

Investor Presentation, July 2019

Let's have a conversation **about improving your clinical IT ecosystem.**



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Who is Mach7 (ASX:M7T)?

- Enterprise Imaging Software provider to hospitals and clinics
- Global imaging market >US\$3BN
- Delivery: On-premise, cloud solutions
- Growing global customer base: USA, UK, Qatar, South East Asia ...
- Two revenue models: SaaS & capital sales
- Employing ~40 staff



Mach7 Technologies (M7T)

FINANCIAL INFORMATION (\$A)

Share price \$0.76

Number of shares (m) 147.8m

Market Capitalisation \$112.3m

Cash (30-Jun-19) \$2.3m

Debt (30-Jun-19) \$0.6m

Enterprise Value \$110.4m

MAJOR SHAREHOLDERS

JM Financial Group 18.1%

BV Healthcare 7.9%

Australian Ethical 4.7%

Ravi Krishnan (founder) 3.8%

Business Highlights

- New CEO
- Restructured Board of Directors
- VP Sales and VP Service hired to strengthen US team
- VP Operations hired to strengthen ASPAC team
- Major customer implementations on track
- 4 x go-lives planned through to 31 Dec 2019
- Robust sales pipeline
- Largest sale in US announced July 2019 (Advocate Aurora)
- On track to meet free cash flow break-even target (Feb. 2020)

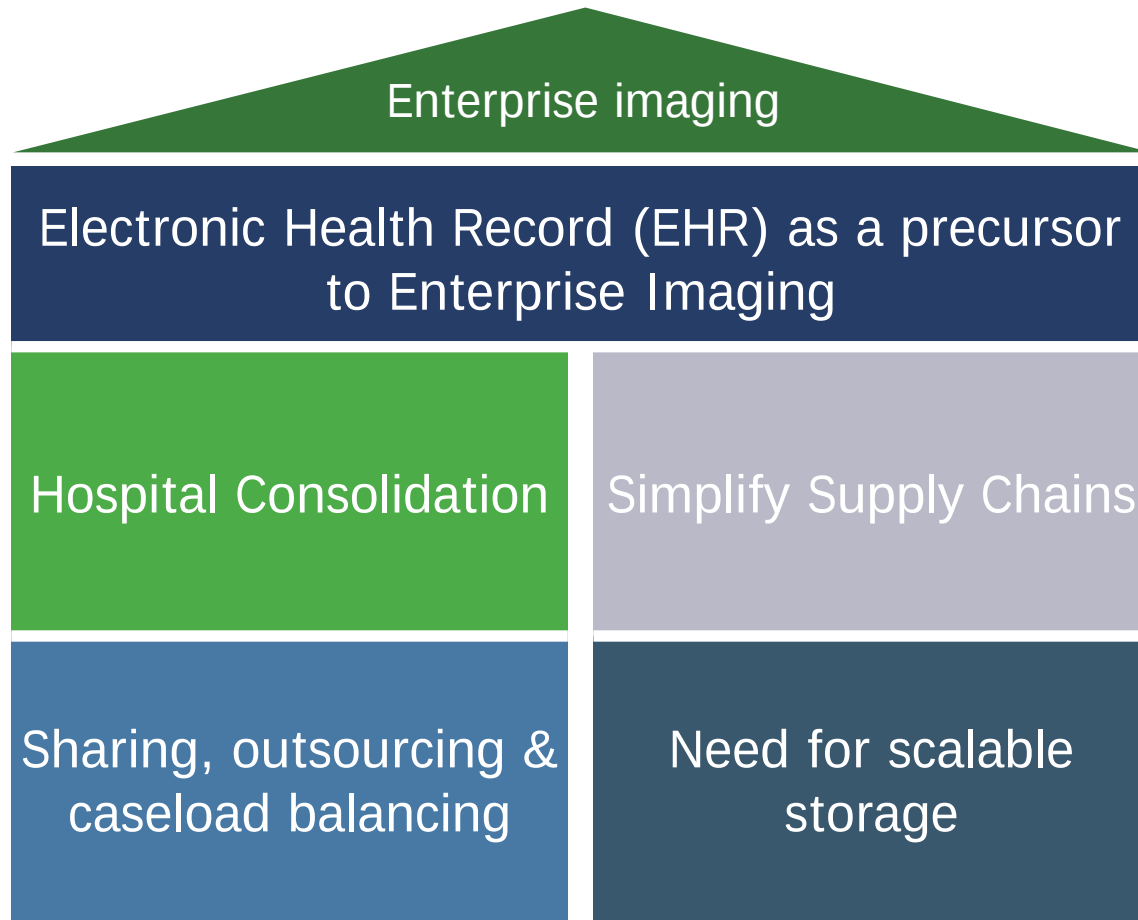


Mach7 Evolution – Company & Product



What is Enterprise Imaging

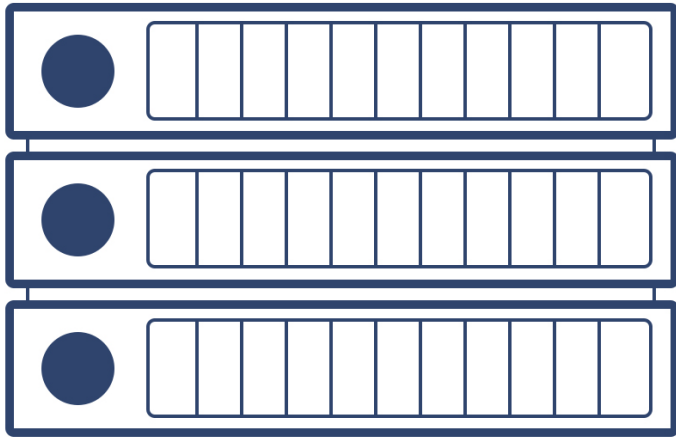
Drivers of Enterprise Imaging



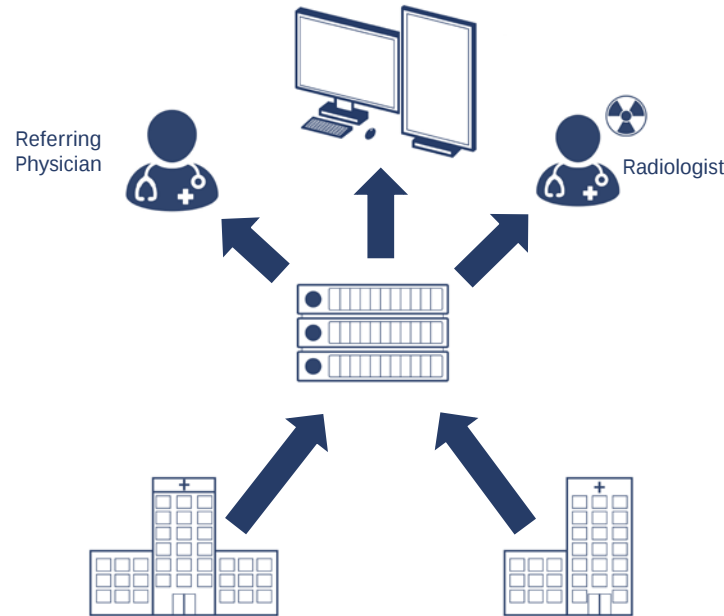
- The Mach7 Platform provides an Enterprise-wide imaging solution

Diagram from Signify Research

Mach7 Enterprise Imaging Product Strategy



- **Vendor Neutral Archive (VNA)** is the cornerstone of the EI market
- Mach7 is considered a pioneer in the VNA market space

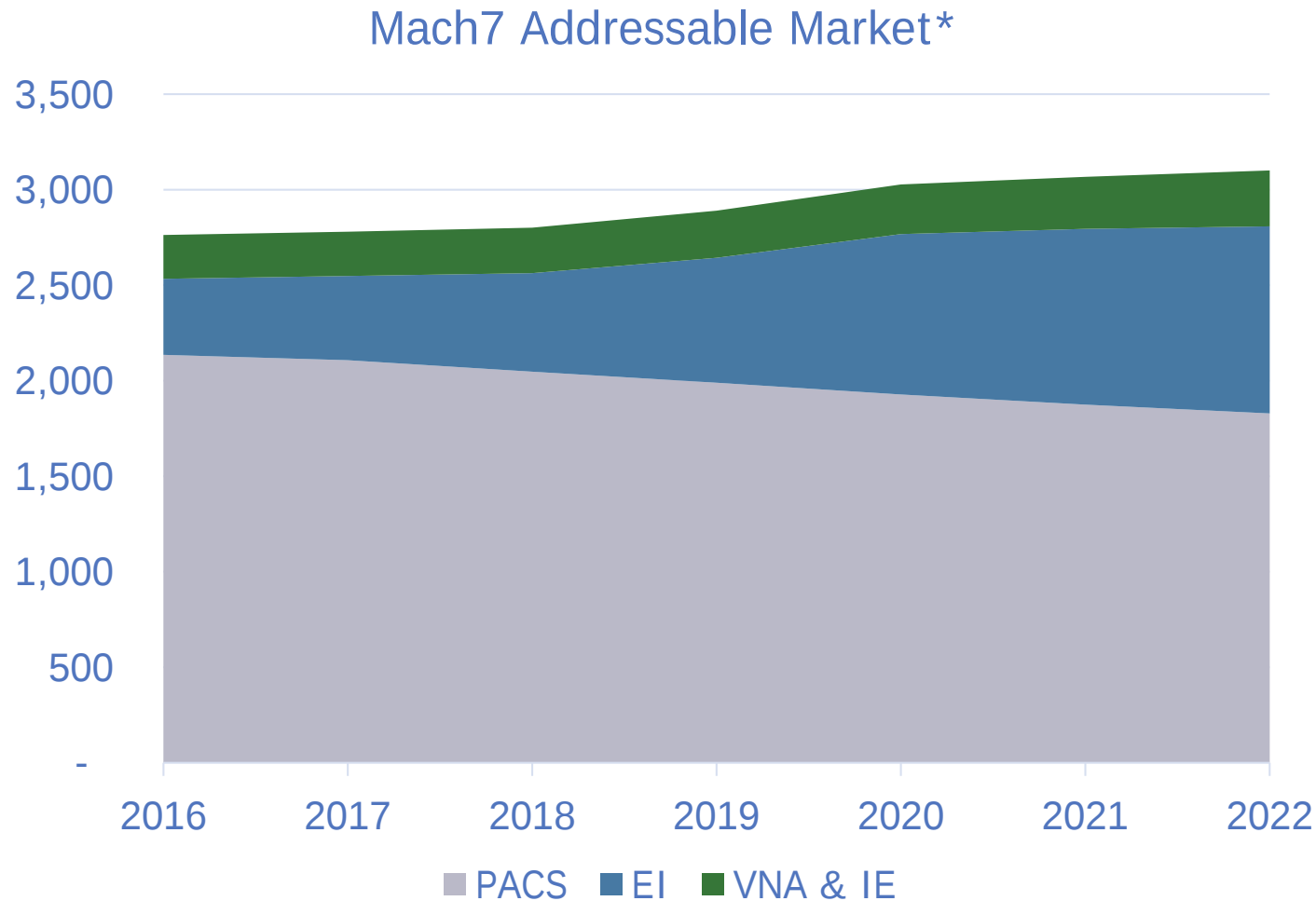


- Core Capability is providing **Enterprise Imaging (EI)** solutions for healthcare



- Mach7 sells a **Picture Archive and Communications System (PACS)** with its partner Client Outlook
- Enterprise-first strategy (vs. Radiology-first)

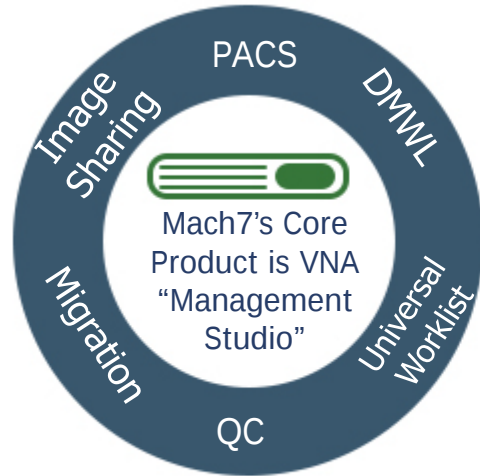
Addressable Global Imaging Market



- Enterprise Imaging Market (EI) **\$520M*** 2018 – with forecast growth **~30%* p/a for next two years**
- EI market is fastest growing market
- Standalone departmental PACS **\$2BN 2018*** however market is shrinking in favour of Enterprise Imaging

**Market Data from Signify Research*

“Mach7 Management Studio” - VNA



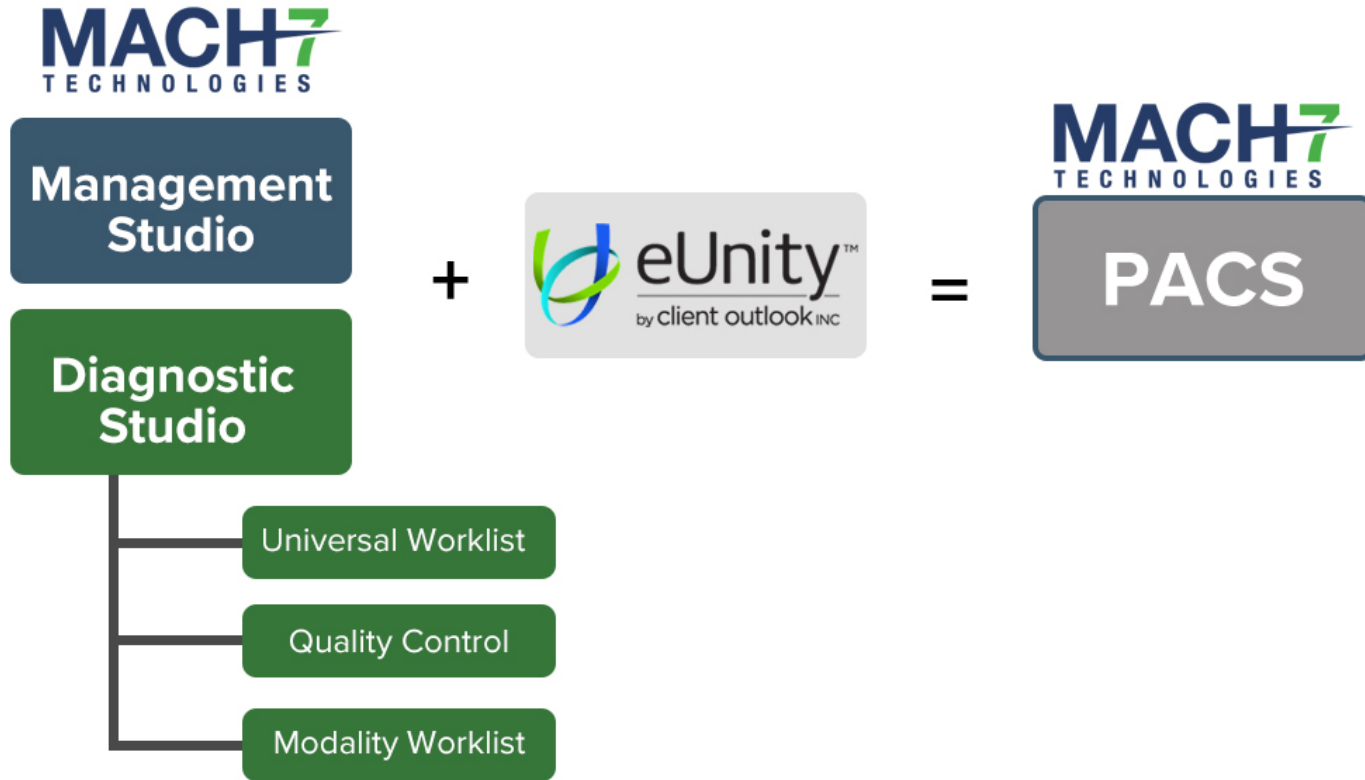
>50 Active \$\$ Customers

Why customers buy a VNA:

- Providing additional storage
- Long-term disaster recovery
- Connecting disparate PACS across hospital
- Today: VNA is purchased as a precursor to Enterprise Imaging

Many healthcare providers are moving toward a multi-clinical Management Platform for all content across their hospital or enterprise.

“Mach7 Diagnostic Studio” - PACS Solution

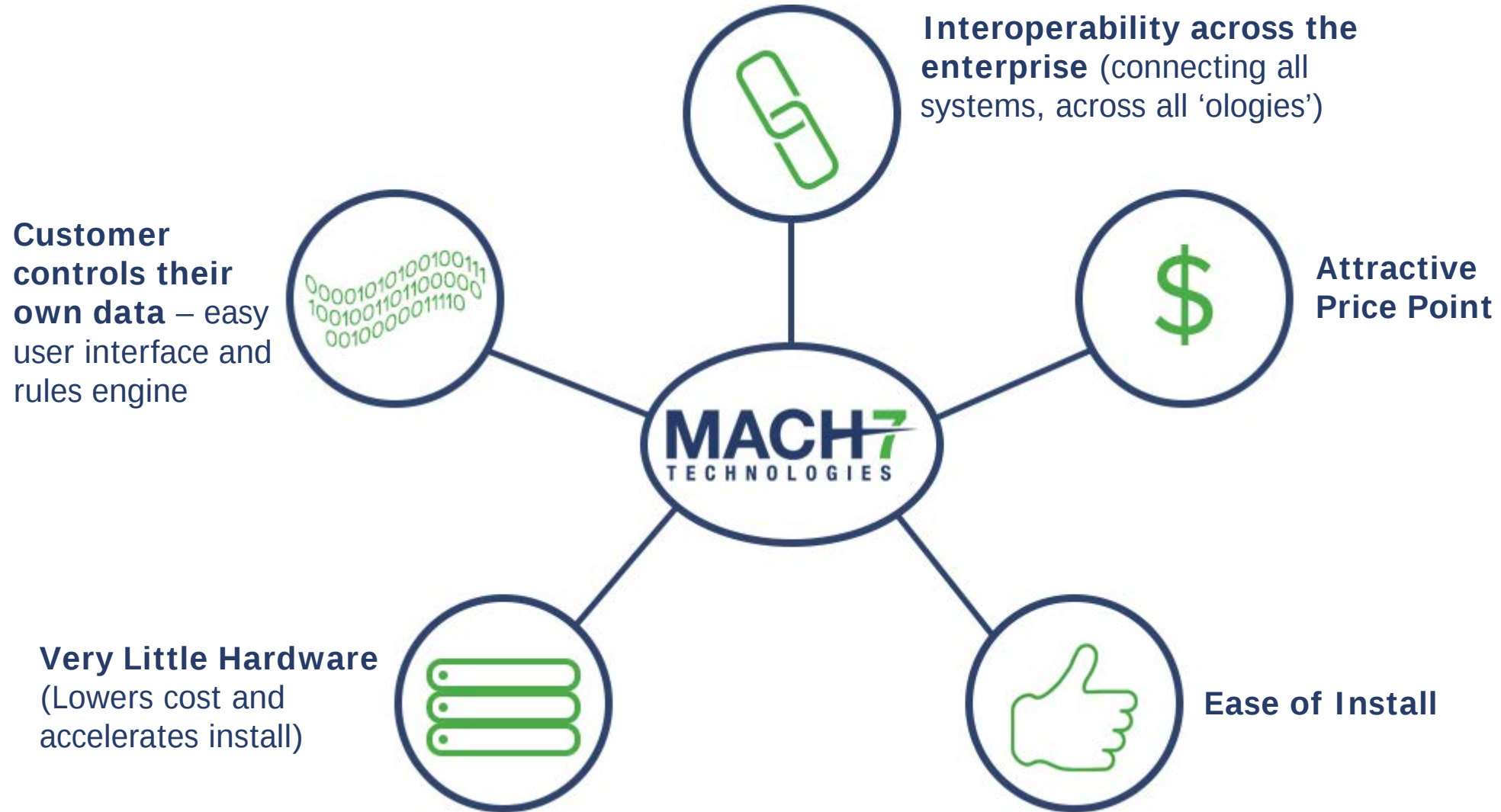


Recent enterprise PACS wins – Sentara healthcare

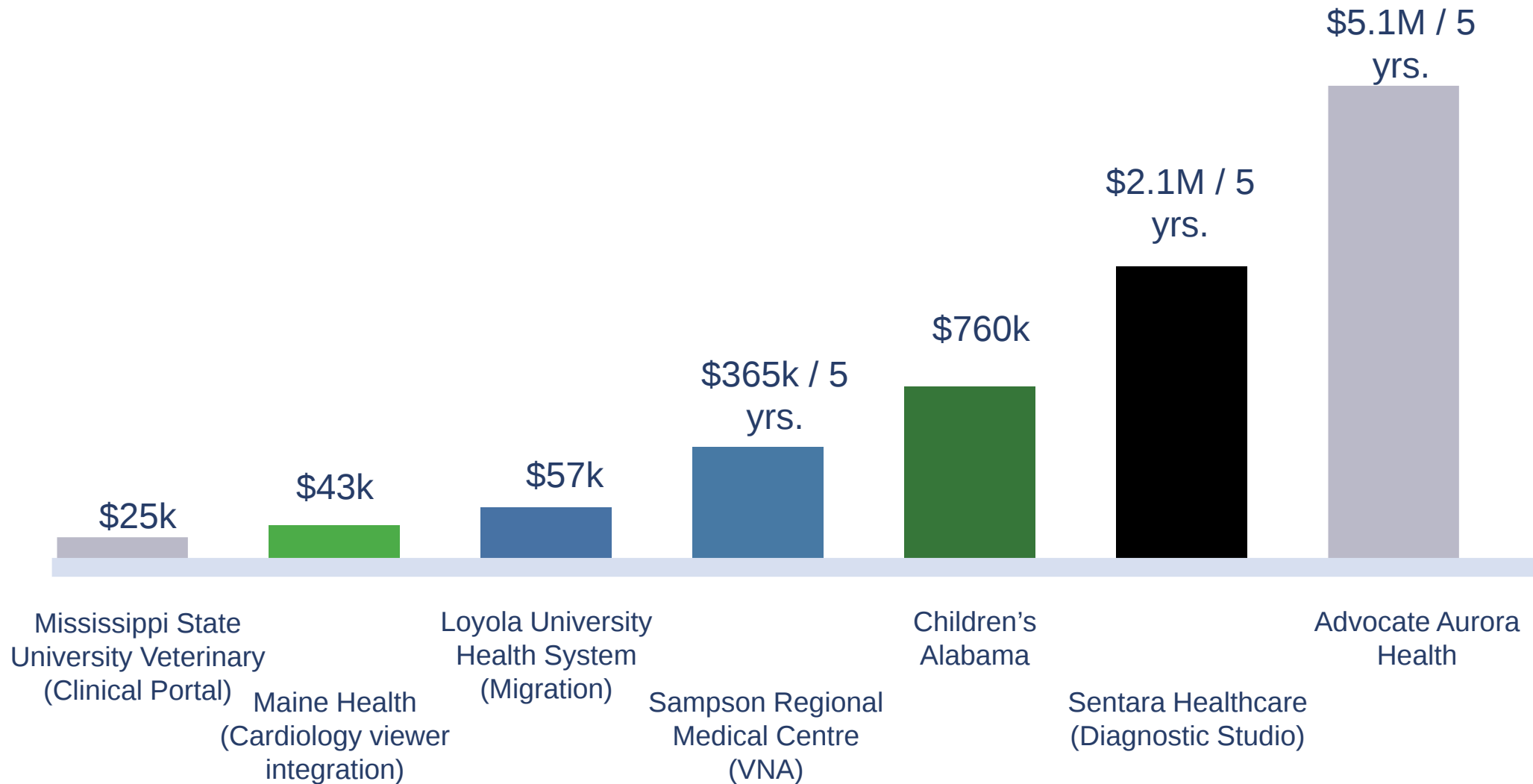


- An integration platform first → enables speed, performance, flexibility
- True zero-footprint (ZFP) viewer → **NO** client-side software
- One ZFP platform for *all* users and devices; browser and device agnostic
- Does **NOT** have 100% streaming like all other solutions – 100% diagnostic 100% of the time – streaming viewers are not capable of this
- Works in a virtual machine environment; leverages existing infrastructure, does not require specialized hardware
- Highly scalable; can support 1000's of unique users on **one VM**

Mach7 Competitive Advantages



Recent Wins – CY19



Hospital Authority of Hong Kong



- Deal value HK\$81 Million (~ A\$15M) / 5 years
- Enterprise Imaging and Viewer for entire Hong Kong territory
 - The Hospital Authority manages 43 public hospitals and institutions, 48 specialist outpatient clinics and 73 general outpatient clinics.
- Customer Objective:
 - Reduce complexities and costs related to system integration and the consolidation, sharing, access and management of medical imaging data across Hong Kong.



Sentara Healthcare



- Leading hospital system in Virginia & NC, USA
- 12 hospitals, 1000 + Physicians, 3800 provider staff
- 8 PACS systems (GE, Agfa, Fuji, Medstream Cardiology)

- **Enterprise Imaging, Migration & PACS Modernisation Projects**

- Mach7 VNA and 20 million study migration underway.
- Recent PACS modernization contract won \$2.1M over 5 years + volume expansion. 100% GM.

- **Customer Objectives**

- Reduce complexities and costs related to system integration and the consolidation, sharing, access and management of medical imaging data across all 'ologies'
- Common PACS platform across all facilities with a single Database and Archive
- Sentara's objectives included the following"
 - Innovative Technology
 - Cost Reduction
 - Workflow Efficiency
 - Geographic Freedom

Advocate Aurora Health



- One of top 10 not-for-profit integrated health networks in US
- Located in Illinois and Wisconsin
- 28 hospitals, 500 outpatient locations
- +3300 Physicians, 70,000 employees
- 3.5 Million Annual Procedures

- **Mach7 Platform & Migration**

- Mach7 Platform to be health-network-wide
- ~3.5 Petabytes of archived data to migrate
- Contract value \$5.1M over 5 years

- **Customer Objectives**

- Enable scalable and interoperable platform to meet their business goals → goal to double current size over next 5 years
- Common platform across all facilities and departments with a single database and archive
- Enable capture and storage of non-DICOM images – this will be enabled in stage 1 of the plan while radiology and cardiology data is being migrated
- Reduce operating expenses



Revenue Models

	Capital Sales		Subscription Sales	
Revenue Component	Priced	Revenue Recognised	Priced	Revenue Recognised
Software license fees	By Procedure Volume	Upfront when license is provided	By Procedure Volume	Monthly*
Annual support	% of License	Monthly*	By Procedure Volume	Monthly*
Professional Services	By Labour Hours	As services are delivered (implementation, training)	By Labour Hours	As services are delivered (implementation, training)

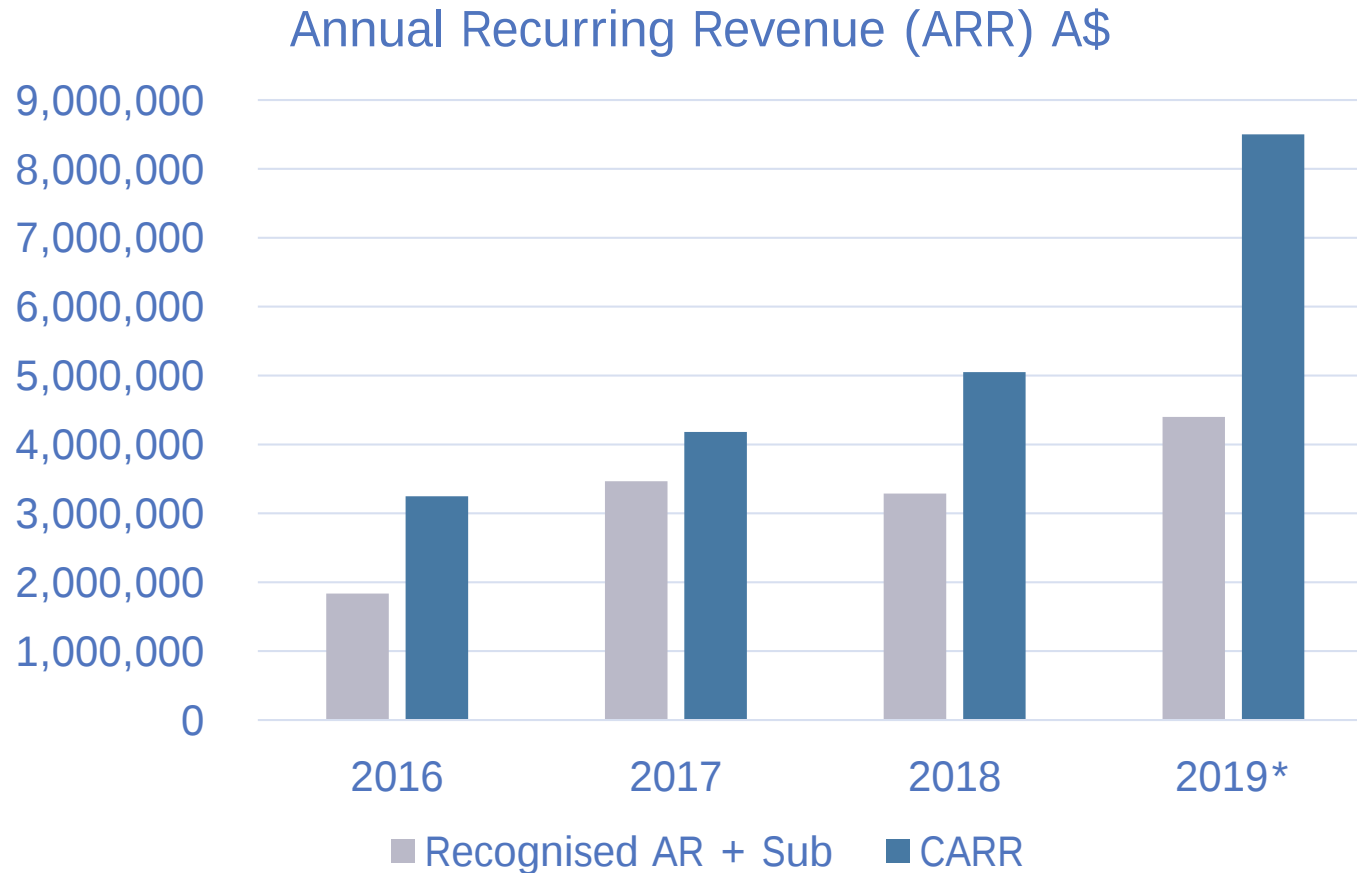
Two revenue models – customers are offered a choice – either Capital or Subscription (SaaS)

Vast majority of Mach7's customers are Capital Sales (at their choice)

*Recurring revenues



Revenues



- Total Contracted ARR \$8.5M - 72% growth (today v '18)
- ARR 36% growth (FY19 est. vs '18)
- FY19 expected to exceed FY2018 revenues of \$8.6M

**FY19 ARR is an estimate*

Growth Strategy



Focus on core products:
enterprise imaging market
space

Focus on allocating resources
towards commercial side of the
business: sales, marketing,
product management

Focus on major markets where we
already have an install base and good
brand recognition: USA, Asia, Qatar,
Saudi Arabia

What's next? Next six months...



- ✓ Continued progress to cashflow break-even for 12 months ending February 2020
- ✓ Contract wins – US & Asia
- ✓ Expand partnerships
- ✓ Re-investing some cost savings into operational roles

Mach7 Board and Leadership Team

BOARD



David Chambers
NON-EXECUTIVE
CHAIRMAN

- 30+ years' extensive experience in HCIT and Life Science industry.
- Former CEO of Promedius & Visage Imaging
- Currently Managing Director, Asia-Pacific, of Allscripts



Eliot Siegel, MD
NON-EXECUTIVE
DIRECTOR

- Thought leader in the world of radiology and imaging informatics. Professor and Vice Chair at the University of Maryland School of Medicine
- Chief of Radiology & Nuc Med for the Veterans Affairs Maryland Healthcare System



Damien Lim
NON-EXECUTIVE
DIRECTOR

- 21+ years experience in private equity and investment banking
- Co-founder of BioVeda Capital
- Currently serves on a number of boards and advisory committees



Wayne Spittle
NON-EXECUTIVE
DIRECTOR

- Extensive industry experience in the global healthcare
- Currently: consultant at Samsung Medison; Advisor at Novum Waves
- Former Executive VP with Samsung Medison and Health and Medical Equipment division

MANAGEMENT



Mike Lampron
MD & CEO

- 20+ years experience in business and operational management for HCIT companies
- Mike is responsible for our customers' success while driving excellence



Jenni Pilcher
CFO, Company
Secretary

- Executive experience in ASX-listed healthcare companies
- Former CFO of Alchemia, and CFO and Co-Sec of Mesoblast (ASX:MSB)
- Part of global finance teams at Cadbury Schweppes and Medeva , PLC



Ravi Krishnan
FOUNDER,
CSO

- Founding partner of Mach7 Technologies
- Nearly 20 years of experience with technology intricacies that drive medical imaging
- Previously worked at GE Healthcare and Agfa Healthcare