

MACH7 TO ACQUIRE CLIENT OUTLOOK GROUP AND LAUNCH CAPITAL RAISING

Highlights

- Mach7 acquiring 100% of the outstanding shares of Client Outlook Inc. for CA\$38.5m (~A\$40.8m) all cash
- Client Outlook is a leading provider of enterprise image viewing technology – “eUnity”
- Provides Mach7 with a full departmental clinical diagnostic Picture Archive Communication System (PACS) solution offering
- Mach7 to fund the acquisition via fully underwritten accelerated non-renounceable entitlement offer and placement to raise A\$34.8 million
- Mach7 will have approximately A\$15 million cash reserves post acquisition for working capital

Melbourne, Australia; 10 June 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 executed a share sale agreement for the purchase of 100% of the shares of Client Outlook Inc. – a Company specializing in enterprise viewing technology with a platform known as “eUnity” (“Acquisition”). Mach7 will fund this acquisition by raising capital via a fully underwritten Accelerated Non-renounceable Entitlement Offer, in conjunction with a Placement to institutional and other sophisticated investors (“Capital Raising”). The Acquisition is expected to complete by Friday, 10 July 2020.

Acquisition of Client Outlook

Mach7 will acquire all the outstanding securities of the Client Outlook Group for CA\$38.5 million (~A\$40.8 million) cash, on a cash-free/debt-free basis. The purchase price will be adjusted for any changes in working capital at closing when compared to an agreed historical average. The Acquisition is conditional on customary conditions for a transaction of this nature.

The Acquisition is strategically compelling in that it completes Mach7’s enterprise imaging solution offering and provides a unique enterprise-wide solution to the healthcare imaging market. More specifically, it delivers the following:

- ❑ Mach7 will be a complete Enterprise Imaging solution provider (front & back end enterprise imaging technology combined), establishing a significant commercial opportunity

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- ❑ Provides Mach7 with a full departmental clinical diagnostic Picture Archive Communication System (PACS) solution offering, significantly increasing Mach7's addressable market opportunity from US\$0.75 billion to US\$2.75 billion¹
- ❑ Increases the sales pipeline by 56% including A\$40 million of contracted revenue opportunities
- ❑ Increases customer install base by >150% to ~150 customers
- ❑ Increases contracted annual recurring revenues by 70% to \$14.75 million
- ❑ Low integration risk, Client Outlook is a well-known entity, team and product to Mach7

Mach7 has separately contracted four of the senior executives of Client Outlook via employment agreements. These include Client Outlook's current CEO, Steve Rankin, who will become the Mach7 Chief Product Officer, and the VP Engineering, VP Sales and Chief Operating Officer. These senior executives will be incentivised to create long term growth with stock options offered under the Mach7 long term incentive plan.

"This deal is truly transformational for Mach7 and its shareholders," said Mike Lampron, CEO of Mach7. "We have observed the evolution of enterprise imaging and decided that now is the time to modernize the outdated PACS landscape. As one organization we can offer a modular PACS solution that combines the unique characteristics of a clinical VNA with powerful workflow features, a universal worklist and the industry gold standard zero-footprint enterprise and diagnostic viewer." Lampron added; "This offering is extremely compelling, but the enterprise-first philosophy of Mach7 and Client Outlook is truly what I believe is going to set us apart as we move forward together."

"This is a defining moment that puts us in a pioneering role to take the industry in a new direction;" said Steve Rankin, CEO of Client Outlook. "We are living in a time of unprecedented change that requires solutions that offer unprecedented flexibility. By combining our resources, we have a tremendous opportunity to accelerate our established imaging platforms that provide healthcare organizations the ability to quickly adapt and innovate. We're excited to work together to continue building the best imaging team in the industry and support our customers and partners on their journey."

Capital Raising

The Company is undertaking a fully underwritten Equity Raising of \$34.8 million (Equity Raising or Offer) via an institutional Placement of approximately \$3.7 million and a 1 for 4 pro-rata accelerated non-renounceable entitlement offer of approximately \$31.1 million. The Equity Raising will result in

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the issue of approximately 51.2 million new fully paid ordinary shares in the Company (New Shares). Each New Share issued under the Equity Raising will rank equally with existing shares on issue.

Proceeds from the Equity Raising will be used solely for the purchase of the outstanding shares in Client Outlook Inc.

All shares under the Placement and Entitlement Offer will be issued at a fixed price of \$0.68 per share (Offer Price). This Offer Price represents a 13.9% discount to the last traded price of \$0.79 on 9 June 2020 and 11.2% discount to TERP² of \$0.7659.

The Equity Raising is fully underwritten, by Morgans Corporate Limited (Morgans). Morgans are sole lead manager for the Equity Raising.

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 New Share for every 4 shares they hold as at 7.00pm (AEST) on Friday, 12 June 2020 (Record Date). Entitlements cannot be traded on the ASX or transferred. Eligible shareholders who do not take up their entitlement under the Entitlement Offer in full or in part, will not receive any value in respect to those Entitlements not taken up.

Institutional Entitlement Offer and Placement

Eligible institutional shareholders of Mach7 are being invited to participate in the accelerated institutional component of the Entitlement Offer (Institutional Entitlement Offer). Any New Shares that would have been issued in respect of institutional entitlements not taken up by eligible institutional shareholders by the close of the Institutional Entitlement Offer and the New Shares that would have been issued to ineligible institutional shareholders (had such ineligible institutional shareholders taken up their entitlements) (Institutional Shortfall Shares), will be offered through an institutional shortfall bookbuild expected to be conducted on Thursday, 11 June 2020 (Institutional Shortfall Bookbuild).

The New Shares to be issued under the Placement will be issued within Mach7's existing placement capacity under ASX Listing Rules 7.1 and 7.1A.

Please refer to the Indicative Timetable below for key dates.

Retail Entitlement Offer

Eligible Retail Shareholders with a registered address in Australia or New Zealand at the Record Date will be entitled to participate in the retail component of the Entitlement Offer (Retail Entitlement Offer). The Retail Entitlement Offer will open on Wednesday 17 June 2020 and close at 5.00pm (AEST) on Friday 26 June 2020. Eligible retail shareholders who take up their entitlement in full will also be offered the opportunity to subscribe for additional New Shares, up to a maximum of 50% of their entitlement under an oversubscription facility, but only to the extent that there is a shortfall under the Retail Entitlement Offer (Shortfall Facility) and at the Board's absolute discretion.

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Further details about the Retail Entitlement Offer will be set out in the retail offer booklet, which the Company expects to lodge with the ASX and dispatch on Wednesday, 17 June 2020.

For any enquiries in relation to the Retail Entitlement Offer please call Morgans Corporate Limited on 03 99474101 (within Australia) or +61 3 99474101 (from outside Australia) from 8.30am to 5.00pm (AEST) during the retail offer period, or contact your stockbroker, accountant or other professional adviser. Please refer to the Indicative Timetable below for key dates.

Investor Presentation

Further details of the Acquisition and the Capital Raising are set out in the investor presentation also provided to ASX today. The investor presentation contains important information including the terms and key risks of the Acquisition. A copy can also be found on the Company's website at www.mach7t.com

Indicative Timetable

Event	Date (2020)
Trading halt request Announcement of the Acquisition and Capital Raising	Before market opens on Wednesday, 10 June
Conduct of Placement and Institutional Entitlement Offer	Wednesday, 10 June and Thursday, 11 June
Institutional Shortfall Bookbuild	Thursday, 11 June
Announcement of results of Placement and Institutional Entitlement Offer Trading halt lifted and trading resumes on an ex-entitlement basis	Before market opens on Friday, 12 June
Record Date for eligibility to participate in the Entitlement Offer	7:00 pm (AEST) on Friday, 12 June
Retail Entitlement Offer Booklet and Entitlement & Acceptance Form dispatched to shareholders	Wednesday, 17 June
Retail Entitlement Offer opens	Wednesday, 17 June
Settlement of New Shares under the Placement and the Institutional Entitlement Offer	Wednesday, 17 June
New Shares allotted and issued under the Placement, the Institutional Entitlement Offer and the Institutional Shortfall Bookbuild	Thursday, 18 June

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New Shares allotted and issued under the Placement, the Institutional Entitlement Offer and the Institutional Shortfall Bookbuild commence trading on ASX on a normal settlement basis	Friday, 19 June
Closing Date of Retail Entitlement Offer	5:00 pm (AEST) on Friday, 26 June
Announcement of results of Retail Entitlement Offer (including any shortfall)	Wednesday, 1 July
Settlement of Retail Entitlement Offer	Thursday, 2 July
New Shares allotted and issued under the Retail Entitlement Offer	Friday, 3 July
New Shares issued under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis	Monday, 6 July

Footnotes:

1. Provided by Signify Research
2. Theoretical ex-rights price (TERP) includes the shares issued under the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer. TERP is the theoretical price at which shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares trade on ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of the Company's shares as traded on ASX on Tuesday, 9 June 2020 of \$0.79, being the last trading day prior to the announcement of the Entitlement Offer.

About Client Outlook:

Client Outlook Inc. is a healthcare technology company focused exclusively on empowering the image viewing evolution from hospital department to healthcare enterprise through an innovative software platform called eUnity. Uniquely designed as a zero-footprint viewing solution but purpose-built as an integration platform, eUnity gives all patient care stakeholders equal access to images for clinical viewing and diagnostic radiology reading. This powerful foundation cultivates a boundary-less enterprise that is prepared for future growth. Visit www.clientoutlook.com for more information.

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

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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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This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any person in the United States or in any other jurisdiction in which such an offer would be illegal. The New Shares have not been, nor will be, registered under the U.S. Securities Act of 1933 as amended (U.S. Securities Act) or under the securities laws of any state or other jurisdiction of the United States. The New Shares may not be issued to, purchased or traded by, or taken up by, any person in the United States or any person acting for the account or benefit of a person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

This announcement has been approved for lodgement by the Board of Directors.

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