

Second Quarter FY21 Business Update

Highlights:

- ◆ Record Q2 cash receipts \$4.25M
- ◆ Operating synergies from the Client Outlook acquisition beginning to be realised
- ◆ Cash flow from operations -\$0.3M
- ◆ Strong financial position with \$14.4M cash on hand and no debt
- ◆ Q2 sales orders \$7.6M
- ◆ 4 significant and successful software deployments completed across the USA

Melbourne, Australia; 21 January 2021: Mach7 Technologies Limited (“Mach7” or the “Company”) (ASX:M7T) is pleased to provide this quarterly update in conjunction with the release of the Appendix 4C – Quarterly Cash Flow Report.

Cashflows for Q2 FY21

The Company recorded \$4.25 million (Q1 FY21: \$3.76M) of cash receipts from customers this quarter, the highest Q2 cash receipts collection on record. In addition, the Company expects to receive cash from its larger new customers in Q3, boding well for continued healthy cash flow from operations. Operating payments (net of interest received and government rebates) for the quarter reduced to \$4.57 million (Q1 FY21: \$5.58M), resulting in operating cash outflows of \$0.32 million. Cash payments for general operating expenses are expected to continue to fall as the full effect of operating synergies from the recent acquisition of Client Outlook Inc. are recognised.

During the quarter Mach7 paid the sellers of Client Outlook Inc. \$2.7 million for working capital remaining in the business at acquisition date. This completes the payments from Mach7 to the sellers required to be made pursuant to the share sale agreement.

Mach7 has ended the quarter in a strong financial position with \$14.4 million cash on hand and no debt.

Sales Growth

Mach7 achieved 130% growth in sales orders on Q1 FY21. Sales orders for \$7.6 million in new contracts (total contract value) were generated. Of this, \$0.6 million will recur annually over the life of the contracts. This quarter includes 6 new customers and 14 expansion and/or renewals from existing customers. Sales orders for the half year are \$10.9 million, compared to \$9.4 million for H1 2020, representing 17% growth for the half year.



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Customer Deployments

Steady progress continues with Mach7 solution deployment at several customer sites, including Partners Healthcare in Massachusetts, St. Luke's Health System in Kansas City, Cleveland Clinic, Beam Readers (teledental group) and University of Michigan.

At Partners Health, Mach7's eUnity viewer has been successfully deployed across their enterprise. Partners Health has important strategic significance, as well as a large volume of studies that can now be viewed with eUnity. Additional functionality is expected to be deployed once Partners Health has completed other organizational projects.

Mach7's implementation at St. Luke's was completed this quarter. St. Luke's is using Mach7's eUnity enterprise viewer to enable zero footprint mobile device access at a site that was struggling with image access from their existing PACS. Notably, the implementation team at St. Luke's was able to bring the eUnity solution live without a single documented Go-Live issue.

Recently, Mach7's eUnity viewer was successfully implemented for the Cleveland Clinic's teleradiology group. This project entailed integrating with a third-party worklist and archive to manage their 400,000-study annual volume. Cleveland Clinic is looking to expand their utilization of our solution across additional sites this year.

Mach7 commenced a partnership with Beam Readers, a group that provides teledental services, in November of 2020. Beam Readers employs approximately 50 Radiologist to read CT Dental scans and is one of the largest teledental groups in the United States. Mach7's eUnity viewer will be a benefit to both the radiologists, who will gain access to our Zero-footprint viewer to speed up interpretations, as well as the Beam Readers customer base, who will be able to access the viewer and collaboration functionality from Beam Readers' homegrown portal. The customer is expected to reach first productive use in February 2021.

Finally, University of Michigan's implementation of the eUnity viewer is approximately 50% complete. This hospital group will be using eUnity for zero-footprint mammography viewing, enterprise viewing, 3D capabilities and report viewing. Implementation at this site is expected to be completed by August 2021.

Product Update

At this year's Radiological Society of North America (RSNA) tradeshow, which was hosted virtually due to the pandemic, several growing trends were evident. Especially notable and relevant to Mach7 was an increased emphasis on viewer technology; consolidating diagnostic viewers across portfolios, providing a more complete user interface that minimizes distractions for physicians, and the ability to address Teleradiology requirements have all become a growing industry focus.

Mach7 has continued to lead innovation by addressing these concepts throughout 2020. We have been developing and are continuing to develop our communication and collaboration tools and our universal worklist, and further enhancements to the overall viewer experience



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have been made. Product innovation will continue to be a high priority going forward as the Company transitions from a technical focus that concentrates on the storage and workflow associated with enterprise imaging to a more clinical and end-user focus. Enterprise Imaging and the interoperability of multiple imaging systems is expected to form the backbone of innovation in the industry for the next several years.

H1 FY2021

The Company expects to announce its half year results on 18 February 2021 and will advise details of an investor call shortly before this date. The Company will provide a full business update at that time.

This announcement has been approved for lodgment by the Board.

About Mach7 Technologies:

Mach7 Technologies (ASX:M7T) develops innovative data management solutions that create a clear and complete view of the patient to inform diagnosis, reduce care delivery delays and costs, and improve patient outcomes. Mach7's award-winning enterprise imaging platform provides a vendor neutral foundation for unstructured data consolidation and communication to power interoperability and enables healthcare enterprises to build their best-of-breed clinical ecosystems. Mach7's sophisticated workflow tools, advanced clinical viewing and optimized vendor neutral archiving solutions unlock silos of legacy systems empowering healthcare providers to own, access and share patient data without boundaries. Visit Mach7t.com.

For more information, contact:

Jenni Pilcher
CFO, Mach7
jenni.pilcher@mach7t.com

Andrew Keys
Investor Relations
andrew.keys@keysthomas.com

Registered Office:
Level 2, 20 Collins Street
Melbourne, 3000

