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**Investor Update: Merger with Mach7 Technologies**

- **Mach7 unaudited revenue for 2015 is USD\$5.7 million**
- **Details on operations, strategy and target markets**
- **Strengthen management team with SVP appointments in US and international sales**

3D Medical Limited (ASX:3DM) (**3D Medical** or the **Company**) is pleased to provide the attached Company Presentation (**Presentation**) on Mach7 Technologies. The Presentation provides investors with background on the historical financial performance, the revenue model and other information regarding the operations, strategy and target markets for Mach7's Enterprise Imaging Platform.

Highlights detailed in the Presentation include:

- Mach7 full year revenue to December 2015 of USD\$5.7 million (~AUD\$8 million)
- Value of order book at 31 December 2015 of USD\$9.9 million (~AUD\$14 million)
- Mach7 signed 12 new customers in 2015
- Install base in 11 countries across USA, SE Asia, South Africa, Middle East and UK

Mach7 global growth strategy centres on increasing brand recognition and sales activity in existing and new markets. In supporting this strategy, Mach7 has recently made a number of senior management appointments including Chrysti Bower, Senior Vice President Sales North America. Chrysti has 30 years of experience in medical imaging as was previously Vice President of Sales for Merge Healthcare.

Also joining the Mach7 leadership team is Reuven Soraya who is Senior Vice President International Sales. Reuven was previously Vice President of Sales at Claron Technology which, in 2015, was acquired by Lexmark Healthcare.

**- ENDS**

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**About 3D Medical Limited:**

At 3D Medical our aim is to aid medical professionals in the facilitation of improved clinical care, improving medical procedures, diagnostics and ultimately improving patient outcomes. 3D Medical is a medical specific 3D printing and holographic projection and data integrations provider. Our services 3D Medical Printing; EchoPixel (holographic projection technology); GestSure (in surgery image control); Mach7 (enterprise imaging solution provides healthcare organisations with the ability to archive, consolidate, access, and share medical imaging data across departments, locations and regions); and MediDATA provide medical practices the opportunity to leverage their analytical capabilities to gain an improved understanding of the characteristics of the patients which drive their business. These new and innovative products leverage data already captured by conventional imaging modalities and apply it in more meaningful ways to deliver improved economic and patient outcomes. On 27 January 2016, 3D Medical announced that it had entered into a binding Share Sale Agreement with Mach7 Technologies. Subject to shareholder approval, and upon successful completion of the merger, 3D Medical will change its name to Mach7 Technologies.

**About Mach7 Technologies:**

Mach7 Technologies is a global provider of enterprise image management systems that allow healthcare enterprises to easily identify, connect, and share diagnostic image and patient care intelligence where and when needed. Mach7's award-winning platform delivers image management including rapid record identification, integration, synchronization and routing, advanced clinical viewing, and optimized vendor neutral archiving. Mach7 has locations in the U.S., Asia, Australia, and the Middle East. For more information, visit [www.mach7t.com](http://www.mach7t.com)



**3D MEDICAL LIMITED (ASX:3DM)**

**Merger with Mach7 Technologies**

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Investor Update

February 2016

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# Mach7 Technologies

## Company Presentation

Mr Albert Liong, CEO Mach7 Technologies

FEBRUARY 2016



# COMPANY OVERVIEW

**Mach7 Technologies is a global provider of enterprise image management systems and services that allow healthcare enterprises to easily identify, connect and share diagnostic image and patient care intelligence. Mach7's solutions improve patient care, compliance and clinical satisfaction.**

# QUICK FACTS

- Innovative, award-winning enterprise image management platform
- IP owned, strong brand recognition in target markets
- Secure contractual USD cash flow, nearing cash flow breakeven
- Growing blue chip global customer base
- Well-established platform managing >1 billion medical images
- Solid order pipeline offers substantial revenue growth
- Double-digit industry growth
- Growth potential from planned technology and solutions roadmap



# INVESTMENT HIGHLIGHTS

## **First mover advantage with advanced IP technology.**

Market disruptive technology, revolutionising the healthcare informatics space with impact across multiple market segments including VNA, Image Exchange, Department PACS, Enterprise PACS, ECM and Enterprise Viewers.

## **Strong order pipeline with contracted USD revenue base.**

Multiple revenue streams from software licence, professional services and support.

## **Focused growth strategy.**

Scalable platform with potential for substantial global growth via both sales channel and product line expansion.

## **Leadership expertise.**

Pioneers in the field of healthcare informatics and proven track record of success.



# COMPANY DESCRIPTION

**Mach7 Technologies is a best-in-class software provider that has successfully deployed its software platform to over 300 customer sites across 11 countries around the globe.**

- **Founded in 2008.** Corporate headquarters in Singapore with sales, marketing, R&D and service operations based in Burlington, Vermont, USA
- Mach7 has developed **vendor neutral, standards-based enterprise imaging solutions** to enable healthcare businesses to archive, consolidate, access and share medical imaging data across departments, locations and regions
- Mach7 provides a **suite of image management systems** and services that allows businesses to easily identify, connect and share diagnostic images and patient care intelligence – anytime, anywhere it is needed
- Mach7's Vendor Neutral Archive allows **consolidation of image storage regardless of the disparate legacy systems** the healthcare business is running
- Mach7's solutions **simplify access, increase data integrity and heighten security** over images and data

# PERFORMANCE HIGHLIGHTS

Performance Metrics*	FY14	FY15	Δ%
Number of Unique Customers	31	43	+39%
Number of Employees	36	43	+19%
Software Licence Revenue (\$ million)	\$3.6	\$4.1	+14%
Professional Services Revenue (\$ '000)	\$275	\$838	+205%
Support Revenue (\$ '000)	\$169	\$735	+335%
<b>Total Revenue (\$ million)</b>	<b>\$4.0</b>	<b>\$5.7</b>	<b>+43%</b>
Cash Operating Expenses (\$ million)	\$5.6	\$7.1	+31%
EBITDA Loss (\$ million)	\$1.6	\$1.4	+13%
Value of Order Book at Year End (\$ million)	\$4.7	\$9.9	+111%

\*Note: Unaudited accounts. US financial year ending December 2015. All figures USD.

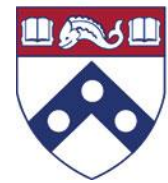
# KEY CUSTOMERS AND STRATEGIC PARTNERSHIPS



MASSACHUSETTS  
GENERAL HOSPITAL



SAN DIEGO **imaging**



Penn Medicine



**BROWARD  
HEALTH**



RADIOLOGY AND IMAGING SPECIALISTS

*Raffles* Hospital



SENTARA®  
HEALTHCARE

# GROWTH STRATEGY

## Deliver on a focused international growth strategy:

- Expand geographic reach through targeted recruitment and reseller arrangements
- Highly experienced and proven global management team
- Build channel partnerships with new and existing relationships
- Create increased awareness about mature and differentiated product offering
- Continued R&D focus against planned technology and solutions roadmap
- Revenue growth from existing clients via product line expansion
- Listing on Australian Securities Exchange (ASX.M7T)

# REVENUE GENERATION

**Over 50% of Mach7's revenue is derived from the world's largest healthcare market; USA.**

- **Target customers:** Healthcare delivery networks, academic medical centres, regional imaging centres and medium to large sized hospitals.
- **Current customers:**
  - 43 unique customers across hundreds of healthcare facilities.
  - Broad-based, ranging from large healthcare systems, including leading academic teaching and research institutions, to outpatient ambulatory facilities, and diagnostic groups.
- **Locations:** Multi-jurisdictional across 11 countries with a platform developed for both emerging and mature markets.
- **Evolving Revenue Model:** Provides flexibility for a range of customer budgets. Pricing ranges from upfront purchase to pay-per-procedure.
- **Revenue Line Items:** Comprised of software licencing, professional services and support.
- **Revenue Drivers:** Procedure volumes and degree of software functionality required by customer.



# EXAMPLE CUSTOMER PRICING MODEL

	Medium Sized Hospital	Large Sized Hospital
Term of Agreement	3-5 years	
Number of Annual Procedures	200,000	+1 million
Mach7 Upfront Licence and Service Fee	USD \$200,000	USD \$2 million
Mach7 Annual Support Fee (18%)	USD \$36,000 p.a.	USD \$360,000 p.a.

Alternative pricing for customers based on a **pay-per-procedure model** would range from **USD \$0.25 to USD \$1.85 per procedure** based on the functionality required within the Mach7 Enterprise Imaging Platform.

# MARKET OPPORTUNITY

**Exceptional global growth potential in rapidly expanding healthcare data market.**

- Mach7 Enterprise Imaging Platform provides an Electronic Medical Record (EMR) for all clinical media.
- The software enables an ecosystem of advanced applications to exist and provides interoperability, archiving and advanced workflows that deliver efficiencies across all clinical settings.
- Substantial addressable healthcare market across multiple market segments.

Market segments	Market size estimate
Vendor Neutral Archive (VNA)	USD \$735.9M by 2020 <sup>(1)</sup>
Departmental Picture Archive and Communications System (PACS)	USD \$2.7B by 2018 <sup>(2)</sup>
Enterprise PACS	\$440M by 2018 <sup>(2)</sup>
Enterprise Content Management (ECM) within Healthcare	\$715M by 2019 <sup>(3)</sup>
Enterprise Viewer Market (US Only)	\$63.9M in 2017 <sup>(4)</sup>

(1) IHS Technology, Medical Enterprise Data Storage – 2015

(2) Markets and Markets: 2013 VNA and PACS Market Report

(3) Markets and Markets: Healthcare Content Management System Market

(4) Frost & Sullivan: US Enterprise Medical Image Viewers Market














# COMPETITIVE ADVANTAGE

- **Broad medical applications.**  
Goes beyond traditional departmental solutions such as radiology and cardiology to include all specialties - ophthalmology, dental, wound care and more.
- **Single enterprise solution.**  
Allows medical institutions to manage all their unstructured clinical data in one place.
- **Ease of access.**  
Data can be accessed remotely via the web and mobile devices.

# COMPARABLE VALUATION – PME.ASX

- Best comparable value for Mach7 on ASX is Pro Medicus Limited (ASX.PME).
- PME provides radiology IT software to hospitals, imaging centres and healthcare groups.
- Global presence in Australia, Germany and USA.
- FY15 revenue from PME is AUD\$17 million and market cap of ~\$325 million.
- Mach7 has a much wider market offering compared to PME.

Market Segment	Covered by PME	Covered by Mach7
Radiology Information Systems (RIS)		
Vendor Neutral Archive (VNA)		
Departmental Picture Archive and Communications System (PACS)		 **
Enterprise PACS		 **
Enterprise Content Management (ECM)		
Enterprise Viewer Market		
Referring Physician & Patient Portal		
Image Sharing		
Universal Worklist		

\*\*Note: All components but diagnostic viewer.

# PRO MEDICUS LTD - PERFORMANCE



ASX:PME Source: CommSec

# KEY DIFFERENTIATORS

- **Intuitive point-and-click GUI**  
No custom coding or scripting required.
- **Real-time monitoring dashboard**  
Enables real-time control and visibility of enterprise imaging traffic.
- **Intelligent technology backbone**  
Supports multiple communication protocols and formats providing cohesive workflow solutions.
- **Simplified scalability**  
Platform designed for seamless enterprise growth.
- **Pure, organic platform**  
Format neutral, storage agnostic, standards-based and interoperable.
- **Communication, exchange, share**  
Bridges traditional barriers across disparate systems.

# CORPORATE HISTORY

