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14 November 2019

ASX Announcement

AZURE HEALTHCARE LIMITED PLACEMENT AND RIGHTS OFFER

Highlights

- **Azure Healthcare Limited is pleased to announce it has received binding commitments for a placement of shares to sophisticated and professional investors that will raise \$2 million.**
- **Azure Healthcare also announces a 1 for 11.88 pro-rata, non-renounceable rights offer at \$0.068 per share to raise up to \$1.5 million.**
- **Demand for the Placement was in excess of what was sought.**
- **Eligible Shareholders will be entitled to apply for additional shares in excess of their entitlements under the rights offer.**
- **Net proceeds will be used to:**
 - **increase strategic marketing and sales presence in international markets, specifically the United States, Australia and Europe;**
 - **develop brand awareness through trialling innovative new products in the United States, Australia, Europe and Asian markets; and**
 - **make target purchases of certain materials that will enable the Company to materially reduce the lead time for high demand items as well as allowing for increased order quantities.**

Azure Healthcare Limited (ACN 108 208 760) (ASX: AZV) (**Azure** or the **Company**) is pleased to announce that it has received binding commitments for a placement of 29,411,764 shares to sophisticated and professional investors (the **Placement**) at an issue price of \$0.068 per share to raise \$2,000,000.

In conjunction with the Placement, the Board of AZV is also pleased to announce the launch of a 1 for 11.88 pro-rata, non-renounceable rights offer to Eligible Shareholders (**Rights Offer**) to raise up to \$1,500,376 (before the costs of the Rights Offer).

The Company intends to use the net proceeds of the Placement and Rights Offer to:

- (a) increase strategic marketing and sales presence in international markets, specifically the United States, Australia and Europe;
- (b) develop brand awareness through trialling innovative new products in the United States, Europe, Australia and Asian markets; and
- (c) target purchases of certain materials that will enable the Company to materially reduce the lead time for high demand items, as well as allowing for increased order quantities.

The remaining proceeds will be used to cover the expenses of the Placement and Rights Offer.

The Company's Directors unanimously support the Rights Offer.

The shares issued pursuant to the Rights Offer will be issued at the same price as issued under the Placement, being \$0.068 per share. The Offer Price reflects a 15.8% discount to the 5-day volume weighted average trading price (**VWAP**) and 10.1% discount to the 15-day (**VWAP**) of the Company's shares for the period ending on the date of this announcement. The Placement and, if fully subscribed, the Rights Offer, will raise \$3,500,376.

Use of funds

The funds raised from the Placement and Rights Offer will be used by the Company as follows:

Use of Funds	Amount (A\$'000s)
Strategic marketing and sales	\$2,395
Brand awareness	\$400
Targeted purchases	\$500
Expenses of the Placement and Rights Offer	\$205
Total	\$3,500

Placement

The Placement will involve an allocation of 29,411,764 new ordinary shares to sophisticated and professional investors expected to settle on 22 November 2019 at an issue price of \$0.068 per share, raising a total of \$2,000,000. The new shares to be issued in connection with the Placement will be issued under AZV's existing Listing Rule 7.1 placement capacities. Investors that participated in the Placement will be eligible to participate in the Rights Offer and those investors have indicated their intention to do so in accordance with their binding commitment.

Rights Offer

The Rights Offer will comprise an issue of a total of up to 22,064,360 fully paid ordinary shares (**Rights Offer Shares**) at an issue price of \$0.068 per share (**Offer Price**) to raise up to \$1,500,376.

The Rights Offer is made up of two separate offers as follows:

- (1) a non-underwritten, pro-rata, non-renounceable rights offer to Eligible Shareholders on the basis of one (1) New Share for every 11.88 Shares held on the Record Date (as defined below) at an issue price of A\$0.068 per New Share to raise \$1.5 million (**Priority Offer**); and
- (2) to the extent that there is a shortfall of subscriptions under the Priority Offer, an offer of Shortfall Shares to Eligible Shareholders (**Shortfall Offer**).

The Priority Offer is non-renounceable. Accordingly, there will be no trading of rights on the ASX, and Shareholders may not dispose of their rights to subscribe for shares under the Rights Offer to any other party.

All Rights Offer Shares issued under the Rights Offer will rank equally with existing ordinary shares on issue in the Company. The Rights Offer is not underwritten. The net funds raised from the Rights Offer will be used by the Company as outlined above.

Eligibility to participate in the Rights Offer

The Priority Offer and Shortfall Offer are being made to Eligible Shareholders on the basis of the number of ordinary shares held in the Company at 7:00pm (AEDT) on Friday, 29 November 2019 (**Record Date**).

Eligible Shareholders are those shareholders on the Record Date with a registered address in Australia or New Zealand, or that are Approved US Shareholders pursuant to the US Securities Act of 1933 (further detail to be provided in the Rights Offer Booklet to be lodged with the ASX) (**Eligible Shareholders**).

Rights Offer timetable

The proposed timetable for the Rights Offer is set out below. The dates are indicative only and the Company reserves the right to vary the dates, including the right to extend the Closing Date, or to withdraw the Rights Offer (subject to the Corporations Act 2001 (Cth) (the **Act**) and the ASX Listing Rules).

AZV will send a Rights Offer Booklet with the Entitlement and Acceptance Form by Tuesday, 3 December 2019 to Eligible Shareholders.

Date	Event
Thursday, 14 November 2019	Rights Offer and Placement Announcement Date
	Lodgement of Appendix 3B (Placement) with ASIC and ASX
Friday, 22 November 2019	Settlement of New Shares pursuant to the Placement
Monday, 25 November 2019	Lodgement of Rights Offer Booklet and Appendix 3B (Rights Offer) with ASX
Tuesday, 26 November 2019	Company sends letters to Eligible and Non-Eligible Shareholders containing information in respect of the Rights Offer and the Offer Timetable
Thursday, 28 November 2019	Rights Offer Ex Date Company shares trade on an ex-basis for the Rights Offer
At 7:00pm (AEDT) on Friday, 29 November 2019	Rights Offer Record Date
Tuesday, 3 December 2019	Rights Offer Opening Date
	Rights Offer opens Company completes dispatch of Rights Offer Booklet to Eligible Shareholders
Tuesday, 10 December 2019	Last day to extend the Rights Offer closing date
At 5:00pm (AEDT) on	Rights Offer Closing Date

Date	Event
Friday, 13 December 2019	
Monday, 16 December 2019	Quotation of Rights Offer shares on a deferred settlement basis
Wednesday, 18 December 2019	Rights Offer Shortfall Notification Date Company announces results of the Rights Offer and notifies ASX of under-subscriptions (if any)
Friday, 20 December 2019	Rights Offer Allotment Date Issue date under Rights Offer Deferred settlement trading ends
Monday, 23 December 2019	Rights Offer Trading Date Normal trading of Rights Offer Shares
Tuesday, 24 December 2019	Rights Offer Statement Dispatch Date Dispatch of holding statements

An Appendix 3B for shares to be issued pursuant to the Rights Offer, and the Rights Offer Booklet will follow this announcement in accordance with the above timetable.

This announcement is not an offer of securities. Any person considering acquiring securities under the Rights Offer should read the Rights Offer Booklet. Applications for shares under the Rights Offer may only be made using the Entitlement and Acceptance Form to be attached to, or accompanying, the Rights Offer Booklet. Securities will only be issued on the basis of an Entitlement and Acceptance Form issued together with the Rights Offer Booklet.

For further information please contact:

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About Azure Healthcare Limited (ASX:AZV)

Azure Healthcare Limited is an international provider of healthcare communication and clinical workflow management solutions. Headquartered in Australia, the Company has subsidiaries in six countries and supports healthcare facilities through its global reseller network which includes growing markets in health, aged care and acute care. Azure Healthcare services markets include Australia, New Zealand, Canada, UK, USA, Asia and the Middle East. For further information please refer to the Company's website www.azurehealthcare.com.au.