

MACH7 RECEIVES \$4.8M SOFTWARE LICENSE ORDER FROM HAHK

Highlights:

- Software license order received from HAHK of \$4.8M
- Full \$4.8M expected to be recorded as revenue in FY20
- FY20 revenues expected to exceed \$18M, up > 90% from FY19
- Strong contribution to EBITDA
- \$4.8M expected to be collected as cash in FY20

Melbourne, Australia; 14 May 2020: Mach7 Technologies Limited (“Mach7” or the “Company”) (ASX:M7T) a company specialising in innovative medical imaging data management solutions for healthcare providers, today announced it has received a large purchase order for its software from its largest customer, Hospital Authority Hong Kong (HAHK), for A\$4.8 million. The purchase order received includes a license to the Mach7 enterprise imaging platform, licenses to its partner’s “eUnity” enterprise viewer, and additional Mach7 gateways.

Mach7 expects to recognise the full A\$4.8 million as revenue in the current financial year (“FY20”), subject to a review of revenue recognition principles pursuant to AASB15 and the financial year end audit. This will bring revenue for FY20 to more than \$18 million, up more than 90% from \$9.3 million in FY19. The \$4.8 million of revenue will provide a significant contribution to EBITDA given the high margins attributable to the Company’s software. In addition, the Company also expects to collect this purchase order in cash before the end of this financial year, further strengthening its already strong financial position.

Mach7 was contracted by HAHK in October 2018 (“Contract”) to provide its Enterprise Imaging Solution for the entire territory of Hong Kong. The contract awarded is for an initial term of five years, at a price of HK\$81 million (approximately A\$15 million). To date (including this purchase order), the Company has received purchased orders from HAHK valued at HK\$41 million, with approximately HK\$40 million of the Contract to be procured on or before expiry in October 2023.

Mach7 expects approximately 45% of the remaining Contract value to be attributed to annual support services which are expected to commence from September 2021, after an initial one year warranty period. There is potential upside should HAHK extend support services beyond the existing five-year contract.

ASX Announcement

Commenting on the continued progress being made with HAHK, Mach7 CEO Mike Lampron said, “We are pleased to see the progress and clinical value that the Mach7 Enterprise Imaging Platform, in concert with our partner Client Outlook (eUnity), provides the Hospital Authority. As our partnership continues to expand, it is our goal to ensure the Hospital Authority remains at the forefront of Enterprise Imaging in the APAC region.”

Today’s announcement reinforces Mach7 is in a strong financial position with more than \$23 million cash (before applying this purchase order), and no debt. With this announcement the Company expects to far exceed analysts’ current revenue and EBITDA forecasts for FY20. The geographical dispersion of the Company’s customer base has allowed the company to maintain a solid sales pipeline. In addition, its capital software licensing model has protected the Company’s revenues from the fall in imaging volumes that is being experienced globally.

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.

This announcement has been approved for lodgement by the Managing Director and Company Secretary.

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