

MACH7 TECHNOLOGIES LIMITED (M7T)

UPDATE

SUCCESSFULLY RAISES \$2.5 MILLION TO FUND GLOBAL GROWTH

DIRECTORS & MANAGEMENT

Ken Poutakidis, Non-Executive Chairman
 Dr Nigel Finch, Non-Executive Director
 Damien Lim, Non-Executive Director
 Nobuhiko Ito, Non-Executive Director
 Albert Liong, Managing Director/Global CEO
 Jenni Pilcher, Global CFO/CEO (Aust)
 Alyn Tai, Company Secretary

MARKET DATA

ASX Code:	M7T
Current Price (06/05/16):	\$0.060
52 Week Share Price Range:	\$0.04 - \$0.19
Market Capitalisation:	\$26.2 million
Enterprise Value:	\$56.3 million

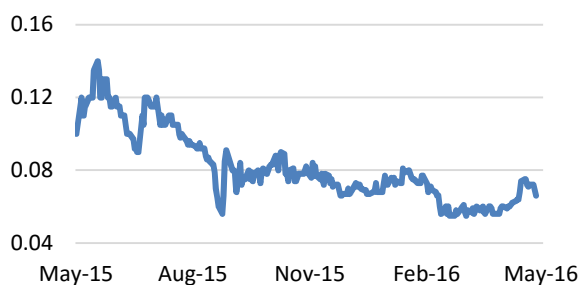
CAPITAL STRUCTURE (as at 06/05/16)

Shares on Issue:	437.9 million
Shares on Issue (escrowed):	500.7 million
Performance shares	300.0 million
Options (Unlisted)	114.8 million

MAJOR SHAREHOLDERS (as at 06/05/16)

BV Healthcare II Pte Ltd	~8.99%
Ravindran Krishnan	~6.46%
Pt Dwi Satrya Utama	~5.28%
United Overseas Venture Sdn Bhd	~5.23%
Perco Group Pty Ltd	~4.58%

SHARE PRICE CHART



SENIOR ANALYST

Stuart Glazebrook
 +61 402 216 835
 May 2016

KEY POINTS

- Successful completion of A\$2.5 million capital raise:** Mach7 Technologies Limited (ASX: M7T) raises new funds to be directed toward new product development and marketing globally.
- Expanding global medical imaging technology footprint:** Mach7 is developing a leading IP position in the provision of medical imaging technology to the healthcare community worldwide.
- Focused on servicing growing patient specific healthcare:** Patient specific healthcare means successful outcomes can be achieved more quickly along with the ability to generate truly individual and customised medicine in a more accessible form.
- Offering secure IP and US\$ cash flow:** Mach7 has a well-established platform managing >1 billion images across a growing blue-chip customer base with a solid order pipeline and significant "land grab" opportunities to substantially boost revenues from forecast double-digit industry growth over next two years.
- Technology application attractive to public and private sector medical practitioners:** Mach7 delivers a globally accessible medical imaging solution deliverable across multiple platforms. Recent merger with 3D Medical Limited will build on alliances already in place within the Australian healthcare sector and provide access to the largest market of medical and healthcare service providers: the United States.
- Patient healthcare not constrained by proprietary systems:** Mach7's Vendor Neutral Archive (VNA) software architecture allows medical practitioners and healthcare service providers to easily identify, connect and share diagnostic images and patient care intelligence - anytime, anywhere it is needed.
- Builds on existing local product suite:** Mach7 has exclusive access to a number of patient specific technologies that will augment and enhance its product offering including: 3D printing, GestSure & EchoPixel along with important local alliances with Capitol Health and Telstra Health.

RECENT EVENTS

***Successfully completes
A\$2.5M capital raising***

In April 2016, following the completion of its merger with ASX-listed 3D Medical Limited, the Company has successfully raised A\$2.5 million via a placement to new and existing institutions and sophisticated investors. Funds raised will be used toward new product development, core platform technology enhancements and increased sales and marketing capabilities.

During the March quarter 2016 Mach 7 also signed:

***New licensing
agreements enhance
US\$ annual revenues***

- i. a 5-year distribution agreement with IntriHEALTH® (South Africa) whereby Mach7 will generate monthly US\$ earnings under a pay-per-procedure revenue model; and
- ii. a 5-year licence agreement with Penn State Hershey (USA) whereby Mach7 will earn a licence fee, installation and data migration fees upon the achievement of milestones and an annual support fee throughout the 5-year term.

These new licence agreements will augment the Company's existing US\$ denominated annuity-based licencing revenue stream.

***Value-adding patent
granted***

The Company also received US patent approval for mobile device image capture that can be accessed and shared across Mach7's enterprise imaging platform. There are also a number of additional patents applied for that will further enhance the Company's platform capabilities.

***Appointment of Global
CEO & CFO***

During the period, Mach7 also announced the appointment of Jenni Pilcher as Global CFO and CEO of its Australian operations.

ANALYSIS AND COMMENT

***Strong revenue
generation pathway***

Since its merger with 3D Medical Limited in April, Mach7 has wasted no time in boosting its coffers toward capturing a bigger slice of market share in the highly lucrative diagnostic medical imaging space, in particular with its Vendor Neutral Archive (VNA) solutions.

Increasingly redundant and high cost support and serviceability PACS (Picture Archive Communications Systems) is being supplanted by VNA as the new standard in digital image accessibility.

***Mach7 targeting the
US\$3.8 BILLION PACS
market***

With several new patents designed to improve the accessibility and functionality of its core vendor agnostic medical image viewing platform, Mach7 is targeting the US\$3.8 BILLION PACS market for its VNA platform to grow its VNA footprint and global reach.

***More patient-centric
care***

Already more than 50% of the Company's revenues are US-sourced with a significant "land grab" opportunity to boost market presence likely over next 18-24 months.

Industry consolidation and mergers are expected to continue with 2016 forecast to be a watershed year for digital imaging technology and the digital health economy as the major players – both provider and supplier – move toward the provision of more patient-centric care.

INVESTMENT PROPOSITION

The demand for more tactile medical diagnostic imaging technology and the capacity to diagnose, evaluate and plan key surgical response on an individual patient specific basis is becoming an increasingly vital and expected part of patient care.

With an aging population and a focus on preventative and more pro-active healthcare over treatment, the use of medical data imaging in patient care is moving into a new dimension.

Across the globe healthcare providers are grappling with enormous quantities of high quality image data that is generated in the treatment of patients in medical clinics and in hospitals.

From a care management perspective the ability to access and/or share a patient's complete medical history has been extremely limited, largely due to disparate data and aging archive and storage capacity held in proprietary silos.

Bespoke healthcare and tailored patient wellbeing

Mach7 Technologies brings a number of compelling opportunities for the combined group to expand its reach into the growing market for bespoke healthcare services and tailored patient wellness solutions that are competitively priced.

VNA software improves workflow and diagnostic flexibility

The most significant component of Mach7's software architecture is the capacity and ability to store, archive and share data across multiple platforms. This inbuilt flexibility and efficacy makes it a potential market leader above traditional proprietary PACS platforms that provide terminal specific data analysis and retrieval systems.

Truly individual and customised patient care

With its VNA platform Mach7 has developed a diagnostic tool that is independent of source data with the capacity to be shared across multiple platforms, both within a networked enterprise and across healthcare providers, with the ability to generate truly individual and customised patient care.

Capable management team

With its capable and experienced leadership team the Company has positioned itself to capitalise on long-term industry growth and create further shareholder value by identifying additional and complementary revenue streams and through building successful partnerships with existing and new clients.

BUSINESS PROFILE

Leading medical enterprise image management solution providers

Mach7 Technologies Limited (ASX: M7T) is one of the world's leading medical enterprise image management solution providers. The Company has developed a suite of advanced medical imaging products that allow clinicians and other medical and healthcare professionals to create, access, analyse and share patient specific information across multiple, compatible platforms towards improving patient outcomes.

Alliance with Telstra Health

In Australia, the Company provides medical specific 3D printing and holographic projection services and has formed a number of key alliances, including partnerships with Capitol Health and Telstra Health, to strengthen the value proposition of its core medical imaging business.

FIGURE 1. PRODUCT SUITE

Mach7 uses VNA architecture to improve data-sharing and evaluation efficiencies

PRODUCT	DESCRIPTION	REVENUE CAPTURE
	Image management solutions	Sale of MACH7 image management solutions for hospitals and radiology clinics; reseller agreement with Telstra Health
	3D printed models and implants	Sale of 3D printed models to surgeons for preoperative planning and education, patient communication, medical training and custom designed implants for surgical procedures
	Holograms	Sale of EchoPixel’s holographic technology as a diagnostic aid and for preoperative planning
	In-theatre image manipulation	Sale of GestSure’s image viewing technology for maintaining a sterile environment in surgery

Source: Mach7 Technologies

MORE INFORMATION

For more information on Mach7 Technologies please refer to the Gordon Capital Initiation of Coverage Report posted on the company’s website: mach7t.com

GENERAL ADVICE WARNING: The information contained in this Report is only of a general nature and does not constitute personal financial product advice. In preparing the advice no account was taken of the objectives, financial situation or needs of any particular person. Therefore, before acting on the advice readers should consider the appropriateness of the advice with regard to their particular objectives, financial situation and needs. Readers should obtain and consider any relevant Product Disclosure Statements before making any decisions about the subject matter of this Report and should seek independent professional advice.

DISCLAIMER: Although every attempt has been made to verify the accuracy of information contained in this Report, Gordon Capital Pty Ltd (**Gordon Capital**) and InterPrac Financial Planning Pty Ltd (**InterPrac**) make no warranties about the accuracy or completeness of any advice or information. The officers, agents, related affiliates, related body corporate and employees of Gordon Capital and InterPrac accept no liability for any loss or damage whatsoever arising from any investment decisions or use of the information or advice in this Report. All information and advice contained in the Report are subject to change without notice.

All investment decisions are subject to risks. Past performance should not be taken as an indication of future performance. Any 'forward looking statements' contained in this Report are based on current expectations about future events. Words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" may identify forward looking statements. Such forward looking statements are based on views held at the date of publication of this Report and are not guarantees as to future events. Forward looking statements are subject to risks, uncertainties and other factors beyond the control of Gordon or InterPrac. Therefore, actual results may differ from those referred to in such statements.

DISCLOSURE: This publication has been prepared by Gordon Capital Pty Ltd, as Authorised Representative of InterPrac Financial Planning Pty Ltd, Australian Financial Services Licence No. 246638. The registered office of InterPrac Financial Planning Pty Ltd is Level 3, 29-33 Palmerston Crs, South Melbourne, VIC 3205.

Please note that Gordon Capital has been retained by **MACH7 TECHNOLOGIES LIMITED** to provide this report for a fixed fee. Gordon Capital does not provide specific investment recommendations and does not receive any additional benefit for the provision of this report. Gordon Capital aims to provide a balanced and objective analysis in this report.

Stuart Glazebrook, the analyst responsible for this report, does not receive any indirect benefits or assistance from **Mach7 Technologies**. Our remuneration is not linked to the views expressed in this report.

Please see our **Analyst Qualifications** and **Financial Services Guide**, available at www.gordoncapital.com.au or by calling +613 9607 1371 for further information.