



CEO LETTER TO SHAREHOLDERS

23 October 2017



MIKE JACKMAN, CEO

Dear Mach7 Shareholders,

I am excited to join Mach7 at a time where the Company is poised to deliver on its potential.

Having only recently joined the company I want to share with you some first impressions.

During my first 75 days I met with many important stakeholders. These included existing customers, potential customers, potential commercial partners, staff and investors. Frequently I was asked about why I joined the company. My answer is straightforward.

Mach7 has great technology and enormous commercial potential. The Mach7 platform is the innovative leader in delivering advanced clinical imaging and data services for health systems, hospitals, regions and clinics. It is an ideal platform for software as a service applications (SAAS), analytics and delivering positive outcomes across the health care enterprise.

Mach7's enterprise imaging and data services platform reduces cost for healthcare providers, improves efficiency in clinical workflows and improves access to patient data leading to better patient diagnosis.

Transforming to a customer and commercial focused company

My aim is to efficiently leverage our strong technology foundations. To transform the company from being technology development driven, to a customer and commercial focused company.

The list of important commercial milestones and credentials is growing and already includes:

- 52 customers globally including premier U.S. academic centres, hospitals and nation-wide contracts such as Qatar Health.
- CAGR USD revenue growth since 2013 of +37% - many multiples ahead of the market growth rate which is running between 6% and 15%.
- Material and increasing value of recurring revenue. Total annualised contract revenue at 30 September 2017 is valued at US\$3 million. The CAGR for recurring revenue since 2013 is +73%.
- Strong customer and industry advocacy. In addition to some passionate customer advocacy, respected industry analysts IDC have provide this summation of our capabilities:

"Mach7 is unique in its approach to projects, with an emphasis on supporting diverse customer needs, and the relatively new entrant into the space has gained entrée into many of its accounts by filling gaps in functionality left by its competitors with its highly configurable, scalable product and customized services."



Last month we announced an exciting new software contract with the prestigious University of Vermont Medical Centre. The first year deal value is US\$1.2 million with recurring annual revenue. This new customer, like all of our existing customers was engaged through our direct sales channel.

New markets

A new commercial strategy is currently being deployed to build on our existing customer base. We are entering new markets, such as Europe and Latin America via partners. We are developing indirect channels for middle-market America.

Success in new markets and new channels will only add to the growing pipeline of annualised sales opportunities we are presently managing.

Removing costly barriers

As we transform the company from being technology development driven, to a profitable customer and commercial focused company we continue to remove costly barriers and distractions.

The divestiture of 3D Medical has been completed during the last financial year, and as a result of this divestiture and other cost reduction initiatives, the business has reduced its cost base by at least US\$1 million per annum.

Importantly, Mach7 has not capitalized any product development costs in the past, and as such, there are no amortisation charges associated with product development spend that would offset future revenues and reduce profitability.

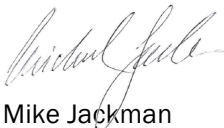
Conclusion and outlook

Mach7 is operating in an attractive market, and with new market penetration initiatives and further product development launches.

The transition in our revenue and cash profile as we move to a higher mix of SAAS contracts may create volatility in our quarterly cash flow reporting from period to period. Notwithstanding this cash flow profile, Mach7 is well on the way towards becoming a profitable company. Our number one financial goal this year is to be EBITDA profitable.

I look forward to sharing future periodic updates with and thank you for your continued support.

Yours sincerely



Mike Jackman
CEO