

Mach7 Announces FY 2018 Results

Highlights:

- EBITDA (adjusted basis) -\$2.6M, significant improvement +38%
- U.S. market revenue growth \$7.6M +16%
- Group revenue \$8.6M -13%
- Cash outflow from operations -\$2.2M, improvement +58%
- Contracted annual recurring revenue \$5.3M +24%
- Sales orders won \$13.5M (total contract value) +12%

Melbourne, Australia; 24 August 2018: Mach7 Technologies Limited (ASX:M7T), a company specialising in innovative data management solutions for healthcare providers, today released its full year results for the year ended 30 June 2018. This update provides information on what the Company considers to be key financial metrics.

FY18 Results

Earnings Before Interest, Tax, Depreciation, Amortization and non-cash share-based payments (adjusted EBITDA) for the year was a loss of \$2.6 million, representing a 38% improvement over last year (\$4.2 million). The adjusted EBITDA loss for the second half of this financial year was \$1 million, a significant 39% improvement compared to the first half adjusted EBITDA loss of \$1.6 million. This is now the second consecutive half-year of 39%+ improvement in adjusted EBITDA.

Revenue from North America, Mach7's major market, increased by 16% (USD growth rate) to \$7.6 million for the year. This reflects the growth in sales orders from new and existing customers, together with professional services and support fees. Supporting the current and potential future sales order growth is a growing sales pipeline which continues to improve in both quantity and quality of sales opportunities.

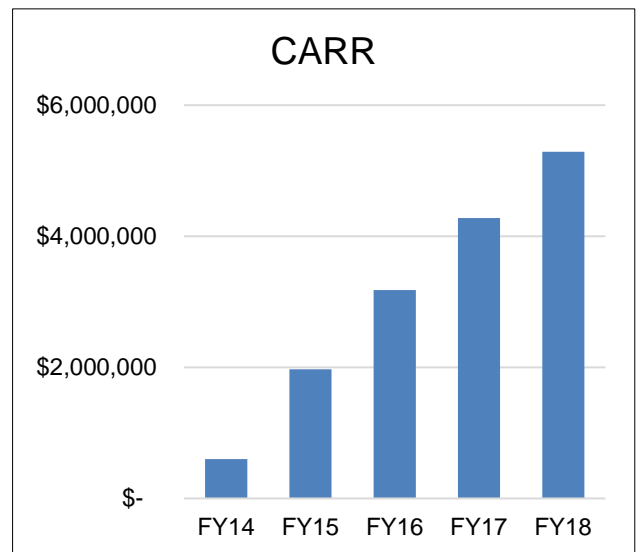
For other regions outside of the US, revenue was down (year on year) primarily due to a large, one-off, sales order in State of Qatar recognised in the prior year. As a result, group revenue was down by 13% to \$8.6 million. Despite this, sales opportunities in Qatar, Asia-Pacific, and other regions such as Europe and Latin-America, are promising for the current year.

Net cash outflow from operations was \$2.2 million, compared to \$5.3 million for the prior year. This corresponds to a 58% decrease (improvement) in net cash outflows. The Company continues to be debt-free, with cash on hand at 30 June 2018 of \$2.5 million.

Contracted Annual Recurring Revenue (CARR) growth 24%

New sales orders signed this year have increased Mach7's order book of contracted annual recurring revenue by 24% to \$5.3 million. This means Mach7 will generate \$5.3 million per annum from support fees, once installation is complete and these customers are fully operational.

Mike Jackman, CEO, commented "As we continue to focus on building a long-term sustainable-growth business, we are pleased to see our US business delivering healthy revenue growth (+16%) and sales orders growth (+11%). Outside of the US, recent new orders from Qatar and other RFP opportunities make us optimistic about future contributions from global sales. Procedure volumes and transactions through our Data Services Platform continue to increase as our customers expand usage, and our global pipeline of opportunities is growing both in quantity and quality, giving us a strong foundation to build on."

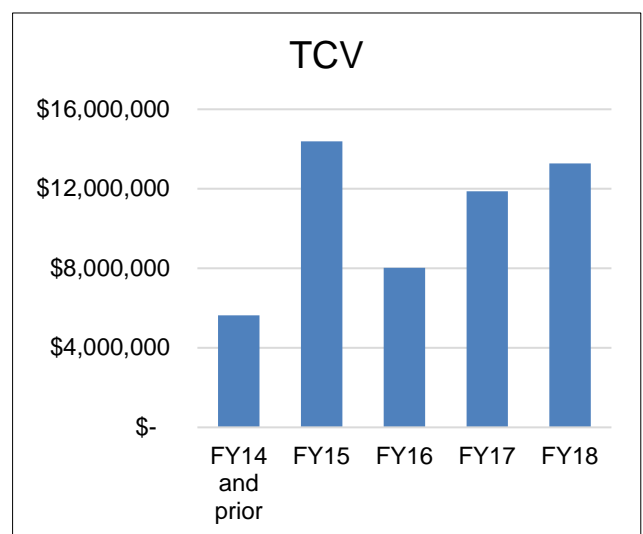


Sales Orders Growth 12%

During this financial year, Mach7 executed 21 new sales order contracts with a total contract value (TCV) of \$13.5 million. This was a 12% growth over the prior year.

Included in these sales contracts are prestigious U.S. healthcare institutions - University of Vermont, Raleigh Radiology and El Camino Hospital.

Existing Mach7 customers are also expanding their use of Mach7 solutions by purchasing new modules and/or volume expansion licenses. These include University of Virginia Health System, University of Pennsylvania Health System, Penn State Milton S. Hershey Medical Centre and MaineHealth.



Future GrowthNorth America

Mach7 continues to focus its resources on the US market, where it is achieving good growth. The US market is being targeted through a combination of direct sales, inside sales which target sales to existing customers, and emerging strategic partnerships. The new commercial strategy involves achieving sales through an ecosystem of partners, which include application partners integrated to the Mach7 platform, value-added resellers, distributors, and sales consultants.

Other Geographies

The Middle East and Asia continue to be important sources of business for Mach7. Sales orders from these regions are typically larger in size, and less frequent than in the US. However, Mach7 has a strong value proposition for these markets and opportunities are very lucrative when won. Mach7 is currently progressing several larger opportunities in these regions.

Mach7 is also continuing to increase its presence and activity elsewhere in the world through indirect channel partners. Initial markets under development outside North America include Latin America, South East Asia, Australia, Netherlands and UK. Demand continues to grow for Mach7 solutions to address imaging challenges worldwide.

Product Expansion

During the year, Mach7 has added several new solutions to its current product portfolio via important partnerships. These solutions include care coordination, artificial intelligence, radiology information systems, document management and enterprise viewing. These products assist in positioning Mach7 ahead of the technology curve and meet the increasing demand for full enterprise solutions from a single vendor.

Mach7 continues to invest heavily in internal product development and innovation with approximately 32% of revenues being reinvested. It continues to expand core intellectual property capability to address broader market opportunities and to drive entry into new markets. These expanded capabilities are customer focused, enabling operational efficiencies and new revenue streams not possible with legacy technologies available on the market today. With this investment in product development, Mach7 is better able to compete in the Picture Archiving and Communications Systems (PACS) market. The PACS + VNA (vendor neutral archive) market is recently reported to be at least US\$3 billion world-wide with double digit compound annual growth.

News Flow

Mach7 will be releasing a presentation for investors within the next two weeks in support of the CEO's upcoming FY2018 post-results roadshow. Mach7 will continue to provide quarterly updates focused on sales highlights and CARR growth, in addition to announcing material commercial wins as they occur.

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 www.mach7t.com.

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