



# Investor Presentation

November 2016

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# Agenda

- About Azure
- Year in Review
- Strategic Priorities
- Business Outlook
- Research & Development Overview
- New Products
- Q&A

# About Azure

- Established in 1986
- Global manufacturer of Nurse call Systems and Clinical Workflow solutions for hospitals and aged care facilities.
- Over 4,500 confirmed installations in 60 countries

Profit & Loss Statement (\$'000s)	FY2016	FY2015		Q1 FY17	Q1 FY16
Revenue	32,028	34,962		7,555	7,623
Gross Profit	15,654	18,298		3,937	4,136
NPBT	(3,875)	120		90	(569)
EBITDA	(3,149)	689		249	(427)



## Capital Structure as at 15 November 2016

Shares on Issue	189,711,544
Share Price	\$0.076
Market Capitalisation	\$14.5 million
Cash (as at 30 June 2016)	\$1.69 million
Debt (as at 30 June 2016)	\$2.03 million
Enterprise Value	\$14.8 million

Major Shareholders	%
Robert Edward Grey	19.60
ACF Australia Ethical Investment	14.60
William P Brooks	5.85
<b>Total</b>	<b>40.05</b>

# About Azure

Balance Sheet (\$'000s)		30-June-2016	
Cash	1,685	Trade Payables	6,366
Other Current Assets	14,440	Other Current Liabs	3,367
Plant & Equipment	774	Long Term Borrowings	8
Other Non-Current A's	5,084	Provisions	72
<b>Total Assets</b>	<b>21,983</b>	<b>Total Liabilities</b>	<b>9,813</b>
		<b>Net Assets</b>	<b>12,170</b>

## Board & Senior Management

<b>Graeme Billings</b>	Chairman	Chartered Accountant since 1980; retired from PwC in 2011 after 34 years. Extensive experience providing assurance, transaction and consulting services to multinational and national clients across a variety of industries. Chairman and NED of Korvest Ltd, NED of Clover Corporation Limited and GUD Holdings Ltd
<b>Clayton Astles</b>	Chief Executive Officer	Based in Texas. Joined Azure in 2008 as Vice-President and then President of Austco's main operating subsidiary, Austco. Helped build the group's reputation as a leader in the nurse call and clinical software solutions market in the USA and has been instrumental in the establishment of a Software Development Centre and manufacturing facility in Dallas. Has over 12 years leadership experience in the healthcare technology industry, holds a diploma in Electronics Engineering.
<b>Brett Burns</b>	Non-Executive Director	Founding Partner of law firm CBW Partners having worked in a variety of roles within ASX Top 50 companies, government, national and international law firms. Former General Counsel for Transurban Group, corporate lawyer with Baker & McKenzie and regulatory roles with ASIC. Also NED of several private companies.
<b>Jason D'arcy</b>	CFO & Co. Secretary	CPA, B.Ec and B.Bus (Accounting). Extensive ASX-listed company financial experience; former CFO of Baxter Group Ltd and Cellestis Ltd.

# Benchmarking Analysis

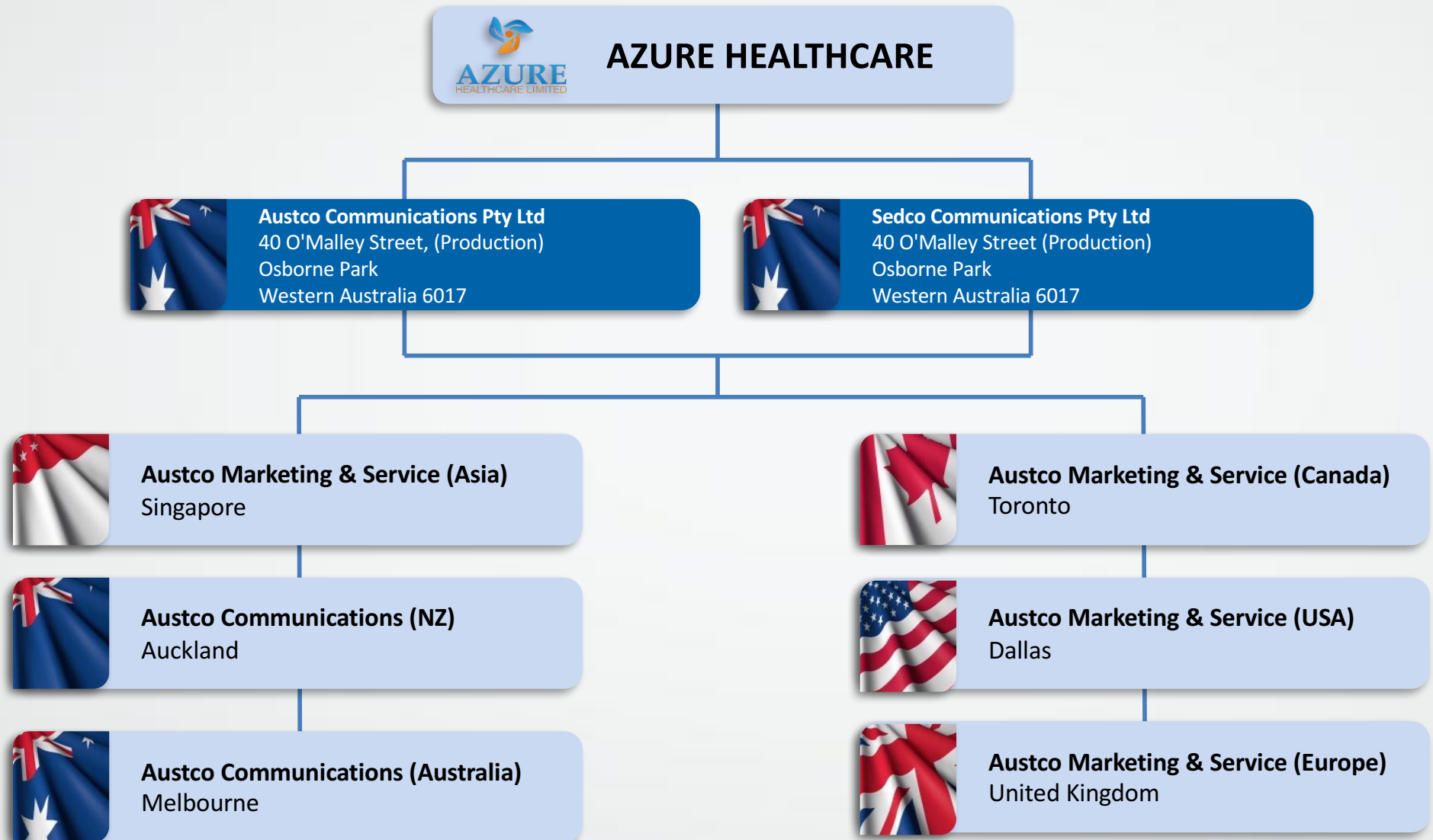
Company	Market Cap (\$m)	Enterprise Value (\$m)	FY16 Rev. (\$m)	FY16 NPBT (\$m)	FY16 EBTDA (\$m)	Net Assets as at 30 June 2016 (\$m)	EV / FY16 Rev.	Number of Sites	EV / Net Assets
Azure Healthcare Limited	14.4	14.8	32.0	(3.9)	(3.2)	12.2	0.46x	4,501	1.2x
Alcidion Group* Ltd	35.2	29.5	4.1	(0.8)	(0.8)	6.6	7.15x	11	4.5x
Oneview Healthcare PLC	240.0	184.4	3.3	(14.0)	(12.1)	22.4	55.8x	12	8.2x
Hills Health Solutions (Lincor)	Plans for \$30m IPO in the first half of 2017. Lincor are in 150 healthcare facilities across the globe. Hills Health Solutions are in over 350 healthcare facilities and over 550 aged care facilities.								

# MANAGEMENT STRUCTURE



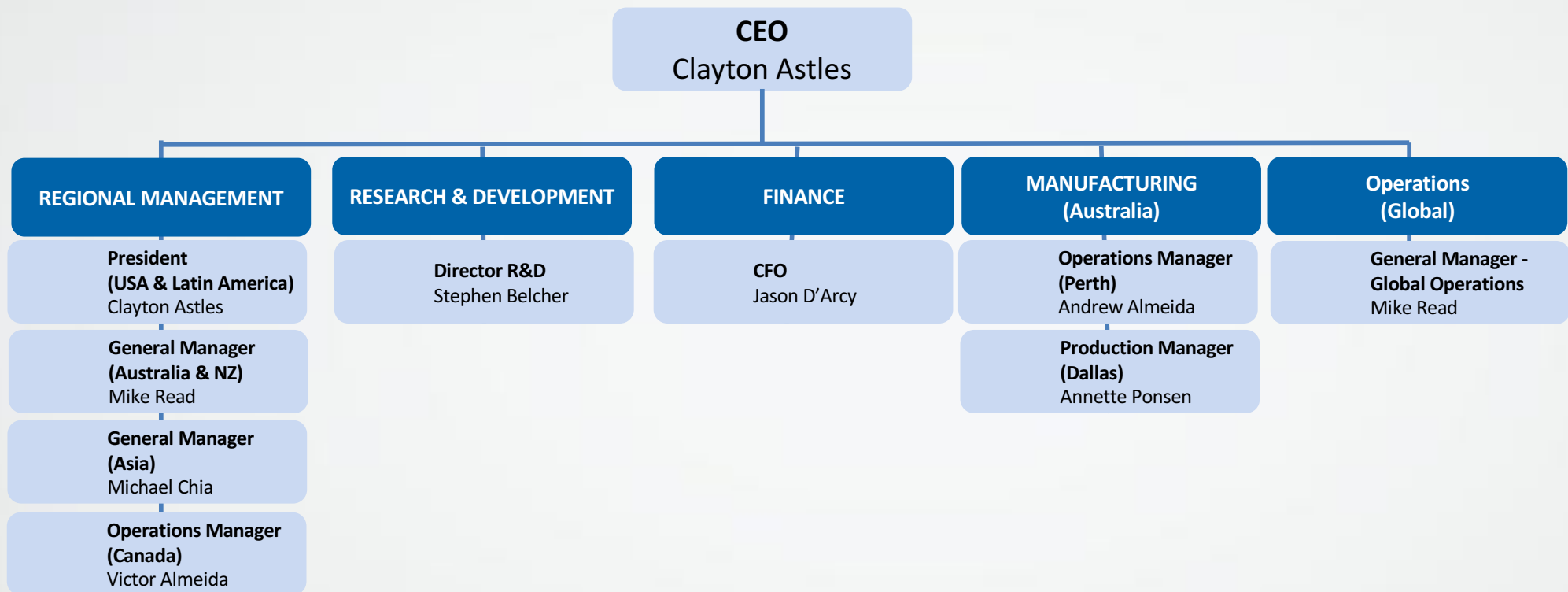


# Corporate Structure





# Management Structure

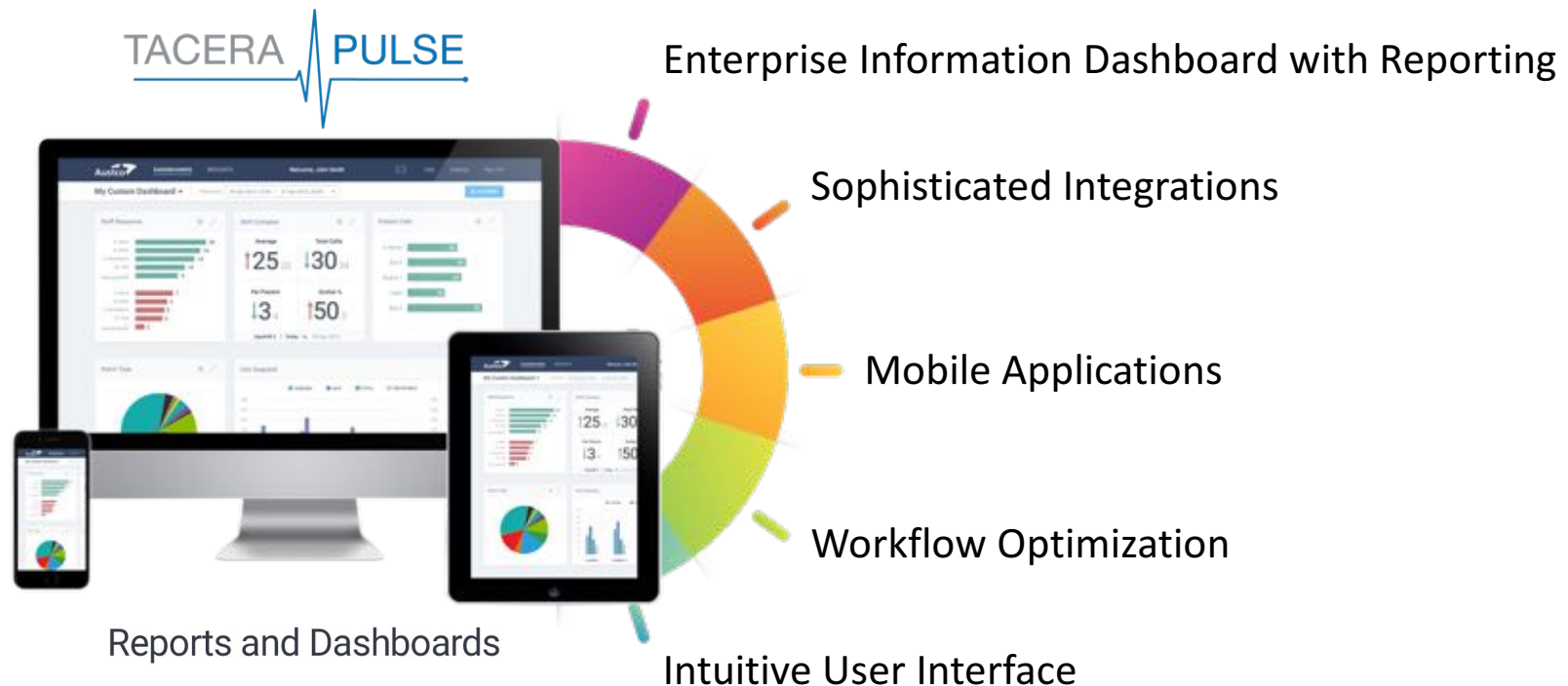


# THE YEAR IN REVIEW



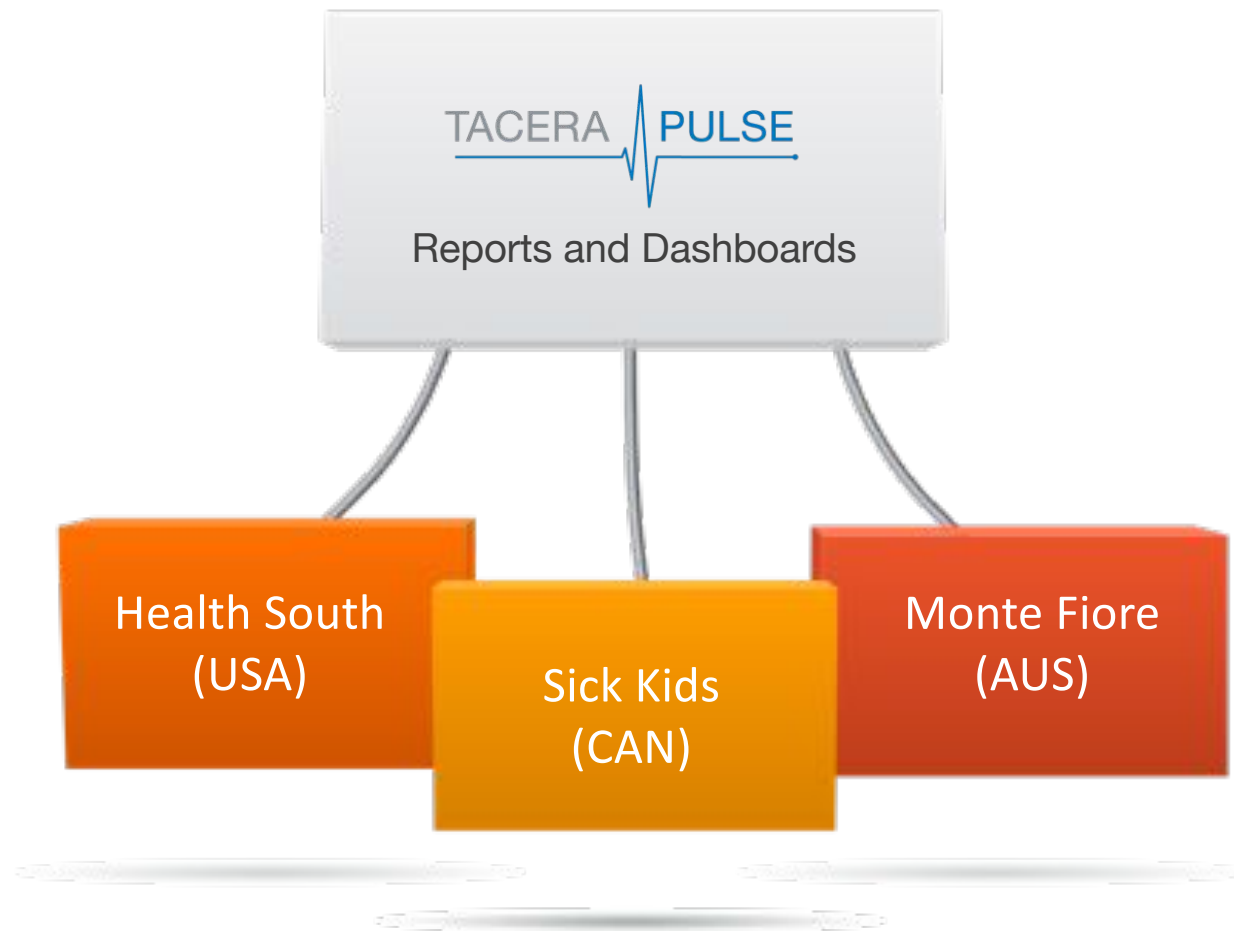
# The Year in Review

## Launched New Software Platform



# The Year in Review

## Upcoming Pilot Sites



# The Year in Review

## Large Project Deployments



Ng Teng Fong General  
Hospital (NTFGH)

1200 Beds

370 Beds



Sick Kids (SK)



Perth Children's Hospital (PCH)

300 Beds

400 Beds



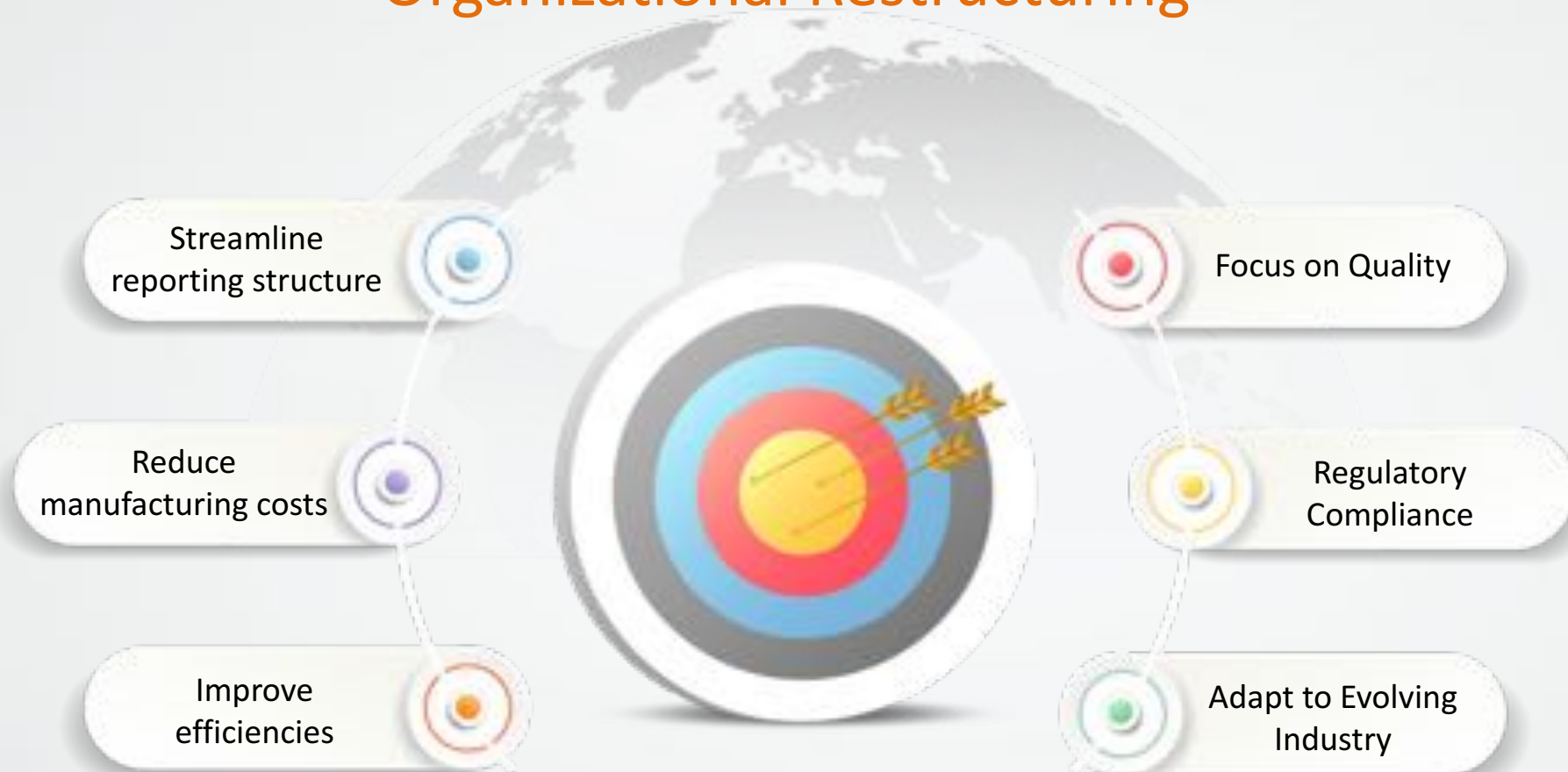
New Oakville Hospital (NOH)



# STRATEGIC PRIORITIES

# Our Strategic Priorities




## Organizational Restructuring





# Our Strategic Priorities

## Relocate Manufacturing to USA

Average wage		21% Lower
Factory Overheads		45% Lower
Break-Even Point		3.5 Times Lower



Perth Factory closure will result in savings of AUD \$1M to \$1.4M annually

# Our Strategic Priorities

## Rationalize Product Lines to improve profitability

- Austco has more than 900 products in its portfolio
- Typically with companies that have many products, 80% of sales come from only 20% of those products
- Over 29 years, Austco has continued to add products to its portfolio while removing few -> Rationalize Austco products to approximately 300



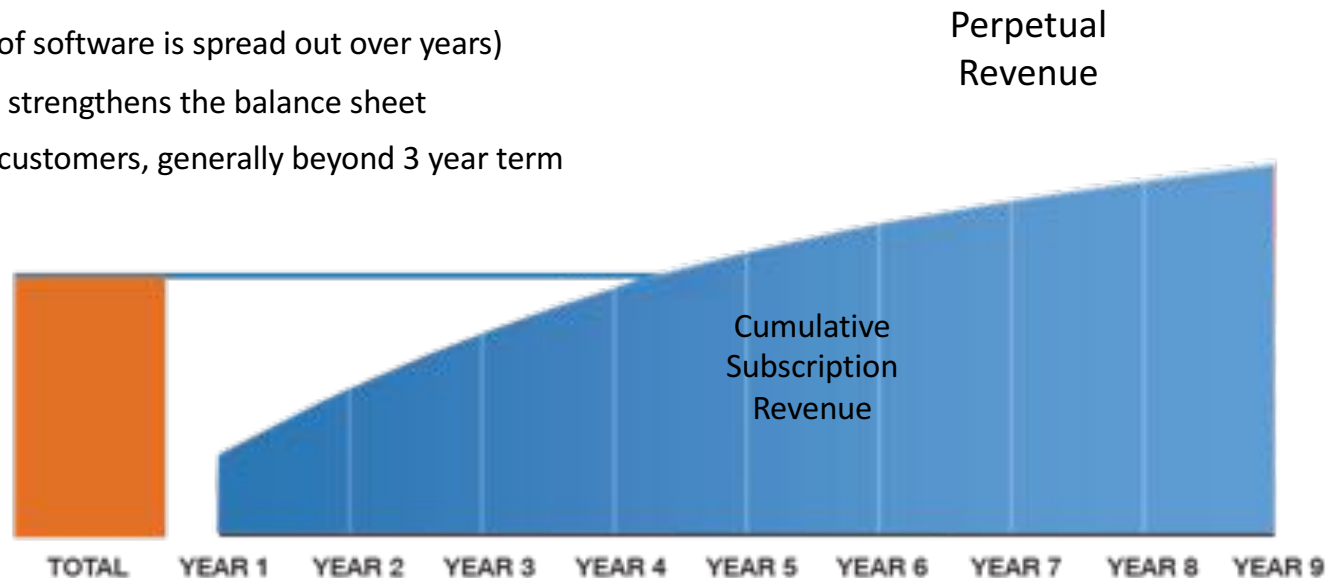
26% Reduction

# Our Strategic Priorities

## Introduce Subscription Pricing Model

### Benefits for Azure:

- Predictable and continuous revenue
- While subscribed, Azure has regular contact with the customer, rather than sporadic contact.
- More competitive on bids (cost of software is spread out over years)
- Improves forward cash flow and strengthens the balance sheet
- Higher revenue from long-term customers, generally beyond 3 year term



A Software as a Product (SaaP) company's revenue is a function of the number of **new** customers while the Software as a Service (SaaS) company's revenue is a function of the **total** number of customers.

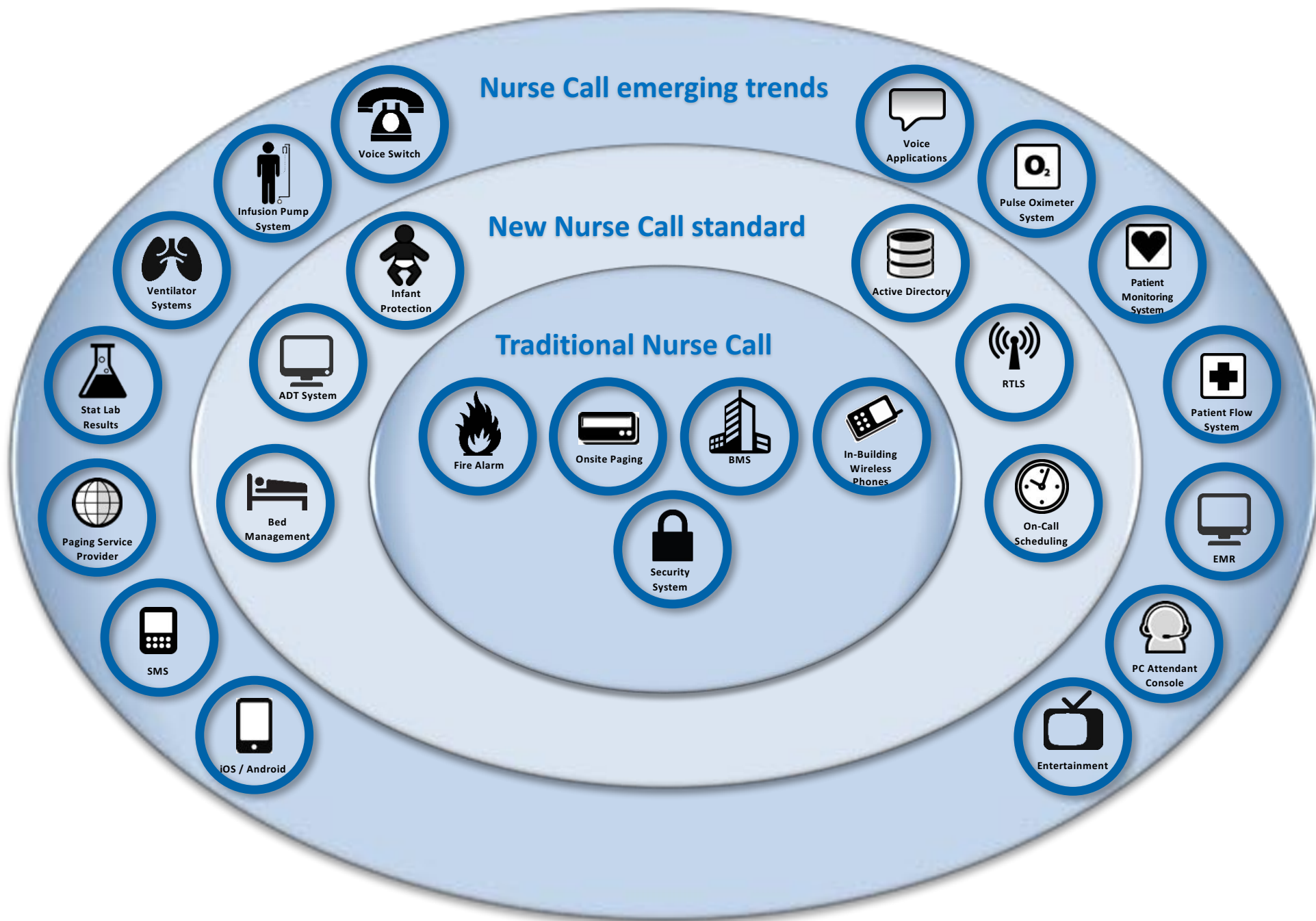
# Product Roadmap

*and future product opportunities*



LOCUMS	Referral	Ref Fee
1200 - 1	Constance K.	DRH
1200 - 2	Amelia V.	Allergic to PC
1201 - 1		
1201 - 2	Hermann G.	Allergic to Dy
1202 - 1	Bella L.	NPO
1202 - 2	Isadora A.	
1203	Cornelia F.	Allergic to nut
1203 - B		
1204 - 2	Minerva M.	
1205	Rufus S.	DRH



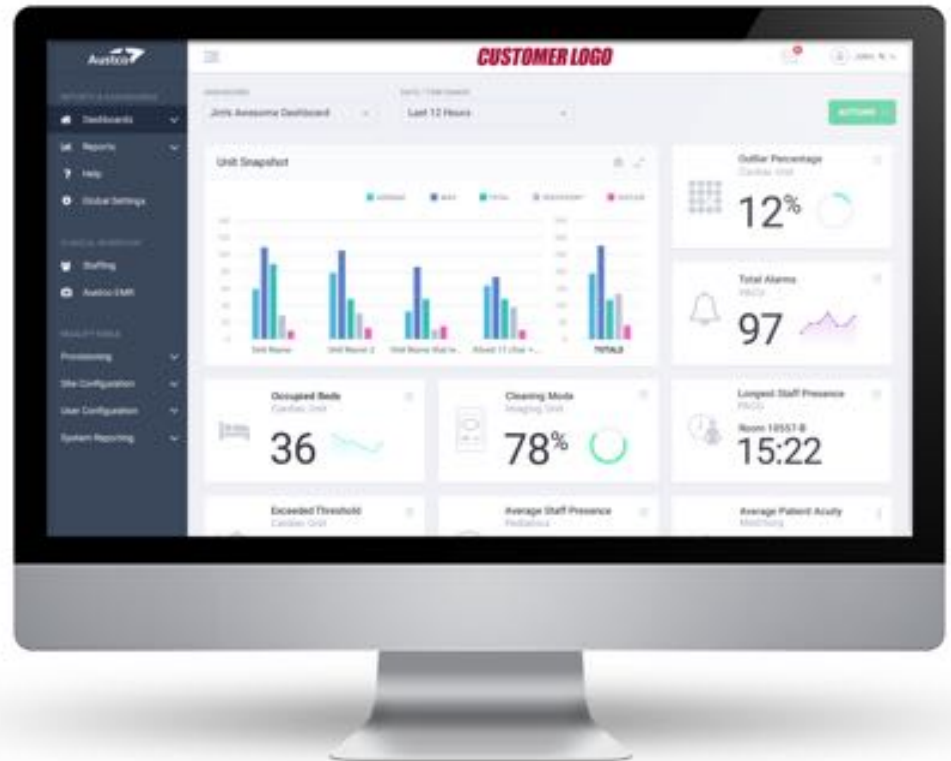


# Reports & Dashboards

Analytics and reporting

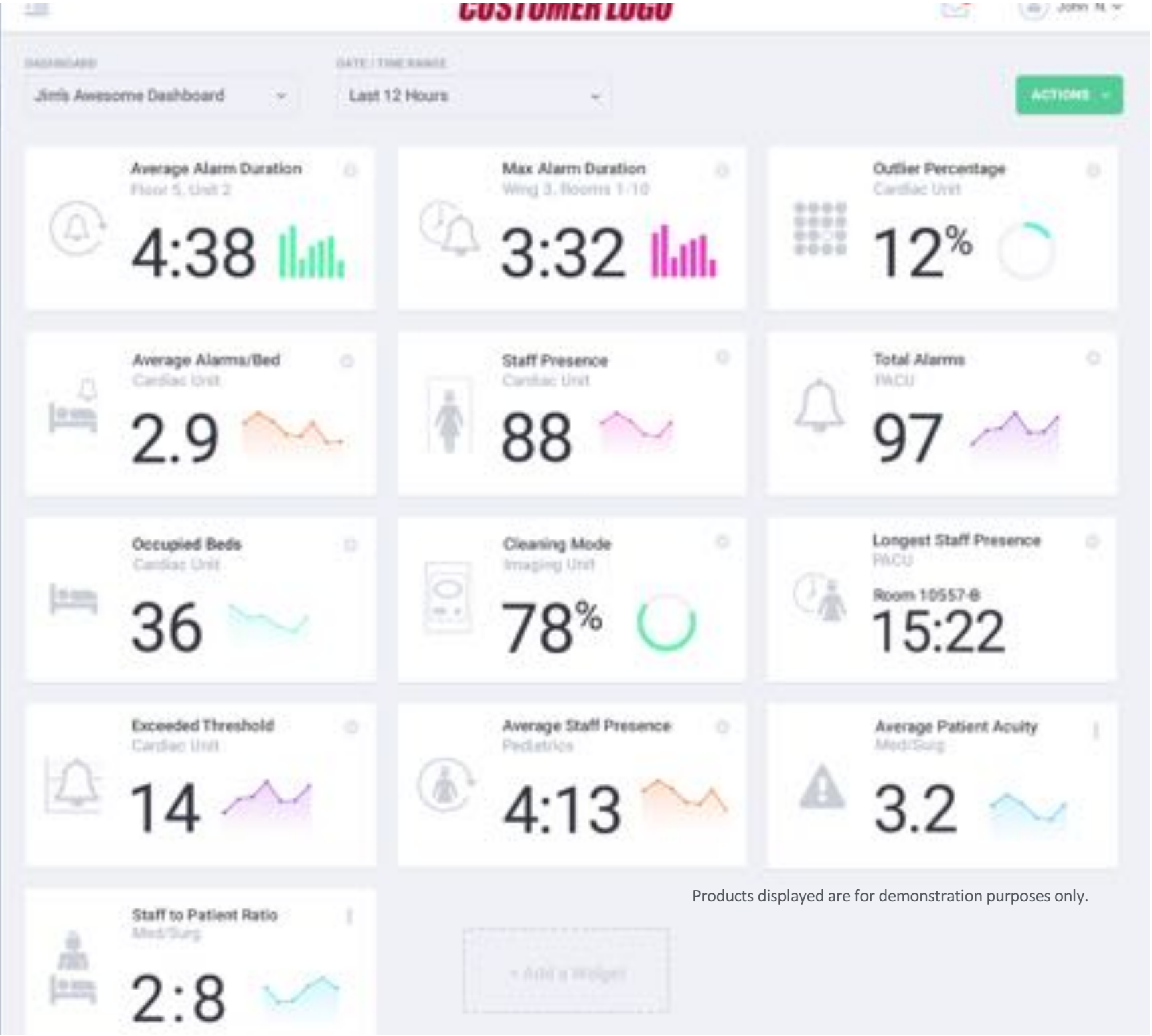
Few competitive solutions

Austco's platform could be a market leader



Products displayed are for demonstration purposes only.





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# RTLS for Nurse Call



“Presence” over door light

Acknowledge alarms at nurse station

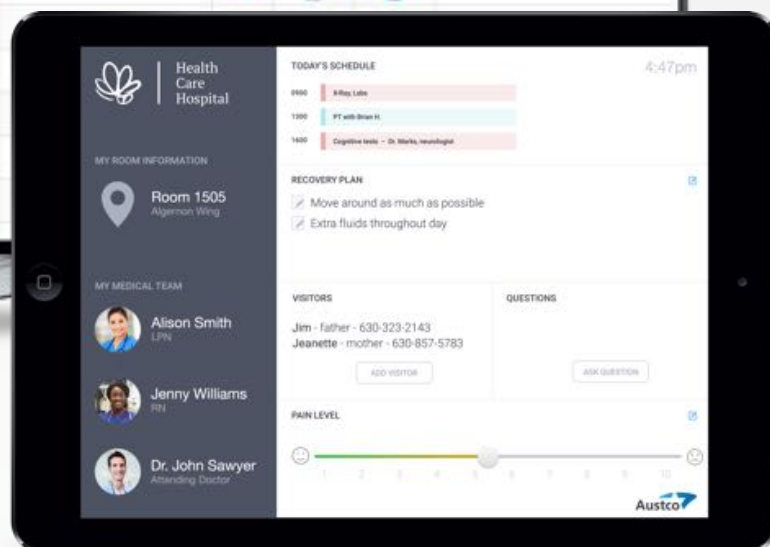
Track time spent in room, response time

Accurate for multi-bed rooms

Position relative to other tags

**Austco** Cardiology Unit

LOCATION	PATIENT	NOTES	PRIMARY CONDITION	IN	LPN	STATUS
1200 - 1	Constantine K.	DNR	Atrial Flutter			
1200 - 2	Amanda V.	Allergic to PCN	Angioplasty			
1201 - 1	—					
1201 - 2	Hermione G.	Allergic to Diphenhydramine	Acute Thoracic			Pendant Unplugged 00:38
1202 - 1	Belatrix L.	NPO	Endocarditis			
1202 - 2	Isadora A.		Myocardial Infarction			
1203	Cornelius F.	Allergic to nuts, shellfish	Broken Femur			
1203 - B	—					
1204 - 2	Minerva M.		Descending Vena			
1205	Rufus S.	DNR				



## WHITEBOARDS

For nurse's station, patient rooms

Uses icons and pics

Easy to configure

Customized workflow

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# MOBILE APPS

Bring your own device (BYOD)

Lets nurses use technology they already know

Nurses not tied to a station



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# FOCUSED ON ALARM MANAGEMENT

Acknowledge alarm

Forward/Decline alarm

Escalate alarm

Reminders

## SMART WATCH APPS

Hands-free care

Watches are ideal notification devices



# END-TO-END ALARM MANAGEMENT

## ALL AUSTCO PRODUCTS

Consistent interactions

Consistent visual language

Entire ecosystem



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# BUSINESS OUTLOOK

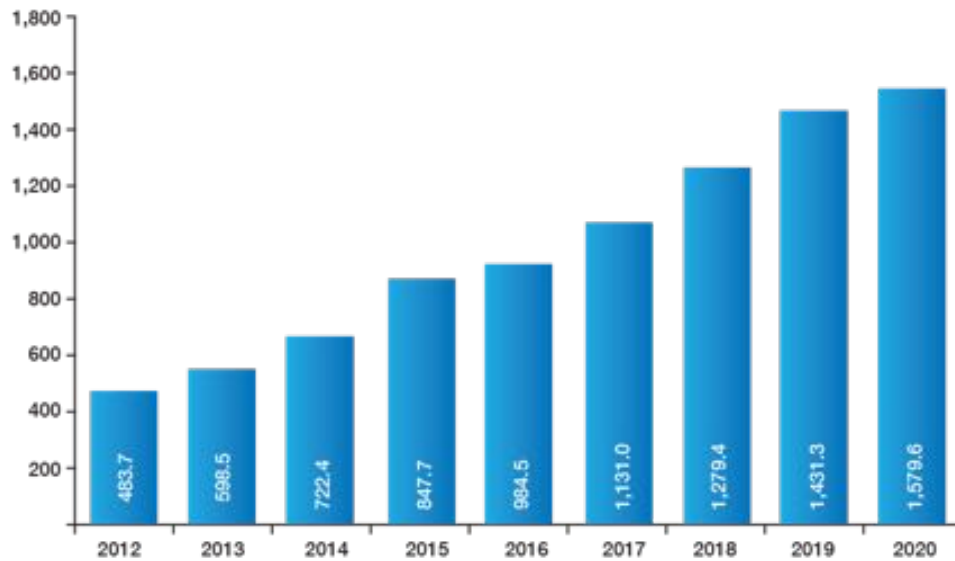




# Business Outlook

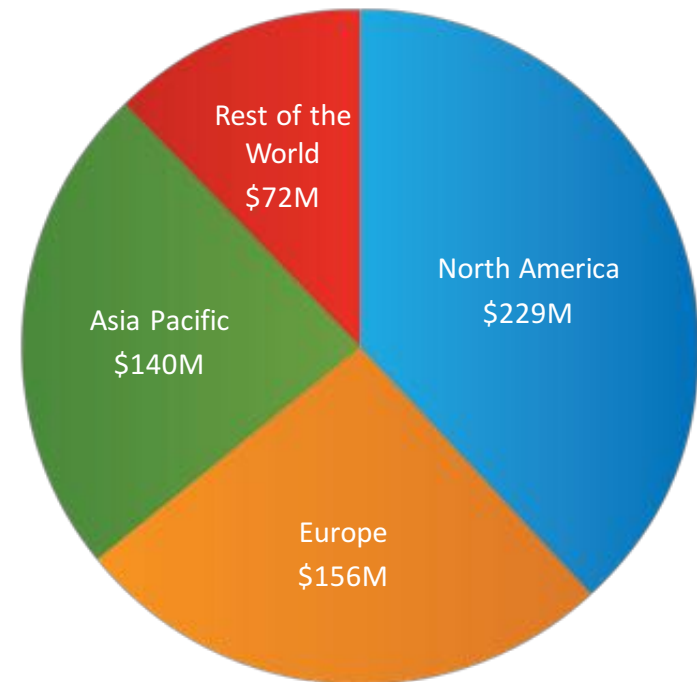
## Nurse Call Market Size

GLOBAL NURSE CALL SYSTEMS MARKET, 2012 - 2020, REVENUE (USD Mil)



Source: TMR Analysis, December 2014

GLOBAL NURSE CALL SYSTEMS MARKET, BY GEOGRAPHY, 2013 (US\$ M)



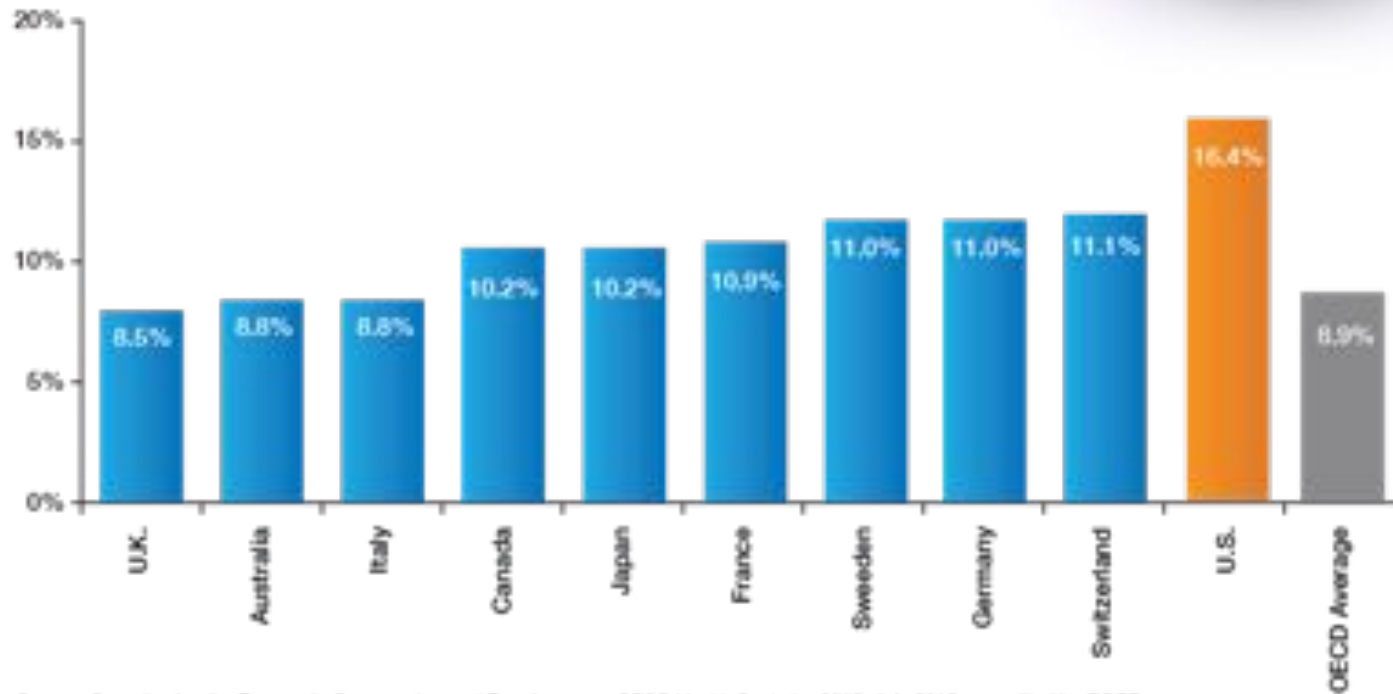
Source: TMR Analysis, December 2014

# Business Outlook

## Importance of the USA Market

Healthcare expenditures in the US are twice those of other developed countries

**NATIONAL HEALTH SPENDING (% OF GDP)**



Source: Organization for Economic Cooperation and Development, OECD Health Statistics 2015, July 2015, compiled by PGPF.  
NOTE: Total healthcare costs are for the year 2013, except Australia, for which 2012 data are the latest available.

# Business Outlook

## Investment Case



# QUESTIONS?

