

Record Sales Orders in FY19; Cash Flow Breakeven Target On-track

Mach7 Announces FY 2019 Results

Financial Highlights:

- Sales orders won \$21M (total contract revenue value) – up 62%
- Contracted annual recurring revenue at 30 June 2019 \$7.9M – up 42%
- Revenue \$9.3M – up 8%
- EBITDA loss \$3.9M
- On track for 12 month free cash flow break-even target

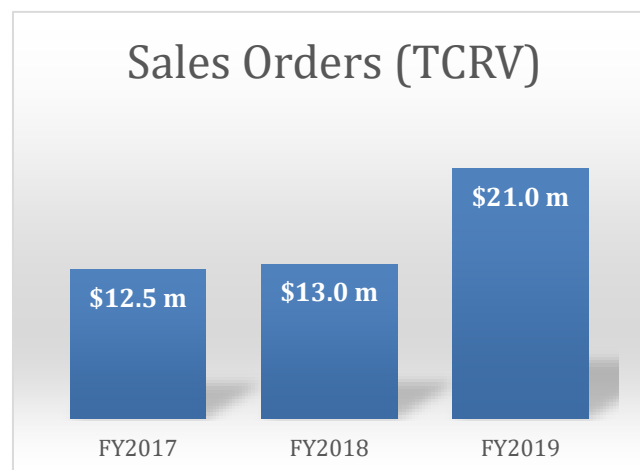
Melbourne, Australia; 26 August 2019: Mach7 Technologies Limited (ASX:M7T), a company specialising in innovative data management solutions for healthcare providers, today released its full year results for the year ended 30 June 2019 (FY19). This update provides information on what the Company considers to be key financial metrics.

Sales Orders - 62% Growth

During FY19, Mach7 executed 24 new sales order contracts with a record total contract revenue value (TCRV) of \$21 million and 62% growth on FY18.

Among these sales orders, were six new customers, including Hospital Authority Hong Kong (HAHK), Children's Hospital of Alabama, Sampson Regional Medical Center, Loyola University Health System and Mississippi State University College of Veterinary Medicine.

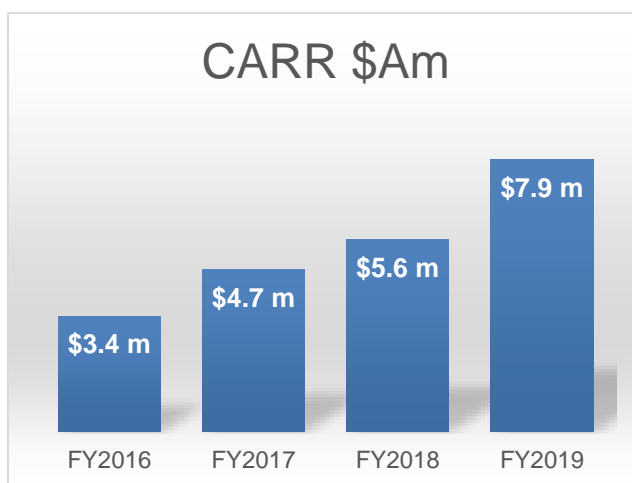
Mach7's sales momentum has continued into the new financial year (FY20) with an additional \$7.4 million of new sales orders executed. Already in FY20, Mach7 has contracted with one US-based premier healthcare institution, Advocate Aurora Health, and its first private-sector hospital in Hong Kong, St. Teresa's Hospital.



Contracted Annual Recurring Revenue (CARR) 42% Growth

Mach7's contracted annual support and subscription fees have grown to \$7.9 million at 30 June 2019 as a result of the above-mentioned FY19 sales orders. This represents 42% growth since the end of FY18.

With the continuing sales momentum early in FY20, Mach7 has grown its CARR to \$8.8 million at 26 August 2019.



FY19 Results

Revenue growth of 8% to \$9.3 million was largely due to increased annual support fee revenues as more customers go live on the Mach7 Platform, and revenues associated with the commencement of the HAHK contract.

The majority of the HAHK revenue recognised was via Mach7's reseller agreement with its partner, Client Outlook. Therefore, there was a larger than normal distributor fee (\$1.6 million) reported for FY2019. This largely explains why the EBITDA loss of \$3.9 million was higher than last year (\$2.6 million).

For the next financial year, Mach7 expects to recognize revenue for its own Platform per the HAHK contract which will generate much higher profit margins.

Free Cash-flow Breakeven Target On-track

Consistent with the Company's 4C ASX release on 23 July 2019, Mach7 reported operating cash-outflows of \$2.9 million for FY19, in-line with the Company's expectations. In FY19, Mach7 reported \$10.3 million of cash receipts from customers, a record for the Company, driven by growth in sales and recurring revenue. Cash receipts of this level would cover the Company's current run-rate for annual expenses.

The Company is on-track to be free cash-flow breakeven for the 12-month period ending February 2020.

Software Deployments

The company completed two notable software deployments in FY2019: MaineHealth's Waldo County General Hospital site and Mississippi State University College of Veterinary Medicine.

The MaineHealth deployment is the first of many in Mach7's contract with the health system, and at least two more sites are currently having their deployments planned.

In addition, Mach7 began deploying its solution at Sentara Healthcare and at Children's of Alabama. Sentara Healthcare's PACS modernisation project includes the development of an Imaging Innovations Lab, which will create additional opportunities for Mach7 to expand the use of its solution to clinical users.

Product Expansion

FY2019 saw a new release of the Mach7 Platform to the market, version 11.8.4. The product update adds several new capabilities to the Platform to improve user efficiency and clinical outcomes, such as more personalized worklists, instant messaging with image sharing, greater desktop interoperability, and more. Notably many of these features are designed for clinical users, further expanding the company's addressable market beyond Mach7's traditional focus on IT users.

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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