

# Mach7 Technologies Limited

ACN 007 817 192

## Retail Entitlement Offer

Details of a fully underwritten 1 for 4 accelerated pro rata non-renounceable entitlement offer of new ordinary shares in Mach7 Technologies Limited at an offer price of \$0.68 per New Share.

This offer closes at 5.00pm (AEST) on Friday 26 June 2020.

### IMPORTANT INFORMATION

This is an important document which is accompanied by an Entitlement and Acceptance Form. Both documents should be read in their entirety. This Retail Offer Booklet is provided for information purposes only and is not a prospectus, product disclosure statement or other form of disclosure document. This Retail Offer Booklet is dated 17 June 2020. This Retail Offer Booklet does not contain all the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, Shares offered under this Retail Offer Booklet. This Retail Offer Booklet is issued pursuant to section 708AA of the Corporations Act for the offer of shares without disclosure to investors under Part 6D.2 of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84).

If you have any questions, please contact your professional adviser or Morgans Corporate Limited on 03 9947 4101 (within Australia) or +61 3 9947 4101 (from outside Australia) from 8.30am to 5.00pm (AEST) during the retail offer period.

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS**

## Important Notice

This Retail Offer Booklet is dated 17 June 2020. This Retail Offer Booklet is not a prospectus, product disclosure statement or other form of disclosure document under the Corporations Act and has not been lodged with ASIC. The Retail Offer Booklet is for information purposes only. The information in this Retail Offer Booklet is not intended to be comprehensive and should be read in conjunction with the more detailed information released by the Company under its continuous disclosure obligations.

### Jurisdiction

This Retail Offer Booklet, including the Chairman's letter, ASX Offer Announcements and the Investor Presentation reproduced in it and the Entitlement and Acceptance Form, do not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. In particular, this Retail Offer Booklet and anything contained in it does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any "US Persons" (as defined in Regulation S under the US Securities Act of 1933, as amended (**the Securities Act**) (**U.S. Persons**)). None of this Retail Offer Booklet, the Chairman's letter, the ASX Offer Announcements and Investor Presentation reproduced in it nor, the Entitlement and Acceptance Form may be distributed to or released in the United States. The New Shares (and Additional New Shares) offered in the Entitlement Offer have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The New Shares (and Additional New Shares) may not be offered, or sold, or resold, in the United States or to, or for the account or benefit of, any U.S. Persons, except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and any applicable securities laws of any state or other jurisdiction of the United States. The New Shares (and Additional New Shares) may not be deposited in any existing unrestricted American Depositary Receipt Facility or such future program with respect to the securities of Mach7 Technologies Limited (**Company**) that has been or may be established until 40 days following the completion of the Retail Entitlement Offer.

The New Shares (and Additional New Shares) are not being offered or sold in New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of New Shares (and Additional New Shares) is being made pursuant to the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016. This document has been prepared in compliance with Australian law and has not been registered, filed or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement or any other disclosure document under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement or any other disclosure document under New Zealand law is required to contain.

### Investment decisions

The information contained in this Retail Offer Booklet is not intended to be relied on as advice. Before deciding to invest in the Company, potential investors should read the entire Retail Offer Booklet and in particular the technical information and risk factors that could affect the future operations and activities of the Company and consult their professional advisers. The Retail Entitlement Offer contained in this Retail Offer Booklet does not take into account the investment objectives, financial situation and particular needs of any investor.

### Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in the investor presentation which accompanies this Retail Offer Booklet. Investors should carefully consider the risk factors that affect the Company specifically and the industry in which it operates.

### Forward looking information

Forward looking statements, opinions, estimates provided in this Retail Offer Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on the interpretations of current market conditions.

Forward looking statements including forecasts, projections, guidance on future revenues, earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward-looking statements only speak as to the date of this Retail Offer Booklet and the Company assumes no obligation to update such information. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this Retail Offer Booklet.

**You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and significant volatility, uncertainty and disruption caused by the outbreak of COVID-19.**

You should also refer to the "Disclaimers" and "Key Risks" sections of the investor presentation which accompanies this Retail Offer Booklet. Any decision to invest is made by the investor only.

## Summary of the Retail Entitlement Offer

<b>Issue Price</b>	\$0.68
<b>Your entitlement</b>	1 New Share for every 4 Shares held on the Record Date

## Key Dates

<b>Event</b>	<b>Date and Time (2020)*</b>
Announcement of the Entitlement Offer	Wednesday 10 June 2020
Record Date for eligibility in the Retail Entitlement Offer	7.00pm, Friday 12 June 2020
Retail Offer Booklet, including personalised Entitlement and acceptance form is dispatched to Eligible Retail Shareholders	Wednesday 17 June 2020
Retail Entitlement Offer opens	Wednesday 17 June 2020
Issue of New Shares under Institutional Entitlement Offer and Placement	Thursday 18 June 2020
Retail Entitlement Offer closes	5.00pm, Friday 26 June 2020
Results of Retail Entitlement Offer announced	Wednesday 1 July 2020
Issue of New Shares under the Retail Entitlement Offer	Friday 3 July 2020
Quotation and normal trading on ASX of New Shares issued under the Retail Entitlement Offer expected to commence on ASX	Monday 6 July 2020

\*Dates and times are indicative only and subject to change. All times refer to Australian Eastern Standard Time (AEST).

The Company, in consultation with Morgans Corporate Limited (**Underwriter**), reserves the right to vary these dates without prior notice subject to the Corporations Act, Listing Rules and other applicable laws, including extending the Retail Entitlement Offer. Any extension of the Retail Entitlement Offer will have a consequential effect on the issue date of the New Shares. Commencement of quotation of New Shares is subject to approval by ASX.

## Enquiries

For any enquiries in relation to the Retail Entitlement Offer please call Morgans Corporate Limited on 03 9947 4101 (within Australia) or +61 3 99474101 (from outside Australia) from 8.30am to 5.00pm during the retail offer period, or contact your stockbroker, accountant or other professional adviser.

## Chairman's Letter

17 June 2020

Dear Shareholder

On behalf of Mach7 Technologies Limited (**Company**), I am pleased to invite you to participate in the recently announced 1 for 4 fully underwritten accelerated non-renounceable entitlement offer for newly issued ordinary shares in the Company (**New Shares**) at an issue price of \$0.68 per New Share (**Entitlement Offer**). The Entitlement Offer consists of an institutional accelerated component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**). The Institutional Entitlement Offer and the Retail Entitlement Offer is fully underwritten by Morgans Corporate Limited (**Underwriter**).<sup>1</sup>

On 10 June 2020, the Company announced its intention to raise approximately \$34.8 million through a fully underwritten Entitlement Offer together with a private placement to sophisticated and professional investors (**Capital Raising**).

Upon successful completion of the Capital Raising, the Company will have conducted:

- (a) a placement of New Shares to certain institutional and sophisticated Investors (**Placement**) to raise approximately \$3.7 million; and
- (b) an Entitlement Offer to raise up to \$31.1 million.

As announced on 12 June 2020, the Company has now raised \$19.7 million under the Institutional Entitlement Offer and Placement. The Company is seeking to raise approximately \$11.4 million through the Retail Entitlement Offer.

The net proceeds of the Capital Raising, together with a portion of the Company's existing cash reserves, will be used to satisfy the purchase price for the acquisition of the Client Outlook Group as announced on the ASX on 10 June 2020. Further information in relation to the Company's acquisition of the Client Outlook Group is contained in its investor presentation released to the ASX on 10 June 2020.

This information booklet (**Retail Offer Booklet**) relates to the Retail Entitlement Offer.

Under the Retail Entitlement Offer, eligible retail shareholders have the opportunity to invest at the price of \$0.68 per New Share, which is the same price as the institutional investors who participated in the Institutional Entitlement Offer and Placement (**Entitlement**). Your Entitlement is set out in your personalised Entitlement and Acceptance Form that is enclosed with this Retail Offer Booklet.

If you take up your Entitlement in full, you can also apply for additional shares in excess of your Entitlement up to a maximum of 50% of your Entitlement under a 'top-up' facility (refer to section 2 of this Retail Offer Booklet for more information). I encourage you to read the Retail Offer Booklet carefully before deciding whether or not to participate in the Retail Entitlement Offer.

Please note that to participate in the Retail Entitlement Offer you must apply and pay for your New Shares before 5pm (AEST) on Friday 26 June 2020. Further information about how to apply for New Shares is set out in Section 4.

The Issue Price of \$0.68 represents a discount of 13.9% to the closing price of the Company's shares on Tuesday 9 June 2020 (being the last trading day before the Entitlement Offer was announced) of \$0.79 per

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<sup>1</sup> See Sections 6.4 and 6.8 for details of the underwriting arrangements.

share and a discount of 11.2% to the theoretical ex-rights price ("TERP") of \$0.7659.<sup>2</sup> The Issue Price under the Retail Entitlement Offer is the same as under the Institutional Entitlement Offer and Placement.

The Retail Entitlement Offer is non-renounceable and therefore is personal to you. It cannot be traded, transferred, assigned or otherwise dealt with. If you do not take up your Entitlement, it will lapse and you will not receive any New Shares, nor any other benefit, under the Entitlement Offer.

**The Retail Entitlement Offer closes at 5pm (AEST) on Friday 26 June 2020.**

If you have any questions about the Retail Entitlement Offer please call Morgans Corporate Limited on 03 9947 4101 (within Australia) or +61 3 99474101 (from outside Australia) from 8.30am to 5.00pm during the Retail Entitlement Offer Period.

### **Other Information**

This Retail Offer Booklet contains important information, including:

- instructions on how to apply, detailing how to participate in the Retail Entitlement Offer if you choose to do so, and a timetable of key dates; and
- instructions on how to take up all or part of your Entitlement.

A personalised Entitlement and Acceptance Form which details your Entitlement, to be completed in accordance with the instructions contained therein, accompanies this Retail Offer Booklet.

You may also choose to consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

On behalf of the Board of the Company, I encourage you to consider this investment opportunity and thank you for your continued support.

Yours sincerely



**David Chambers**  
**Chairman**

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<sup>2</sup> TERP includes shares issued under the Placement, Institutional Entitlement Offer and Retail Entitlement Offer. TERP is a theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares will trade immediately after the ex-date for the Entitlement Offer depends on many factors and may not be equal to TERP. TERP has been calculated as: (existing market capitalisation of the Company plus additional equity raised) / total shares on issue following the Entitlement Offer. TERP is calculated by reference to the Company's closing price of \$0.79 on Tuesday 9 June 2020, being the last trading day prior to the Company entering into a trading halt pending the announcement of the Entitlement Offer.

## 1. SUMMARY OF OPTIONS AVAILABLE TO YOU

If you are an Eligible Retail Shareholder (refer to Section 6.2), you may take one of the following actions:

- take up all of your Entitlement, and if you do so, you may also apply for Additional New Shares in excess of your Entitlement up to a maximum of 50% of your Entitlement under the Retail Shortfall Facility;
- take up part of your Entitlement and allow the balance to lapse; or
- do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

The Entitlement Offer closes at 5:00pm (AEST) on Friday 26 June.

If you are a retail shareholder that is not an Eligible Retail Shareholder (as defined in Section 6.2), you are an **"Ineligible Retail Shareholder"**. Ineligible Retail Shareholders are not entitled to participate in the Retail Entitlement Offer. See Section 6.3 for further details.

Options available to you	Key considerations
<p><b>Option 1:</b> Take up all of your Entitlement (and you can also apply for Additional New Shares up to a maximum of 50% of your Entitlement)</p>	<p>You may elect to purchase New Shares at the Issue Price (see Section 4 "How to Apply" for instructions on how to take up your Entitlement).</p> <p>The New Shares will rank equally in all respects with Existing Shares.</p> <p>If you take up all of your Entitlement, you may also apply for Additional New Shares in excess of your Entitlement up to a maximum of 50% of your Entitlement under the Retail Shortfall Facility.</p> <p>Additional New Shares will only be available under the Retail Shortfall Facility to the extent that there are Entitlements under the Retail Entitlement Offer that are not taken up by Eligible Retail Shareholders. Applications under the Retail Shortfall Facility will be subject to scale back if Eligible Retail Shareholders apply for more Additional New Shares than available under the Retail Shortfall Facility (see Sections 2 and 4 for further information). There is no guarantee that you will be allocated any Additional New Shares under the Retail Shortfall Facility.</p>
<p><b>Option 2:</b> Take up part of your Entitlement</p>	<p>If you do not take up your Entitlement in full, those Entitlements not taken up will lapse and you will not receive any payment or value for them.</p> <p>You will not be entitled to apply for Additional New Shares under the Retail Shortfall Facility.</p> <p>If you do not take up your Entitlement in full, you will have your percentage holding in the Company reduced as a result of the Entitlement Offer.</p>
<p><b>Option 3:</b> Do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements</p>	<p>If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlement will lapse.</p> <p>Your Entitlement to participate in the Entitlement Offer is non-renounceable, which means your Entitlements are non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can they be privately transferred.</p> <p>If you do not take up your Entitlement you will have your percentage holding in the Company reduced as a result of the Entitlement Offer.</p>

## 2. THE RETAIL ENTITLEMENT OFFER

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The Company (ASX Code: M7T) proposes to raise approximately \$31.1 million under the Entitlement Offer through the issue of approximately 45.8 million New Shares.

The Company has also conducted an institutional placement to certain Institutional Investors which raised approximately \$3.7 million.

The Entitlement Offer has two components:

- the Institutional Entitlement Offer – Eligible Institutional Shareholders were given the opportunity to take up all or part of their Entitlement, and a bookbuild process to sell Entitlements not taken up by Eligible Institutional Shareholders as well as New Shares that otherwise would have been offered to Ineligible Institutional Shareholders was carried out. The Institutional Entitlement Offer raised approximately \$19.7 million; and
- the Retail Entitlement Offer (to which this Retail Offer Booklet relates) – Eligible Retail Shareholders will be given the opportunity to take up all or part of their Entitlement, take up all of their Entitlement and apply for Additional New Shares under the Retail Shortfall Facility, or do nothing in respect of their Entitlement. The Retail Entitlement Offer is expected to raise approximately \$11.4 million.

The Entitlement Offer is fully underwritten by the Underwriter in accordance with the terms of the Underwriting Agreement (see Section 6.4 below).

Eligible Retail Shareholders (as defined in Section 6 below) are being offered the opportunity to subscribe for 1 New Share for every 4 existing Shares in the Company (**Existing Shares**) held at 7.00pm (AEST) on Friday 12 June 2020 (**Entitlement**), at the issue price of \$0.68 per New Share.

Where fractions arise in the calculation of an Entitlement, they have been rounded up to the next whole number of New Shares.

The Retail Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow rights issues to be offered without a prospectus. As a result, it is important for Eligible Retail Shareholders to read and understand the information on the Company and the Retail Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement or applying for Additional New Shares. In particular, please refer to this Retail Entitlement Offer Booklet, and the Company's other periodic and continuous disclosure announcements to the ASX available at [www.asx.com.au](http://www.asx.com.au).

Your Entitlement is set out in the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 4 Existing Shares you held as at the Record Date of 7.00pm (AEST) on Friday 12 June 2020 rounded up to the nearest whole New Share. If you have more than one holding of Existing Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. New Shares issued pursuant to the Retail Entitlement Offer will be fully paid and rank equally with the Company's existing ordinary shares on issue.

Your Entitlement is non-renounceable. This means that your Entitlements are personal and cannot be traded, transferred, assigned or otherwise dealt with, whether on the ASX or privately. If you do not take up your Entitlement, it will lapse and you will not receive any New Shares under the Retail Entitlement Offer. New Shares of an equivalent number to Entitlement not taken up under the Retail Entitlement Offer will be offered for subscription under the Retail Shortfall Facility. If you choose not to accept your entitlement under the Retail Entitlement Offer, your shareholding in the Company will be diluted.

*Note: The Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Existing Shares on behalf of a U.S. Person.*

### ***Retail Shortfall Facility***

The Retail Shortfall Facility allows Eligible Retail Shareholders who have subscribed for their Entitlements under the Retail Entitlement Offer to subscribe for Additional New Shares in excess of their Entitlement up to a maximum of 50% of their Entitlement. Any application monies received for more than your full Entitlement will be treated as applying for as many Additional New Shares as it will pay for in full.

Additional New Shares will only be allocated to Eligible Retail Shareholders if available, and subject to the Corporations Act, Listing Rules and other application laws and regulations. If Eligible Retail Shareholders apply for more Additional New Shares than available under the Retail Shortfall Facility, the Company will scale back applications for Additional New Shares in its absolute discretion having regard to the pro rata Entitlement of Eligible Retail Shareholders who apply for Additional New Shares.

The allocation and issue of Additional New Shares is at the sole discretion of the Company. If any Additional New Shares are not allocated under the Retail Shortfall Facility, these Shares will be subscribed for by the Underwriter and/or sub-underwriters subject to the terms of the Underwriting Agreement.

An Eligible Retail Shareholder will not be issued any Additional New Shares under the Retail Shortfall Facility if the issue of the Additional New Shares would cause the Company or the Eligible Retail Shareholder to breach any applicable law or Listing Rule, including section 606 of the Corporations Act.

### ***Ineligible Retail Shareholders***

In determining eligibility, pursuant to Listing Rule 7.7.1(a) and section 9A(3) of the Corporations Act, the Company has regard to the legal and regulatory requirements of making offers of securities in certain countries, the number of shareholders in those countries and the number of shares they hold, the value of New Shares to which those shareholders would otherwise be entitled to and the cost of complying with the legal and regulatory requirement in those countries.

The Company has determined, pursuant to Listing Rule 7.7.1(a) and section 9A(3) of the Corporations Act 2001, that it would be unreasonable to make offers under the Retail Entitlement Offer to all shareholders with addresses outside of Australia and New Zealand having regard to the Company's current shareholding and the costs of complying with legal and regulatory requirements in those jurisdictions.

Accordingly, the Retail Entitlement Offer is not being extended to Ineligible Retail Shareholders.

### ***Nominees***

The Retail Entitlement Offer is being made to all shareholders on the register of the Company at 7:00pm (AEST) on Friday 12 June 2020 with an address in Australia or New Zealand, and who did not participate in the Institutional Entitlement Offer and were not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer, and that are not in the United States and are neither a U.S. Person nor acting for the account or benefit of a U.S. Person. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Existing Shares.

Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. Any person in the United States or any person that is or is acting for the account or benefit of a U.S. Person with a holding through a nominee may not participate in the Retail Entitlement Offer and the nominee must not take up any Entitlement or send any materials into the United States or to any person it knows to be a U.S. Person. The Company is not able to advise on foreign laws.

## **3. INSTITUTIONAL ENTITLEMENT OFFER AND BOOKBUILD**

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The Institutional Entitlement Offer and Institutional Bookbuild will (on settlement) raise \$19.7 million through the issue of 28.9 million New Shares.



The Institutional Entitlement Offer and Institutional Bookbuild was conducted on Wednesday 10 June 2020 and concluded on Thursday 11 June 2020. Settlement of the Institutional Entitlement Offer and the Institutional Bookbuild is scheduled to occur on Wednesday 17 June 2020. Shares to be issued under the Institutional Entitlement Offer and Institutional Bookbuild are expected to be allotted on Thursday 18 June 2020 and commence trading on ASX on Friday 19 June 2020.

#### 4. HOW TO APPLY

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If you wish to take up all or part of your Entitlement, or you wish to apply for Additional New Shares, you must make payment by BPAY® by going online or by contacting your financial institution. The global pandemic of COVID-19 has resulted in government restrictions, and mandated or voluntary closures of certain services, which has resulted in delay of postal and delivery services. The extent of the COVID-19 pandemic and the policy response is evolving rapidly, and given this uncertainty, the Company has determined to limit the payment method in connection with the Retail Entitlement Offer to BPAY® only.

##### Payment by BPAY®

To pay by BPAY®, please follow the instructions on your personalised Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

Please note that should you choose to pay by BPAY®:

- You are taken to have made the declarations on that Entitlement and Acceptance Form;
- If you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your application monies; and
- If you do pay for more than your full Entitlement, you are deemed to have applied for as many Additional New Shares as your excess amount will pay for in full (subject to a maximum of 50% of your Entitlement and any scale-back determined by the Company in its absolute discretion).

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than **5.00pm (AEST) on Friday 26 June 2020**. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

If you are paying by BPAY®, please make sure to use the specific Biller Code and unique Customer Reference Number on the back of your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the Customer Reference Number specific to the Entitlement on that form. If you inadvertently use the same Customer Reference Number for more than one of your Entitlements, you will be deemed to have applied only for New Shares (and Additional New Shares) on the Entitlement to which that Customer Reference Number applies. Please note that a limit may apply on the amount that can be transferred via BPAY®. It is your responsibility to check that the amount you wish to pay via BPAY® will not exceed that limit.

If you have multiple holdings, you will have multiple BPAY® customer reference numbers provided on each of your personalised Entitlement and Acceptance Forms. To ensure you successfully take up your Entitlement in respect of each holding, you must use the customer reference number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of those holdings.

Any application monies received in excess of your final allocation of New Shares (or Additional New Shares) will be refunded (without interest) as soon as practicable after the close of the Retail Entitlement Offer.

Payments by cheque, bank draft, money order or cash will not be accepted. Receipts for payment will not be issued.

## **New Zealand holders**

Eligible Retail Shareholders who are resident in New Zealand and who are unable to pay in accordance with the processes set out above by the Retail Closing Date should contact Morgans Corporate Limited on 03 9947 4101 (within Australia) or +61 3 99474101 (from outside Australia) from 8.30am to 5.00pm to make alternative arrangements.

## **Representations, allotment and refunds**

If you take no action, you will not be allocated New Shares and your Entitlement will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable and will not be tradeable or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

By making a payment by BPAY®, you will be deemed to have

- a) made the Eligible Retail Shareholder declarations set out in section 8 of this Retail Offer Booklet;
- b) represented that you are an Eligible Retail Shareholder as defined in Section 6.2 below.

If you take up and pay for all or part of your Entitlement before the close of the Retail Entitlement Offer at 5.00pm (AEST) on Friday 26 June 2020, you will be issued your New Shares on Friday 3 July 2020. If you apply for Additional New Shares then, subject to your application for Additional New Shares not exceeding 50% of your Entitlement and the Company's absolute discretion to scale-back your application for Additional New Shares (in whole or part), you will be issued these Additional New Shares on Friday 3 July 2020.

The Company's decision on the number of Additional New Shares to be allocated to you will be final. The Company also reserves the right (in its absolute discretion) to reduce the number of New Shares (and if applicable, Additional New Shares) allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if their claims prove to be overstated or otherwise incorrect or if they fail to provide information to substantiate their claims.

To the extent that there is any shortfall in subscriptions for New Shares and Additional New Shares under the Retail Entitlement Offer, The Company reserves the right to allocate top up Shares or place any shortfall at its discretion within 3 months after the Retail Closing Date and at an issue price not less than the price at which New Shares are offered under the Entitlement Offer.

Cash payments will not be accepted. Receipts for payment will not be issued.

Any application monies received for more than your final allocation of New Shares and Additional New Shares will be refunded to you as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to applicants on any application monies received or refunded.

Applicants with queries on how to complete the Entitlement and Acceptance Form should contact the Morgans Corporate Limited on 03 9947 4101 (within Australia) or +61 3 99474101 (from outside Australia) from 8.30am to 5.00pm (AEST) Monday to Friday during the Retail Entitlement Offer period.

## MACH7 TO ACQUIRE CLIENT OUTLOOK GROUP AND LAUNCH CAPITAL RAISING

### Highlights

- Mach7 acquiring 100% of the outstanding shares of Client Outlook Inc. for CA\$38.5m (~A\$40.8m) all cash
- Client Outlook is a leading provider of enterprise image viewing technology – “eUnity”
- Provides Mach7 with a full departmental clinical diagnostic Picture Archive Communication System (PACS) solution offering
- Mach7 to fund the acquisition via fully underwritten accelerated non-renounceable entitlement offer and placement to raise A\$34.8 million
- Mach7 will have approximately A\$15 million cash reserves post acquisition for working capital

**Melbourne, Australia; 10 June 2020:** Mach7 Technologies Limited (“Mach7” or the “Company”) (ASX:M7T), a company specialising in innovative medical imaging data management solutions for healthcare providers, today announced it has executed a share sale agreement for the purchase of 100% of the shares of Client Outlook Inc. – a Company specializing in enterprise viewing technology with a platform known as “eUnity” (“Acquisition”). Mach7 will fund this acquisition by raising capital via a fully underwritten Accelerated Non-renounceable Entitlement Offer, in conjunction with a Placement to institutional and other sophisticated investors (“Capital Raising”). The Acquisition is expected to complete by Friday, 10 July 2020.

### Acquisition of Client Outlook

Mach7 will acquire all the outstanding securities of the Client Outlook Group for CA\$38.5 million (~A\$40.8 million) cash, on a cash-free/debt-free basis. The purchase price will be adjusted for any changes in working capital at closing when compared to an agreed historical average. The Acquisition is conditional on customary conditions for a transaction of this nature.

The Acquisition is strategically compelling in that it completes Mach7’s enterprise imaging solution offering and provides a unique enterprise-wide solution to the healthcare imaging market. More specifically, it delivers the following:

- ❑ Mach7 will be a complete Enterprise Imaging solution provider (front & back end enterprise imaging technology combined), establishing a significant commercial opportunity
- ❑ Provides Mach7 with a full departmental clinical diagnostic Picture Archive Communication System (PACS) solution offering, significantly increasing Mach7’s addressable market opportunity from US\$0.75 billion to US\$2.75 billion<sup>1</sup>
- ❑ Increases the sales pipeline by 56% including A\$40 million of contracted revenue opportunities
- ❑ Increases customer install base by >150% to ~150 customers
- ❑ Increases contracted annual recurring revenues by 70% to \$14.75 million
- ❑ Low integration risk, Client Outlook is a well-known entity, team and product to Mach7

Mach7 has separately contracted four of the senior executives of Client Outlook via employment agreements. These include Client Outlook’s current CEO, Steve Rankin, who will become the Mach7 Chief Product Officer,

and the VP Engineering, VP Sales and Chief Operating Officer. These senior executives will be incentivised to create long term growth with stock options offered under the Mach7 long term incentive plan.

“This deal is truly transformational for Mach7 and its shareholders,” said Mike Lampron, CEO of Mach7. “We have observed the evolution of enterprise imaging and decided that now is the time to modernize the outdated PACS landscape. As one organization we can offer a modular PACS solution that combines the unique characteristics of a clinical VNA with powerful workflow features, a universal worklist and the industry gold standard zero-footprint enterprise and diagnostic viewer.” Lampron added; “This offering is extremely compelling, but the enterprise-first philosophy of Mach7 and Client Outlook is truly what I believe is going to set us apart as we move forward together.”

“This is a defining moment that puts us in a pioneering role to take the industry in a new direction;” said Steve Rankin, CEO of Client Outlook. “We are living in a time of unprecedented change that requires solutions that offer unprecedented flexibility. By combining our resources, we have a tremendous opportunity to accelerate our established imaging platforms that provide healthcare organizations the ability to quickly adapt and innovate. We’re excited to work together to continue building the best imaging team in the industry and support our customers and partners on their journey.”

## **Capital Raising**

The Company is undertaking a fully underwritten Equity Raising of \$34.8 million (Equity Raising or Offer) via an institutional Placement of approximately \$3.7 million and a 1 for 4 pro-rata accelerated non-renounceable entitlement offer of approximately \$31.1 million. The Equity Raising will result in the issue of approximately 51.2 million new fully paid ordinary shares in the Company (New Shares). Each New Share issued under the Equity Raising will rank equally with existing shares on issue.

Proceeds from the Equity Raising will be used solely for the purchase of the outstanding shares in Client Outlook Inc.

All shares under the Placement and Entitlement Offer will be issued at a fixed price of \$0.68 per share (Offer Price). This Offer Price represents a 13.9% discount to the last traded price of \$0.79 on 9 June 2020 and 11.2% discount to TERP<sup>2</sup> of \$0.7659.

The Equity Raising is fully underwritten, by Morgans Corporate Limited (Morgans). Morgans are sole lead manager for the Equity Raising.

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 New Share for every 4 shares they hold as at 7.00pm (AEST) on Friday, 12 June 2020 (Record Date). Entitlements cannot be traded on the ASX or transferred. Eligible shareholders who do not take up their entitlement under the Entitlement Offer in full or in part, will not receive any value in respect to those Entitlements not taken up.

### Institutional Entitlement Offer and Placement

Eligible institutional shareholders of Mach7 are being invited to participate in the accelerated institutional component of the Entitlement Offer (Institutional Entitlement Offer). Any New Shares that would have been issued in respect of institutional entitlements not taken up by eligible institutional shareholders by the close of the Institutional Entitlement Offer and the New Shares that would have been issued to ineligible institutional shareholders (had such ineligible institutional shareholders taken up their entitlements) (Institutional Shortfall Shares), will be offered through an institutional shortfall bookbuild expected to be conducted on Thursday, 11 June 2020 (Institutional Shortfall Bookbuild).

The New Shares to be issued under the Placement will be issued within Mach7’s existing placement capacity under ASX Listing Rules 7.1 and 7.1A.

Please refer to the Indicative Timetable below for key dates.

### Retail Entitlement Offer

Eligible Retail Shareholders with a registered address in Australia or New Zealand at the Record Date will be entitled to participate in the retail component of the Entitlement Offer (Retail Entitlement Offer). The Retail Entitlement Offer will open on Wednesday 17 June 2020 and close at 5.00pm (AEST) on Friday 26 June 2020. Eligible retail shareholders who take up their entitlement in full will also be offered the opportunity to subscribe for additional New Shares, up to a maximum of 50% of their entitlement under an oversubscription facility, but only to the extent that there is a shortfall under the Retail Entitlement Offer (Shortfall Facility) and at the Board's absolute discretion.

Further details about the Retail Entitlement Offer will be set out in the retail offer booklet, which the Company expects to lodge with the ASX and dispatch on Wednesday, 17 June 2020.

For any enquiries in relation to the Retail Entitlement Offer please call Morgans Corporate Limited on 03 99474101 (within Australia) or +61 3 99474101 (from outside Australia) from 8.30am to 5.00pm (AEST) during the retail offer period, or contact your stockbroker, accountant or other professional adviser. Please refer to the Indicative Timetable below for key dates.

#### Investor Presentation

Further details of the Acquisition and the Capital Raising are set out in the investor presentation also provided to ASX today. The investor presentation contains important information including the terms and key risks of the Acquisition. A copy can also be found on the Company's website at [www.mach7t.com](http://www.mach7t.com)

#### Indicative Timetable

<b>Event</b>	<b>Date (2020)</b>
<b>Trading halt request Announcement of the Acquisition and Capital Raising</b>	<b>Before market opens on Wednesday, 10 June</b>
<b>Conduct of Placement and Institutional Entitlement Offer</b>	<b>Wednesday, 10 June and Thursday, 11 June</b>
<b>Institutional Shortfall Bookbuild</b>	<b>Thursday, 11 June</b>
<b>Announcement of results of Placement and Institutional Entitlement Offer Trading halt lifted and trading resumes on an ex- entitlement basis</b>	<b>Before market opens on Friday, 12 June</b>
<b>Record Date for eligibility to participate in the Entitlement Offer</b>	<b>7:00 pm (AEST) on Friday, 12 June</b>
<b>Retail Entitlement Offer Booklet and Entitlement &amp; Acceptance Form dispatched to shareholders</b>	<b>Wednesday, 17 June</b>
<b>Retail Entitlement Offer opens</b>	<b>Wednesday, 17 June</b>
<b>Settlement of New Shares under the Placement and the Institutional Entitlement Offer</b>	<b>Wednesday, 17 June</b>
<b>New Shares allotted and issued under the Placement, the Institutional Entitlement Offer and the Institutional Shortfall Bookbuild</b>	<b>Thursday, 18 June</b>
<b>New Shares allotted and issued under the Placement, the Institutional Entitlement Offer and the Institutional Shortfall Bookbuild commence trading on ASX on a normal settlement basis</b>	<b>Friday, 19 June</b>
<b>Closing Date of Retail Entitlement Offer</b>	<b>5:00 pm (AEST) on Friday, 26 June</b>

<b>Announcement of results of Retail Entitlement Offer (including any shortfall)</b>	<b>Wednesday, 1 July</b>
<b>Settlement of Retail Entitlement Offer</b>	<b>Thursday, 2 July</b>
<b>New Shares allotted and issued under the Retail Entitlement Offer</b>	<b>Friday, 3 July</b>
<b>New Shares issued under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis</b>	<b>Monday, 6 July</b>

**Footnotes:**

1. Provided by Signify Research
2. Theoretical ex-rights price (TERP) includes the shares issued under the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer. TERP is the theoretical price at which shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares trade on ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of the Company's shares as traded on ASX on Tuesday, 9 June 2020 of \$0.79, being the last trading day prior to the announcement of the Entitlement Offer.

**About Client Outlook:**

Client Outlook Inc. is a healthcare technology company focused exclusively on empowering the image viewing evolution from hospital department to healthcare enterprise through an innovative software platform called eUnity. Uniquely designed as a zero-footprint viewing solution but purpose-built as an integration platform, eUnity gives all patient care stakeholders equal access to images for clinical viewing and diagnostic radiology reading. This powerful foundation cultivates a boundary-less enterprise that is prepared for future growth. Visit [www.clientoutlook.com](http://www.clientoutlook.com) for more information.

**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 [Mach7t.com](http://Mach7t.com).

**Not For Distribution or Release In The United States**

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any person in the United States or in any other jurisdiction in which such an offer would be illegal. The New Shares have not been, nor will be, registered under the U.S. Securities Act of 1933 as amended (U.S. Securities Act) or under the securities laws of any state or other jurisdiction of the United States. The New Shares may not be issued to, purchased or traded by, or taken up by, any person in the United States or any person acting for the account or benefit of a person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

**This announcement has been approved for lodgement by the Board of Directors.**

**For more information, contact:**

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Melbourne, 3000



Acquisition of Client Outlook (“eUnity”)  
Fully Underwritten Placement and Non-renounceable Entitlement Offer

10 June 2020

This presentation has been prepared by Mach7 Technologies Limited (**M7T**) in connection with the proposed acquisition by M7T of the entire issued share capital in Client Outlook Inc., (**Client Outlook**) (**Acquisition**) and an offer (**Offer**) comprising an accelerated non-renounceable pro rata entitlement offer of new fully paid ordinary shares (**New Shares**) to be made under section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) (**Entitlement Offer**) as notionally modified by the ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) (**ASIC Instrument**) and an institutional placement of New Shares to institutional investors (**Placement**) to partially fund the Acquisition. The Offer is fully underwritten by Morgans Corporate Limited (**Lead Manager**).

The Entitlement Offer will be made available to eligible institutional shareholders of M7T (**Institutional Entitlement Offer**) and eligible retail shareholders of M7T (**Retail Entitlement Offer**).

**Not an offer** The material contained in this presentation is for information purposes only and is intended to be general background information on M7T and Client Outlook and their activities and as at the date of this presentation. This presentation is not a prospectus or other disclosure document or offering document under Australian law (and will not be lodged with ASIC or any foreign regulator) or any other law. It is for information purposes only and is not, and should not be considered to be, an invitation, offer or recommendation to acquire shares or any other financial products. It is not, and does not purport to contain all the information required to be contained in a prospectus, disclosure document or offering document under Australian law or any other law (and will not be lodged with ASIC or any foreign regulator).

The Placement will be conducted under section 708 of the Corporations Act and will be made available to certain persons to whom a prospectus is not required to be given under Chapter 6D of the Corporations Act. The Entitlement Offer will be made under s 708AA of the Corporations Act (as notionally modified by the ASIC Instrument).

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**Summary information** The information in this presentation is supplied in summary form, is of a general background nature and does not purport to be complete or to provide all information that an investor should consider when making an investment decision. It should be read in conjunction with M7T's periodic and continuous disclosure announcements filed with the Australian Securities Exchange and, in particular, M7T's full year results for the financial year ended 30 June 2019. Unless otherwise stated, all information regarding Client Outlook, including financial information, has been sourced from the vendors of Client Outlook. Despite making reasonable efforts, M7T cannot verify the accuracy, reliability or completeness of all the information provided to it.

**Not financial product advice** This presentation is for information purposes only and it is not a financial product nor investment advice (nor tax, accounting or legal advice) nor a recommendation to acquire shares and has been prepared without taking into account the objectives, financial situation or needs of recipients of this presentation. It is not intended that it be relied upon as advice to investors or potential investors, who should make their own enquiries and investigations regarding an investment in M7T and in relation to all information in this presentation (including but not limited to the assumptions, uncertainties and contingencies which may affect the future operations of M7T and the value and the impact that different future outcomes may have on M7T) and before making any investment decisions, should consider the appropriateness of the information having regard to their specific investment objectives, financial situation or particular needs and should seek independent professional advice appropriate to their jurisdiction before making an investment decision. Neither this presentation nor anything contained in it forms the basis of any contract or commitment and no agreement to subscribe for securities will be entered into on the basis of this presentation. M7T is not licensed to provide, and this presentation does not constitute the provision of, investment or financial product advice in respect of M7T's shares. Cooling off rights do not apply to the acquisition of M7T's shares.

An investment in M7T shares is subject to investment and other known and unknown risks, some of which are beyond the control of M7T. M7T does not guarantee any particular rate of return or the performance of M7T, nor does it guarantee the repayment of capital from M7T or any particular tax treatment. Investors should have regard to (amongst other things) the risk factors outlined in this presentation when making their investment decisions. Refer to the "Risks" section of this presentation for a non-exhaustive list of the risks relating to an investment in M7T shares.

**Lead manager's disclaimer** The Lead Manager, together with each of its related bodies corporate, shareholders or affiliates and each of their respective officers, directors, employees, affiliates, agents or advisers (each a "**Limited Party**") has not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this presentation and does not make or purport to make any statement in this presentation and there is no statement in this presentation which is based on any statement by a Limited Party. No Limited Party makes any recommendation as to whether any investor or potential investor should participate in the Entitlement Offer or the Placement and makes no warranties concerning the Entitlement Offer, the Placement or the Acquisition. Further, no Limited Party accepts any fiduciary obligations owed to or relationship with any investor or potential investor in connection with the Entitlement Offer, Placement or otherwise, and by accepting this presentation each recipient expressly disclaims any fiduciary relationship and agrees that it is responsible for making its own independent judgements with respect to the Entitlement Offer and Placement, and any other transaction or other matter arising in connection with this presentation. The Lead Manager or other Limited Parties may have interests in the shares of M7T, including being directors of, or providing banking services to, M7T. Further, they may act as market maker or buy or sell those securities or associated derivatives as principal or agent. The Lead Manager may receive fees for acting in its capacity as lead manager, administration agent and/or bookrunner, as applicable, to the Entitlement Offer and the Placement.

1. The Underwriting Agreement dated [10 June 2020] between the Company and the Lead Manager provides that the Lead Manager will not be issued any shares that would cause it to breach the 20% takeover threshold contained in Chapter 6 of the Corporations Act 2001 (Cth). If the Lead Manager was required to take up shares on issue which would otherwise cause it to breach or notify under these provisions then, for the purposes of ASIC Report 612 (March 2019), (i) it will still fund the entire underwritten proceeds in accordance with and subject to the terms of the underwriting agreement by the completion date, (ii) the number of excess shortfall shares would be up to the number of shares offered under the Offer less the number of shares that have been pre-committed or sub-underwritten and the number of shares that the Lead Manager is able to take up without causing it to breach or notify under these provisions when aggregated with any additional interests the Lead Manager and its affiliates hold at the relevant settlement dates other than through its underwriting commitment; and (iii) it would enter into an arrangement for any excess shortfall shares to be issued to it, or to third party investors, after close of the Offer at the same price as the Offer price. No material impact on control is expected to arise as a consequence of these arrangements or from any shareholder taking up their entitlement under the Entitlement Offer where there is an excess shortfall.



**Financial data** All amounts are in Australian Dollars (\$) or AUD unless otherwise indicated. A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation. Investors should note that this presentation includes unaudited financial information of M7T for the historical period ending 31 March 2020 and unaudited financial information for Client Outlook that has been prepared by the Client Outlook vendors for various periods and has been adjusted by M7T based on its due diligence. This presentation also includes pro-forma financial information. Pro-forma adjustments have been made which assume the completion of the Entitlement Offer, Placement and Acquisition. Investors should note that this information has not been audited and is based on management estimates and not on financial statements prepared in accordance with applicable statutory requirements. Financial information in relation to Client Outlook has been derived from financial statements and other financial information made available by the Client Outlook vendors in connection with the Acquisition. The pro-forma financial information for M7T following the acquisition of Client Outlook is provided for illustrative purposes only and should not be relied upon as, and is not represented as, being indicative of M7T's future financial condition and/or performance. Investors should also be aware that certain financial data included in this presentation including EBITDA and measures described as "pro-forma", are "non-IFRS financial information" under ASX Regulatory Guide 230 (Disclosing non-IFRS financial information). The non-IFRS financial information financial measures do not have a standardised meaning prescribed by Australian International Financial Reporting Standards (AIFRS) and, therefore, may not be comparable to similarly titled measures presented by other companies, nor should they be construed as an alternative to other financial measures determined in accordance with AIFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial measures included in this presentation.

**Future performance** Forward-looking statements are statements about matters that are not historical facts. Forward-looking statements appear in a number of places in this presentation and include statements regarding M7T's intent, belief or current expectations or projections with respect to business and operations, market conditions, results of operations and financial condition, including, without limitation, its acquisition of Client Outlook, forecasted economic indicators, performance metric outcomes, the potential impact and duration of the COVID-19 pandemic as well as the timetable and outcome of the Entitlement Offer and the Placement and the proceeds thereof and of the Acquisition. This presentation contains words such as 'will', 'may', 'expect', 'indicative', 'intend', 'seek', 'would', 'should', 'could', 'continue', 'plan', 'probability', 'risk', 'forecast', 'likely', 'estimate', 'projection', 'anticipate', 'believe', or similar words to identify forward-looking statements. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. These forward-looking statements reflect M7T's current views with respect to future events and are subject to change, certain risks, uncertainties, projections and assumptions which are beyond the control of M7T, and have been made based upon M7T's expectations and beliefs concerning future developments and their potential effect on M7T or Client Outlook. There can be no assurance that future developments will be in accordance with M7T's expectations.

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The Underwriting Agreement dated [10 June 2020] between the Company and the Lead Manager provides that the Lead Manager will not be issued any shares that would cause it to breach the 20% takeover threshold contained in Chapter 6 of the *Corporations Act 2001* (Cth). If the Lead Manager was required to take up shares on issue which would otherwise cause it to breach or notify under these provisions then, for the purposes of ASIC Report 612 (March 2019), (i) it will still fund the entire underwritten proceeds in accordance with and subject to the terms of the underwriting agreement by the completion date, (ii) the number of excess shortfall shares would be up to the number of shares offered under the Offer less the number of shares that have been pre-committed or sub-underwritten and the number of shares that the Lead Manager is able to take up without causing it to breach or notify under these provisions when aggregated with any additional interests the Lead Manager and its affiliates hold at the relevant settlement dates other than through its underwriting commitment; and (iii) it would enter into an arrangement for any excess shortfall shares to be issued to it, or to third party investors, after close of the Offer at the same price as the Offer price. No material impact on control is expected to arise as a consequence of these arrangements or from any shareholder taking up their entitlement under the Entitlement Offer where there is an excess shortfall.

## Transaction Overview

- Mach7 to acquire 100% shares in Client Outlook
- Purchase price ~\$40.8M (CA\$38.5M), all cash deal
- Represents 4.86x historical revenue multiple (pre-synergies)
- Expected to complete by 10 July 2020

## About Client Outlook

- Single enterprise viewing and integration platform
- Highly complementary technology to Mach7's enterprise imaging platform
- >90 customers, \$8.8M revenues FY20, 48% CAGR last 4 years

## Strategic Rationale

- Expand addressable market from US\$0.75BN to US\$2.75BN
- Immediate expansion of customer install base
- Additional \$40M revenue opportunities in near term

## Financials

- Combined LTM revenues \$21.8M
- Combined CARR \$14.75M
- Positive EBITDA and Cash flow forecast

## Fund Raising

- Accelerated Non-renounceable Entitlement Offer (ANREO) + Placement to raise \$34.8M (before costs)
- Offer fully underwritten by Morgans Corporate Limited

# ABOUT CLIENT OUTLOOK

## Company

- Founded 2002
- Incorporated & HQ Ontario, Canada
- Privately held
- **58 employees** (3 based in US, 55 in Canada)
- 2 founder executives



## Enterprise Viewer

- Industry's first and only **zero-footprint viewing & integration platform**
- Differentiated in its own category as "Healthcare's first SMARTviewer"
- KLAS\* highest rated Universal Viewer in the market (2019)

## Customers

- **~100 customers** across North America & Asia including:
  - Stanford
  - Duke Health
  - Sentara Healthcare
  - University of Maryland
  - UCSF
  - Hong Kong Health Authority

## Financials

- **Revenues \$8.8m** FY20 (31 Jan. 20)
- **48% CAGR** last 3 years
- EBITDA loss \$950k FY20 (before R&D Tax Credits) – profits have been reinvested back into the business (R&D)
- EBITDA positive forecast CY21



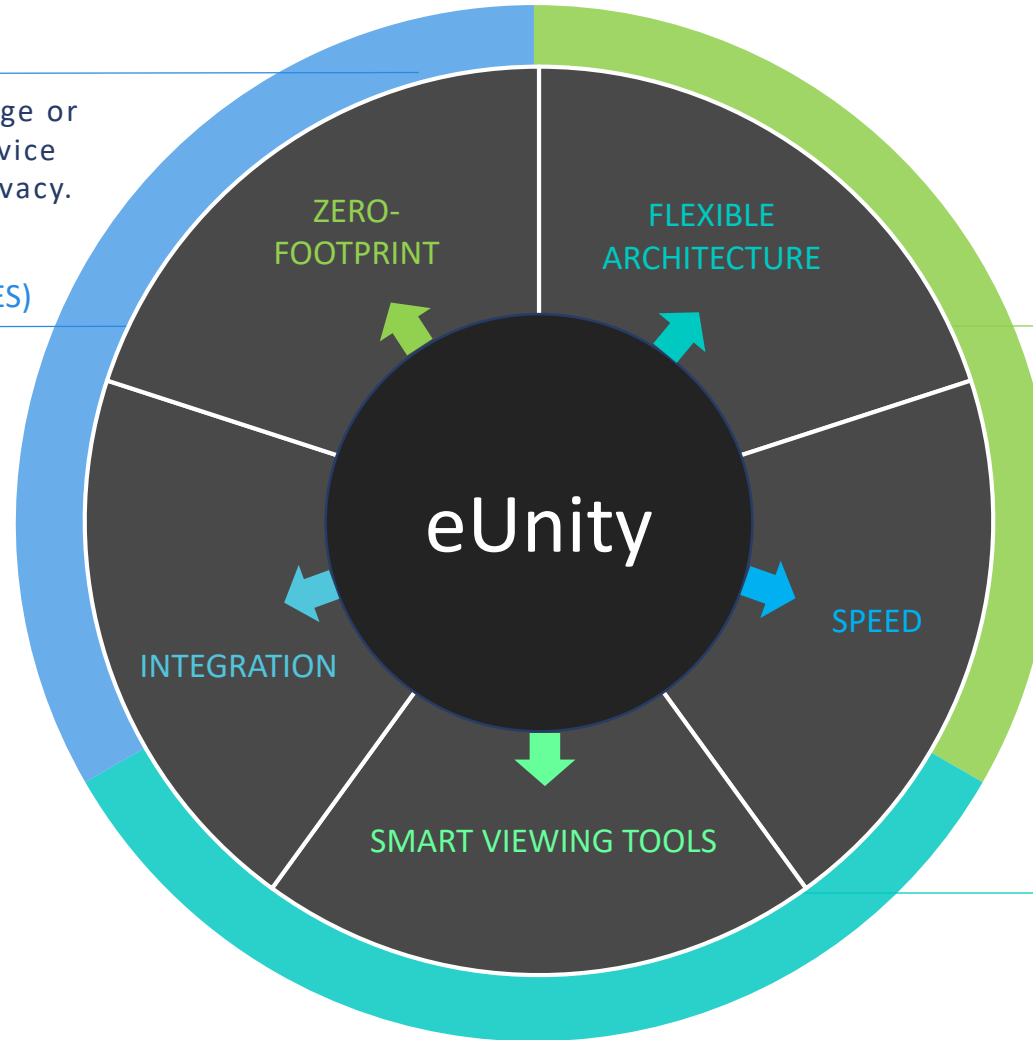
# Solves Enterprise Imaging Challenges

## ZERO-FOOTPRINT

- eUnity does not leave any image or patient information on any device ensuring maximum patient privacy.

## MANY DISPARATE SYSTEMS (DATA ACCESS ISSUES)

- eliminate the pervasive integration problem
- access multiple image sources
- manage inevitable technology changes
- consolidate info from inherited PACS systems through mergers and acquisitions







## HARDWARE INTENSIVE (COSTLY)

- reduce heavy hardware requirements that monopolizes IT resources (costly) and doesn't scale

## DIVERSE CLINICAL USERS (INEFFICIENCIES)

- one viewer for physicians and radiologists
- one viewer for IT to manage

# – one of two viewing specialists

	Major healthcare technology vendors	Large and mid-size imaging IT specialists	Viewing specialists	Data management specialists
				
Priority 1	Managed service business models and operational and workflow toolset	Platform approach and four core competency layers	Performance / efficiency savings	Foundation for enterprise imaging and “image enabling” EMR
Priority 2	Strength of diagnostic portfolio and breadth of offering	Lowering total cost of ownership (TCO) for enterprise radiology	Seamless UI/UX and integration with other platforms/partners	Mobile access and reducing need for data migration
Priority 3	Scalability and professional service network	Flexibility and modularity of offering	Mobile access and security	Routing and fetching to improve data liquidity supporting AI use
Priority 4	Scalability and execution of major contracts	Cybersecurity and legacy application retirement	Breadth of diagnostic tools	Lowering cost of ownership and legacy application retirement

The above table is from Signify Research

# STRATEGIC RATIONALE

**MACH7**  
TECHNOLOGIES

enterprise imaging data platform  
(back end)

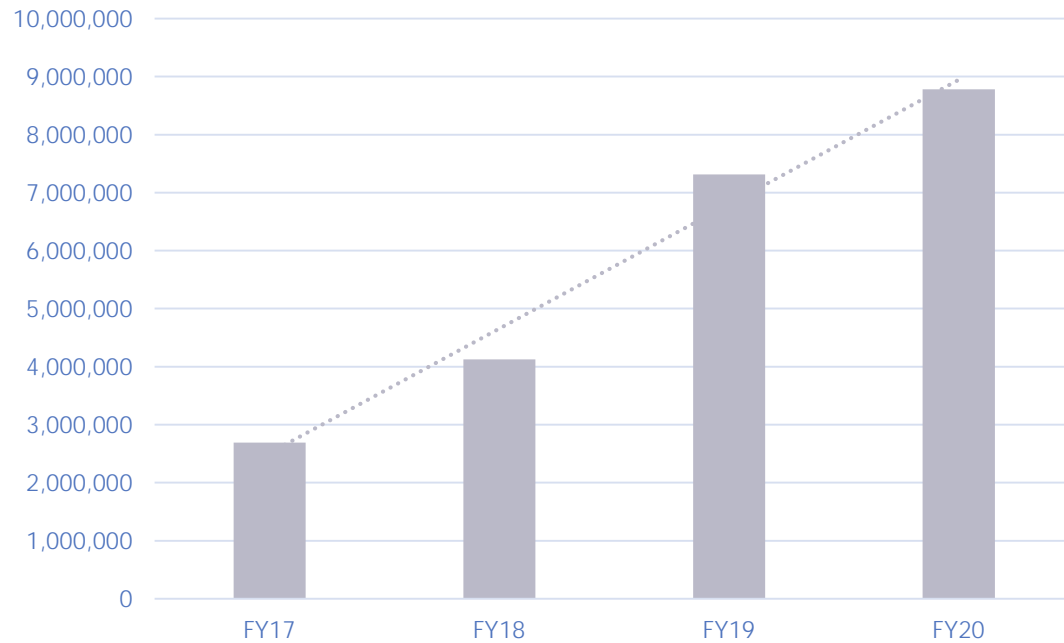


 **eUnity**<sup>™</sup>  
by client outlook<sub>inc</sub>

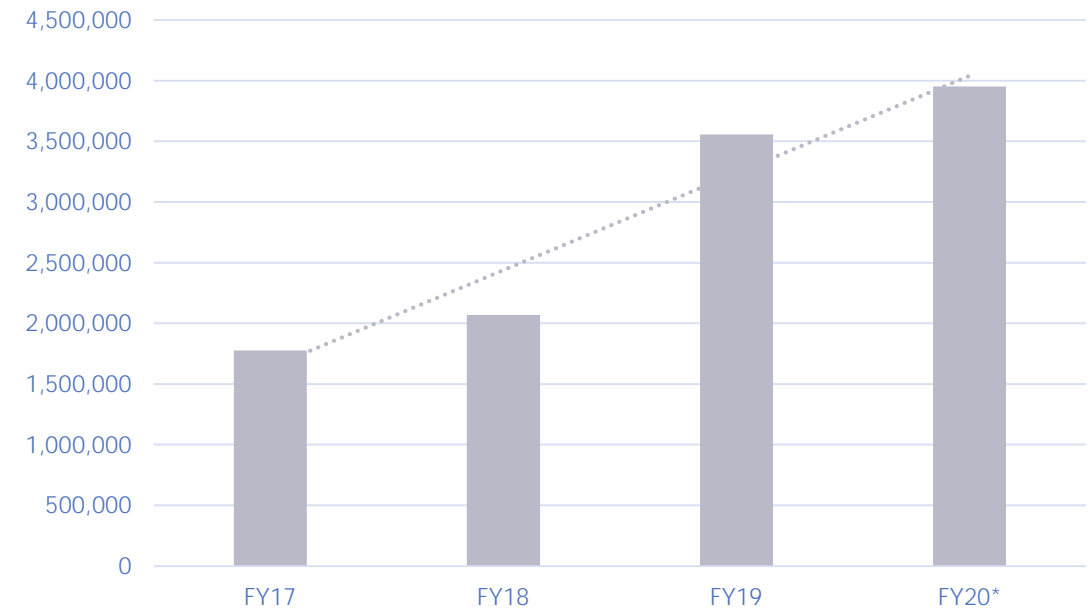
- ❑ **Complete Enterprise Imaging Solution provider** (front + back end) – delivers significant commercial opportunity
- ❑ Can now offer departmental clinical diagnostic PACS solution - significantly **increasing market opportunity to US\$2.75BN** (from US\$0.75BN)
- ❑ Increases sales pipeline by ~50% - with **\$40M** of contracted revenue opportunities near term
- ❑ Increases customer install base by ~200% from 51 to ~150 customers
- ❑ Increases contracted annual recurring revenue by 70% to \$14.75M
- ❑ Low integration risk - current re-seller partnership. Client Outlook is a well known entity, team and product to Mach7

# Client Outlook Revenues

FY Revenues (A\$)



Recurring Revenue (A\$)



*\*constant A\$ exchange rate for all years*

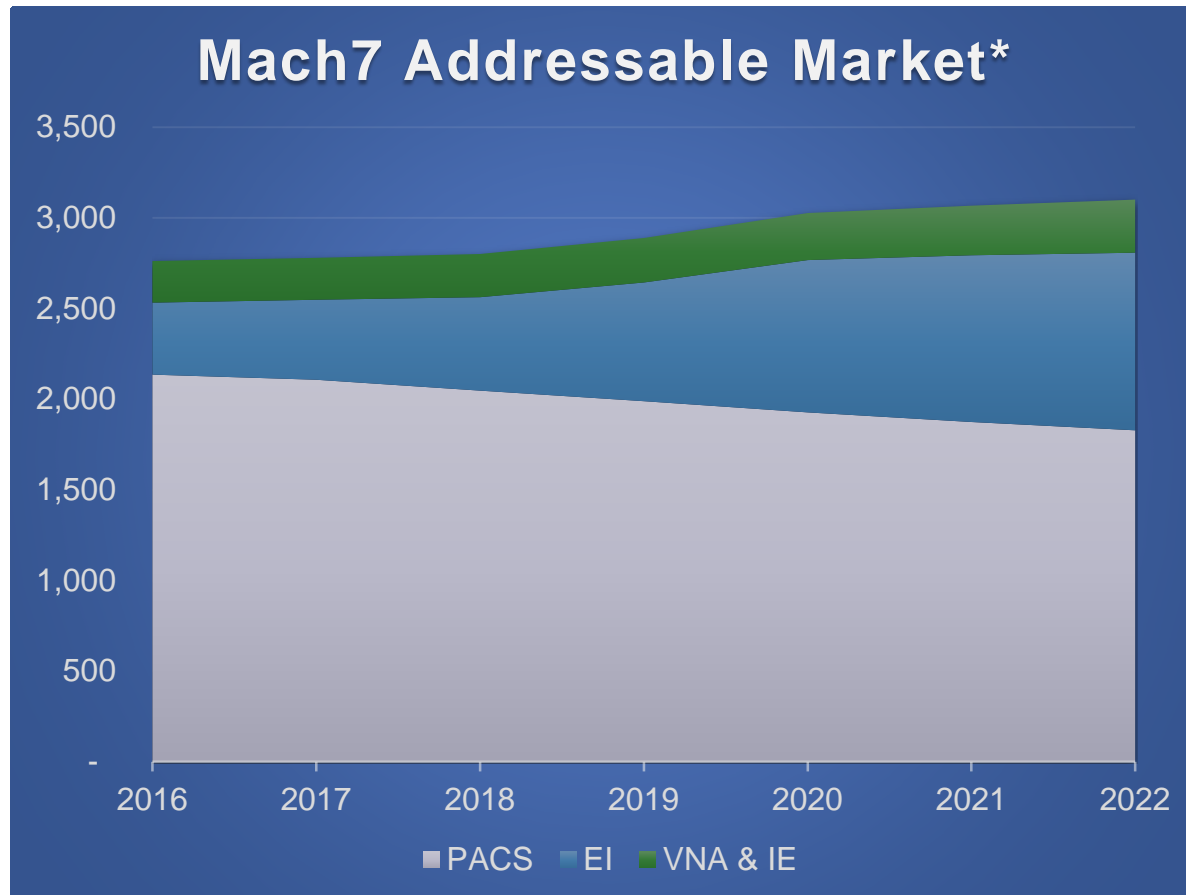
# Significant Commercial Opportunities...

## Business transforming acquisition

- Brings in-house one of two viewing specialist products on market today - to offer total image management package & PACS system
- Expands the Mach7 client offering into US\$2Bn PACS market
- Client Outlook enterprise viewer represents the surest path forward from a land and expand sales effort for the entire combined technology stack
- Unifies sales pitch and simplifies customer interaction
- Builds 'critical mass' for future tenders
- Can now compete more effectively against bigger players such as GE Health, Fuji, Agfa, Pro Medicus
- eUnity already fully integrated with Mach7 Platform at multiple sites across US and Asia
- Allows Mach7 to accelerate its revenue growth – client outlook revenue CAGR = 48% over past 4 years



# Expanded Addressable Global Imaging Market



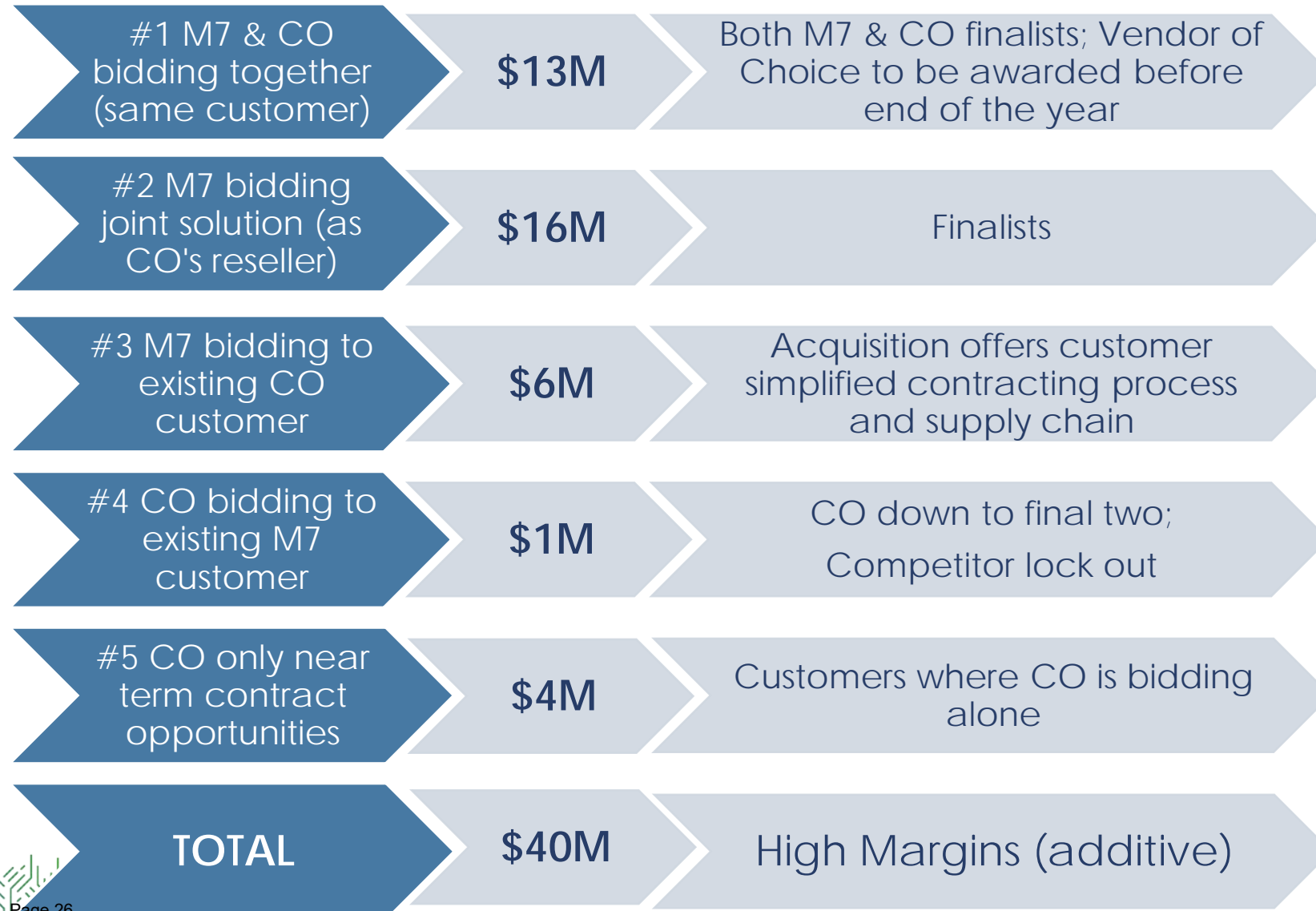
VNA = Vendor Neutral Archive  
IE = Image Exchange

Mach 7 alone  
(US\$0.75 BN 2018)

Mach 7 + Client Outlook  
(US\$2.75 BN 2018)

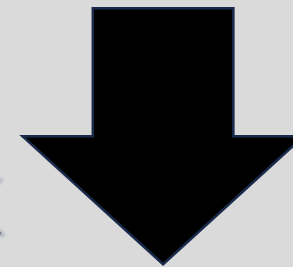
- Total Market ~US\$3BN by 2020 – growing 5-6% CAGR
- Enterprise Imaging Market (EI) **US\$520M** 2018, forecast growth ~**30% p/a for next two years**
- Departmental PACS **US\$2BN** 2018

# Near term\* tender opportunities





Customer Expansion  
Mach7 + Client Outlook



YUMA REGIONAL MEDICAL CENTER



Marshfield Clinic



# Immediate Customer Expansion

## Acquisition:

- ✓ Immediately expands Mach7's customer base by ~100
- ✓ Provides access to new territories (Canada, Italy, China )
- ✓ Allows for Mach7 to combine PACS & VNA in single tender - & retain 100% of the profits
- ✓ Increases the number of tender opportunities available for bidding
- ✓ Enhances chances of winning new customers
- ✓ Increases today's active sales pipeline by >50% to ~\$150 million
- ✓ Increases Contracted Annual Recurring Revenue by 70% to > \$14.75 million

# Benefits of Acquisition

## LOW RISK

- Well known - both companies are in partnership today – reselling each other's product
- No technology risk - deep technology integration already completed
- Team is already familiar with skills and strength/weakness of each team

## REVENUE SYNERGIES

- One deployment team for entire solution will lead to a better customer experience
- Single support contract will eliminate the argument of continued supply chain issues
- Similar geographies currently in the book of business - leading to cross sales opportunities without the need for further regulatory approvals
- M7T will have a technology advantage over its largest competitor - Hyland Imaging
- Opens market entry into PACS market
- Contracted Annual Recurring Revenue increases to \$14.75M (p/a) immediately

## COST SYNERGIES, EBITDA/Free Cashflow Growth

- Access to more cost effective engineering labour in Canada vs. US
- Multiple internal systemic redundancy that will lead to cost savings
- Streamlined FDA filings leading to consultant cost savings
- Combined trade show participation – cost of booth savings

# Post-Acquisition

- **Executive Retention** - two founder executives, VP Sales, and VP Engineering will be retained in the business going forward, providing important continuity and additive skills to the Mach7 team. They will be incentivized to build shareholder growth through the Mach7 Long Term Incentive Plan
- **Integration Plan** - Mach7 expects to hire an Integration Manager to manage the integration which is expected to be largely completed by 31 December 2020
- **COVID-19** - has slowed sales for VNA and PACS in the US, impacting both businesses in the short term. However, there is now a growing realization that remote Telehealth software is more important than ever. The eUnity Enterprise Viewer can assist clinicians with the fast and easy visualization tools required to deliver Telehealth

# FINANCIALS

## Pro-forma

### Combined historical LTM

- Revenues **\$21.8M**, with **\$9.5M (43.5%)** recurring
- EBITDA **+\$0.2M**

### Post Acquisition

- CARR **\$14.75M**
- Cash reserves **~\$15M**
- No debt

## Forecast

### Combined – CY2021

- **\$27M (f)** revenue for CY21
  - allows 6 months for integration and re-development of product marketing strategy.
- **\$2M (f) p/a** in cost synergies by 31 December 2021
  - system integrations, marketing, R&D, admin
- **\$5M-\$7M (f)** EBITDA CY2021, positive free cash flow

# FUND RAISING

<b>Offer Size &amp; Structure</b>	<ul style="list-style-type: none"><li>▪ A fully underwritten Equity Raising of approximately \$34.8 million (Equity Raising or Offer) via:<ul style="list-style-type: none"><li>– an institutional Placement of \$3.7 million;</li><li>– a 1 for 4 pro-rata accelerated non-renounceable entitlement offer of approximately \$31.1 million</li></ul></li><li>▪ Approximately 51.18 million new fully paid ordinary shares in the Company (New Shares) to be issued under the Equity Raising, representing approximately 28% of existing shares on issue in the Company</li></ul>
<b>Offer price</b>	<ul style="list-style-type: none"><li>▪ All shares under the Placement and Entitlement Offer will be issued at a fixed price of \$0.68 per New Share (Offer Price).</li><li>▪ This Offer Price represents a 13.9% discount to the last traded price of \$0.79 on 9 June 2020 and 11.2% discount to TERP of \$0.7659</li></ul>
<b>Placement &amp; Institutional Entitlement Offer</b>	<ul style="list-style-type: none"><li>▪ The Placement and Institutional Entitlement Offer will be conducted by way of a bookbuild process between Wednesday 10 June 2020 and Thursday 11 June 2020</li><li>▪ Entitlements under the Institutional Entitlement Offer that are not taken up and entitlements of ineligible institutional shareholders under the Entitlement Offer will be offered for sale in the bookbuild</li></ul>
<b>Retail Entitlement Offer</b>	<ul style="list-style-type: none"><li>▪ The Retail Entitlement Offer will open on Wednesday, 17 June 2020 and closes on Friday, 26 June 2020</li><li>▪ Eligible retail shareholders who take up their entitlement in full can also apply for additional shares in excess of their entitlement up to a maximum of 50% of their entitlement under a 'top up' facility</li></ul>
<b>Use of Funds</b>	<ul style="list-style-type: none"><li>▪ The funds raised will be used for the sole purpose of acquiring Client Outlook</li></ul>
<b>Ranking</b>	<ul style="list-style-type: none"><li>▪ New Shares will rank equally with existing fully paid ordinary shares from their time of issue. New Shares issued under the Placement will not be entitled to participate in the Entitlement Offer</li></ul>



# Timetable

Event	Date (2020)
Announcement of the Offer	10 June
Institutional Placement and Entitlement Offer opens	10 June
Announcement of results of Institutional Placement and Entitlement Offer	12 June
“Ex” Date (being the date that Shares start trading without Entitlements to participate in Entitlement Offer)	12 June
Record Date for the Entitlement Offer	12 June
Dispatch of Retail Entitlement and Acceptance Form	17 June
Retail Entitlement Offer opens	17 June
Settlement of Institutional Placement and Entitlement Offer	17 June
Allotment of Institutional Placement and Entitlement Offer Shares	18 June
Retail Entitlement Offer closes	26 June
Announcement of results under Retail Entitlement Offer	1 July
Settlement of Retail Entitlement Offer	2 July
Issue and allotment of New Shares under the Retail Entitlement Offer	3 July
Normal trading of New Shares under the Retail Entitlement Offer expected to commence on ASX	6 July
Completion of Client Outlook Transaction	By 10 July

# KEY RISKS

This section outlines some of the key risks associated with an investment in the Company's shares, together with risks relating specifically to participation in the Offer. This is not an exhaustive list of the relevant risks and the risks set out below are not in order of importance.

Additional risks not presently known to the Company, or that are not presently considered by the Company to be material, may also become important factors that adversely affect the Company. If any of the following risks materialise, the Company's business, financial condition and financial performance, and the price of its shares may be adversely affected. Investors should note that the occurrence or consequences of some of the risks described in this section are partially or completely outside of the control of the Company, its directors and senior management.

In deciding whether to participate in the Offer, you should read this presentation in its entirety and carefully consider the risks outlined in this section. You should also read this presentation in conjunction with the Company's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange ("ASX"), which are available at [www.asx.com.au](http://www.asx.com.au) (ASX:M7T). You should also have regard to your own investment objectives, financial situation and particular needs, and consider consulting your financial or legal adviser for professional guidance so as to ensure you fully understand the terms of the Offer and the inherent risks.

The risks are categorised as follows:

1. **Acquisition Risks;**
2. **Business Risks;**
3. **General Risks; and**
4. **Offer Risks.**

References to the Company in the key risks section of this presentation include the Company and its related bodies corporate (as defined in the Corporations Act), where the context requires. While the risks set out in this section are stated to relate to the Company and its business, investors should consider that these risks will also apply to Client Outlook and its business, which the Company will own following completion of the Acquisition.

# Acquisition Risks

## Information risk

- The Company undertook a due diligence process in respect of Client Outlook, which relied in part on the review of financial and other information (including unaudited financial information) concerning the business and corporate structure of Client Outlook, which was provided to the Company by the vendors of Client Outlook. Despite making reasonable efforts, the Company has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. Similarly, the Company has prepared (and made assumptions in the preparation of) the financial information relating to Client Outlook (on a stand-alone basis and also with the Company post-Acquisition of Client Outlook) included in this presentation from financial and other information (including unaudited financial information) provided by the vendors of Client Outlook. The Company is unable to verify the accuracy, reliability or completeness of all of this information. If any of the data or information provided to and relied upon by the Company in its due diligence process and its preparation of this presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of Client Outlook and the combined group may be materially different to the financial position and performance expected by the Company and reflected in this presentation.
- Furthermore, there is a risk that due diligence conducted has not identified issues that would have been material to the decision to enter into the Acquisition. A material adverse issue that was not identified prior to entry into the Acquisition could have an adverse impact on the financial performance or operations of the Company. As is usual in the conduct of acquisitions, the due diligence process undertaken by the Company identified a number of risks associated with Client Outlook, which the Company had to evaluate and manage. The mechanisms used by the Company to manage these risks included in certain circumstances the acceptance of the risk as tolerable on commercial grounds such as materiality. There is a risk that the approach taken by the Company may be insufficient to mitigate the risk, or that the materiality of these risks may have been underestimated or unforeseen, and hence they may have a material adverse impact on the Company's operations, earnings and financial position.

## Future earnings

- The Company has undertaken financial and business analysis of Client Outlook in order to determine its attractiveness to the Company and whether to pursue the Acquisition. It is possible that such analysis, and the best estimate assumptions made by the Company, draw conclusions and forecasts in relation to guidance and synergy statements that are inaccurate or which will not be realised in due course. To the extent that the actual results achieved by Client Outlook are different than those anticipated or any unforeseen difficulties emerge in integrating the operations of Client Outlook, there is a risk that the future earnings of the operations of the Company may differ (including in a materially adverse way) from the performance as described in this presentation.

## Integration risk

- The integration of a business of the size and nature of Client Outlook carries risk, including potential delays or costs in implementing necessary changes and difficulties in integrating various operations. The success of the Acquisition, and the ability to realise the expected benefits of the Acquisition outlined in this presentation, is dependent on the effective and timely integration of Client Outlook's business alongside the Company's business following completion of the Acquisition. A failure to fully integrate the operations of Client Outlook, or a delay in the integration process, could impose unexpected costs that may adversely affect the financial performance and position of the Company.

## Uncovered warranty and indemnity breaches

- The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the agreements for, and related to, the Acquisition. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be expensive and time consuming.
- The Company may suffer a loss as a result of the conduct of the vendors of Client Outlook for which the representations, warranties and indemnities under the agreement for the Acquisition turn out to be inadequate in the circumstances. Any inability to recover amounts claimed under the agreement for the Acquisition could materially adversely affect the Company's financial position and performance.

## Completion risk

- If any of the conditions precedent are not satisfied or waived or take longer than anticipated to satisfy, completion of the Acquisition may be deferred or delayed, or may not occur on the current terms or at all. There is no guarantee that the Company will obtain all necessary approvals to complete the Acquisition within any particular timeframe, or at all.
- If the Acquisition is not completed as a result of a failure to satisfy conditions (or otherwise), the Company would need to consider alternative uses for the proceeds of the Offer, or ways to return such proceeds to shareholders. If completion of the Acquisition is delayed, the Company may incur additional costs and it may take longer than anticipated for the Company to realise the benefits of the Acquisition. Any failure to complete, or delay in completing, the Acquisition and/or any action required to be taken to return capital raised to shareholders may have a material adverse effect on the Company's financial position and performance.

# Business Risks

## Effect of COVID-19

- The COVID-19 pandemic has had and continues to have an impact on the Company's business. In particular, the Company has observed a slowdown in the buying market for its new products resulting from the temporary reduction of revenue in the healthcare sector.
- There are also other changes in the domestic and global macroeconomic environment associated with the events relating to COVID-19 that are beyond the control of the Company and may be exacerbated in an economic recession or downturn. These include but are not limited to:
  - (a) **changes in inflation, interest rates and foreign currency exchange rates;**
  - (b) **changes in employment levels and labour costs;**
  - (c) **changes in aggregate investment and economic output; and**
  - (d) **other changes in economic conditions which may affect the revenue or costs of the Company.**
- The events relating to COVID-19 have recently resulted in significant market falls and volatility including in the prices of securities trading on the Australian Securities Exchange (ASX) (including the price of the Company's shares) and on other foreign securities exchanges. There continues to be considerable uncertainty as to the duration and further impact of COVID-19, including (but not limited to) in relation to government, regulatory or health authority actions, work stoppages, lockdowns, quarantines, and travel restrictions.
- The impact of some or all of these factors, which are beyond the Company's control, could cause significant disruption to the Company's operations and financial performance and result in declines in the market or fair value of assets recorded in the consolidated balance sheet.

## Commercialisation and technology risk

- The principal activity of the Company is the provision of enterprise imaging data storage sharing, storage and interoperability for healthcare enterprises. There is a risk that the Company will be unable to attract sufficient customers to be sufficiently profitable to fund future operations. In addition, commercial success of new technology is subject to inherent uncertainty due to unknown variables.

## Completion and new technologies

- The industry in which the Company is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. While the Company undertakes all reasonable due diligence in its business decisions and operations, it will have no influence or control over the activities of its competitors, whose activities or actions may positively, or negatively affect the operating and financial performance of its business. For instance, the image management platform may be superseded by new and cheaper technology creating competitive pressures, in which case, the Company's revenues and profitability could be adversely affected.

## Regulatory risk

- The Company operates in a highly regulated market both in Australia and internationally. Success can be impacted by changes to the regulatory environment. The Company continues to monitor changes and proposed changes to the regulatory environment to which it is exposed. Changes to government policy, law or regulations, or the introduction of new regulatory regimes may lead to an increase in operational costs and may have a materially adverse effect on the operations, financial performance and prospects of the Company.

## Dependence on key personnel

- The Company depends on the talent and experience of its personnel, and as such any departure of key personnel may be materially adverse to the Company's prospects. It may be difficult to replace key personnel or to do so in a timely manner or at a comparable expense. Additionally, if any key personnel were to leave to work for or establish a competitor, this could further impact the Company's prospects. The Company has sought to mitigate this risk with equity incentives, but these incentives cannot remove the risk altogether.

# General Risks

## **Macroeconomic and Socioeconomic factors**

- The performance of the Company will continue to be influenced by the overall condition of the economy in Australia and other jurisdictions in which the Company operates and any deterioration in economic growth could adversely affect the Company's business.
- In light of recent Australian and global macroeconomic events, including though not limited to the impact of COVID-19, Australia or other jurisdictions in which the Company operates may experience an economic recession or downturn of uncertain severity and duration which will which continue to impact on the operating and financial performance and prospects of the Company.
- The Company's operating and financial performance is influenced by a variety of other general economic and business conditions including the level of inflation, interest rates and government fiscal, monetary and regulatory policies.

## **General market and share price risks**

- There are general risks associated with any investment in the share market. The price of the Company shares may increase or decrease due to a number of factors. Those factors include fluctuations in domestic or global financial markets and general economic conditions, including interest rates, inflation rates, exchange rates, changes to government fiscal, monetary or regulatory policies, legislation or regulation, the removal or inclusion of the Company from market indices, and the nature of markets in which the Company operates. These factors may cause the price of the Company shares to trade below the price at which they are offered under the Offer, notwithstanding the Company's financial position or performance.

## **Tax and accounting**

- Australian and international accounting standards and tax laws (including GST and stamp duty taxes), or the way they are interpreted, are subject to change from time to time, which may impact the Company's financial position or performance.

## **Litigation**

- Legal proceedings and claims may arise from time to time in the ordinary course of the Company's business and may result in high legal costs, adverse monetary judgments and/or damage to the Company's reputation which could have an adverse impact on the Company's financial position or performance and the price of its shares.

# Offer Risks

## Equity raising risk

The Company has entered into an Underwriting Agreement with Morgans Corporate Limited (**Lead Manager**) (**Underwriting Agreement**), pursuant to which the Lead Manager has agreed to fully underwrite the Offer on the terms and conditions of the Underwriting Agreement.

If certain conditions are not satisfied or certain events occur, the Lead Manager may terminate the Underwriting Agreement. Termination of the Underwriting Agreement would have an adverse impact on the total amount of proceeds that could be raised under the Offer.

The Lead Manager's obligations under the Underwriting Agreement, including to manage and underwrite the Offer, are conditional on certain matters, including the timely delivery of due diligence process sign-offs and other documents.

The events which may trigger termination of the Underwriting Agreement include (but are not limited to) the following:

- (a) the Company ceases to be admitted to the official list of ASX or the Offer shares are suspended from trading on, or cease to be quoted on, ASX;
- (b) the Company indicating that it does not intend to proceed with all or any part of the Offer;
- (c) there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any governmental agency, which makes it illegal for the Lead Manager to satisfy a material obligation under the Underwriting Agreement, or to market, promote or settle the Offer;
- (d) a contravention by the Company of the Corporations Act, its Constitution, any of the Listing Rules, any other applicable law or regulation;
- (e) the Company is prevented from allotting and issuing the securities the subject of the Offer by virtue of the Listing Rules, applicable laws, an order of a court of competent jurisdiction or a government agency;
- (f) a director or senior manager of the Company is charged with an indictable offence relating to financial or corporate matters or a director of the Company is disqualified from managing a corporation;
- (g) a change in the senior management or board of directors of the Company occurs before completion of the Offer without the prior written consent of the Lead Manager (such consent not to be unreasonably withheld);
- (h) there is an alteration to the Company's capital structure without the prior consent of the Lead Manager;
- (i) the S&P/ASX 300 Index falls to a level which is 10% or more below the level of that index on the close of trading on the business day before the date of this presentation and closes at or below that level on the close of trading on any business from the date of this presentation to the settlement of the retail component of the Entitlement Offer;
- (j) any one of the following occurs:
  - i. ASIC issues or threatens to issue proceedings in relation to the Offer or commences any formal inquiry or investigation into the Offer (or announces its intention to do so);
  - ii. there is an application to any other government agency (which, in the Lead Manager's bona fide opinion, is a serious action with reasonable prospects of success) for any order, declaration or other remedy, or any other government agency commences any other investigation or hearing or announces its intention to do so, in each case in connection with the Offer (or any part of it);
  - iii. ASIC or any other government agency commences or gives notice of an intention to commence a prosecution of the Company or any director or employee of the Company; or
  - iv. ASIC or any other government agency commences or gives notice of an intention to commence a hearing or investigation into the Company;

# Offer Risks (continued)

- k) the Company becomes required to give, or gives, in respect of a cleansing notice issued in connection with the Offer which is defective, a notice in accordance with subsection 708AA(12) or subsection 708A(9) of the Corporations Act, as the case may be, to correct that cleansing notice;
- l) ASX refuses to grant, or withdraws approval for, official quotation of the new shares to be issued in connection with the Offer;
- m) certain delays in the timetable occur without the prior written consent of the Lead Manager;
- n) the information made available by or on behalf of the Company as part of the due diligence process to the Lead Managers is misleading or deceptive;
- o) in respect of a contract that is material to the business of the Company, all or any part of the contract:
  - is amended or varied without the consent of the Lead Manager;
  - is terminated;
  - is breached;
  - ceases to have effect, otherwise than in accordance with its terms; or
  - is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, rescinded or avoided or of limited force and effect, or its performance is or becomes illegal;
- p) a representation or warranty made or given by the Company under the Underwriting Agreement is or becomes incorrect, untrue or misleading;
- q) the Company or any of its affiliates, directors or officers (as those terms are defined in the Corporations Act) engage in any fraudulent conduct or activity whether or not in connection with the Offer;
- r) there is a material adverse change, or an event occurs that is likely to give rise to a material adverse change, in the assets, liabilities, financial position, results, condition, operations or prospects of the Company;
- s) a statement contained in the materials of the Offer is false, misleading or deceptive or a matter required to be included in the materials of the Offer to comply with all applicable laws is omitted from the materials of the Offer;
- t) there occurs a new circumstance that has arisen since the date of this presentation that would have been required to be included in the materials of the Offer if it had arisen before the Offer materials were given to ASX;
- u) the materials of the Offer include any forecast, expression of opinion, belief, intention or expectation which is not, in the reasonable opinion of the Lead Manager, based on reasonable grounds;
- v) there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority or ASIC, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced prior to the date of this presentation) any of which does or is likely to prohibit or regulate the Offer, capital markets or stock markets;
- w) any of the following occurs:

# Offer Risks (continued)

- a general moratorium on commercial banking activities in, or any adverse change or disruption to the existing financial markets of Australia, Hong Kong, New Zealand, Canada or the United States of America is declared by the relevant central banking authority in any of those countries or there is a material disruption in commercial banking or share settlement or clearance services in any of those countries;
  - trading of all securities quoted on ASX, LSE or NYSE is suspended or limited in a material respect; or
  - any adverse change or disruption to the existing political or economic conditions of Australia, New Zealand, Hong Kong, Canada, the European Union, the United Kingdom or the United States of America or the international financial markets or any change in national or international political, financial or economic conditions;
- w) in respect of, Australia, New Zealand, Canada, Hong Kong, Japan, South Korea, any member of the European Union, Israel, the People's Republic of China, Russia or the United States of America
- hostilities not presently existing commence (whether war has been declared or not); or
  - a major escalation in existing hostilities occurs (whether war has been declared or not); or
  - a major terrorist act is perpetrated anywhere in the world.

The ability of the Lead Manager to terminate the Underwriting Agreement in respect of some events will depend on whether the Lead Manager has reasonable grounds to believe that the event:

1. has, or is likely to have, individually or in the aggregate, a material adverse effect on the success, marketing or settlement of the Offer, the value of the shares to be issued under the Offer or the willingness of investors to subscribe for shares under the Offer;
2. has, or is likely to have, individually or in the aggregate, a material adverse effect on the business, financial position or prospects of the Company; or
3. leads, or is likely to lead:
  - to a contravention by the Lead Manager (or one of its affiliates) of, or the Lead Manager (or one of its Affiliates) being involved in a contravention of, the Corporations Act or any other applicable law; or
  - to a liability for the Lead Manager (or one of its affiliates) under the Corporations Act or any other applicable law.

For the purposes of the Underwriting Agreement, the effect of any matter on the success of the Offer is determined by assessing the likely effect of that matter on the settlement of the Offer or on a decision of an investor to invest in shares under the Offer as if that decision to invest were made after the occurrence of that matter and not by considering the number and extent of applications received before the occurrence of that matter. The Company also gives certain representations, warranties and undertakings to the Lead Manager and an indemnity to the Lead Manager and its affiliates subject to certain carve-outs.

## Dilution

Shareholders who do not participate in the Placement and/or take up all of their entitlements under the Entitlement Offer, will have their percentage of shareholding in the Company diluted and will not be exposed to future increases or decreases in the Company's share price in respect of the new shares which would have been issued to them had they participated in the Placement or taken up their entitlement under the Entitlement Offer. Shareholders may have their investment diluted by future capital raisings by the Company.

## Entitlement Offer Not Renounceable

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Accordingly, shareholders who do not take up their entitlement will not receive any value for those entitlements.



## **6. IMPORTANT INFORMATION**

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This Retail Offer Booklet (including the Chairman's letter, Investor Presentation and the ASX Offer Announcements reproduced in it) and accompanying personalised Entitlement and Acceptance Form have been prepared by the Company. The information in this Retail Offer Booklet is dated 17 June 2020.

This Retail Offer Booklet should be read in conjunction with the Company's other periodic and continuous disclosure announcements to the ASX available at [www.asx.com.au](http://www.asx.com.au).

No party other than the Company has authorised or caused the issue of the information in this Retail Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Retail Offer Booklet.

### **This information is important and requires your immediate attention.**

You should read the information in this Retail Offer Booklet carefully and in its entirety before deciding whether to invest in New Shares (and Additional New Shares). In particular, you should consider the risk factors outlined in "Disclaimer" and "Key Risks" sections of the Investor Presentation released to ASX on 10 June 2020 which is included in this Retail Offer Booklet, any of which could affect the operating and financial performance of the Company or the value of an investment in the Company.

You should consult your stockbroker, accountant, solicitor or other independent professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

The Company disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares (or Additional New Shares) before the New Shares (and Additional New Shares) are quoted on the official list of ASX or receiving their confirmation of issue, whether on the basis of confirmation of the allocation provided by the Company, the Share Registry or the Underwriter.

### **6.1 This document is not a prospectus**

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This Retail Offer Booklet (including the ASX Announcement and Investor Presentation set out in Section 5) is issued by the Company. This Retail Offer Booklet and the Entitlement and Acceptance Form are important documents and require your immediate attention. You should read these documents carefully before deciding whether or not to participate in the Retail Entitlement Offer.

The Retail Entitlement Offer is being made pursuant to the requirements of section 708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84). Accordingly, neither this Retail Offer Booklet, nor the Entitlement and Acceptance Form, are required to be lodged or registered with ASIC. No prospectus for the Entitlement Offer will be prepared. These documents do not contain, or purport to contain, all of the information that a prospective investor may require in evaluating the subscription of New Shares. They do not and are not required to contain all of the information which would be required to be disclosed in a prospectus.

### **6.2 Eligible Retail Shareholders**

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The Retail Entitlement Offer in this Retail Offer Booklet contains an offer of New Shares to Eligible Retail Shareholders in Australia or New Zealand and has been prepared in accordance with section 708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84).

Eligible Retail Shareholders are those holders of Existing Shares who:

- are registered as holders of Existing Shares as at 7.00pm (AEST) on Friday 12 June 2020;

- have a registered address on the Company's share register in Australia or New Zealand;
- are not in the United States and are not "U.S. persons" (as defined under Regulation S under the United States Securities Act of 1933, as amended) (**U.S. Persons**) or acting for the account or benefit of U.S. Persons;
- were not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and were not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer,

(**Eligible Retail Shareholders**).

Retail shareholders who do not satisfy the above criteria are ineligible retail shareholders (**Ineligible Retail Shareholders**).

### 6.3 Ineligible Retail Shareholders

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The Company has decided that it is unreasonable to make offers under the Retail Entitlement Offer to holders of Existing Shares who have registered addresses outside Australia and New Zealand, having regard to the number of such holders in those places, the number and value of the New Shares which they would be offered and the cost of complying with the relevant legal and regulatory requirements in those places. The Retail Entitlement Offer is not being made in the United States or to, or for the account or benefit of, U.S. Persons.

### 6.4 Underwriting arrangements

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The Company has entered into the Underwriting Agreement with the Underwriter. Pursuant to the Underwriting Agreement, the Underwriter has agreed to manage and fully underwrite the Placement and the Entitlement Offer on the terms and conditions of the Underwriting Agreement.

For further detail regarding the key terms of the Underwriting Agreement, please refer to the "Key Risks" section of the investor presentation (See section 5.2 above).

The Underwriter will be paid an underwriting fee of 4% of the proceeds of the Placement, Institutional Entitlement Offer and Retail Entitlement Offer. The Underwriter will also be reimbursed for certain expenses.

### 6.5 Effect of the Entitlement Offer

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If all Entitlements are accepted by shareholders to the full extent, then the Entitlement Offer will not result in any change to the control of the Company (other than to the Ineligible Shareholders whose holdings will be diluted).

If all Entitlements under the Entitlement Offer are not accepted to the full extent, then the shareholding interest of non-participating shareholders will be diluted. As the Capital Raising is fully underwritten, no material impact on control is expected to arise from any shareholder taking up their Entitlement under the Entitlement Offer where there is an excess shortfall. The effect of the Entitlement Offer on the capital structure of the Company, assuming all Shares offered under the Retail Entitlement Offer are issued, is set out below.

<b>Fully Paid Shares</b>	<b>Number</b>
Ordinary fully paid shares on issue as at date of Retail Offer Booklet	183,009,134
Ordinary fully paid shares offered pursuant to the Entitlement Offer	45,752,284
<b>Total Shares on issue after completion of the Entitlement Offer (excluding shares issued under the Placement)</b>	<b>228,761,418</b>

<b>Fully Paid Shares</b>	<b>Number</b>
Ordinary fully paid shares issued under the Placement	5,429,702
<b>Total Shares on issue after completion of the Entitlement Offer and Placement</b>	<b>234,191,120</b>

<b>Options</b>	<b>Number</b>
Unlisted options on issue as at date of the Offer Document	8,931,668

## 6.6 Effect on control of the Company

Shareholders should note that if they do not participate in the Entitlement Offer, and any shortfall is fully subscribed, their holdings could be diluted by up to approximately 20%. In addition, the Company notes that approximately 5,429,702 shares were issued under the Placement, and Shareholders that do not participate in the Entitlement Offer and whom did not participate in the Placement will experience a dilution greater than 20%. Examples of how the dilution may impact Shareholders are set out in the table below:

<b>Holder</b>	<b>Holding as at Record date</b>	<b>% at Record Date</b>	<b>Entitlements under the Offer</b>	<b>Holdings if Entitlement is not accepted</b>	<b>% post Offer</b>
Shareholder 1	20,000,000	10.93%	5,000,000	20,000,000	8.54%
Shareholder 2	10,000,000	5.46%	2,500,000	10,000,000	4.27%
Shareholder 3	5,000,000	2.73%	1,250,000	5,000,000	2.14%

<b>Holder</b>	<b>Holding as at Record date</b>	<b>% at Record Date</b>	<b>Entitlements under the Offer</b>	<b>Holdings if 50% of Entitlement is accepted</b>	<b>% post Offer</b>
Shareholder 1	20,000,000	10.93%	5,000,000	22,500,000	9.61%
Shareholder 2	10,000,000	5.46%	2,500,000	11,250,000	4.80%
Shareholder 3	5,000,000	2.73%	1,250,000	5,625,000	2.40%

<b>Holder</b>	<b>Holding as at Record date</b>	<b>% at Record Date</b>	<b>Entitlements under the Offer</b>	<b>Holdings if 100% of Entitlement is accepted</b>	<b>% post Offer</b>
Shareholder 1	20,000,000	10.93%	5,000,000	25,000,000	10.68%
Shareholder 2	10,000,000	5.46%	2,500,000	12,500,000	5.34%
Shareholder 3	5,000,000	2.73%	1,250,000	6,250,000	2.67%

1. The tables assume that the Entitlement Offer, and any shortfall, is fully subscribed/underwritten.
2. The table assumes that the Company's existing unlisted options, referred to in section 6.5 are not exercised.
3. The table assumes that the maximum raise is achieved under the Placement and that the notional Shareholder does not participate in the Placement.

## 6.7 Details of substantial holders

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Based on publicly available information as at the close of trading on Tuesday 9 June 2020, those persons which (together with their associates) have a voting power in 5% or more of the Shares on issue are set out below:

Substantial holders of relevant interest	Holding as at Record Date	Voting power as at Record Date (%)	Entitlements under offer	Holdings if all Entitlements are accepted	Voting power if all Entitlements taken up (%)
Sandhurst Trustees Ltd	26,238,486	14.34%	6,559,622	32,798,108	14.00%
J P Morgan Nominees Australia Pty Limited	13,621,458	7.44%	3,405,365	17,026,823	7.27%

1. The table assumes that the Entitlement Offer, and any shortfall, is fully subscribed/underwritten.
2. The table assumes that the maximum raise is achieved under the Placement and that the substantial holder does not participate in the Placement

If a substantial holder of the Company does not participate in the Entitlement Offer, and the Entitlement Offer and any shortfall is fully subscribed, their holding will be diluted.

## 6.8 Underwriter's voting power

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Subject to a number of exceptions, section 606(1) of the Corporations Act prohibits a person from increasing their voting power in the Company from 20% or below to more than 20% or from a starting point that is above 20% and below 90%.

The Underwriting Agreement dated 10 June 2020 between the Company and the Underwriter provides that the Underwriter will not be issued any shares that would cause it to breach the 20% takeover threshold contained in Chapter 6 of the *Corporations Act 2001* (Cth). If the Underwriter was required to take up shares on issue which would otherwise cause it to breach or notify under these provisions then, for the purposes of ASIC Report 612 (March 2019):

- it will still fund the entire underwritten proceeds in accordance with and subject to the terms of the underwriting agreement by the completion date;
- the number of excess shortfall shares would be up to the number of shares offered under the Capital Raising less the number of shares that have been pre-committed or sub-underwritten and the number of shares that the Underwriter is able to take up without causing it to breach or notify under these provisions when aggregated with any additional interests the Underwriter and its affiliates hold at the relevant settlement dates other than through its underwriting commitment; and
- it would enter into an arrangement for any excess shortfall shares to be issued to it, or to third party investors, after close of the offer at the same price as the offer price.

No material impact on control is expected to arise as a consequence of these arrangements or from any shareholder taking up their Entitlement under the Entitlement Offer where there is an excess shortfall.

## 6.9 Allocation policy and scale-back

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All Eligible Retail Shareholders will be allocated New Shares applied for up to their Entitlement. All applications for Additional New Shares will be allocated at the discretion of the Company. Applicants are not guaranteed to receive any Additional New Shares they subscribe for. The Company reserves the right to

allocate to any Applicant a lesser number of Additional New Shares than the Applicant subscribed for, or to decline to issue any Additional New Shares.

In the event of a scale-back, the difference between the application monies received, and the number of Additional New Shares allocated to you multiplied by the offer price of \$0.68 will be refunded following allotment. No interest will be paid on any application monies received and returned.

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#### **6.10 Continuous disclosure**

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The Company is a disclosing entity for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations including an obligation under the Listing Rules (subject to certain exceptions) to disclose to ASX any information of which it is or becomes aware concerning the Company and which a reasonable person would expect to have a material effect on the price or the value of shares. All such disclosures are available at [www.asx.com.au](http://www.asx.com.au). You have the opportunity to access any information about the Company which has previously been disclosed to ASX. In particular, please refer to the Company's Annual Report for the year ended 30 June 2019 and Half Year Report for the half year ended 31 December 2019. You should also have regard to any further announcements which may be made by the Company to ASX after the date of this Retail Offer Booklet.

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#### **6.11 No Entitlements trading**

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Entitlements are non-renounceable and will not be tradeable on the ASX or otherwise transferable.

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#### **6.12 Notice to nominees and custodians**

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Nominees and custodians which hold Shares as nominees or custodians will have received, or will shortly receive, a letter in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to Eligible Institutional Shareholders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their Entitlements or not) and Institutional Shareholders who were treated as Ineligible Institutional Shareholders under the Institutional Entitlement Offer.

The Company is not required to determine whether or not any registered holder of Existing Shares is acting as nominee or the identity or residence of any beneficial owner of Shares. Where any registered holder of Existing Shares is acting as a nominee of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether the indirect participation in the Retail Entitlement Offer is compatible with applicable foreign laws.

The Company is not able to advise on any foreign laws. However any person in the United States or any person that is, or is acting for the account or benefit of, a U.S. Person with a holding through a nominee may not participate in the Retail Entitlement Offer, and such a nominee must not take up any Entitlement on behalf of such a person or send any material relating to the Entitlement Offer into the United States or to any person that is, or is acting for the account or benefit of, a U.S. Person.

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#### **6.13 Withdrawal**

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The Company reserves the right to withdraw the Retail Entitlement Offer at any time before the issue of New Shares under the Retail Entitlement Offer, in which case the Company will refund any Application Monies received.

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#### **6.14 Taxation**

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You should be aware that there may be taxation implications associated with participating in the Retail Entitlement Offer and receiving New Shares (and Additional New Shares).

The Company does not consider it appropriate to give shareholders advice regarding the taxation consequences of subscribing for New Shares (and Additional New Shares) under the Retail Entitlement Offer. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares (and Additional New Shares) under this Retail Offer Booklet.

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### **6.15 Rounding of Entitlements**

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Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

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### **6.16 Ranking of New Shares (and Additional New Shares)**

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The New Shares (and Additional New Shares) will be issued on a fully paid basis and will rank equally in all respects with Existing Shares. The rights and liabilities attaching to the New Shares (and Additional New Shares) are set out in the Company's constitution, a copy of which is available at [www.asx.com.au](http://www.asx.com.au).

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### **6.17 Quotation and trading**

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The Company will apply to ASX for the official quotation of the New Shares (and Additional New Shares) in accordance with the Listing Rules. Subject to approval being granted, it is expected that New Shares (and Additional New Shares) allotted under the Retail Entitlement Offer will trade on ASX from Monday 6 July 2020.

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### **6.18 Future performance and forward-looking statements**

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Neither the Company nor any other person warrants or guarantees the future performance of the New Shares (and Additional New Shares) or any return on any investment made pursuant to the Entitlement Offer. This Retail Offer Booklet contains certain "forward-looking statements". Forward-looking words such as, "expect", "should", "could", "may", "predict", "project", "plan", "will", "believe", "forecast", "estimate", "target" and other similar expressions are intended to identify forward-looking statements within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Retail Offer Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements including forecasts, projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward-looking statements only speak as to the date of this Retail Offer Booklet and the Company assumes no obligation to update such information. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this Retail Offer Booklet.

**You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and significant volatility, uncertainty and disruption caused by the outbreak of COVID-19.**

## **6.19 Past performance**

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Investors should note that the past share price performance of the Company's shares provides no guidance as to future share price performance. For further information, please see past announcements released to the ASX.

## **6.20 No cooling off rights**

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Cooling off rights do not apply to an investment in New Shares (and Additional New Shares). You cannot withdraw your application once it has been accepted.

## **6.21 Not investment or financial product advice**

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This booklet is not a prospectus under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. The Company is not licensed to provide financial product advice in respect of the New Shares (and Additional New Shares). The Retail Offer Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares (and Additional New Shares).

Before deciding whether to apply for New Shares (and Additional New Shares), you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Retail Offer Booklet, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant, solicitor or other independent professional adviser.

## **6.22 Governing law**

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This Retail Offer Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Victoria, Australia. Each applicant for New Shares (and Additional New Shares) submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

## **6.23 Optionholders**

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Existing optionholders will not be entitled to participate in the Entitlement Offer unless they:

- (a) have become entitled to exercise their existing options under the terms of their issue and do so, so that they are registered as holders of shares prior to 7.00pm (AEST) on Friday 12 June 2020; and
- (b) participate in the Entitlement Offer as a result of being a holder of Existing Shares registered on the register of the Company at 7.00pm (AEST) on Friday 12 June 2020.

## **6.24 Foreign jurisdictions**

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This Retail Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia.

The New Shares (and Additional New Shares) under the Retail Entitlement Offer are not being offered or sold to the public within New Zealand other than to existing shareholders with registered addresses in New Zealand to whom the offer of New Shares (and Additional New Shares) is being made pursuant to the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This Retail Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed or approved by any regulatory authority in countries outside Australia. This Retail Offer Booklet is not a product disclosure statement or any other disclosure document under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement or any other disclosure document under New Zealand law is required to contain.

This Retail Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares (and Additional New Shares), or otherwise permit the public offering of the New Shares (and Additional New Shares), in any jurisdiction other than Australia and New Zealand.

The distribution of this Retail Offer Booklet (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of this Retail Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

The Entitlements and the New Shares (and Additional New Shares) have not been, nor will be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States, persons who are U.S. persons, or persons who are acting for the account or benefit of a U.S. Person, and the New Shares (and Additional New Shares) may not be offered, sold or resold in the United States or for the account or benefit of, a U.S. Person, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

## **6.25 Disclaimers**

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No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Retail Offer Booklet.

Any information or representation that is not in this Retail Offer Booklet may not be relied on as having been authorised by the Company, or its related bodies corporate in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of the Company, or any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Retail Offer Booklet.

This Retail Offer Booklet is issued by, and is the sole responsibility of, the Company.

None of the parties referred to in the Corporate Directory of this Retail Offer Booklet (other than the Company) has:

- a) authorised or caused the issue of this Retail Offer Booklet;
- b) made or authorised the making of any statement that is included in this Retail Offer Booklet or any statement on which a statement in this Retail Offer Booklet is based.

In particular, the Underwriter is not responsible for the preparation of, or any information contained in, this Retail Offer Booklet.

To the maximum extent permitted by law, each of the persons referred to in the Corporate Directory of this Retail Offer Booklet (other than the Company) expressly disclaims and takes no responsibility for any statements in or omissions from this Retail Offer Booklet.

The information contained in this Retail Offer Booklet is of general nature and has been prepared by the Company in good faith and with due care but no representation or warranty, express or implied, is provided in relation to the accuracy or completeness of the information. No person is authorised to give any information or make any representation in connection with the Retail Entitlement Offer which is not contained in this Retail Offer Booklet. Any information or representation not so contained may not be relied upon as being authorised by the Company or any person associated with it in connection with the Retail Entitlement Offer.



## 6.26 Risks

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The Investor Presentation set out in section 5 details important factors and risks that could affect the financial and operating performance of the Company. Please refer to the "Key Risks" set out in the Investor Presentation. You should consider these risk factors carefully in light of your personal circumstances, including financial and taxation issues, before making an investment decision in connection with the Retail Entitlement Offer.

## 6.27 Privacy

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If you complete an Entitlement and Acceptance Form and apply for New Shares (and Additional New Shares), you will be providing personal information to the Company, its agents, contractors and third party services providers. The Company, its agents, contractors and third party service providers will collect, hold, and use that information to assess your Application, carry out the administration of your Shareholding, service your needs as a Shareholder of the Company and facilitate corporate communications.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, print service providers, mail houses and the Share Registry.

Failure to provide the required personal information may mean that your Application is not able to be processed efficiently, if at all. You may request access to your personal information held by or on behalf of the Company and by the Share Registry. You may also request the correction of your personal information by contacting the Company or the Share Registry using the details in the Corporate Directory at the back of this Retail Offer Booklet.

## 7. GLOSSARY

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In this Retail Offer Booklet, the following terms have the following meanings unless the context requires otherwise:

**\$ or A\$ or dollars** means Australian dollars;

**Additional New Shares** means New Shares not subscribed for under the Retail Entitlement Offer and offered to Eligible Retail Shareholders under the Retail Shortfall Facility;

**AEST** means Australian Eastern Standard Time;

**Applicant** means a person who has delivered an Application;

**Application** means an application to subscribe for New Shares (and Additional New Shares) under the Retail Entitlement Offer by completing the Entitlement and Acceptance Form and returning it together with the application monies;

**ASIC** means Australian Securities and Investments Commission;

**ASIC Instrument 2016/84** means ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84;

**ASX** means ASX Limited (ABN 98 008 624 691) or the financial products market operated by that entity known as the Australian Securities Exchange;

**ASX Announcement** means the announcement released to ASX on Wednesday 10 June 2020 in connection with the Entitlement Offer, a copy of which is set out in Section 5.1 of this Retail Offer Booklet;

**Business Day** means a day that is not a Saturday, Sunday or a public holiday in Melbourne, Australia;

**Client Outlook Group** means Client Outlook Inc., a corporation incorporated under the laws of Canada with Ontario Corporate Number 1536833 and its related entities, which together, carry on the business of developing and licensing an enterprise viewing platform technology;

**Company** means Mach7 Technologies Limited ACN 007 817 192;

**Corporations Act** means *Corporations Act 2001* (Cth);

**Directors** means the directors of the Company;

**Eligible Institutional Shareholder** means an Institutional Shareholder:

- (a) to whom Listing Rule 7.7.1(a) does not apply; and
- (b) who has successfully received an offer under the Institutional Entitlement Offer (as the Underwriter determines);

**Eligible Retail Shareholder** has the meaning given to that term in Section 6.2 of this Retail Offer Booklet;

**Eligible Shareholder** means a person who is an Eligible Institutional Shareholder or an Eligible Retail Shareholder;

**Entitlement** means the entitlement of an Eligible Shareholder to subscribe for 1 New Share for every 4 Existing Shares held at the Record Date;

**Entitlement and Acceptance Form** means the Entitlement and Acceptance Form accompanying this Retail Offer Booklet upon which an Application can be made;

**Entitlement Offer** means the pro rata non-renounceable offer to Eligible Shareholders to subscribe for their Entitlement;

**Existing Share** means a Share already on issue on the Record Date;

**GST** means Australian Goods and Services Tax (currently 10%);

**Ineligible Institutional Shareholder** means an Institutional Shareholder:

- (a) who has a registered address outside Australia and New Zealand;
- (b) to whom Listing Rule 7.7.1(a) applies; and
- (c) who in the absence of Listing Rule 7.7.1(a) would have been an Eligible Institutional Shareholder;

**Ineligible Retail Shareholder** has the meaning given to that term in Section 6.2 of this Retail Offer Booklet;

**Ineligible Shareholder** means a person who is an Ineligible Institutional Shareholder or an Ineligible Retail Shareholder;

**Institutional Bookbuild** means the bookbuild sale process conducted after completion of the Institutional Entitlement Offer, as described in Section 3 of this Offer Booklet;

**Institutional Entitlement Offer** means the offer of New Shares to Eligible Institutional Shareholders as part of the Entitlement Offer, as described in Section 3 of this Offer Booklet;

**Institutional Investor** means a person:

- (a) in Australia, to whom an offer of shares in a company may be made in Australia without a disclosure document (as defined in the Corporations Act) on the basis that such a person is an 'exempt investor' as defined section 9A(5) of the Corporations Act (as inserted by ASIC Instrument 2016/84); or
- (b) in selected jurisdictions outside Australia, to whom an offer of New Shares may be made without registration, lodgement of a formal disclosure document or other formal filing in accordance with the laws of that foreign jurisdiction (except to the extent to which the Company, at its absolute discretion, is willing to comply with such requirements);

**Institutional Shareholder** means a Shareholder at the Record Date who is an Institutional Investor;

**Investor Presentation** means the presentation released to ASX on Wednesday 10 June 2020 in connection with the Entitlement Offer, a copy of which is set out in Section 5.2;

**Issue Price** means \$0.68 per New Share;

**Listing Rules** means the official listing rules of ASX, as amended or replaced from time to time and as waived in respect of the Company by ASX;

**New Shares** means the Shares offered under the Entitlement Offer;

**Placement** means the placement of New Shares to certain institutional and sophisticated investors which accompanies the Entitlement Offer;

**Record Date** means 7:00pm (AEST) Friday 12 June 2020;

**Retail Closing Date** means the last date for Eligible Retail Shareholders to lodge an Application, being 5:00pm (AEST) on Friday 26 June 2020 (subject to change);

**Retail Entitlement Offer** means the offer of New Shares to Eligible Retail Shareholders as part of the Entitlement Offer as described in Section 2;

**Retail Entitlement Offer Period** means the period commencing on the opening date of the Retail Entitlement Offer, as specified in the Indicative Dates on page 2 of this Retail Offer Booklet, and ending on the Retail Closing Date;

**Retail Offer Booklet** means this booklet dated Wednesday 17 June 2020;

**Retail Shortfall Facility** means the offer of Additional New Shares to Eligible Retail Investors that have fully subscribed to the Entitlement Offer, up to a maximum of 50% of their Entitlement, as described in Section 2 of this Retail Offer Booklet;

**Section** means a section of this Retail Offer Booklet;

**Share** means a fully paid ordinary share in the Company;

**Shareholder** means the registered holder of an Existing Share;

**Shareholding** means the shares held by a Shareholder;

**Share Registry** means Link Market Services Limited (ABN 54 083 214 537);

**Underwriter** means Morgans Corporate Limited;

**Underwriting Agreement** means the underwriting agreement dated 10 June 2020 between the Company and the Underwriter, as described in section 6.4;

**US** or **United States** means United States of America, its territories and possessions, any state of the United States and the District of Columbia;

**US Persons** has the meaning given in Rule 902(k) of Regulation S under the US Securities Act; and

**US Securities Act** means U.S. Securities Act of 1933, as amended.

## 8. ELIGIBLE SHAREHOLDER DECLARATIONS

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By paying any application monies for New Shares via BPAY® or other method approved by the Company under Section 4 of this Retail Offer Booklet, you will be deemed to have made the following declarations to the Company namely, that you:

- a) acknowledge that you have read this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form in their entirety;
- b) agree to be bound by the terms of the Retail Entitlement Offer;
- c) authorise the Company to register you as the holder of the New Shares (and, if applicable, Additional New Shares) allotted to you;
- d) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- e) declare you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- f) acknowledge that once the Company receives the Entitlement and Acceptance Form or any payment of application moneys, you may not withdraw it;
- g) apply for the number of New Shares (and Additional New Shares) for which you have submitted payment of any application moneys, at the Issue Price per New Share;

- h) agree to be issued the number of New Shares that you apply for;
- i) acknowledge and accept the allocation policy in Sections 2 and 6.7 if you apply for Additional New Shares;
- j) authorise the Company, the Underwriter, the Share Registry and their respective officers or agents to do anything on your behalf necessary for the New Shares (and Additional New Shares) to be issued to you;
- k) declare that you are the current registered holder of Existing Shares as set out in the Entitlement and Acceptance Form and are a resident of Australia or New Zealand;
- l) acknowledge that the information contained in this Retail Offer Booklet and the Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs, and is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- m) represent and warrant that the law of any other place does not prohibit you from being given this Retail Offer Booklet and the Entitlement and Acceptance Form, nor does it prohibit you from making an Application for, and being issued, New Shares (and Additional New Shares);
- n) authorise the Company to correct any errors in your Entitlement and Acceptance Form or any other form provided by you;
- o) acknowledge the statement of risks in the 'Key Risks' set out in the Investor Presentation, and that investments in the Company are subject to investment risk;
- p) acknowledge that none of the Company, the Underwriter, their respective related bodies corporate and affiliates and their respective directors, officers, employees, agents, consultants or advisors guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- q) represent and warrant (for the benefit of the Company, the Underwriter and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Institutional Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- r) represent and warrant that you are not in the United States and are not a US Person and are not acting for the account or benefit of a US Person;
- s) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is an Eligible Retail Shareholder;
- t) acknowledge that the Entitlements and the New Shares (and Additional New Shares) have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions of the United States and, accordingly, the Entitlements may not be taken up by persons in the United States or by persons who are, or are acting for the account or benefit of a US Person, and the New Shares (and Additional New Shares) may not be offered, sold or resold in the United States or to, or for the account or benefit of, any US Person;
- u) agree not to send this Retail Offer Booklet, the Entitlement and Acceptance Form or any other material relating to the Entitlement Offer to any person in the United States or that is a US Person or is acting for the account or benefit of a US Person;
- v) agree that if in the future you decide to sell or otherwise transfer the New Shares (or Additional New Shares) you will only do so in regular way in transactions on ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States or a US Person; and
- w) agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date.

## **CORPORATE DIRECTORY**

### **Head Office**

120 Kimball Avenue, Suite 210  
South Burlington, VT 05403  
United States of America

### **Registered Office**

Level 2, 18-20 Collins Street  
Melbourne VIC 3000  
Australia  
Email: [jenni.pilcher@mach7t.com](mailto:jenni.pilcher@mach7t.com)

### **Directors**

Mr Michael Lampron, Managing Director  
Mr David Chambers, Non-Executive Director  
Mr Eliot Siegel MD, Non-Executive Director  
Mr Robert Bazzani, Non-Executive Director

### **Chief Executive Officer**

Mr Michael Lampron

### **Company Secretary**

Ms Jennifer Pilcher

### **Legal Adviser**

Gadens  
Level 25, Bourke Place  
600 Bourke Street  
Melbourne VIC 3000

### **Underwriter**

Morgans Corporate Limited  
Level 28, 367 Collins Street  
Melbourne VIC 3000  
Phone: 1800 807 223

### **Registry**

Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000

### **Shareholder enquiries:**

Telephone: Morgans Corporate Limited on 03 9947 4101 (within Australia) or +61 3 99474101 (from outside Australia) from 8.30am to 5.00pm (AEST) during the Retail Offer Period.