FIRST QUARTER FY21 BUSINESS UPDATE

Q1 Highlights:

- Client Outlook acquisition completed $40.8M
- Cash flow from operations -$1.8M
- Cash on hand at end of quarter $17.8M
- Sales order growth of $3.3M
- 9 new customers added
- 2 customers go live on Mach7's Platform

Melbourne, Australia; 28 October 2020: Mach7 Technologies Limited ("Mach7" or the "Company") (ASX:M7T) is pleased to provide this quarterly update in conjunction with the release of the Appendix 4C – Quarterly Cash Flow Report.

Cashflows for Q1 FY21

The acquisition of Client Outlook early in the quarter has significantly influenced the reported cash flow result for the period. The completed acquisition of Client Outlook Inc. was an all-cash transaction for $40.8 million. The acquisition was funded by an entitlement offer and existing cash reserves. Next quarter (Q2), the Company will pay a further $2.7 million (approximately) to the vendors for working capital that has been contributed to the Mach7 Group as a result of the acquisition.

The Company's integration of Client Outlook is on track with $1.5 million of cost synergies already achieved. In total Mach7 is progressing well towards delivering its stated target of $2 million in cost synergies. The effects of these savings will begin to be seen from next quarter onwards.

Operating cash flow in Q1 FY21 included payments for certain acquisition and integration costs, and staff bonuses for FY20, which combined to an amount of $1.2 million. Including these one-off costs operating cash flow was negative $1.8 million.

Overall, the operating cash flow result was in-line with Company's expectations for the quarter. The Company closed the quarter with $17.8 million cash reserves and no debt.

Integration of Client Outlook

The integration of Client Outlook is past 100 days and during this time, Mach7 has prioritized integration projects based on the immediate (foundational), medium-term (optimization), and long-term (transformational) needs of the Company. Five high-priority enterprise programs have been identified, with 60 functional projects accounting for over 700 activities. Key integration activities to

run as "One Mach7" have been completed, and technical integrations are well under way to operate as a single team. The Transformation project team has the tools and structure in place and the know-how to continue integrating and transforming this business.

Branding Relaunch

Following the acquisition of Client Outlook and its eUnity viewing and integration platform, Mach7 has made new investments in marketing to raise global brand awareness and loyalty. Industry-proven methodologies and core processes are being implemented to develop new marketing collateral & assets and create strategies to promote the Company and raise awareness of Mach7's differentiated customer value. This includes new brand messaging, positioning, value propositions and visual brand language. These activities will result in a launch of a new Company logo and website with refreshed content and targeted campaigns that will increase demand generation throughout global markets.

Sales Growth

Mach7 generated $3.3 million (total contract value) of new sales orders for the quarter and recurring revenue has grown by $0.9 million per annum.

This quarter, Boston Scientific Corporation (BSC) licensed the Mach7 Enterprise Imaging Platform. BSC will implement and utilize the Platform and plans to extend and enhance their imaging and research capabilities across the enterprise. BSC plans to license and incrementally deploy additional components of the Mach7 enterprise solution over time including enterprise viewing, image sharing, universal worklist and information lifecycle management capabilities.

Amid the ongoing COVID-19 pandemic, Mach7 signed several contracts in the quarter for teleradiology capabilities. Juniata Radiology Associates is a Maryland-based radiology group that has licensed Mach7's enterprise PACS solution to enable remote reading and teleradiology workflows. Raleigh Radiology, an existing customer who is actively working with Mach7 on an ongoing project, expanded their contract to include configuration of a teleradiology workflow. Additionally, Lucid, Esaote and Beam Readers, three of Mach7's reseller partners, generated sales orders for Mach7's eUnity zero-footprint SMARTviewer to enable teleradiology for some of their customers.

The Hong Kong Department of Health (DH) contracted Mach7 to design and set up test servers. This is part of a larger project with DH that will eventually have Mach7 used to serve 70+ clinics across Hong Kong, including dental clinicals, tuberculosis & chest clinics, student health clinics, and women's health facilities. DH shares the same parent organization as the Hospital Authority of Hong Kong, with which Mach7 also has an ongoing project.

Mach7 continues to receive license renewals from its existing customer base, an important validation of its Platform. This quarter, Mach7 received contract renewals from 3 existing customers: Yuma Regional Medical Center, Diversified Radiology, and Scottsdale Medical Imaging Ltd. (SMIL). These renewals are a testament to the effectiveness of Mach7's solutions and the confidence our customers have in Mach7 to continue developing and delivering innovative solutions in the future.

Successful Deployments

St. Teresa's Hospital reached first productive use on Mach7's Enterprise PACS solution this quarter. St. Teresa's is one of the largest private general hospitals in Hong Kong with over 1000 beds. The Mach7 solution will drive greater efficiency for St. Teresa's radiologists by enhancing their hanging protocols and relevant priors for diagnostic interpretation, as well as providing remote viewing and data access capabilities for their radiologic technologists.

Strategic Radiology, a nationwide coalition of quality-focused independent, private radiology practices representing more than 1,300 radiologists, also went live at the end of August. The Mach7 solution will allow Strategic Radiology to provide a peer review of any facility using Mach7 as their "superhighway." In the future, Strategic Radiology plans to look into providing a fully hosted PACS solution for radiology groups using the Mach7 enterprise data management solution as the back end.

In addition, Raleigh Radiology, a radiology practice serving patients in North Carolina, is in the final stages of deploying Mach7's enterprise data management solution, including our VNA. This deployment is expected to be completed by the end of calendar year 2020 and will be followed by a contract expansion to enable teleradiology services.

COVID-19 Business Update

Prospective customers are beginning to reengage in projects that have been prioritized, however the impact to timing on these deals remains unclear. As better treatment options and vaccines are developed, a clear path forward for business travel and the opening of trade shows should emerge, which will drive opportunities and overall general demand generation.

Although the Mach7 offices remain closed with staff working from home, Mach7 remains at full strength in all major aspects of the business. Mach7's employees have adapted well to using advanced collaboration tools to maintain their productivity and, despite the various challenges imposed by remote work, have made significant progress in transforming our engineering and business processes to drive the Company forward.

CEO Comments

Mike Lampron, CEO, added: "The adversity that all of us have faced over the last nine months should be reason to evaluate our business plans. Although the pandemic was unpredictable, it is allowing

us to become more resilient to changing times and more flexible in how we think and behave in an ever-changing environment. This should lead to a more diverse and scalable business in the future. I am extremely pleased about the progress of the Client Outlook integration, including the realized synergies, and the opportunity we have in front of us. Our team is committed to success. We have very experienced individuals who are bullish about the product potential and confident in our ability to become a dominant player in the imaging market. It is an exciting time to be part of the Mach7 journey."

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 lodgement by the Board.

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