AZURE
HEALTHCARE LIMITED

Azure Healthcare Limited

AGM Presentation

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Impact of COVID-19

Production

- The majority of our Chinese suppliers have returned to full production capacity; albeit, with increased safety measures that have impacted efficiency and delivery timelines.
- Transport of goods from China continues to be an issue as many carriers have reduced or eliminated key routes in the region, but the situation is expected to improve as restrictions are lifted.

Access to sites

- Government imposed COVID-19 restrictions in many countries continue to have an impact on the Company. Limited access to occupied facilities means some revenue will be deferred for the short-term.
- We do not expect unfettered access to sites until at least the middle of the financial year.

Azure Global Presence

Regional offices give a local sales presence to pursue opportunities in sophisticated and high value markets

USA/Canada

MARKETS	USA, Canada, Latam
SALES	A $15.5m
EMPLOYEES	53
ACTIVITIES	Sales, Manufacturing, R&D

United Kingdom

MARKETS	UK, Europe
SALES	A $2.4m
EMPLOYEES	9
ACTIVITIES	Sales

Singapore

MARKETS	Asia, Middle East
SALES	A $3.5m
EMPLOYEES	17
ACTIVITIES	Sales

Australia / NZ

MARKETS	Australia, New Zealand
SALES	A $10.2m
EMPLOYEES	15
ACTIVITIES	Sales, R&D

Our Products

Tacera

Built-in RTLS

Real-time location has become a critical component to facilities due to its actionable data and efficiencies gained through automation.

Uses existing nurse call infrastructure for a cost-effective solution

Data and events drive automated processes

Robust reporting meets facility requirements and regulatory standards

Enabled with new smart call points and badges

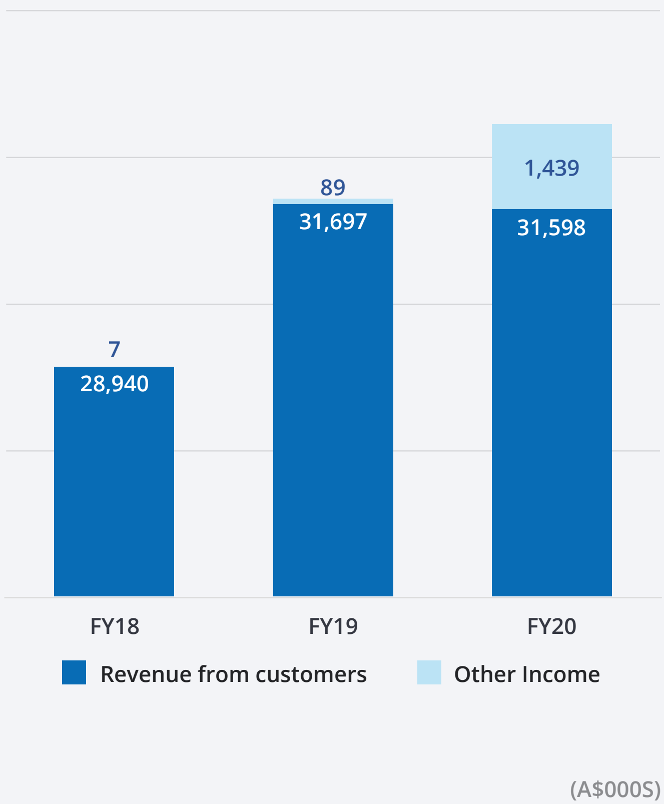
Financial Performance

Revenue

Total Revenue in FY20 was up 3.9% in FY20 to $33.0m, including $1.4m of grant income from COVID-19 stimulus packages. Revenue from customers was slightly down in FY20 from COVID-19 impacts:

- 1H20 revenue from customers were up 12% on the previous comparative period, but restricted access to sites to undertake works arising from COVID-19 impacted 2H20 revenues which were down 12% on 1H20
- 2H20 installation revenues were down 31% on 1H20, arising from restricted site access. Once these restrictions are lifted we expect to recoup these revenues
- Software and SMA revenues increased over FY20 rising from 11.0% of total revenues in FY19, to 13.7% in 1H20, to 17.6% in 2H20

2H20 revenues were negatively impacted by COVID-19, but were offset by government stimulus grant income. Growth in the high margin strategic Software and SMA revenues to 17.6% in 2H20 continues the momentum.

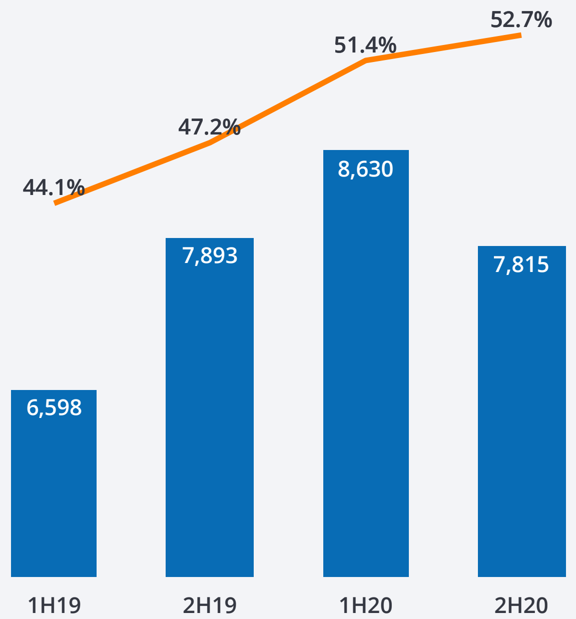


Gross Profit + Margin

Gross margin % improvement throughout FY20 to average 52.0% across the year demonstrates improved supply chain and manufacturing:

- 1H20 supply chain challenges and tariff issues worked through to give rise to a 51.4% gross margin
- 2H20 saw new supply chain challenges with COVID-19 affecting supply, raising prices of key raw materials shared with other industries and impacting on logistics routes and prices
- Lower revenues in 2H reduced the gross margin to $7.8m but at 52.7% reflecting a higher share of Software and SMA annuity revenues

Whilst supply chain and logistics challenges remain, initiatives implemented have yielded margin increases.



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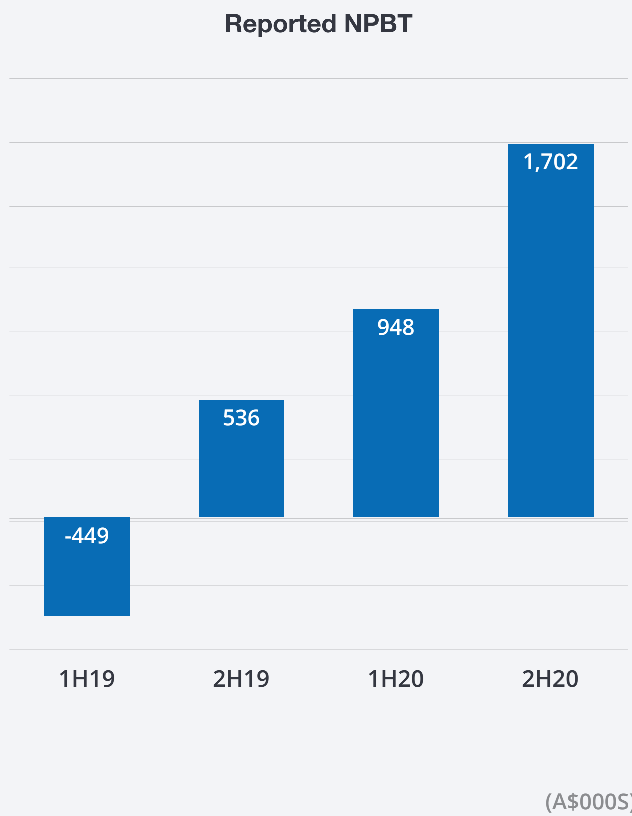
Earnings

Profits demonstrate growth over the last four halves:

- 2H20 NPBT of $1.7m was assisted by grant income in the period, but was impacted by revenue deferrals arising from COVID-19 restrictions
- 1H20 NPBT of $0.9m demonstrates improvement on prior periods despite operating through the challenging tariff issue and supply chain challenges
- We elected to graph NPBT to remove the one off nature of tax assets booked last year
- COVID-19 challenges remain in our markets in 1H21, the duration of the impact is unknown, but given that our Order Book is at historically high levels, we believe once restrictions lift the company is very well placed.

Azure Healthcare's growing profits demonstrates the commencement of traction from the restructures and initiatives implemented over the past couple of years.



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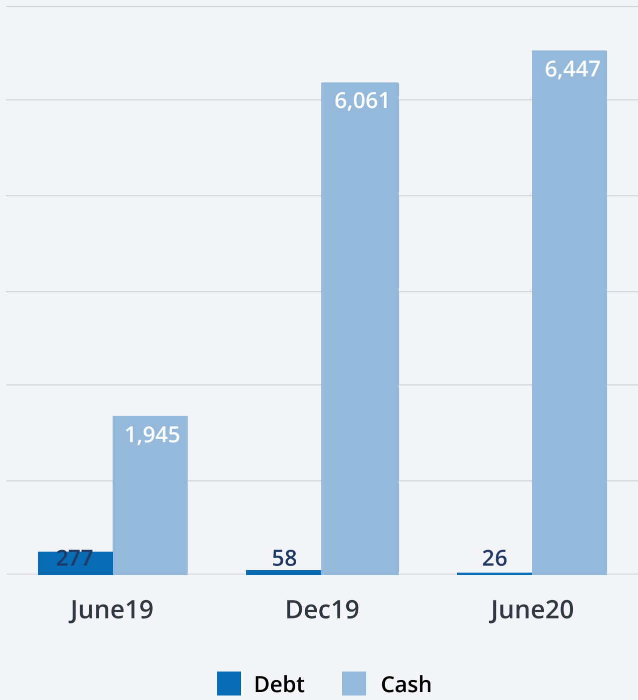
Cash + Debt

- Cash on hand remains strong at $6.4m
- The majority of the proceeds of the recent $3.5m capital raising have not yet been deployed in the proposed Sales and Marketing initiatives given the interruptions caused by COVID-19, although during calendar 2020 sales focussed roles in Australia and Singapore were added and filled.
- Positive cashflow from operations has further strengthened the balance sheet
- The Company has repaid and terminated all debt facilities during the year

> *A solid cash position allows the Company to take advantage of procurement opportunities and fulfill its capital raising objectives of strengthening its sales and marketing capabilities.*



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Strategic Objectives

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FY21 Strategic Plan

Some capital raising initiatives put on hold, but will be restarted as COVID restrictions are lifted in the second half of FY21.

OBJECTIVE	STRATEGY
Continue to innovate	Enhance RTLS call point features Develop solutions to address healthcare infection control challenges
Drive revenue growth	Recruit sales professionals in strategic locations, AU and Asia added in CY20 Target national accounts in all regions
Build brand awareness in growth markets	Establish strategic partnerships with market leading health technology companies. Increase marketing investment in strategic locations.
Increase software and SMA revenue	Recruit software focused channel partners
Improve Margins	Outsource high volume manufacturing to contract manufacturers Increase software and SMA sales revenue

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Outlook

- Forecasting profitable 1HFY21
- COVID uncertainties exist, offset by high level of Order Book
- Marketplace, expected to grow post COVID
- Market-leading products through sustained R&D commitment
- Investment in Sales and Marketing resources

Azure Healthcare is devoting more sales and marketing resources in targeted markets to capitalise on a growing marketplace and convert opportunities into sales.

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