
COMPANY UPDATE

Melbourne, Australia: Mach7 Technologies Limited (**Mach7** or the **Company**) (ASX: **M7T**), a leader in the global enterprise imaging market, is pleased to release a new investor presentation which is attached to this announcement. The presentation outlines Mach7's near term milestones.

INVESTMENT HIGHLIGHTS

- **Significant first mover advantage** in managing digital medical images with proprietary platform already handling >1 billion images
- **Valuable 100%-owned IP portfolio** comprising enterprise imaging technology and a suite of complementary medical tools
- Validated market demand with **46 blue chip customers across ~500 sites in 11 countries**
- Proven execution with track record of **strong double-digit revenue growth and secure long-term contracts**
- Focused strategy to achieve **cash flow break even in 2017**
- Top tier board and management team with **strong founder ownership and involvement**

About Mach7 Technologies:

Mach7 Technologies (ASX:M7T) develops innovative enterprise imaging IT solutions that create a clear and complete view of the patient to inform diagnosis, reduce care delivery delays and costs, and improve patient outcomes. Mach7's award-winning enterprise imaging platform provides a vendor neutral foundation for unstructured data consolidation and communication to power interoperability and enables healthcare enterprises to build their best-of-breed clinical ecosystems. Mach7's sophisticated workflow tools, advanced [clinical viewing](#) and optimized [vendor neutral archiving](#) solutions unlock silos of legacy systems empowering healthcare providers to own, access and share patient data without boundaries. Visit www.mach7t.com.

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

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The background of the slide is a grid of brain MRI slices. The slices are arranged in a perspective view, receding into the distance. The color of the slices transitions from a deep blue on the left to a bright green on the right. Each slice shows a cross-section of a brain, with some slices appearing to have a highlighted or segmented area. The grid lines are faint and light-colored, creating a sense of depth and structure.

MACH7 TECHNOLOGIES

INVESTOR PRESENTATION, M7T.ASX

OCTOBER 2016

INVESTMENT HIGHLIGHTS

Mach7 Technologies is a revenue stage company with a rapidly expanding global customer base

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COMPANY OVERVIEW

Mach7's merger with 3D Medical created a scalable technology company

Financial information (\$A)

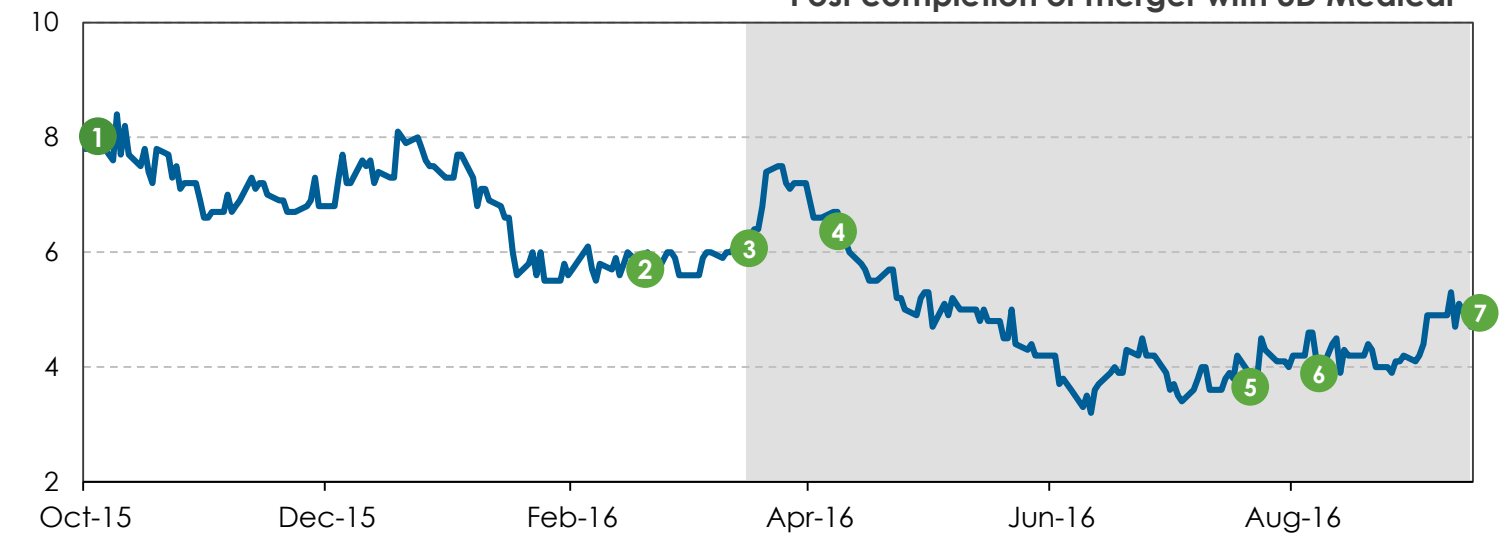
Share price (7-Oct-16)	\$0.051
Number of shares (m) ^{1,2,3}	954.4
Market Capitalisation	\$48.7m
Cash (30-Sep-16)	\$1.8m
Debt (30-Sep-16)	\$2.9m
Enterprise value	\$49.9m

Top shareholders

	#shares (m)	%
BV Healthcare II (<i>BioVeda Capital</i>)	80.5	8.6%
Ravindran Krishnan (<i>Mach7 Founder, COO</i>)	57.8	6.1%
PT Dwi Satrya Utama	47.3	5.0%
United Overseas Venture Sdn Bhd	46.7	5.0%

1. Includes 500.7m shares escrowed to various dates in 2017
2. Excludes 300m unlisted performance shares
3. Excludes 49.9m unlisted options

Share price (Acs)



- 1: 26-Oct-15** 3D Medical and Mach7 Technologies enter Merger Agreement
- 2: 8-Mar-16** 5-year licence agreement signed with leading US medical centre
- 3: 8-Apr-16** Merger completed, new board appointments
- 4: 6-May-16** EIP implementation completed at a leading US radiology group
- 5: 18-Aug-16** 7-year software licence deal signed with MaineHealth, guaranteed minimum value of \$3.8m, potential up to \$5.5m
- 6: 6-Sep-16** Completed major implementation in Qatar where minimum contract value is \$2m plus ongoing annual support
- 7: 5-Oct-16** Partnered with Microsoft to bring enterprise imaging to the cloud; signed first cloud customer

BOARD AND MANAGEMENT

Strong founder involvement with proven Board and management team

Board

Damien Lim

Non-Executive Chairman

- 21+ years experience in private equity and investment banking
- Co-founder of BioVeda Capital
- Currently serves on a number of boards and advisory committees

Nobuhiko Ito

Non-Executive Director

- Adviser to TPG Capital Japan, Director of Konica Minolta Business Solutions and Tadano Ltd
- Former President and CEO of GE Japan
- Executive with Exxon Chemical Japan for 16 years

Dr Nigel Finch

Non-Executive Director

- Principal at Saki Partners Transaction Advisers
- Director and senior management experience in strategy execution and financial management

Wayne Spittle

Non-Executive Director

- Extensive industry experience in the global healthcare sector
- Currently consultant at Samsung Medison and Advisor at Novum Waves
- Former Executive VP with Samsung Medison and Health and Medical Equipment

Management

Albert Liong

Managing Director and CEO

- 20+ years experience in financial management and strategic planning
- Previously held executive roles in private and public software and IT companies

Eric Rice

CTO

- 20 years of systems architecture and design, engineering and management experience
- Held leadership roles and designed solutions for GE Healthcare

Jenni Pilcher

Global CFO and CEO, Australia Operations

- Executive experience in healthcare
- Former CFO of Alchemia, and CFO and Co-Sec of Mesoblast
- Worked in finance teams at Cadbury and Medeva plc

Ravi Krishnan

COO and Founder

- Founding partner of Mach7 Technologies
- Nearly 20 years of experience with technology intricacies that drive medical imaging
- Previously worked at GE Healthcare and Agfa Healthcare

KEY FY16 FINANCIALS

Pro-forma financials demonstrate strong traction

Profit & loss (pro-forma)	FY16 (US\$)	FY16 (A\$)
Revenue	\$4.2m	\$5.8m
Cost of sales	\$0.5m	\$0.7m
Gross Profit	\$3.7m	\$5.2m
EBITDA	(\$6.2m)	(\$8.5m)

Balance sheet	FY16 (US\$)	FY16 (A\$*)
Cash	\$1.3m	\$1.7m
Receivables/prepayments	\$2.0m	\$2.7m
Intangible assets and goodwill	\$25.9m	\$35.6m
Total assets	\$29.7m	\$40.8m
Payables	\$0.9m	\$1.2m
Deferred revenue	\$1.7m	\$2.4m
Interest bearing liabilities	\$2.2m	\$3.2m
Total liabilities	\$12.6m	\$17.3m
Net assets	\$17.1m	\$23.5m
Net tangible liabilities	\$1.6m	\$2.2m

**audited*

- Pro-forma revenue was A\$5.8m, which reflects what the group would have earned if the acquisition of Mach7 Enterprise Imaging Platform had been effective from 1 July 2015 (acquisition effective 1 April 2016)
- Pro-forma EBITDA excludes share-based payments expense
- FY = 1 July to 30 June

- Cash balance at the end of the period was A\$1.7m
- \$35.6m of intangible assets and goodwill relates to the acquisition of Mach7
- Interest bearing liabilities include three loans from original investors in the Mach7 Group (A\$2.9m) and a finance lease (A\$0.3m)

THE PROBLEM

Lack of interoperability of current systems prevents optimal patient care outcomes and increases healthcare costs

Current market state

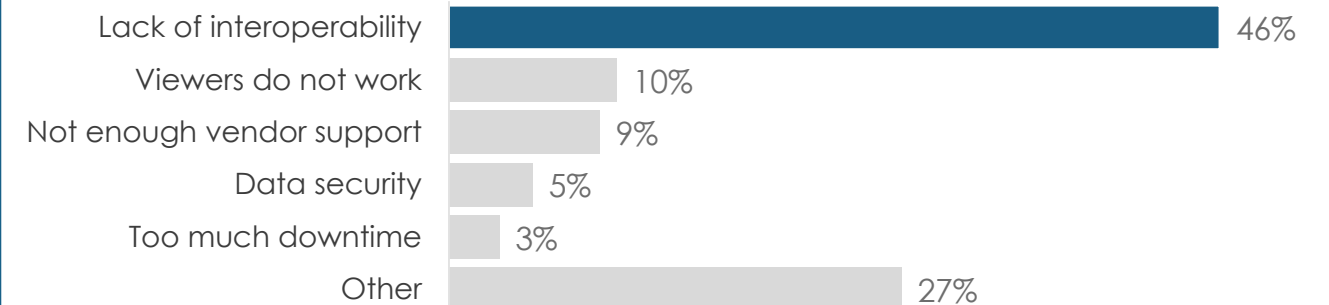
- *Picture Archiving Communication Systems (PACS)* and *Vendor Neutral Archive (VNA)* are the current industry standards for storing data and presenting data within health care facilities
- However, these systems do not provide complete interoperability
- Data is still contained in departmental silos with disparate systems that restrict the ability for a patient's medical record to be seen with completeness

Problems

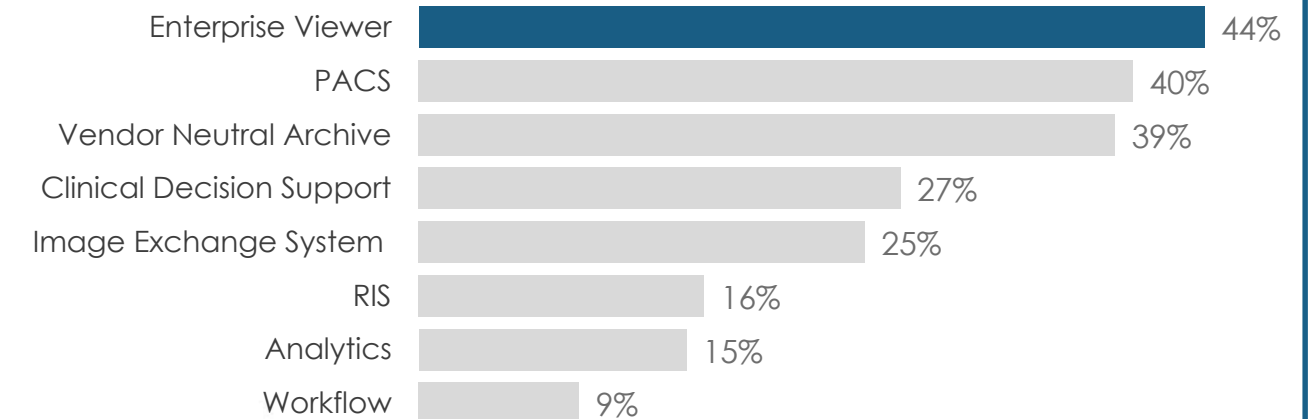
- **46%**¹ of specialists cite **lack of interoperability** as a key problem with storage systems
- **52%**¹ of specialists believe this problem negatively impacts **patient care outcomes**
- **36%**¹ of providers believe they **have lost revenue** due to image access challenges

As a response to these problems, the preferred investment for imaging related technology over the next 12 months is expected to be Enterprise Viewers, rather than PACS or VNA

Problems with current Electronic Health Record Systems¹



Preferred investment in alternatives^{1,2}



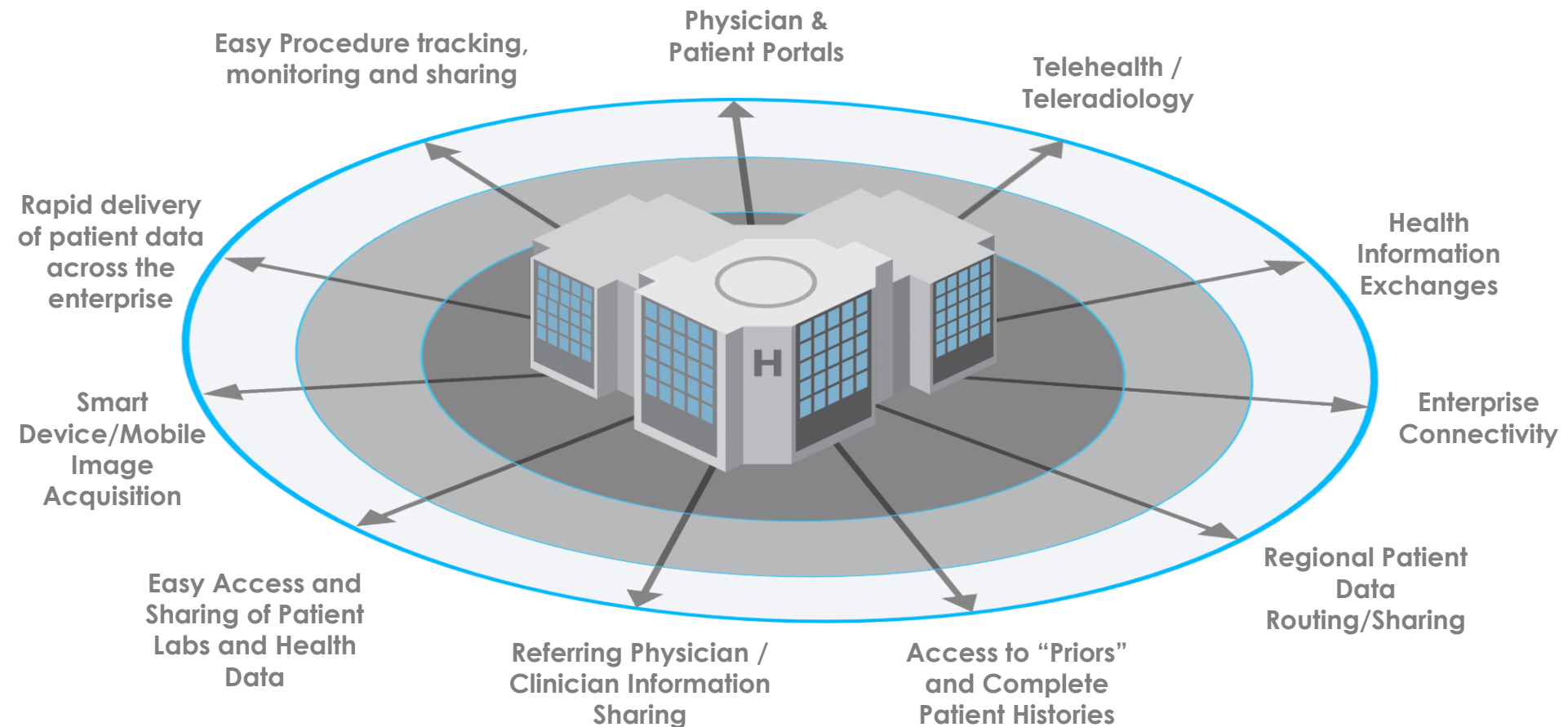
1. Sourced from CHIME, lifelImage CEO Perspectives on Enterprise Imaging study using data collected from 100 participating facilities

2. Over the next 12 months. Facilities may invest in more than one alternative, hence percentages do not sum to 100%.

THE SOLUTION

Mach7 Enterprise Imaging Platform is a flexible and scalable solution that allows images and data to be easily shared, improving workflows and patient care outcomes

- **Mach7 Enterprise Imaging Platform** is best-in-class software
 - ✓ Platform simplifies the access and sharing of diagnostic images and patient care data
 - ✓ Enables improved clinical workflow and patient care outcomes
- **Unique competitive advantages**
 - ✓ **Innovative platform** with intuitive, point-and-click interface and real-time monitoring dashboard
 - ✓ **Proprietary technology** that intelligently brings together multiple image formats into a cohesive workflow
 - ✓ **Scalable software** that grows with the customer
 - ✓ Cloud offering and medical image archiving system **reduces IT expense** for customers
 - ✓ **Highly recommended** by customers and industry
 - ✓ **Worldwide presence** with regional support

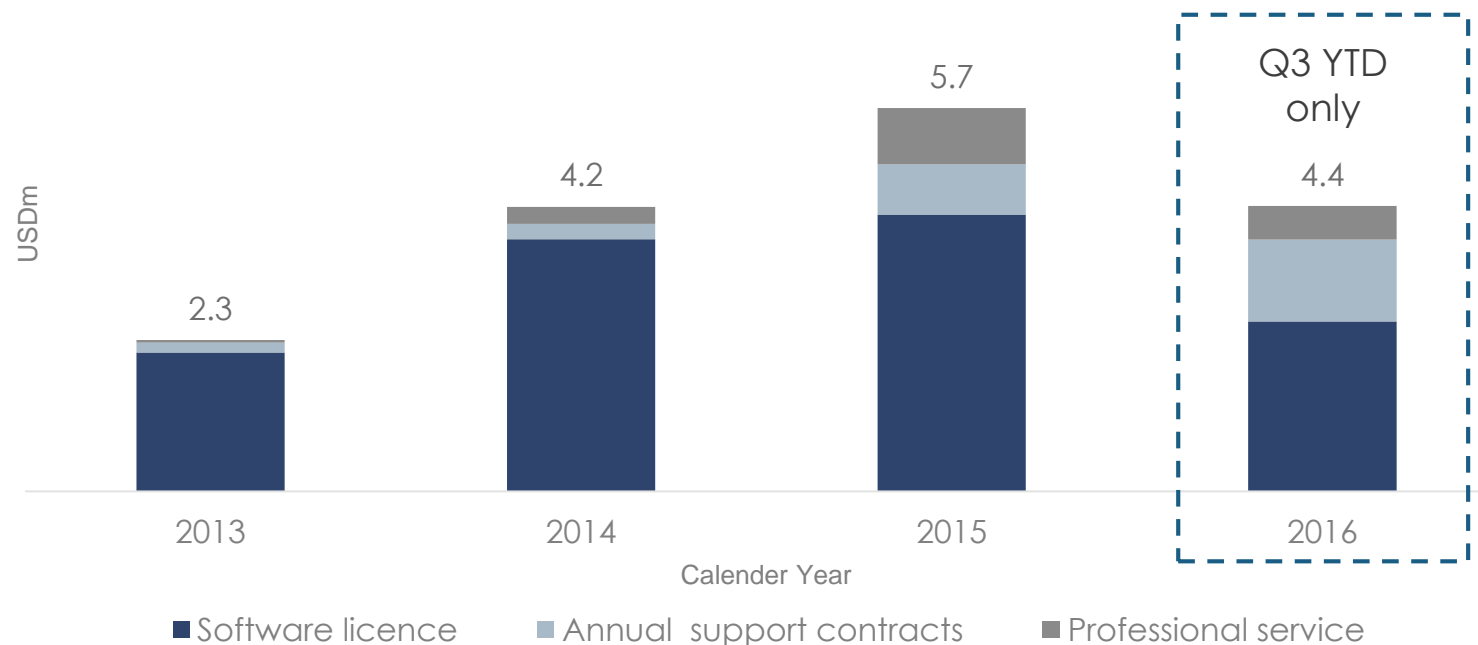


SALES EXECUTION

Clear market demand with recent strategic initiatives driving more consistent cash flows in line with long term strategy

- Growing service and annual revenue demonstrating clear product-market fit
- Increasing number of subscription and pay-per-use contracts driven by our entrance into the image sharing market and launch of our cloud based solutions
- Recent initiatives expected to reduce dependency on traditional capital license model and improve the revenue mix to deliver shorter sales cycles, stronger recurring revenue and improved financial predictability

Revenue (US\$m), 31 December year end¹



Outlook for Q4

- Strong pipeline and active tenders expected to deliver new contracts
- Implementation fees recognised for 2016 new contracts
- Existing contracted support & maintenance revenues continue to be generated

1. Software includes third party software and hardware, other revenue and intercompany sales

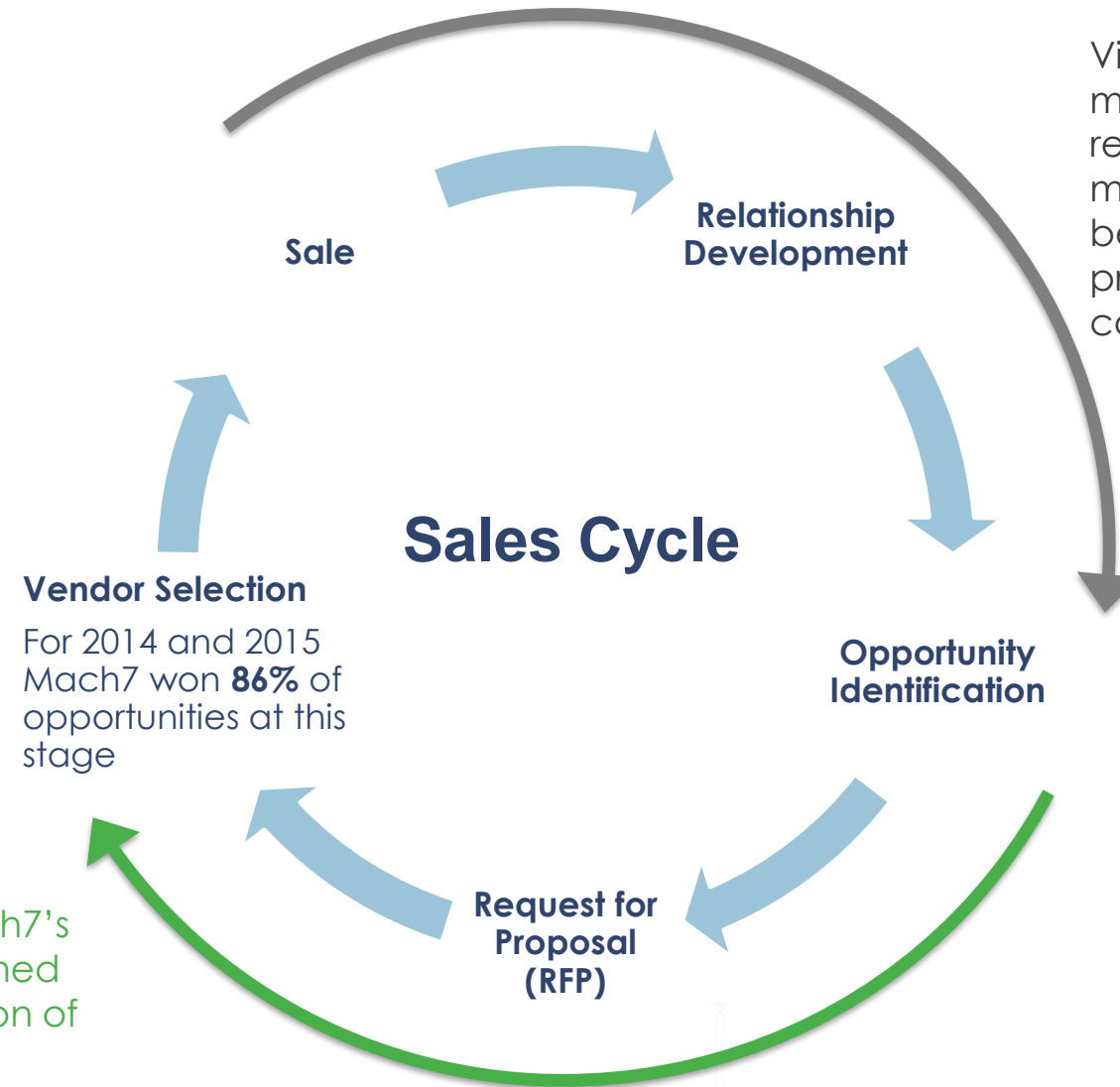
SALES CYCLE

Mach7 is shortening the sales cycle while winning 86% of bids at the vendor selection stage

Mach7 is reducing the cost and time to sale through a combination of unique patented technologies, a maturing market and investment in marketing

Via increased investment in marketing and brand-to-solution recognition, relationship management is expected to become less critical in the sales process and thereby reduce the cost and time to sale

As the market continues to mature, Mach7's unique patented technology and refreshed market messaging will support a reduction of RFPs and therefore cost and time to sale



CUSTOMER EVOLUTION

Mach7's global customer base is progressing from earlier adopters towards significantly larger mid-market

499 Installed sites, across...

11 Countries

→ 46 Unique customers, comprising...

33 Hospital

8 Imaging centres

5 Others (eg. Telstra)



→ **Early customers** – academic medical centres and large integrated delivery networks

Mid-market opportunities – mid-market adoption of VNA technology increasingly dominating Mach7's customer focus

TECHNOLOGY AND INTELLECTUAL PROPERTY

Mach7's 100%-owned proprietary technology supports a scalable platform managing >1 billion medical images

Mach7 Enterprise Imaging Platform

Proprietary digital image management system

- Substantial technology advantage
- In-house developed clinical tool, enabling patient data access across a health system's network of providers, clinical users and patients

Platform architecture drives data-sharing and workflow efficiencies

- Complete image management, including rapid record identification, integration, synchronisation, routing and advanced clinical viewing
- Enhanced workflow efficiencies and improved outcomes

Scalable plug-and-play solution

- Plug-and-play solution with the ability to scale
- Tailored to facility size with the capacity to expand
- Complementary products can be plugged into the platform, providing a best-of-breed diagnostic imaging solution

Intellectual property portfolio

Mach7 gives access to a **product suite of complementary medical tools** that provide **value-add opportunities and direct synergies**

MACH7
TECHNOLOGIES



- Provides 3D printed models and implants as visual aids
- Relevant in pre-surgical planning/training

GEST  SURE

- Unique image viewing technology
- Improves surgical speed, hygiene and accuracy



- Holographic projection technology
- Unique evaluation tool

MARKET OPPORTUNITY

Mach7 has a US\$3.8 billion+ addressable market with the ability to compete across numerous market segments

Mach7 market opportunity

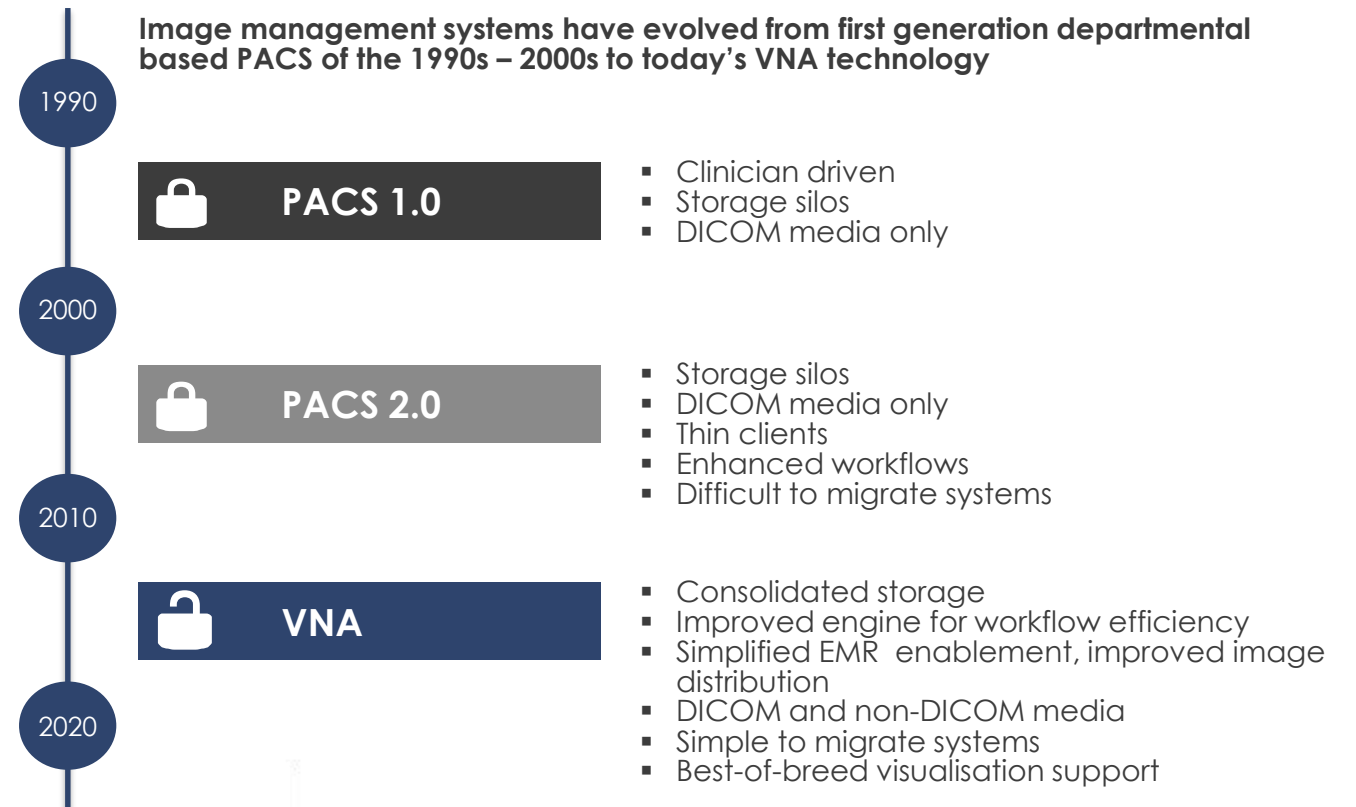
MACH7 TECHNOLOGIES Initial target markets are the **VNA, Departmental and Enterprise PACS segments (US\$3.8 billion+)**



- Growth in mobile usage and healthcare “Big Data” is **driving increased engagement with digital imaging technology**
- Through its scalable platform, Mach7 is able to **successfully target multiple segments** of the growing digital medical image market

Conversion to an enterprise imaging based platform

Healthcare providers are **increasingly converting to VNA platforms**, as current-generation PACS technology is rapidly becoming redundant due to limited and aging technology



1. Markets and Markets: 2013 VNA and PACS Market Report
 2. IHS Technology, Medical Enterprise Data Storage, 2015

INDUSTRY LEADER

Since its launch in 2012, Mach7 is recognised with various industry awards and accolades

“Our PACS vendors all proposed schemes to improve workflow and imaging access, but we needed **a more powerful, newer archive and communication system** to help us with data flows. **Mach7 will give us so much more power because it can deal with all types of image data sets. That is what we need.**”

*David Marichal
CTO, Radiology and
Imaging Specialists*

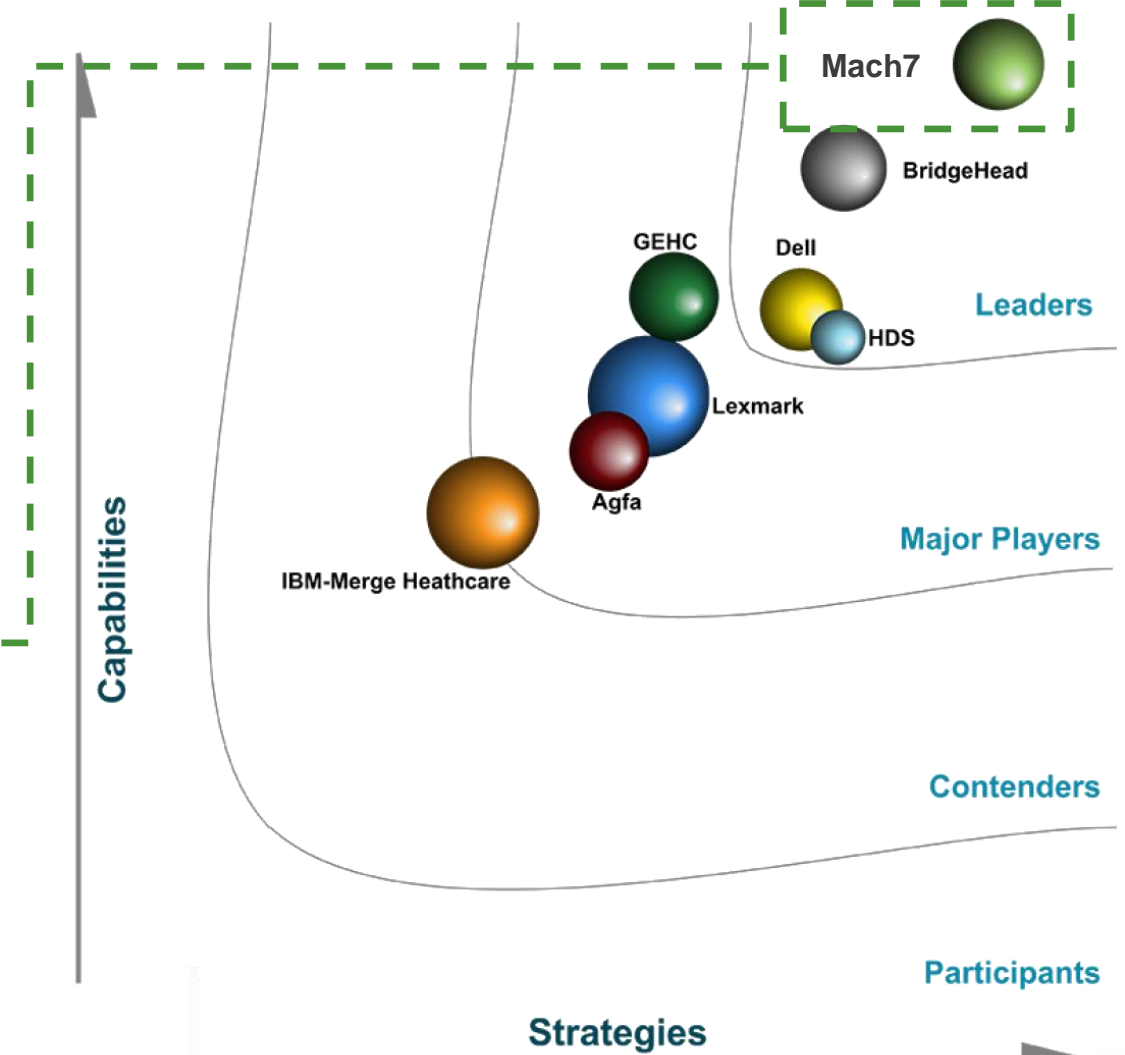
“Mach7 has been a **cost effective solution for Broward...** We have **better control of the data at a lower cost and high availability to leverage solutions** that aren't proprietary.”

*Ronaldo Montmann
VP of Information Technology, Broward
Health*

“**No.1 Leader, US Healthcare Provider VNA/AICA Unstructured Data Platforms for Integrated Care**” – *IDC MarketScape (2016)*

“**Asia Pacific Medical Imaging Informatics Company of the Year**” – *Frost & Sullivan (2015)*

IDC MarketScape: U.S. Healthcare Provider VNA/AICA Unstructured Data Platforms for Integrated Care Vendor Assessment



Source: IDC, 2016

GROWTH DRIVERS

Mid-market penetration and ongoing product development will drive near term growth



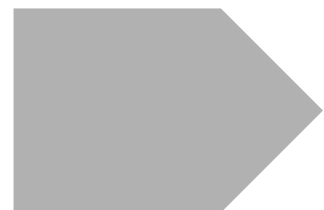
Shift towards platform technology

- Increased usage of vendor neutral technology expected to see **double digit growth in medical image management** over the next two years in the US
- Mach7 technology is at the forefront of the paradigm shift and **well placed to win new contracts**



Strong revenue growth

- **Focus on targeting mid-market customers and generating additional revenue streams**
- Expected to update the market on contract wins from multiple new small to mid-sized customers, together with sales pipeline of traditional large enterprise customers
- Strong increase from existing clients expected following product line expansion



Sector and geographic expansion

- **Focused marketing strategy** targeting academic medical centres, regional imaging centres and medium to large hospitals
- **Expand geographic reach** through targeted reseller arrangements
- Focus on developing strong healthcare integrated delivery networks (IDNs)



Continued innovation

- Continued investment in **product development and technology**
- Expansion of product offering as customer base grows and develops
- **Ongoing R&D** against planned technology and solution roadmap

STRATEGIC VISION

Long term strategy focused on building an innovative and industry leading digital health technology company



Technology and intellectual property

Continued investment in technology and intellectual property development



Market share growth

Focus on increasing market share in North America with deeper penetration in hospital groups and networks while growing existing customer mandates



Cloud based solutions

Entry into cloud based solutions and offerings with an expanded product portfolio that goes beyond onsite installations



Sales and marketing

Focused sales and marketing strategy directed at mid-market new customers, building the Mach7 brand and domain recognition



Geographical reach

Increasing presence and customer install base outside of the North American market through targeted reseller arrangements

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