

## MACH7 COMPANY UPDATE

- Nationwide contract discussions in Middle East & Asia regions
- Hamad Medical Centre, Qatar, announces nationwide project to implement Mach7 Enterprise Imaging Platform across the country
- Multiple contract wins in the U.S. expected this quarter
- Strong sales pipeline with quality leads
- Enhanced functionalities with new software version release
- New luminary site designation to be awarded to six Mach7 customers
- CEO search continuing, expected announcement by 30 June
- Cash at 31 March of \$3 million

**Melbourne, Australia; 26 April 2017:** Mach7 Technologies Limited (**Mach7** or the **Company**) (ASX:**M7T**) is pleased to provide the following update to its shareholders.

### Middle East and Asia

The Middle East and Asia regions continue to be an important source of revenues and customer recognition for Mach7. The Company continues to strengthen its relationships and opportunities in these regions, and is currently in discussions for several nationwide projects, which when completed, will place the Company in an extremely strong position.

One of our customers, Hamad Medical Corporation (HMC), recently reported that it intends to adopt Mach7 Enterprise Imaging Platform for enablement of the sharing of digital images such as X-rays and MRI scans among all healthcare providers throughout Qatar. HMC expects it to be leveraged for various workflows including overseas treatment and remote consultations, helping HMC meet its vision of providing all patients with the safest, most effective and most compassionate care. Details of this contract are still being negotiated; investors can review a media article on the Company's website article describing this opportunity: <http://www.mach7t.com/company/news/>.

Ravi Krishnan, Mach7 Founder and Chief Strategy Officer, commented: "Mach7 continues to have success in the Middle East and Asia. One area of note is our express implementations that address and solve specific image management workflow issues seen at the departmental level. These express solutions are typically a shorter selling cycle and we can make a positive impact on

clinical outcomes quickly. With that installation and proven success, it's a simple matter to scale the solution and expand our footprint and associated licensing and support fees in other areas of the customer's healthcare enterprise."

**United States**

Mach7 is expecting to announce significant contract wins from several hospital groups in the U.S. during the June ending quarter. These contracts are in the final stages of being executed and are capital-style revenue contracts, meaning Mach7 will earn an upfront license fee, implementation and training fee, and a rolling annual support fee over the life of the contract which is typically five or seven years. These contract wins, if executed as expected, will contribute significantly to the Company's license fee revenue in the current financial year and will assist the Company in achieving its target of break-even for the financial year ended 30 June 2017. However, there is always a risk that these contracts will take longer to execute than expected, and therefore may fall into the next financial year.

The Company is also promoting the express solution model that has seen success in the Middle East and Asia, and has also continued to sell additional functionalities and features to existing customers. These sales are typically small individually, but collectively over time can become a significant source of revenue for the Company.

In addition to its capital revenue contracts, the Company continues to push its subscription, or pay-per-use, revenue model whereby customers are charged monthly based on data volumes. Whilst this revenue model produces less revenue in the near term, it is more lucrative over the life of the contract and provides the business with an important stream of recurring revenue over time.

**2018 and Beyond**

Beyond the current financial year, the sales pipeline continues to strengthen, and includes multiple quality, high profile, customer leads. Mach7 expects to continue its high levels of revenue growth for financial year 2018 and beyond. The market for the Mach7 product suite, and the Company's competitive positioning, continues to provide an opportunity for the Company to accelerate its growth. In addition, the Company will earn the implementation and training fees from recently signed contracts which are expected to be implemented in FY2018.

**Enterprise Imaging Platform - New Features Released**

The newest release of Mach7 Enterprise Imaging Platform has been recently released and includes 44 new features and enhancements. Version 11.7.2 has enhanced Cloud capabilities, new quick search capabilities and a framework around machine learning and artificial intelligence that will be leveraged to improve information access, thereby leading to better patient care. These features are all designed to improve usability, supportability and promote accelerated growth of our install base to provide solid revenue growth.

**Luminary Sites**

Mach7 has introduced opportunities for six organizations to be designated as luminary sites. This exclusive designation offers these sites opportunities for product input, additional training, collaborative thought leadership articles and more. In exchange, these customers will support Mach7 sales by hosting prospects as a reference site, speaking with prospects at conferences and events as well as provide additional opportunities to promote Mach7 solutions to partner organizations and other prospects. These luminary sites will be announced throughout the year.

**Global CEO**

The search for a new global CEO, which is being led by Korn Ferry, is continuing in earnest with a number of strong candidates having been identified. The Company expects to make an announcement with respect to this appointment by 30 June 2017.

**Cash on Hand**

Mach7 recently reported cash on hand at 31 March 2017 of \$3 million. The quarter ended 31 March did not include receipts from pending new contract wins as expected, therefore this quarter produced a larger net cash outflow from operations than is usual or expected. However, these pending contracts are in the final stages of negotiation and the Company expects cash receipts from these contracts to be recognised in the quarter ending 30 June 2017.

**About Mach7 Technologies:**

Mach7 Technologies (ASX:M7T) develops innovative enterprise imaging IT 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 [www.mach7t.com](http://www.mach7t.com).

Mach7's wholly-owned subsidiary, 3D Medical Pty Ltd, provides medical specific 3D printing and is an exclusive distributor of various synergistic technologies including holographic projection. 3D Medical's innovative products leverage data already captured by conventional imaging modalities and apply it in more meaningful ways to deliver improved economic and patient outcomes. Visit [www.3dmedical.com.au/](http://www.3dmedical.com.au/)

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