

FINANCIAL QUARTERLY UPDATE (Q4 FY2018)

Q4 FY18 Highlights:

- Sales orders won this quarter total \$1.7 million (total contract value “TCV”)
- Contracted annual recurring revenue \$5.3 million (+24% on FY17)
- Premier radiology customer won during the quarter
- Annual cash outflow from operations improvement of \$3.0 million compared to prior year
- Cash on hand \$2.5 million

Melbourne, Australia; 31 July 2018: 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. The update is for the quarter ended 30 June 2018.

Q4 Sales Orders

During the fourth quarter (Q4) Mach7 won sales order contracts valued at \$1.7 million. These contracts included sales to both new and existing customers and have increased contracted annual recurring revenue (CARR) to \$5.3 million per year (+24% on FY17).

Mach7 is delighted to welcome Raleigh Radiology as its newest customer. Raleigh Radiology is one of the oldest and most experienced radiology practices in North Carolina, with 35 radiologists and six free-standing outpatient imaging facilities. Raleigh has purchased a minimum 5-year term license for Mach7’s solution that includes Mach7 VNA, Communication Workflow Engine, Clinical Studio and iModality. Raleigh Radiology selected Mach7’s Data Services Platform as the foundation of their enterprise imaging strategy, which is expected to generate revenues of at least \$1 million for Mach7 over the next 5 years.

In addition to Raleigh, sales orders received from existing customers during the quarter totalled \$0.5 million, continuing evidence of Mach7’s product offerings gaining traction.

ASX Announcement

Q4 Software Deployments

Mach7 continues to make substantial progress with its customers deploying upgrades and add-on modules to their existing Mach7 platform. Mach7 has 13 active customer deployment projects, which include a combination of new and current customers.

Improving Cash Position

Mach7 ended the last quarter (Q4) of the financial year with cash on hand of \$2.5 million. Mach7 reported net cash outflows from operations of \$0.5 million for the current quarter, taking the year to date total to \$2.2 million. Last year, Mach7 reported annual cash outflows from operations of \$5.2 million, therefore the Company has shown a \$3.0 million improvement in cash utilisation for the current year. This improvement in cash flow is a result of continued progress in sales and a significant reduction of operational expenses.

Upcoming News

Today, Mach7 will be releasing a CEO presentation shared at its scheduled July 31st General Meeting. Mach7 will be releasing its audited 2018 annual financial results in the last week of August 2018.

Note: - All amounts quoted in this announcement are AU\$. Amounts that are denominated in US\$ have been converted at the Reserve BA quoted rate of 0.7391:1 at 30 June 2018.

About Mach7 Technologies:

Mach7 Technologies (ASX:M7T) develops a secure data services platform that improves business, operational and patient outcomes. Mach7's interoperable foundation manages patient data and hosts an ecosystem of apps that delivers solutions including PACS, enterprise imaging workflows, vendor neutral archiving (VNA), artificial intelligence (AI), clinical portals, care coordination and more. Reimagine, redefine, and reconstruct the best solution to connect and exchange health information without boundaries. Work smart with Mach7 in the cloud or onsite. Contact us to learn more. Visit www.mach7t.com.

For more information, contact:

Jenni Pilcher
CFO, Mach7
jenni.pilcher@mach7t.com

Andrew Keys
Investor Relations, Keys Thomas Associates
andrew.keys@keysthomas.com

+Rule 4.7B

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Mach7 Technologies Limited

ABN

26 007 817 192

Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	2,344	9,544
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(110)	(455)
	(c) advertising and marketing	(135)	(650)
	(d) leased assets	(51)	(178)
	(e) staff costs	(2,330)	(9,255)
	(f) administration and corporate costs	(251)	(1,419)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	10	35
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	3
1.8	Other	-	161
1.9	Net cash from / (used in) operating activities	(523)	(2,214)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(35)	(85)
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property		
	(e) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	1
	(b) businesses (see item 10)		
	(c) investments	-	(63)
	(d) intellectual property		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(35)	(147)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	2,056
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(17)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
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	-	2,039
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	3,016	2,828
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(523)	(2,214)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(35)	(147)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,039
4.5	Effect of movement in exchange rates on cash held	47	(1)
4.6	Cash and cash equivalents at end of quarter	2,505	2,505

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	1,172	1,591
5.2	Call deposits	1,333	1,425
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)	2,505	3,016

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	4
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
Directors Fees.		


7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
NA		

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
9.	Estimated cash outflows (<u>BEFORE CASH INFLOWS</u>) for next quarter	\$A'000	
9.1	Research and development	(included in staff costs)	
9.2	Product manufacturing and operating costs	188	
9.3	Advertising and marketing	98	
9.4	Leased assets	46	
9.5	Staff costs	2,617	
9.6	Administration and corporate costs	398	
9.7	Other (capital items)	-	
9.8	Total estimated cash outflows (before cash inflows)	3,347	

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	N/A	N/A
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

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.

Sign here: 
(Director)

Date:31 JULY 2018.....

Print name:DR. NIGEL FINCH.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.