

Strong Sales Growth and Sales Momentum from Mach7

Mach7 Announces 1H 2021 Results

Highlights:

- Strong sales growth +24% to \$10.9M, accelerated momentum in 2H with sales of \$12M
- Revenue \$7.1M, down 22% - Strong eUnity growth offset by revenue timing
- EBITDA loss \$1.2M, down from profit of \$2.5M – impacted by the timing of revenue
- Recurring revenue annualized at \$10.2M (first-half up 88%), providing 64% coverage of operating expenses
- Strong financial position with \$14.4M cash at hand, and no debt
- Positive 2H21 outlook: new contracts already won will drive 2H21 revenue growth, acquisition synergies to deliver lower expenses, positive EBITDA is forecast

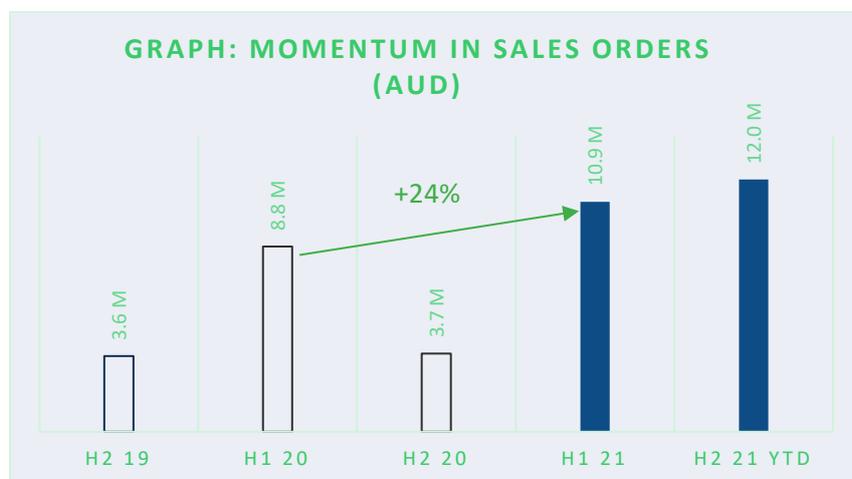
Melbourne, Australia; 18 February 2021: Mach7 Technologies Limited (“Mach7” or the “Company”) (ASX:M7T) today released its half-year results for the period ended 31 December 2020 (“1H FY21”).

Strong sales order growth +24%

Mach7 was pleased to deliver 24% growth in sales orders to \$10.9 million. The strong growth was achieved despite some disruption caused by COVID-19.

Mach7 is pleased with early success of the eUnity (Client Outlook) acquisition and integration and is seeing high demand for the enterprise viewing solution to enable teleradiology in a COVID environment.

Sales momentum has accelerated into the second half with \$12 million of orders already received. Recent sales orders will provide a significant contribution to second half FY21 revenue through the Trinity and Adventist wins, and HAHK purchase order for \$3 million.





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Revenue and EBITDA impacted by timing recognition on new sales

Revenue of \$7.1 million (down 22%) was impacted by the timing of sales orders and strengthening A\$ (7% of movement). In particular, the Trinity and Adventist contracts won recently (\$13.2M total contract value) will contribute to revenue in the second half of FY21 and the HAHK purchase orders for \$3 million (100% revenue, 100% gross margin) will also be recognized in the second half of FY21.

Early success with the integration of eUnity (Client Outlook) delivered eUnity revenue of \$2.7 million for the half year. Recurring revenue (subscriptions, annual support) grew 88% to \$5.1 million. The annualized run rate of recurring revenue covers 64% of operating expenses.

Mach7 reported an EBITDA loss of \$1.2 million which was in line with the Company's expectations for this half. Gross margins have improved as the Group no longer incurs reseller fees on the Client Outlook product. Operating expenses of \$8 million are expected to fall in the second half of FY21 as integration synergies are realized on the Client Outlook acquisition.

Strong financial position

Mach7 remains in excellent financial condition with \$14.4 million of cash at hand, and no debt.

With the forecast increase in second half revenue and capture of Client Outlook acquisition synergies the Company anticipates positive EBITDA and free cash flow in the second half of FY21.

Increasing brand awareness and market presence

The Company's rebranding and marketing transformation efforts since the acquisition of Client Outlook are continuing to progress Mach7's brand awareness in the market.

The effects of these efforts can be seen in positive results such as Mach7 being awarded the prestigious 2021 Global Enterprise Imaging Solutions Product Leadership Award by Frost & Sullivan.

Since the rebranding and relaunch of the Mach7 website in November, it has seen an average 53% increase in user traffic and 79% (on average) increase in page views when compared with the first half of FY20. Similarly, Mach7's social media followers have increased by 36% over the past year. This represents a significant increase in interest in the Company and its Enterprise Imaging Solution. The constant stream of new content produced by the marketing team, including thought leadership articles, customer stories, and blogs are driving leads and demand generation that are culminating in new sales opportunities.



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Outlook and CEO comments

After a tough 2020 for the Healthcare IT sector Mach7 sees growing optimism and continuing consolidation across the industry.

Following strong sales in the first half of FY21 and accelerated sales momentum into the second half Mach7 anticipates stronger revenue, EBITDA and free cash flow in the second half of the year.

In 2021 the Company remains focused on our customer's needs and creating an inclusive product development roadmap to shape our long-term product direction.

Commenting on the half-year results, Mach7 Technologies CEO Mike Lampron said: "Following a challenging 2020 for new business opportunities I am pleased Mach7 remained focused on our customers and their enterprise imaging needs.

The successful integration of eUnity viewing software into our platform is helping us to compete on larger opportunities. We're excited about the momentum in our business and our differentiated enterprise imaging capabilities".

This announcement has been approved for lodgment by the Board.

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.

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