QUARTERLY UPDATE
MACH7 BUILDING GROWTH MOMENTUM AND ENTERING NEW MARKETS

Melbourne, Australia; 31 October 2017: Mach7 Technologies Limited (**Mach7** or the **Company**) (ASX:M7T) is pleased to provide the following quarterly update to its shareholders in conjunction with the release of the Appendix 4C – Quarterly Cash Flow Report.

Cash Position

Mach7 ended the first quarter (Q1) of the financial year with cash on hand of $1.8 million and net cash outflows from operations of $0.95 million, which included cash payments associated with the CEO transition.

Q1 includes $2.0 million of cash receipts from customers, however this quarter's results exclude cash receipts from Mach7's most recent large contract win with the University of Vermont Medical Centre, as well as expected payments from several customers. As a result, the Q1 cash result was less than expected. However, so far in October alone, Mach7 has received the overdue payments and generated strong cash flow with receipts of $1.5 million. In addition, during Q2, we expect to see the full impact of Mach7's cost cutting initiatives which were directed at removing all non-core activities of the business.

CEO Commencement

On 1 August 2017, Mike Jackman commenced as CEO with Mach7.

Mr. Jackman has had an immediate positive impact on the Mach7 business, providing access for the Company to new markets and new channel partners, valuable direction to the existing sales team, ensuring product development is harmonised with market demand, introducing new areas for potential product expansion and streamlining other areas of the business for the Company to operate efficiently with its current resources.

Mr. Jackman is an accomplished executive with experience in developing and leading highly successful global health care and technology businesses and driving companies to profitable growth. In his recent positions, he built Healthcare IT ("HCIT") sales and service teams, and opened new channels of distribution, resulting in increased revenues and market share in emerging markets, while stabilising decline in traditional products in developed markets. He previously managed multiple teams in the United States, Europe, Middle East, Japan and China. Prior to joining Mach7, Mr. Jackman held senior executive roles for GE Healthcare, Carestream Health, ISOFT Health Group, and Eastman Kodak.

Business Updates by Region

United States

In the first quarter, Mach7 announced a large contract win from University of Vermont Medical Centre. The value of this deal is $1.5 million in the first year alone, with annual support fees to be generated once the customer has reached "go-live" (software has transitioned from a production to a live environment). In addition to this deal, Mach7 sold several new modules of its software to its existing customer base including a migration services deal valued at $0.3 million. These upselling opportunities are an important part of the "land and expand" part of the commercial strategy.

During Q1, Mach7 generated $0.5 million of service fees from existing project implementations. This quarter alone represents 50% of FY2017's entire revenue for services fees.

Q2 is off to a strong start with Mach7 achieving go-live with Radiology Associates, PA (RAPA). Mach7 Enterprise Imaging Platform software was deployed in less than 3 months – a significant accomplishment for a customer of this size. This means annual support service billings can commence.

Middle East and Asia Pacific

In Q1, Mach7 received its first customer in Vietnam with an order for its Mach7 Enterprise Imaging Platform. This deal will see expansion with multiple licenses and is valued at more than $0.7 million.

Other projects in the South-east Asia continue to progress and the Company remains positive that it will be announcing valuable new contract wins from this region throughout FY2018.

New Markets

Mach7 is entering new markets such as Europe and Latin America via partners, and is developing indirect channels for middle-market America. These are important new sources of revenues in the medium term for the Company. Success in new markets and new channels will add to the growing pipeline of annualised sales opportunities we are presently managing.

During the quarter, Mach7 received its first sales order from its local partner in the Netherlands, and demand is continuing to build in that region. Additionally, Mach7 has signed its first distributor agreement in Latin America (Mexico).

RSNA 2017 – New Major Version Release

In November, Mach7 will exhibit its software at the world's largest radiology conference, The Radiological Society of North America (RSNA) annual meeting which is held in Chicago, USA. At RSNA, Mach7 will be previewing a new major version of its enterprise imaging software which will enable improved access, management, and data liquidity across a whole ecosystem of clinical applications. The product enhancements will bring simplicity, reduced costs and enable enhanced clinical outcomes for the healthcare industry. With more than 55,000 attendees expected at this year's conference, RSNA is an important event for Mach7 to showcase its new and improved product functionality to both new and existing customers.

2018 and Beyond

The transition in Mach7's revenue and cash profile as it moves to a higher mix of SAAS contracts will create volatility in quarterly cash flow reporting from period to period. Notwithstanding this new cash flow profile, Mach7 is operating in high growth markets with new market penetration initiatives and new product development launches planned.

The Company's number one financial goal this year is to become EBITDA profitable.

Note: - All amounts quoted in this announcement are A$. Amounts that are denominated in US$ have been converted at a rate of 0.78:1.

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.

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