

Shareholder Update 19 March 2020

Highlights:

- First cloud-based deployment of a complete Mach7 solution
- First integrated solution to replace Cardiology PACS
- Achievement of 12month free cash flow milestone
- COVID-19 and continued operations

Dear Shareholders,

I wanted to take this opportunity to provide you with updates on two current key deployments and the status of continuing operations during this period of unprecedented distraction.

First Go-Live for Cloud-based PACS

We have completed the first phase of our Picture Archiving and Communication System (PACS) modernization project for Sentara Healthcare. This PACS is powered by Mach7's Enterprise Imaging Platform (VNA) and Diagnostic Studio in conjunction with Client Outlooks eUnity diagnostic viewer.

The project marks the first cloud-based deployment of the complete Mach7 solution at a customer site. The solution is a public cloud deployment utilizing the Microsoft Azure framework, covering more than two million images per year across the Sentara Healthcare network. In addition to storing data for Sentara's radiology departments, the Mach7 VNA also stores images and image data for their cardiology departments, which provides a greater degree of infrastructure consolidation and integration. This emphasizes the Mach7's ability to assist in reducing the Total Cost of Ownership of PACS for our customers.

First Go-Live for Mach7 Integrated Solution to Replace Cardiology PACS

One of our key customers has successfully completed their go-live with a new integrated cardiology PACS solution. This implementation marks a milestone for Mach7 as it is the first time our solution is being used in a Cardiology PACS replacement market. We released a blog post in January giving a high-level overview of this PACS replacement project, especially with regard to the workflow improvements it will create for clinicians. You can read it on our website, but I'll also give a brief summary below.

This deployment highlights our interoperability capabilities. Our customer chose to leverage their investment in Epic by using Epic's "Cupid" worklist. They have standardized on TOMTEC and Invia's "4DM Flow" viewers as their viewing platform. The Mach7 Integration Manager allows Cupid to query the VNA for images and launch the appropriate viewer for the cardiologists. Our system also provides auditing capabilities and helps ingest diagnostic artifacts like image annotations. In all, there are over 50 cardiologists making use of the new Mach7/Cupid/TOMTEC/4DM Flow system.

By successfully expanding beyond the radiology department, we have a compelling use case to point to for our platform's usability enterprise wide, which will help us expand into new departmental markets. This is a strong message that we are bringing to the market around Enterprise Imaging and how Mach7 can help replace departmental solutions with enterprise wide applications.

Achievement of 12-month Free Cash Flow Milestone

Mach7 is pleased to report it has generated positive free cash flow (operating and investing cash flow) of \$1 million for the 12-months ended 29 February 2020.

This is a significant financial and operating milestone. It is the first annualised positive free cash flow result for the Company and delivers on a commitment made by Mach7 to its shareholders on 11 March 2019. Mach7 has delivered strong growth in recognised revenue and recurring revenue while restructuring labour and overheads during the past 12 months.

COVID-19 and Business Update:

There is unprecedented uncertainty in today's business climate. Mach7, like the rest of the world, is waiting to see what the final impact of this virus will have on the remaining fiscal year and beyond.

Our business is built for healthcare. The need for streamlined healthcare and the role of telemedicine has never been more prominently displayed. Mach7 offers a key component to the infrastructure that will allow our customers to put these workflows and procedures in place for the future.

Sales

The health, social and economic disruption caused by Covid-19 will very likely create a temporary slow-down in purchasing across the Healthcare IT enterprise as hospitals deal with the influx of patients and a difficult working environment. Our thoughts are with all these healthcare institutions and their employees as they battle this virus from the frontlines. Now, more than ever, we feel that our solution will assist these same institutions in preparing for the next unknown challenge.

Services (Deployments)

From a deployment perspective we continue to see forward progress being made in both of our geographical regions of interest. There are the two examples above for the US market and in the ASPAC region Hospital Authority of Hong Kong (HAHK) continues to make progress on their deployment. Over the past several months we have become accustomed to working remotely with our HAHK partners and we believe that we are now speeding up the process for deployment rather than slowing the pace.

Employees

Given our business is software, we are 100% capable of having our employees work remotely. Currently, 90% of our staff are working from home with no interruptions to their productivity. Our offices are still open and operational, but we are taking advantage of our robust business continuity plan while providing flexibility to our staff. We have implemented a "No Travel" policy and we are

working with both our prospects and current customers on contingency plans to ensure that we minimize the impact to ongoing projects.

Fundamentals

The fundamentals of our business are unchanged. We recently released our 1H20 half year results which were the best in company history, reporting a net profit for the first time. We reported \$23.3m cash at 31 December 2019, we have shown positive cash flow, we have a clear strategy to accelerate growth and we continue to be largely on track with the current Company's financial outlook.

Thank you for your continued support. I look forward to sharing future updates as we make further progress.



Kind regards,
Mike Lampron
Managing Director and CEO

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.

This announcement has been approved for lodgment by the Managing Director and Company Secretary.

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