

THIRD QUARTER FY22 BUSINESS UPDATE

Q3 HIGHLIGHTS

- Q3 Sales Orders rose \$4.4M (TCV) to \$26.5M FYTD; on track to deliver Sales Orders of \$30M (TCV) for FY22
- Record FYTD Revenue of \$21.2M; up \$7.8M or 57% on last year
- Record FYTD EBITDA of \$3.2M; up \$4.7M or 306% on last year
- Net positive operating cash inflow for Q3 of \$0.5M
- Cash on hand increased to \$20.6M; up from \$20.3M on 31 December 2021
- Contracted annual recurring revenue (CARR) of \$16.8M; up 6% (or 24% annualised) on 4Q21 (\$15.8M)
- ARR of \$13.4M, with additional \$3.4M of CARR expected to convert to ARR in FY23

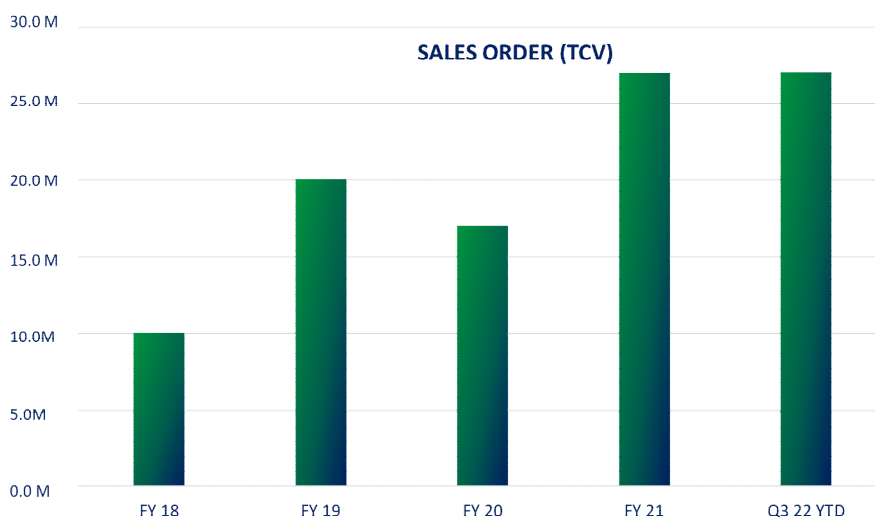
Melbourne, Australia: 29 April 2022: Mach7 Technologies Limited (Mach7 or the Company) (ASX:M7T), a company specialising in innovative medical imaging software solutions for healthcare providers, is pleased to provide this quarterly update, for the period ending 31 March 2022, in conjunction with the release of the Appendix 4C – Quarterly Cash Flow Report.

The March quarter of FY22 was an important period for Mach7. Cash on hand of \$20.6M is the highest in the company's history and continues the trend of positive cash flow for every third quarter since listing. This shows the ability for sustainable positive cash flow growth while continuing to innovate and invest in the business. M7T completed 17 "Go-Lives" with customers across every aspect of the technology portfolio, with another five scheduled prior to the end of the fiscal year. Seven existing customers and partners signed contract extensions or renewals, which further shows both customer satisfaction and a dependable recurring growth model for the long term.

SALES ORDERS

In the quarter, Mach7 continued to redefine the radiology imaging market by helping customers focus on their enterprise imaging needs. The Company saw continued commercial success with its Enterprise Imaging Solutions, which offer unprecedented flexibility with Enterprise Data Management, Enterprise Viewing, Radiology Reading and Department Workflow applications. These solutions continue to exceed the performance of most legacy systems on the market at a significant cost savings.

The Company continued its momentum of strong sales orders from new customers, existing customers, and reseller partners, with a combined total contract value (TCV) of \$4.4 million in Q3 (FY22 Q2: \$5.9M), taking the total year to date TCV to \$26.5 million (FY21 YTD TCV \$23.6M). Of the year-to-date sales orders, \$3.5 million is annually recurring revenue over the life of the contracts. In total, the company has signed 40 new contracts this fiscal year to date.



NEW CHANNEL PARTNERSHIPS

Two new and exciting channel partnerships have been signed in the last 30 days that will broaden Mach7's geographic reach in APAC and Europe. These channel partners will focus their efforts as resellers of Mach7's eUnity Enterprise Viewer.

AdvaHealth

AdvaHealth is a provider of SAAS cloud based PACS and tools that enable radiologist efficiency including a single unified worklist. They have created a next-generation solution that utilizes web and cloud technology for DICOM management, workflow and archiving. They are based in Singapore and have a presence in Australia, New Zealand and the broader Asia market. They will be reselling Mach7's eUnity Viewer as an advanced zero footprint diagnostic viewing solution. This partnership is exciting opportunity for Mach7 to expand into the Australia and New Zealand markets, proliferate the use of the eUnity viewer and increase brand awareness in new markets.

Althea

Althea is a large integrated healthcare technology management network in Italy that operates as an outsourced technological partner for the provision of managed services and seller of a comprehensive suite of medical equipment. Their services cover multiple technologies ranging from biomedical equipment to advanced diagnostic imaging & radiology solutions. Althea has a presence in 17 countries and Mach7 will be initially working with them as a reseller of its Mach7 eUnity Enterprise Viewer in Italy and the United Kingdom. This partnership will enable Mach7 to expand into these 2 large European economies and has the potential for further expansion in the European Union which is the second largest economy in the world after the US.

COVID UPDATE

Mach7 works closely with our customers and industry experts to understand how pandemic related changes and recent events have affected healthcare delivery challenges and associated IT investment strategies. We further monitor CDC and World Health Organization guidelines on a consistent basis. Although COVID-19 variants and cautionary health guidelines continue to be in place, we have seen positive movement and loosening of restrictions that have allowed healthcare organizations to move forward with delayed projects and activate technology purchasing decisions and evaluations. This will allow Mach7 to progress in our sales and customer engagement strategies with more opportunity for consideration and growth. This has equated to growth in our sales funnel pipeline as well as the addition of new channel partnerships and 3rd party distribution agreements.

PAYMENTS TO RELATED PARTIES OF THE ENTITY AND THEIR ASSOCIATES

The payments as disclosed in section 6.1 of the Appendix 4C released below related to: Payment of \$85,925 for Director's fees and superannuation for the quarter; and Payment of \$128,770 for Executive Director's salary and superannuation for the quarter.

THIS ANNOUNCEMENT HAS BEEN APPROVED BY THE BOARD FOR LODGMENT

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ABOUT MACH7 TECHNOLOGIES:

Mach7 Technologies (ASX:M7T), founded in 2007, is a medical imaging systems provider that develops innovative image management and viewing solutions for healthcare organizations. The core of these offerings is the Mach7 Enterprise Imaging Solution, encompassing Enterprise Data Management, Enterprise Diagnostic Viewing and Diagnostic Workflow applications. Mach7's Enterprise Data Management solution, consisting of a powerful Vendor Neutral Archive (VNA) and data administration tools, allows for the fast storage, access, retrieval and viewing of images across a healthcare network with connectivity to the Cloud. In July 2020, Mach7 acquired Client Outlook and the eUnity Enterprise Diagnostic Viewing technology to augment Mach7's Enterprise Data Management and Diagnostic Workflow applications. eUnity is a zero-footprint, FDA-approved, image viewing solution that makes images accessible on any workstation. This offers healthcare professionals consolidated access to all patient images and data, ensuring clinical staff have timely access to the right information to diagnose and treat patients. Uniquely, the company also gives customers independence to deploy its solutions either on a component basis or in a unified comprehensive platform. With more than 150 customers across 15 different countries, Mach7 has built a global network of diverse customers that range from expansive Integrated Delivery Networks, National Health Systems, medical research facilities, and large academic medical institutions to regional community hospitals, private radiology practices, and independent provider groups. Visit [Mach7t.com](https://mach7t.com).

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Mach7 Technologies Limited

ABN

26 007 817 192

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	6,449	18,439
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(245)	(570)
(c) advertising and marketing	(118)	(513)
(d) leased assets	(80)	(187)
(e) staff costs	(4,524)	(13,308)
(f) administration and corporate costs	(979)	(2,336)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	11
1.5 Interest and other costs of finance paid	(8)	(26)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	496	1,510
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(23)	(107)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (cash acquired in acquisition)	-	-
2.6	Net cash from / (used in) investing activities	(23)	(107)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	234	848
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	234	848

4.	Net increase / (decrease) in cash and cash equivalents for the period	20,255	18,363
4.1	Cash and cash equivalents at beginning of period		
4.2	Net cash from / (used in) operating activities (item 1.9 above)	496	1,510
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(23)	(107)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	234	848
4.5	Effect of movement in exchange rates on cash held	(388)	(40)
4.6	Cash and cash equivalents at end of period	20,574	20,574

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	12,609	12,290
5.2	Call deposits	7,965	7,965
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	20,574	20,255

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	215
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	496
8.2	Cash and cash equivalents at quarter end (item 4.6)	20,574
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	20,574
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:29 April 2022.....

Authorised by: ..Board of Directors.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.