until the Scheme Consideration has been paid to the Scheme Shareholders. The Register in this form will solely determine entitlements to the Scheme Consideration.

After 7.00pm on the Scheme Record Date, each entry that is current on the Register (other than entries on the Register in respect of the Acquirer), will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.

(f) Implementation Date

The Implementation Date is the day on which Scheme Shareholders will be paid for their Scheme Shares. The Implementation Date will be the date that is five Business Days after the Scheme Record Date (or such other date agreed between the Acquirer and Volpara).

By 4:00pm on the Business Day before the Implementation Date, the Acquirer must deposit (or procure the deposit of) into a trust account operated by Boardroom the aggregate Scheme Consideration payable to Scheme Shareholders. The terms on which Boardroom will receive and pay the aggregate Scheme Consideration will be set out in the Escrow Agreement to be entered into between Boardroom, Volpara and the Acquirer (see Section 9.12.10 of this Scheme Booklet).

At implementation of the Scheme on the Implementation Date, which is currently expected to occur on or about 21 May 2024, the Scheme Shares will be transferred to the Acquirer without Scheme Shareholders needing to take any further action.

Immediately after the Scheme Shares are transferred to the Acquirer, Boardroom will, on behalf of the Acquirer, pay from the trust account the Scheme Consideration to Scheme Shareholders in accordance with the Scheme Plan. See Section 6.3 for more details on payment of the Scheme Consideration to Scheme Shareholders.

(g) Deed Poll

On 14 December 2023, the Acquirer executed the Deed Poll under which the Acquirer has undertaken in favour of each Scheme Shareholder to pay each Scheme Shareholder the Scheme Consideration to which they are entitled under the Scheme, subject to the Scheme becoming Effective.

The Deed Poll records that, under the Scheme Plan, each Scheme Shareholder appoints Volpara as its attorney to enforce the Deed Poll.

See Section 5.8.6 for further detail regarding the maximum aggregate liability of the Acquirer to Volpara and Shareholders for breaches of the Deed Poll and the Scheme Implementation Agreement.

A copy of the Deed Poll is set out in Annexure C to this Scheme Booklet.

6.2 Conditions

The Scheme is subject to certain Conditions being satisfied or (if capable of waiver) waived. The outstanding Conditions at the date of this Scheme Booklet are:

- (a) approval of the Scheme by the Court;
- (b) approval of the Scheme being given by the Shareholders at the Scheme Meeting by the requisite majorities;
- (c) no law, judgment, order, restraint or prohibition enforced or issued by any Government Agency being in effect as at 8:00am on the Implementation Date that prohibits, prevents or makes illegal the implementation of the Scheme;
- (d) no Prescribed Occurrence occurring between 14 December 2023 and 8:00am on the Implementation Date; and
- (e) no Material Adverse Change occurring between 14 December 2023 and 8.00am on the Implementation Date.

The Scheme was subject to the OIO Condition but that was satisfied on 30 January 2024 and announced on 1 February 2024 (you can access information released by Volpara to ASX at www.asx.com.au (ASX code: VHT)).

There is also a Condition which has been included in the Scheme Implementation Agreement to protect Shareholders and which applies up until the Scheme Meeting. That Condition requires the Independent Adviser's Report to conclude prior to the Scheme Meeting that the Scheme Consideration is within or above the Independent Adviser's valuation range for the Volpara Shares. The Independent Adviser's Report set out in Annexure A satisfies this Condition and while the Independent Adviser can update the Independent Adviser's Report before the Scheme Meeting, Volpara has no reason to believe that this will occur or that the Condition will not be satisfied.

The Conditions described at paragraphs (a) and (b) above must be satisfied by the End Date (being 14 July 2024 or such other date as determined in accordance with the Scheme Implementation Agreement or as Volpara and the Acquirer may agree). The Conditions described at paragraphs (c), (d) and (e) above must be satisfied at all times before 8:00am on the Implementation Date. If any of these Conditions (other than those Conditions that are satisfied on the Implementation Date) are not satisfied by the End Date, the Scheme will not proceed (even if it has been approved by the requisite majorities of Shareholders) and you will not receive the Scheme Consideration.

The Court also has the power to make such other conditions to the Scheme as it sees fit.

Volpara has no reason to believe that any of the Conditions will not be satisfied by the End Date (where applicable) to allow completion of the Scheme as contemplated in this Scheme Booklet.

With respect to the Conditions in paragraphs (a) and (b) above, Volpara will announce on ASX the satisfaction of those Conditions promptly after they occur.

6.3 Payment of Scheme Consideration

If the Scheme is implemented, you will be paid the Scheme Consideration for your Scheme Shares on the Implementation Date, which is currently expected to be on or about 21 May 2024. If you have not previously provided Boardroom with your bank account details, you will need to do this to enable you to receive the Scheme Consideration. If you would like to be paid in Australian dollars, you will need to follow the instructions in Section 6.3(a) below. If you would like to be paid in New Zealand dollars, you will need to follow the instructions in Section 6.3(b) below. If you would like to be paid in a currency other than Australian or New Zealand dollars, you will need to follow the instructions in Section 6.3(c) below.

(a) Australian dollar payments

Except as contemplated by Sections 6.3(b) and 6.3(c), the Scheme Consideration will be paid by electronic funds transfer of Australian dollars into the Australian bank account you have previously provided to Boardroom. If:

- you wish to change your bank account details; or
- you have not otherwise provided your Australian bank account details and you wish to be paid in Australian dollars, please advise Boardroom of your Australian bank account details before the Scheme Record Date.

If you wish to be paid the Scheme Consideration for your Scheme Shares in Australian dollars and you have already provided Boardroom with your Australian bank account details, you do not need to provide your details to Boardroom. Otherwise, please provide your Australian bank account details to Boardroom as soon as possible and, in any event, before the Scheme Record Date.

(b) New Zealand dollar payments

If:

- you have not, prior to the Scheme Record Date, provided bank account details to enable Boardroom to make payments of Australian dollars by electronic funds transfer; and
- you have, prior to the Scheme Record Date, provided to Boardroom bank account details to enable payment of New Zealand dollars by electronic funds transfer, you will be paid the Scheme Consideration (less any applicable costs, exchange rate spread and fees) in New Zealand dollars to the bank account you have nominated.

If:

- you wish to change your bank account details; or
- you have not otherwise provided your New Zealand bank account details and you wish to be paid in New Zealand dollars, please advise Boardroom of your New Zealand bank account details before the Scheme Record Date.

If you wish to be paid the Scheme Consideration for your Scheme Shares in New Zealand dollars and you have already provided Boardroom with your New Zealand bank account details (and have not otherwise provided Boardroom with Australian bank account details), you do not need to provide your details to Boardroom. Otherwise, please provide your New Zealand bank account details to Boardroom as soon as possible and, in any event, before the Scheme Record Date.

(c) *Payments in currencies other than Australian or New Zealand dollars*

If:

- you have not, prior to the Scheme Record Date, provided bank account details to enable Boardroom to make payments of Australian or New Zealand dollars by electronic funds transfer;
- you have a registered address outside of Australia and New Zealand; and
- you have, prior to the Scheme Record Date, provided to Boardroom sufficient written instructions (to Boardroom's satisfaction) to enable Boardroom to make payment in a currency other than Australian or New Zealand dollars (and Boardroom is able to make payment in that currency), you will be paid the Scheme Consideration (less any applicable costs, exchange rate spread and fees) in the applicable currency to the bank account you have nominated.

If you have a registered address outside of Australia and New Zealand and:

- you wish to change your bank account details; or
- you have not otherwise provided your foreign bank account details and you wish to be paid in a currency other than Australian and New Zealand dollars, please advise Boardroom of your foreign bank account details before the Scheme Record Date.

If you have a registered address outside of Australia and New Zealand and you wish to be paid the Scheme Consideration for your Scheme Shares in a currency other than Australian dollars or New Zealand dollars and you have already provided Boardroom with your foreign bank account details (and have not otherwise provided Boardroom with Australian or New Zealand bank account details), you do not need to provide your details to Boardroom. Otherwise, please provide your foreign bank account details to Boardroom as soon as possible and, in any event, before the Scheme Record Date.

(d) *Foreign currency payments are at your risk*

The Acquirer has agreed to pay the Scheme Consideration in Australian dollars. Accordingly, if you have provided, or provide, New Zealand bank account details to Boardroom (see Section 6.3(b)) or provide information to Boardroom sufficient to enable the payment in a currency other than Australian dollars or New Zealand dollars (see Section 6.3(c)), then:

- any currency conversion from Australian dollars into a different currency is solely at your risk; and
- neither the Acquirer nor Volpara will be responsible for (nor have any liability in connection with) any currency conversion or any fees or other costs that you are required to pay, or which are deducted from the Scheme Consideration payable to you, in connection with facilitating the payment of the Scheme Consideration to you in a currency other than Australian dollars.

(e) *What happens if you do not provide sufficient payment information?*

If you have not provided the bank account or payment information and/or taken the steps contemplated by Sections 6.3(a) to 6.3(c), Boardroom will retain the Scheme Consideration owed to you in a trust account for 24 months after the Implementation Date.

If Boardroom retains your Scheme Consideration, you may, before the expiry of that 24 month period, claim your Scheme Consideration by written request to Boardroom. In connection with this request, you must provide the bank account or payment information, or take the steps, contemplated by Sections 6.3(a) to 6.3(c).

If you have not claimed your Scheme Consideration in accordance with the above paragraph by the expiry of the 24 month period, Boardroom will pay your Scheme Consideration (and all other remaining unclaimed Scheme Consideration) to Volpara. Volpara is then permitted to use that money for its benefit (and to comingle that money with its other funds) however you will retain a claim against Volpara, as an unsecured creditor, for your Scheme Consideration (provided, that, Volpara is permitted to deal with your Scheme Consideration in accordance with the Unclaimed Money Act 1971).

(f) *How to contact Boardroom to provide bank account details or payment information*

Boardroom's contact details are set out in the Directory.

6.4 Restricted Stock Units, entitlements to Restricted Stock Units and Options

It is important to note that none of the payments contemplated by this Section 6.4, nor the issuance of any Volpara Shares contemplated by this Section 6.4, will adjust the Scheme Consideration. If the Scheme is Implemented, each Scheme Shareholder will receive AU\$1.15 per Scheme Share in cash.

Overview

Volpara has issued Options, Restricted Stock Units and entitlements to Restricted Stock Units. The Volpara Board has broad discretion under the terms of those non-voting equity securities to decide what will happen to them in the context of the Scheme. The Volpara Board has determined that the holders of Restricted Stock Units will receive the Scheme Consideration for each unit held and the holders of Options will receive the Scheme Consideration less the applicable exercise price of those Options for each Option held. Option holders that hold Options with an exercise price greater than the Scheme Consideration are not expected to receive anything in connection with the Scheme. All of these equity securities are non-voting so holders will not be entitled to vote on the Scheme Resolution.

Consistent with market practice for schemes of arrangement, the Volpara Board considered it was appropriate to deal with those non-voting equity securities in a manner that ensured that, at the Scheme Record Date, Volpara Shares were the only equity securities on issue. The Volpara Board took the view that the appropriate approach was to deal with these non-voting equity securities in a manner consistent with the terms agreed between Volpara and the applicable security holders. The Volpara Board considers that acting in a manner consistent with the terms agreed between Volpara and the applicable security holders is both fair and reasonable to those security holders and fair and reasonable to Shareholders.

It is important to note that the price per Volpara Share offered by the Acquirer before it was granted exclusivity was AU\$1.15 per Volpara Share and that this was not on a fully-diluted basis. At that time, the Acquirer stated that it intended to engage with Volpara to agree an approach to the non-voting equity securities and to agree an adjustment to the price per Volpara Share to reflect the cash impact/dilutive effect of the non-voting equity securities. The Remuneration & Nomination Committee of Volpara (which consists solely of independent Volpara Directors) recommended to the Volpara Board the proposed treatment of the non-voting equity securities but on the basis that Volpara hold firm on the AU\$1.15 price (such that the treatment of the non-voting equity securities did not have a dilutive effect on Shareholders). The Volpara Board approved this approach, and the AU\$1.15 price was not reduced, hence the treatment of the non-voting equity securities outlined above was adopted by the Volpara Board.

Some Directors and Senior Managers will receive payments in connection with their holdings of non-voting equity securities. Those payments are fully explained in Section 9.14.5 of this Scheme Booklet.

Long Term Incentive Plan

Volpara has established the Volpara Health Technologies long term incentive plan (**Long Term Incentive Plan**), under which selected employees of the Volpara Group are granted entitlements to restricted stock units (**Restricted Stock Units**) as part of their remuneration package. Whether these entitlements result in the selected employees being issued with Restricted Stock Units depends on (and the extent to which) specified performance conditions are met over a specified performance period. If Restricted Stock Units are issued, these are subject to vesting conditions set out in the invitation to the selected employees and, once they vest, each Restricted Stock Unit entitles the holder to one Volpara Share. No amount is payable by the holder in relation to being granted entitlements to Restricted Stock Units, Restricted Stock Units or Volpara Shares on the vesting of a Restricted Stock Unit.

FY23 RSUs

At the date of this Scheme Booklet, there are 454,460 Restricted Stock Units (**FY23 RSUs**) that have been issued by Volpara which, once vested, will entitle the holders to a maximum of 454,460 Volpara Shares for nil consideration.

The implementation of the Scheme will constitute a change of control event under the Long Term Incentive Plan and, if a change of control event occurs, or the Volpara Board determines that such an event is likely to occur, the Volpara Board may in its discretion determine the manner in which any entitlement to a Restricted Stock Unit or any unvested Restricted Stock Unit will be dealt with.

With respect to the FY23 RSUs, Volpara entered into a cancellation deed (**FY23 RSU Cancellation Deed**) with each holder of an FY23 RSU on 8 March 2024 pursuant to which (amongst other things):

- (a) Volpara agreed to cancel, and the holders of the FY23 RSUs agreed to the cancellation of, the FY23 RSUs;
- (b) on Implementation, Volpara agreed to pay each holder of an FY23 RSU an amount equal to the Scheme Consideration (less any applicable taxes and other deductions) (**FY23 RSU Cancellation Price**) in respect of each FY23 RSU held by such holder (being an aggregate amount of \$522,629);
- (c) the actions specified in paragraphs (a) and (b) above are conditional upon the Court granting the Final Orders;²¹ and
- (d) if the Scheme becomes Effective and the above conditions are satisfied, Volpara will cancel (on or prior to Implementation) all FY23 RSUs and pay each holder of an FY23 RSU an amount equal to the FY23 RSU Cancellation Price in respect of each FY23 RSU held by such holder.

Restricted Stock Units are not Volpara Shares or voting securities in Volpara and holders of Restricted Stock Units will not be entitled to vote on the Scheme Resolution. Accordingly, Restricted Stock Units do not form a separate interest class for the purposes of the Scheme Resolution. If Volpara Shares are issued on vesting of a Restricted Stock Unit, this will occur following the Scheme Meeting.

FY24 Entitlements and FY24 RSUs

At the date of this Scheme Booklet, there are entitlements to Restricted Stock Units (**FY24 Entitlements**) which, assuming the achievement of maximum performance against the performance conditions related to such entitlements, will entitle the holders of such entitlements to receive a maximum of 547,807 Restricted Stock Units (which, once vested, will entitle the holders to a maximum of 547,807 Volpara Shares for nil consideration).

The implementation of the Scheme will constitute a change of control event under the Long Term Incentive Plan and, if a change of control event occurs, or the Volpara Board determines that such an event is likely to occur, the Volpara Board may in its discretion determine the manner in which any entitlement to a Restricted Stock Unit or any unvested Restricted Stock Unit will be dealt with.

With respect to the FY24 Entitlements, Volpara and the Acquirer have agreed that:

- (e) immediately following the passing of the Scheme Resolution, the Volpara Board will calculate the number of Restricted Stock Units that each holder of a FY24 Entitlement is entitled to, which:
 - (i) if the performance period relating to such FY24 Entitlement has expired, will be calculated in accordance with the Long Term Incentive Plan and the invitation applicable to such FY24 Entitlement; or
 - (ii) if the performance period relating to such FY24 Entitlement has not expired, will be calculated by the Volpara Board in good faith (i) based on the expected achievement of the performance conditions relating to such FY24 Entitlement, and (ii) otherwise in accordance with the Long Term Incentive Plan and the invitation applicable to such FY24 Entitlement;
- (f) following the calculation envisaged by paragraph (a) above, Volpara will notify the holders of the FY24 Entitlements and the Acquirer of the number of Restricted Stock Units allocated to the holders and following such notification Volpara will:
 - (i) issue the number of Restricted Stock Units calculated in accordance with paragraph (a) above (being a maximum of 547,807 Restricted Stock Units (**FY24 RSUs**) which, once vested, will entitle the holders to a maximum of 547,807 Volpara Shares for nil consideration); and
 - (ii) promptly provide to the holders of the FY24 RSUs (with a copy to the Acquirer) a vesting notice informing the holders that the FY24 RSUs have vested;
- (g) as soon as reasonably practicable following the issuance of the FY24 RSUs and in any event before the Final Orders Date, Volpara will enter into a cancellation deed (**FY24 RSU Cancellation Deed**) with each holder of an FY24 RSU (in a form to be agreed between Volpara and the Acquirer) under which:
 - (i) Volpara agrees to cancel, and the holders of the FY24 RSUs agree to the cancellation of, the FY24 RSUs;

- (ii) on Implementation, Volpara agrees to pay each holder of an FY24 RSU an amount equal to the Scheme Consideration (less any applicable taxes and other deductions) (**FY24 RSU Cancellation Price**) in respect of each FY24 RSU held by such holder (being a maximum aggregate amount of \$629,978.05);
 - (iii) the actions specified in paragraphs (i) and (ii) above are conditional upon the Court granting the Final Orders;²² and
 - (iv) if the Scheme becomes Effective and the above condition is satisfied, Volpara will cancel (on or prior to Implementation) all FY24 RSUs and pay each holder of an FY24 RSU an amount equal to the FY24 RSU Cancellation Price in respect of each FY24 RSU held by such holder; and
- (h) if an FY24 RSU Cancellation Deed is not entered into prior to the Final Orders Date (either because Volpara and the Acquirer cannot agree the form of such deed or due to Volpara and any holder of FY24 RSUs being unable to agree the form of such deed), Volpara will promptly notify the Acquirer of this and the Volpara Board will:
- (i) subject to, but as soon as reasonably practicable after, the Final Orders Date, exercise its discretion under the Long Term Incentive Plan to vest each FY24 RSU and, as soon as reasonably practicable thereafter, issue to each holder of an FY24 RSU one Volpara Share for each FY24 RSU held; and
 - (ii) ensure that each such Volpara Share is issued prior to the Scheme Record Date with all such Volpara Shares to be included as Scheme Shares (which will be transferred to the Acquirer in accordance with the Scheme for the Scheme Consideration upon the Scheme becoming Effective).

Entitlements to Restricted Stock Units, and Restricted Stock Units themselves, are not Volpara Shares or voting securities in Volpara and holders of such entitlements and units will not be entitled to vote on the Scheme Resolution. Accordingly, neither entitlements to Restricted Stock Units, nor Restricted Stock Units themselves, form a separate interest class for the purposes of the Scheme Resolution. If Volpara Shares are issued on vesting of a Restricted Stock Unit, this will occur following the Scheme Meeting.

Legacy Options

At the date of this Scheme Booklet, there are 650,000 vested options that were issued to two individuals in 2015 and 2016 (**Legacy Options**) which entitle the holders of those options, upon payment of the applicable exercise price for such options (being AU\$279,500 in aggregate), to one Volpara Share for every option held.

The implementation of the Scheme will constitute a triggering event with respect to the Legacy Options whereby all unvested Legacy Options will vest and all vested Legacy Options must be exercised on or before 30 days from the date on which the triggering event occurs, and any Legacy Options not exercised prior to the end of such period will lapse.

With respect to the Legacy Options:

- (a) Volpara entered into a settlement and exercise deed (**Legacy Option Settlement and Exercise Deed**) with each holder of a Legacy Option prior to entry into the Scheme Implementation Agreement²³ pursuant to which (amongst other things):
 - (i) Volpara acknowledged that the Legacy Options have vested;
 - (ii) each holder of a Legacy Option provided notice exercising all of his or her Legacy Options;
 - (iii) upon such exercise:
 - (A) Volpara acknowledged that it has an obligation to issue one Volpara Share (**Legacy Option Share**) to the relevant holder of the Legacy Option with respect to each exercised Legacy Option; and
 - (B) each holder of a Legacy Option acknowledged that he or she has an obligation to pay to Volpara the exercise price in respect of each exercised Legacy Option;
 - (iv) in full and final settlement of the obligations set out in paragraph (iii) above, Volpara agreed to cash settle, and each holder of a Legacy Option agreed to accept cash settlement of, the entitlement to be issued Legacy Option Shares such that, rather than issuing Legacy Options Shares to the relevant holder of a Legacy Option, Volpara agreed to pay on Implementation to each holder of a Legacy Option an amount equal to:
 - (A) the Scheme Consideration less the exercise price for such Legacy Option (less any applicable taxes and other deductions); multiplied by

(B) the number of Legacy Options held by that holder of Legacy Options.²⁴

(v) the actions specified in paragraphs (ii) to (iv) above are conditional upon the Court granting the Final Orders

Legacy Options are not Volpara Shares or voting securities in Volpara and holders of Legacy Options will not be entitled to vote on the Scheme Resolution. Accordingly, Legacy Options do not form a separate interest class for the purposes of the Scheme Resolution. If Volpara Shares are issued on exercise of a Legacy Option, this will occur following the Scheme Meeting.

2018 Options

As at the date of this Scheme Booklet, there are 1,078,000 vested options that were issued to twelve individuals in 2018 (**2018 Options**) which entitle the holders of those options, upon payment of the applicable exercise price for such options, to one Volpara Share for every option held.

The passing of the Scheme Resolution will constitute a triggering event with respect to the 2018 Options whereby the Volpara Board may determine that all unvested 2018 Options will vest and all or some of the vested 2018 Options must be exercised on or before 30 days from the date on which the triggering event occurs, and any vested 2018 Options not exercised prior to the end of such period will lapse.

With respect to the 2018 Options, Volpara entered into a settlement and exercise deed (**2018 Option Settlement and Exercise Deed**) with each holder of a 2018 Option on 8 March 2024 pursuant to which (amongst other things):

- (i) Volpara acknowledged that the 2018 Options have vested;
- (ii) each holder of a 2018 Option gave notice that he or she exercises all of his or her 2018 Options;
- (iii) Volpara acknowledged that it has an obligation to issue one Volpara Share (**2018 Option Share**) with respect to each exercised 2018 Option;
- (iv) each holder of a 2018 Option will acknowledged that he or she has an obligation to pay to Volpara the exercise price in respect of each exercised 2018 Option;
- (v) in full and final settlement of the obligations set out in paragraphs (iii) and (iv) above, Volpara agreed to cash settle, and each holder of 2018 Options agreed to accept cash settlement of, the entitlement to be issued 2018 Option Shares such that, rather than issuing 2018 Option Shares to the relevant holder of a 2018 Option, Volpara agreed to pay on Implementation to each holder of a 2018 Option an amount equal to the Scheme Consideration less the exercise price for such 2018 Option (less any applicable taxes and other deductions) (**2018 Option Settlement Amount**);
- (vi) the actions specified in paragraphs (ii) to (v) above are conditional upon the Court granting the Final Orders.²⁵

2018 Options are not Volpara Shares or voting securities in Volpara and holders of 2018 Options will not be entitled to vote on the Scheme Resolution. Accordingly, 2018 Options do not form a separate interest class for the purposes of the Scheme Resolution. If Volpara Shares are issued on exercise of a 2018 Option, this will occur following the Scheme Meeting.

OTM Options

As at the date of this Scheme Booklet, there are 5,308,400²⁶ options that were issued to a number of individuals between 2019 and 2023 (**OTM Options**) which entitle the holders of those options to one Volpara Share for every option held, but which have an exercise price which is greater than the Scheme Consideration.

The passing of the Scheme Resolution will constitute a triggering event respect to the OTM Options whereby the Volpara Board may determine that all unvested OTM Options will vest and all or some of the vested OTM Options must be exercised on or before 30 days from the date on which the triggering event occurs, and any OTM Options not exercised prior to the end of such period will lapse.

With respect to the OTM Options, Volpara and the Acquirer have agreed that:

- (a) Volpara will, by no later than the date that Volpara applies for Final Orders, apply to the Court for an order under section 237 of the Companies Act seeking the cancellation of the OTM Options for nil consideration; and
- (b) if the Court is unwilling to grant such order, the Volpara Board will exercise its discretion to vest each OTM Option and Volpara and the Acquirer have agreed that they will amend the Scheme timetable such that the Scheme Record Date occurs five Business Days after the expiration of the period during which the OTM Options can be exercised and paid for, and:
 - (iii) in respect of each OTM Option that is exercised, Volpara will issue to the holder of such OTM Option one Volpara Share upon payment of the exercise price of such OTM Option; and
 - (iv) Volpara will ensure that each such Volpara Share is issued prior to the Scheme Record Date with all such Volpara Shares to be included as Scheme Shares (which will be transferred to the Acquirer in accordance with the Scheme for the Scheme Consideration upon the Scheme becoming Effective).

OTM Options are not Volpara Shares or voting securities in Volpara and holders of OTM Options will not be entitled to vote on the Scheme Resolution. Accordingly, OTM Options do not form a separate interest class for the purposes of the Scheme Resolution. If Volpara Shares are issued on exercise of an OTM Option, this will occur following the Scheme Meeting.

6.5 Warranties

The Scheme Plan provides that each Scheme Shareholder is deemed to have warranted to the Acquirer on the Implementation Date that all their Scheme Shares (including any rights and entitlements attaching to those Shares) which are transferred under the Scheme Plan will, at the time of transfer, be fully paid and free from encumbrances and restrictions on transfer of any kind, and that the Scheme Shareholder has full power and capacity to transfer their Scheme Shares to the Acquirer together with any rights and entitlements attaching to those Scheme Shares.

The Scheme Plan is set out in Annexure B of this Scheme Booklet.

6.6 No dividends

Volpara has not previously paid dividends. Volpara has agreed that it will not authorise or pay any dividends prior to implementation of the Scheme.

6.7 Delisting of Volpara

If the Scheme is implemented, Volpara will apply for termination of the quotation of Volpara Shares on, and the de-listing of Volpara from, ASX with effect from close of trading on the day after the Implementation Date.

6.8 Exclusivity

The Scheme Implementation Agreement contains exclusivity obligations in favour of the Acquirer. Details of these obligations are set out in Section 10.5 of this Scheme Booklet.

6.9 Objection Rights

If you do not support the Scheme, you can vote against the Scheme Resolution at the Scheme Meeting.

In addition, if you are a Shareholder, you also have the right to appear and be heard at the application for Final Orders, which is currently expected to occur on 3 May 2024 at the High Court at Auckland. The High Court proceeding number is **insert**.

To do so, you must file with the High Court at Auckland (24 Waterloo Quadrant, Auckland) a notice of appearance or a notice of opposition (in either case containing an address for service), and any affidavits or memoranda of submissions on which you intend to rely, by the final date for objections (as described below). Your notice of appearance or notice of opposition should contain an address for service. You must serve a copy of your notice of appearance or notice of opposition on Volpara at c/- MinterEllisonRuddWatts, Level 22, PwC Tower, 15 Customs Street West, Auckland 1010, New Zealand or email isaac.stewart@minterellison.co.nz. If you do this, Volpara will then serve you, at your address for service, a copy of all documents filed in support of the application for Final Orders by 5:00pm on the date that is three Business Days before the Final Court Hearing.

The final date for objections is 26 April 2024 (or any later date announced by Volpara on ASX).

Any other person claiming to have a proper interest in the Scheme, who wishes to appear and be heard on the application for Final Orders, must file an application with the High Court at Auckland (24 Waterloo Quadrant, Auckland) for leave to be heard and a notice of opposition (either or both containing an address for service), and any affidavits or memoranda of submissions on which such person intends to rely, by the final date for objections (see above). Such person must serve a copy on Volpara at c/- MinterEllisonRuddWatts, Level 22, PwC Tower, 15 Customs Street West, Auckland 1010, New Zealand or email isaac.stewart@minterellison.co.nz. If any such person does this, Volpara will then serve upon any such person, at their address for service, a copy of all documents filed in support of the application for Final Orders by 5:00pm on the date that is three Business Days before the Final Court Hearing.

If the application for Scheme approval is opposed, oppositions will be heard by the High Court at the Final Court Hearing.

You may only appear and be heard at the Final Court Hearing if you are:

- (a) a Shareholder who files a notice of appearance or a notice of opposition to the application for Final Orders within the required timeframes (set out above); or
- (b) any other person who claims to have a proper interest in the Scheme who files an application for leave to be heard and a notice of opposition to the application for Final Orders within the required timeframes (set out above), and who is subsequently granted leave to appear and be heard at the Final Court Hearing.

In addition, the Takeovers Panel may consider an objection by a Shareholder or other interested party to the Scheme when determining whether to provide its no objection statement (see Section 6.1(c) of this Scheme Booklet). Written objections can be submitted directly to the Takeovers Panel (whether or not a no objection statement is granted) by email to takeovers.panel@takeovers.govt.nz. The Takeovers Panel is also entitled to appear and be heard at the Final Court Hearing of the application for Final Orders.

There are no other dissent or buy-out rights for Shareholders who do not support the Scheme.

If you do not want to participate in the Scheme, you are free to sell your Volpara Shares at any time before close of trading on ASX on the Trading Halt Date (see Section 5.8.2).

Volpara intends to apply to ASX for trading in Volpara Shares to be suspended on ASX from the close of trading on the Trading Halt Date (being the Final Orders Date, given the OIO Condition has been satisfied). You will not be able to sell your Volpara Shares on market after this time (see also the restrictions on transfer of Volpara Shares described in Section 6.1(e)).

You should note that if you choose to sell your Volpara Shares before the Trading Halt Date, the price you receive may differ from the Scheme Consideration of AU\$1.15 for each Scheme Share under the Scheme, and you may incur brokerage charges on the sale. You should seek your own professional advice to determine if your individual financial or taxation circumstances would be better served by selling your Volpara Shares before the Trading Halt Date.

Section 7

Information about the Acquirer

This Section 7 of this Scheme Booklet forms part of the Acquirer Information and has been prepared by, and is the responsibility of, the Acquirer. Volpara, its Related Companies and their respective Representatives do not assume any responsibility for the accuracy or completeness of the information in this Section 7.

7.1 The Acquirer

If the Scheme is implemented, the Acquirer will acquire all of the Scheme Shares.

The Acquirer is Lunit Inc., which was founded in 2013 and is head-quartered in Seoul, South Korea. It is a limited liability company incorporated under the laws of South Korea and is listed on the KOSDAQ (KRX:328130.KQ) board of the Korea Exchange.

Lunit, abbreviated from “learning unit”, is a medical AI company developing AI solutions for precision diagnostics and therapeutics. With AI, Lunit aim to “conquer cancer.” Lunit went public in July 2022. Our largest shareholder, who has 6.92%²⁷ of Lunit’s shares, is Seungwook Anthony Paek, the co-founder of Lunit and currently serving as the executive chairman.

Lunit has been internationally recognized and highlighted by the World Economic Forum, World Health Organization, CB Insights, governments and global healthcare companies for its best-in-class technology and its application in real-world clinical fields.

Lunit’s AI-powered solutions help detect early-stage cancer (Lunit INSIGHT) and optimize cancer treatment (Lunit SCOPE), provided to medical institutions around the world through active partnerships with industry giants such as Fujifilm, GE HealthCare, Philips, Guardant Health, and more.

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Part C

Statutory and
other information

Section 8

Information Equivalent to Schedule 1 of the Takeovers Code

This Section contains information, to the extent applicable, equivalent to the information that would be provided by the Acquirer in a takeover offer document in accordance with Schedule 1 of the Takeovers Code.

The Acquirer has prepared, and is solely responsible for, the information in this Section. The Acquirer has not prepared, and is not responsible for, information which is referred to in this Section, but which is set out in another Section (other than Section 7) of this Scheme Booklet. Volpara, members of the Volpara Group and their respective Representatives do not assume any responsibility for the accuracy or completeness of the information set out in this Section 8 (other than information which is referred to in this Section, but which is set out in another Section (other than Section 7) of this Scheme Booklet).

8.1 Date

This Section 8 was prepared, and is current, as at 13 March 2024.

8.2 The Acquirer and its directors

The name, postal address and primary email of the Acquirer is:

Lunit Inc.
5F, 374 Gangnam-daero,
Gangnam-gu, Seoul, 06241
Republic of Korea
Attention: Brandon Suh
E: contact@lunit.io

The current directors of the Acquirer are:

- (a) Seoungwook Anthony Paek;
- (b) Beomseok Brandon Suh;
- (c) Nami Chung; and
- (d) Garheng Albert Kong.

8.3 Scheme company

The name of the company to which the Scheme relates is Volpara Health Technologies Limited.

8.4 Scheme terms

The terms and conditions of the Scheme are set out in the Scheme Plan, a copy of which is included in Annexure B. A summary of the terms and conditions of the Scheme Implementation Agreement is included in Sections 6 and 10 of this Scheme Booklet.

8.5 Ownership of equity securities of Volpara

None of the following persons hold or control any equity securities in Volpara:

- (a) the Acquirer;
- (b) any Related Company of the Acquirer;
- (c) any person acting jointly or in concert with the Acquirer; and
- (d) any director of any person described in paragraphs (a) to (c) above.

Information about the persons who hold or control 5% or more of any class of equity securities in Volpara is set out in Section 9.5 of this Scheme Booklet.

8.6 Trading in Volpara equity securities

None of the persons referred to in Sections 8.5(a) to 8.5(d) above have acquired or disposed of any equity securities in Volpara in the six-month period ending on the date of this Scheme Booklet.

8.7 Agreements to vote in favour of Scheme

Other than as set out below in this Section 8.7, no person has agreed conditionally or unconditionally to vote in favour of the Scheme:

- (a) The Scheme Implementation Agreement contains an obligation on Volpara to ensure that each Volpara Director undertakes to vote, or procure the voting of, all of the Volpara Shares held or controlled by him or her in favour of the Scheme, provided that the Independent Adviser's Report concludes that the Scheme Consideration is within or above the Independent Adviser's valuation range for the Shares and there being no Superior Proposal. The Directors' holdings of Shares are set out in Section 9.5 of this Scheme Booklet.
- (b) On 14 December 2023, the Acquirer entered into Voting Deeds with the following shareholders:
 - (i) Harbour Asset Management Limited (in its capacity as investment manager of managed investment schemes and under investment management agreements), which holds or controls 31,267,134 Volpara Shares, has, pursuant to the Harbour Voting Deed, undertaken to vote the Volpara Shares it controls at the Scheme Meeting in favour of the Scheme, unless the Scheme Implementation Agreement is terminated or the scheme is not implemented prior to 11.59pm on 31 May 2024 (unless extended by agreement by the parties to such Voting Deed);²⁸
 - (ii) Patagorang Pty Limited, which holds 18,467,848 Volpara Shares, has, pursuant to the Patagorang Voting Deed, undertaken to vote such Volpara Shares in favour of the Scheme, unless the Scheme Implementation Agreement is terminated; and
 - (iii) Ralph Philip Highnam and KYC Trustees 106 Limited, who together hold 16,213,561 Volpara Shares, have, pursuant to the Highnam Voting Deed, undertaken to vote such Volpara Shares in favour of the Scheme, unless the Scheme Implementation Agreement is terminated.

8.8 Arrangements to pay consideration

The Acquirer intends to fund the amount necessary to pay the aggregate Scheme Consideration through a combination of cash on hand (being the proceeds of a recent capital raise), third-party debt financing, and third-party equity financing. The Acquirer has entered into a legally binding commitment letter with a third-party debt financier to ensure that it has debt available to it which, when combined with cash on hand, is sufficient to pay the aggregate Scheme Consideration.

Accordingly, the Acquirer confirms that resources will be available to it sufficient to meet the total Scheme Consideration to be paid to Scheme Shareholders if the Scheme becomes Effective.

The Acquirer has executed the Deed Poll under which the Acquirer undertakes in favour of each Scheme Shareholder to pay each Scheme Shareholder the Scheme Consideration to which they are entitled under the Scheme and acquire all of the Scheme Shares, in each case subject to the Scheme being Implemented.

A copy of the Deed Poll is set out in Annexure C to this Scheme Booklet.

8.9 Arrangements between the Acquirer and Volpara

Except as set out below in this Section 8.9, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between the Acquirer or any Associates of the Acquirer and Volpara or any Related Company of Volpara, in connection with, in anticipation of, or in response to, the Scheme.

Non-Disclosure Agreement

The Non-Disclosure Agreement (as amended) is summarised in Sections 9.12.2 and 9.12.3 of this Scheme Booklet.

Exclusivity agreement

The exclusivity agreement is summarised in Sections 9.12.4 and 9.12.5 of this Scheme Booklet.

Disclosure Letter

The Disclosure Letter is summarised in Section 9.12.6 of this Scheme Booklet.

Scheme Implementation Agreement

The Scheme Implementation Agreement is summarised in Sections 6 and 10 of this Scheme Booklet.

Deed Poll

The Deed Poll is summarised in Sections 9.12.8 and 9.12.9 of this Scheme Booklet which records that, under the Scheme Plan, Volpara is appointed as attorney for the Scheme Shareholders.

Escrow Agreement

The Escrow Agreement is summarised in Section 9.12.10 of this Scheme Booklet.

Amendment Agreement

The Amendment Agreement is summarised in Section 9.12.11 of this Scheme Booklet.

8.10 Arrangements between the Acquirer and Directors and Senior Managers of Volpara

Except as set out in Section 9.13 and below, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between the Acquirer or any Associates of the Acquirer and any Director or Senior Manager of Volpara or any Related Company of Volpara (including any agreement or arrangement providing for a payment or other benefit proposed to be made or given by way of compensation for loss of office or as to the Director or Senior Manager remaining in or retiring from office), in connection with, in anticipation of, or in response to, the Scheme.

The arrangements described below in this Section 8.10 are between the Acquirer and Volpara but contemplate payments or benefits for Directors and Senior Managers of Volpara.

Employee incentives

Under the Scheme Implementation Agreement, the Acquirer and Volpara agreed that Volpara would enter into certain settlement, exercise and/or cancellation arrangements with holders of Restricted Stock Units, entitlements to Restricted Stock Units and Options, as described in Sections 6.4 and 9.14.5 of this Scheme Booklet. Those holders include persons who are Directors or Senior Managers of Volpara.

In addition, under the Scheme Implementation Agreement, the Acquirer has agreed to Volpara committing to pay certain one-off short-term incentives and retention cash payments to certain Senior Managers, as described in Sections 9.14.2 to 9.14.4 of this Scheme Booklet.

Indemnities for directors and employees of the Volpara Group

Under the Scheme Implementation Agreement, the Acquirer has agreed arrangements in relation to indemnities for directors and employees of the Volpara Group, as described in Section 9.13.2 of this Scheme Booklet.

Insurance for directors and officers of the Volpara Group

Under the Scheme Implementation Agreement, the Acquirer has agreed arrangements in relation to insurance for directors and employees of the Volpara Group, as described in Section 9.13.3 of this Scheme Booklet.

8.11 Financial assistance

The Acquirer has arrangements in place to pay the total Scheme Consideration. No agreement or arrangement has been made, or is proposed to be made, under which Volpara or any of its Related Companies will give financial assistance for the purpose of or in connection with the Scheme.

Under the Scheme Implementation Agreement, Volpara has agreed to assist the Acquirer to identify, and obtain a release of, any encumbrances over the assets of the Volpara.

8.12 Intentions about material changes to Volpara

Given that, if the Scheme becomes Effective, Volpara will become a wholly-owned subsidiary of the Acquirer, this information is not applicable.

8.13 No pre-emption clauses in Volpara's constitution

Volpara's constitution does not contain any restrictions on the right of Scheme Shareholders to transfer Scheme Shares (being the equity securities to which the Scheme relates) which have the effect of requiring Scheme Shareholders to offer Scheme Shares for purchase to other Scheme Shareholders or to any other person before transferring the Scheme Shares under the Scheme.

8.14 No escalation clause

Under the Scheme Implementation Agreement, Volpara has agreed to pay certain one-off short-term incentives and retention cash payments to certain Senior Managers. These arrangements are summarised in Sections 9.14.2 to 9.14.4 of this Scheme Booklet. Except for the arrangements detailed above, there is no agreement or arrangement (legally enforceable or not) under which:

- (a) any existing Scheme Shareholder will or may receive in relation to, or as a consequence of, the Scheme any additional consideration or other benefit over and above the Scheme Consideration; or
- (b) any prior holder of equity securities in Volpara will or may receive any consideration or other benefit as a consequence of the Scheme.

8.15 Classes of financial products

No report is required to be obtained by the Acquirer as to the fairness and reasonableness of the consideration and terms of the Scheme as between different classes of financial products as there will only be one class of equity securities of Volpara, ordinary shares, on issue on the Scheme Record Date and when the Scheme is implemented. All existing Options, entitlements to Restricted Stock Units and Restricted Stock Units will be dealt with as outlined in Section 6.4 of this Scheme Booklet.

Section 9

Information equivalent to Schedule 2 of the Takeovers Code

This Section contains the applicable information that would be provided by Volpara in a target company statement under Schedule 2 of the Takeovers Code, to the extent not otherwise disclosed elsewhere in this Scheme Booklet. Where any information required by Schedule 2 to the Takeovers Code is not applicable, no statement is made regarding that information.

9.1 Date

9.1.1 This Scheme Booklet is dated 20 March 2024.

9.2 Scheme

9.2.1 This Scheme Booklet relates to a scheme of arrangement under Part 15 of the Companies Act between Volpara and its Shareholders in relation to the proposed acquisition of the Scheme Shares by the Acquirer.

9.3 Scheme Company

9.3.1 The name, postal address, and electronic address of the company to which the Scheme relates is:

Volpara Health Technologies Limited
Level 14, 40 Mercer Street, Wellington Central, New Zealand
Attention: Teri Thomas
Email: teri.thomas@volparahealth.com

9.4 Directors of Volpara

9.4.1 The names of the Directors of Volpara are:

- (a) Paul Robert Thomas Reid (Chair and Independent Non-Executive Director);
- (b) Teri Jo Thomas (Managing Director);
- (c) Roger Allen (Non-Executive Director);
- (d) Mark Wouter Bouw (Independent Non-Executive Director);
- (e) Ann Esther Custin (Independent Non-Executive Director);
- (f) Karin Johanna Lindgren (Independent Non-Executive Director); and
- (g) John D. Pavlidis (Independent Non-Executive Director).

Biographies of the Directors of Volpara are available at: www.volparahealth.com/volpara/about-us/.

9.4.2 The senior managers of Volpara (**Senior Managers**) for the purposes of this Section 9 are:

- (a) Teri Jo Thomas (Chief Executive Officer);
- (b) Craig Brett Hadfield (Chief Financial Officer);
- (c) Frederik Winther Struve (General Counsel); and
- (d) Kathryn Jane Greene (Chief People Officer).

9.5 Ownership of equity securities of Volpara

Ownership interests of Directors and Senior Managers of Volpara

9.5.1 The table below sets out the number, designation, and the percentage of equity securities of any class held or controlled by each Director or Senior Manager and their Associates.

NAME OF DIRECTOR OR SENIOR MANAGER	DESCRIPTION	NUMBER OF EQUITY SECURITIES HELD OR CONTROLLED	TYPE OF EQUITY SECURITY (i.e., DESIGNATION)	PERCENTAGE OF CLASS
Paul Reid	Director	115,000	Volpara Shares	0.044%
Paul Reid	Director	450,000	2018 Options	51.843% ²
Teri Thomas	Director/Senior Manager	181,703	Volpara Shares	0.069%
Teri Thomas	Director/Senior Manager	150,561	FY23 RSUs	33.130%
Teri Thomas	Director/Senior Manager	167,975	FY24 Entitlements	30.663%
Patagorang Pty Ltd	Associate of Volpara Director Roger Allen	18,467,848	Volpara Shares	7.038%
Alexander Hazard Allen	Associate of Volpara Director Roger Allen ³	4,638	Volpara Shares	0.002%
Roger Allen	Director	150,000	OTM Options ⁴	100% ⁵
Mark Bouw	Director	450,000	OTM Options ⁴	36.337% ⁶
Ann Custin	Director	450,000	OTM Options ⁴	36.337% ⁷
Karin Lindgren	Director	450,000	OTM Options ⁴	65.217% ⁸
John Pavlidis	Director	69,100	Volpara Shares	0.026%
John Pavlidis	Director	200,000	Legacy Options	30.769%
John Pavlidis	Director	450,000	OTM Options ⁴	100% ⁹
Craig Hadfield	Senior Manager	69,493	FY23 RSUs	15.291%
Craig Hadfield	Senior Manager	101,333	FY24 Entitlements	18.498%
Craig Hadfield	Senior Manager	74,900	OTM Options ⁴	6.048% ¹⁰
Craig Hadfield	Senior Manager	500,000	OTM Options ⁴	100% ¹¹
Craig Hadfield	Senior Manager	100,000	OTM Options ⁴	11.236% ¹²
Fred Struve	Senior Manager	25,314	Volpara Shares	0.010%
Fred Struve	Senior Manager	71,925	FY23 RSUs	15.826%
Fred Struve	Senior Manager	79,802	FY24 Entitlements	14.568%
Fred Struve	Senior Manager	40,000	OTM Options ⁴	100% ¹³
Fred Struve	Senior Manager	60,000	OTM Options ⁴	15% ¹⁴
Kathryn Greene	Senior Manager	47,301	Volpara Shares	0.018%
Kathryn Greene	Senior Manager	54,602	FY23 RSUs	12.015%
Kathryn Greene	Senior Manager	60,317	FY24 Entitlements	11.011%
Kathryn Greene	Senior Manager	200,000	OTM Options ⁴	22.472% ¹⁵

Notes:

- The information in the above table relating to Directors and Senior Managers was provided by or on behalf of such persons in response to questionnaires circulated by Volpara after the entry into of the Scheme Implementation Agreement. The information in the above table is given as at 13 March 2024 (being the latest practicable date before the date of this Scheme Booklet).
- The 2018 Options were issued with different exercise prices. 2018 Options with the same exercise price constitute the same class of equity securities (distinct from 2018 Options that have a different exercise price which will constitute a separate class of equity securities). This percentage reflects Paul Reid's ownership of the 2018 Options with an exercise price of AU\$0.60.
- Alexander Hazard Allen is the grandson of Volpara Director Roger Allen.
- The OTM Options were issued with different exercise prices. OTM Options with the same exercise price constitute the same class of equity securities (distinct from OTM Options that have a different exercise price which will constitute a separate class of equity securities).

5. This percentage reflects Roger Allen's ownership of the OTM Options with an exercise price of AU\$1.33.
6. This percentage reflects Mark Bouw's ownership of the OTM Options with an exercise price of AU\$1.30.
7. This percentage reflects Ann Custin's ownership of the OTM Options with an exercise price of AU\$1.30.
8. This percentage reflects Karin Lindgren's ownership of the OTM Options with an exercise price of AU\$1.84.
9. This percentage reflects John Pavlidis's ownership of the OTM Options with an exercise price of AU\$1.51.
10. This percentage reflects Craig Hadfield's ownership of the OTM Options with an exercise price of AU\$1.30.
11. This percentage reflects Craig Hadfield's ownership of the OTM Options with an exercise price of AU\$1.38.
12. This percentage reflects Craig Hadfield's ownership of the OTM Options with an exercise price of AU\$1.70.
13. This percentage reflects Fred Struve's ownership of the OTM Options with an exercise price of AU\$1.31.
14. This percentage reflects Fred Struve's ownership of the OTM Options with an exercise price of AU\$1.49.
15. This percentage reflects Kathryn Greene's ownership of the OTM Options with an exercise price of AU\$1.70.
16. The percentage numbers are rounded to three decimal places.
17. The percentage figures have been calculated based on the maximum number of Volpara Shares that could be on issue on the Scheme Record Date (being 262,412,975 Shares).

9.5.2 The FY23 RSUs, FY24 Entitlements and Options set out in the table above will be dealt with as set out in Section 6.4 of this Scheme Booklet.

Ownership interests of holders or controllers of 5% or more of Volpara Shares or other Volpara equity securities

9.5.3 In addition to the persons disclosed in Section 9.5.1 of this Scheme Booklet as holding or controlling 5% or more of the Volpara Shares or other Volpara equity securities, the table below sets out the number and the percentage of Volpara Shares held or controlled by any other person holding or controlling 5% or more of the Volpara Shares, to the knowledge of Volpara.

NAME	DESCRIPTION	NUMBER OF EQUITY SECURITIES HELD OR CONTROLLED	TYPE OF EQUITY SECURITY (i.e., DESIGNATION)	PERCENTAGE OF CLASS
Harbour Asset Management Limited (in its capacity as investment manager of managed investment schemes and under investment management agreements)	Person holding or controlling 5% or more of the Volpara Shares	37,249,535	Volpara Shares	14.195%
Ralph Highnam and KYC Trustees 106 Limited	Person holding or controlling 5% or more of the Volpara Shares	16,213,561	Volpara Shares	6.179%

Notes:

1. The information in the above table was taken from notices of substantial holders lodged with ASX or was provided on behalf of the named persons in response to questionnaires circulated by Volpara after the entry into of the Scheme Implementation Agreement. The information in the above table is given as at 13 March 2024 (being the latest practicable date before the date of this Scheme Booklet).
2. The percentage numbers are rounded to three decimal places.
3. The percentage figures for the Volpara Shares have been calculated based on the maximum number of Shares that could be on issue on the Scheme Record Date (being 262,412,975 Shares).

9.5.4 Appendix 2 to this Scheme Booklet sets out the number, designation, and the percentage of equity securities of any other class held or controlled by any other person holding or controlling 5% or more of any such class of equity securities of Volpara, to the knowledge of Volpara.

9.5.5 Except as set out in Sections 9.5.1, 9.5.3 and in Appendix 2:

- (a) no Director or Senior Manager or their Associates holds or controls any equity securities of Volpara as at the date of this Scheme Booklet; and
- (b) to Volpara's knowledge, no other person holds or controls 5% or more of a class of equity securities of Volpara.

9.5.6 No Director or Senior Manager of Volpara or their Associates, and no person who, to Volpara's knowledge, holds or controls 5% or more of a class of equity securities of Volpara has a relevant interest in a derivative for which the underlying is Volpara Shares.

9.6 Issues of equity securities or obtaining beneficial interest in equity securities

9.6.1 The table below sets out the number and price of equity securities of Volpara (including Volpara Shares):

- (a) that have, during the two-year period that ends with the date of this Scheme Booklet, been issued to any Director or Senior Manager or their Associates; or
- (b) in which any Director or Senior Manager or their Associates have, during the two-year period that ends with the date of this Scheme Booklet, obtained a beneficial interest under any employee share scheme or other remuneration arrangement.

NAME AND POSITION	DATE OF RELEVANT EVENT	NUMBER OF EQUITY SECURITIES	TYPE OF EQUITY SECURITY	PRICE AT WHICH EQUITY SECURITIES WERE ISSUED OR PROVIDED
Teri Thomas, Director/Senior Manager	1 June 2023	75,280	Volpara Shares	Nil consideration ²
Teri Thomas, Director/Senior Manager	17 August 2023	167,975	FY24 Entitlements	Nil consideration ²
Teri Thomas, Director/Senior Manager	25 May 2023	150,561	FY23 RSUs	Nil consideration ²
Mark Bouw, Director	17 August 2023	450,000	OTM Options	Nil consideration ³
Craig Hadfield, Senior Manager	25 May 2023	101,333	FY24 Entitlements	Nil consideration ⁴
Craig Hadfield, Senior Manager	1 June 2023	104,240	FY23 RSUs	Nil consideration ⁴
Craig Hadfield, Senior Manager	29 July 2022	20,000	Options with an exercise price of AU\$0.60	Nil consideration ⁴
Fred Struve, Senior Manager	1 June 2023	35,963	Volpara Shares	Nil consideration ⁵
Fred Struve, Senior Manager	25 May 2023	79,802	FY24 Entitlements	Nil consideration ⁵
Fred Struve, Senior Manager	1 June 2023	71,925	FY23 RSUs	Nil consideration ⁵
Kathryn Greene, Senior Manager	1 June 2023	27,301	Volpara Shares	Nil consideration ⁶
Kathryn Greene, Senior Manager	25 May 2023	60,317	FY24 Entitlements	Nil consideration ⁶
Kathryn Greene, Senior Manager	1 June 2023	54,602	FY23 RSUs	Nil consideration ⁶

Notes:

- The information in the above table was provided on behalf of the named persons in response to questionnaires circulated by Volpara after the entry into of the Scheme Implementation Agreement. The information in the above table is given as at 14 March 2024 (being the latest practicable date before the date of this Scheme Booklet).
- No cash consideration was payable by Teri Thomas on the grant of her FY24 Entitlements and FY23 RSUs (instead, these were granted as part of her remuneration package). Similarly, no cash consideration is payable by Teri Thomas on the conversion of any FY24 Entitlements or FY23 RSUs into Restricted Stock Units/Volpara Shares (as applicable). The Volpara Shares were issued for nil consideration upon the vesting of Restricted Stock Units.
- No cash consideration was payable by Mark Bouw on the grant of his OTM Options (instead, these were granted as incentives). Once these OTM Options vest, Mark Bouw will need to pay Volpara AU\$1.30 to exercise these OTM Options.
- No cash consideration was payable by Craig Hadfield on the grant of his FY24 Entitlements, FY23 RSUs and his options (instead, these were granted as part of his remuneration package). Similarly, no cash consideration is payable by Craig Hadfield on the conversion of any FY24 Entitlements or FY23 RSUs into Restricted Stock Units/Volpara Shares (as applicable), but AU\$0.60 was payable by him on conversion of his options.
- No cash consideration was payable by Fred Struve on the grant of his FY24 Entitlements and FY23 RSUs (instead, these were granted as part of his remuneration package). Similarly, no cash consideration is payable by Fred Struve on the conversion of any FY24 Entitlements or FY23 RSUs into Restricted Stock Units/Volpara Shares (as applicable). The Volpara Shares were issued for nil consideration upon the vesting of Restricted Stock Units.
- No cash consideration was payable by Kathryn Greene on the grant of her FY24 Entitlements and FY23 RSUs (instead, these were granted as part of her remuneration package). Similarly, no cash consideration is payable by Kathryn Greene on the conversion of any FY24 Entitlements or FY23 RSUs into Restricted Stock Units/Volpara Shares (as applicable). The Volpara Shares were issued for nil consideration upon the vesting of Restricted Stock Units.

9.6.2 Except as set out in the table above, no Director or Senior Manager, or their Associates, have, in the two-year period ending on the date of this Scheme Booklet:

- (a) been issued with any equity securities of Volpara; or
- (b) obtained a beneficial interest in any equity securities of Volpara under any employee share scheme or other remuneration arrangement.

9.6.3 At the date of this Scheme Booklet, additional Volpara Shares may be issued to Directors and/or Senior Managers in accordance with clause 9.5 of the Scheme Implementation Agreement (details of which are set out in Section 6.4 of this Scheme Booklet).

9.7 Trading in Volpara's equity securities by Directors and Senior Managers

9.7.1 Other than as set out in Section 9.6.1 and 9.6.3 above, there has been no acquisition or disposition of any equity securities of Volpara, during the six-month period ending on 13 March (being the latest practicable date before the date of this Scheme Booklet), by any Director or Senior Manager or their Associates.

9.8 Trading in Volpara's equity securities by holders or controllers of 5% or more of Volpara's equity securities

9.8.1 Appendix 1 to this Scheme Booklet sets out the equity securities of Volpara that have, during the six-month period ending on 13 March (being the latest practicable date before the date of this Scheme Booklet), been acquired or disposed of by any person holding or controlling 5% or more of a class of Volpara equity securities as at the date of this Scheme Booklet.

9.8.2 Except as set out in Appendix 1, no Volpara equity securities were acquired or disposed of by any person known to Volpara as holding or controlling 5% or more of a class of Volpara equity securities as at the date of this Scheme Booklet during the six-month period ending on 13 March (being the latest practicable date before the date of this Scheme Booklet).

9.9 Intentions to vote in favour of or against the Scheme

9.9.1 The table below sets out, as at the date of this Scheme Booklet, the name of every Director and Senior Manager and every Associate of a Director or Senior Manager who has advised Volpara that he or she has undertaken or intends to vote, or to procure the Shares controlled by him or her are voted, in favour of the Scheme, and the number of Shares in respect of which the person has undertaken or expressed an intention to vote, or to procure to be voted, in favour of the Scheme.²⁹

NAME	DESCRIPTION	NUMBER OF SHARES UNDERTAKEN OR INTENDED TO BE VOTED IN FAVOUR OF THE SCHEME
Paul Reid	Director	115,000 Volpara Shares
Teri Thomas	Director/Senior Manager	181,703 Volpara Shares
Patagorang Pty Ltd	Associate of Roger Allen	18,467,848 Volpara Shares ²
John Pavlidis	Director	69,100 Volpara Shares
Fred Struve	Senior Manager	25,314 Volpara Shares
Kathryn Greene	Senior Manager	47,301 Volpara Shares

Notes:

1. The information in the above table was provided on behalf of the named persons in response to questionnaires circulated by Volpara after the entry into of the Scheme Implementation Agreement.
2. Patagorang Pty Ltd, which is an Associate of Roger Allen, has committed to vote the 18,467,848 Volpara Shares it holds in favour of the Scheme, in accordance with the Patagorang Voting Deed (which is described in Section 8.7 of this Scheme Booklet).

9.10 Ownership of equity securities of the Acquirer and its Related Companies

9.10.1 Neither Volpara, nor any Director, Senior Manager or any of their Associates, holds or controls any equity securities of the Acquirer or any Related Company of the Acquirer.

9.11 Trading in Equity Securities of the Acquirer or its Related Companies

9.11.1 Neither Volpara, nor any Director, Senior Manager or any of their Associates, has acquired or disposed of any equity securities of the Acquirer or any Related Company of the Acquirer during the six-month period ending on 13 March (being the latest practicable date before the date of this Scheme Booklet).

9.12 Arrangements between the Acquirer and Volpara

9.12.1 Except as set out below in this Section 9.12, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between the Acquirer or any of its Associates, and Volpara or any Related Company of Volpara, in connection with, in anticipation of, or in response to, the Scheme.

Confidentiality agreement

9.12.2 On 9 August 2023, Volpara and the Acquirer entered into a non-disclosure agreement (**Non-Disclosure Agreement**) under which each agreed (subject to customary exceptions) to keep information provided by the other in connection with the Scheme confidential, and to only use information provided by the other in connection with the Scheme. Volpara and the Acquirer also agreed to not trade in the others equity securities if they received material non-public information about the other.

9.12.3 On 6 September 2023, Volpara and the Acquirer entered into an amendment agreement (**Amendment Agreement**) pursuant to which they amended the Non-Disclosure Agreement. Pursuant to the Amendment Agreement, the Acquirer agreed:

- (a) to customary standstill provisions including agreeing not to (directly or indirectly through its affiliates or other third parties) acquire any equity securities of Volpara for a twelve-month period except pursuant to the Scheme (however, this obligation terminated on the Scheme being announced on ASX);
- (b) not to enter into exclusivity arrangements with any financier in connection with the Scheme;
- (c) not to contact (subject to customary exceptions) certain stakeholders of the Volpara Group (for example, customers, suppliers, employees, financiers, shareholders, and landlords) or any competing bidder; and
- (d) not to (subject to customary exceptions) employ certain employees of the Volpara Group for an eighteen-month period.

Exclusivity agreement

9.12.4 On 10 November 2023, Volpara and the Acquirer entered into binding exclusivity arrangements pursuant to which Volpara agreed to grant the Acquirer a period of exclusivity to allow the Acquirer to undertake due diligence, and Volpara and the Acquirer to prepare and negotiate transaction documentation for the Scheme. A period of exclusivity was granted from 10 November 2023 until 1 December 2023 during which Volpara agreed to 'no shop', 'no talk' and 'no due diligence' restrictions which were substantially similar to those set out in the Scheme Implementation Agreement (which are summarised in Section 10.5 of this Scheme Booklet). These restrictions were subject to a 'fiduciary out', and 'notification' and 'matching rights', which were substantially similar to those set out in the Scheme Implementation Agreement (which are summarised in Section 10.6 of this Scheme Booklet).

9.12.5 Volpara and the Acquirer further agreed that if, on 1 December 2023, the Acquirer reconfirmed the terms of its offer and such terms had not been changed in any material way which was adverse the Volpara, Volpara would extend the exclusivity period until 11:59pm on 10 December 2023 (which Volpara agreed to do on 4 December 2023).

Disclosure Letter

9.12.6 On 14 December 2023, Volpara provided the Disclosure Letter to the Acquirer which contained a disclosure by Volpara for the purposes of the pre-implementation undertakings set out in clause 9.2 of the Scheme Implementation Agreement and attached an index of the data room that the Acquirer had access to for the purposes of undertaking due diligence on Volpara.

Scheme Implementation Agreement

9.12.7 The Scheme Implementation Agreement is summarised in Sections 6 and 10 of this Scheme Booklet. A copy of the Scheme Implementation Agreement, and the Amendment Agreement (see Section 9.12.11 below), is available at www.volparahealth.com. In addition, it was released to ASX on 14 December 2023 (with the Amendment Agreement being released to ASX on 7 March 2024). You can access information released by Volpara to ASX at www.asx.com.au (ASX code: VHT).

Deed Poll

9.12.8 On 14 December 2023, the Acquirer executed the Deed Poll under which the Acquirer has undertaken in favour of each Scheme Shareholder to pay each Scheme Shareholder the Scheme Consideration to which they are entitled under the Scheme, subject to the Scheme becoming Effective. The Deed Poll records that, under the Scheme Plan, each Scheme Shareholder appoints Volpara as its attorney to enforce the Deed Poll. A copy of the Deed Poll is set out in Annexure C of this Scheme Booklet.

9.12.9 See Section 5.8.6 for further detail in relation to the maximum aggregate liability of the Acquirer to Volpara and the Shareholders for breaches of the Deed Poll and the Scheme Implementation Agreement.

Escrow Agreement

9.12.10 Prior to Volpara applying to the Court for the Final Orders, Volpara, the Acquirer and Boardroom will enter into the Escrow Agreement which will set out detailed arrangements relating to the completion of the Scheme. The Escrow Agreement will:

- (a) provide for Boardroom to establish a trust account into which the Acquirer will deposit the aggregate Scheme Consideration; and
- (b) set out the process for Boardroom to effect completion of the Scheme by transferring the Scheme Shares to the Acquirer and paying the Scheme Consideration to Scheme Shareholders.

Amendment Agreement

9.12.11 On 7 March 2024, Volpara and the Acquirer entered into the Amendment Agreement pursuant to which they agreed to amend the Scheme Plan. The amended and restated Scheme Plan is attached to this Scheme Booklet as Annexure B. Under the amended Scheme Plan, Volpara and the Acquirer agreed that a Scheme Shareholder's claim to unclaimed Scheme Consideration is not extinguished after 24 months from Implementation. Instead, following such 24-month period, the unclaimed Scheme Consideration will be paid from Boardroom's trust account to Volpara, and such Scheme Shareholder will (subject to the Unclaimed Money Act 1971) retain a claim against Volpara, as an unsecured creditor, for the unclaimed Scheme Consideration.

9.13 Relationship between the Acquirer and Directors and Senior Managers of Volpara

9.13.1 Other than as set out in Sections 9.13.2 to 9.13.8 below, Volpara is not aware of any agreement or arrangement (whether legally enforceable or not) that has been made, or is proposed to be made, between the Acquirer or any of its Associates, and any Director or Senior Manager of Volpara or any Related Company of Volpara (including any payment or other benefit proposed to be made or given by way of compensation for loss of office, or as to their remaining in or retiring from office) in connection with, in anticipation of, or in response to, the Scheme.

Indemnities for directors and employees of the Volpara Group

9.13.2 Under the Scheme Implementation Agreement the Acquirer has agreed to (except to the extent restricted by law):

- (a) for a period of 7 years from the Implementation Date, ensure that the constitutions of each Volpara Group member continue to have equivalent obligations to those currently contained in their constitutions at the date of the Scheme Implementation Agreement in relation to the indemnification of such company's current and former directors and employees; and
- (b) procure that each Volpara Group member complies with any provisions in deeds of indemnity made by them in favour of their respective directors and officers from time to time, provided that the D&O Run-off Policy will apply instead in relation to any run-off insurance that is required to be provided under the terms of any such deed.

Insurance for directors and officers of the Volpara Group

9.13.3 Under the Scheme Implementation Agreement, the Acquirer has agreed that:

- (a) subject to certain process requirements, Volpara may, prior to the Implementation Date, enter into a run-off directors' and officers' liability insurance policy in respect of any directors or officers of any member of the Volpara Group for a 7-year period (the **D&O Run-off Policy**) and pay all premiums required; and
- (b) after the Implementation Date, it must not, and must procure that its Related Companies do not, vary or cancel the D&O Run-off Policy or do any act, matter or thing (or fail or omit to do any act, matter or thing) that is reasonably likely to result in such D&O Run-off Policy being terminated or becoming voidable.

Release

9.13.4 Under the Scheme Implementation Agreement, the Acquirer waives and releases, and must procure that each member of the Acquirer Group waives and releases, all rights and claims which it may have against any Company Indemnified Person (other than Volpara, but including the Directors and Senior Managers) in respect of:

- (a) any misrepresentation, inaccuracy or omission in or from any information or advice given by that Company Indemnified Person;

- (b) the preparation of this Scheme Booklet;
- (c) any breach of any warranty or obligation of Volpara under the Scheme Implementation Agreement;
- (d) any statement which is false or misleading, whether in content or by omission, in connection with the Scheme; or
- (e) any other act or omission in connection with the Scheme Implementation Agreement or the Scheme, except where the Company Indemnified Person has engaged in wilful misconduct or fraud.

Benefit of the agreements

9.13.5 The agreements set out in Sections 9.13.2 to 9.13.4 are given for the benefit of the persons mentioned in those Sections (including, in each case, the Directors and Senior Managers) and are intended to be enforceable by each such person.

Deed Poll

9.13.6 The directors and senior managers of Volpara or any Related Company of Volpara that are Shareholders can enforce breaches of the Deed Poll.

Equity Securities

9.13.7 For further information regarding the treatment of the FY23 RSUs, the FY24 Entitlements and the Options, see section 6.4 of this Scheme Booklet.

Continued Employment

9.13.8 The Acquirer has communicated its intention to continue to employ each Senior Manager post-Implementation, and Teri Thomas has indicated an intention to continue employment with Volpara post-Implementation. No formal arrangement or agreement has been entered into in this regard.

Other disclosures

9.13.9 No Director or Senior Manager is also a director or senior manager of the Acquirer, or any Related Company of the Acquirer.

9.14 Agreement between Volpara, and directors and senior managers

9.14.1 Except as set out in Section 9.14.2 of this Scheme Booklet, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between Volpara or any Related Company of Volpara, and any of the Directors or Senior Managers (or their Associates) of Volpara or its Related Companies, under which a payment or other benefit may be made or given by way of compensation for loss of office, or as to their remaining in or retiring from office in connection with, in anticipation of, or in response to, the Scheme.

Short Term Incentive Plan

9.14.2 Volpara has in place a FY24 Short Term Incentive Plan pursuant to which certain employees of the Volpara Group (**STI Participants**) may be entitled to cash payments calculated by reference to the achievement of certain financial metrics with respect to the financial year ending 31 March 2024. Volpara and the Acquirer have agreed that Volpara is entitled, on the Implementation Date, to pay to the STI Participants the full amount of such short-term cash incentives up to a maximum amount of AU\$1,023,202 (provided that, in relation to any individual STI Participant, such STI Participant remains employed by the Volpara Group on the Implementation Date). All payments contemplated by this paragraph are before tax and any other deductions. The maximum amounts allocated to each Senior Manager are set out in the table below (which are expressed before tax and any other deductions):

NAME	POSITION	CURRENCY	STI PAYMENT
Teri Thomas	Chief Executive Officer	NZD and USD	NZD\$92,700 and USD\$20,085
Craig Hadfield	Chief Financial Officer	NZD	\$76,435
Fred Struve	General Counsel	USD	\$60,937
Kathryn Greene	Chief People Officer	NZD	\$60,056

Retention Payments

9.14.3 Volpara has agreed in the Scheme Implementation Agreement not to issue any further Restricted Stock Units, entitlements to Restricted Stock Units, Options or other equity securities before the Implementation Date. In lieu of these equity incentives, Volpara has agreed to pay (and the Acquirer has agreed to the payment of) cash incentives to certain employees of the Volpara Group (**Retention Recipients**) provided that:

- (a) the gross amount of such cash incentives does not exceed NZ\$860,000 and payment is subject to the implementation of the Scheme; and
- (b) subject to paragraph (c) below, the applicable Retention Recipient remains employed by the Volpara Group at the relevant time of payment of such cash incentives, which will be paid as follows:
 - (i) half of any such cash incentive will be paid in the first pay-run following Implementation; and
 - (ii) the remaining half of any such cash incentive will be paid three months following the Implementation Date;
- (c) a Retention Recipient that is made redundant or otherwise dismissed without cause is entitled to the full amount of the cash incentive allocated to such Retention Recipient in their final pay.

9.14.4 The specific amounts allocated to each Senior Manager are set out in the table below (which are expressed before tax and any other deductions). The Remuneration & Nomination Committee of Volpara (which consists solely of Independent Directors) recommended the payment of the below amounts which was ultimately approved by the Volpara Board (other than Teri Thomas who did not vote on this matter).

NAME	POSITION	CURRENCY	RETENTION PAYMENT
Teri Thomas	Chief Executive Officer	NZD	\$200,000
Craig Hadfield	Chief Financial Officer	NZD	\$200,000
Fred Struve	General Counsel	USD	\$94,406
Kathryn Greene	Chief People Officer	NZD	\$100,000

FY23 RSUs, FY24 Entitlements and Options cancellation/settlement payment

9.14.5 The Scheme Implementation Agreement contemplates that, if the Scheme becomes Effective, certain Restricted Stock Units and Options will be cancelled or settled in exchange for a cash payment (see Section 6.4 of this Scheme Booklet for further details). No Director or Senior Manager will hold entitlements to Restricted Stock Units, Restricted Stock Units or Options on Implementation but will receive up to the following amounts on account of the entitlements to Restricted Stock Units, Restricted Stock Units and Options that they currently hold:

NAME	DESCRIPTION	EQUITY SECURITIES	NET AMOUNT ¹
Paul Reid	Director	450,000 2018 Options	AU\$247,500
John Pavlidis	Director	200,000 Legacy Options	AU\$144,000
Teri Thomas	Director/Senior Manager	150,561 FY23 RSUs	AU\$173,145.15
Teri Thomas	Director/Senior Manager	167,975 FY24 Entitlements	A\$193,171.25 ²
Craig Hadfield	Senior Manager	69,493 FY23 RSUs	AU\$79,916.95
Craig Hadfield	Senior Manager	101,333 FY24 Entitlements	AU\$116,532.95 ²
Fred Struve	Senior Manager	71,925 FY23 RSUs	AU\$82,713.75
Fred Struve	Senior Manager	79,802 FY24 Entitlements	AU\$91,772.30 ²
Kathryn Greene	Senior Manager	54,602 FY23 RSUs	AU\$62,792.30
Kathryn Greene	Senior Manager	60,317 FY24 Entitlements	AU\$69,364.55 ²

Notes:

1. This refers to the net amount the Director or Senior Manager will receive for his or her equity securities (being either a cash settlement/cancellation amount or (if the Director or Senior Manager is issued Volpara Shares on account of the relevant equity securities) the Scheme Consideration less (if applicable) the exercise price for the relevant equity securities). These amounts are expressed prior to any applicable taxes or other deductions that the Director or Senior Manager must pay on these amounts.
2. These amounts assume the achievement of maximum performance against the performance conditions related to the FY24 Entitlements (however, depending on the level of performance against such performance conditions, the relevant Senior Manager may be entitled to a lesser amount).

9.15 Interests of Directors and Senior Managers of Volpara in contracts of the Acquirer or its Related Companies

9.15.1 Except as set out in Sections 9.13 and 9.14 above and 9.15.2 below, no Director or Senior Manager or their Associates has an interest in any contract to which the Acquirer or any Related Company of the Acquirer, is a party.

9.15.2 Roger Allen, a Director of Volpara, is an Associate of Patagorang Pty Ltd which is a party to the Patagorang Voting Deed (which is described in Section 8.7 of this Scheme Booklet).

9.15.3 Volpara is unable to quantify the monetary value of the interests described in Section 9.13 (other than to say, in respect of the Deed Poll, each Scheme Shareholder will be owed the Scheme Consideration for each Scheme Share owned by that Shareholder on implementation of the Scheme) and Section 9.15.2. The monetary value of the interests described in Section 9.14 is the dollar values set out in that Section.

9.16 Interests of Volpara's substantial security holders in material contracts of the Acquirer or a related company of the Acquirer

9.16.1 Except as set out in Sections 9.13, 9.14, 9.15 and Sections 9.16.2 to 9.16.4 below, no person who, to the knowledge of the Directors or the Senior Managers, holds or controls 5% or more of any class of equity securities of Volpara, has an interest in any material contract to which the Acquirer or any of its Related Companies, is a party.

9.16.2 Harbour Asset Management Limited (in its capacity as investment manager of managed investment schemes and under investment management agreements) holds or controls 5% or more of the Volpara Shares and has an interest in the Harbour Voting Deed (which is described in Section 8.7 of this Scheme Booklet). As a Shareholder, Harbour Asset Management Limited can also enforce breaches of the Deed Poll.

9.16.3 Patagorang Pty Limited (an associate of Volpara Director Roger Allen) holds or controls 5% or more of the Volpara Shares and has an interest in the Patagorang Voting Deed (which is described in Section 8.7 of this Scheme Booklet). As a Shareholder, Patagorang Pty Limited can also enforce breaches of the Deed Poll.

9.16.4 Ralph Highnam and KYC Trustees 106 Limited jointly hold or control 5% or more of the Volpara Shares and they have an interest in the Highnam Voting Deed (which is described in Section 8.7 of this Scheme Booklet). As a Shareholder, Ralph Highnam and KYC Trustees 106 Limited can also enforce breaches of the Deed Poll.

9.16.5 Volpara is unable to quantify the monetary value of the interests described in Sections 9.16.2 to 9.16.4 (other than to say, in respect of the Deed Poll, each Scheme Shareholder will be owed the Scheme Consideration for each Scheme Share owned by that Shareholder on implementation of the Scheme).

9.16.6 Volpara is unable to quantify the monetary value of the interests described in Section 9.13 (other than to say, in respect of the Deed Poll, each Scheme Shareholder will be owed the Scheme Consideration for each Scheme Share owned by that Shareholder on implementation of the Scheme). The monetary value of the interests described in Section 9.14 is the dollar values set out in that Section.

9.17 Additional information

9.17.1 The Acquirer Information in this Scheme Booklet is the responsibility of the Acquirer. In the opinion of the Volpara Directors and to the best of their knowledge, no additional information is required to make the information in this Scheme Booklet correct or not misleading.

9.18 Recommendation

9.18.1 The Volpara Directors unanimously recommend that Shareholders vote in favour of the Scheme Resolution, in the absence of a Superior Proposal.³⁰ The Volpara Directors' reasons for this recommendation are set out in Section 5.6 of this Scheme Booklet.

9.18.2 Your Directors' interests in Volpara Shares are disclosed in Section 9.5 of this Scheme Booklet.

9.19 Actions of Volpara

9.19.1 Except as set out in Sections 9.12 and 9.14 above, Volpara is not aware of any material agreement or arrangement (whether legally enforceable or not) of Volpara or any of its Related Companies entered into as a consequence of, in response to, or in connection with, the Scheme.

9.19.2 Other than the provisions of the Scheme Implementation Agreement which deal with the FY23 RSUs, the FY24 Entitlements, the FY24 RSUs and the Options (details of which are set out in Section 6.4 of this Scheme Booklet) and which prohibit Volpara from making distributions prior to Implementation, Volpara is not aware of any negotiations underway as a consequence of, in response to, or in connection with, the Scheme that relate to or could result in:

- (a) an extraordinary transaction, such as a merger, amalgamation, or reorganisation, involving Volpara or any of its Related Companies; or
- (b) the acquisition or disposition of material assets by Volpara or any of its Related Companies; or
- (c) an acquisition of equity securities by, or of, Volpara or any Related Company of Volpara; or
- (d) any material change in the issued equity securities, or the policy of the Volpara Board relating to distributions, of Volpara.

9.20 Equity Securities of Volpara

9.20.1 As at the date of this Scheme Booklet, Volpara has:

- (a) 254,374,308 Volpara Shares on issue;
- (b) 454,460 FY23 RSUs outstanding, which entitle the holders to a maximum of 454,460 Volpara Shares;
- (c) entitlements to Restricted Stock Units outstanding which, assuming the achievement of maximum performance against the performance conditions related to such entitlements, will entitle the holders of such entitlements to receive a maximum of 547,807 Restricted Stock Units (which in turn entitle the holders to a maximum of 547,807 Volpara Shares);
- (d) 650,000 Legacy Options on issue, which entitle the holders to a maximum of 650,000 Volpara Shares;
- (e) 1,078,000 2018 Options on issue, which entitle the holders to a maximum of 1,078,000 Volpara Shares; and
- (f) 5,308,400³¹ OTM Options on issue, which entitle the holders to a maximum of 5,308,400³² Volpara Shares, meaning that the maximum number of Volpara Shares that could be on issue on the Implementation Date is 262,412,975³³ Shares.

9.20.2 Except for the equity securities set out in Section 9.20.1 above, Volpara has no options, or rights to acquire equity securities, on issue. The FY23 RSUs, the FY24 Entitlements, the FY24 RSUs and the Options will be dealt with in accordance with clause 9.5 of the Scheme Implementation Agreement (the material terms of those equity securities, and the treatment of them in the context of the Scheme, is summarised in Section 6.4 of this Scheme Booklet). Volpara has agreed in the Scheme Implementation Agreement that no Restricted Stock Units, entitlements to Restricted Stock Units or Options will remain outstanding on Implementation.

9.20.3 All Volpara Shares currently on issue are, and any Volpara Shares that are issued pursuant to clause 9.5 of the Scheme Implementation Agreement will be, fully paid.

9.20.4 Subject to certain provisions in the constitution of Volpara and the ASX Listing Rules, each Volpara Share confers upon the holder the right to:

- (a) an equal share in dividends authorised by the Volpara Board;
- (b) an equal share in the distribution of surplus assets of Volpara; and

- (c) a vote on a show of hands or to cast one vote per Volpara Share on a poll, at a meeting of Shareholders on any resolution, including a resolution to:
- (i) appoint or remove a director or auditor;
 - (ii) alter Volpara's constitution;
 - (iii) approve a major transaction;
 - (iv) approve an amalgamation involving Volpara; and
 - (v) put Volpara into liquidation.

9.21 Financial Information

9.21.1 Copies of Volpara's most recent Annual Report (being the Annual Report for the financial year ended 31 March 2023, incorporating audited financial statements for that financial year) and Volpara's most recent Half Yearly Report (being the Half Yearly Report for the six months ended 30 September 2023) and Half Year Accounts (being the Half Year Accounts for the six months ended 30 September 2023, incorporating audited financial statements for that half-year period) are available on Volpara's website: www.volparahealth.com/investors/market-announcements/.

9.21.2 Each person who is eligible to vote on the Scheme may also request from Volpara a hard copy of Volpara's most recent Annual Report, and most recent Half Yearly Report and Half Year Accounts, by making a written request to Boardroom at the contact details set out in the Directory.

9.21.3 Other than as set out in this Scheme Booklet (including the Independent Adviser's Report) or otherwise released to ASX, there have not been any material changes in the financial or trading position, or prospects, of Volpara since 30 September 2023, being the date to which the Half Yearly Report and Half Year Accounts relate.

9.21.4 The Volpara Directors are not aware of any information about the assets, liabilities, profitability and financial affairs of Volpara which is not contained in Volpara's most recent Annual Report, Volpara's most recent Half Yearly Report, Volpara's most recent Half Year Accounts or this Scheme Booklet (including the Independent Adviser's Report) which could reasonably be expected to be material to Shareholders when making a decision to vote for, or against, the Scheme Resolution.

9.22 Independent Advice on merits of Scheme

9.22.1 Grant Samuel is the Independent Adviser who has provided a report in relation to the merits of the Scheme. The appointment of Grant Samuel as the Independent Adviser has been approved by the Takeovers Panel. A copy of the full Independent Adviser's Report is set out in this Scheme Booklet as Annexure A.

9.23 Asset Valuation

9.23.1 No information provided in this Scheme Booklet refers to a valuation of any asset of Volpara.

9.24 Prospective Financial Information

9.24.1 The Independent Adviser's Report contains prospective financial information in relation to the Volpara Group. The principal assumptions on which the prospective financial information is based are set out in the Independent Adviser's Report.

9.24.2 The Independent Adviser's Report sets out certain details of Volpara's management forecast model to 31 March 2029 (**Forecasts**). The Forecasts were prepared for internal management purposes and not for the purposes of providing public guidance as to Volpara's expected future financial performance.

9.24.3 Other than the prospective financial information referred to above, this Scheme Booklet does not refer to any other prospective financial information about Volpara. It should be noted that all prospective financial information is subject to the disclosures set out under the heading "Forward looking statements" in the Important Information Section of this Scheme Booklet.

9.25 Sales of Unquoted Equity Securities under the Scheme

9.25.1 There are no unquoted equity securities that are subject to the Scheme (but the FY23 RSUs, FY24 Entitlements, FY24 RSUs and the Options will be dealt with in connection with the Scheme as set out in Section 6.4 of this Scheme Booklet).

9.26 Market Prices for Quoted Equity Securities

9.26.1 The Volpara Shares are quoted on ASX.

9.26.2 The closing price on ASX on:

- (a) 13 March 2024, being the latest practicable working day before the date on which this Scheme Booklet was sent to Shareholders, was AU\$(insert); and
- (b) 13 December 2023, being the last day on which ASX was open for business before the date on which Volpara announced its entry into the Scheme Implementation Agreement, was AU\$0.78.

9.26.3 The highest and lowest closing market prices of Volpara Shares on ASX (and the relevant dates) during the six months before 13 December 2023 (being the last day on which ASX was open for business before the date on which Volpara announced that it had entered into the Scheme Implementation Agreement with the Acquirer), were as follows:

- (a) the highest closing market price on ASX was AU\$0.99 per Volpara Share (on 14 July 2023); and
- (b) the lowest closing market price on ASX was AU\$0.64 per Volpara Share (on 16 October 2023).

No other issues of equity securities and no distributions

9.26.4 During the six month period before 13 December 2023 (being the last day on which ASX was open for business before the date on which Volpara announced that it had entered into the Scheme Implementation Agreement with the Acquirer), Volpara did not issue any equity securities, make any changes to any equity securities on issue, or make any distributions, which could have affected the market prices of Volpara Shares.

No other information

9.26.5 Except as set out in this Scheme Booklet, there is no other information about the market price of Volpara Shares that would reasonably be expected to be material to the making of a decision by Shareholders to vote for, or against, the Scheme Resolution.

9.27 Other Information

9.27.1 The Volpara Directors are not aware of any additional information, which is not disclosed or referred to elsewhere in this Scheme Booklet, that could reasonably be expected to be material to the Shareholders when making a decision to vote for, or against, the Scheme Resolution.

9.28 Volpara Board Approval of Scheme Booklet

9.28.1 The contents of the Scheme Booklet have been approved by the Volpara Board, other than:

- (a) the Acquirer Information, which the Acquirer has approved; and
- (b) the Independent Adviser's Report, which has been prepared by Grant Samuel.

Section 10

Summary of the Scheme Implementation Agreement

10.1 Date and parties

The Scheme Implementation Agreement is dated 14 December 2023 (as amended by the Amendment Agreement) and is between Volpara and the Acquirer.

10.2 Conditions

Implementation of the Scheme is subject to the Conditions being satisfied or (if capable of waiver) waived. The outstanding Conditions at the date of this Scheme Booklet are:

- (a) Final Orders being made by the Court on terms acceptable to Volpara and the Acquirer, each acting reasonably;
- (b) approval of the Scheme being given by the Shareholders at the Scheme Meeting by the requisite majorities;
- (c) no law, judgment, order, restraint or prohibition enforced or issued by any Government Agency being in effect as at 8:00am on the Implementation Date that prohibits, prevents or makes illegal the implementation of the Scheme;
- (d) no Prescribed Occurrence occurring between 14 December 2023 and 8:00am on the Implementation Date; and
- (e) no Material Adverse Change occurring between 14 December 2023 and 8:00am on the Implementation Date.

The Conditions referred to in paragraphs (d) and (e) above are for the benefit of the Acquirer and may only be waived by the Acquirer. The other Conditions cannot be waived.

See Section 6.2 for further details in relation to the Condition relating to the Independent Adviser's valuation range for the Volpara Shares.

10.3 Date for Satisfaction of Conditions

The last date by which the Conditions referred to in Sections 10.2(a) and 10.2(b) must be satisfied is the End Date (being 14 July 2024 or such other date as determined in accordance with the Scheme Implementation Agreement or as Volpara and the Acquirer may agree). The Conditions referred to in Sections 10.2(c) to 10.2(e) must be satisfied at all times before 8:00am on the Implementation Date.

If any event or change in circumstances occurs that prevents or is reasonably likely to prevent a Condition referred to in Sections 10.2(a) to and 10.2(b) being satisfied by 5.00pm on the day that is 10 Business Days prior to End Date and that Condition is not waived (to the extent capable of waiver), Volpara and the Acquirer must consult in good faith to determine whether: (a) to change the timetable and/or extend the End Date; or (b) if a change of the timetable would not, in the reasonable opinion of Volpara and the Acquirer, assist with the satisfaction of the relevant Condition, the Scheme may proceed by way of alternative means or methods.

10.4 Recommendation and voting intentions

Volpara has agreed to ensure that each Volpara Director:³⁴

- (a) recommends that Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal; and
- (b) undertakes to vote, or procure the voting of, all of the Volpara Shares held or controlled by him or her in favour of the Scheme, in the absence of a Superior Proposal.

10.5 Exclusivity

The Scheme Implementation Agreement contains certain exclusivity arrangements in favour of the Acquirer. These arrangements apply until the earliest to occur of (i) the termination of the Scheme Implementation Agreement; (ii) the Implementation Date; and (iii) the End Date (the **Exclusivity Period**).

In summary, Volpara has granted the Acquirer the following exclusivity rights during the Exclusivity Period:

- (a) **No Shop:** Volpara must not, and must procure its Representatives do not, directly or indirectly, solicit, invite, encourage or initiate any Competing Proposal or any offer, proposal, expression of interest, enquiry, negotiation or discussion with any third party in relation to, or for the purpose of, or that may reasonably be expected to encourage or lead to, a Competing Proposal, or assist, encourage, procure or induce any person to do any of these things on its behalf;
- (b) **No Talk:** Volpara must not, and must procure its Representatives do not, directly or indirectly, enter into, permit, continue or participate in negotiations or discussions with any third party in relation to a Competing Proposal, or for the purpose of or that may reasonably be expected to encourage or lead to a Competing Proposal, or assist, encourage, procure or induce any person to do any of these things on its behalf;

- (c) **No Due Diligence:** Volpara must not, and must procure its Representatives do not, directly or indirectly, make available to a third party or cause or permit a third party to receive, any non-public information relating to Volpara or any of its Subsidiaries that may reasonably be expected to assist such third party in formulating, developing or finalising a Competing Proposal, or assist, encourage, procure or induce any person to do any of these things on its behalf;
- (d) **Notification:** If Volpara or any of its Representatives receives: (a) a Competing Proposal, or any inquiry or approach from a third party to initiate discussions that could reasonably be expected to lead to a Competing Proposal, or any request for Volpara to take any action that is referred to in the 'No Talk' or 'No Due Diligence' provisions (as described above); or (b) any request for information relating to the Volpara Group or its business or any request for access to any non-public information of any member of the Volpara Group in connection with a current or future Completing Proposal, Volpara must notify the Acquirer as soon as practicable and, in any event, within 48 hours. Such notice is to contain material details of the relevant approach; and
- (e) **Matching Right:** If Volpara receives a Competing Proposal which the Volpara Board has determined (acting in good faith and after having taken advice from its external financial and legal advisers) is a Superior Proposal and failing to take a certain action otherwise prohibited under the Scheme Implementation Agreement would be likely to constitute a breach of the fiduciary duties or statutory obligations of any Volpara Director, Volpara must give the Acquirer all required information (including information regarding such Competing Proposal) and give the Acquirer at least five Business Days to provide a counter proposal. If the Acquirer provides a counter proposal and Volpara considers, in good faith, that the terms and conditions of the counter proposal (taken as a whole) are no less favourable to Shareholders than those in the relevant Superior Proposal, Volpara and the Acquirer must use their reasonable endeavours to enter into documentation to give effect to and implement the counter proposal. If the Acquirer does not provide a counter proposal, or provides a counter proposal that the Volpara Board considers in good faith is less favourable as compared to the Superior Proposal, the exclusivity provisions cease to apply, either Volpara or the Acquirer may terminate the Scheme Implementation Agreement, and Volpara may enter into binding documentation to give effect to the Superior Proposal. If the Scheme Implementation Agreement is terminated in such circumstances, Volpara must pay the Acquirer the Break Fee. See Section 5.8.4 for further details in relation to the other circumstances where the Break Fee may be payable by Volpara.

10.6 'Fiduciary out' exception to exclusivity

Volpara is not required to comply with its 'No Talk' and 'No Due Diligence' obligations (as described above) if it receives a bona fide Competing Proposal (which was not encouraged, solicited, invited, initiated, or continued in contravention of the 'No Shop' and 'No Talk' obligations), provided that:

- (a) the Volpara Board has determined, after taking advice from its external financial and legal advisers, that the Competing Proposal is, or is reasonably capable of becoming, a Superior Proposal; and
- (b) acting in good faith and after having taken advice from its external legal advisers, the Volpara Board has determined that it is necessary to respond to such Competing Proposal in order to fulfil the fiduciary duties or statutory obligations of any Volpara Director; and

in the case of the 'No Due Diligence' obligations, in addition to the above, provided that:

- (c) the third party has first entered into a confidentiality agreement on terms, Volpara, acting in good faith, reasonably believes are not substantially more favourable to the third party than those in the Non-Disclosure Agreement (details of which are contained in Section 9.12.2 and 9.12.3 of this Scheme Booklet); and
- (d) to the extent that any non-public information made available to the third party is material and has not previously been provided to the Acquirer, Volpara provides that information to the Acquirer at the same time as it is provided to the third party or promptly thereafter.

10.7 Break Fee, Reverse Break Fee and limitations of liability

Details of the Break Fee, Reverse Break Fee and the Acquirer's and Volpara's limitation of liability arrangements are set out in Sections 5.8.4 to 5.8.6 of this Scheme Booklet.

Payment of the Break Fee and Reverse Break Fee are intended to reimburse the recipient for costs and expenses incurred in pursuing the Scheme.

10.8 Termination rights

Except as set out below, either Volpara or the Acquirer or both (depending on the circumstance) may terminate the Scheme Implementation Agreement if a Condition described in Section 10.2 of this Scheme Booklet is not satisfied or (if capable of waiver) waived by the date prescribed for satisfaction (as set out in Section 10.3 of this Scheme Booklet).

In addition, either Volpara or the Acquirer may terminate the Scheme Implementation Agreement at any time if:

- (a) the other party is in breach of the Scheme Implementation Agreement (including in breach of a warranty given by that party) where (other than in respect of a breach of a Volpara fundamental warranty) the consequences of that breach are material in the context of the Scheme taken as a whole; and
- (b) the non-breaching party has delivered written notice of the breach and of the non-breaching party's intention to terminate the Scheme Implementation Agreement to the breaching party and:
 - (i) if the breach is capable of being remedied, it has not been remedied within 10 Business Days after the time the notice is given (or any shorter period ending at 8:00am on the Implementation Date); and
 - (ii) the non-breaching party terminates the Scheme Implementation Agreement before the earlier to occur of 15 Business Days after the time that the notice of the breach is given and 8:00am on the Implementation Date.

Volpara may also terminate the Scheme Implementation Agreement by notice to the Acquirer at any time before the Scheme Meeting if the Independent Adviser's Report (including any amendment or supplement to that report) concludes that the Scheme Consideration is not within or above the Independent Adviser's valuation range for the Volpara Shares.

Either the Acquirer or Volpara may terminate the Scheme Implementation Agreement if Volpara has received a Superior Proposal from a third party that the Acquirer has not successfully matched.

In relation to the Material Adverse Change Condition, the Acquirer may terminate the Scheme Implementation Agreement before 8.00am on the Implementation Date by notice to Volpara if each of the following is satisfied:

- (a) a Material Adverse Change occurs between 14 December 2023 and 8.00am on the Implementation Date; and
- (b) the Acquirer has complied with its obligations to provide notice and information to, and consult with Volpara, regarding the appropriate method of calculating the adverse consequences on forecasted revenue of the relevant event, having regard to the various matters which are to be disregarded under the definition of Material Adverse Change.

Either Volpara or the Acquirer may terminate the Scheme Implementation Agreement if the Scheme has not become Effective by 5.00pm on the End Date, provided that, the terminating party has complied with its obligations where there has been a delay in satisfaction of a Condition, and the terminating party's failure to comply with its obligations under the Scheme Implementation Agreement has not directly and materially contributed to the Scheme not becoming Effective by the End Date.

10.9 Financing

The Acquirer has warranted that at Implementation it will have available to it on an unconditional basis sufficient cash resources (whether from internal cash reserves or external funding arrangements or a combination of both) to satisfy the Acquirer's obligations to pay the Scheme Consideration in accordance with its obligations under the Scheme Implementation Agreement, the Scheme and the Deed Poll.

10.10 Interim period covenants

The Scheme Implementation Agreement includes a number of obligations on Volpara with regard to the ongoing operation of its business in respect of the period between signing of the Scheme Implementation Agreement (14 December 2023) and the implementation of the Scheme. These positive and negative obligations are generally designed to enable Volpara to continue to run its business in the normal course, while also recognising that it is appropriate for certain material actions to require the Acquirer's prior approval, given the potential change of ownership of Volpara under the Scheme.

A full copy of the Scheme Implementation Agreement, and the Amendment Agreement, is available at Volpara's website www.volparahealth.com. In addition, it was released to ASX on 14 December 2023 (with the Amendment Agreement being released to ASX on 7 March 2024). You can access information released by Volpara to ASX at www.asx.com.au (ASX code: VHT).

Section 11

Glossary

The meaning of terms used in this Scheme Booklet are set out below:

2018 Options has the meaning given to that term in Section 6.4 of this Scheme Booklet.

Acquirer means Lunit Inc., the entity acquiring all of the Scheme Shares under the Scheme.

Acquirer Group means the Acquirer and each of its Related Companies (but excluding members of the Volpara Group), and a reference to an **Acquirer Group Member** or a **member of the Acquirer Group** is to the Acquirer or any of its Related Companies.

Acquirer Information means such information regarding the Acquirer Group that is provided or approved by the Acquirer for inclusion in Sections 7 and 8 of this Scheme Booklet or in any supplementary information provided to Shareholders.

AI means artificial intelligence.

Amendment Agreement means the amendment agreement entered into between Volpara and the Acquirer on 7 March 2024, which amended the original Scheme Implementation Agreement in the manner summarised in Section 9.12.11 of this Scheme Booklet.

Associate has the meaning given to that term in the Takeovers Code and **Associated** shall have a corresponding meaning.

ASX means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange operated by ASX Limited, as the context requires.

ASX Listing Rules means the official listing rules of the ASX.

AU\$ or Australian dollars means the legal currency of Australia.

Base Case Model means Volpara's "Base Case" forecast revenue model.

Boardroom means Boardroom Pty Limited, Volpara's share registrar.

Break Fee means AU\$2,957,406 (inclusive of GST, if any).

Business Day means any day other than a Saturday, Sunday, or a statutory public holiday in Auckland, New Zealand or Sydney, Australia or Seoul, Republic of Korea and excluding any day between 23 December 2023 and 10 January 2024 (both dates inclusive).

CAD means computer-aided detection.

Chair means the chair of Volpara.

Companies Act means the Companies Act 1993 (New Zealand).

Company Indemnified Persons means each member of the Volpara Group and each of their respective Representatives.

Competing Proposal means any proposed:

- (a) takeover (whether a full or partial takeover under the Takeovers Code) in respect of Volpara by a third party;
- (b) scheme of arrangement in respect of a Volpara Group member involving a third party;
- (c) transfer or issuance of financial products of Volpara to a third party:
 - (i) where Shareholders' approval is required under the Takeovers Code; or
 - (ii) where such financial products are convertible into, or exchangeable for, Shares, where Shareholders' approval would be required under the Takeovers Code on conversion or exchange of those financial products;
- (d) sale of assets or financial products of any member of the Volpara Group to a third party, where such sale constitutes a material part of the Volpara Group's business (and, for clarity, will not include any sale, disposal of assets or winding up in relation to any business, division, subsidiary or other interest of the Volpara Group undertaken in compliance with clause 9 of the Scheme Implementation Agreement); or
- (e) reverse takeover, sale of securities, strategic alliance, joint venture, partnership, economic or synthetic merger or combination or other transaction or arrangement which, if completed, would result in a third party;

- (i) directly or indirectly having or being entitled to have a Relevant Interest in, or any other direct or indirect legal, beneficial or economic interest in, or control over, more than 20% of the:
 - (aa) Volpara Shares; or
 - (bb) shares in any other member or members of the Volpara Group that, individually or collectively, contribute 20% or more of the consolidated revenue of the Volpara Group;
 - (ii) directly or indirectly acquiring, or being entitled to acquire, the whole or substantially all of the business or assets of the Volpara Group or any part of the business or assets of the Volpara Group that, individually or collectively, contributes 20% or more of the consolidated revenue of the Volpara Group or that represents 20% or more of the total consolidated assets of the Volpara Group; or
 - (iii) acquiring control of Volpara or merging or amalgamating with Volpara or with any other member or members of the Volpara Group that, individually or collectively, contribute 20% or more of the consolidated revenue of the Volpara Group or whose assets represent 20% or more of the total consolidated assets of the Volpara Group,
- or which would otherwise require Volpara to abandon, or otherwise fail to proceed with, the implementation of the Scheme, and for the purposes of this definition of “Competing Proposal”:
- (f) any such proposal may be an expression of interest, indicative, conditional or otherwise non-binding;
 - (g) paragraphs (c), (d) and (e) above include any agreement (within the meaning of section 6 of the FMCA) whereby such a transaction is effected through a series of linked or related transactions which if conducted as a single transaction would constitute a “Competing Proposal” within the meaning of paragraphs (c), (d) or (e) above;
 - (h) “third party” shall mean a third party (being a person other than a member of the Acquirer Group) together with its Associates; and
 - (i) each successive material modification to or variation of a Competing Proposal will constitute a new Competing Proposal.

Conditions means the conditions to the Scheme set out in clause 3.1 of the Scheme Implementation Agreement, as summarised in Section 6.2 of this Scheme Booklet.

Court means the High Court of New Zealand, Auckland Registry.

D&O Run-off Policy means the run-off directors’ and officers’ liability insurance policy in respect of any Volpara Directors or officers (or directors and officers of any other member of the Volpara Group) that Volpara may enter into prior to the Implementation Date (details of which are set out in Section 9.13.3).

Deed Poll means the deed poll entered into by the Acquirer in favour of the Scheme Shareholders dated 14 December 2023, pursuant to which the Acquirer has undertaken in favour of each Scheme Shareholder to pay each Scheme Shareholder the Scheme Consideration to which they are entitled under the Scheme, subject to the Scheme becoming Effective, and reproduced for reference as Annexure C of this Scheme Booklet.

Disclosure Letter means the disclosure letter from Volpara addressed to, and countersigned by, the Acquirer dated 14 December 2023 and which is described in Section 9.12.6 of this Scheme Booklet.

Effective means, when used in relation to the Scheme, the coming into effect under section 236(3) of the Companies Act of the order of the Court made under section 236(1) of the Companies Act in relation to the Scheme (and all of the Conditions having been satisfied or (if capable of waiver) waived in accordance with the Scheme Implementation Agreement and the Scheme).

End Date means 14 July 2024, or such later date as contemplated by clause 3.10 or clause 7.4 of the Scheme Implementation Agreement or as Volpara and the Acquirer agree in writing.

Escrow Agreement means the escrow agreement to be entered into between Boardroom, the Acquirer and Volpara in relation to the Scheme, and which is described in Section 9.12.10 of this Scheme Booklet.

Exclusivity Period has the meaning given to that term in Section 10.5 of this Scheme Booklet.

Final Court Hearing means the final hearing of the Court in respect of the Scheme, which is currently expected to take place on 3 May 2024, or such later date as the Court directs.

Final Orders means, on application of Volpara, orders that the Scheme will be binding on Volpara, the Acquirer, the Scheme Shareholders and such other persons or class of persons as the Court may specify, in accordance with section 236(1) (and section 237, if applicable) of the Companies Act.

Final Orders Date means the date on which the Final Orders are granted by the Court.

FMCA means the Financial Markets Conduct Act 2013 (New Zealand).

FY23 RSUs has the meaning given to that term in Section 6.4 of this Scheme Booklet.

FY24 Entitlements has the meaning given to that term in Section 6.4 of this Scheme Booklet.

FY24 RSUs has the meaning given to that term in Section 6.4 of this Scheme Booklet.

Government Agency means any government, any department, officer or minister of any government and any governmental, semi-governmental, regulatory, administrative, fiscal, judicial or quasi-judicial agency, authority, board, commission, tribunal or entity, in any jurisdiction, and includes (for the avoidance of doubt) the OIO, the Takeovers Panel and the Financial Markets Authority.

Harbour Voting Deed means the voting deed entered into by the Acquirer and Harbour Asset Management Limited (in its capacity as investment manager of managed investment schemes and under investment management agreements) dated 14 December 2023 and which is described in Section 8.7 of this Scheme Booklet.

Highnam Voting Deed means the voting deed entered into by the Acquirer, Ralph Philip Highnam and KYC Trustees 106 Limited dated 14 December 2023 and which is described in Section 8.7 of this Scheme Booklet.

Implementation Date means the date on which the Scheme is to be implemented, being five Business Days after the Scheme Record Date or such other date agreed in writing between the Acquirer and Volpara.

Implemented means the time at which the Scheme is implemented and **Implementation** has a corresponding meaning.

Independent Adviser or **Grant Samuel** means Grant Samuel & Associates Limited, an independent advisory firm appointed by Volpara and approved by the Takeovers Panel as independent adviser to prepare the Independent Adviser's Report.

Independent Adviser's Report means the independent adviser's report prepared by the Independent Adviser in relation to the Scheme, as amended or updated from time to time and including any supplementary or replacement report, a copy of which is attached as Annexure A.

Initial Court Orders means the initial court orders by the Court relating to the Scheme, dated [insert] 2024, which are available to view at www.volparahealth.com.

Legacy Options has the meaning given to that term in Section 6.4 of this Scheme Booklet.

Legacy Option Settlement and Exercise Deed has the meaning given to that term in Section 6.4 of this Scheme Booklet.

Long Term Incentive Plan has the meaning given to that term in Section 6.4 of this Scheme Booklet.

Material Adverse Change means any matter, event, or change in circumstances, which occurs, is discovered or is announced after 14 December 2023 (each a **Specified Event**) and which individually, or when aggregated with all other Specified Events, reduces or is reasonably likely to reduce the revenue of the Volpara Group, in respect of the 12 month period following the Specified Event, by at least 25% against the Volpara Group's forecast revenue set out in the Base Case Model for that period, determined after excluding matters, events and circumstances:

- (a) to the extent fairly disclosed in the due diligence material made available to the Acquirer (including through ASX announcements made in the period beginning 24 months before 12 December 2023);
- (b) done or not done at the written request or with the written approval of the Acquirer (which written approval must state that it applies for the purposes of this definition), or otherwise resulting from or relating to compliance with the terms of, or the taking or omission of any action expressly required by, the Scheme Implementation Agreement, and any reasonably foreseeable consequences arising as a result of the relevant action or omission;
- (c) resulting from or relating to the loss of employees, customers, suppliers or other business relationships of the Volpara Group, or any other adverse impact on the relationships (contractual or otherwise), of the Volpara Group with employees,

customers, suppliers, Government Agencies and others, in connection with:

- (i) the execution, performance or public announcement of the Scheme Implementation Agreement;
 - (ii) the actual or anticipated change of control of Volpara contemplated by the Scheme Implementation Agreement; or
 - (iii) the identity of the Acquirer or its Related Companies;
- (d) resulting from or relating to factors generally affecting any sector, industry, vertical, market or geographical area in which any member of the Volpara Group operates;
- (e) resulting from or relating to any change (including globally or in any country or group of countries):
- (i) in law or generally accepted accounting principles or the interpretation or enforcement of them by a Government Agency;
 - (ii) to the accounting policies of any member of the Volpara Group that is required by law;
 - (iii) in interest rates, exchange rates or general economic conditions (including inflation rates and unemployment rates) or general political conditions; or
 - (iv) in securities, equity, credit, financial or other capital markets conditions;
- (f) resulting from or relating to geopolitical conditions, the outbreak or escalation of hostilities (including any escalation or expansion of the conflict in Ukraine or Israel), any generalised or localised rioting or public unrest, civil disobedience, trade war, sanctions, national emergency, acts of war and military conditions or activity, sabotage or terrorism (including cyberattacks), or any escalation or worsening of any of the foregoing;
- (g) resulting from or relating to any natural disaster (including an earthquake, fire, landslide, volcanic eruption or tidal wave), or weather developments (including a storm, flood, hurricane, tornado, cyclone or lightning) or other comparable events; or
- (h) resulting from or relating to any public health emergency, epidemic, pandemic or disease outbreak (including the COVID-19 virus) and any restrictions on the business or the Volpara Group imposed or recommended by any Government Agency in connection therewith, or any worsening or escalation of the foregoing.

Notice of Meeting means the notice of meeting relating to the Scheme Meeting, which is set out in Section 4 of this Scheme Booklet.

OIO means the New Zealand Overseas Investment Office.

OIO Condition means the Condition set out in clause 3.1(a) of the Scheme Implementation Agreement that all consents required to be given under the Overseas Investment Act 2005 and the Overseas Investment Regulations 2005 to permit the implementation of the Scheme being given by the OIO on terms and conditions acceptable to the Acquirer, acting reasonably.

Options means the Legacy Options, the 2018 Options and the OTM Options and **Option** means any of them, as the context requires.

OTM Options has the meaning given to that term in Section 6.4 of this Scheme Booklet.

Patagorang Voting Deed means the voting deed entered into by the Acquirer and Patagorang Pty Ltd (an Associate of Volpara Director Roger Allen) dated 14 December 2023 and which is described in Section 8.7 of this Scheme Booklet.

Prescribed Occurrence means the events or circumstances relating to Volpara Group that are listed in Schedule 1 of the Scheme Implementation Agreement as Prescribed Occurrences (other than an event agreed to in writing by the Acquirer after 14 December 2023 or expressly required by the Scheme Implementation Agreement) including (in summary):

- (a) payment of distributions by a member of the Volpara Group;
- (b) changes to the capital structure of a member of the Volpara Group (including issuing equity securities, amending the terms of equity securities, or converting, buying back, cancelling or redeeming any equity securities);
- (c) disposing of, or encumbering, the whole or a substantial part of the Volpara Group's business or property;
- (d) a Volpara Group member altering its constitutional documents;
- (e) an unremedied insolvency event occurring in respect of any member of the Volpara Group;

- (f) a Volpara Group member is involved in an amalgamation, merger or scheme or arrangement;
- (g) a Volpara Group member having to pay to its employees or directors any consideration upon implementation of the Scheme;
- (h) Volpara Shares are suspended from trading for a period longer than three trading days or cease to be quoted on the ASX;
- (i) a Volpara Group member increases the remuneration of, or materially varies the employment terms of, or terminates the employment of, any director, senior manager or employee earning over AU\$250,000;
- (j) a Volpara Group member accelerates the rights of any of its directors, officers or employees to benefits of any kind;
- (k) a Volpara Group member enters into a transaction with certain related parties that is material to the Volpara Group taken as a whole;
- (l) Volpara amends its arrangements with its financial advisers or enters into new arrangements with financial advisers; or
- (m) any enforcement action, investigation, inquiry, audit, dispute, demand, action, claim, litigation, arbitration, mediation or other dispute resolution proceeding is commenced by any person against or involving a Volpara Group member which is, or is reasonably likely to be, materially adverse to the Volpara Group or is materially adverse to the Scheme.

Proxy Form means the voting and proxy form which accompanies this Scheme Booklet.

Register means the Volpara Share register maintained by Boardroom on behalf of Volpara.

Related Company has the meaning given to that expression in section 2(3) of the Companies Act, read as if the reference to "company" in that section included any body corporate or entity, wherever incorporated.

Relevant Interest has the meaning given to that term in section 235(1) of the FMCA.

Representative means, in relation to a person, any director, officer, employee or agent of, and any accountant, auditor, financier, financial adviser, legal adviser, technical adviser or other expert adviser or consultant to, that person.

Restricted Stock Units has the meaning given to that term in Section 6.4 of this Scheme Booklet.

Reverse Break Fee means AU\$2,957,406 (inclusive of GST, if any).

Scheme or Scheme of Arrangement means a scheme of arrangement under Part 15 of the Companies Act under which all of the Scheme Shares held by Scheme Shareholders will be transferred to the Acquirer and the Scheme Shareholders will be entitled to be paid the Scheme Consideration, in accordance with the Scheme Plan.

Scheme Booklet means this document together with its appendices and annexures.

Scheme Consideration means AU\$1.15 in respect of each Scheme Share held by a Scheme Shareholder, payable in cash.

Scheme Implementation Agreement means the scheme implementation agreement between Volpara and the Acquirer dated 14 December 2023 (as it may be amended from time to time and as amended by the Amendment Agreement), a summary of which is set out in Sections 6 and 10 of this Scheme Booklet.

Scheme Meeting means the meeting of Shareholders ordered by the Court to be convened to approve the Scheme (and includes any adjournment of that meeting).

Scheme Plan means the Scheme plan set out in Annexure B to this Scheme Booklet, or in such other form as Volpara and the Acquirer agree in writing, subject to approval by the Court under section 236(1) of the Companies Act.

Scheme Record Date means 7:00pm on the date which is five Business Days after the Final Orders Date (given the OIO Condition has been satisfied).

Scheme Resolution means the resolution set out in the Notice of Meeting to be put to Shareholders at the Scheme Meeting to approve the Scheme.

Scheme Shareholder means a person who is registered in the Register on the Scheme Record Date as the holder of one or more Scheme Shares.

Scheme Shares means all of the Volpara Shares on issue on the Scheme Record Date.

Senior Managers means Teri Thomas, Chief Executive Officer, Craig Hadfield, Chief Financial Officer, Fred Struve, General Counsel and Kathryn Greene, Chief People Officer, being the persons that the Volpara Board has determined are senior managers for the purposes of the disclosures contained in this Scheme Booklet.

Settlement Deadline has the meaning given to that term in Section 6.4 of this Scheme Booklet.

Shareholder means a person who is registered in the Register as the holder of one or more of the Volpara Shares from time to time.

Subsidiary has the meaning given to that term in section 5 of the Companies Act, read as if the reference to "company" in that section includes any body corporate or entity, wherever incorporated.

Superior Proposal means a written bona fide Competing Proposal received in writing by Volpara after 14 December 2023 that:

- (a) does not result from a breach by Volpara of any of its exclusivity obligations under the Scheme Implementation Agreement, or from any act of a member of the Volpara Group or any of its Representatives which, if taken by Volpara, would have breached Volpara's obligations under those exclusivity obligations; and
- (b) the Volpara Board determines, acting in good faith and after having taken advice from its external financial and legal advisers:
 - (i) is reasonably capable of being implemented, taking into account all aspects of the Competing Proposal, including its conditions precedent and the likelihood of satisfying those conditions, timing considerations, the identity and financial condition and capacity of the proponent, and other factors affecting the probability of the Competing Proposal being completed; and
 - (ii) would, if completed substantially in accordance with its terms, result in a transaction that would likely be more favourable to Shareholders (as a whole) than the Scheme, taking into account all the terms and conditions of the Competing Proposal (including consideration, form of consideration, conditionality, funding, certainty and timing) and the Scheme together with any other matters the Volpara Board, acting in good faith, considers relevant.

Takeovers Code means the takeovers code set out in the schedule to the Takeovers Regulations 2000 (SR2000/210) (New Zealand), as amended including by any applicable exemption granted by the Takeovers Panel under the Takeovers Act 1993 (New Zealand).

Takeovers Panel means the Takeovers Panel established by section 5(1) of the Takeovers Act 1993 (New Zealand).

Trading Halt Date means the Final Orders Date (given the OIO Condition has been satisfied).

Volpara means Volpara Health Technologies Limited (ASX: VHT), New Zealand company number 2206998.

Volpara Board means the board of directors of Volpara.

Volpara Director or **Director** means a director of Volpara.

Volpara Group means Volpara and its Subsidiaries, and a reference to a **Volpara Group member** or a **member of the Volpara Group** is to Volpara or any of its Subsidiaries.

Volpara Share or **Share** means a fully paid ordinary share in the capital of Volpara.

Voting Deeds means:

- (a) the Highnam Voting Deed;
- (b) the Patagorang Voting Deed; and
- (c) the Harbour Voting Deed,

described in Section 8.7 of this Scheme Booklet and **Voting Deed** means any of them, as the context requires.

Voting Eligibility Date means the time for determining eligibility to vote at the Scheme Meeting, being 11:00am on 10 April 2024 or, if the Scheme Meeting is adjourned, being 48 hours before the scheduled meeting time for the Scheme Meeting.

Appendix 1

Trading in Volpara equity securities by holders or controllers of 5% or more of Volpara equity securities

Harbour Asset Management

AGGREGATE NUMBER OF VOLPARA EQUITY SECURITIES ACQUIRED OR DISPOSED OF	WEEK COMMENCING OF ACQUISITION OR DISPOSAL	CONSIDERATION OR WEIGHTED CONSIDERATION PER VOLPARA EQUITY SECURITY (AU\$)	DESIGNATION OF VOLPARA EQUITY SECURITIES	ACQUISITION OR DISPOSAL
28,720	18 September 2023	0.756	Ordinary Shares	Disposal
61,340	2 October 2023	0.677	Ordinary Shares	Disposal
26,595	9 October 2023	0.676	Ordinary Shares	Disposal
571,775	16 October 2023	0.697	Ordinary Shares	Acquisition
26,920	23 October 2023	0.678	Ordinary Shares	Disposal
59,451	30 October 2023	0.732	Ordinary Shares	Disposal
85,100	6 November 2023	0.708	Ordinary Shares	Acquisition
21,690	6 November 2023	0.680	Ordinary Shares	Disposal
30,150	13 November 2023	0.727	Ordinary Shares	Disposal
385,478	20 November 2023	0.719	Ordinary Shares	Acquisition
20,100	20 November 2023	0.705	Ordinary Shares	Disposal
191,108	27 November 2023	0.778	Ordinary Shares	Acquisition
257,140	27 November 2023	0.725	Ordinary Shares	Disposal
189,729	04 December 2023	0.788	Ordinary Shares	Disposal

Appendix 2

Ownership interests of holders or controllers of 5% or more of Volpara's equity securities (other than Volpara Shares)

The tables below set out the number, designation, and the percentage of equity securities of any class (other than Volpara Shares) held or controlled by any person (other than Directors, Senior Managers and their Associates) holding or controlling 5% or more of any class of equity securities of Volpara (other than Volpara Shares), to the knowledge of Volpara. A separate table has been inserted for each separate class of equity securities:

FY23 RSUs

NAME	DESCRIPTION	NUMBER OF EQUITY SECURITIES HELD OR CONTROLLED	TYPE OF EQUITY SECURITY (i.e., DESIGNATION)	PERCENTAGE OF CLASS
Jill Spear	Person holding or controlling 5% or more of the FY23 RSUs	79,540	FY23 RSUs	17.502%
Tana Isaac	Person holding or controlling 5% or more of the FY23 RSUs	28,339	FY23 RSUs	6.236%

Notes:

1. The information in the above table is given as at 13 March 2024 (being the latest practicable date before the date of this Scheme Booklet). At such date, 454,460 FY23 RSUs had been issued by Volpara.
2. The percentage numbers are rounded to three decimal places.

FY24 Entitlements

NAME	DESCRIPTION	NUMBER OF EQUITY SECURITIES HELD OR CONTROLLED	TYPE OF EQUITY SECURITY (i.e., DESIGNATION)	PERCENTAGE OF CLASS
Jill Spear	Person holding or controlling 5% or more of the FY24 Entitlements	88,725	FY24 Entitlements	16.196%
Tana Isaac	Person holding or controlling 5% or more of the FY24 Entitlements	49,655	FY24 Entitlements	9.064%

Notes:

1. The information in the above table is given as at 13 March 2024 (being the latest practicable date before the date of this Scheme Booklet). At such date, 547,807 FY24 Entitlements had been issued by Volpara.
2. The percentage numbers are rounded to three decimal places.

Legacy Options

NAME	DESCRIPTION	NUMBER OF EQUITY SECURITIES HELD OR CONTROLLED	TYPE OF EQUITY SECURITY (i.e., DESIGNATION)	PERCENTAGE OF CLASS
Lyn Swinburne	Person holding or controlling 5% or more of the Legacy Options	450,000	Legacy Options	69.231%

Notes:

1. The information in the above table is given as at 13 March 2024 (being the latest practicable date before the date of this Scheme Booklet). At such date, 650,000 Legacy Options had been issued by Volpara.
2. The percentage numbers are rounded to three decimal places.

2018 Options with an exercise price of AU\$0.60

NAME	DESCRIPTION	NUMBER OF EQUITY SECURITIES HELD OR CONTROLLED	TYPE OF EQUITY SECURITY (i.e., DESIGNATION)	PERCENTAGE OF CLASS
Richard Hudson	Person holding or controlling 5% or more of the 2018 Options with an exercise price of AU\$0.60	200,000	2018 Options with an exercise price of AU\$0.60	23.041%
Monica Saini	Person holding or controlling 5% or more of the 2018 Options with an exercise price of AU\$0.60	90,000	2018 Options with an exercise price of AU\$0.60	10.369%

Notes:

1. The information in the above table is given as at 13 March 2024 (being the latest practicable date before the date of this Scheme Booklet). At such date, 868,000 2018 Options had been issued by Volpara with an exercise price of AU\$0.60.
2. The percentage numbers are rounded to three decimal places.

2018 Options with an exercise price of AU\$0.68

NAME	DESCRIPTION	NUMBER OF EQUITY SECURITIES HELD OR CONTROLLED	TYPE OF EQUITY SECURITY (i.e., DESIGNATION)	PERCENTAGE OF CLASS
Alison Hansen	Person holding or controlling 5% or more of the 2018 Options with an exercise price of AU\$0.68	40,000	2018 Options with an exercise price of AU\$0.68	100%

Note:

1. The information in the above table is given as at 13 March 2024 (being the latest practicable date before the date of this Scheme Booklet). At such date, 40,000 2018 Options had been issued by Volpara with an exercise price of AU\$0.68.

2018 Options with an exercise price of AU\$0.89

NAME	DESCRIPTION	NUMBER OF EQUITY SECURITIES HELD OR CONTROLLED	TYPE OF EQUITY SECURITY (i.e., DESIGNATION)	PERCENTAGE OF CLASS
Delme Thomas	Person holding or controlling 5% or more of the 2018 Options with an exercise price of AU\$0.89	50,000	2018 Options with an exercise price of AU\$0.89	29.412%
Jennifer Grotzinger	Person holding or controlling 5% or more of the 2018 Options with an exercise price of AU\$0.89	40,000	2018 Options with an exercise price of AU\$0.89	23.529%
Melissa Hill	Person holding or controlling 5% or more of the 2018 Options with an exercise price of AU\$0.89	40,000	2018 Options with an exercise price of AU\$0.89	23.529%
Todd Lindenmuth	Person holding or controlling 5% or more of the 2018 Options with an exercise price of AU\$0.89	40,000	2018 Options with an exercise price of AU\$0.89	23.529%

Notes:

1. The information in the above table is given as at 13 March 2024 (being the latest practicable date before the date of this Scheme Booklet). At such date, 170,000 2018 Options had been issued by Volpara with an exercise price of AU\$0.89.
2. The percentage numbers are rounded to three decimal places.

OTM Options with an exercise price of AU\$1.30

NAME	DESCRIPTION	NUMBER OF EQUITY SECURITIES HELD OR CONTROLLED	TYPE OF EQUITY SECURITY (i.e., DESIGNATION)	PERCENTAGE OF CLASS
Anton Zerle	Person holding or controlling 5% or more of the OTM Options with an exercise price of AU\$1.30	158,800	OTM Options with an exercise price of AU\$1.30	12.823%
David Mezzoprete	Person holding or controlling 5% or more of the OTM Options with an exercise price of AU\$1.30	104,700	OTM Options with an exercise price of AU\$1.30	8.454%

Notes:

1. The information in the above table is given as at 13 March 2024 (being the latest practicable date before the date of this Scheme Booklet). At such date, 1,238,400 OTM Options had been issued by Volpara with an exercise price of AU\$1.30.
2. The percentage numbers are rounded to three decimal places.

OTM Options with an exercise price of AU\$1.34

NAME	DESCRIPTION	NUMBER OF EQUITY SECURITIES HELD OR CONTROLLED	TYPE OF EQUITY SECURITY (i.e., DESIGNATION)	PERCENTAGE OF CLASS
Jill Spear	Person holding or controlling 5% or more of the OTM Options with an exercise price of AU\$1.34	250,000	OTM Options with an exercise price of AU\$1.34	100%

Notes:

1. The information in the above table is given as at 13 March 2024 (being the latest practicable date before the date of this Scheme Booklet). At such date, 250,000 OTM Options had been issued by Volpara with an exercise price of AU\$1.34.

OTM Options with an exercise price of AU\$1.35

NAME	DESCRIPTION	NUMBER OF EQUITY SECURITIES HELD OR CONTROLLED	TYPE OF EQUITY SECURITY (i.e., DESIGNATION)	PERCENTAGE OF CLASS
MaryAnne Molter	Person holding or controlling 5% or more of the OTM Options with an exercise price of AU\$1.35	100,000	OTM Options with an exercise price of AU\$1.35	19.231%
Kristin Bravo	Person holding or controlling 5% or more of the OTM Options with an exercise price of AU\$1.35	100,000	OTM Options with an exercise price of AU\$1.35	19.231%
Lester Litchfield	Person holding or controlling 5% or more of the OTM Options with an exercise price of AU\$1.35	40,000	OTM Options with an exercise price of AU\$1.35	7.692%
Mathew George	Person holding or controlling 5% or more of the 2018 Options with an exercise price of AU\$1.35	40,000	OTM Options with an exercise price of AU\$1.35	7.692%
Gabrielle Vaughan	Person holding or controlling 5% or more of the OTM Options with an exercise price of AU\$1.35	40,000	OTM Options with an exercise price of AU\$1.35	7.692%
Doina Popescu	Person holding or controlling 5% or more of the OTM Options with an exercise price of AU\$1.35	40,000	OTM Options with an exercise price of AU\$1.35	7.692%
Teresa Lombardi	Person holding or controlling 5% or more of the OTM Options with an exercise price of AU\$1.35	40,000	OTM Options with an exercise price of AU\$1.35	7.692%
Erin Hell	Person holding or controlling 5% or more of the OTM Options with an exercise price of AU\$1.35	40,000	OTM Options with an exercise price of AU\$1.35	7.692%
Merri-Jo Seil	Person holding or controlling 5% or more of the OTM Options with an exercise price of AU\$1.35	40,000	OTM Options with an exercise price of AU\$1.35	7.692%
James McBride	Person holding or controlling 5% or more of the OTM Options with an exercise price of AU\$1.35	40,000	OTM Options with an exercise price of AU\$1.35	7.692%

Notes:

1. The information in the above table is given as at 13 March 2024 (being the latest practicable date before the date of this Scheme Booklet). At such date, 520,000 OTM Options had been issued by Volpara with an exercise price of AU\$1.35.
2. The percentage numbers are rounded to three decimal places.

OTM Options with an exercise price of AU\$1.46

NAME	DESCRIPTION	NUMBER OF EQUITY SECURITIES HELD OR CONTROLLED	TYPE OF EQUITY SECURITY (i.e., DESIGNATION)	PERCENTAGE OF CLASS
Livi Ah Hoi	Person holding or controlling 5% or more of the OTM Options with an exercise price of AU\$1.46	100,000	OTM Options with an exercise price of AU\$1.46	100%

Notes:

- The information in the above table is given as at 13 March 2024 (being the latest practicable date before the date of this Scheme Booklet). At such date, 100,000 OTM Options had been issued by Volpara with an exercise price of AU\$1.46.

OTM Options with an exercise price of AU\$1.49

NAME	DESCRIPTION	NUMBER OF EQUITY SECURITIES HELD OR CONTROLLED	TYPE OF EQUITY SECURITY (i.e., DESIGNATION)	PERCENTAGE OF CLASS
Steve Moseley	Person holding or controlling 5% or more of the OTM Options with an exercise price of AU\$1.49	100,000	OTM Options with an exercise price of AU\$1.49	25%
Scott McCloskey	Person holding or controlling 5% or more of the OTM Options with an exercise price of AU\$1.49	100,000	OTM Options with an exercise price of AU\$1.49	25%
David Mezzoprete	Person holding or controlling 5% or more of the OTM Options with an exercise price of AU\$1.49	100,000	OTM Options with an exercise price of AU\$1.49	25%
Aubrey Pace	Person holding or controlling 5% or more of the OTM Options with an exercise price of AU\$1.49	40,000	OTM Options with an exercise price of AU\$1.49	10%

Notes:

- The information in the above table is given as at 13 March 2024 (being the latest practicable date before the date of this Scheme Booklet). At such date, 400,000 OTM Options had been issued by Volpara with an exercise price of AU\$1.49.

OTM Options with an exercise price of AU\$1.68

NAME	DESCRIPTION	NUMBER OF EQUITY SECURITIES HELD OR CONTROLLED	TYPE OF EQUITY SECURITY (i.e., DESIGNATION)	PERCENTAGE OF CLASS
Catherine Williams	Person holding or controlling 5% or more of the OTM Options with an exercise price of AU\$1.68	40,000	OTM Options with an exercise price of AU\$1.68	50%
Erica Carnevale	Person holding or controlling 5% or more of the OTM Options with an exercise price of AU\$1.68	40,000	OTM Options with an exercise price of AU\$1.68	50%

Notes:

- The information in the above table is given as at 13 March 2024 (being the latest practicable date before the date of this Scheme Booklet). At such date, 80,000 OTM Options had been issued by Volpara with an exercise price of AU\$1.68.

OTM Options with an exercise price of AU\$1.70

NAME	DESCRIPTION	NUMBER OF EQUITY SECURITIES HELD OR CONTROLLED	TYPE OF EQUITY SECURITY (i.e., DESIGNATION)	PERCENTAGE OF CLASS
Delme Thomas	Person holding or controlling 5% or more of the OTM Options with an exercise price of AU\$1.70	100,000	OTM Options with an exercise price of AU\$1.70	11.236%
Doina Popescu	Person holding or controlling 5% or more of the OTM Options with an exercise price of AU\$1.70	100,000	OTM Options with an exercise price of AU\$1.70	11.236%
Aubrey Pace	Person holding or controlling 5% or more of the OTM Options with an exercise price of AU\$1.70	50,000	OTM Options with an exercise price of AU\$1.70	5.618%
Erin Hell	Person holding or controlling 5% or more of the OTM Options with an exercise price of AU\$1.70	50,000	OTM Options with an exercise price of AU\$1.70	5.618%
Teresa Lombardi	Person holding or controlling 5% or more of the OTM Options with an exercise price of AU\$1.70	50,000	OTM Options with an exercise price of AU\$1.70	5.618%

Notes:

1. The information in the above table is given as at 13 March 2024 (being the latest practicable date before the date of this Scheme Booklet). At such date, 890,000 OTM Options had been issued by Volpara with an exercise price of AU\$1.70.
2. The percentage numbers are rounded to three decimal places.

OTM Options with an exercise price of AU\$1.84

NAME	DESCRIPTION	NUMBER OF EQUITY SECURITIES HELD OR CONTROLLED	TYPE OF EQUITY SECURITY (i.e., DESIGNATION)	PERCENTAGE OF CLASS
Tana Isaac	Person holding or controlling 5% or more of the OTM Options with an exercise price of AU\$1.84	200,000	OTM Options with an exercise price of AU\$1.84	28.986%
Jeremy Landers	Person holding or controlling 5% or more of the OTM Options with an exercise price of AU\$1.84	40,000	OTM Options with an exercise price of AU\$1.84	5.797%

Notes:

1. The information in the above table is given as at 13 March 2024 (being the latest practicable date before the date of this Scheme Booklet). At such date, 690,000 OTM Options had been issued by Volpara with an exercise price of AU\$1.84.
2. The percentage numbers are rounded to three decimal places.

Directory

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Paul Reid (Chair)

Teri Thomas

Roger Allen

Mark Bouw

Ann Custin

Karin Lindgren

John Pavlidis

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MinterEllisonRuddWatts (New Zealand)

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Website: <https://www.lunit.io/>

Annexure A: Independent Adviser's Report



INDEPENDENT REPORT IN RELATION TO THE SCHEME OF ARRANGEMENT FOR THE ACQUISITION OF ALL OF THE SHARES IN VOLPARA HEALTH TECHNOLOGIES LIMITED

Grant Samuel confirms that it:

- has no conflict of interest that could affect its ability to provide an unbiased report; and
- has no direct or indirect pecuniary or other interest in the proposed transaction considered in this report, including any success or contingency fee or remuneration, other than to receive the cash fee for providing this report.

Grant Samuel has satisfied the Takeovers Panel, on the basis of the material provided to the Takeovers Panel, that it is independent under the Takeovers Code for the purposes of preparing this report.

GRANT SAMUEL & ASSOCIATES LIMITED
FEBRUARY 2024

Proposed Acquisition of Volpara Health Technologies Limited

1 Introduction

On 14 December 2023 Volpara Health Technologies Limited (**Volpara** or the **Company**) announced that it had entered into a Scheme Implementation Agreement (**SIA**) with Lunit Inc. (**Lunit**) to acquire 100% of the issued capital of Volpara for cash consideration of A\$1.15 per share (the **Scheme**). The proposed Scheme is subject to several key conditions that are set out in the SIA, including the approval of Volpara shareholders.

The Scheme is to be implemented through a scheme of arrangement under the Companies Act 1993 (**Companies Act**) between Lunit and Volpara's shareholders. The Directors of Volpara have engaged Grant Samuel & Associates Limited (**Grant Samuel**) to prepare an Independent Adviser's Report on the merits of the Scheme. This executive summary contains a summary of Grant Samuel's main conclusions in relation to the merits of the Scheme and its assessment of the price being offered to Volpara's shareholders.

2 Key Conclusions

- **Grant Samuel has valued the equity in Volpara in the range A\$171.3 million to A\$211.3 million or A\$0.67 to A\$0.82 per share.**

- The Scheme Price of A\$1.15 per share is significantly above Grant Samuel's assessed value range for Volpara's shares.
- The Scheme Price represents a premium of 47% relative to the closing price of A\$0.78 per share on 13 December 2023, being the last trading day prior to the announcement of the proposed Scheme, and a premium of 55% over the 1 month volume weighted average price (**VWAP**). The premium for control is significantly above the average premium of control generally observed in successful takeovers of other listed companies¹.
- The premium being offered by Lunit could be attributed to the strategic value Lunit attaches to Volpara's intellectual property (**IP**) which includes the largest de-identified mammography x-ray data set in the world with over 100 million images, a US based sales and customer team, the existing customer base and Volpara's patent library including its breast density IP.

- **The outcome of the Scheme is binary.**

Volpara shareholders are being asked to vote to approve or reject the implementation of the Scheme. For the Scheme to be approved, more than 50% of the total number of voting securities in Volpara must be voted in favour of the Scheme and a majority of at least 75% of the total votes cast in each interest class must be in favour of the resolution. There is expected to be one interest class in respect to the Scheme.

The possible outcomes of the Scheme are primarily a function of Volpara shareholders' endorsement (or not) of the Scheme construct and are summarised below:

- **The voting thresholds to approve the Scheme are achieved.**

If the shareholding voting thresholds are achieved, the High Court approves the Scheme, the other conditions are satisfied or waived (to the extent capable of waiver) and the SIA is not otherwise terminated, the Scheme will proceed and all the shares in Volpara will be acquired by Lunit. If this occurs, all shareholders at the Scheme record date will be paid A\$1.15 per share and Volpara will be delisted from the Australian Securities Exchange (**ASX**).

¹ This premium is typically in the range 20-35%.

- **The voting thresholds to approve the Scheme are not achieved.**

If either of the voting thresholds (being the 50% and 75% thresholds described above) to approve the Scheme are not achieved, the Scheme will not proceed, and no shares in Volpara will be acquired by Lunit. Volpara will remain a listed company and will have no further obligation to Lunit. No break fees will be payable by either Lunit or Volpara unless one of the break fee triggers described in the SIA has occurred.

The outcome of the shareholder vote on the Scheme is binary – either the voting thresholds are achieved in which case the Scheme will be effected in its entirety (provided all other conditions are satisfied or waived (to the extent capable of waiver) and the SIA is not otherwise terminated), or the voting thresholds are not achieved in which case the Scheme will not be implemented. It is important that shareholders exercise their right to vote for or against the Scheme.

- **The likelihood of competing proposals is low.**

- The proposed Scheme represents the outcome of a comprehensive process run by the financial adviser on behalf of Volpara's Directors. Interest in Volpara was expressed from a wide range of domestic and international industry and financial market participants. There has been an active expression of interest and bidding process.

- Volpara is subject to an exclusivity period with Lunit from 14 December 2023 until:

- the end date, being 14 July 2024 (unless extended in accordance with the SIA or by agreement between Volpara and Lunit); or
- the Scheme is terminated or implemented; or
- a superior competing proposal is received and accepted by Volpara's Directors (and Lunit has not subsequently matched or provided a better proposal).

Volpara is only able to address a competing proposal if the Directors have determined that the competing proposal is or is reasonably capable of becoming a superior proposal and that it is necessary to respond to such a proposal in order to fulfil the fiduciary duties or statutory obligations of any director of Volpara. Before the Directors can agree to implement a superior proposal, they must first offer Lunit an opportunity to match it. The process undertaken and the restrictions imposed on Volpara under the Scheme lower the probability of Volpara receiving a competing proposal.

- The more time that elapses from the announcement of the Scheme, the less likely a competing proposal will emerge as Volpara can only provide due diligence materials to bona fide proposals that have not been encouraged, solicited or invited, and that are reasonably capable of becoming superior to Lunit's proposal. In this regard, Volpara has advised Grant Samuel that, as at the date of this report, there are no current alternative proposals.
- If the voting thresholds at the Scheme meeting are not achieved, theoretically Lunit could elect to increase the price it is prepared to pay for Volpara shares. Any price increase would require a revised scheme of arrangement proposal and the timetable to be extended to facilitate another shareholder meeting. However, there is no certainty that a revised proposal would be tabled. Unless a competing takeover proposal from another party is anticipated by the market, Volpara's shares are likely to trade at levels below the Scheme price of A\$1.15 per share if the Scheme does not achieve the necessary voting thresholds and does not proceed.

- **Any significant delays to the Scheme are unlikely to be materially detrimental to Volpara's shareholders.**
 - The SIA includes restrictions on the payment of dividends. Volpara has never paid a dividend. The restriction on dividends prevents Volpara's shareholders from sharing in any profits of the company since the announcement of the Scheme. The value of the Scheme remains unchanged at A\$1.15 per share regardless of when the transaction is ultimately implemented (if it is approved). Volpara's cashflow is forecast to be close to breakeven for the next three to six months. Delays in implementing the Scheme caused by a delay in satisfying the conditions are unlikely to be materially detrimental to Volpara's shareholders.
 - The Scheme was conditional on Lunit receiving approval from the New Zealand Overseas Investment Office (OIO). That approval was obtained by Lunit on 30 January 2024.
- **The Scheme has the support of cornerstone shareholders² holding approximately 26% which provides a significant head start to meeting the voting thresholds required for the proposed Scheme to be implemented.**
 - Many takeovers or schemes of arrangement feature lock-up or voting commitment arrangements whereby certain larger shareholders are approached as part of the proposal and agree to accept the offer or vote for the scheme, thereby providing the proposed Scheme with momentum and a significant head start and improving the probability of success.
- **Volpara is well positioned in the US mammography industry due to its comprehensive range of solutions when compared to competitors and its patent protected breast density IP is considered market leading. Volpara's forecast revenue and earnings growth is lower than broker research and the future impact of advancements in technology, especially Artificial Intelligence (AI) and Computer Aided Detection (CAD), is unknown and difficult to predict.**
 - Over the last 12 months Volpara has considered a range of options to maximise value for its shareholders including:
 - raising capital to develop its own CAD. Volpara's management concluded that it does not have the time, resource or expertise to compete with leaders in CAD and capture the market opportunity;
 - acquiring a company that has market leading CAD. Volpara did identify some potential targets to acquire but due to its capital constraints, subdued equity markets and the cost to acquire the potential targets existing shareholders would have likely faced significant dilution; and
 - divesting Volpara and maximise the value for shareholders by leveraging Volpara's IP that it had developed over the last 14 years in a structured sales process.

The proposed Scheme represents the outcome of a comprehensive process run by the financial adviser on behalf of Volpara's Directors.

 - A consideration for Volpara's shareholders is whether, in time, an investment in Volpara will yield a higher value outcome than the Scheme. To achieve a higher value outcome Volpara would either have to materially outperform its five year financial forecast or sell the business to another strategic acquirer that is prepared to pay away strategic synergies to Volpara's shareholders. The Scheme accelerates a capital return and mitigates the risks and uncertainties otherwise involved in Volpara executing its strategic plan.

² Harbour Asset Management, which controlled the voting rights attaching to 12.29% of Volpara's Shares on 14 December 2023, is entitled to sell shares it holds if requested by clients for whom it provides investment management services. As such, the number of shares held by Harbour Asset Management on the record date for the Scheme meeting may be more or less than it held as at 14 December 2023.

- In the absence of another takeover offer, it is highly unlikely that Volpara's share price would trade above the Scheme Price in the near term if the Scheme is rejected by Volpara's shareholders.
- As with any equity investment there are risks associated with the market in which Volpara operates. Any event which had a material impact on customer and patient's trust and Volpara's brand reputation would likely have a significant impact on the business. Volpara is also exposed to certain technological risks and operates in a competitive environment.

3 Other Matters

Voting for or against the Scheme is a matter for individual shareholders based on their own view as to value and future market conditions, risk profile, liquidity preference, portfolio strategy, tax position and other factors. In particular, taxation consequences will vary widely across shareholders. These are investment decisions upon which Grant Samuel does not offer an opinion and are independent of a decision on whether to vote in favour of the Scheme. Shareholders should consult their own professional adviser in this regard.

This is a summary of Grant Samuel's opinion. The full report from which this summary has been extracted is attached and should be read in conjunction with this summary. A detailed assessment of the merits of the Scheme is outlined in section 7 of this report. Grant Samuel's opinion is to be considered as a whole. Selecting portions of the analyses or factors considered by it, without considering all the factors and analyses together, could create a misleading view of the process underlying the opinion. The preparation of an opinion is a complex process and is not necessarily susceptible to partial analysis or summary.

GRANT SAMUEL & ASSOCIATES LIMITED

16 February 2024

GRANT SAMUEL



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GLOSSARY

TERM	DEFINITION
AI	Artificial Intelligence
ARR	Annual Recurring Revenue
ASX	Australian Securities Exchange
CAD	Computer Aided Detection
CAGR	Compound annual growth rate
CAPM	Capital Asset Pricing Model
CARR	Contracted Annual Recurring Revenue
Code	The Takeovers Code
Companies Act	Companies Act 1993
CRA	CRA Health, LLC
DCF	Discounted Cash Flow
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FDA	U.S. Food and Drug Administration
FY2X	Financial year ended 31 March 202X
Grant Samuel	Grant Samuel and Associates Limited
HIPAA	The Health Insurance Portability and Accountability Act of 1996
IFRS	International Financial Reporting Standards
IP	Intellectual Property
LTI	Long term incentive plan
Lunit	Lunit Inc.
MQSA	Mammography Quality Standards Act
MRS	MRS Systems Incorporated
NPV	Net Present Value
OIO	Overseas Investment Office
PPP	Paycheck Protection Program
R&D	Research and development
RD&E	Product research, development and engineering
RSUs	Restricted stock units
SaaS	Software as a Service
Scheme	The scheme of arrangement between Volpara and Lunit
SIA	Scheme Implementation Agreement
SMAAs	Software Maintenance Agreements
US	United States of America
Volpara or the Company	Volpara Health Technologies Limited
WACC	Weighted Average Cost of Capital



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1 Terms of the Scheme

1.1 Background

On 14 December 2023 Volpara announced that it had entered into a SIA with Lunit to acquire 100% of the issued capital of Volpara for cash consideration of A\$1.15 cash per share. The Scheme is to be implemented through a scheme of arrangement under the Companies Act between Lunit and Volpara's shareholders.

The Scheme is subject to several outstanding key conditions that are set out in the Scheme Booklet, including:

- Volpara shareholder approval; and
- approval of the Scheme by the New Zealand High Court.

The full list of conditions to the Scheme are set out in the Scheme Booklet. The Scheme was conditional on Lunit obtaining approval from the OIO. That approval was obtained by Lunit on 30 January 2024.

1.2 Profile of the acquirer Lunit

Lunit develops medical AI software for cancer diagnostics and treatment. Lunit is listed on Korean Securities Dealers Automated Quotations (**KOSDAQ**) and as at 9 February 2024 it had a market capitalisation of approximately A\$1.9 billion.

Lunit's AI solutions help detect early-stage cancer and optimise cancer treatment. Its software is provided to medical institutions around the world through active partnerships with industry giants such as Fujifilm, GE Healthcare, Philips and Guardant Health. While historically focused on Asian markets, Lunit provides software that has the capability to complement Volpara's offerings via a library of IP including CAD for breast cancer. In November 2023 the University of Southern Denmark validated the technology for its effectiveness in standalone breast cancer detection³.

Lunit's flagship solution, Lunit INSIGHT is clinically used in approximately 3,000+ hospitals and medical institutions across 40+ countries.

In the 12 month period to 30 September 2023, Lunit generated revenue of A\$27.3 million and a net loss of A\$45.3 million.

³ November 2023 – Lunit's AI-Powered Mammography Analysis Solution Proves Comparable to Radiologists in Breast Cancer Detection - published in European Radiology

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2 Scope of the Report

2.1 Purpose of the Report

The Directors of Volpara have engaged Grant Samuel to prepare an Independent Adviser's Report on the merits of the Scheme. Grant Samuel is independent of Volpara and Lunit and has no involvement with, or interest in, the outcome of the Scheme. The Scheme is governed by the Companies Act and is required to be approved by the High Court of New Zealand in order to proceed. The High Court will not approve a scheme that affects the voting rights of a company unless:

- it is satisfied that the shareholders of the company will not be adversely affected by the use of a scheme rather than the Takeovers Code (**Code**) to effect the change involving the Code company; or
- the Court is presented with a no-objection statement from the Takeovers Panel. The Takeovers Panel will state in writing that it has no objection to a scheme if an applicant satisfies the Takeovers Panel that:
 - all material information relating to the scheme proposal has been disclosed;
 - the standard of disclosure to all shareholders has been equivalent to the standard that would be required by the Code in a Code-regulated transaction;
 - the interest classes of shareholders were adequately identified; and
 - other matters referred to in the Takeovers Panel's Guidance Note on Schemes of Arrangement have been addressed, and there are no other reasons for the Takeovers Panel to object to the Scheme.

Volpara is a Code company under the Code. Although the provisions of the Code do not apply to schemes of arrangement once the final orders are issued by the High Court, the practice of the Takeovers Panel (which is responsible for administering and enforcing the Code) is to conduct a review to establish whether it considers appropriate information is placed before a Code company's shareholders when they are being asked to consider granting a no-objection statement in respect of a proposed scheme of arrangement. Although there is no legal requirement under the Companies Act or the Code for an Independent Adviser's Report as a result of the Scheme, the practice of the Takeovers Panel (except in very limited circumstances) is to require the preparation of an Independent Adviser's Report (similar to a Code Rule 21 report) before it will consider issuing a final no-objection statement. Volpara will request that the Takeovers Panel issue a no-objection statement in relation to the Scheme to present to the High Court to assist with its deliberations.

Rule 21 of the Code requires the Independent Adviser to report on *the merits of an offer*. The term "merits" has no definition either in the Code itself or in any statute dealing with securities or commercial law in New Zealand. While the Code does not prescribe a meaning of the term "merit", the Takeovers Panel has interpreted the word "merits" include both positives and negatives in respect of a transaction.

A copy of this report will accompany the Scheme Booklet and it will be sent to all of Volpara's shareholders. This report is for the benefit of the shareholders of Volpara and for the benefit of the High Court.⁴ The report should not be used for any purpose other than as an expression of Grant Samuel's opinion as to the merits of the Scheme. This report should be read in conjunction with the Qualifications, Declarations and Consents outlined in Appendix A.

This report has been prepared without taking into account the objectives, financial situation or needs of individual Volpara shareholders. Accordingly, before acting in relation to their investment, shareholders should consider the appropriateness of the advice having regard to their own objectives, financial situation or needs. Shareholders should read the Scheme Booklet issued by Volpara in relation to the Scheme.

Voting for or against the Scheme is a matter for individual shareholders based on their views as to value and business strategy, their expectations about future economic and market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax

⁴ Under section 236(2)(c) of the Companies Act.



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position. Shareholders who are in doubt as to the action they should take in relation to the Scheme should consult their own professional adviser.

Similarly, it is a matter for individual shareholders as to whether to buy, hold or sell securities in Volpara. These are investment decisions upon which Grant Samuel does not offer an opinion and are independent of a decision on whether to vote for or against the Scheme. Shareholders should consult their own professional adviser in this regard.

2.2 Basis of Evaluation

Grant Samuel has evaluated the Scheme by reviewing the following factors:

- the terms of the Scheme;
- the potential impact of the Scheme on the ownership and control of Volpara;
- the estimated value range of Volpara and the price of the Scheme when compared to the estimated value range;
- the likelihood of an alternative offer and alternative transactions that could realise fair value for Volpara shareholders;
- the likely market price of Volpara shares in the absence of the Scheme;
- any advantages or disadvantages for Volpara shareholders of accepting or rejecting the Scheme;
- the current trading conditions for Volpara;
- the timing and circumstances surrounding the Scheme; and
- the attractions and risks of Volpara's business.

Grant Samuel's opinion is to be considered as a whole. Selecting portions of the analyses or factors considered by it, without considering all the factors and analyses together, could create a misleading view of the process underlying the opinion. The preparation of an opinion is a complex process and is not necessarily susceptible to partial analysis or summary.

2.3 Approach to Valuation

In Grant Samuel's opinion the price to be paid under a full takeover or scheme of arrangement has the same economic intention and effect and should reflect the full underlying value of the company. Grant Samuel believes that the appropriate assessment of value under a full or partial takeover offer or scheme of arrangement where the offeror will gain control is the full underlying value, prorated across all shares.

If the Scheme is approved by Volpara's shareholders and if all other conditions are satisfied or waived (to the extent capable of waiver) and the SIA is not otherwise terminated, the Scheme will be implemented and 100% of the shares in Volpara would be acquired by Lunit. Volpara would be delisted in that circumstance. The Scheme therefore is similar to a full takeover in that it represents a potential change of control event. Consistent with the valuation principles Grant Samuel applies to the assessment of a full or partial takeover offer, the value assessment under a scheme of arrangement where control of the company could change, should also be of the full underlying value of the company.

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3 Profile of Volpara

3.1 Overview

Volpara specialises in the development of software to enable healthcare providers to better understand cancer risk, empower patients in personal care decisions, and guide recommendations about additional imaging, genetic testing and other interventions.

Volpara was founded in 2009, seeking to commercialise research conducted at the University of Oxford on breast density as a measure to assess breast cancer risk. Today, Volpara's software is primarily used in the US in over 2,000 facilities, by more than 5,600 mammography technologists, impacting over 17.0 million patients globally. Volpara's solutions can be deployed stand-alone or fully integrated with electronic health record systems, mammography reporting systems, imaging hardware, and genetic testing laboratories. Over the last 14 years Volpara has secured over 100 patents and its work has been supported by over 200 peer-reviewed medical publications.

Volpara sells its solutions in Australasia, Asia and Europe but it is primarily focused on the US due to the size of the market and the regulatory landscape in that country being committed to improving outcomes for breast cancer patients. The US breast imaging industry is governed by the Mammography Quality Standards Act (**MQSA**) which requires each accredited facility to adhere to a range of standards including image quality which are independently assessed annually. Volpara's solutions assist in solving a wide range of issues faced by healthcare practitioners in the US including specifically addressing the underlying causes of poor image quality while providing an accessible way to retrieve images for assessment. Volpara's software seeks to deliver optimal outcomes for patients and a return on investment for the healthcare provider. The return on investment is achieved by reducing the administrative burden, improving operating efficiency and opening up appropriate follow-up testing and treatment based on mammograms and risk profiles.

Volpara has approximately 160 employees based in New Zealand, the US, Australia and the UK and it listed on the ASX in 2016. As at 13 December 2023⁵ Volpara's market capitalisation was A\$198 million.

3.2 Revenue Model

Volpara generates revenue under the following categories:

- Software as a Service (**SaaS**) contracts which involve the sale of software on a subscription basis and, where applicable, cloud-based support;
- Software Maintenance Agreements (**SMA**s) to support previous capital sales;
- Capital sales contracts which involve the outright sale of software and associated items;
- Volpara's lung software, which is primarily sold on a subscription basis and occasionally as a capital sale; and
- Collaboration fees, which relate to interfaces between Volpara's risk assessment software and genetic testing laboratories.

⁵ The day prior to the announcement of the proposed Scheme



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A breakdown of Volpara's revenue for the financial year ended 31 March 2020 (FY20), 2021 (FY21), 2022 (FY22) and 2023 (FY23) and the financial year ending 31 March 2024 (FY24) is summarised below:

REVENUE BY CONTRACT TYPE (NZ\$M)

YEAR END 31 MARCH	2020	2021	2022	2023	2024F
SaaS	6.4	10.3	17.4	25.1	32.3
SMA	2.3	6.6	6.1	6.8	6.4
Capital	3.4	1.6	1.2	1.4	1.1
Revenue from Lung contracts and collaboration fees	0.5	1.2	1.4	1.7	1.5
Revenue from contracts with customers (after IFRS 15)⁶	12.6	19.7	26.1	35.0	41.3
<i>SaaS revenue as a % of revenue</i>	<i>51%</i>	<i>52%</i>	<i>67%</i>	<i>72%</i>	<i>78%</i>
<i>Revenue growth %</i>	<i>na</i>	<i>56%</i>	<i>32%</i>	<i>34%</i>	<i>18%</i>

Source Volpara Financial Statements, and Volpara Management Forecast

The following comments are relevant when reviewing the table above:

- SaaS revenue as a percentage of revenue has been increasing year on year and is forecast to represent approximately 78% of customer contracted revenue in FY24. Volpara's SaaS contracts can comprise a range of goods and services including base software (and hardware in some instances), software updates and upgrades, installation, upfront training and ongoing technical support and volume licences to access services. Revenue recognition in the financial statements for SaaS contracts is linked to the performance obligation. As an example, revenue from the sale of base software is recognised at a point in time when it is installed. The largest component of SaaS revenue is generated from usage (over time) of the software (mammography volumes). This generates strong recurring revenue which grow as the customer install base increases. An estimation of the number of x-rays is included in the annual contract. If the number of actual x-rays in a given year is materially over the estimation, additional charges will be incurred by the customer. The majority of the SaaS contracts are for one to five year terms, with a right to cancel varying between being able to cancel at the end of each year without penalty or after the third year. Volpara's contracts generally have a clause to automatically renew at the end of the initial term to avoid having to resign and negotiate new contracts at the end of the term.
- SMA contracts with customers generally include the provision of the software updates, upgrades and provision of ongoing technical support. SMA contracts usually begin one year after the commencement of a capital sale. Revenue is recognised on a straight-line basis over the period of the contract. Payment is usually received in advance on commencement of each year of the SMA.
- Volpara's lung solution is not a core product strategic focus, which is reflected in its forecast decline in FY24.
- Capital sales contracts involve the provision of perpetual software licences, server hardware (if applicable), installation services, integrations and training. Revenue from Capital sales is recognised once the installation has been completed and is non-recurring.
- Volpara is focused on transitioning customers from the legacy Capital and SMA model to SaaS contracts which largely explains the forecast decline in Capital and SMA revenue in FY24.

⁶ See section 4.1 for an explanation on the IFRS 15 normalisation.

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A breakdown of Volpara's revenue as its recognised in the financial performance is summarised below:

REVENUE RECOGNITION (\$M)

YEAR END 31 MARCH	2020	2021	2022	2023
Services recognised as revenue over time	7.9	16.1	21.5	29.3
Goods or services recognised as revenue at a point in time	4.7	3.6	4.6	5.7
Revenue from contracts with customers (after IFRS 15)	12.6	19.7	26.1	35.0
Services recognised as revenue over time as a % of revenue	63%	82%	82%	84%
Services recognised as revenue over time growth %	na	104% ⁷	34%	36%

Source: Volpara Financial Statements

3.3 Customers

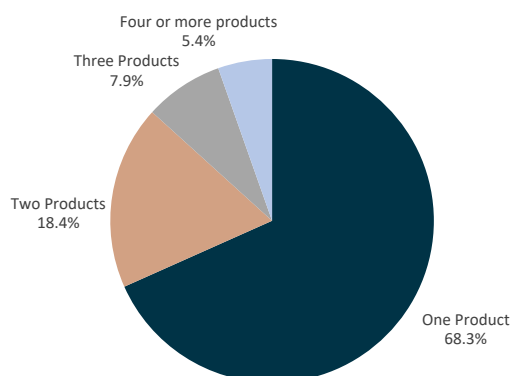
Volpara's US based healthcare provider customers contributed approximately 97% of revenue in FY23. Volpara has been consistently growing its market share in the US since launching in the US in 2010/2011. Volpara has a diverse customer base with over 700 customers and the top 20 customers only representing 20% of Volpara's FY23 revenue. A summary of Volpara's revenue concentration is summarised below:

CUSTOMER REVENUE PROFILE

	FY23 REVENUE (NZ\$M)	% OF FY23 REVENUE	AVERAGE REVENUE PER CUSTOMER (NZ\$000)
Top 10 customers	4.5	13%	449
Top 11-20 customers	2.5	7%	255
Top 20 customers	7.0	20%	352
Other customers	28.0	80%	~41
Total Revenue	35.0	100%	~50

Volpara's management believe that the average revenue per customer has potential to increase materially due to only 32% of the existing customer base using two or more of Volpara's solutions. Accordingly, Volpara's customer profile is considered to represent a range of cross selling opportunities that can be leveraged to drive revenue growth. The customer count by number of products is summarised below:

CUSTOMER COUNT BY NUMBER OF PRODUCTS (% OF CUSTOMER BASE)



⁷ Revenue growth in FY21 was impacted by the acquisition of CRA Health LLC.

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Healthcare providers using Volpara's products undertook approximately 24 million patient assessments over the 12 months to September 2023 – 95% of which were located in the US.

Volpara has elected to focus resources on the US, and to a lesser extent the Australian and European markets. This conscious focus on selected geographic markets combined with the strategic decision to channel efforts on core products is expected to improve revenue, whilst reducing operating expenses related to servicing regions that are currently underperforming.

To maximise its return on investment Volpara is also focusing its sales efforts towards larger scale customers. Larger customers can lead to a significant increase in earnings once secured and the level of resource to deliver and support these customers is more cost effective (on a relative basis) when compared to securing smaller customers. In FY23 Volpara secured approximately US\$4.3 million in net new annual recurring revenue growth by contracting large industry participants like RadNet, the largest US provider of outpatient imaging services. A sample of customers that acquired new services from Volpara in FY23 is summarised below:

SAMPLE OF RECENT CUSTOMER AQUITIONS

	RadNet, the largest owner and operator of outpatient imaging centres in the United States, implemented Analytics to consistently manage mammography quality across its 300+ sites and Risk Pathways to allow patients to receive personalised lifetime risk assessment.
	Sutter Health operates 24 acute care hospitals and over 200 clinics in Northern California. It expanded its relationship with Volpara by adding Risk Pathways to its existing Support for Patient Hub.
	Banner Health, one of the largest non-profit hospital systems in the United States, expanded its contract to include upgrades and new installations of Patient Hub, Analytics, and Risk Pathways across a fully integrated health system that operates 30 hospitals, including three academic medical centres.

3.4 Volpara Products

Volpara specialises in the use of Artificial Intelligence (**AI**) to provide personalised screening and early detection of breast cancer. Volpara's AI-powered image analysis enables radiologists to quantify breast tissue with greater precision, helping technologists produce mammograms with optimal image quality, positioning, compression and dose. Volpara holds all of the required regulatory registrations including U.S. Food and Drug Administration (**FDA**) clearance and CE marking⁸.

Volpara's technology platform has integrated software solutions developed by MRS Systems Incorporated. (**MRS**) and CRA Health, LLC (**CRA**) – these companies were acquired by Volpara in 2019 and 2021. The Volpara, MRS and CRA solutions have been combined together to provide an efficient breast screen workflow solution.

⁸ CE marking indicates that a product has been assessed by the manufacturer and deemed to meet EU safety, health and environmental protection requirements.

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A summary of Volpara’s Heath Platform and the key clinical functions is summarised below:

VOLPARA CORE PRODUCT SUITE

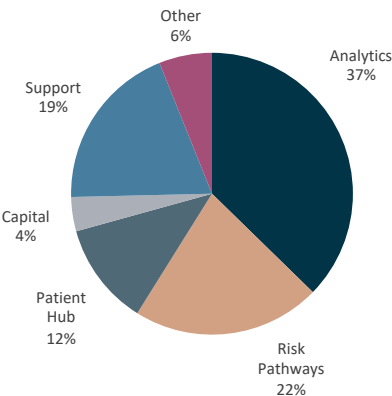
Volpara Analytics™	Volpara Analytics is a cloud-based breast imaging analytics software that delivers quality assurance and performance monitoring. Analytics is supported by the Volpara Scorecard, powered by the TruDensity, TruRadDose, TruPressure, and TruPGMI clinical functions (see below for more details). The average Analytics customer uses the software in six or more sites. A recent study in North America concluded that using Analytics resulted in a 78% reduction in technical repeats and recalls.
Volpara Patient Hub™	Volpara Patient Hub is a mammography reporting and patient tracking software. The solution features adaptable workflows streamlined patient tracking and communications, to full end-to-end risk assessment integration.
Volpara Risk Pathways™	Volpara Risk Pathways is a cloud-based risk modelling product (the Tyrer-Cuzick v8 Risk Evaluation Tool). It is used to identify and manage high-risk patients.

KEY CLINICAL FUNCTIONS

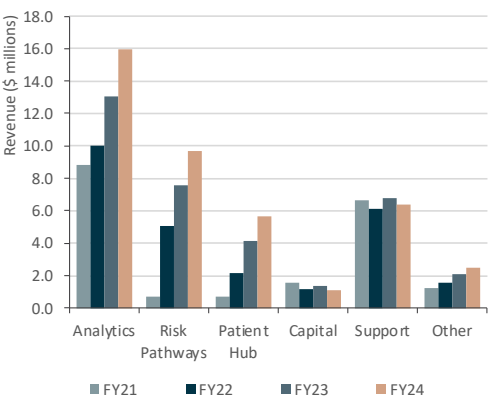
Volpara Scorecard®	Volpara Scorecard software provides the breast care team with the insights they need to find cancer earlier. Accessed from the radiologist’s workstation, Volpara Scorecard streamlines the workflow to improve clinical decision-making and create a better patient experience. Volpara Scorecard combines the breast cancer risk insights and presents one customisable view.
TruDensity®	Calculates volumetric breast density, fibroglandular tissue volume and breast volume to assign a Volpara Density Grade. This grade is used by healthcare professionals to evaluate breast density and is validated in a risk model — for objective, precise, and consistent assessment.
TruPressure®	Computes the compression pressure applied to the breast of each patient. TruPressure is used to help technologists better understand the patient experience, evaluate the clinical effectiveness of the mammogram and understand optimal breast compression.
TruPGMI®	Uses AI to automatically and objectively assess the positioning of the patient and resulting image quality. Technologists and others can use this information to further develop their positioning skills.
TruRadDose®	Determines the patient-based x-ray dose with a model that incorporates the woman’s specific volumetric breast density and fibroglandular tissue. This can be used by healthcare professionals as a quality assurance metric.

An overview of revenue concentration and product growth by product is summarised below:

REVENUE BY PRODUCT (% OF FY23)



REVENUE BY PRODUCT FY22 TO FY24F (NZ\$M)



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The following comments are relevant when reviewing the graphs above:

- Volpara's core products represent approximately 90% of FY23 revenue (excluding revenue from Support).
- In FY23 Volpara started to rationalise its product portfolio by limiting investment in lower margin products and removing the sale and support of legacy products where functionality is provided in other product offerings.
- Analytics, Patient Hub and Risk Pathways have all experienced strong revenue growth over the last three years and this is forecast to continue in FY24.
- Volpara's FY24 revenue is forecast to grow by 18%, primarily from sales of its core product range.
- Volpara is investing resource in developing additional connectivity and interaction of services within its products. It is expected that this will grow revenue from the existing customer base, as well as multi-product purchases from new customers.

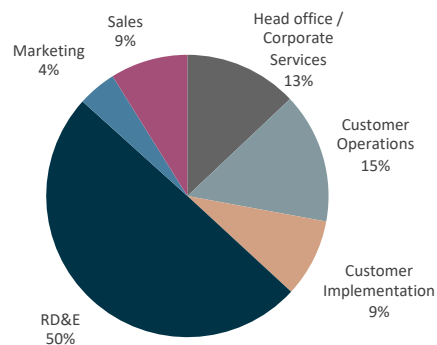
Volpara invests approximately NZ\$20 million per annum⁹ in product research, development and engineering (**RD&E**) to ensure it continues to innovate and maintain its competitive advantage. This can include collaboration with other leading software development companies. As an example, in FY23 Volpara collaborated with Microsoft to accelerate the development of an algorithm that detects and quantifies breast arterial calcifications which have been shown to be associated with cardiovascular disease. This development led to Volpara receiving a Microsoft Partner of the Year Award for Healthcare and Life Sciences.

Volpara has also been developing new revenue streams including Quiver, a new product which is forecast to generate revenue in FY25. Quiver will leverage the Analytics platform and its aim is to simplify the administration for mammography centres so healthcare providers can spend more time with patients. The paperwork required for mammography centres to meet FDA regulations is extensive and currently customers are having to source documentation from several locations making it a timely and inefficient process. Quiver will provide a single place for this documentation and provide ease of access to simplify the updating of information.

3.5 Volpara Operations

Volpara has approximately 160 employees. Volpara's head office is in New Zealand and it has one office in the US. A summary of Volpara's headcount by operational function is summarised below:

HEADCOUNT BY OPERATIONAL FUNCTION



⁹ Based on FY23 Product research, development and engineering and software development including capitalised development.

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The following comments are relevant when reviewing the graph above:

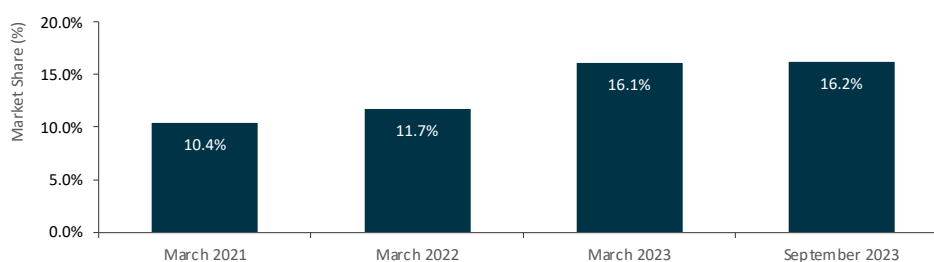
- Volpara's largest team is the RD&E team. RD&E includes the cost associated with the maintenance of the IT platforms (including security and security compliance), technical customer support, quality management, medical device compliance and product development. This team also includes a team of highly qualified specialists that:
 - ensure Volpara's products remain market leading and compatible with new technologies;
 - research breast cancer and mammography to advance the knowledge of the medical community which enhances Volpara's brand reputation in the market; and
 - ensure the quality of engineering. Certain Volpara products are classified as medical devices and therefore quality assurance is required by medical device regulations in Volpara's key markets.
- Volpara had traditionally developed or acquired the IP and it has also sold its solutions directly to customers. This approach has led to significant investment in research and development (R&D) and sales and marketing resource.
- Volpara has strong relationships with major global IT providers and mammography original equipment manufacturers including Microsoft and Fujifilm, but over time management have concluded that to generate strong revenue growth and customer retention a direct sales and customer service team is essential.
- Volpara's sales cycle can take up to twelve months and implementing the solution can take anywhere up to four months¹⁰, depending on the complexity and availability of resource as well as product mix.

3.6 Industry Background and Growth Drivers

Volpara operates in the mammography system industry. Volpara's primary market is the US which is estimated to generate revenues of more than US\$1 billion per annum. The North American mammography system market is forecast to grow to over US\$2 billion by 2032 (a cumulative average growth rate of ~7%) due to the high incidence of breast cancer and the strong presence of companies involved in the R&D of technology-enabled detection systems¹¹.

Volpara competes in the segment of the market that specialises in healthcare software focused on cancer detection using AI, primarily for breast cancer. Volpara estimates that it has approximately 16% share of this segment of the market and this has grown steadily since March 2021.

VOLPARA ESTIMATED MARKET SHARE (%)¹²



Source: Volpara

¹⁰ In some circumstances it can take longer than four months.

¹¹ Global Market Insights March 2023

¹² Market Share data is based on the use of Volpara's three core products / the total annual mammography procedures in the US as per MQSA (adjusted to avoid double counting)

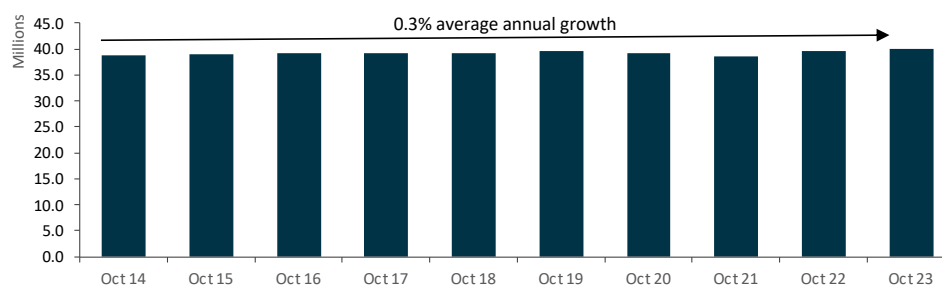
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Overall, the average risk of a woman in the US developing breast cancer some time in her life is approximately 13%. Breast cancer is the second most common cancer in women in the US. Its occurrence represents about 30% (or 1 in 3) of all new female cancers each year¹³.

A key driver for demand for Volpara's solutions is the number of mammogram procedures per annum. In the 12 month period to 31 October 2023 approximately 40.1 million mammogram procedures were performed in the US. The number of mammogram procedures per year has been relatively static over the last 10 years, growing on average by only 0.3% per annum despite a higher natural population growth over this period. This low level of growth is largely due to a range of factors including constant changing guidelines in the minimum age for breast screening, the impact of COVID-19 and advancements in technology which has reduced the number of procedures required to obtain an adequate image for review by a specialist.

ANNUAL MAMMOGRAM PROCEDURES IN THE US (MILLIONS)



Source: US Food and Drug Administration

Recent announcements from US regulators and the medical community are supporting future demand for Volpara's solutions, including:

- A new National Accreditation Programme for Breast Centres which requires:
 - risk assessment at screening (breast density, lifetime risk);
 - protocols to manage high risk patients (including a high imagery standard);
 - patient education and programme performance analysis; and
 - the consideration of genetic counselling and testing.
- New published guidelines from American College of Radiology which has recommended that all women should be risk assessed by age 25 to determine if constant annual monitoring is required earlier than the age of 40.
- The United States Preventative Services Taskforce has recommended annual breast screening from the age of 40 through to 74.
- From September 2024 all women in the US will be required to be informed of their breast density.

¹³ Cancer.org

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Volpara’s products are designed to operate on most of the leading breast screening equipment manufacturers including Fujifilm, GE, Siemens and Hologic. Volpara is well positioned in the US as the market leader of breast density assessment and it is one of the only providers that have a full suite of solutions to meet the needs of healthcare providers with a specialisation in breast cancer prevention and management. These include breast density, image quality, risk assessment, workflow management and compliance management. Volpara also has the largest data set (by a considerable margin) with over 100 million breast images on file and a strong track record of delivering complex integrations. Volpara considers key competitors in each key solution area to be:

KEY COMPETITORS

DENSITY	IMAGE QUALITY	RISK ASSESSMENT	PATIENT HUB / WORKFLOW MANAGEMENT	COMPLIANCE ADMIN REPORTS
<ul style="list-style-type: none">▪ Hologic▪ Densitas▪ iCAD▪ Radnet▪ Lunit	<ul style="list-style-type: none">▪ Densitas	<ul style="list-style-type: none">▪ Cancer IQ▪ Change Healthcare	<ul style="list-style-type: none">▪ EPIC▪ Intelerad/PenRad▪ Magview▪ Ikonopedia	<ul style="list-style-type: none">▪ Hologic▪ Densitas▪ Magview

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4 Volpara Financial Performance

4.1 Historical and Forecast Financial Performance

The historical and forecast financial performance of Volpara is summarised below:

FINANCIAL PERFORMANCE (NZ\$M)

YEAR END 31 MARCH	ACTUALS				FORECAST
	2020	2021	2022	2023	2024F
Revenue from contracts with customers¹⁴	16.3	20.4	26.4	35.0	41.3
Employment expenses	(24.7)	(28.2)	(32.2)	(30.8)	(32.6)
Software and cloud	(2.7)	(2.6)	(3.3)	(3.5)	(4.6)
Advertising and marketing	(1.5)	(0.8)	(1.6)	(1.8)	(1.6)
Directors' fees	(0.4)	(0.4)	(0.5)	(0.6)	(0.6)
Other operating expenses (including rent)	(4.2)	(3.3)	(3.7)	(5.6)	(4.9)
Operating expenses	(33.5)	(35.3)	(41.3)	(42.3)	(44.3)
Government grants	1.1	1.3	-	0.4	-
Other income	-	0.4	0.2	0.1	0.1
Normalised EBITDA (Pre IFRS 16)	(16.1)	(13.2)	(14.7)	(6.8)	(2.9)
Depreciation and amortisation	(1.8)	(2.5)	(4.1)	(4.9)	(5.3)
Normalised EBIT (Pre IFRS 16)	(17.9)	(15.7)	(18.8)	(11.7)	(8.2)
Normalisations (see table below for a summary)	(5.2)	(3.8)	2.5	0.4	(0.9)
Net finance expenses	0.8	0.6	0.1	(0.1)	-
Net profit before tax	(22.3)	(18.9)	(16.2)	(11.4)	(9.1)
Income tax	1.9	1.4	(0.2)	1.6	-
Net profit	(20.4)	(17.5)	(16.4)	(9.8)	(9.1)
Total revenue growth	na	25%	30%	33%	18%
Normalised EBITDA margin %	(99%)	(65%)	(56%)	(20%)	(7%)

Source: Volpara Financial Statements, Volpara Management Forecast and Grant Samuel analysis

The following comments are relevant when reviewing the table above:

REVENUE

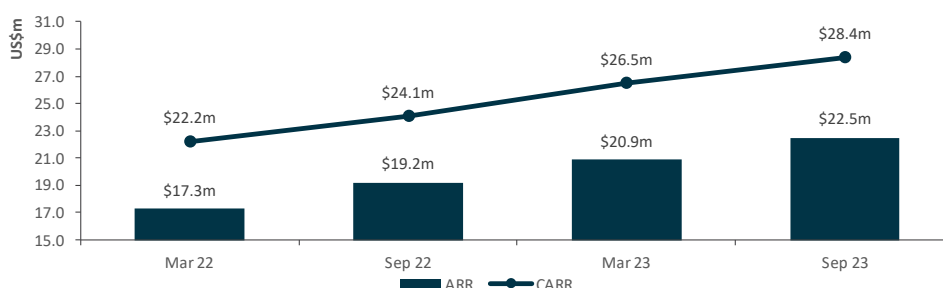
- Volpara's solutions are sold almost entirely in US dollars and approximately 50 - 60% of its operating costs are also incurred in US dollars. As Volpara is domiciled in New Zealand it reports its financial results in NZ dollars. The fluctuation in exchange rates can impact the comparison of results between financial years. The financial commentary below includes references to US dollars to enable meaningful trend analysis.
- Revenue increased in FY22 due to the acquisition of CRA and from the signing of new customers. As CRA was acquired on 31 January 2021 only two months of revenue (approximately NZ\$0.8 million) was recognised in FY21. This compares to the NZ\$5.1 million of revenue CRA generated in the 12 month period to 31 March 2022.
- Approximately 96% of Volpara's revenue in FY23 was generated from recurring contracted revenue. Continued customer acquisition, organic customer growth and a weakening NZ dollar relative to the US dollar all contributed to an increase in revenue by approximately 34% (on a normalised basis) from FY22.
- A large proportion of Volpara's revenue is recurring and contracted with terms ranging from one to five years. As at 31 March 2023 Volpara ended the year with Contracted Annual Recurring Revenue (CARR) of ~US\$26.5 million - an overall increase of 19% relative to the prior period. CARR continued to grow at a similar rate in the first half of FY24.

¹⁴ Revenue has been normalised to remove the impact of the IFRS 15 adjustment.

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- The FY24 forecast reflects the actual financial performance to 31 October 2023 and management's estimate of revenue for the remaining five months of the years based on the current pipeline, CARR and estimated delivery dates.
- As at 30 September 2023 Volpara's CARR had increased to US\$28.4 million (approximately NZ\$46.3 million)¹⁵ and it had Annual Recurring Revenue (ARR) of US\$22.5 million (approximately NZ\$36.6 million). The difference between the ARR and CARR reflects the time delay between signing a customer and implementation, which can often take up to four months and in some cases longer. The difference between CARR and ARR is increasing, but it is forecast to decline in the second half of FY24 when several large customer implementations are scheduled.

ARR VS CARR (US\$m)



OPERATING EXPENSES

- The large majority of Volpara's operating expenses relates to employment. In July 2022 Volpara announced a strategy update which focused on delivering operating cash flow break-even by the last quarter of FY24 without having to raise additional capital. As a result of this strategy Volpara reduced headcount which led to a reduction in employment expenses in FY23, partially offset by approximately NZ\$0.9 million in redundancy costs. Cost cutting, when combined with revenue growth achieved through the acquisition of new clients, led to Volpara achieving positive operating cash flows in the second half of FY23.
- Software and cloud expenses are forecast to increase in FY24 as Volpara has invested in the operational software platform to provide operational efficiency benefits as the company scales up, improving the EBITDA margin %.
- Normalised operating expenses increased by NZ\$1.0 million in FY23, but the majority of this movement is explained by the weakening of the NZ\$ relative to the US\$. On a constant currency basis operating expenses (excluding normalisations) increased by only 1% in FY23. When factoring in normalisations, including NZ\$0.9 million of redundancy costs, normalised operating expenses decreased on a constant currency basis. This reduction on a constant currency basis reflects cost-cutting initiatives (e.g. reducing headcount from 189 at end FY22 to 156 at end FY23).
- Volpara reports its operating expenses in functional categories. A breakdown of these costs are shown below:

¹⁵ Volpara management has assumed an NZ\$:US\$ foreign exchange rate of 0.616. This is in line with the average exchange rate over the last six months, Bloomberg forward rates and bank consensus forecasts to the end of March 2024.

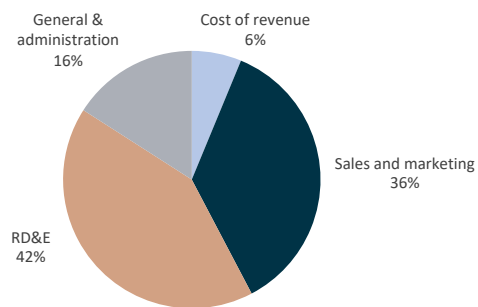
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OPERATING EXPENSES BY FUNCTION (NZ\$M)

YEAR END 31 MARCH	2020	2021	2022	2023
Cost of revenue	(1.8)	(1.7)	(2.3)	(2.6)
Sales and marketing	(13.2)	(12.3)	(14.1)	(15.3)
RD&E	(10.9)	(14.2)	(16.8)	(17.7)
General and administration (including rent and normalisations)	(7.6)	(7.1)	(8.1)	(6.7)
Normalised operating expenses (as above)	(33.5)	(35.3)	(41.3)	(42.3)

OPERATING EXPENSES BY FUNCTION (% OF OPERATING EXPENSE EXCL DEPRECIATION)



- Volpara's cost of revenue is minimal and is largely comprised of cloud hosting and software costs and sales commissions to employees.
- Sales and marketing expenses represented approximately 36% of expenses in FY23 and consist of personnel and related expenses directly associated with the sales and marketing teams and the cost of educating and onboarding customers. Other costs include external advertising and conference costs.
- RD&E is Volpara's largest expense, representing approximately 42% of operating expenses in FY23. Volpara's technology platform includes MRS and CRA solutions that were acquired in 2019 and 2021. The technology platform is a combination of different platforms that have been developed over a long period of time and in some cases have evolved from on premise solutions. Volpara has undertaken significant investment to enable the solutions to interact with each other and present a more seamless solution to the customer but ultimately the platform remains complex due to the mix of underlying technologies and it is expensive to maintain and develop. RD&E consist primarily of personnel expenses as well as allocated overheads. Volpara capitalises a proportion of the costs primarily related to software development which is amortised over the estimated life of the assets. A summary of the difference between the capitalised software development and software amortisation is set out below:

CAPITALISED SOFTWARE DEVELOPMENT VS SOFTWARE AMORTISATION (NZ\$M)

YEAR END 31 MARCH	2020	2021	2022	2023
Capitalised software development	(0.4)	(0.7)	(2.0)	(2.4)
Software amortisation	0.5	1.0	1.9	2.6
Difference	0.1	0.3	(0.1)	0.2

- General and administration expenses largely consist of personnel and related expenses (such as the CEO and CFO) and other corporate costs such as insurance, legal and accounting fees. General and administration expenses decreased in FY23 due to the corporate restructure which led to a reduction in headcount.

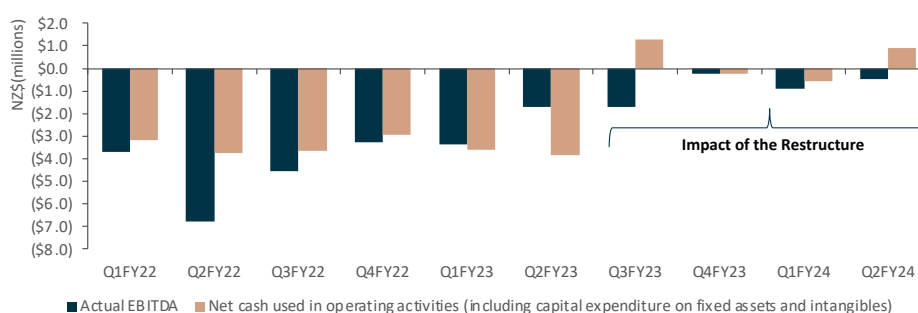
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EBITDA GROWTH AND CASHFLOW IMPROVEMENT

- Normalised EBITDA is forecast to improve by NZ\$3.9 million in FY24. This improvement in earnings reflects the operational cost reductions achieved in FY23 and the increased scale of the underlying operational platform. Since the restructure in the first half of FY23, Volpara's quarterly EBITDA and cash flow has improved significantly. As shown below on an operating cash flow basis (including capital expenditure on fixed assets and intangibles) Volpara had positive cash flow in Q3FY23 and Q2FY24 and it is approaching EBITDA breakeven.

QUARTERLY EBITDA AND CASH FLOW (NZ\$000)



NORMALISATIONS

A summary of the normalisations from FY20- FY24F is summarised below:

NORMALISATIONS (NZ\$M)

YEAR END 31 MARCH	2020	2021	2022	2023	2024F
Share-based payments expense	(1.4)	(1.4)	(1.1)	(1.0)	(1.0)
Foreign exchange gains	1.1	(0.2)	0.6	2.2	-
Rent adjustment for IFRS16	(0.1)	0.1	-	-	0.1
Redundancy costs	-	-	-	(0.9)	-
Release of employee retention plan	-	(0.8)	0.9	0.1	-
Business integration and acquisition expenses	(1.0)	(0.7)	-	-	-
Revenue adjustment (IFRS 15)	(3.6)	(0.6)	(0.4)	-	-
Loan forgiveness	-	-	2.5	-	-
Other normalisations	(0.2)	(0.2)	-	-	-
Total Normalisations	(5.2)	(3.8)	2.5	0.4	(0.9)

The following comments are relevant when reviewing the table above:

- In May 2020 the Company received approximately US\$1.7 million as part of the US government's Paycheck Protection Program (PPP) loan scheme established in response to COVID-19. Under the terms of the loan, the loan and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes such as payroll and rent. Volpara's PPP loan was forgiven in FY22.
- Volpara's financial reporting complies with NZ IFRS 16 where operating lease assets and liabilities are recognised on the balance sheet (both the leased asset and the liability associated with the future lease payment obligations). EBITDA from FY20 to FY24F has been adjusted to remove the impact of NZ IFRS 16 by including Volpara's actual lease payments within EBITDA during each of these financial years.
- Revenue that was associated with the acquisition of MRS and CRA was adjusted to comply with NZ IFRS 15. The normalised revenue shown in the table above is considered a more appropriate representation of the actual revenue generated in the respective financial period.

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- The foreign exchange gain and loss primarily relates to the difference in exchange rate prevailing at the time of consolidation of the financial statements and the average exchange rate for the 12 month period which is used to translate foreign currency profit and loss into NZ dollars in the financial statements.
- Volpara has a number of share schemes in place to incentivise senior management to drive long term performance. Share based expenses are non-cash payments and have been excluded from earnings in order to be consistent with the methodology used to calculate implied forecast multiples provided by brokers for the majority of listed comparable companies as set out in section 6.4.3.
- When Volpara acquired CRA it entered into a retention plan agreement with key employees of CRA. Under accounting standards retention payments are related to continued employment and are not treated as consideration for the purchase of the business. The fair value of the payments was accrued in line with services performed by the employees on a straight-line basis based on the probability of achieving the targets. EBITDA has been adjusted to remove the impact of retention payments associated with the acquisition of CRA.
- Business integration and acquisition expenses primarily relate to the acquisition of CRA and MRS.

4.2 Financial Forecast to 31 March 2029

The forecast financial performance for financial years ending 31 March 2025 to 31 March 2029 (FY25 – FY29) is summarised below:

FINANCIAL PERFORMANCE (NZ\$M)							
YEAR ENDING 31 MARCH	2024	2025	2026	2027	2028	2029	CAGR ¹⁶ (FY24-FY29)
Existing product revenue	41.3	46.7	52.4	58.6	64.8	71.0	11.5%
New product revenue	-	0.8	2.3	3.56	4.8	6.6	Na
Revenue from contracts with customers	41.3	47.5	54.7	62.2	69.6	77.6	13.5%
Employment expenses	(32.6)	(35.0)	(36.8)	(40.9)	(45.0)	(49.4)	8.7%
Software & cloud	(4.6)	(4.9)	(5.2)	(5.5)	(5.7)	(5.9)	5.5%
Other operating expenses & other income	(7.0)	(8.0)	(8.3)	(8.6)	(8.9)	(9.2)	5.7%
New product costs	-	(0.2)	(0.7)	(0.9)	(0.9)	(1.2)	Na
Operating expenses	(44.2)	(48.1)	(51.0)	(55.9)	(60.5)	(65.7)	8.3%
Normalised EBITDA (Pre IFRS 16)	(2.9)	(0.6)	3.7	6.3	9.1	11.9	
Revenue growth %	18%	15%	15%	14%	12%	11%	
EBITDA margin %	(7%)	(1%)	7%	10%	13%	15%	
Employment expenses as a % revenue	79%	74%	67%	66%	65%	64%	
Software and cloud as a % revenue	11%	10%	10%	9%	8%	8%	

Source: Volpara Financial Statements, Volpara Management Forecast and Grant Samuel analysis

The following comments are relevant when reviewing the table above:

- Volpara management has assumed an NZ\$:US\$ foreign exchange rate of 0.616. This is in line with the average exchange rate over the last six months, Bloomberg forward rates and bank consensus forecasts to the end of March 2024.
- Volpara's normalised EBITDA is forecast to be close to breakeven in FY25 and grow to NZ\$11.9 million in FY29.
- Volpara's management considers forecast revenue growth in FY25 to be achievable when factoring in the current sales pipeline of approximately US\$1.6 million, the existing CARR of US\$29.4 million¹⁷ and the time required to implement the solution. Volpara is investing in additional onboarding and

¹⁶ Compound annual growth rate (CAGR)

¹⁷ As at 31 January 2024

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installation resource in FY24. Once this is in place the time from contracting a customer to implementation is expected to decrease which should assist in revenue growth.

- Volpara's forecast revenue growth reflects the current CARR and the favourable US regulatory dynamics which will likely increase demand for mammography solutions over the next five years (see section 3.6 for a summary). Volpara's forecast revenue growth also reflects:
 - new product launches (the majority of which relates to Quiver) and, to a lesser degree, revenue from the regionalisation of the Risk Pathways solution for the Australian and New Zealand markets;
 - revenue from expansion into Europe, reflecting the recent hiring of a Sales Director for the region and growing acceptance of cloud based services in the region; and
 - an increase in competition in the US due to advancements in AI and investment in the health sector generally by large global players.
- Employment expenses are forecast to grow by approximately NZ\$16.8 million from FY24 to FY29. The key drivers of this growth include:
 - annual salary increases of approximately 3.5% per annum; and
 - the addition of resource required to support revenue growth and the growing customer base. This includes additional resource for onboarding and installation and RD&E to support customer deployments and the ongoing management and development of the products to ensure the existing product solutions remain competitive.
- Software and cloud expense growth primarily reflects costs associated with hosting the platform which increase as revenue increases. The software and cloud expenses associated with operating the business have assumed to remain flat through the forecast period.

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4.3 Financial Position

The financial position of Volpara as at 31 March 2022 and 2023 and 30 September 2023 is summarised below:

FINANCIAL POSITION (NZ\$000)

AS AT	31 MARCH 2022	31 MARCH 2023	30 SEPTEMBER 2023
Trade receivables and prepayments	9.9	10.1	10.6
Contract assets	1.4	2.1	2.6
Contract costs	3.0	4.1	4.8
Trade and other payables	(5.4)	(5.2)	(5.3)
Deferred revenue	(15.0)	(20.2)	(24.2)
Forward exchange contracts	0.4	(0.4)	(1.4)
Net Working capital	(5.7)	(9.5)	(12.9)
Right of use assets	(0.2)	(0.3)	(0.2)
Fixed assets and investments	0.9	0.9	0.4
Intangible assets	45.0	46.6	46.4
Deferred tax assets	(0.2)	0.9	1.0
Net operating assets	39.8	38.6	34.7
Cash and cash equivalents	9.7	9.7	9.5
Term deposits	8.4	3.0	3.7
Cash on hand	18.1	12.7	13.2
Net assets	57.9	51.3	47.9

Source: Volpara Financial Statements and Grant Samuel analysis

The following comments are relevant when reviewing the table above:

- Contract assets relates to work that has been completed and delivered, but not yet invoiced.
- Contract costs primarily relate to sales commissions to Volpara employees. The commission costs recognition is in line with the recognition of revenue as opposed to cash which is paid at the time of signing.
- Volpara's customers usually pay annually in advance. When this occurs Volpara recognises the payment received as deferred revenue and it recognises the revenue as the service is performed.
- Volpara uses forward currency contracts to hedge its foreign currency risk. The amount recognised in the statement of financial position is current mark to market fair value.
- Volpara is not a capital intensive business with the fixed assets largely comprising leasehold improvements and computer equipment. As at 31 March 2022 and 2023, Volpara had an investment in Precision Medical Ventures (**PMV**). Volpara sold its investment in PMV in August 2023.
- Intangible assets relate to internally generated intangible assets such as capitalised software development costs and externally generated assets such as patents and trademarks and customer relationships. Intangible assets also includes goodwill that was recognised when Volpara acquired MRS for US\$14.1 million in June 2019 and CRA for US\$17.7 million on 31 January 2021.
- Volpara holds extensive IP including patents on how to make density assessments work reliably across a variety of x-ray machines, as well as numerous trademarks, copyright and trade secrets.
- The right-of-use asset and lease liability relates to the adoption of NZ IFRS 16.

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4.4 Cash Flow

Volpara's cash flows from FY20 to FY23 are summarised below:

CASH FLOW (NZ\$MILLIONS)

YEAR ENDED 31 MARCH	2020	2021	2022	2023
Net profit before tax	(22.3)	(18.9)	(16.2)	(11.4)
Depreciation and amortisation	2.2	3.1	4.7	5.5
(Gains)/losses on foreign exchange transactions	(0.8)	1.2	(0.3)	(1.8)
Share-based payments	1.4	1.4	1.1	1.0
Tax moments	-	0.2	(0.3)	0.6
Paycheck Protection Program forgiveness	-	-	(2.5)	-
Changes in working capital	2.5	(1.0)	2.1	2.2
Lease costs	(0.3)	(0.6)	(0.5)	(0.6)
Other	0.4	-	-	0.1
Net operating cash flow	(16.9)	(14.6)	(11.9)	(4.4)
Payments for intangible, fixed assets	(1.0)	(0.8)	(2.2)	(2.6)
Payments for acquisitions and investments	(21.7)	(24.7)	(0.5)	-
Free cash flow (including finance costs)	(39.6)	(40.1)	(14.6)	(7.0)
Net proceeds from capital raising	55.5	39.6	0.5	1.1
Proceeds from Paycheck Protection Program	-	2.8	-	-
Movement in term deposits	(16.6)	2.3	15.9	5.5
Net foreign exchange difference	0.3	(0.4)	-	0.4
Movement in net cash after foreign exchange differences	(0.4)	4.2	1.8	-

Source: Volpara Financial Statements and Grant Samuel analysis

The following comments are relevant when reviewing the table above:

- As Volpara grows its revenue it typically results in the generation of positive cash flow from the movement in working capital as customers generally pay in advance of receiving the service.
- Payments for intangibles and fixed assets primarily relates to software development capitalisation.
- Payments for acquisitions and investments relates to the acquisition of MRS, CRA and the investment in PMV.
- In FY20 Volpara raised NZ\$55.5 million via a placement and accelerated non-renounceable entitlement offer.
- In FY21, Volpara raised NZ\$39.6 million via a placement and share purchase plan.

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5 Capital Structure and Share Price Performance

5.1 Shares on Issue and Ownership

As at 25 January 2024 there were 254,374,308 shares on issue. Volpara is widely held with the top five shareholders holding approximately 34.4% of the ordinary shares on issue:

MAJOR SHAREHOLDERS AS AT 25 JANUARY 2024

	NUMBER OF SHARES (000)	PERCENTAGE
Harbour Asset Management	38,561 ¹⁸	15.2%
Roger Allen	18,468	7.3%
Ralph Highnam	16,214	6.4%
JP Morgan Securities	7,134	2.8%
John Brady	7,119	2.8%
Top five shareholders	87,496	34.4%
Other shareholders	166,878	65.6%
Total shareholders	254,374	100.0%

Source: ASX

Volpara also has a number of share options, restricted stock units (**RSUs**) and entitlements to RSUs that have been issued to directors and employees, primarily as a component of a long term incentive plan (**LTI**). No options, entitlements to RSUs or RSUs will exist on implementation of the Scheme with holders receiving:

- in respect of RSUs, the Scheme consideration for each RSU held; or
- in respect of in-the-money options, the difference between the Scheme consideration and the exercise price of the option.

TOTAL SHARES ON ISSUE AS AT 25 JANUARY 2024¹⁹

	NUMBER (000)
Ordinary shares on issue	254,374
Employee share options and RSUs ¹	2,730
Total shares on issue	257,105

Source:

Volpara

5.2 Recent Capital and Acquisition Milestones

A summary of Volpara's recent milestones include:

RECENT MILESTONES

2016	<ul style="list-style-type: none"> ■ Volpara lists on the ASX and raises A\$10 million.
2019	<ul style="list-style-type: none"> ■ Volpara acquired MRS a US based mammography reporting system company whose primary function was to enable the reporting and tracking of patients in breast and lung screening. ■ Volpara raises A\$45 million via a private placement at A\$1.50 per share, primarily to fund the acquisition of MRS
2020	<ul style="list-style-type: none"> ■ Volpara raises approximately A\$35 million via a private placement and share purchase plan at A\$1.30 per share
2021	<ul style="list-style-type: none"> ■ Volpara acquired CRA a US based breast cancer risk assessment company spinoff from Massachusetts General Hospital.

¹⁸ At the time of entering into the voting deed with Lunit, Harbour Asset Management controlled the voting rights for 31,267,134 shares. While it held other shares at the time it entered into the voting deed, it did not have the power to control the voting rights attaching to those shares.

¹⁹ This does not include out of the money options (e.g. options with an exercise price greater than the Scheme consideration).

5.3 Share Price Performance

5.3.1 Liquidity

The following table shows the price ranges (in Australian dollars), VWAPs and the volume of Volpara shares traded on the ASX in the 12 months to 13 December 2023:

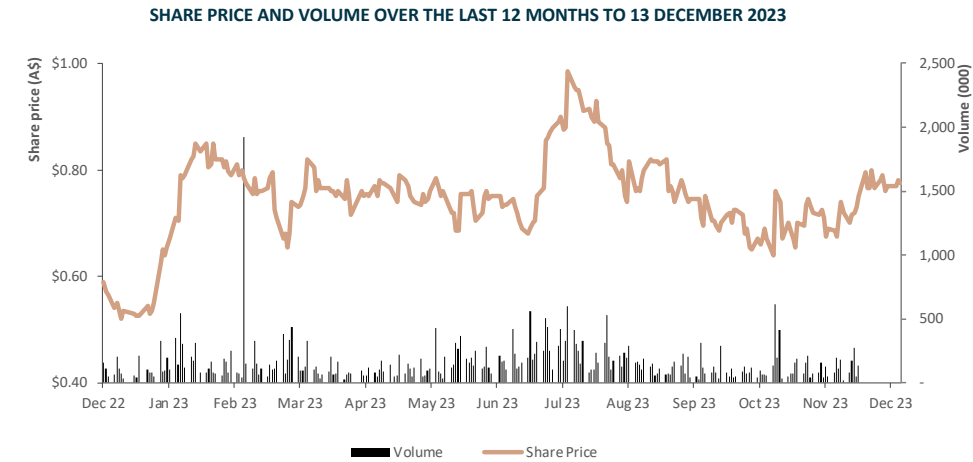
SHARE PRICE HISTORY TO 13 DECEMBER 2023				
TIME PERIOD	LOW (A\$)	HIGH (A\$)	VWAP(A\$)	VOLUME (000)
1 month	0.68	0.80	0.74	3,565
3 months	0.64	0.80	0.72	8,480
6 months	0.64	0.99	0.79	22,087
12 months	0.52	0.99	0.76	40,992

Source: Capital IQ

In the 12 months to 13 December 2023, approximately 41.0 million Volpara shares were traded, representing approximately 16% of the shares on issue.

5.3.2 Share Price Performance

The share price and trading volume history of Volpara shares is depicted graphically below:



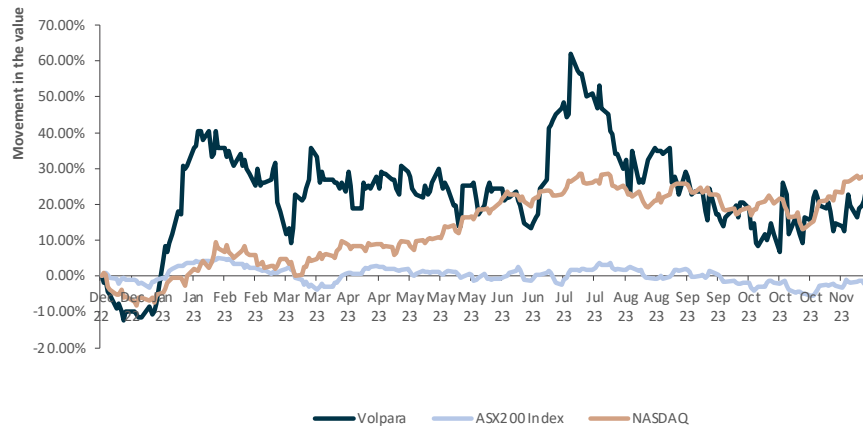
Source: Capital IQ

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Volpara's share price against the ASX200 and NASDAQ indices is shown in the graph below:

SHARE PRICE PERFORMANCE VERSUS ASX200 AND NASDAQ OVER THE LAST 12 MONTHS TO 13 DECEMBER 2023



Source: Capital IQ

The following comments are relevant when reviewing the graphs above:

- In March 2023 Volpara announced the positive changes in US regulations in regard to MQSA regulations and the signing of a major customer contract, Sutter Health.
- There were no major announcements in June and July that can be linked to the material increase in the share price on the trading dates. In July 2023 the share price achieved its highest price over the 12 month period at A\$1.05. Volpara released quarterly earnings in July and the share price declined relatively quickly and it has traded relatively consistently between A\$0.70 and A\$0.80 from September 2023 to December 2023.
- Volpara's share price, when compared to the ASX200 has traded positively over the 12 month to December 2023 and it performed relatively well when compared to the NASDAQ over the same period.

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6 Valuation of Volpara

6.1 Methodology

6.1.1 Overview

Grant Samuel's valuation of Volpara has been estimated on the basis of fair market value as a going concern, defined as the estimated price that could be realised in an open market over a reasonable period of time assuming that potential buyers have full information. The valuation of Volpara is appropriate for the acquisition of the company as a whole and accordingly incorporates a premium for control.

The most reliable evidence as to the value of a business is the price at which the business or a comparable business has been bought and sold in an arm's length transaction. In the absence of direct market evidence of value, estimates of value are made using methodologies that infer value from other available evidence. There are four primary valuation methodologies commonly used for valuing businesses:

- capitalisation of earnings or cash flows;
- discounting of projected cash flows (DCF);
- industry rules of thumb; and
- estimation of the aggregate proceeds from an orderly realisation of assets.

Each of these valuation methodologies has application in different circumstances. The primary criterion for determining which methodology is appropriate is the actual practice adopted by purchasers of the type of business involved. A detailed description of each of these methodologies is outlined in Appendix D.

6.2 Summary

Grant Samuel has valued the equity in Volpara in the range of A\$171.3 – A\$211.3 million, which corresponds to a value of A\$0.67 to A\$0.82 per share. The valuation is summarised below:

VOLPARA - VALUATION SUMMARY (MILLIONS)

	VALUE RANGE	
	LOW	HIGH
Enterprise value (A\$)	160.0	200.0
Estimated net debt at 31 March 2024 for valuation purposes ²⁰	11.3	11.3
Equity value (A\$)	171.3	211.3
Fully diluted shares on issue (millions)	257.1	257.1
Value per share (A\$)	\$0.67	\$0.82

Grant Samuel's valuation range is an overall judgement having regard to:

- the net present value (NPV) outcomes from DCF analysis under a number of scenarios that adopt a range of different assumptions (refer section 6.3);
- the multiples implied by the acquisition prices of transactions involving other comparable companies (refer section 6.4.2); and
- the multiples implied by the share market ratings of comparable companies (refer section 6.4.3).

²⁰ Forecast net cash at 31 March 2024 has been adopted as described in section 6.2.3.

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The valuation reflects the strengths and weaknesses of Volpara and takes into account the following factors:

- Volpara's three month VWAP up to 13 December 2023 of \$A0.72 (the day before the announcement of the proposed Scheme) is within the valuation range of A\$0.67 to A\$0.82 per share. Shares in a listed company normally trade at a 15 – 25% discount to the underlying value of the company as a whole, but the extent of the discount (if any) depends on the specific circumstances of each company. The factors determining Volpara's share price trading at a premium cannot be determined with accuracy. It is likely that market analysts are more optimistic in regard to future cash flows which is resulting in inflated target valuations. Grant Samuel has reviewed recent broker research and it has observed that the forecast cash flows published by market analysts are materially above the projections provided by Volpara's management. This may be partially explained by market analysts being more aggressive on revenue growth and underestimating Volpara's cost structure, which is higher than traditional SaaS companies (see below for further commentary).

Volpara is well positioned in the US mammography industry due to its comprehensive range of solutions when compared to competitors. Volpara's patent protected breast density IP is considered market leading and it has created a barrier to entry for competitors to take market share.

- Volpara has the largest breast image data set in the world with over 100 million images. Volpara's image library presents a competitive advantage for the development of AI. A key goal of AI would be to advance it to a point where CAD can reliably replace tasks of a radiologist and satisfy the rigorous standards of the FDA. AI development has been a focal point at Radiological Society of North America conferences and although advancements are rapid there remains concerns in the medical community about safety, reimbursement, and reliability.

"Although there is a worldwide shortage of radiologists to interpret screening mammograms, radiologists remain concerned about how well AI systems will work in their patient population," said Dr. Linda Moy, a professor of radiology at the NYU Grossman School of Medicine and editor of the journal Radiology. " November 2023

- Advancements in technology in healthcare are moving at a rapid pace and it is expected that AI will be at the forefront of major breakthroughs in the detection of breast cancer and other diseases. Companies such as Google and Lunit have been developing extensive AI capability over several years. Volpara does not have the time, resource or expertise to compete with leaders in CAD and capture the market opportunity. While Volpara's product suite is market leading and makes use of AI, it does not have AI CAD which is likely to be essential for long term success in its market. Volpara could potentially partner with an AI company to develop a solution and it has been in discussions with Lunit, Microsoft and other potential partners. Volpara's competitors have also been adopting a partnership approach. For example in November 2022 Google Health announced its first commercial agreement to license its mammography AI research with iCAD, a leader in medical technology and cancer detection²¹. Due to data sharing contractual commitments, Volpara's ability to leverage the strategic asset of the image library with a CAD vendor through a partnership arrangement is limited.
- Volpara operates a high recurring revenue model with contracted revenue representing approximately 96% of FY23 revenue. Substantial parts of Volpara's revenue base is contracted for one to five year terms and the company has had relatively low levels of churn (approximately 3% of annual revenue in FY22 and FY23). Volpara has the potential to generate strong cash flows due to the quality of its recurring revenue. To achieve this Volpara needs to retain existing customers, acquire new larger customers in the US (which based on the last 12 months it has done successfully) and control its operating cost base. Volpara does have limitations on its operating leverage due to:
 - Volpara is defined as a medical device company which requires expensive and highly qualified resources to maintain and develop the solution and stringent operational procedures to ensure compliance with FDA standards and regulations; and

²¹ Forbes – November 2022 – iCAD To License, Commercialize Google Health Breast Cancer Detection AI

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- Volpara’s technology platform being complex due to the mix of underlying technologies which is expensive to maintain and develop.
- There is a risk that customer churn may increase over the next five years if the competitive landscape changes materially due to advancements in technology. Volpara’s future success is in part dependent on the existing customer base renewing contracts at the end of their term and the acquisition of large healthcare providers as new customers.
- Volpara’s contracted revenue and the US healthcare industry dynamics makes Volpara’s financial performance more resilient in a recessionary environment when compared to companies in other sectors (e.g. retail companies). The economic climate in the US over the last 12 months has been relatively strong. The US economy did not go into a recession as was anticipated. The outlook in 2024 is for GDP to grow by approximately 2%, the labour market to rebalance and inflation to decline²². The US economic performance is unlikely to have a material impact on Volpara’s financial performance in the near term.
- Volpara has been developing new products which will drive modest growth over the next five years. The majority of Volpara’s forecast revenue growth over the next five years will be generated from selling existing solutions into new customers and by cross selling products to existing customers (only 32% of the customer base has two or more of Volpara’s solutions). Volpara believes it has captured about 16% of the available market and is confident strong revenue growth can continue to be achieved in the US.

As a digital solution Volpara is highly exposed to the failure of technology and cyber security risks. Volpara and its customers operations could be materially impacted by risks such as viruses, cloud services outages and communication issues. Volpara also operates in the highly regulated US environment and holds a significant amount of individual end user data. Volpara must comply in the US with The Health Insurance Portability and Accountability Act of 1996 (**HIPAA**) which is designed to protect sensitive patient health information from being disclosed without the patient's consent or knowledge. The financial penalties for breaching HIPAA can be up to US\$2 million. Volpara has systems and processes in place to ensure it offers the highest level of security for sensitive information. As for many companies, a cyber security incident could materially impact Volpara’s brand reputation and future growth prospects.

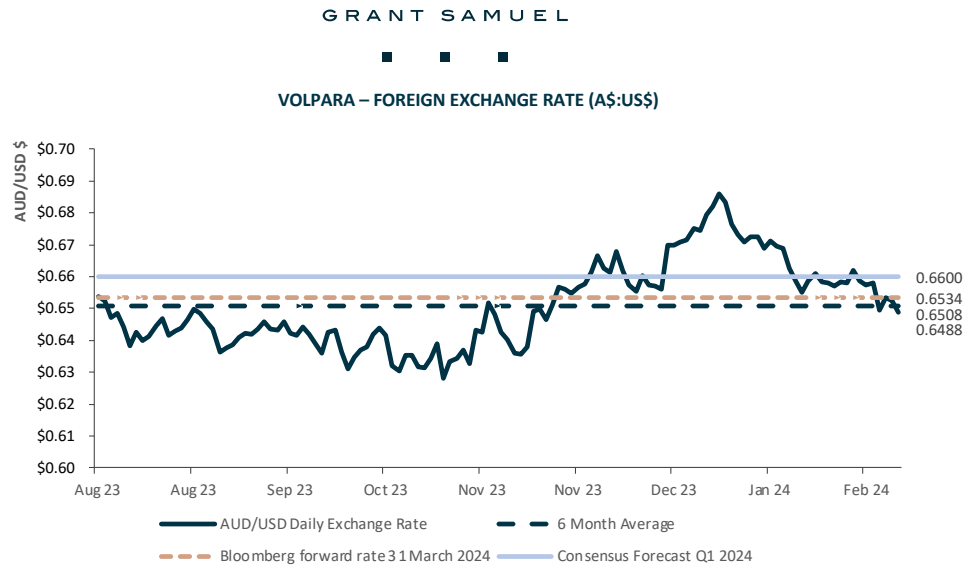
6.2.1 Currency

Volpara’s solutions are primarily sold in the US and priced in US\$ and approximately 60% of its operating costs are also incurred in the US. Volpara shares trade on the ASX in Australian dollars. Grant Samuel has valued Volpara in Australian dollars by converting US dollar cash flows into Australian dollars. The Australian dollar has been volatile relative to the US dollar over the last six months with the exchange rate ranging between A\$0.63 and A\$0.69 to the US Dollar. The following graph depicts the A\$:US\$ foreign exchange rates over the last six months,²³ the six month average, the consensus forecast from registered banks and the Bloomberg forward rate for 31 March 2024:²⁴

²² Goldman Sachs Economic Outlook: Final Descent – November 2023

²³ Reserve Bank of New Zealand 12 February 2024.

²⁴ Bloomberg 12 February 2024.



Given the spot rate is volatile for the purposes of the valuation US dollar amounts have been converted to Australian dollars at an exchange rate of A\$:US\$ = US\$0.65. The selected foreign exchange rate is relatively consistent with the consensus forecasts, forward rates and the six month average summarised in the graph above. Grant Samuel has used forecast and forward rates to 31 March 2024 to assess an appropriate exchange rate as this aligns with the date of the financial year end which is close to the expected implementation date of the Scheme. Grant Samuel has carried out several sensitivities on the A\$:US\$ foreign exchange rate to observe how potential movements in currency impact Volpara's Australian dollar value per share. As shown below, the Australian dollar value of Volpara is sensitive to changes in foreign exchange rates:

VOLPARA – SHARE PRICE SENSITIVITIES – A\$:US\$ EXCHANGE RATE (A\$ PER SHARE)

	A\$:US\$ EXCHANGE RATE		
	0.62	0.65	0.68
Value range (A\$ per share)			
Low	0.70	0.67	0.64
High	0.86	0.82	0.79

6.2.2 Number of shares used to calculate value per share

Grant Samuel has estimated the number of shares that are likely to be on issue as at 31 March 2024 if the Scheme is approved by Volpara's shareholders. While Volpara's share options, entitlements to RSUs and RSUs are expected to be cash settled or cancelled prior to the implementation of the Scheme, Grant Samuel has included in the total number of shares below the number of shares such securities would have converted to had they not been cash settled / cancelled. Grant Samuel has assumed that RSUs and in the money options will vest in the event of a change of control of Volpara and as a consequence the RSU holders will be entitled to the Scheme consideration and the holders of in the money options will be entitled to an amount equal to the Scheme consideration less the exercise price of the options. The net cash for valuation has been adjusted to include the cash received from the payment of the exercise price for the options. The total shares outstanding used to calculate Volpara's value per share is set out below:

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NUMBER OF SHARES USED TO CALCULATE VOLPARA'S VALUE PER SHARE (000)²⁵

	NUMBER OF SHARES (000)
Total Ordinary Shares on Issue (as at 25 January 2024)	254,374
Stock options and RSUs ¹	2,730
Total Shares used to calculate value per share	257,105

6.2.3 Net Cash for Valuation Purposes

Grant Samuel has adopted forecast net debt for valuation purposes of A\$11.3 million as at 31 March 2024. The balance date for the forecast net debt position is close to the expected implementation date of the Scheme. Therefore the net debt for valuation captures the earnings generated prior to implementation, which may not be distributed to Volpara's shareholders under the Scheme. If the Scheme is implemented in Q2 of 2024 (i.e. after 31 March 2024) net cash may be higher, but it could also be lower if Volpara does not generate positive cash flow in Q2 of 2024. The Scheme does not provide for any adjustment to the purchase price to reflect the potential movements in cash. The net cash for valuation is summarised below:

NET CASH FOR VALUATION (A\$M)²⁶

	(A\$M)
Net cash forecast as at 31 March 2024	10.3
Cash received from options on the settlement of the proposed Scheme ²⁷	1.0
Net cash for valuation	11.3

6.2.4 New Zealand Tax Losses

As at 31 March 2024 Volpara estimates that it will have tax losses of approximately NZ\$90.9 million (NZ\$77.5 million in losses carried forward and NZ\$13.4 million in deferred RD&E expenditure deductions). Volpara obtained tax advice which concluded that there is value in the tax losses to the extent they are available to offset New Zealand taxable income and tax payable in the future by Volpara. Grant Samuel has assumed that Volpara's corporate structure will remain unchanged and Volpara will continue to operate in a manner that satisfies New Zealand IRD's business continuity tests if the proposed Scheme is approved.

Volpara's five year forecast provided by Volpara's Directors does not fully utilise the tax losses. Grant Samuel has extended the five year forecast and it has estimated that it will take Volpara a further four years to utilise the tax losses. To capture the value of the tax losses Grant Samuel has reflected the utilisation of the tax losses in the DCF analysis.

²⁵ This does not include out of the money options (e.g., options with an exercise price greater than the Scheme consideration).

²⁶ Grant Samuel has assumed an NZ\$:A\$ foreign exchange rate of 0.93. This is in line with the average exchange rate over the last six months, Bloomberg forward rates and bank consensus forecasts to the end of March 2024.

²⁷ Cash may not be received by Volpara if the options are cash settled (instead the option holders will receive an amount equal to the Scheme consideration less the exercise price of the options).

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6.3 DCF Valuation, Sensitivity Analysis and Assumptions

A DCF valuation involves calculating the NPV of expected future cash flows. The cash flows are discounted using a discount rate that reflects the time value of money and the risks associated with the cash flow stream. Grant Samuel has used a DCF analysis for the following reasons:

- Volpara's financial model has been made available which sets out forecast cash flows to 31 March 2029.
- A DCF approach allows the future revenue and earnings to be modelled explicitly and captures the potential valuation impacts of key future assumptions, which may not be available through other methods.
- A DCF approach provides the ability to undertake sensitivity analysis. This allows for the assessment of risks associated with Volpara's future cash flows.

It should be noted that any projections contained in any forward-looking model are inherently uncertain. For Volpara this uncertainty is exacerbated by a number of factors including:

- the speed of advancements in technology (including CAD) and the impact this may have on Volpara's future growth;
- the extent Volpara can generate revenue from the launch of new products and by cross selling solutions to existing customers;
- the operating cost increases required to support a growing customer base; and
- the impact of regulatory changes in the US which may generate demand for Volpara's solutions (positive or negative).

6.3.1 The discount rate and terminal growth applied to determine Volpara's NPV

Grant Samuel has calculated a weighted average cost of capital (**WACC**) using the Capital Asset Pricing Model (**CAPM**) and referencing comparable benchmarks to estimate a cost of equity for Volpara. CAPM is probably the most widely accepted and used methodology for determining the cost of equity capital. While the theory underlying CAPM is logical, the practical application is subject to substantial shortcomings and limitations. Results from the CAPM should only be regarded as a general guide.

Based on Grant Samuel's analysis it has applied a WACC of between 10.5% - 11.5% to discount Volpara's forecast cash flows. As part of determining a WACC to apply Grant Samuel has referenced comparable benchmarks to estimate a cost of equity for Volpara.

Grant Samuel has used a terminal growth rate of 2.5%, which is consistent with the average US GDP growth over the last 30 years.

6.3.2 Model Overview and Scenarios

The DCF model has been developed by Grant Samuel using Volpara's management's forecast nominal ungeared cash flows for the years ending 31 March 2025 to 31 March 2029, a period of five years beyond the current FY24 forecast period. Grant Samuel has adjusted management's financial projections to exclude costs associated with being listed on the ASX as these will be synergies available to all potential acquirers. A terminal value has been calculated in order to represent Volpara's remaining cash flows beyond this period in perpetuity.

Grant Samuel has analysed a range of scenarios that represent differing combinations of key assumptions. A brief description of each of the scenarios is set out below:

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Scenario A - represents management's financial projections based on the assumptions outlined in section 4.2. It is assumed that under this scenario:

- Volpara will successfully execute on its strategy to expand and grow its market share in the US including the continued acquisition of large healthcare providers with CARR greater than US\$250k;
- Volpara will successfully launch its new products and this will generate modest revenue growth over the next five years;
- Volpara will achieve revenue growth of approximately 13.5% per annum; and
- the US regulatory environment will continue to be favourable for Volpara and stimulate investment in the mammography system industry.

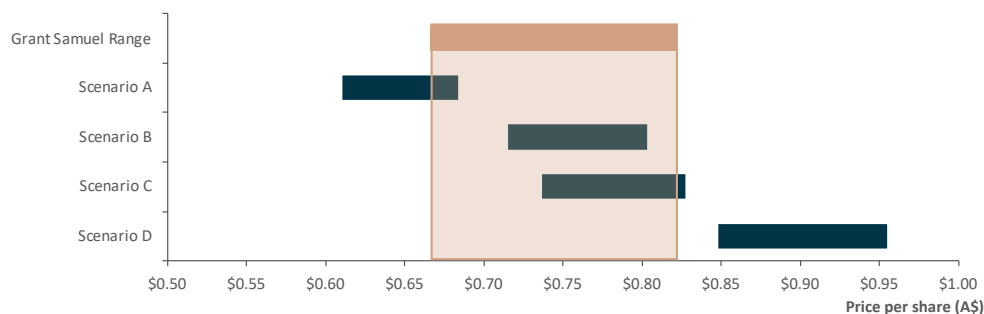
Scenario B – Assumes management successfully executes its strategy, but the cost of achieving the growth is lower than anticipated due to scale benefits. Volpara's forecast for additional headcount is conservative when factoring in the incremental revenue growth. Scenario B assumes that Volpara only requires 50% of its planned investment in resource over the next five years.

Scenario C – Assumes that revenue growth for its core products is 2% per annum higher than forecast and the assumed increase in operating expenses remains unchanged.

Scenario D – Assumes that revenue growth for its three core products is 2% per annum higher than forecast and assumes that Volpara only requires 50% of its planned investment in resource over the next five years.

The DCF valuations from each of the scenarios listed above are summarised below:

VOLPARA – DCF VALUATION ANALYSIS RESULTS (A\$ PER SHARE)



In addition to considering the NPV outcomes from the different scenarios, Grant Samuel has undertaken sensitivity analysis based on Scenario B as this is the closest scenario to Grant Samuel's value range. This analysis examines the sensitivity of the value outcomes under Scenario B to changes in the following key variables using a discount rate of 11.0%²⁸:

- Revenue growth of core products being 2% higher or lower than forecast in each year;
- Employment expense growth increases 1% higher or lower than forecast;
- EBITDA margins 2% higher or lower than forecast; and
- 1% higher or lower discount rate.

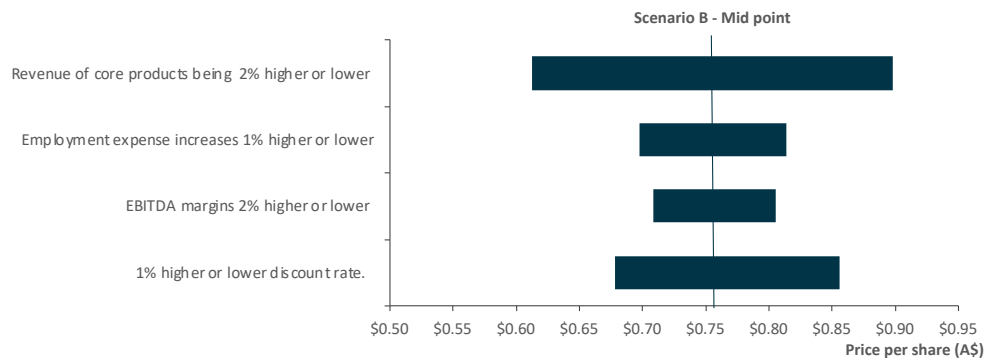
²⁸ 11% represents the midpoint of Grant Samuel's discount rate.

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The difference in DCF valuations based on the sensitivity assumptions listed above are summarised in the chart below:

VOLPARA – DCF SENSITIVITY ANALYSIS (A\$ PER SHARE)

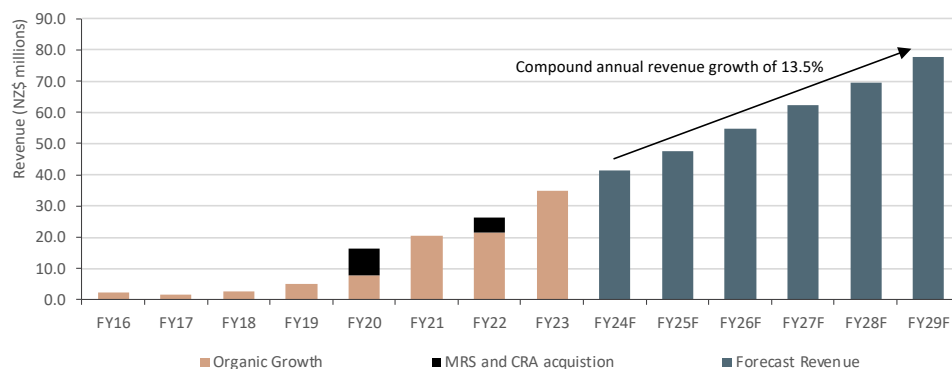


As highlighted above NPV outcomes are sensitive to relatively small changes in assumptions. As a consequence the range of NPV outcomes determined using assumptions which are in isolation considered quite reasonable can be very wide. It is therefore necessary to overlay commercial judgement to reflect the risks and to determine a value range that is narrow enough to be meaningful.

One of the key drivers of value is revenue growth. Over the last six years Volpara has achieved strong revenue growth, although in FY20 and FY22 the acquisitions of MRS and CRA contributed a large proportion of the growth. The valuation assumes that Volpara achieves consistent and strong revenue growth over the next five years as shown in the graph below and that operational efficiencies will be achieved over the next five years. The growth trajectory appears reasonable when considering Volpara's contracted revenue and track record and the growth outlook for the mammography industry in the US. However, the impact of advancements in technology, especially AI and CAD, is unknown and difficult to predict.

The following graph illustrates the level of revenue growth required to achieve the valuation outcomes summarised in Scenario A and Scenario B.

VOLPARA REVENUE GROWTH FORECAST (NZ\$ MILLIONS)



Grant Samuel has considered the outcome of all the scenarios examined in determining its value range for Volpara as well as the comparable company and transaction evidence in sections 6.4.2 and 6.4.3 respectively. Grant Samuel's assessment of the value of Volpara is in the middle of the range of NPV outcomes produced by undertaking a DCF analysis. Grant Samuel considers the valuation range selected reflects a balance between the risks associated with Volpara's business and the potential earnings growth that may be achieved if Volpara continues to compete successfully in the US.

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6.4 Earnings Multiple Analysis

6.4.1 Implied multiples

Grant Samuel has examined the implied revenue multiples of the valuation against the revenue multiples implied from comparable listed companies and transactions. Grant Samuel's valuation of Volpara implies the following multiples:

VOLPARA – IMPLIED REVENUE MULTIPLES

DATE	(A\$ MILLION) ²⁹	RANGE OF MULTIPLES	
		LOW	HIGH
Enterprise Value range (A\$ million)		160.0	200.0
Multiple of Revenue (times)			
Year ended 31 March 2023 – Actual	32.6	4.9	6.1
Year ending 31 March 2024 – Forecast	38.4	4.2	5.2
Year ending 31 March 2025 – Forecast	44.2	3.6	4.5

When comparing the implied multiples of Grant Samuel's valuation of Volpara with market evidence it is important to consider the following:

- A capitalisation of earnings methodology is more applicable when there are several listed companies and comparable transactions that closely resemble the target company. In Volpara's case there are limited directly comparable companies and transactions. While none of the listed companies or transactions examined are directly comparable with Volpara, the implied revenue multiples provide a framework to assess the valuation of Volpara.
- The use of revenue multiples is a common methodology to value software companies as historically software companies have largely focused on revenue growth to capture market share and establish strong recurring revenue. Over the last two years implied revenue multiples of listed SaaS businesses have, on average, declined materially as the cost of capital increased and investors turned their focus to profitability and cash flow generation.
- The majority of comparable companies listed or considered in the transaction evidence do not generate positive earnings or cash flow. In most cases more traditional capitalisation of earnings measures such as EBITDA and EBIT multiples cannot be calculated or are meaningless.
- Volpara is only forecast to be close to break even in FY25 and meaningful earnings are not forecast to be generated for 3 to 5 years. Grant Samuel had to rely on revenue multiples to assess the reasonableness of the valuation range.

Having regard to the strengths and weaknesses of Volpara as summarised in section 6.2 and the comparable evidence, Grant Samuel considers the multiples implied by the valuation range to be reasonable.

6.4.2 Transaction Evidence

The valuation of Volpara has been considered having regard to the earnings multiples implied by the price at which broadly comparable businesses have changed hands. Grant Samuel has segmented the transaction evidence into companies that are involved in providing software for diagnostic imaging and those that are involved in providing software to the health care sector.

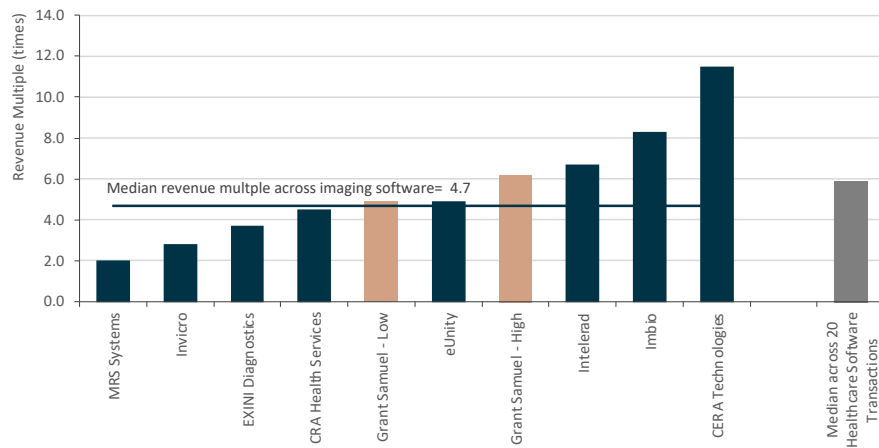
The following graph provides a summary of the implied multiples of revenue for the transaction evidence. Grant Samuel has shown forecast revenue multiples of historical revenue multiples where historical multiples were not available (the median of 4.7 times is based on the transactions included in the graph).

²⁹ Grant Samuel has assumed an NZ\$:A\$ foreign exchange rate of 0.93

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VOLPARA – COMPARABLE TRANSACTION EVIDENCE – IMPLIED REVENUE MULTIPLES



Source: Grant Samuel analysis, Capital IQ

Transactions involving diagnostic imaging companies and related commentary is outlined below:

VOLPARA – COMPARABLE TRANSACTION EVIDENCE – DIAGNOSTIC IMAGING SOFTWARE

DATE	TARGET	ACQUIRER	IMPLIED ENTERPRISE VALUE (A\$ MILLIONS) ³⁰	REVENUE MULTIPLE (TIMES)	
				HISTORIC	FORECAST
Dec 23	Imbio	4D Medical	39	8.3	4.0
Jul 22	Intelrad	TA Associates	1,930	6.7	n.a.
Feb 21	CRA	Volpara	29	4.5	n.a.
Mar 21	CERA Technologies	Revenio Group	19	11.5	n.a.
Jun 20	eUnity	Mach7 Technologies	41	4.9	n.a.
Jun 19	MRS	Volpara	21	n.a.	2.0
Sep 17	Invicro	Konica Minolta	375	n.a.	2.8
Oct 15	EXINI Diagnostics	Progenics Pharma	10	6.3	3.7
Group Average				7.0	3.1
Group Median				6.5	3.3

Source: Grant Samuel analysis,³¹ Capital IQ, n.a means not available, n.m means not meaningful.

The following comments are relevant when reviewing the table above:

- In December 2023, ASX listed 4DMedical announced that it had agreed to acquire US based Imbio for upfront consideration of US\$25 million (approximately A\$38.5 million) plus an additional US\$20 million in earn out payments which are payable in 4D Medical shares. Imbio provides AI solutions that span lung and heart conditions. Imbio is forecast to generate US\$6.3 million in revenue in 2024, up from US\$3.0 million of forecast revenue in 2023. The strong revenue growth is underpinned by signed contracts and its sales pipeline. The earn out is linked to revenue growth and other milestones and it is based on a revenue multiple of approximately 4.0 times. Imbio is expected to be cash flow positive in

³⁰ The implied enterprise value of transactions has been converted to Australian dollars using the spot exchange rate on the date each transaction was announced.

³¹ Grant Samuel's analysis is based on company announcements and, in the absence of company published financial forecasts, brokers' reports.

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its first year of operations. The acquisition was highly complementary for 4DMedical, providing capabilities in lung structure diagnostics, enabling a comprehensive offering to clinicians.

- In July 2022, US private equity firm TA Associates acquired a 30% shareholding in Intelera, a competitor to Volpara, for approximately US\$400 million. The transaction implied multiples of ~6.7 times historic revenue and ~19 times historic EBIT based on reported revenue and EBIT of US\$200 million and US\$70 million respectively.
- Volpara has acquired two major businesses – CRA for US\$22 million in 2021 and MRS for US\$14.6 million in 2019. The purchase price for CRA implied a multiple of 4.5 times historic annual recurring revenue and the purchase price for MRS implied a multiple of 2.0 times forecast revenue.
- In March 2021, Revenio acquired Australian company CERA for an enterprise value of A\$18.5 million. CERA specialises in software for sharing clinical imaging, referrals and other clinical correspondence between healthcare professionals. The purchase price implied a multiple of 11.5 times historical revenue. Revenio provides diagnostic device solutions for eye care globally and the CERA software platform was complementary to its hardware solutions.
- Mach7 is an ASX listed diagnostic imaging company with a market capitalisation of approximately A\$170 million. In 2020, Mach7 acquired Client Outlook Inc (trading as **eUnity**) for A\$40.8 million. eUnity is a single enterprise viewing and integration platform that was highly complementary to Mach7's enterprise imaging platform. The purchase price implied a multiple of 4.9 times historic revenue.
- In September 2017, Konica Minolta, a global provider of imaging products, acquired a 95% shareholding in Invicro, a provider of imaging services and software for research and drug development, for US\$285 million. The purchase price implied multiples of 2.8 times forecast revenue.
- In October 2015, Progenics Pharmaceuticals acquired Swedish based EXINI Diagnostics for SEK58 million (A\$9.6 million). EXINI provides software for diagnosing prostate cancer and other health conditions. The purchase price implied a multiple of 6.3 times historic revenue and 3.7 times forecast revenue.
- Other privately owned competitors of Volpara include ScreenPoint Medical, Densitas, Cancer IQ and MagView. Details regarding capital raisings and acquisitions by these companies are not publicly available.
- Hologic is also a listed competitor to Volpara and it has undertaken several acquisitions of women's health technology businesses. Its recent transactions have been companies primarily focused on hardware products, so we have not profiled these transactions. The median revenue multiple across the nine transactions it had completed since 2018 where revenue multiples were calculable was 6.2 times. Hologic trades at multiples of 4.2 times forecast revenue.

Grant Samuel has also reviewed the multiples of revenue implied by 20 transactions involving companies providing software solutions to the health care industry since the beginning of 2018. The median revenue multiple across these transactions was 5.9 times historical revenue and 6.8 times forecast revenue. The average and median multiples for these transactions are outlined below. Further detail on each of these transactions is outlined in Appendix B.

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COMPARABLE TRANSACTION EVIDENCE – HEALTH CARE SOFTWARE

	REVENUE MULTIPLE (TIMES)	
	HISTORIC	FORECAST
Average across 20 Healthcare Software Transactions	6.1	6.3
Median across 20 Healthcare Software Transactions	5.9	6.8

6.4.3 Share Market Evidence

The valuation of Volpara has been considered in the context of the multiples implied by the share market prices of listed companies that compete against Volpara or provide software for healthcare imaging and diagnostics:

SHARE MARKET RATINGS OF COMPARABLE COMPANIES³²

ENTITY	MARKET CAP. (A\$ MILLIONS)	REVENUE MULTIPLE		EBITDA MULTIPLE (TIMES) ³³	
		HISTORIC	FORECAST	HISTORIC	FORECAST
<i>Competitors to Volpara</i>					
Hologic	26,375	4.4	4.4	13.9	13.5
RadNet	3,916	2.0	1.8	13.4	12.1
Lunit	1,949	67.1*	30.1*	n.m.	n.m.
iCAD	56	1.4	1.7	n.m.	n.m.
<i>Other global imaging software</i>					
Natera	12,820	7.8	6.1	n.m.	n.m.
Pro Medicus	11,153	88.3*	68.6*	n.m.	n.m.
Guardant Health	4,200	5.1	4.1	n.m.	n.m.
Sectra	5,872	16.5	14.4	n.m.	n.m.
Certara	4,214	7.8	7.5	29.4	22.0
Mirion Technologies	3,027	3.3	3.1	19.3	13.2
RaySearch Laboratories	457	2.6	2.2	6.7	5.6
Cyclopharm	167	5.1	5.1	n.m.	n.m.
Mach7 Technologies	171	4.8	4.9	n.m.	n.m.
Median Technologies	116	3.5	2.6	n.m.	n.m.
Alcidion	67	1.3	1.2	n.m.	n.m.
Median – All Companies		4.4	4.1	13.9	13.2
Average – All Companies		5.1	4.6	16.6	13.3

Source: Grant Samuel analysis, Capital IQ n.m. means not meaningful * denotes outliers

³² The comparable companies have various financial year ends. The forecast column corresponds to the forecast for the next financial year end for each company.

³³ Represents gross capitalisation (that is, the sum of the market capitalisation adjusted for minorities, plus borrowings less cash as at the latest balance date) divided by EBITDA. EBITDA is earnings before net interest, tax, investment income, depreciation, amortisation and significant non-recurring items.

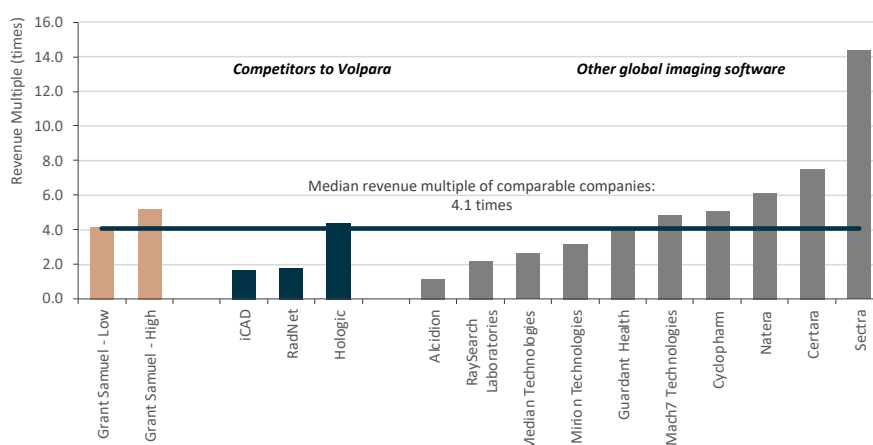
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A description of each of the companies above is set out in Appendix B. When observing the table above the following points should be noted:

- Grant Samuel has examined health care technology companies and has selected 15 companies for analysis. Grant Samuel has segmented these companies into those that compete against Volpara and other software companies that are involved in the diagnostic imaging market. The average implied revenue multiple across all companies is 4.6 times forecast revenue.
- There are considerable differences between the operations and scale of the comparable companies when compared with Volpara. The majority of the companies are significantly larger than Volpara. In addition, care needs to be exercised when comparing multiples of companies based in different countries. Differences in regulatory environments, share market and broader economic conditions, taxation systems and accounting standards hinder comparisons.
- The multiples have been calculated using the latest closing share prices as at 9 February 2024. The share prices, and therefore the multiples, do not include a premium for control. Shares in a listed company normally trade at a discount to the underlying value of the company as a whole.
- The following chart compares the implied multiples of forecast revenue of Grant Samuel's valuation range with the multiples implied by the share market ratings of comparable companies. The revenue multiples for Pro Medicus and Lunit have not been shown in the graph as these are very high at 68 times and 30 times respectively.

VOLPARA – COMPARABLE COMPANY FORECAST REVENUE MULTIPLES



Source: Grant Samuel analysis. Capital IQ.

- The following companies are competitors and, in some instances, also customers of Volpara:
 - Hologic is a leading global provider of medical technology for women's health. Its product range includes breast health, diagnostics, gynaecology surgical products and skeletal health. Hologic's breast health division provides a density product that competes against Volpara. Hologic generates 75% of its revenue from the United States. Hologic is trading at multiples of 4.4 times forecast revenue and 13.5 times forecast EBITDA.
 - RadNet provides diagnostic imaging services in the United States with approximately 360 imaging centres employing 9,000 people. RadNet's digital health products include the eRAD Radiology Information and Image Management Systems, Aidence lung AI, Quantib prostate AI and DeepHealth breast AI. The breast AI product competes against Volpara. RadNet is a mature profitable company and trades at a forecast EBITDA multiple of 12.1 times and a forecast revenue multiple of 1.8 times.

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- Lunit trades at very high revenue multiples (30 times forecast), reflecting the early stage in the company's development and expectations for strong growth as the Company's AI technology is commercialised. Its revenue multiple is meaningless.
- iCAD provides breast cancer detection and therapy solutions with 75% of revenue from the United States. iCAD's revenue is forecast (based on broker consensus) to reduce from approximately US\$28 million in 2022 to US\$20 million in 2023 due to the divestment of its Xoft business. iCAD generated an EBITDA loss of US\$11.7 million in 2022. iCAD is trading at a multiple of 1.7 times forecast 2023 revenue. Recent broker coverage of iCAD have commented that iCAD is undervalued and the consensus is that a valuation that implied a revenue multiple of 3.0 to 4.5 times is a fairer reflection of iCAD's underlying value.
- The other listed comparable companies are involved in diagnostics and imaging technology and healthcare software. The implied revenue and EBITDA multiples for these companies vary significantly reflecting differences in stage of commercialisation, maturity, revenue and earnings growth.

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7 Merits of the Scheme

7.1 The value of the Scheme

In Grant Samuel's opinion the full underlying value of Volpara shares is in the range of A\$0.67 to A\$0.82 per share as set out in Section 6.1. This value represents the value of acquiring 100% of the equity in Volpara and therefore includes a premium for control. **The Scheme Price of A\$1.15 per share is significantly above Grant Samuel's assessed value range for Volpara's shares.** In Grant Samuel's opinion the offer price under a takeover offer or scheme of arrangement where the offeror will gain control should be within, or exceed, the pro-rated full underlying valuation range of the company.

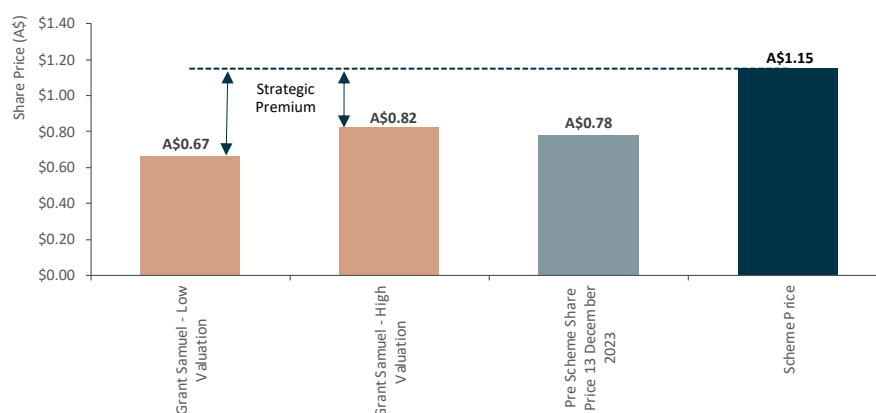
The Scheme consideration represents a premium of 47% relative to the closing price of A\$0.78 per share on 13 December 2023, being the last trading day prior to the announcement of the proposed Scheme, and a premium of 55% over the 1 month VWAP up to 13 December 2023. The premium for control is significantly above the average premium of control generally observed in successful takeovers of other listed companies³⁴.

The premium being offered by Lunit could be attributed to the strategic value Lunit attaches to Volpara's IP which includes the:

- largest de-identified mammography x-ray data set in the world with over 100 million images. Volpara's image library presents a competitive advantage for the development of AI. Lunit is well advanced in its development of CAD and recently its technology was validated by a reputable University for its effectiveness in standalone breast cancer detection. With access to Volpara's image library, Lunit may be able to fast-track its CAD development and secure a market leading position in the US and Europe;
- US based sales and customer team. Lunit has a limited presence in the US and it can leverage Volpara's existing resource to sell Lunit's solutions;
- customer base. Volpara is well positioned in the US with approximately 16% market share and it has over 700 customer relationships. It is likely that Lunit will be able to leverage these customer relationships to rapidly advance the commercialisation of its IP; and
- patent protected breast density IP which is supported by an extensive library of research and trade secrets. Volpara's knowledge of mammography is recognised globally. Lunit's acquisition of Volpara will give it access to the IP and also the team of industry renowned experts. This resource when combined with Lunit's advanced AI may accelerate development further.

The chart below compares the Scheme price with Grant Samuel's assessed value range for Volpara shares and Volpara's share price the day before the Scheme was agreed.

GRANT SAMUEL VALUATION RANGE VERSUS THE SCHEME PRICE AND PRE SCHEME SHARE PRICE (A\$ PER SHARE)



³⁴ This premium is typically in the range 20-35%.

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7.2 The timing and circumstances surrounding the Scheme

In July 2022 Volpara announced that it had completed its strategic review and it was going to execute on a strategy focused on delivering operating cash flow break-even by the last quarter of FY24 without having to raise additional capital. Volpara successfully restructured the business and it has achieved a sustainable operational platform. Volpara also identified a need to accelerate its development of CAD to complement its existing technology platform. Over the last 12 months Volpara has considered a range of options to maximise value for its shareholders including:

- raising capital to develop its own CAD. Volpara's management concluded that it does not have the time, resource or expertise to compete with leaders in CAD and capture the market opportunity;
- acquiring a company that has market leading CAD. Volpara did identify some potential targets to acquire but due to its capital constraints, subdued equity markets and the cost to acquire the potential targets existing shareholders would have likely faced significant dilution; and
- divesting Volpara and maximise the value for shareholders by leveraging Volpara's IP that it had developed over the last 14 years in a structured sales process.

Grant Samuel understands that Volpara engaged a financial adviser in June 2023. The proposed Scheme represents the outcome of a comprehensive process run by the financial adviser on behalf of Volpara's Directors. Interest in Volpara was expressed from a wide range of domestic and international industry and financial market participants and a number of parties received management presentations and, in some instances, non-binding indicative proposals were received. On 13 October 2023 Lunit submitted a non-binding indicative proposal and were invited to undertake due diligence. An updated non-binding indicative proposal was submitted on 3 November 2023, at which point Lunit was granted exclusivity and invited to negotiate the SIA which was concluded when it was signed on 14 December 2023.

7.3 Possible outcomes of the Scheme

The proposed Scheme needs the support of 75% of the shares voted by each interest class on the special resolution, and more than 50% of the total number of voting securities in the company to be voted in favour of the proposed Scheme, for it to proceed.

Volpara only has one class of shares, all of which are fully paid up ordinary shares, with identical voting rights. The threshold for approving the proposed Scheme is based on 75% of the number of votes actually cast. Realistically, some shareholders may not decide to cast their votes at a meeting or by proxy. Therefore, the threshold is likely to be less than 75% of all voting securities on issue. For example, if 80% of voting securities on issue are cast, the threshold will be 75% of the 80% of voting securities on issue that are cast (i.e. 60% of the total voting securities on issue). The probability of a 100% acquisition being successfully completed under a scheme structure is therefore materially increased, provided the threshold of more than 50% of the total number of voting securities being voted in favour can be achieved.

Volpara shareholders will vote to approve or reject the implementation of the Scheme. To be passed, more than 50% of the total number of voting securities in Volpara, and a majority of at least 75% of the votes cast in each interest class³⁵, must be in favour of the resolution. If the two tests are satisfied and the High Court approves the proposed Scheme and the other outstanding conditions are satisfied, the proposed Scheme will proceed and all the shares in Volpara will be acquired by Lunit.

³⁵ There is only expected to be one interest class of shares in this transaction.

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The possible outcomes of the proposed Scheme are a function of Volpara shareholders' endorsement (or not) of the scheme construct are summarised below:

- **The voting thresholds to approve the proposed Scheme are achieved.**

If the voting thresholds to approve the proposed Scheme are achieved, all other conditions are satisfied or (if capable of waiver) waived and the SIA is not terminated, the proposed Scheme will be implemented. In that circumstance all shareholders in Volpara will have their shares acquired at A\$1.15 per share. Regardless of whether a Volpara shareholder votes in favour of the proposed Scheme, Volpara shareholders will only realise cash under the proposed Scheme if the voting thresholds are achieved, the other conditions are satisfied or (if capable of waiver) waived and the SIA is not terminated, and the transaction is therefore implemented. If the transaction is implemented Volpara will be delisted.

- **The voting thresholds to approve the proposed Scheme are not achieved.**

If the voting thresholds to approve the proposed Scheme are not achieved, the proposed Scheme will not proceed, and no shares will be acquired by Lunit. Volpara will remain a listed company and will have no further obligation to Lunit. No break fees will be payable by either Lunit or Volpara unless one of the break fee triggers described in the SIA has occurred.

- **The voting thresholds to approve the proposed Scheme are achieved and the conditions are not satisfied.**

If voting thresholds to approve the proposed Scheme are achieved but the other conditions are not satisfied or (if capable of waiver) waived, or if the SIA is terminated, the proposed Scheme will not proceed, and no shares will be acquired by Lunit. Volpara will remain a listed company and will have no further obligation to Lunit. No break fees will be payable by Volpara unless one of the break fee triggers described in the SIA has occurred.

7.4 Factors affecting the outcome of the Scheme

The following factors may impact the outcome of the Scheme:

- The support or otherwise of the larger shareholders in relation to the proposed Scheme is likely to be material in determining whether or not Volpara achieves the voting thresholds. Cornerstone shareholders³⁶ which hold or control approximately 26% of Volpara's shares have entered into voting commitment agreements to vote their respective shareholdings in support of the proposed Scheme subject to the SIA not being terminated. The support of the cornerstone shareholders provides a significant head start to meeting the voting thresholds required for the proposed Scheme to be implemented.
- There have not been any significant trading events since 13 December 2023, the day before the announcement of the proposed Scheme.
- The Volpara share price has traded below the proposed Scheme price since the proposed Scheme was announced. From 14 December 2023 to 9 February 2024 Volpara has traded in the range of A\$1.09 to A\$1.12 per share, or approximately A\$0.06 to A\$0.03 below the A\$1.15 proposed Scheme price. The increase in price to just below the price of the proposed Scheme suggests the market believes the proposed Scheme will be successfully implemented. In some circumstances, the share price may increase due to a better understanding of Volpara's future prospects as a consequence of the Lunit approach. Grant Samuel has had detailed access to Volpara's financial outlook and it has valued Volpara below the Scheme price. It is highly unlikely that the share price would trade above the Scheme price based on an enhanced understanding of Volpara's future prospects.

³⁶ Harbour Asset Management, which controlled the voting rights attaching to 12.29% of Volpara's Shares on 14 December 2023, is entitled to sell shares it holds if requested by clients for whom it provides investment management services. As such, the number of shares held by Harbour Asset Management on the record date for the Scheme meeting may be more or less than it held as at 14 December 2023.

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- The break fee structure agreed between Lunit and Volpara provides for Volpara to pay a fee of A\$2.96 million if (amongst other things) a Director of Volpara does not recommend the proposed Scheme or if a competing transaction is announced and completed. The existence of the break fee structure has implications. First, it provides Volpara and its Directors with a monetary incentive to promote the proposed Scheme. Secondly, it implies that the Volpara Directors have formed the view that the proposed Scheme is priced fairly. The break fee would make it marginally more expensive for another bidder to make a successful equivalently priced offer.
- The proposed Scheme was conditional on Lunit receiving approval from the OIO. That approval was obtained on 30 January 2024.

7.5 Other merits of the Scheme

- The Scheme restricts Volpara's conduct of business from the signing of the SIA until the date the Scheme is implemented or the SIA is terminated. The restrictions are common for transactions of this nature and its purpose is to ensure that, from the date the SIA is signed, Volpara carries on its business in the ordinary course and, it does not make any significant change to the nature or scale of its business without the approval of Lunit. Under the SIA Volpara is subject to certain obligations in respect of the business including positive obligations such as carrying on the business in the ordinary course, and negative obligations such as (subject to specified exceptions) not incurring any more debt, not providing any guarantees, or acquiring or disposing of any material assets.
- The SIA includes restrictions on the payment of dividends. Volpara has never paid a dividend. The restriction on dividends prevents Volpara's shareholders from sharing in any profits of the company since the signing of the SIA. The value of the Scheme remains unchanged at A\$1.15 per share regardless of when the transaction is ultimately implemented (if it is approved). Volpara's cashflow is forecast to be close to breakeven for the next three to six months. Delays in implementing the Scheme caused by a delay in satisfying the conditions are unlikely to be materially detrimental to Volpara's shareholders.
- The Scheme specifies an end date of 14 July 2024, seven months from the date of signing the SIA (unless extended in accordance with the SIA or by agreement between Volpara and Lunit). The transaction timetable set out in the Scheme Booklet provides for the Scheme to be put to shareholders in early 2024. If shareholders approve the Scheme, the transaction timetable anticipates the Final Orders from the court to be received in early May 2024, with the Implementation Date for the Scheme occurring in mid to late May 2024.
- The Scheme includes a Material Adverse Change condition which is common in transactions of this nature. Under this condition, Lunit may terminate the SIA if there are events or circumstances which occur between the signing of the SIA and the implementation of the Scheme which reduce or are reasonably likely to reduce Volpara forecast revenue by at least 25% (when compared to the Base Case forecast for the relevant period).
- The SIA details a range of circumstances or events that are excluded when determining a Material Adverse Change (i.e. Volpara may not terminate the SIA if the Material Adverse Change is caused by excluded events). The excluded events include any matter or event fairly disclosed in due diligence, changes generally affecting the sector in which Volpara operates, impacts relating to any public health emergency (including the Covid-19 virus) and changes in generally accepted accounting principles. The excluded events reduce the likelihood of the Material Adverse Change condition being triggered.
- If the voting thresholds are not achieved at the Scheme Meeting, theoretically Lunit could elect to increase the price it is prepared to pay for Volpara. In this situation any price increase would require a revised scheme of arrangement proposal and the timetable to be extended to facilitate a further meeting of shareholders to consider the revised scheme. However, there is no certainty that a revised proposal would be tabled.
- The use of a scheme of arrangement mechanism provides the acquirer with the absolute certainty that, once the Volpara Board approved SIA has been entered into, if the resolutions are passed and the Court orders approved, all other conditions are satisfied or waived (to the extent capable of waiver) and the

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SIA is not otherwise terminated, it will secure 100% of the shares on issue. Lunit has demonstrated a desire to own 100% of Volpara. While the scheme of arrangement structure is likely to be preferred by Lunit by virtue of the lower shareholder acceptance levels required to be able to successfully acquire 100% of Volpara, it may elect to launch a conventional takeover offer under the Code if the Scheme does not proceed.

- Volpara shareholders who choose not to vote in favour of the Scheme have either decided they want to retain their investment in Volpara for the longer term or may be expecting that Lunit or another bidder may make another offer or transaction proposal at a higher price. There is no certainty regarding the ongoing performance of Volpara or that a subsequent offer or scheme proposal from Lunit will be forthcoming if the Scheme is rejected by Volpara's shareholders. The risks and benefits associated with an investment in Volpara are outlined at Section 7.6 below. Shareholders should note that if the Scheme is implemented, Lunit will acquire all of the Volpara shares, including the shares of those shareholders who voted against the Scheme.

7.6 Consequences if the Scheme is rejected

If the Scheme is rejected by Volpara's shareholders Volpara will remain as a listed company with no shares acquired by Lunit as a consequence of the Scheme. The status quo scenario is therefore very relevant to Volpara shareholders in deciding whether to support or reject the Scheme. In respect of the status quo scenario:

- Volpara has a number of strengths and weaknesses, several of which have been outlined in section 6.2 of this report.
- Volpara is forecasting continued growth in revenue and earnings and in the near term the Company is well positioned in the US mammography industry due to its comprehensive range of solutions when compared to competitors. However, Volpara's forecast is lower than the expectations published by broker research. If the Scheme is not approved the brokers may amend their forecasts and valuation models to reflect Volpara's outlook. Any decision to reject the Scheme is likely to result in a reversal of some or all of the share price appreciation that followed the announcement of the Scheme.
- Volpara is forecast to have approximately A\$10.3 million of cash available as at 31 March 2024. Volpara's available capital limits the Company's ability to compete aggressively for market share in the US and expand into new regions.
- Technology in health, including CAD, are moving at a rapid pace and the potential impact technology advancements may have on Volpara's business is uncertain. Volpara's forecast does not assume any significant changes in its technology platform which could address the potential impact of competitors CAD or investments in new technology which will result in a significant step change in revenue and earnings.
- Volpara is forecast to generate positive operating cash flows in FY25 and achieve net income break even in FY26. Volpara has never paid a dividend and if the Scheme does not proceed then it is unlikely that Volpara will pay a dividend in the next two years. It is more likely that Volpara will utilise any available capital to invest in technology and sales resource to generate revenue growth.
- A consideration for Volpara's shareholders is whether, in time, an investment in Volpara will yield a higher value outcome than the Scheme. To achieve a higher value outcome Volpara would either have to materially outperform its five year financial forecast or sell the business to another strategic acquirer that is prepared to pay away strategic synergies to Volpara's shareholders. The Scheme accelerates a capital return and mitigates the risks and uncertainties otherwise involved in Volpara executing its strategic plan.
- As with any equity investment there are risks associated with the market in which Volpara operates. The risks associated with an investment in Volpara include the following:
 - Volpara's financial performance and future growth relies on its reputation of being market leading in breast density and having a full suite of solutions to meet the needs of healthcare

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providers with a specialisation in breast cancer prevention and management. Any material event which had an adverse impact on customer trust and brand reputation would likely have a detrimental effect on the Company. Examples of such events include a significant data security breach that would result in personal information being released or a system error which resulted in incorrect information being presented to healthcare professionals.

- Volpara has excellent brand recognition and its solutions are accepted and promoted by healthcare professionals in the US. Healthcare professionals in the US may change preference to other solutions if competitors, through extensive medical research, make a breakthrough discovery and develop solutions that are considered superior and not in breach of Volpara's existing patents.
- The US regulatory environment is currently favourable for Volpara and is stimulating demand for its solutions. A significant change in regulations, which may include changes to government reimbursement for healthcare services or policy amendments to encourage the adoption of CAD may be detrimental to Volpara's financial performance.
- An increase in competitive activity due to technology advancements or aggressive contracting terms may impact Volpara's position in the market and lead to customer churn. Volpara's business model is highly dependent on the retention of existing customers and the generation of recurring revenue. The majority of Volpara's operating expenses are fixed and the loss of a few large customer contracts could result in a material impact in the financial performance.
- Volpara's products are designed to operate on most of the leading breast screening equipment manufactured globally, including equipment manufactured by Hologic, GE and Siemens. However, manufacturers such as Hologic also have their software and IP, which can be used on their own equipment. There is a risk that a manufacturer such as Hologic bundles together its equipment and the IP which competes against Volpara to create a competitive advantage over other equipment manufacturers.
- Volpara operates primarily in the US and reports in New Zealand dollars but is listed on the ASX in Australian dollars. As a consequence the share price of Volpara in Australian dollars is exposed to foreign currency movements between those currencies and the US dollar.

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7.7 Likelihood of alternative offers

- Grant Samuel understands that Volpara engaged a financial adviser in June 2023. The proposed Scheme represents the outcome of a comprehensive process run by the financial adviser on behalf of Volpara's Directors. Interest in Volpara was expressed from a wide range of domestic and international industry and financial market participants. There has been an active expression of interest and bidding process.
- Volpara is subject to an exclusivity period with Lunit from 14 December 2023 until:
 - the end date being 14 July 2024 (unless extended in accordance with the SIA or by agreement between Lunit and Volpara); or
 - the Scheme is terminated or implemented; or
 - a superior competing proposal is received and accepted by Volpara's Directors (and Lunit has not subsequently matched or provided a better proposal).

Volpara is only able to address a competing proposal if the Volpara Directors have determined that the competing proposal is or is reasonably capable of becoming a superior proposal and that it is necessary to respond to such a proposal in order to fulfil a Director's fiduciary duties or statutory obligations. Before the Volpara Directors can agree to implement a competing proposal, they must first offer Lunit an opportunity to match it. The restrictions imposed on Volpara under the Scheme lower the probability of Volpara receiving a competing proposal.

- The Scheme between Lunit and Volpara provides a typical exclusivity framework in favour of Lunit such that Volpara has agreed to "no shop, no talk, no due diligence" restrictions. Under this framework, Volpara is prohibited from engaging on any competing proposals unless the Volpara Board has, after taking external advice, determined that the competing proposal is or is reasonably capable of becoming a superior proposal. In addition, Lunit must be notified of any competing proposal and has the opportunity to match a proposal that the Volpara Board considers to be a superior proposal to the Scheme. If there is such a proposal, Volpara is prohibited from entering into any binding documentation and no recommendation or endorsement can be made by Volpara or the Volpara Directors unless Lunit has been given at least five business days to match the competing proposal. If Lunit does make another proposal within this timeframe and it is, as a whole, no less favourable to shareholders than the competing proposal then Volpara and Lunit must use reasonable endeavours to enter into documentation to give effect to and implement the revised Lunit proposal as soon as reasonably practicable and Volpara must procure that the Volpara Directors recommend Lunit's revised proposal to shareholders. If Lunit does not make a counter-proposal or the Volpara Board determines Lunit's revised proposal is, as a whole, less favourable to shareholders, the matching right will end in respect of that competing proposal. Conceptually in those circumstances, the Volpara Board would be recommending the competing proposal to shareholders.
- Lunit does not own any of the shares on issue in Volpara and therefore it does not have any ability to block another potential bidder who is likely to want to acquire 100% of the Company.
- The more time that elapses from the announcement of the Scheme, the less likely a competing proposal will emerge as Volpara can only provide access to due diligence information to bona fide proposals that have not been encouraged, solicited or invited, and that are reasonably capable of becoming superior to the Scheme. In this regard, Grant Samuel notes that Volpara has advised that, as at the date of this report, there are no current alternative proposals. A significant amount of time has elapsed since Volpara engaged a financial adviser. Over the seven-month period up until the SIA was executed a wide ranging process has been run to identify and obtain an offer that maximises shareholder value. On this basis it is unlikely a superior competing offer will emerge at the present time.
- Any competing proposal, whilst unlikely given the advanced state of the Scheme, may come by way of a traditional takeover offer with potentially lower acceptance thresholds (e.g. a takeover for 100% of the Company, conditional on 50.01% acceptance), or a partial offer for less than 100% of the shares.

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- The break fee of A\$2.96 million will be payable if Volpara completes a competing proposal within 12 months of announcing the competing proposal, if the competing proposal is announced before the SIA is terminated.

7.8 Voting for or against the Scheme

Voting for or against the Scheme is a matter for individual shareholders based on their own view as to value and future market conditions, risk profile, liquidity preference, portfolio strategy, tax position and other factors. In particular, taxation consequences will vary widely across shareholders. Shareholders will need to consider these consequences and, if appropriate, consult their own professional adviser(s).

GRANT SAMUEL & ASSOCIATES LIMITED

16 February 2024

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APPENDIX A - QUALIFICATIONS, DECLARATIONS AND CONSENTS

1. *Qualifications*

The Grant Samuel group of companies provides corporate advisory services in relation to mergers and acquisitions, capital raisings, corporate restructuring and financial matters generally. One of the primary activities of Grant Samuel is the preparation of corporate and business valuations and the provision of independent advice and expert's reports in connection with mergers and acquisitions, takeovers and capital reconstructions. Since inception in 1988, Grant Samuel and its related companies have prepared more than 400 public expert and appraisal reports.

The persons responsible for preparing this report on behalf of Grant Samuel are Michael Lorimer, BCA, Christopher Smith, BCom, PGDipFin, MAppFin and Jake Sheehan, BCom (Hons). Each has a significant number of years of experience in relevant corporate advisory matters.

2. *Limitations and Reliance on Information*

Grant Samuel's opinion is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time. The report is based upon financial and other information provided by the directors, management and advisers of Volpara. Grant Samuel has considered and relied upon this information. Grant Samuel believes that the information provided was reliable, complete and not misleading and has no reason to believe that any material facts have been withheld.

The information provided has been evaluated through analysis, enquiry, and review for the purposes of forming an opinion as to the underlying value of Volpara. However, in such assignments time is limited and Grant Samuel does not warrant that these inquiries have identified or verified all of the matters which an audit, extensive examination or "due diligence" investigation might disclose.

In any event, an analysis of the merits of the Scheme is in the nature of an overall opinion rather than an audit or detailed investigation. In addition, preparation of this report does not imply that Grant Samuel has audited in any way the management accounts or other records of Volpara. It is understood that, where appropriate, the accounting information provided to Grant Samuel was prepared in accordance with generally accepted accounting practice and in a manner consistent with methods of accounting used in previous years.

An important part of the information base used in forming an opinion of the kind expressed in this report is the opinions and judgement of the management of the relevant enterprise. That information was also evaluated through analysis, enquiry and review to the extent practicable. However, it must be recognised that such information is not always capable of external verification or validation.

The information provided to Grant Samuel included projections of future revenue, expenditures, profits and cash flows of Volpara prepared by the management of Volpara. Grant Samuel has used these projections for the purpose of its analysis. Grant Samuel has assumed that these projections were prepared accurately, fairly and honestly based on information available to management at the time and within the practical constraints and limitations of such projections. It is assumed that the projections do not reflect any material bias, either positive or negative. Grant Samuel has no reason to believe otherwise.

However, Grant Samuel in no way guarantees or otherwise warrants the achievability of the projections of future profits and cash flows for Volpara. Projections are inherently uncertain. Projections are predictions of future events that cannot be assured and are necessarily based on assumptions, many of which are beyond the control of management. The actual future results may be significantly more or less favourable.

To the extent that there are legal issues relating to assets, properties, or business interests or issues relating to compliance with applicable laws, regulations, and policies, Grant Samuel assumes no responsibility and

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offers no legal opinion or interpretation on any issue. In forming its opinion, Grant Samuel has assumed, except as specifically advised to it, that:

- the title to all such assets, properties, or business interests purportedly owned by Volpara is good and marketable in all material respects, and there are no material adverse interests, encumbrances, engineering, environmental, zoning, planning or related issues associated with these interests, and that the subject assets, properties, or business interests are free and clear of any and all material liens, encumbrances or encroachments;
- there is compliance in all material respects with all applicable national and local regulations and laws, as well as the policies of all applicable regulators other than as publicly disclosed, and that all required licences, rights, consents, or legislative or administrative authorities from any government, private entity, regulatory agency or organisation have been or can be obtained or renewed for the operation of the business of Volpara, other than as publicly disclosed;
- various contracts in place and their respective contractual terms will continue and will not be materially and adversely influenced by potential changes in control; and
- there are no material legal proceedings regarding the business, assets or affairs of Volpara, other than as publicly disclosed.

3. *Disclaimers*

It is not intended that this report should be used or relied upon for any purpose other than as an expression of Grant Samuel's opinion as to the merits of the Scheme. Grant Samuel expressly disclaims any liability to any Volpara security holder who relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose whatsoever.

This report has been prepared by Grant Samuel with care and diligence and the statements and opinions given by Grant Samuel in this report are given in good faith and in the belief on reasonable grounds that such statements and opinions are correct and not misleading. However, no responsibility is accepted by Grant Samuel or any of its officers or employees to the extent allowed by law for errors or omissions however arising in the preparation of this report, provided that this shall not absolve Grant Samuel from liability arising from an opinion expressed recklessly or in bad faith.

Grant Samuel has had no involvement in the preparation of the Scheme Booklet (except for this report) issued by Volpara and has not verified or approved any of the contents of the Scheme Booklet (except for this report). Grant Samuel does not accept any responsibility for the contents of the Scheme Booklet (except for this report).

4. *Independence*

Grant Samuel and its related entities do not have any shareholding in or other relationship or conflict of interest with Volpara or its subsidiaries that could affect its ability to provide an unbiased opinion in relation to the Scheme. Grant Samuel had no part in the formulation of the Scheme. Its only role has been the preparation of this report. Grant Samuel will receive a fixed fee for the preparation of this report. This fee is not contingent on the outcome of the Scheme. Grant Samuel will receive no other benefit for the preparation of this report. Grant Samuel considers itself to be independent for the purposes of the Code.

5. *Information*

Grant Samuel has obtained all the information that it believes is desirable for the purposes of preparing this report, including all relevant information which is or should have been known to any Director of Volpara and made available to the Directors. Grant Samuel confirms that in its opinion the information provided by Volpara and contained within this report is sufficient to enable Volpara shareholders to understand all relevant factors and make an informed decision in respect of the Scheme. The following information was used and relied upon in preparing this report:

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5.1 Publicly Available Information

- Scheme Implementation Agreement between Lunit and Volpara;
- Volpara's Annual Reports for the financial years ended 31 March 2020 to 2023;
- Volpara's financial reports for the six months ended 30 September 2022 and 2023;
- Volpara's presentations for the financial years ended 31 March 2020 to 2023; and
- Broker research, industry reports and press articles.

5.2 Non Public Information

- Volpara's management forecast model to 31 March 2029;
- Volpara's revenue segmentation, including customer concentration and product; and
- Historical information on Volpara's key operational metrics.

6. *Declarations*

Volpara has agreed that it will indemnify Grant Samuel and its employees and officers in respect of any liability suffered or incurred as a result of or in connection with the preparation of the report. This indemnity will not apply in respect of the proportion of any liability found by a Court to be primarily caused by any conduct involving gross negligence or wilful misconduct by Grant Samuel. Volpara has also agreed to indemnify Grant Samuel and its employees and officers for time spent and reasonable legal costs and expenses incurred in relation to any inquiry or proceeding initiated by any person. Where Grant Samuel or its employees and officers are found to have been grossly negligent or engaged in wilful misconduct Grant Samuel shall bear the proportion of such costs caused by its action. Any claims by Volpara are limited to an amount equal to the fees paid to Grant Samuel.

Advance drafts of this report were provided to the directors and executive management of Volpara. Certain changes were made to the drafting of the report as a result of the circulation of the draft report. There was no alteration to the methodology, evaluation or conclusions as a result of issuing the drafts.

7. *Consents*

Grant Samuel consents to the issuing of this report in the form and context in which it is to be included in the Scheme Booklet to be sent to shareholders of Volpara. Neither the whole nor any part of this report nor any reference thereto may be included in any other document without the prior written consent of Grant Samuel as to the form and context in which it appears.

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APPENDIX B – COMPARABLE TRANSACTIONS

Other Health Care Software Transactions

Transactions involving healthcare software companies are outlined below:

VOLPARA – COMPARABLE TRANSACTION EVIDENCE – OTHER HEALTHCARE SOFTWARE

DATE	TARGET	ACQUIRER	IMPLIED ENTERPRISE VALUE (A\$MILLIONS) ³⁷	REVENUE MULTIPLE (TIMES)		EBITDA MULTIPLE (TIMES)	
				HISTORIC	FORECAST	HISTORIC	FORECAST
Sep 23	NextGen Healthcare	Thoma Bravo	2,770	2.6	2.4	30.3	13.1
Aug 23	Instem	ArchiMed	359	3.0	2.8	19.9	15.3
Aug 23	Tabula Rasa	Exact Care Pharmacy	904	1.8	1.6	n.m.	28.1
Jun 23	Evolucare Investment	GPI France	184	2.6	n.a.	7.2	n.a.
Nov 22	Carelabs	Wonik Holdings	336	3.3	n.a.	n.m.	n.a.
Nov 22	Certara	Arsenal Capital	3,860	7.7	7.1	26.3	20.0
Jun 22	Convey Health Solutions	TPG Capital	1,580	3.1	n.a.	18.9	n.a.
Apr 22	EMIS Group	Optum Health	2,090	7.0	6.8	27.3	22.2
Mar 22	Fourteenfish	EMIS Group	29	6.6	n.a.	n.a.	n.a.
Sep 21	Voluntis	AptarGroup	128	21.2	9.5	n.a.	n.a.
Jun 21	Aspit	Nordhealth	64	6.0	n.a.	n.a.	n.a.
May 21	TruCode	CPSI	91	5.7	n.a.	12.0	n.a.
Apr 21	Nuance Communications	Microsoft	25,390	13.0	13.8	65.2	47.3
Feb 21	Rfxcel Corporation	Antares Vision	192	6.9	n.a.	n.a.	n.a.
Mar 20	Pinnacle Health	EMIS Group	12	3.2	n.a.	n.a.	n.a.
Feb 20	Wellbeing Software	Citadel Group	200	6.2	n.a.	15.8	n.a.
Sep 19	Crossix Solutions	Veeva	640	7.0	n.a.	39.0	n.a.
Jul 19	OmniComm Systems	Anju Software	108	3.0	n.a.	24.0	n.a.
Mar 19	Prescribe Wellness	Tabula Rasa	211	5.2	n.a.	n.m.	n.a.
Mar 18	OraMetrix	DENTSPLY SIRONA	195	7.5	n.a.	n.a.	n.a.
Group Average				6.1	6.3	26.0	24.3
Group Median				5.9	6.8	24.0	21.1

Source: Grant Samuel analysis,³⁸ Capital IQ, n.a means not available, n.m means not meaningful

³⁷ The implied enterprise value of transactions has been converted to Australian dollars using the spot exchange rate on the date the transaction was announced.

³⁸ Grant Samuel's analysis is based on company announcements and, in the absence of company published financial forecasts, brokers' reports. Where company financial forecasts are not available, the median of the financial forecasts prepared by a range of brokers has generally been used to derive relevant forecast value parameters. The source, date and number of broker reports utilised for each company depends on analyst coverage, availability and recent corporate activity.

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**Descriptions for Diagnostic Imaging Software Transactions****Imbio / 4DMedical**

On 11 December 2013, 4DMedical announced that it had agreed to acquire Imbio, a US based provider of software for lung and cardiothoracic imaging AI, for upfront consideration of US\$25 million (approximately A\$38.5 million) and up to US\$20 million in contingent consideration. Imbio is forecasting 2023 revenue of US\$3 million and 2024 revenue of US\$6.3 million. The forecast revenue uplift in 2014 is underpinned by signed contracts and its sales pipeline. 4DMedical expects the Imbio business to be cashflow positive in its first full year of operations.

Intelrad / TA Associates

In July 2022, US private equity firm TA Associates invested more than \$400 million for a 30% stake in medical imaging software company Intelrad. It was reported that Intelrad generates revenue of approximately US\$200 million p.a. and more than US\$70 million in operating profit. The purchase price implies multiples of 6.7 times historic revenue and 19 times operating profit.

CRA / Volpara

On 2 February 2021, Volpara announced that it had agreed to acquire CRA for US\$18 million from Massachusetts General Hospital with a further US\$4 million payable upon meeting key performance targets over an 18-month period post transaction. CRA conducts 2 million cancer assessments annually. CRA receives patient information, including breast density, and returns the risk of breast cancer alongside appropriate recommendations, including whether additional imaging or genetics testing is needed according to established guidelines. The purchase price implied a multiple of 4.5 times annual recurring revenue.

CERA Technologies / Revenio Group

On 19 March 2021, Revenio announced that it had signed an agreement to acquire CERA Technologies Pty Ltd (**Oculo**), a company specialising in developing software designed to share clinical imaging, referrals and other clinical correspondence between health care professionals. The enterprise value was A\$18.5 million. Established in 2016, Oculo's net sales in 2020 were approximately A\$1.6 million (excluding grant income) and its EBITDA loss was approximately A\$1.35 million. The purchase price implies a multiple of 11.5 times historical revenue. Revenio is a global provider of ophthalmological devices and solutions. The acquisition of Oculo was complementary to its existing product suite.

MRS / Volpara

On 3 June 2019, Volpara announced that had agreed to acquire Seattle based MRS for US\$14.6 million. MRS is a leading provider of breast clinic management software with 50 employees. MRS had forecast ARR of US\$4.5 million and total annual revenue of US\$7.5 million. The purchase price implied a multiple of 2.0 times forecast revenue and 3.3 times forecast ARR.

Client Outlook Inc. / Mach7 Technologies Limited

On 10 June 2020, Mach7 announced that it had agreed to acquire eUnity for A\$40.8 million. eUnity is a single enterprise viewing and integration platform and was a highly complementary technology to Mach7's enterprise imaging platform. It has more than 90 customers and A\$8.8 million of revenue in FY20 and 58 employees. Its EBITDA loss in FY20 was A\$950k (before R&D tax credits). The revenue CAGR over the 4 years prior to the acquisition was 48% p.a. The purchase price implied a multiple of 4.86 times historical revenue before synergies. The acquisition expanded Mach7's addressable market from US\$750 million to US\$2.75 billion.

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Invicro / Konica Minolta

On 25 September 2017, Konica Minolta Inc. announced that it had acquire a 95% stake in Invicro, a leading provider of imaging services and software for research and drug development, for US\$285 million. Invicro estimates revenue of US\$106 million and EBITDA of US\$17 million for its 2018 financial year. Konica Minolta is a global provider of imaging and data analysis, optics, materials and nano-fabrication. The purchase price implied multiples of 2.8 times forecast revenue and 17.6 times forecast EBITDA.

EXINI Diagnostics / Progenics Pharmaceuticals

On 13 October 2015, Progenics made an offer to acquire EXINI for approximately SEK 58 million. EXINI provides various solutions to hospitals including EXINI bone for diagnosing prostate cancer and analysing bone scintigraphy, EXINI heart that provides analysis of myocardial perfusion scintigraphy, EXINI brain for diagnosing dementia by processing cerebral blood flow scans and EXINI that analyses myocardial perfusion scintigraphy. The purchase price implied multiples of 6.3 times historical revenue and 3.7 times forecast revenue.

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APPENDIX C – COMPARABLE COMPANIES

Alcidion

Alcidion engages in the development and licensing of healthcare software products in Australia, New Zealand, and the United Kingdom. The company offers Miya Precision, a resource based platform to deliver smart healthcare; Smartpage, a smartphone and web-based system for hospital communication and task management to address the requirements of clinical and non-clinical users; Patientrack, a real-time patient monitoring and risk screening solution; Silverlink, a patient administration system; and ExtraMed, a clinical and patient flow management software. It also provides product implementation, product support and maintenance, systems integration, and data analysis services. Alcidion was founded in 2000 and is headquartered in Australia.

Certara

Certara provides software products and technology-enabled services to customers for biosimulation in drug discovery, preclinical and clinical research, regulatory submissions, and market access. It offers medicines to patients using biosimulation software, technology, and services to transform drug discovery and development. The company also provides related technology-enabled services to guide its customers' new drugs through the regulatory submission process and into the market. The company serves biopharmaceutical companies, and academic and government institutions. Certara is headquartered in New Jersey, USA.

Cyclopharm

Cyclopharm manufactures and sells medical equipment and radiopharmaceuticals in the Asia Pacific, Europe, Canada, and internationally. It operates through two segments:

- Technegas segment, which offers diagnostic equipment and consumables used by physicians in the detection of pulmonary embolism. This segment also distributes products to the diagnostic imaging sector.
- Molecular Imaging segment, which provides radiopharmaceuticals that are used by physicians in the detection of cancer, neurological disorders, and cardiac diseases. The company serves nuclear medicine departments.

Cyclopharm is headquartered in Australia.

Guardant Health

Guardant Health, a precision oncology company, provides blood tests, data sets, and analytics in the United States and internationally. The company offers a range of products for testing and GuardantConnect, an integrated software-based solution designed for clinical and biopharmaceutical customers. The company was incorporated in 2011 and is headquartered in California, USA.

Hologic

Hologic develops, manufactures, and supplies diagnostics products, medical imaging systems, and surgical products for women's health through early detection and treatment. The company operates through four segments:

- **Breast Health.** The breast health division contributed revenue of US\$1.43 billion in the year to 30 September 2023 and EBIT of US\$273 million (19.1% EBIT margin);
- **Diagnostics.** The diagnostics division contributed revenue of US\$1.88 billion in the year to 30 September 2023 and EBIT of US\$194 million (10.3% EBIT margin);
- **GYN Surgical.** The GYN surgical division contributed revenue of US\$604 million in the year to 30 September 2023 and EBIT of US\$189 million (31.3% EBIT margin); and
- **Skeletal Health.** The Skeletal Health division contributed revenue of US\$113 million in the year to 30 September 2023 and EBIT of US\$12.6 million (11.1% EBIT margin).

It sells its products through direct sales, service forces, independent distributors, and sales representatives. Hologic was incorporated in 1985 and is headquartered in Massachusetts, USA.

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iCAD

iCAD engages in the provision of cancer detection and therapy solutions in the United States. It operates through two segments, Cancer Detection and Cancer Therapy. The company's breast AI suite includes cancer detection, automated density assessment, and breast cancer risk assessment solutions for both 2D and 3D mammography. It offers PowerLook which manages the communications between imaging acquisition systems, and image storage and review systems; SecondLook, a machine learning-based cancer detection algorithm that analyses 2D full-field digital mammography images to identify and mark suspicious masses and calcifications; and PowerLook Density Assessment provides automated, consistent, and standardised breast density assessments. iCAD was incorporated in 1984 and is headquartered in New Hampshire, USA.

Lunit

See section 1.2 for description.

Mach7 Technologies

Mach7 provides enterprise imaging data sharing, storage, and interoperability for healthcare enterprises internationally. The company offers enterprise diagnostic viewing. It also offers enterprise data management solutions that enable cross-department and cross-enterprise workflows to capture, index, manage, store, distribute, view, exchange, and analyse clinical imaging and multimedia content. In addition, the company provides Enterprise PACS, an enterprise-ready imaging platform; and professional services, such as implementation, training, support, and maintenance services, as well as project management. Mach7 was incorporated in 1977 and is headquartered in Vermont, USA. Mach7 is listed on the ASX with a market capitalisation of approximately A\$160 million.

Median Technologies

Median develops and markets software products and platforms for medical image analysis. The company offers iBiops, an end-to-end AI-powered technology software as a medical device for early diagnosis of cancers and fibrotic diseases; iSee for image analysis services in clinical trials; and iCRO, which engages in the sale of imaging services for clinical trials in oncology using software. The company is based in France.

Mirion Technologies

Mirion Technologies, Inc. provides radiation detection, measurement, analysis, and monitoring products and services globally. It operates through two segments:

- **Medical**, which offers radiation oncology quality assurance and dosimetry solutions; patient safety solutions for diagnostic imaging and radiation therapy centres. This segment supports applications in medical diagnostics, cancer treatment, practitioner safety, and rehabilitation.
- **Industrial**, which focuses on addressing critical radiation safety, measurement, and analysis applications; and provides personal radiation detection, identification equipment, and analysis tools. It serves hospitals, clinics and urgent care facilities, dental and veterinary offices, radiation treatment facilities, OEMs for radiation therapy, laboratories, military organizations, government agencies, industrial companies, power and utility companies, reactor design firms, and NPPs.

Mirion is headquartered in Georgia, USA.

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**Natera**

Natera, a diagnostics company, develops and commercialises molecular testing services worldwide. Its products include Panorama, a non-invasive prenatal test that screens for chromosomal abnormalities of a fetus, as well as in twin pregnancies; Horizon carrier screening test for individuals and couples determine if they are carriers of genetic variations that cause certain genetic conditions and Vistara single-gene NIPT screens for 25 single-gene disorders that cause severe skeletal, cardiac, and neurological conditions. In addition, it offers Constellation, a cloud-based software product that enables laboratory customers to gain access through the cloud to the company's algorithms and bioinformatics in order to validate and launch tests.

Pro Medicus

Pro Medicus engages in the development and supply of healthcare imaging software and services to hospitals, diagnostic imaging groups, and other related health entities in Australia, North America, and Europe. The company offers Visage radiology information systems, a proprietary medical software for practice management, training, installation, professional services, and after-sale support and service products; and Promedicus.net, an e-health platform. It also provides healthcare imaging software that provides radiologists and clinicians with visualisation capability for viewing 2-D, 3-D, and 4-D medical images, as well as picture archive and communication system (PACS)/digital imaging software; and integration products. Pro Medicus is headquartered in Australia.

RadNet

RadNet provides outpatient diagnostic imaging services in the United States. The company operates in two segments: Imaging Centres and AI. Its services include magnetic resonance imaging, computed tomography, positron emission tomography, nuclear medicine, mammography, ultrasound, diagnostic radiology, fluoroscopy, and other related procedures, as well as multi-modality imaging services. The company also develops and sells computerised systems that distribute, display, store, and retrieve digital images; offers picture archiving communications systems and related services; and develops and deploys AI suites to enhance radiologist interpretation of breast, lung, and prostate images, as well as AI solutions for prostate cancer screening. RadNet was founded in 1981 and is headquartered in California, USA.

Ray Search Laboratories

RaySearch Laboratories is a medical technology company, and develops software solutions for cancer treatment globally. It develops and markets RayStation, a treatment planning system; RayPlan, a treatment planning system for supporting a range of treatment planning activities for 3D-CRT, IMRT, VMAT, tomotherapy, and electron beam radiation therapy; and RayCare, an oncology information. In addition, it offers μ -RayStation, a software platform for planning and evaluation in small animal irradiation research; RayCommand, a treatment control system that serves as a link between the treatment machine and the treatment planning and oncology information systems; and RayIntelligence, a cloud-based oncology analytics system that turns patient data into insights. RaySearch is headquartered in Sweden.

Sectra AB

Sectra AB provides solutions for medical IT and cybersecurity sectors in Europe. The company segments include: Imaging IT Solutions which develops and sells medical IT systems and services for managing, archiving, and presenting various types of medical images and patient information, as well as for operational follow-up and radiation dose monitoring; maintenance services in the form of support and system monitoring. Sectra was founded in 1957 and is headquartered in Sweden.

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APPENDIX D – VALUATION METHODOLOGY DESCRIPTIONS

Capitalisation of Earnings

Capitalisation of earnings or cash flows is most appropriate for businesses with a substantial operating history and a consistent earnings trend that is sufficiently stable to be indicative of ongoing earnings potential. This methodology is not particularly suitable for start-up businesses, businesses with an erratic earnings pattern or businesses that have unusual expenditure requirements. This methodology involves capitalising the earnings or cash flows of a business at a multiple that reflects the risks of the business and the stream of income that it generates. These multiples can be applied to a number of different earnings or cash flow measures including EBITDA, EBITA, EBIT or net profit after tax. These are referred to respectively as EBITDA multiples, EBITA multiples, EBIT multiples and price earnings multiples. Price earnings multiples are commonly used in the context of the share market. EBITDA, EBITA and EBIT multiples are more commonly used in valuing whole businesses for acquisition purposes where gearing is in the control of the acquirer.

Where an ongoing business with relatively stable and predictable earnings is being valued Grant Samuel uses capitalised earnings or operating cash flows as a primary reference point. Application of this valuation methodology involves:

- estimation of earnings or cash flow levels that a purchaser would utilise for valuation purposes having regard to historical and forecast operating results, non-recurring items of income and expenditure and known factors likely to impact on operating performance; and
- consideration of an appropriate capitalisation multiple having regard to the market rating of comparable businesses, the extent and nature of competition, the time period of earnings used, the quality of earnings, growth prospects and relative business risk.

The choice between the parameters is usually not critical and should give a similar result. All are commonly used in the valuation of industrial businesses. EBITDA can be preferable if depreciation or non-cash charges distort earnings or make comparisons between companies difficult but care needs to be exercised to ensure that proper account is taken of factors such as the level of capital expenditure needed for the business and whether or not any amortisation costs also relate to ongoing cash costs. EBITA avoids the distortions of goodwill amortisation. EBIT can better adjust for differences in relative capital intensity.

Determination of the appropriate earnings multiple is usually the most judgemental element of a valuation. Definitive or even indicative offers for a particular asset or business can provide the most reliable support for selection of an appropriate earnings multiple. In the absence of meaningful offers, it is necessary to infer the appropriate multiple from other evidence.

The primary approach used by valuers is to determine the multiple that other buyers have been prepared to pay for similar businesses in the recent past. However, each transaction will be the product of a unique combination of factors, including:

- economic factors (e.g. economic growth, inflation, interest rates) affecting the markets in which the company operates;
- strategic attractions of the business - its particular strengths and weaknesses, market position of the business, strength of competition and barriers to entry;
- rationalisation or synergy benefits available to the acquirer;
- the structural and regulatory framework;
- investment and sharemarket conditions at the time; and
- the number of competing buyers for a business.

A pattern may emerge from transactions involving similar businesses with sales typically taking place at prices corresponding to earnings multiples within a particular range. While averages or medians can be determined it is not appropriate to simply apply such measures to the business being valued. The range will generally reflect the

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growth prospects and risks of those businesses. Mature, low growth businesses will, in the absence of other factors, attract lower multiples than those businesses with potential for significant growth in earnings. The most important part of valuation is to evaluate the attributes of the specific business being valued and to distinguish it from its peers so as to form a judgement as to where on the spectrum it appropriately belongs.

An alternative approach in valuing businesses is to review the multiples at which shares in listed companies in the same industry sector trade on the sharemarket. This gives an indication of the price levels at which portfolio investors are prepared to invest in these businesses. Share prices reflect trades in small parcels of shares (portfolio interests) rather than whole companies and it is necessary to adjust for this factor. To convert sharemarket data to meaningful information on the valuation of companies as a whole, it is market practice to add a “premium for control” to allow for the premium which is normally paid to obtain control through a takeover offer. This premium is typically in the range 20-35%.

The premium for control paid in takeovers is observable but caution must be exercised in assessing the value of a company or business based on the market rating of comparable companies or businesses. The premium for control is an outcome of the valuation process, not a determinant of value. Premiums are paid for reasons that vary from case to case and may be substantial due to synergy or other benefits available to the acquirer. In other situations premiums may be minimal or even zero. It is inappropriate to apply an average premium of 20-35% without having regard to the circumstances of each case. In some situations there is no premium. There are transactions where no corporate buyer is prepared to pay a price in excess of the prices paid by institutional investors through an initial public offering.

Acquisitions of listed companies in different countries can be analysed for comparative purposes, but it is necessary to give consideration to differences in overall sharemarket levels and ratings between countries, economic factors (economic growth, inflation, interest rates) and market structures (competition etc.) and the regulatory framework. It is not appropriate to adjust multiples in a mechanistic way for differences in interest rates or sharemarket levels.

The analysis of comparable transactions and sharemarket prices for comparable companies will not always lead to an obvious conclusion as to which multiple or range of multiples will apply. There will often be a wide spread of multiples and the application of judgement becomes critical. Moreover, it is necessary to consider the particular attributes of the business being valued and decide whether it warrants a higher or lower multiple than the comparable companies. This assessment is essentially a judgement.

Discounted Cash Flow

Discounting of projected cash flows has a strong theoretical basis. It is the most commonly used method for valuation in a number of industries, and for the valuation of start-up projects where earnings during the first few years can be negative. DCF valuations involve calculating the net present value of projected cash flows. This methodology is able to explicitly capture the effect of a turnaround in the business, the ramp up to maturity or significant changes expected in capital expenditure patterns. The cash flows are discounted using a discount rate, which reflects the risk associated with the cash flow stream. Considerable judgement is required in estimating future cash flows and it is generally necessary to place great reliance on medium to long-term projections prepared by management. The discount rate is also not an observable number and must be inferred from other data (usually only historical). None of this data is particularly reliable so estimates of the discount rate necessarily involve a substantial element of judgment. In addition, even where cash flow forecasts are available the terminal or continuing value is usually a high proportion of value. Accordingly, the multiple used in assessing this terminal value becomes the critical determinant in the valuation (i.e. it is a “de facto” cash flow capitalisation valuation). The net present value is typically extremely sensitive to relatively small changes in underlying assumptions, few of which are capable of being predicted with accuracy, particularly beyond the first two or three years. The arbitrary assumptions that need to be made and the width of any value range mean the results are often not meaningful or reliable. Notwithstanding these limitations, DCF valuations are commonly used and can at least play a role in providing a check on alternative methodologies, not least because explicit and relatively detailed assumptions need to be made as to the expected future performance of the business operations.

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***Industry Rules of Thumb***

Industry rules of thumb are commonly used in some industries. These are generally used by a valuer as a “cross check” of the result determined by a capitalised earnings valuation or by discounting cash flows, but in some industries rules of thumb can be the primary basis on which buyers determine prices. Grant Samuel is not aware of any commonly used rules of thumb that would be appropriate to value Volpara. In any event, it should be recognised that rules of thumb are usually relatively crude and prone to misinterpretation.

Realisation of Assets

Valuations based on an estimate of the aggregate proceeds from an orderly realisation of assets are commonly applied to businesses that are not going concerns. They effectively reflect liquidation values and typically attribute no value to any goodwill associated with ongoing trading. Such an approach is not appropriate in Volpara’s case.

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**APPENDIX E – INTERPRETATION OF MULTIPLES**

Earnings multiples are normally benchmarked against two primary sets of reference points:

- the multiples implied by the share prices of listed peer group companies; and
- the multiples implied by the prices paid in acquisitions of other companies in the same industry.

In interpreting and evaluating such data it is necessary to recognise that:

- multiples based on listed company share prices do not include a premium for control and are therefore often (but not always) less than multiples that would apply to acquisitions of controlling interests in similar companies. However, while the premium paid to obtain control in takeovers is observable (typically in the range 20-35%) it is inappropriate to simply add a premium to listed multiples. The premium for control is an outcome of the valuation process, not a determinant of value. Premiums are paid for reasons that vary from case to case and may be substantial due to synergy or other benefits available to the acquirer. In other situations premiums may be minimal or even zero. There are transactions where no corporate buyer is prepared to pay a price in excess of the prices paid by share market investors;
- acquisition multiples from comparable transactions are therefore usually seen as a better guide when valuing 100% of a business but the data tends to be less transparent and information on forecast earnings is often unavailable;
- the analysis will give a range of outcomes from which averages or medians can be determined but it is not appropriate to simply apply such measures to the company being valued. The most important part of valuation is to evaluate the attributes of the specific company being valued and to distinguish it from its peers so as to form a judgement as to where on the spectrum it belongs;
- acquisition multiples are a product of the economic and other circumstances at the time of the transaction. However, each transaction will be the product of a unique combination of factors, including:
 - economic factors (e.g. economic growth, inflation, interest rates) affecting the markets in which the company operates;
 - strategic attractions of the business – its particular strengths and weaknesses, market position of the business, strength of competition and barriers to entry;
 - the company's own performance and growth trajectory;
 - rationalisation or synergy benefits available to the acquirer;
 - the structural and regulatory framework;
 - investment and share market conditions at the time, and
 - the number of competing buyers for a business;
- acquisitions and listed companies in different countries can be analysed for comparative purposes, but it is necessary to give consideration to differences in overall share market levels and rating between countries, economic factors (economic growth, inflation, interest rates), market structure (competition etc.) and the regulatory framework. It is not appropriate to adjust multiples in a mechanistic way for differences in interest rates or share market levels;
- acquisition multiples are based on the target's earnings but the price paid normally reflects the fact that there were cost reduction opportunities or synergies available to the acquirer (at least if the acquirer is a "trade buyer" with existing businesses in the same or a related industry). If the target's earnings were adjusted for these cost reductions and/or synergies the effective multiple paid by the acquirer would be lower than that calculated on the target's earnings;
- while EBITDA multiples are commonly used benchmarks they are an incomplete measure of cash flow. The appropriate multiple is affected by, among other things, the level of capital expenditure (and working capital investment) relative to EBITDA. In this respect:



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- EBIT multiples can in some circumstances be a better guide because (assuming depreciation is a reasonable proxy for capital expenditure) they effectively adjust for relative capital intensity and present a better approximation of free cash flow. However, capital expenditure is lumpy and depreciation expense may not be a reliable guide. In addition, there can be differences between companies in the basis of calculation of depreciation; and
- businesses that generate higher EBITDA margins than their peer group companies will, all other things being equal, warrant higher EBITDA multiples because free cash flow will, in relative terms, be higher as capital expenditure.

Annexure B: Scheme Plan

Scheme Plan

Scheme of arrangement pursuant to Part 15 of the Companies Act 1993

Volpara Health Technologies Limited (**Company**)

Lunit Inc. (**Acquirer**)

Each person who is registered in the Register as the holder of one or more Scheme Shares as at the Record Date (**Scheme Shareholders**)

MinterEllisonRuddWatts.

Scheme Plan

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Details

Date

Parties

Name	Volpara Health Technologies Limited
Short form name	Company

Name	Lunit Inc.
Short form name	Acquirer

Name	Each person who is registered in the Register as the holder of one or more Scheme Shares as at the Record Date
Short form name	Scheme Shareholders

Agreed terms

1. Defined terms and interpretation

1.1 Definitions

In this Scheme Plan, unless the context otherwise requires:

ASX means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange operated by ASX Limited, as the context requires.

ASX Listing Rules means the official listing rules of the ASX.

Boardroom means Boardroom Pty Limited.

Business Day means any day other than a Saturday, Sunday, a statutory public holiday in Auckland, New Zealand or Sydney, Australia or Seoul, Republic of Korea and excluding any day between 23 December 2023 and 10 January 2024 (both dates inclusive).

CHESS means the Clearing House Electronic Subregister System for the electronic transfer of securities operated by ASX Settlement Pty Limited (ABN 49 008 504 532).

Companies Act means the Companies Act 1993.

Conditions mean the conditions precedent set out in the second column of the table in clause 3.1 of the Scheme Implementation Agreement.

Consideration means AU\$1.15 in respect of each Scheme Share held by a Scheme Shareholder, payable in cash or such other amount notified to the Company by the Acquirer in accordance with clause 7.1.

Court means the High Court of New Zealand, Auckland Registry.

Deed Poll means the deed poll entered into, or to be entered into, by the Acquirer in favour of the Scheme Shareholders.

Delisting Date means the day after the Implementation Date.

Encumbrance means:

- (a) any security interest within the meaning of section 17(1)(a) of the Personal Property Securities Act 1999 or section 12(1) of the Personal Property Securities Act 2009 (Cth) and any option, right to acquire, right of pre-emption, assignment by way of security, trust arrangement for the purpose of providing security, retention arrangement or other security interest of any kind; and
- (b) any agreement to create any of the foregoing.

End Date has the meaning given to that term in the Scheme Implementation Agreement.

Escrow Agreement means the escrow agreement that, as applicable, is to be, or has been, entered into between Boardroom, the Acquirer and the Company in respect of the holding and payment of the aggregate Consideration.

Final Orders means, on application of the Company, orders that the Scheme will be binding on the Company, the Acquirer, the Scheme Shareholders and such other persons or class of persons as the Court may specify, in accordance with section 236(1) (and section 237, if applicable) of the Companies Act.

Final Orders Date means the day on which the Final Orders are granted by the Court.

Funds has the meaning given to that term in clause 3.1.

Government Agency means any government, any department, officer or minister of any government and any governmental, semi-governmental, regulatory, administrative, fiscal, judicial or quasi-judicial agency, authority, board, commission, tribunal or entity, in any jurisdiction, and includes (for the avoidance of doubt) the Overseas Investment Office, the Takeovers Panel and the Financial Markets Authority.

Implementation Date means the day on which the Scheme is to be implemented, being the date five Business Days after the Record Date or such other date agreed in writing between the Acquirer and the Company, and **Implementation** correspondingly means the time at which implementation commences with the first step under clause 4.1.

Initial Orders means, on application by the Company, orders by the Court for the purposes of section 236(2) of the Companies Act in respect of the Scheme Meeting and other matters relating to implementation of the Scheme.

OIO Condition has the meaning given to that term in the Scheme Implementation Agreement.

Record Date has the meaning given to that term in the Scheme Implementation Agreement.

Register means the Share register maintained by Boardroom on behalf of the Company.

Registered Address means, in relation to a Shareholder, the address shown in the Register as at the Record Date.

Scheme means this scheme of arrangement, subject to any alterations or conditions made or required by the Court under Part 15 of the Companies Act and approved by the Acquirer and the Company in writing.

Scheme Implementation Agreement means the scheme implementation agreement dated 14 December 2023 between the Acquirer and the Company.

Scheme Meeting means the meeting of Shareholders which (as applicable) is to be, or has been, ordered by the Court to be convened pursuant to the Initial Orders in respect of the Scheme and includes any adjournment of that meeting.

Scheme Shares means all of the Shares on issue on the Record Date.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a person who is registered in the Register as the holder of one or more Shares from time to time.

Takeovers Panel means the Takeovers Panel established by section 5(1) of the Takeovers Act 1993.

Trading Halt Date means the later of:

- (a) the Final Orders Date; and
- (b) the date on which the OIO Condition is satisfied,

or such other date as the Company and the Acquirer agree in writing.

Trust Account has the meaning given to that term in clause 3.1.

Unconditional means the satisfaction or, if capable of waiver, waiver of each of the conditions in clause 2.1.

1.2 Interpretation

In this Scheme Plan, unless the context otherwise requires:

- (a) headings are to be ignored in construing this Scheme Plan;
- (b) the singular includes the plural and vice versa, and a gender includes other genders;
- (c) a reference to a statute or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them (whether before or after the date of this Scheme Plan);
- (d) reference to any document (including this Scheme Plan) includes reference to that document (and, where applicable, any of its provisions) as amended, novated, supplemented, or replaced from time to time;
- (e) reference to a party, person or entity includes:
 - (i) an individual, partnership, firm, company, body corporate, corporation, association, trust, estate, state, government or any agency thereof, municipal or local authority and any other entity, whether incorporated or not (in each case whether or not having a separate legal personality); and
 - (ii) an employee, sub-contractor, agent, successor, permitted assign, executor, administrator and other representative of such party, person or entity;

- (f) "written" and "in writing" include any means of reproducing words, figures or symbols in a tangible and visible form;
- (g) the words "including" or "includes" do not imply any limitation and general words must not be given a restrictive meaning just because they are followed by particular examples intended to be embraced by the general words;
- (h) a reference to "law" includes any statute, regulation, by-law, determination, ordinance, rule (including applicable listing rules) or other like provision, as amended from time to time, in any jurisdiction;
- (i) references to the ASX Listing Rules are taken to be subject to any waiver or exemption granted to a party with respect to compliance with those rules;
- (j) a reference to a clause is a reference to a clause of this Scheme Plan;
- (k) if a word or phrase is defined, other grammatical forms of that word have a corresponding meaning;
- (l) unless otherwise indicated, a reference to any time is a reference to that time in Australia; and
- (m) references to \$ or dollars are to Australian dollars.

1.3 Things required to be done other than on a Business Day

Unless otherwise indicated, if the day on or by which any act, matter or thing is to be done is a day other than a Business Day, that act, matter or thing must be done on or by the next Business Day.

1.4 No contra proferentem

No term or condition of this Scheme Plan will be construed adversely to a party solely because that party was responsible for the preparation of this Scheme Plan or a provision of it.

2. Conditions

2.1 Conditions

The implementation of the Scheme is conditional in all respects on:

- (a) all of the Conditions having been satisfied or, if capable of waiver, waived in accordance with the terms of the Scheme Implementation Agreement by 8.00am on the Implementation Date;
- (b) neither the Scheme Implementation Agreement nor the Deed Poll having been terminated in accordance with their respective terms before 8.00am on the Implementation Date; and
- (c) such other conditions made or required by the Court under section 236(1) and 237 of the Companies Act and agreed to in writing by the Company and the Acquirer in accordance with clause 3.2 of the Scheme Implementation Agreement having been satisfied or waived (to the extent capable of waiver) before 8.00am on the Implementation Date.

3. Consideration into Trust Account

3.1 Obligation to pay Consideration into Trust Account

Subject to:

- (a) the Scheme Implementation Agreement not having been terminated; and

- (b) the Scheme having become Unconditional (except for the Conditions set out in clauses 3.1(d) 3.1(e) and 3.1(g) of the Scheme Implementation Agreement),

the Acquirer must, by no later than 4.00pm on the Business Day before the Implementation Date, deposit (or procure the deposit of) in immediately available cleared funds an amount equal to the aggregate amount of the Consideration payable to Scheme Shareholders in an Australian dollar denominated trust account operated by Boardroom (the **Funds** and that account the **Trust Account**).

3.2 Trust Account

- (a) Subject to clause 4.1(d), the Trust Account will be established and operated by Boardroom on the basis that the Funds are held on trust for the Acquirer in accordance with the Escrow Agreement and to its order, such that only the Acquirer may direct how the Funds will be paid from the Trust Account.
- (b) The details of the Trust Account will be recorded in the Escrow Agreement.

3.3 Interest

Any interest earned on the amounts deposited by the Acquirer into the Trust Account is payable to the Acquirer, less any bank fees or other third party costs or withholdings or deductions required by law, in accordance with the Acquirer's written instructions to Boardroom.

3.4 Scheme not implemented

If:

- (a) the Scheme is not implemented for any reason by 5.00pm on the Implementation Date; or
- (b) the Scheme becomes void under clause 7.5,

Boardroom must, on written request by the Acquirer, immediately repay the Funds, less any bank fees or other third party costs or withholdings or deductions required by law, to the Acquirer in accordance with the Acquirer's written instructions to Boardroom.

4. Implementation of the Scheme

4.1 Implementation obligations

Subject to:

- (a) the Scheme becoming Unconditional (to be confirmed to Boardroom by notice in writing from the Acquirer and the Company in accordance with the Escrow Agreement); and
- (b) the Consideration having been deposited into the Trust Account in accordance with clause 3.1 and Boardroom confirming in writing to the Company and the Acquirer that this has occurred,

commencing at 9.00 am on the Implementation Date, the following steps will occur sequentially:

- (c) first, without any further act or formality, all the Scheme Shares, together with all rights and entitlements attaching to them as at the Implementation Date, will be transferred to the Acquirer, and the Company must enter, or procure that Boardroom enters, the name of the Acquirer in the Register as the holder of all of the Scheme Shares; and
- (d) second, subject to compliance in full with clause 4.1(c), the Acquirer is deemed to have irrevocably authorised and instructed Boardroom to pay, and Boardroom must pay, from the Trust Account the Consideration to each Scheme Shareholder based on the number of

Scheme Shares held by such Scheme Shareholder as set out in the Register on the Record Date in accordance with clause 5.

5. Payment of Consideration

5.1 Method of payment

The payment under clause 4.1(d) will be satisfied by:

- (a) where a Scheme Shareholder has, prior to the Record Date, provided bank account details to enable Boardroom and the Company to make payments of Australian dollars by electronic funds transfer, Boardroom must pay the Consideration in Australian dollars to the Scheme Shareholder by electronic funds transfer of the relevant amount to the bank account nominated by that Scheme Shareholder; or
- (b) where a Scheme Shareholder has not, prior to the Record Date, provided bank account details to enable Boardroom and the Company to make payments of Australian dollars by electronic funds transfer, the following provisions and clause 5.7 will apply:
 - (i) where a Scheme Shareholder has, prior to the Record Date, provided bank account details to enable Boardroom and the Company to make payments of New Zealand dollars by electronic funds transfer, Boardroom must pay the Consideration (less any applicable costs, exchange rate spread and fees) to the Scheme Shareholder by electronic funds transfer of the relevant amount in New Zealand dollars to the bank account nominated by that Scheme Shareholder; and
 - (ii) where a Scheme Shareholder with a Registered Address outside of Australia and New Zealand has, prior to the Record Date, provided sufficient written instructions (to Boardroom's satisfaction) to enable Boardroom to make payment in a currency other than Australian or New Zealand dollars (and Boardroom is able to make payment in that currency), Boardroom must pay the Consideration (less any applicable costs, exchange rate spread and fees) to the Scheme Shareholder by electronic funds transfer of the relevant amount in the applicable currency to the bank account nominated by that Scheme Shareholder; or
- (c) where a Scheme Shareholder has not provided the information and/or taken the steps contemplated by clauses 5.1(a) or 5.1(b) to enable payment to be made to such Scheme Shareholder in a manner contemplated by one of those clauses (or if an electronic payment to such Scheme Shareholder is rejected by the recipient bank) Boardroom must retain the Consideration owed to that Scheme Shareholder in the Trust Account to be claimed by the Scheme Shareholder in accordance with clause 5.5.

If a Shareholder has given more than one payment direction, then the later direction in time of receipt will be followed.

5.2 Joint holders

In the case of Scheme Shares held in joint names:

- (a) the Consideration is payable to the bank account nominated by the joint holders or, at the sole discretion of Boardroom, nominated by the holder whose name appears first in the Register as at the Record Date; and
- (b) any other document required to be sent under this Scheme Plan will be sent to either, at the sole discretion of the Company, the holder whose name appears first in the Register as at the Record Date or to the joint holders.

5.3 Surplus in Trust Account

To the extent that, following satisfaction of the obligations under clause 4.1(d), there is a surplus in the Trust Account, Boardroom must pay that surplus, less:

- (a) any amount retained under clauses 5.1(c) or 5.6(b); and
- (b) any bank fees or other third party costs or withholdings or deductions required by law,

to the Acquirer in accordance with the Acquirer's written instructions to Boardroom.

5.4 Holding on trust

- (a) The Company must, in respect of any monies retained by Boardroom pursuant to clauses 5.1(c) or 5.6(b), instruct Boardroom to hold, and Boardroom must hold, such monies in the Trust Account on trust for the relevant Scheme Shareholders (**Unpaid Shareholders**) for a period of 24 months and thereafter, without the requirement for any further action but subject to clause 5.5, to pay, and Boardroom must pay, any remaining money in the Trust Account to the Company (**Remaining Money**).
- (b) Once the Remaining Money (if any) has been paid to the Company under clause 5.4(a), the Company is permitted to use the Remaining Money for the benefit of the Company (and to comeing the Remaining Money with its other funds) provided, however, that:
 - (i) (subject to clause 5.4(b)(ii)) each Unpaid Shareholder retains a claim against the Company, as an unsecured creditor, for the Consideration that was payable to such Unpaid Shareholder under clause 4.1(d); and
 - (ii) nothing in this clause 5.4(b) prevents the Company from dealing with the Remaining Money (or any part of it) in accordance with the Unclaimed Money Act 1971.

5.5 Unclaimed monies

During the period of 24 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder that has not received payment of the Consideration in accordance with clause 5.1(a) or 5.1(b), Boardroom must, if such Scheme Shareholder has taken the necessary steps required to effect payment to such Scheme Shareholder in a manner contemplated by clause 5.1(a) or 5.1(b), pay to that Scheme Shareholder the Consideration held on trust for that Scheme Shareholder in a manner contemplated by clause 5.1(a) or 5.1(b) (or in any other manner approved by Boardroom and agreed to by that Scheme Shareholder).

5.6 Orders of a court or Government Agency

Notwithstanding any other provision of this Scheme Plan, if written notice is given to the Company on or prior to the Record Date of an order or direction made by a court of competent jurisdiction or a Government Agency that:

- (a) requires Consideration to be provided to a third party in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable to that Scheme Shareholder in accordance with clause 4.1(d), the Company will be entitled to procure, and the Acquirer will be deemed to have instructed Boardroom to ensure, that provision of that Consideration is made in accordance with that order or direction; or
- (b) prevents the Consideration from being provided to any particular Scheme Shareholder in accordance with clause 4.1(d), or the payment of such Consideration is otherwise prohibited by applicable law, the payment (equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Consideration) will be retained in the Trust Account until such time as provision of the Consideration to the Scheme Shareholder in accordance with clause 4.1(d) or clause 5.5 (as applicable) is permitted by that order or direction or otherwise by law,

and such provision or retention (as the case may be) will constitute the full discharge of the Acquirer's and the Company's obligations under clause 4.1(d) with respect to the amount so provided or retained.

5.7 Exchange rate

If a Scheme Shareholder is to be paid in a currency other than Australian dollars (as contemplated by clause 5.1(b)), the conversion of the Consideration from Australian dollars into the relevant currency will be undertaken in a manner and at an exchange rate determined by Boardroom (in Boardroom's discretion) and neither the Acquirer or the Company will be responsible for, or have any liability of any nature, in connection with that conversion.

6. Dealing in shares

6.1 Trading Halt, Record Date and Delisting

- (a) Following the sealing of the Final Orders, the Company will advise ASX of the grant of the Final Orders and, once known, the Trading Halt Date and Record Date and use its reasonable endeavours to procure that the ASX suspend trading in the Shares from the close of trading on the Trading Halt Date, and delists the Company on the Delisting Date.
- (b) To establish the identity of the Scheme Shareholders, dealings in Shares and other alterations to the Register will only be recognised by the Company if:
 - (i) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Register as the holder of the relevant Shares on or before the Record Date; and
 - (ii) in all other cases, registrable transmission applications or transfers in respect of those dealings, or valid requests in respect of those alterations, are received on or before the Record Date at the place where the Register is kept,

and the Company must not accept for registration, nor recognise for any purpose (except a transfer to the Acquirer pursuant to this Scheme Plan and any subsequent transfer by the Acquirer or its successors in title), any Share transfer or Share transmission application or other similar request received after 7.00 pm on the Record Date or received prior to such time, but not in registrable or actionable forms.

6.2 Register

- (a) The Company must register registrable transmission applications or registrable transfers of Shares received prior to the close of trading on the Trading Halt Date before 7.00pm on the Record Date provided that, for the avoidance of doubt, nothing in this clause 6.2(a) requires the Company to register a transfer that relates to a transfer of Shares on which the Company has a lien or that would result in a Shareholder holding a parcel of Shares that is less than a 'marketable parcel' (as defined in the operating rules of ASX).
- (b) A holder of Scheme Shares (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares, or any interest in them, after close of trading on the Trading Halt Date otherwise than pursuant to this Scheme Plan, and any attempt to do so will have no effect and the Company and the Acquirer shall be entitled to disregard any such disposal.
- (c) For the purposes of determining entitlements to the Consideration, the Company must maintain the Register in accordance with the provisions of this clause 6 until the Consideration has been paid to the Scheme Shareholders. The Register in this form will solely determine entitlements to the Consideration.

- (d) From 7.00pm on the Record Date, each entry that is current on the Register (other than entries on the Register in respect of the Acquirer), will cease to have effect except as evidence of entitlement to the Consideration in respect of the Scheme Shares relating to that entry. For clarity, this clause 6.2(d) does not apply to the entry of the Acquirer on the Register under clause 4.1(c) or to any subsequent transfer by the Acquirer or its successors in title.
- (e) As soon as possible on the first Business Day after the Record Date and in any event by 7:00pm on that day, the Company must make available to the Acquirer in the form the Acquirer reasonably requires, details of the names, Registered Addresses and holdings of Shares for each Scheme Shareholder as shown in the Register on the Record Date.

7. General provisions

7.1 Amendments to Consideration

The Acquirer may increase the cash Consideration by written notice at any time to the Company prior to the payment of the aggregate Consideration into the Trust Account under clause 3.1, provided that the Scheme Implementation Agreement has not been terminated in accordance with its terms prior to the receipt of such notice by the Company.

7.2 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme Plan to the Acquirer will, at the time of transfer to the Acquirer, vest in the Acquirer free from all Encumbrances and free from any restrictions on transfer of any kind.
- (b) Each Scheme Shareholder is deemed to have warranted to the Acquirer on the Implementation Date that all their Scheme Shares (including any rights and entitlements attaching to those Shares) which are transferred under this Scheme Plan will, at the time of transfer, be fully paid and free from all Encumbrances and restrictions on transfer of any kind, and that the Scheme Shareholder has full power and capacity to transfer the Scheme Shareholder's Shares to the Acquirer together with any rights and entitlements attaching to those Shares.

7.3 Authority given to Company

Each Scheme Shareholder, without the need for any further act:

- (a) on the Final Orders Date, irrevocably appoints the Company as the Scheme Shareholder's attorney and agent for the purpose of enforcing the Deed Poll against the Acquirer (but without limiting each Scheme Shareholder's right to itself enforce the Deed Poll); and
- (b) on the Implementation Date, irrevocably appoints the Company as the Scheme Shareholder's attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to the Scheme and the transactions contemplated by it,

and the Company accepts each such appointment. The Company, as attorney and agent, may subdelegate its functions, authorities or powers under this clause 7.3 to one or more of the Company's directors or senior managers.

7.4 Binding effect of Scheme

- (a) The Scheme binds:
 - (i) the Company;
 - (ii) the Acquirer; and

- (iii) all of the Scheme Shareholders (including those who did not attend the Scheme Meeting to vote on this Scheme, did not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting).
- (b) In the event of any inconsistency, this Scheme Plan overrides the constitution of the Company.

7.5 When this Scheme becomes void

If the Scheme has not become Unconditional on or before 5.00pm on the End Date, or if the Scheme Implementation Agreement is terminated in accordance with its terms at any time, this Scheme Plan is immediately void and of no further force or effect (other than clauses 3.3 and 3.4).

7.6 No liability when acting in good faith

Each Scheme Shareholder agrees that none of the directors, officers, employees or advisers of the Company or the Acquirer, will be liable for anything done or omitted to be done in the performance of the Scheme in good faith.

7.7 Successor obligations

To the extent that any provision of the Scheme or this Scheme Plan imposes any obligation on the Acquirer or the Company that continues or arises after the implementation of the Scheme, such obligation may instead be performed by any successor or related company of the Acquirer or the Company (as applicable) in which case the obligation will be satisfied as if performed by the Acquirer or the Company (as applicable).

7.8 Governing law

- (a) This Scheme Plan and any non-contractual obligations arising out of or in connection with it is governed by the law applying in New Zealand.
- (b) The courts having jurisdiction in New Zealand have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Scheme Plan (including a dispute relating to any non-contractual obligations arising out of or in connection with this Scheme Plan) and each party irrevocably submits to the non-exclusive jurisdiction of the courts having jurisdiction in New Zealand.

Annexure C: Deed Poll

Deed Poll

relating to a scheme of arrangement under Part 15 of the Companies Act 1993 involving
Volpara Health Technologies Limited

—

Lunit Inc. (**Acquirer**)

Each registered holder of Scheme Shares as at 7.00pm on the Record Date (**Scheme
Shareholders**)

—

MinterEllisonRuddWatts.

Deed Poll

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Details

Date 14 December 2023

By

Name **Lunit Inc.**
Short form name **Acquirer**

In favour of:

Name **Each registered holder of Scheme Shares as at 7.00pm on the Record Date**
Short form name **Scheme Shareholders**

Background

- A Volpara Health Technologies Limited (**Company**) and the Acquirer are parties to the Scheme Implementation Agreement.
- B The Company has agreed in the Scheme Implementation Agreement to propose a scheme of arrangement between the Company, the Acquirer and the Scheme Shareholders, the effect of which will be that all Scheme Shares will be transferred to the Acquirer, and the Acquirer will provide or procure the provision of the Consideration to the Scheme Shareholders.
- C The Acquirer is entering into this Deed Poll for the purpose of undertaking in favour of the Scheme Shareholders to pay the Consideration to the Scheme Shareholders in accordance with the terms of the Scheme Plan.

Agreed terms

1. Defined terms and interpretation

1.1 Defined terms

In this Deed, unless the context requires otherwise:

Boardroom means Boardroom Pty Limited.

Escrow Agreement means the escrow agreement that, as applicable, is to be, or has been, entered into between Boardroom, the Acquirer and the Company in respect of the holding and payment of the aggregate Consideration.

Final Orders means, on application of the Company, orders of the Court that the Scheme will be binding on the Company, the Acquirer, the Scheme Shareholders and such other persons or class of persons as the Court may specify, in accordance with section 236(1) (and section 237, if applicable) of the Companies Act.

Scheme Implementation Agreement means the scheme implementation agreement between the Company and the Acquirer dated on or about the date of this Deed Poll whereby the Company has agreed to propose a scheme of arrangement under which all of the Scheme Shares held by Scheme Shareholders will be transferred to the Acquirer and the Acquirer will pay the Consideration to the Scheme Shareholders.

Scheme Plan means the scheme plan attached as Annexure 1 to the Scheme Implementation Agreement, subject to any alterations or conditions approved by the Acquirer and the Company in writing and which (as applicable) are to be, or are, approved by the Court in making the Final Orders.

Unconditional means the satisfaction or, where capable of waiver, waiver of each of the conditions in clause 2 of the Scheme Plan.

1.2 Words defined in the Scheme Plan

Words defined in the Scheme Plan which are not separately defined in this Deed Poll have the same meaning when used in this Deed Poll.

1.3 Interpretation

Clauses 1.2 to 1.4 of the Scheme Plan apply to the interpretation of this Deed Poll, except that references to "this Scheme Plan" are to be read as reference to "this Deed Poll".

2. Nature of this Deed Poll

2.1 Third party rights and appointment of attorney

The Acquirer acknowledges and agrees that:

- (a) this Deed Poll is intended to, and does, confer a benefit on, and therefore may be relied on and enforced by, any Scheme Shareholder in accordance with its terms under Part 2, Subpart 1 of the Contract and Commercial Law Act 2017 (but not otherwise), even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme Plan each Scheme Shareholder appoints the Company as the Scheme Shareholder's attorney and agent to enforce this Deed Poll against the Acquirer with effect on

and from the date prescribed for such appointment in the Scheme Plan (but without limiting each Scheme Shareholder's right to itself enforce this Deed Poll).

Notwithstanding clauses 2.1(a) and 2.1(b), this Deed Poll may be varied by the Acquirer and the Company in accordance with clause 7.2 without the approval of any Scheme Shareholders.

2.2 Continuing obligations

This Deed Poll is irrevocable and, subject to clause 2.3(b), remains in full force and effect until either:

- (a) the Acquirer has fully performed its obligations under it; or
- (b) it is terminated under clause 3.2.

2.3 Maximum liability of the Acquirer

- (a) Notwithstanding any other provision of this Deed Poll, but without limiting clause 14.10 of the Scheme Implementation Agreement (which provides that nothing in the Scheme Implementation Agreement limits the rights of the Company to sue the Acquirer for specific performance), the maximum aggregate liability of the Acquirer to:

- (i) all Scheme Shareholders under this Deed Poll and the Scheme Implementation Agreement; and
- (ii) the Company under the Scheme Implementation Agreement,

at law (including negligence), under any statute or regulation, in equity or otherwise, in respect of any or all breaches of this Deed Poll and/or the Scheme Implementation Agreement by the Acquirer is limited to, and will not exceed, an amount equal to the Reverse Break Fee (as that term is defined in the Scheme Implementation Agreement).

- (b) Nothing in this clause 2.3 limits the Acquirer's liability for fraud, Intentional Breach or for any failure to pay the Consideration when it becomes due and payable, except that the maximum aggregate liability of the Acquirer as a result of the Acquirer's Intentional Breach or for any failure to pay the Consideration when it becomes due and payable is limited to, and will not exceed, an amount equal to the aggregate of the Consideration. For the purposes of this clause, **Intentional Breach** means if the Acquirer breaches an undertaking in the Scheme Implementation Agreement or this Deed Poll where the relevant act or omission was intentionally made or not taken (as the case may be) and resulted, and could reasonably be expected to have resulted, in the Transaction not being Implemented.

3. Conditions and termination

3.1 Conditions

This Deed Poll, and the obligations of the Acquirer under it, are conditional in all respects on the Scheme becoming Unconditional.

3.2 Termination

The obligations of the Acquirer under this Deed Poll will automatically terminate, and the terms of this Deed Poll will be of no force or effect, if the Scheme Implementation Agreement is validly terminated in accordance with its terms before the Scheme becomes Unconditional unless the Acquirer and the Company otherwise agree in writing.

3.3 Consequences of termination

If this Deed Poll is terminated under clause 3.2, then the Acquirer is released from its obligations to further perform this Deed Poll.

4. Scheme Consideration

4.1 Deposit of Consideration

Subject to:

- (a) the Scheme Implementation Agreement not being terminated; and
- (b) the Scheme having become Unconditional (save for the Conditions set out in clauses 3.1(d), 3.1(e) and 3.1(g) of the Scheme Implementation Agreement),

the Acquirer undertakes in favour of each Scheme Shareholder to deposit, or procure the deposit of, in immediately available cleared funds, by no later than 4.00pm on the Business Day before the Implementation Date, an amount equal to the aggregate amount of the Consideration payable in cash to all Scheme Shareholders on the Implementation Date as set out in the Scheme Plan, such deposit to be made into the Trust Account to be held and dealt with by Boardroom in accordance with the Scheme Plan and the Escrow Agreement.

4.2 Payment of Consideration

The Acquirer irrevocably acknowledges and agrees that, subject to:

- (a) the Scheme becoming Unconditional; and
- (b) compliance in full by the Company with its obligations under clause 4.1 of the Scheme Plan,

the Consideration deposited into the Trust Account must be, and will be, paid in accordance with clauses 4.1(d) and 5 of the Scheme Plan in satisfaction of the Scheme Shareholders' respective entitlements to receive the Consideration under the Scheme in accordance with the Scheme Plan.

5. Warranties

5.1 Warranties

The Acquirer warrants in favour of each Scheme Shareholder that:

- (a) it is a company or other body corporate validly incorporated under the laws of the Republic of Korea;
- (b) it has the corporate power to enter into, and perform its obligations under, this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (c) it has taken all necessary corporate action to authorise its entry into this Deed Poll and has taken, or will prior to the Implementation Date take, all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (d) this Deed Poll is valid and binding on it and enforceable against it in accordance with its terms; and
- (e) this Deed Poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

6. Notices

6.1 Manner of giving notice

Any notice or other communication to be given under this Deed Poll must be in writing and may be physically delivered or sent by email to the Acquirer at:

Attention: Brandon B. Suh; Sean Hoyoung Jeong

Physical address: 5F 374 Gangnam-daero, Gangnam-gu, Seoul, South Korea 06241

Email address: beomseok.suh@lunit.io; seanhjeong@lunit.io

with a copy to (which will not constitute notice):

Address: Harmos Horton Lusk, Level 33, Vero Centre, 48 Shortland Street, Auckland, New Zealand

Attention: Nathanael Starrenburg; Annie Steel

Email: Nathanael.starrenburg@hhl.co.nz; annie.steel@hhl.co.nz

and with a copy to (which will not constitute notice):

Address: Baker & McKenzie, Level 46, Tower One – International Towers Sydney, 100 Barangaroo Avenue, Sydney, New South Wales, Australia

Attention: Lance Sacks; Greg Smith

Email: lance.sacks@bakermckenzie.com; greg.smith@bakermckenzie.com

or at any such other address or email address notified for this purpose to the other parties under this clause. Any notice or other communication sent by post must be sent by prepaid ordinary post (if the country of destination is the same as the country of origin) or by airmail (if the country of destination is not the same as the country of origin).

6.2 When notice given

Clause 19.2 of the Scheme Implementation Agreement will apply to notices given to the Acquirer under this Deed Poll.

6.3 Proof of service

In proving service of a notice or other communication, it is sufficient to prove that delivery was made or that the e-mail was properly addressed and transmitted by the sender's server into the network and there was no apparent error in the operation of the sender's e-mail system, as the case may be.

6.4 Documents relating to legal proceedings

This clause 6 does not apply in relation to the service of any claim form, notice, order, judgment or other document relating to or in connection with any proceedings, suit or action arising out of or in connection with this Deed Poll.

7. General

7.1 Waiver

- (a) The Acquirer may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right in respect of the Scheme unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.
- (b) For the purposes of clause 7.1(a):
 - (i) 'conduct' includes a delay in exercising a right;
 - (ii) 'right' means any right arising under or in connection with this Deed Poll and includes the right to rely on this clause; and
 - (iii) 'waiver' includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

7.2 Variation

- (a) Subject to clauses 7.2(b) and 7.2(c), this Deed Poll may not be varied.
- (b) Before the date on which the Final Orders are made, this Deed Poll may be varied by agreement in writing between the Acquirer and the Company, in which event the Acquirer will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.
- (c) If the Court orders that it is a condition of the Scheme that the Acquirer enters into a new deed poll which has the effect of reversing any variation under clause 7.2(b), then, if the Acquirer so agrees, the Acquirer must promptly enter into a further deed poll in favour of the Scheme Shareholders to give effect to the reversal of that variation.

7.3 Cumulative rights

The rights, powers and remedies of the Scheme Shareholders under this Deed Poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this Deed Poll.

7.4 Assignment

The rights and obligations of the Acquirer and each Scheme Shareholder under this Deed Poll are personal. They cannot be assigned, charged or otherwise dealt with at law or in equity. Any purported dealing in contravention of this clause 7.4 is invalid.

7.5 Further assurance

The Acquirer must, at its own expense, do all things reasonably required of it to give full force and effect to this Deed Poll and the transactions contemplated by it.

7.6 Governing law and jurisdiction

- (a) This Deed Poll and any non-contractual obligations arising out of or in connection with it are governed by the law applying in New Zealand.
- (b) The courts having jurisdiction in New Zealand have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed Poll (including a dispute relating to any non-contractual obligations arising out of or in connection with this Deed Poll) and the Acquirer irrevocably submits to the non-exclusive jurisdiction of the courts having jurisdiction in New Zealand in respect of any proceedings arising out of or in connection with this Deed

Poll, and irrevocably waives any objection to the venue of any legal process in those courts on the basis that the proceeding has been brought in an inconvenient forum.

7.7 Service of process

The Acquirer:

- (a) appoints Nathanael Starrenburg and Annie Steel of Harmos Horton Lusk as its agent in New Zealand for service of process and other documents in any legal action or proceedings arising out of or in connection with this Deed Poll; and
- (b) will ensure that at all times prior to the Implementation Date or termination of this Deed Poll, the agent noted in clause 7.7(a) or a replacement appointed by the Acquirer and approved by the Company, is authorised and able to accept service of process and other documents on its behalf in New Zealand.

Signing page

EXECUTED and delivered as a deed poll

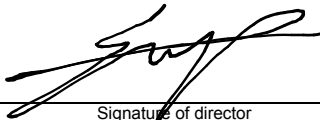
Lunit Inc. by:



Signature of director

Beomseok Brandon Suh

Name of director



Signature of director

Seungwook Anthony Paek

Name of director

Footnotes

1. Volpara will notify Shareholders of the Implementation Date via announcement to ASX in due course.
2. The Volpara Directors may change their recommendation or vote against the Scheme if there is a Superior Proposal prior to the Scheme Meeting which the Acquirer does not match in accordance with the matching rights set out in the Scheme Implementation Agreement. In addition, the Volpara Directors reserve the right to change their recommendation or vote against the Scheme if, prior to the Scheme Meeting, the Independent Adviser changes the Independent Adviser's valuation range for the Volpara Shares and, after that change, the Scheme Consideration is below the Independent Adviser's valuation range for the Volpara Shares.
3. This is based on a fully-diluted share capital of 257,104,575 Volpara Shares (being the maximum number of Volpara Shares that could be on issue on the Implementation Date assuming no OTM Options are exercised).
4. See footnote 3 above and this is also based on net debt of AU\$10.2 million as at 14 December 2023.
5. This average revenue multiple is of the 15 companies that the Independent Adviser has selected for analysis, being competitors of Volpara and other software companies that are involved in the diagnostic imaging market.
6. The Volpara Board retains the ability to deal with a Superior Proposal if any is received, as necessary to comply with the Volpara Directors' fiduciary or statutory duties (subject always to the Acquirer's right to match that Superior Proposal). However, there can be no expectation or assurance that any further proposals will emerge at any time.
7. As set out in the Key Conclusions of the Independent Adviser's Report.
8. Harbour Asset Management Limited is entitled to sell Volpara Shares it holds if requested by clients for whom it provides investment management services. As such, the amount of Volpara Shares held by Harbour Asset Management Limited at the Scheme Meeting may be more or less than the amount it held on the date it entered into the Harbour Voting Deed.
9. Given this is a New Zealand scheme of arrangement, the 50% threshold relates to the total number of Volpara Shares on issue (not the total number of Volpara Shareholders who vote at the Scheme Meeting as is the case in other jurisdictions).
10. The Volpara Directors may change their recommendation or vote against the Scheme if there is a Superior Proposal prior to the Scheme Meeting which the Acquirer does not match in accordance with the matching rights set out in the Scheme Implementation Agreement. In addition, the Volpara Directors reserve the right to change their recommendation or vote against the Scheme if, prior to the Scheme Meeting, the Independent Adviser changes the Independent Adviser's valuation range for the Volpara Shares and, after that change, the Scheme Consideration is below the Independent Adviser's valuation range for the Volpara Shares.
11. See footnote 10 above.
12. The Volpara Directors may change their recommendation or vote against the Scheme if there is a Superior Proposal prior to the Scheme Meeting which the Acquirer does not match in accordance with the matching rights set out in the Scheme Implementation Agreement. In addition, the Volpara Directors reserve the right to change their recommendation or vote against the Scheme if, prior to the Scheme Meeting, the Independent Adviser changes the Independent Adviser's valuation range for the Volpara Shares and, after that change, the Scheme Consideration is below the Independent Adviser's valuation range for the Volpara Shares.
13. See footnote 12 above.
14. This is based on a fully-diluted share capital of 257,104,575 Volpara Shares (being the maximum number of Volpara Shares that could be on issue on the Implementation Date assuming no OTM Options are exercised).
15. See footnote 14 above and this is also based on net debt of AU\$10.2 million as at 14 December 2023.
16. This average revenue multiple is of the 15 companies that the Independent Adviser has selected for analysis, being competitors of Volpara and other software companies that are involved in the diagnostic imaging market.
17. This Implementation Date is indicative only and the timing will depend on the satisfaction or (if capable of waiver) waiver of the Conditions.
18. Specific performance is a discretionary remedy of the High Court under which it orders a contractual party to complete performance of a contract, rather than pay damages for breach of contract. In general, a Court will only grant specific performance if it considers that damages are not an appropriate remedy.
19. Given this is a New Zealand scheme of arrangement, the 50% threshold relates to the total number of Volpara Shares on issue (not the total number of Volpara Shareholders who vote at the Scheme Meeting as is the case in other jurisdictions).
20. Harbour Asset Management Limited is entitled to sell Volpara Shares it holds if requested by clients for whom it provides investment management services. As such, the amount of Volpara Shares held by Harbour Asset Management Limited at the Scheme Meeting may be more or less than the amount it held on the date it entered into the Harbour Voting Deed.
21. The Scheme Implementation Agreement also states that these actions are conditional upon ASX issuing or providing a waiver of the applicable requirements of ASX Listing Rule 6.23 such that the above actions required to be taken by Volpara can be undertaken without the approval of Shareholders under that ASX Listing Rule. ASX provided that waiver on 4 March 2024.
22. As per footnote 21 above.
23. The Legacy Option Settlement and Exercise Deed was entered into between Volpara and Lyn Swinburne and John Pavlidis (being the holders of the Legacy Options) on 14 December 2023.
24. As per footnote 21 above.
25. As per footnote 21 above.

26. This number may decrease between 13 March 2024 (being the latest practicable date before the date of this Scheme Booklet) and Implementation if employees of Volpara that hold OTM Options cease to be employed by the Volpara Group (and it is expected that 40,000 OTM Options will be forfeited on 19 March 2024).
27. As at the date of this Scheme Booklet.
28. Harbour Asset Management Limited is entitled to sell Volpara Shares it holds if requested by clients for whom it provides investment management services. As such, the amount of Volpara Shares held by Harbour Asset Management Limited at the Scheme Meeting may be more or less than the amount it held on the date it entered into the Harbour Voting Deed.
29. Each Volpara Director has undertaken to vote all of the Shares he or she holds or controls in favour of the Scheme, in the absence of a Superior Proposal. However, each Volpara Director reserves the right to vote against the Scheme if, prior to the Scheme Meeting, the Independent Adviser changes the Independent Adviser's valuation range for the Volpara Shares and, after that change, the Scheme Consideration is below the Independent Adviser's valuation range for the Volpara Shares.
30. The Volpara Directors may change their recommendation or vote against the Scheme if there is a Superior Proposal prior to the Scheme Meeting which the Acquirer does not match in accordance with the matching rights set out in the Scheme Implementation Agreement. In addition, the Volpara Directors reserve the right to change their recommendation or vote against the Scheme if, prior to the Scheme Meeting, the Independent Adviser changes the Independent Adviser's valuation range for the Volpara Shares and, after that change, the Scheme Consideration is below the Independent Adviser's valuation range for the Volpara Shares.
31. This number is accurate as at 13 March 2024 (being the latest practicable date before the date of this Scheme Booklet). This number may decrease between such date and Implementation if employees of Volpara that hold OTM Options cease to be employed by the Volpara Group (and it is expected that 40,000 OTM Options will be forfeited on 19 March 2024).
32. As per footnote 31 above.
33. As per footnote 31 above.
34. The Volpara Directors may change their recommendation or vote against the Scheme if there is a Superior Proposal prior to the Scheme Meeting which the Acquirer does not match in accordance with the matching rights set out in the Scheme Implementation Agreement. In addition, the Volpara Directors reserve the right to change their recommendation or vote against the Scheme if, prior to the Scheme Meeting, the Independent Adviser changes the Independent Adviser's valuation range for the Volpara Shares and, after that change, the Scheme Consideration is below the Independent Adviser's valuation range for the Volpara Shares.

