FY2021 Results

23 AUGUST 2021

Approved for ASX lodgement by the Board

Agenda

- ✅ **Our Business**

- ✅ **Key Achievements FY21**

- ✅ **Customer Success**

- ✅ **Financials**

- ✅ **Outlook**

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Our Business

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Enterprise Imaging with a Global Presence

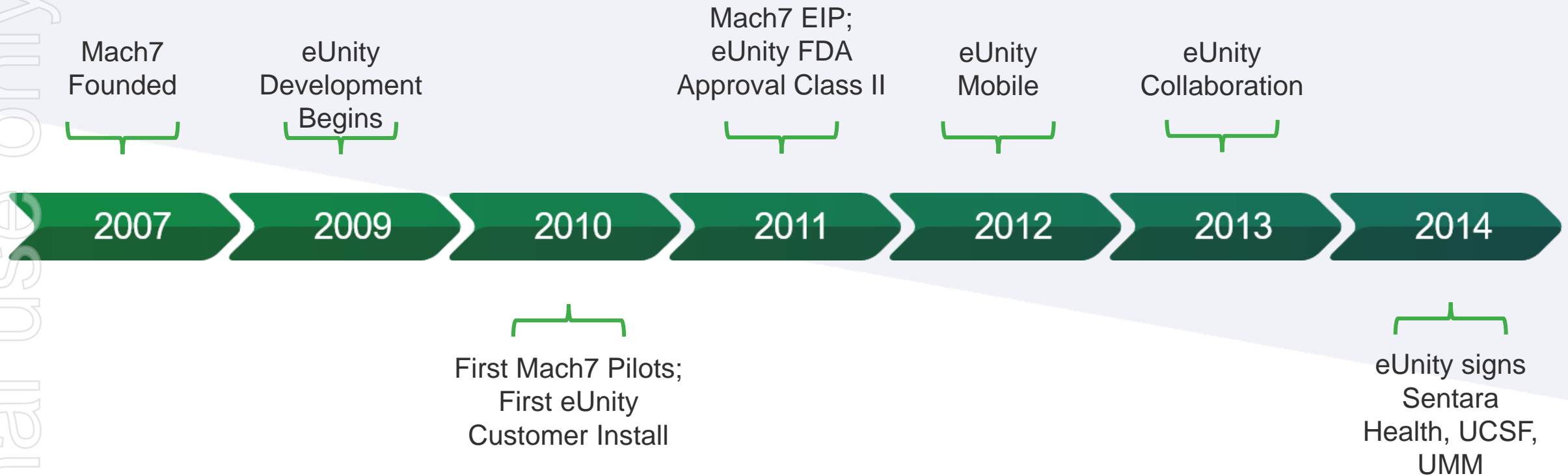**Hospital systems around the world use Mach7 Technologies**
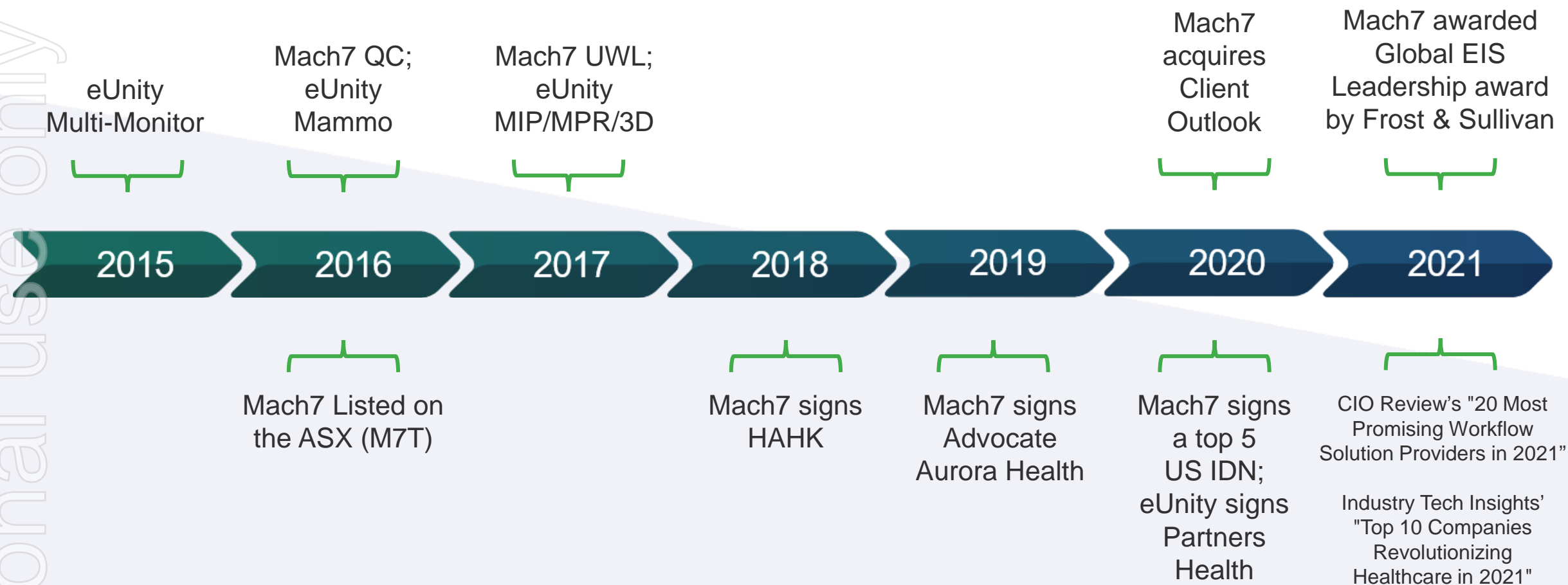
**Customer Footprint
15 Countries**

Australia
Canada
China
France
Hong Kong
Indonesia
Italy
Netherlands
Qatar
Philippines
Singapore
Saudi Arabia
United Kingdom
United States
Vietnam

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Mach7 History and Evolution

Mach7
Founded

eUnity
Development
Begins

Mach7 EIP;
eUnity FDA
Approval Class II

eUnity
Mobile

eUnity
Collaboration

| 2007 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |

First Mach7 Pilots;
First eUnity
Customer Install

eUnity signs
Sentara
Health, UCSF,
UMM

MACH7

Mach7 History and Evolution

eUnity
Multi-Monitor

Mach7 QC;
eUnity
Mammo

Mach7 UWL;
eUnity
MIP/MPR/3D

Mach7
acquires
Client
Outlook

Mach7 awarded
Global EIS
Leadership award
by Frost & Sullivan

2015 — 2016 — 2017 — 2018 — 2019 — 2020 — 2021

Mach7 Listed on
the ASX (M7T)

Mach7 signs
HAHK

Mach7 signs
Advocate
Aurora Health

Mach7 signs
a top 5
US IDN;
eUnity signs
Partners
Health

CIO Review's "20 Most
Promising Workflow
Solution Providers in 2021"

Industry Tech Insights'
"Top 10 Companies
Revolutionizing
Healthcare in 2021"

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Value Proposition

At Mach7, we provide an Enterprise Imaging Platform, that provides:

Consolidation of all images

At the core of this platform is a Vendor Neutral Archive which consolidates all images and reports across the enterprise into a single repository.

Access all images

We then enable access to this data to enterprise users directly or through the Electronic Medical Record using our true zero footprint viewer. This combined solution insulates the enterprise users from radiology departmental technology changes or departmental downtime issues.

PACS solution

The enterprise platform can be used as a diagnostic PACS solution, downtime PACS solution, research platform, or a test system for adaptive intelligence algorithms without impacting clinical workflow. This is a software only solution that leverages our customers existing IT infrastructure to streamline workflow and reduce IT burden.

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Market Leading Enterprise Imaging Solution

An enterprise-wide, interoperable platform for storing, retrieving and viewing all medical imaging data in one vendor neutral ecosystem.

Consisting of:

- **Enterprise Data Management**

- **Enterprise Diagnostic Viewing**
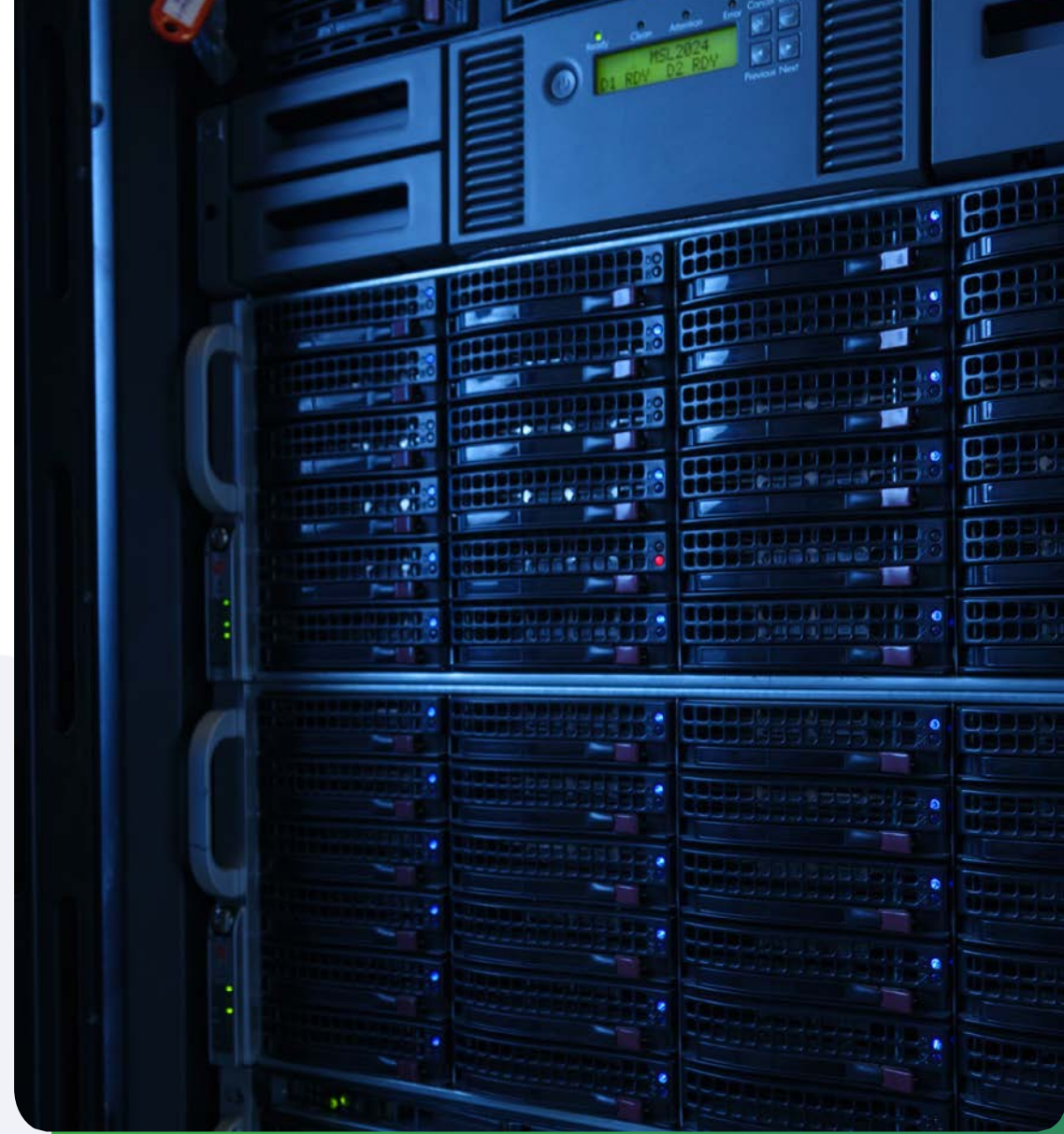
- **Enterprise PACS**

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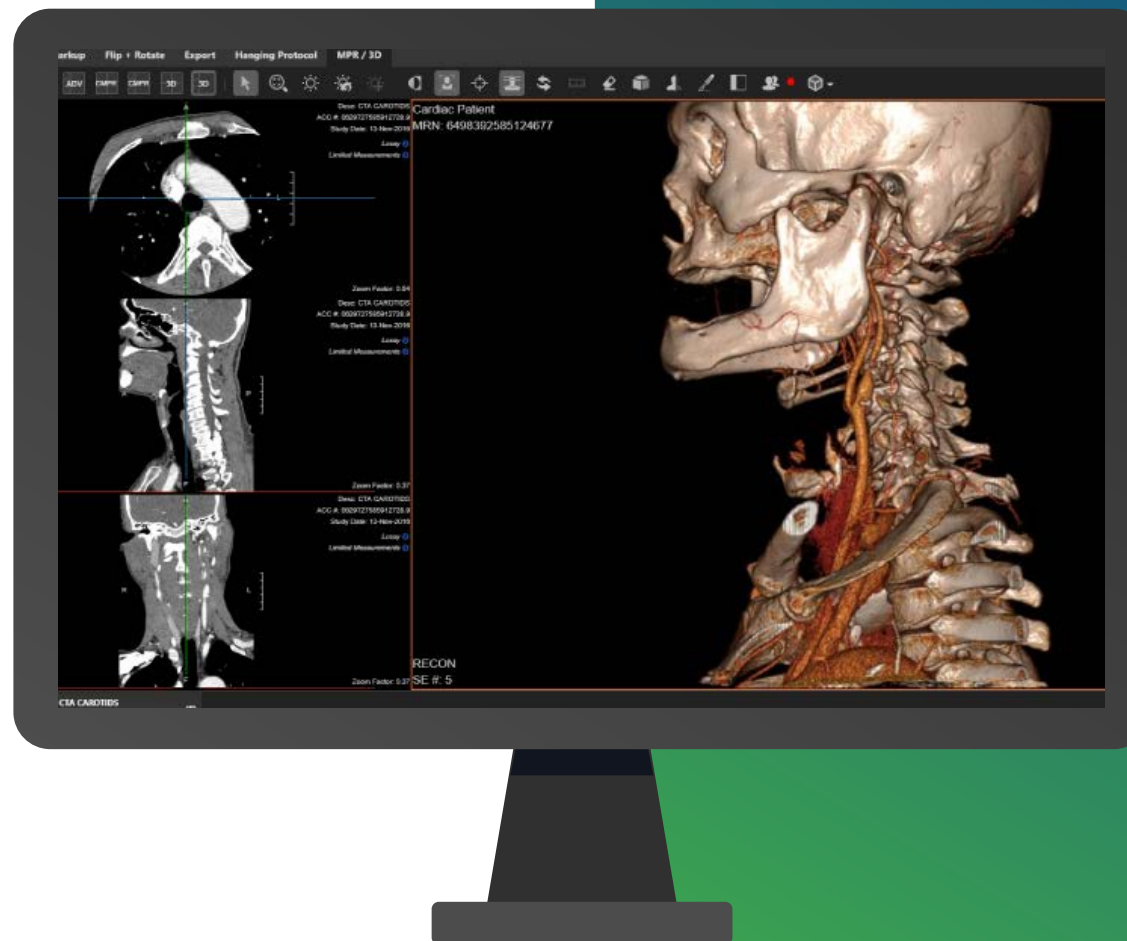
Solution Segments

Enterprise Data Management

- Vendor neutral archiving and image data management

- Can consolidate all images and imaging data

- Reduces complexity, makes data more accessible

- Offered on-premise or via Cloud infrastructure

- Drives and supports workflows across the enterprise to optimally capture, index, manage, store, distribute, view, exchange, and analyze all clinical imaging and multimedia content

- Security and exceptional performance

- Migration services

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Solution Segments

Enterprise Diagnostic Viewing

- **Industry leading zero-footprint eUnity Enterprise and Diagnostic Viewers**

- **No need to sacrifice image quality for amazing performance. Images stored to disk are presented at 100% of their quality.**

- **Accessible on any device with an HTML5-enabled web browser**

- **Designed to integrate with any PACS, VNA, or other image archive and can launch from any EMR**

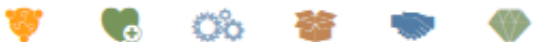- **One single viewer for all users, reducing cost and complexity while increasing access**

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Mach7 "eUnity" Ranked by KLAS

Rated Products

Loyalty **Product** **Value**

Culture **Operations** **Relationship**

Vendor	Products	Culture	Loyalty	Operations	Product	Relationship	Value	Cybersecurity Preparedness
MACH7	eUnity 87.7 n = 20	B	A-	B+	A-	B+	A-	
PHILIPS	Vue Motion (Carestream) 87.0 n = 20	A	A-	B+	B+	B	B	
IBM Watson Health	IBM iConnect Access (Universal Viewer) 84.1 n = 33	B	B+	B+	B+	B	B-	
GE	Universal Viewer 74.1 n = 34	C	C+	C	C+	C+	C-	

Average for Universal Viewer (Imaging) **82.6**

Average for Software **83.4**

Data collected between Aug 2020 - Aug 2021

Dynamic LIVE Data that may change

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Solution Segments

Enterprise PACS

- Enterprise diagnostic viewing and enterprise data management solution

- Powerful universal worklist and quality control tools to replace traditional PACS

- Load balance workloads across active clinicians with advanced algorithms

- Advanced assignment features with streamlined resident workflow

- Clinical collaboration through screen sharing and secure on-line chat capabilities

- User-created worklists, intelligent workload balancing and color-coded relevant prior studies

- Helps save time, reduce frustration, and improve patient care

- Enables a powerful teleradiology solution that can be accessed anywhere

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Key Achievements FY21

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Key Achievements FY21

M&A

Completed transformational acquisition of Client Outlook

Sales Up 95%

Achieved $25.6M of sales orders, highest in Mach7 history

ARR Up 80%

Grown CARR to $15.8M, with annualized ARR (current run rate) at $13.4M

New Talent

Bob Tranchida, VP Marketing

David Madaffri, VP Sales

Lisa Thompson, VP Services

Awards

Frost & Sullivan

2021 Global Enterprise Imaging Solutions Product Leadership Award

Industry Tech Insights

2021 Top 10 Companies Revolutionizing Healthcare

CIO Review

2021 Top 20 Most Promising Workflow Solution Providers

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Customer Success

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More than 150 customers spanning 15 countries

Hospitals and healthcare entities around the world deploy Mach7's solutions and innovative technologies.

We have 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, children's health centers and independent provider groups.
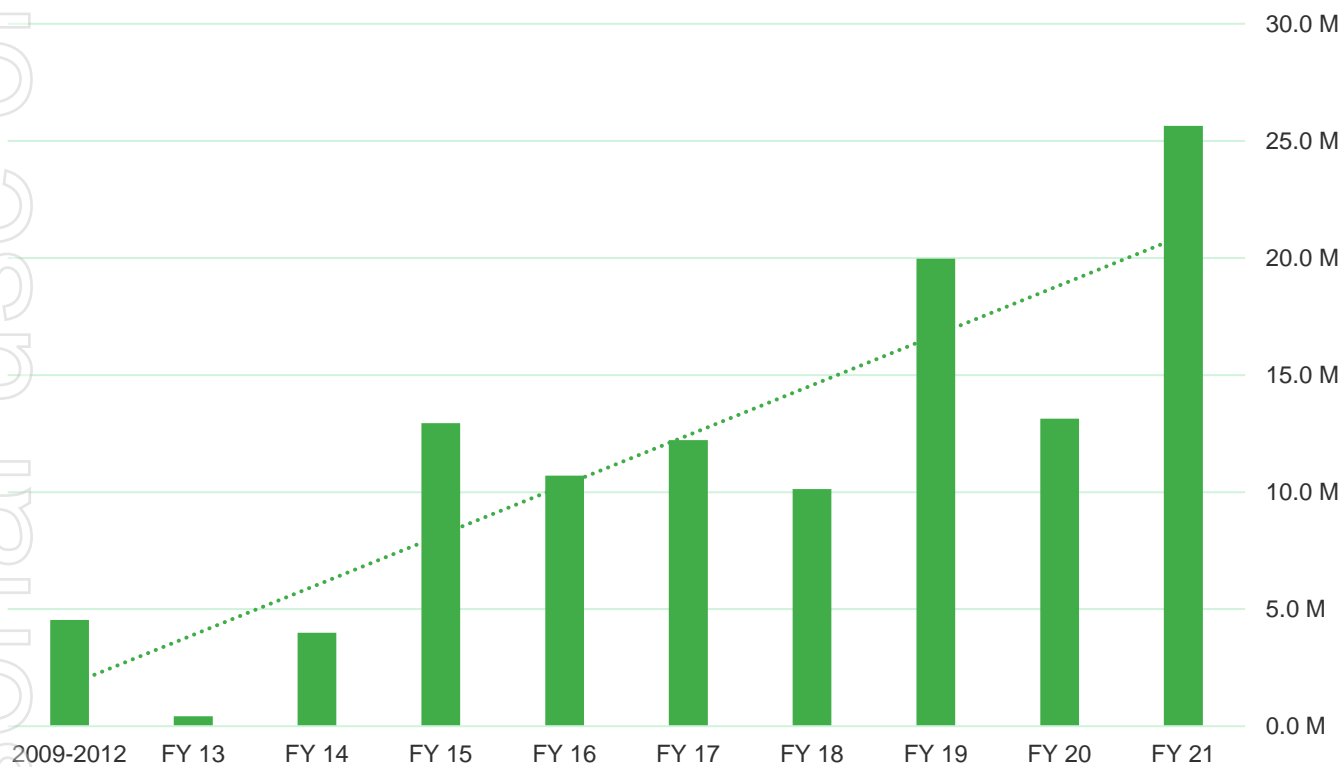
Partnerships focused on Meaningful Value to Support Patient Care

Augmenting and expanding Mach7's Enterprise Imaging Solution through innovative and collaborative partnerships designed to provide elevated value to healthcare providers around the globe.

History of Strong Sales Growth
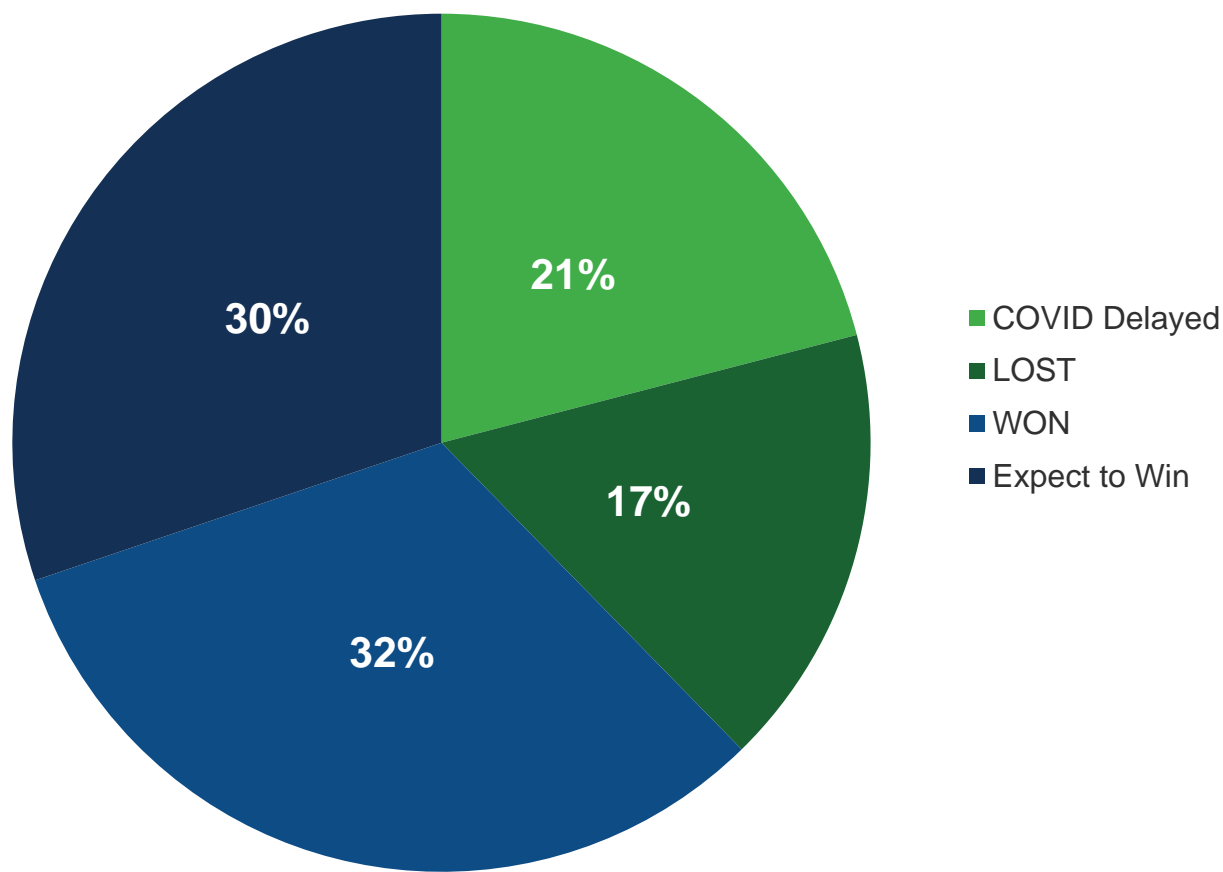
Sales Orders (TCV) Since Inception ($M)

Bar chart showing Sales Orders (TCV) since inception in $M, with a dotted trend line. Y-axis ranges from 0.0 M to 30.0 M.

- 2009-2012: ~4.5 M
- FY 13: ~0.5 M
- FY 14: ~4 M
- FY 15: ~13 M
- FY 16: ~10.5 M
- FY 17: ~12.5 M
- FY 18: ~10 M
- FY 19: ~20 M
- FY 20: ~13.5 M
- FY 21: ~25 M

- $114M of Sales Orders since inception*

- Established growth trajectory with 30% CAGR since FY14

Includes Client Outlook sales from acquisition date onwards

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62% Win-Rate Expected

% of Total Contract Value

Legend:
- COVID Delayed
- LOST
- WON
- Expect to Win

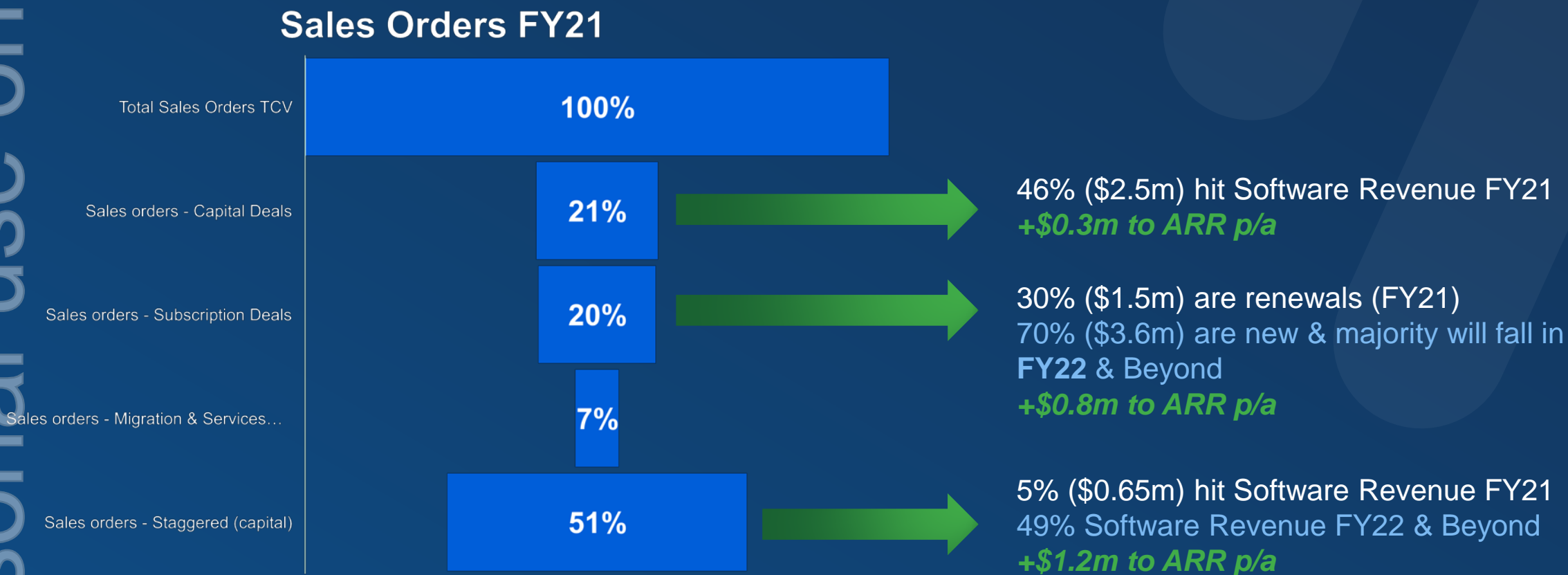Pie chart values: 21%, 30%, 17%, 32%

Of the $40M Pipeline (subset) previously announced on 10 June 2020:

- **Won 32%**

- **Expect to Win further 30%**

- **21% are still in the pipeline, decisions were delayed due to COVID**

- **17% were lost**

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Sales Orders Underpin FY22 & Beyond

Mach7 Records $25.6M of Sales Orders in FY21 – ~85% of value still to be recognised as revenue

Sales Orders FY21

Total Sales Orders TCV	**100%**
Sales orders - Capital Deals	**21%**
Sales orders - Subscription Deals	**20%**
Sales orders - Migration & Services…	**7%**
Sales orders - Staggered (capital)	**51%**

46% ($2.5m) hit Software Revenue FY21
+$0.3m to ARR p/a

30% ($1.5m) are renewals (FY21)
70% ($3.6m) are new & majority will fall in
FY22 & Beyond
+$0.8m to ARR p/a

5% ($0.65m) hit Software Revenue FY21
49% Software Revenue FY22 & Beyond
+$1.2m to ARR p/a

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Mach7 is Taking Share in Global Radiology Imaging Market

**FY20
$2.4B**

- 5 year Market CAGR to 2025 3.7%

- Mach7 5 year Revenue CAGR from 2016 28%

**FY25
$2.9B**

Source: Signify Research Imaging IT World 2021 Report

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Financials FY21

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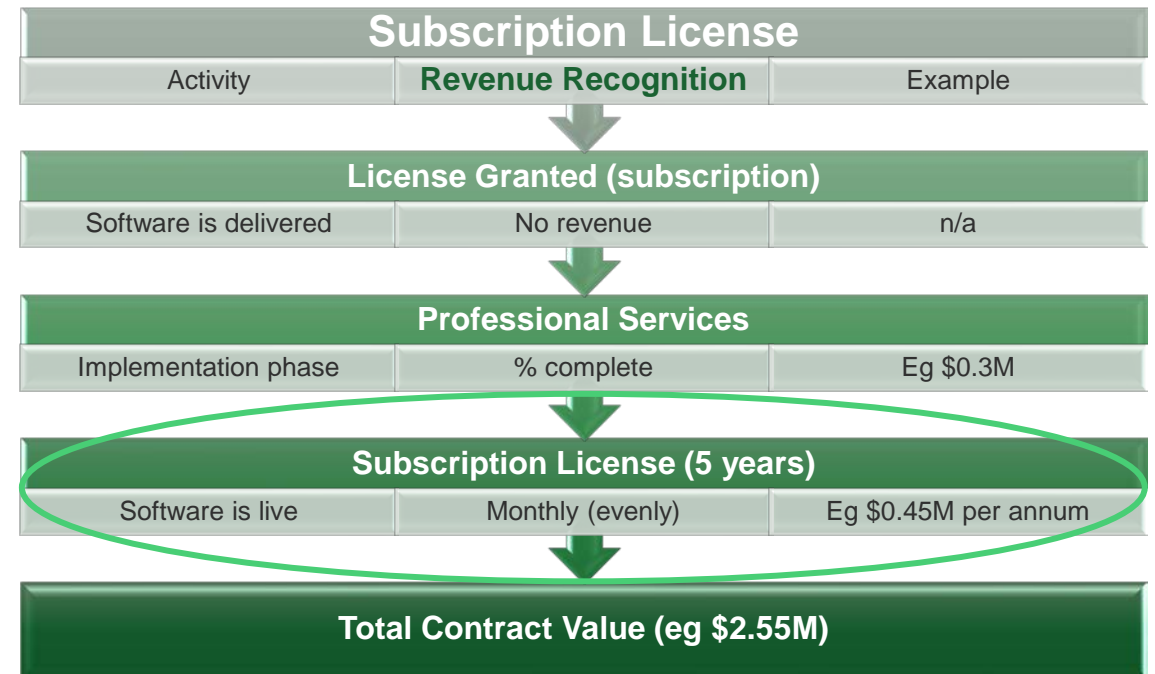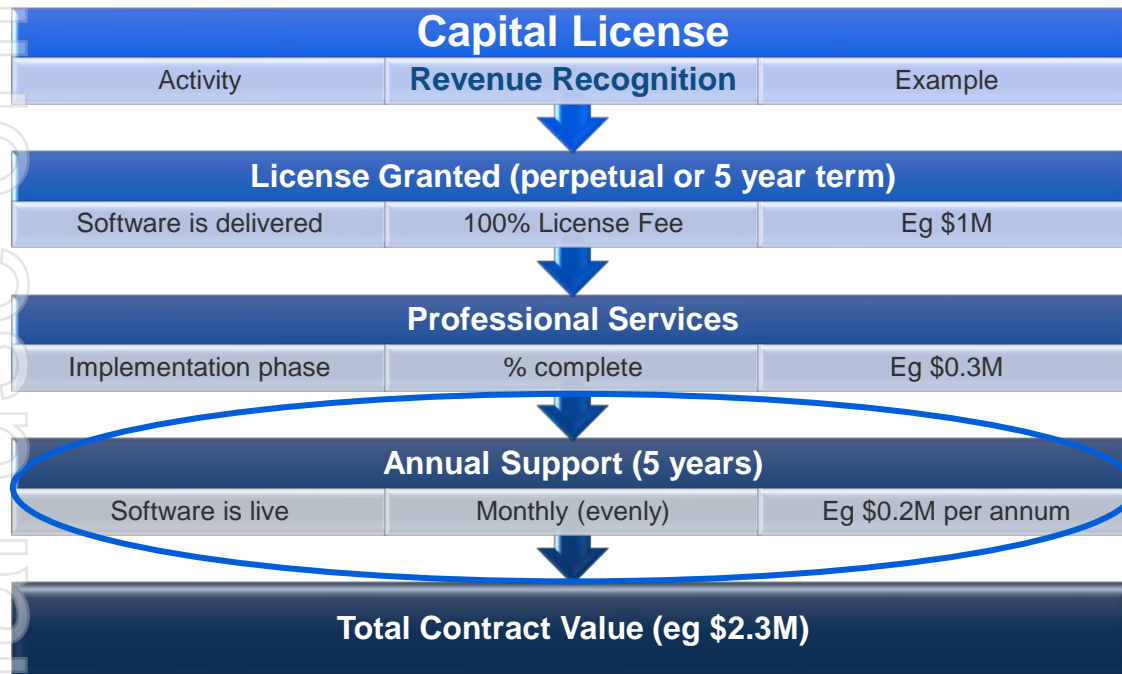
FY2021 Financial Highlights

- **$25.6M Sales Orders (TCV*);** Highest on Record; up 95%;

- **20% of Sales Orders are SAAS;** Up from 3% in FY20

- **97% Gross Margin %;** Up from 87% in FY2020

- **$18.4M Gross Margins;** Up 12%

- **$19.0M Revenue;** Up 1%; (Up 13% on a constant currency basis)

- **EBITDA Loss -$1.8M;** (FY20 Profit $3.3M)

Total Contract Value (TCV) means software license fees, professional service fees and annual support (or annual subscription) over the life of the contract.
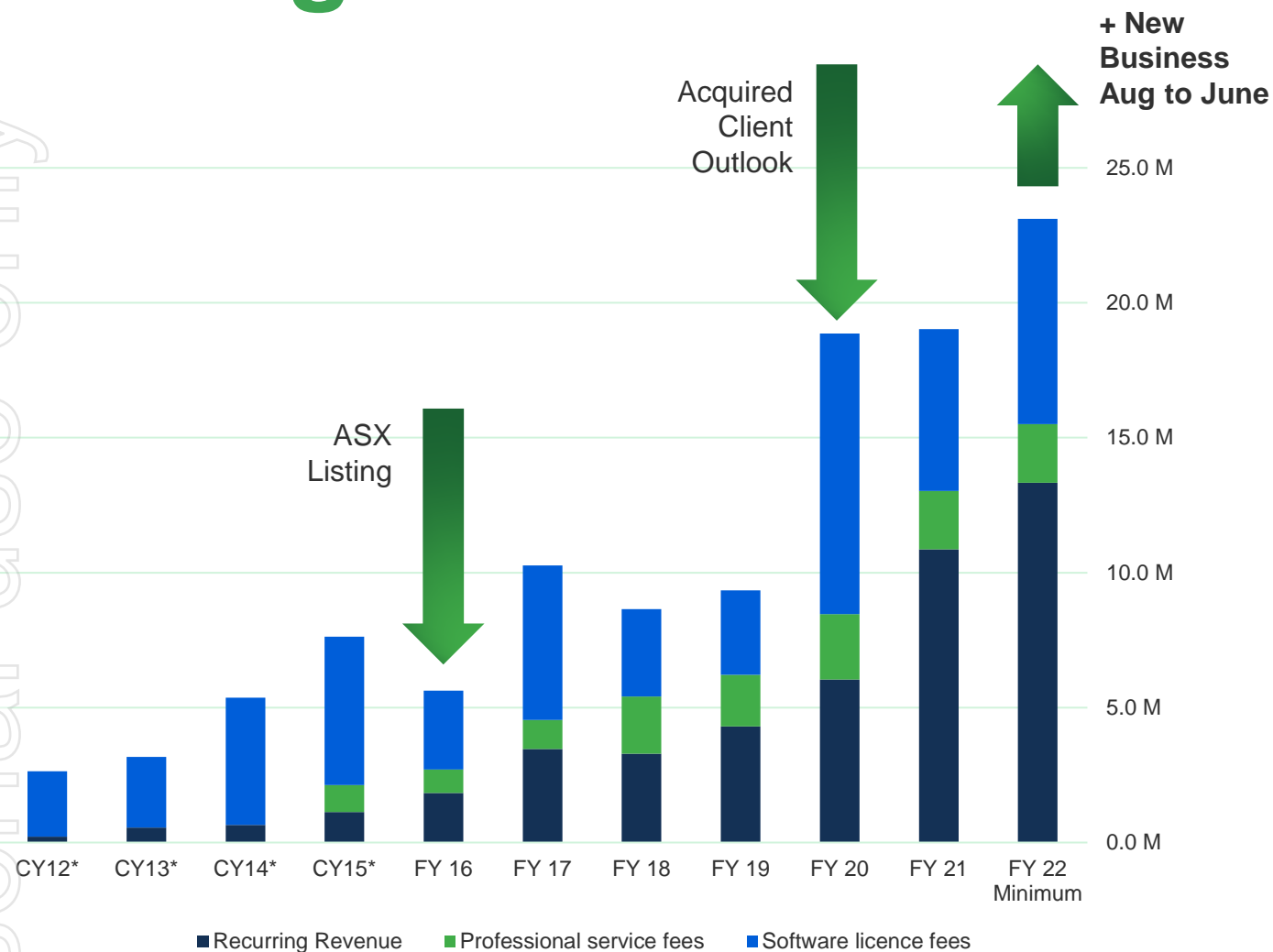
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License Fees

Two sales models – Capital License ("Capex") and Subscription License ("SAAS")

Capital License		
Activity	**Revenue Recognition**	Example

License Granted (perpetual or 5 year term)		
Software is delivered	100% License Fee	Eg $1M

Professional Services		
Implementation phase	% complete	Eg $0.3M

Annual Support (5 years)		
Software is live	Monthly (evenly)	Eg $0.2M per annum

Total Contract Value (eg $2.3M)

Subscription License		
Activity	**Revenue Recognition**	Example

License Granted (subscription)		
Software is delivered	No revenue	n/a

Professional Services		
Implementation phase	% complete	Eg $0.3M

| Subscription License (5 years)		
Software is live	Monthly (evenly)	Eg $0.45M per annum

Total Contract Value (eg $2.55M)

Annual Support + Subscriptions = Annual Recurring Revenue (ARR)
Current run-rate = $13.4M p/a / 165 active customers, Covers > 60% of operating expenditures

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Strong Revenue Growth

Chart labels: Acquired Client Outlook · + New Business Aug to June · ASX Listing

Y-axis: 25.0 M · 20.0 M · 15.0 M · 10.0 M · 5.0 M · 0.0 M

X-axis: CY12* · CY13* · CY14* · CY15* · FY 16 · FY 17 · FY 18 · FY 19 · FY 20 · FY 21 · FY 22 Minimum

Legend: ■ Recurring Revenue · ■ Professional service fees · ■ Software licence fees

- Revenue CAGR = 28% since listing

- FY22 book of business at **$23.1M** to date:

  - **$6.1M** software license fees from Capital Licenses Already Sold – Phased Roll-Out

  - **$2.2M** services order book

  - **$13.4M** recurring revenue run rate (today)

  - **$1.4M** AAH, St. Lukes revenue already recognised July

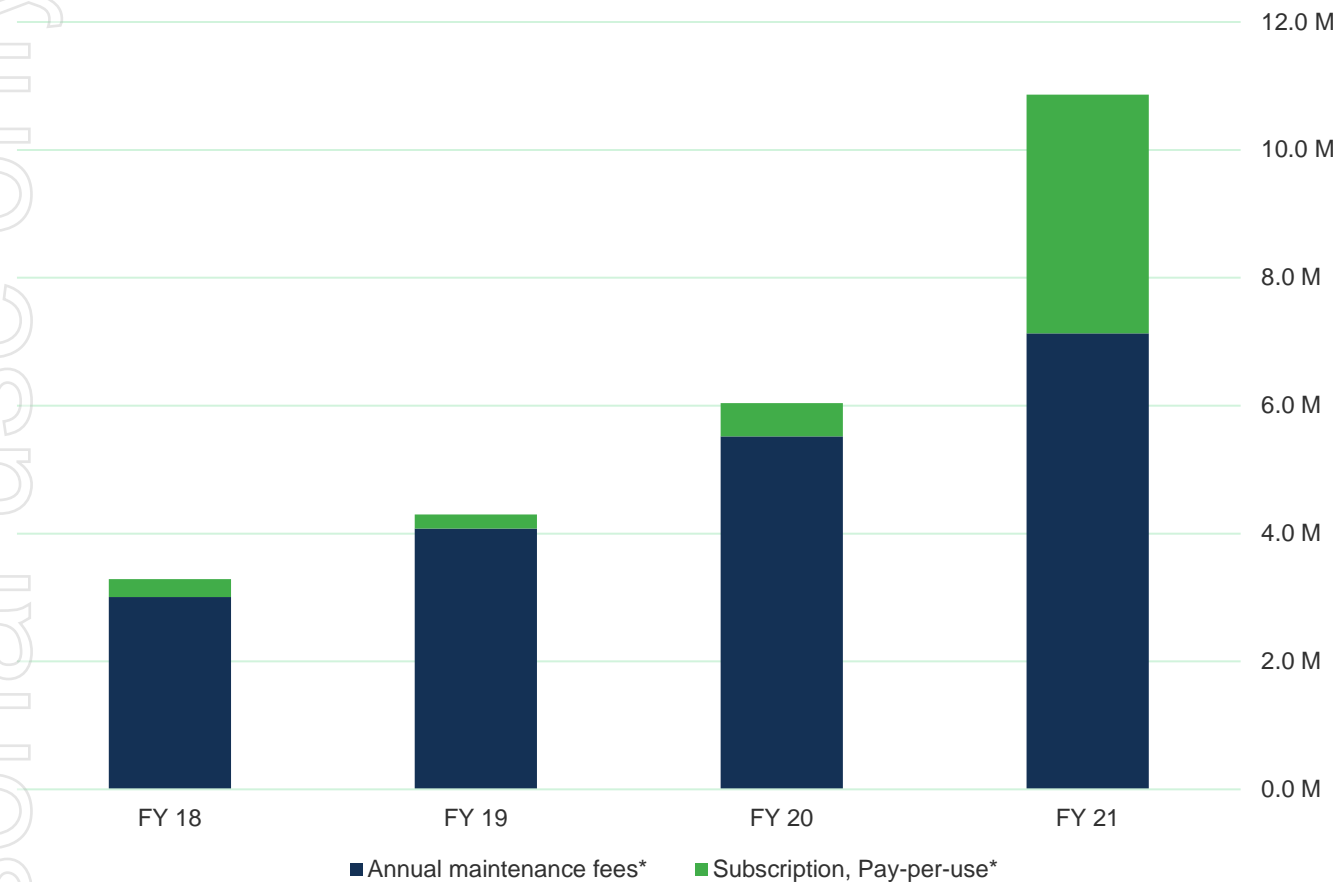- 11 months of year to win new contracts, adding to FY22 minimum of **$23.1M**

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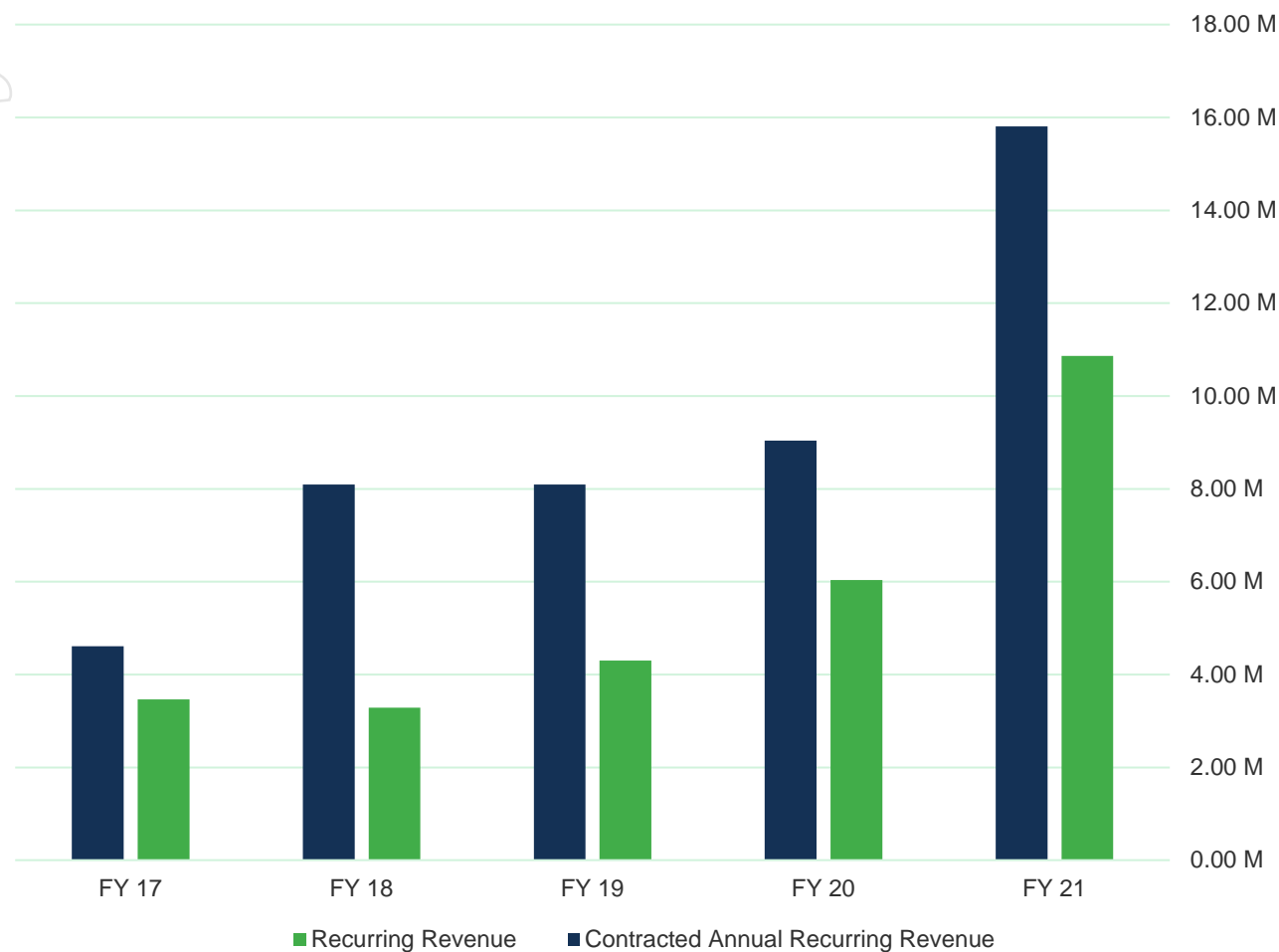
Recurring Revenue

- **$10.9M ARR Recognised for FY2021; Up 80% (FY20 $6M)**

- **$13.4M ARR Current Run-Rate**

- **$15.8M Contracted Recurring Revenue ($2.4M of recurring revenue on back order, not live)**

- **4.4% Recurring Revenue Attrition (since inception, not annually)**

Recurring Revenue

Annual Recurring Revenue (ARR) Growth

Chart: ARR Growth by fiscal year (FY 18–FY 21), stacked bar, Y-axis 0.0 M to 12.0 M.

Legend: ■ Annual maintenance fees* ■ Subscription, Pay-per-use*

Strong ARR Growth

- **ARR up $4.85M (80%)**

- **Subscription fees up $3.22M (620%)**

- **Annual maintenance fees up $1.63M (29%)**
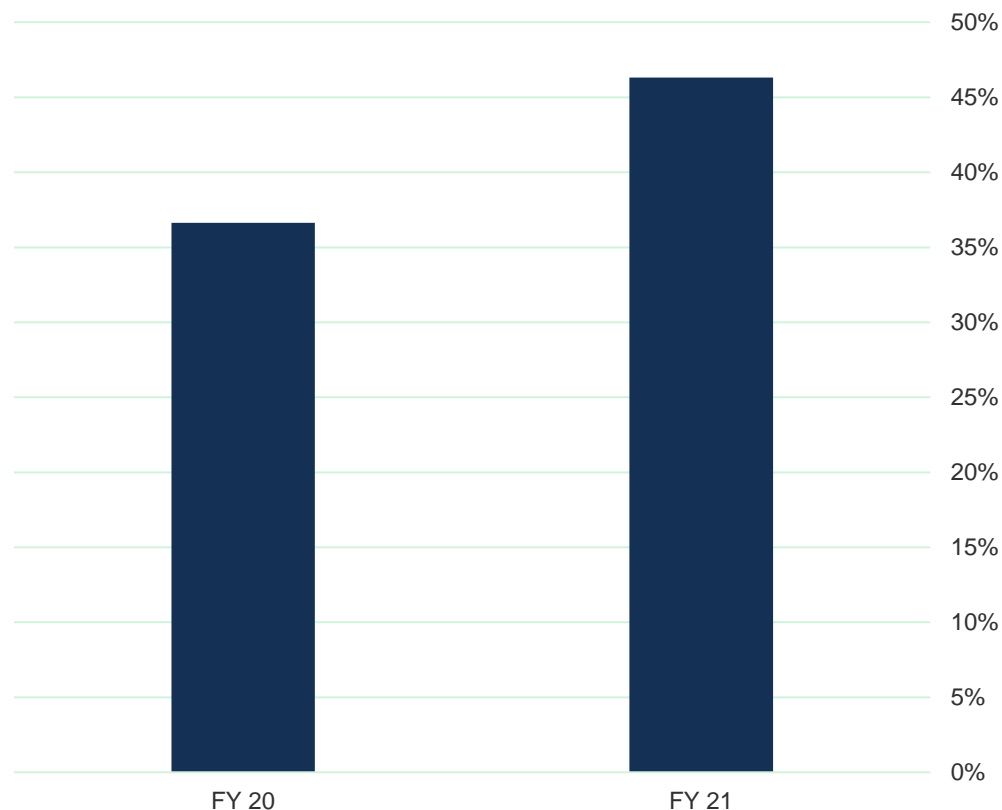
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Highly Scalable
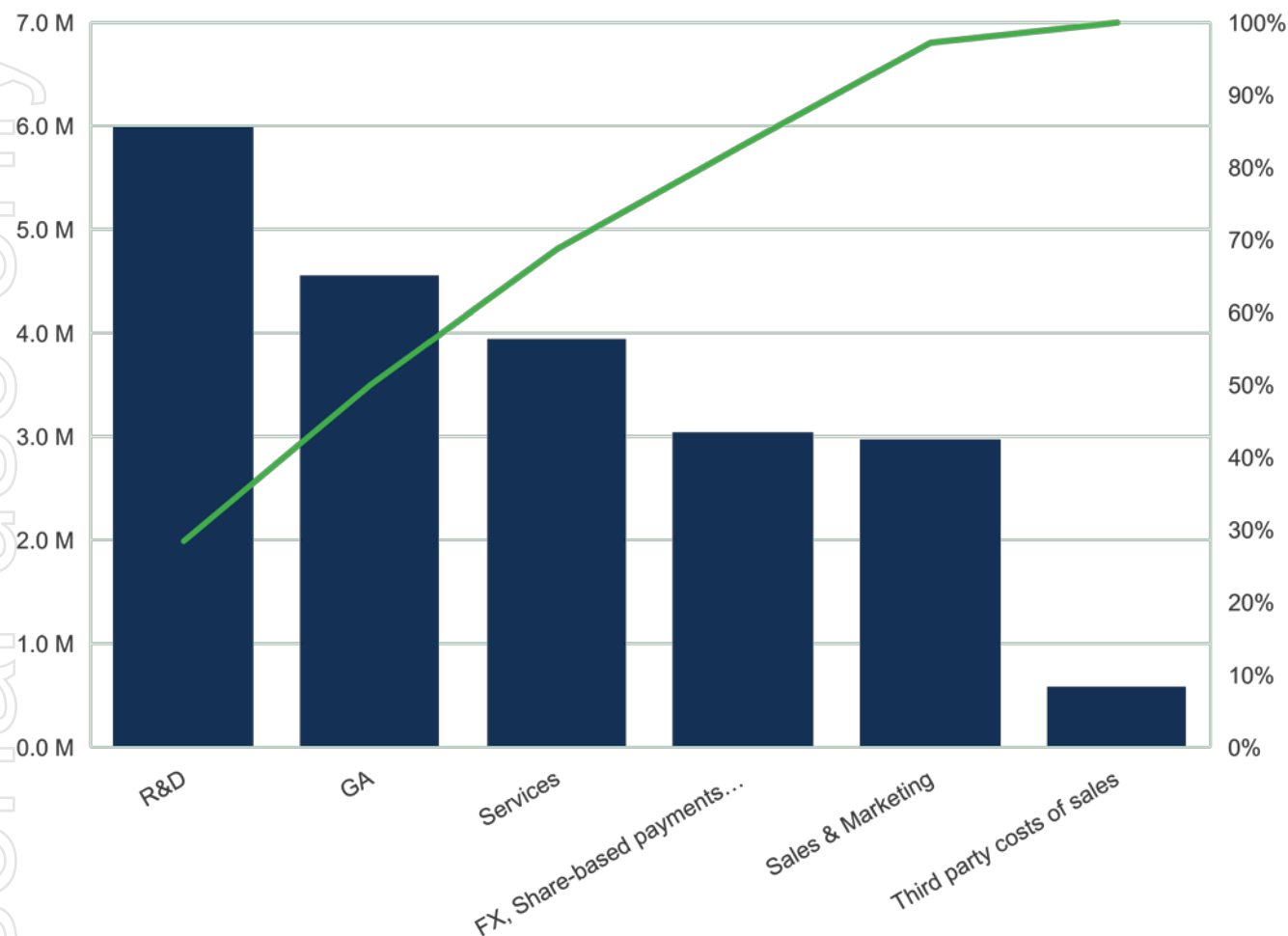
Expenses $21.1M, includes:

- **Operating expenses $17.5M**

- **CGS $0.6M**

- **Non-cash share-based payments and FX loss $3.0M**

- **R&D 28.5% of Expenses**

- **R&D is all expensed as incurred (not capitalized)**

- **Sales & Marketing 14% of Expenses (16% of Revenue) - very efficient - has scope for investment to drive revenue growth**

Contribution Margin >45%

- **24% improvement in contribution margin* despite flat revenue growth**

- **Removal of distributor fees on the Client Outlook product following the acquisition**

- **Reduced marketing activity given COVID restrictions**

- **Offsetting these positive drivers were increases in R&D & Services expenditure**

- **Contribution margin is anticipated to be stable at >45% for FY22**

*Contribution margin = [CGS, sales & marketing, services, R&D (30%), G&A (20%)] as a % of Revenue

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Outlook

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COVID-19

Impact to FY21

- **Hospitals in the US faced unprecedented financial pressure**

- **This in turn effected hospital staffing and forced prioritization of projects**

- **Revenue delays were created by the timing of projects due to staffing and budget uncertainty**
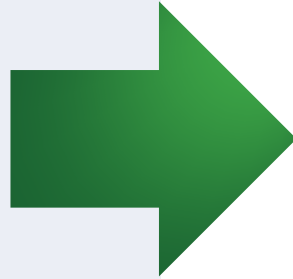
Outlook FY22

- **Hospital spending appears to be back on track**

- **Staffing issues are on their way to recovery**

- **Projects are being prioritized for imaging and IT**

- **Travel to sites and tradeshows will have a positive impact on pipeline**

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FY22 Outlook

Financial

- $27M Revenue Target for CY21 (previously announced on 10 June 2020) is On Track

- FY22 Minimum Revenue is $23.1M - set up for strong growth over FY21

- FY22 is expected to produce Positive EBITDA. The Company may provide EBITDA guidance further into FY22

Product

- Fully integrated product roadmap by end of 1HFY22

- Performance of the viewer enhanced by adding GPU hardware support

- Advanced Imaging workflow for Breast Imaging and unified workflow between eUnity and VNA

- Personalization for the end users

- Expanded cloud storage support

Sales & Marketing

- Springboard from an exceptional FY21 sales year

- Newly aligned sales team focused on Data Management & image viewing across an enterprise

- Continued development of new partnerships & integrations to enable our customers

- Growing client list of nationally recognized IDN's across the US

Industry

- Focused on Enterprise Data Management, the backbone of an Enterprise Strategy

- Focused on providing the best enterprise zero foot-print viewer in the industry

- Enterprise Imaging is growing by segment in the industry every year, whilst Traditional PACS solutions are trending down

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Strong fundamentals heading into FY22

- Long dated history of sales order growth – 30% CAGR since FY14

- Good visibility of FY22 revenues, with minimum $23.1M expected from existing orders & ARR

- Strong unit economics which are likely to hold in FY22; Contribution margin is anticipated to be stable >45% for FY22

- Increased investment into sales and marketing in FY22 is expected to translate to top line growth

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Thank you

For investor queries, contact:

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