

Mach7 Technologies Limited
Appendix 4D
Half-year report

1. Company details

Name of entity: Mach7 Technologies Limited
ABN: 26 007 817 192
Reporting period: For the half-year ended 31 December 2025
Previous period: For the half-year ended 31 December 2024

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	23.0% to	13,653,595
Loss from ordinary activities after tax attributable to the owners of Mach7 Technologies Limited	up	207.7% to	(5,749,066)
Loss for the half-year attributable to the owners of Mach7 Technologies Limited	up	207.7% to	(5,749,066)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$5,749,066 (31 December 2024: loss of \$1,868,692).

Please refer to the "Operating and Financial Review" in the Directors' Report for a detailed explanation and analysis of the Group's performance for the six months ended 31 December 2025.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>8.40</u>	<u>9.83</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half Year Report.

11. Attachments

Details of attachments (if any):

The Half Year Report of Mach7 Technologies Limited for the half-year ended 31 December 2025 is attached.

12. Signed


Signed _____

Date: 27 February 2026

Robert Bazzani
Chairman
Melbourne

Mach7 Technologies Limited

ABN 26 007 817 192

Half Year Report - 31 December 2025

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Mach7 Technologies Limited
Directors' report
31 December 2025

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity', 'Group' or 'Mach7') consisting of Mach7 Technologies Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2025. All amounts are in AUD.

Directors

The following persons were Directors of the Company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

- Mr Robert Bazzani - Independent Non-Executive Chairman
- Ms Teri Thomas - Managing Director and Chief Executive Officer (appointed effective 1 July 2025)
- Mr Eliot Seigel, MD - Independent Non-Executive Director
- Ms Rebecca Thompson - Independent Non-Executive Director

Principal activities

The principal activity of the Company is the development and commercialisation of medical imaging and data management software solutions for global healthcare organisations.

Operating and financial review

The loss for the consolidated entity after providing for income tax amounted to \$5,749,066 (31 December 2024: loss of \$1,868,692).

Financial position

At 31 December 2025, the Group reported net current assets of \$13.71 million (30 June 2025: \$15.87 million), which includes cash on hand of \$18.49 million (30 June 2025: \$23.07 million), trade and other receivables \$4.29 million (30 June 2025: \$3.93 million) and customer contract assets of \$0.96 million (30 June 2025: \$1.54 million).

Review of operations

Revenue from continuing operations

Revenue decreased by 23% on previous corresponding period, \$13.65 million revenue recognised (half-year 31 December 2024: \$17.74 million).

Group revenue for the half-year was \$13.65 million, a decrease of 23% compared to the prior corresponding period (PCP), primarily reflecting lower one-time Software licence and Professional Services revenue. Recurring revenue, comprising Subscription revenue and Maintenance and Support revenue (ARR), was \$11.58 million, representing a solid base and accounting for the majority of Group revenue despite an 8% decline on PCP.

The Group's ARR recognised for the period represented 78% of operating expenditure (PCP: 80%), continuing to demonstrate the strong contribution of recurring revenues to the Group's cost base. Software licence revenue for the half-year was \$1.12 million, down \$2.42 million on PCP, reflecting fewer large capital software licence expansions and add-on transactions during the period.

Professional Services revenue was \$0.95 million, a decrease of \$0.60 million compared to PCP, largely due to the timing and mix of sales activity, with fewer large-scale implementation projects recognised during the half.

The table below provides a breakdown of revenue recognised by product/service:

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	31 December 2025 \$	31 December 2024 \$	Change \$	Change %
Subscription revenue*	5,542,496	6,333,962	(791,466)	(12%)
Maintenance and Support revenue	6,039,574	6,313,855	(274,281)	(4%)
Total recurring revenue	<u>11,582,070</u>	<u>12,647,817</u>	<u>(1,065,747)</u>	(8%)
Software Licence revenue*	1,124,991	3,542,148	(2,417,157)	(68%)
Professional Service revenue**	946,534	1,549,352	(602,818)	(39%)
	<u>13,653,595</u>	<u>17,739,317</u>	<u>(4,085,722)</u>	(23%)

* Subscription and Software Licence revenue above comprises the total software licence revenue amounting to \$6,667,487 as disclosed in note 4 to these financial statements.

** Represents combination of implementation & training services and migration services disclosed in note 4 to these financial statements.

Expenses from operations

Operating expenses decreased by \$0.98 million or 6%

During the half-year ended 31 December 2025, the Group commenced a strategic reset of its commercial operations, focused on strengthening go-to-market effectiveness. Operating expenses decreased by 6% compared to the prior corresponding period (PCP), reflecting redundancy reductions and disciplined cost management (half-year 31 December 2024: increased by 15%).

Operating expenditure (excluding Right-of-use lease liability interest expense, share-based payments expense, foreign exchange (losses)/gains and depreciation & amortisation) is presented in the following table:

	31 December 2025 \$	31 December 2024 \$	Change \$	Change %
Employment and related expenses	11,601,606	12,279,437	(677,831)	(6%)
General administration and office expenses	1,256,124	1,361,367	(105,243)	(8%)
Professional fees and corporate expenses	1,020,450	985,111	35,339	4%
Travel and related expenses	455,082	632,536	(177,454)	(28%)
Marketing expenses	501,853	552,392	(50,539)	(9%)
	<u>14,835,115</u>	<u>15,810,843</u>	<u>(975,728)</u>	(6%)

* excluding Right-of-use lease liability interest expense, share-based payments expense, foreign exchange (losses)/gains and depreciation & amortisation.

Profitability

The Group has reported EBITDA (on an adjusted basis)* of (\$2.30) million for the half-year (half-year 31 December 2024: \$0.82 million). The decrease in EBITDA (adjusted) is primarily due to the decrease in revenue (down 23% from PCP). This is set out in the table below:

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31 December 2025

	31 December 2025 \$	31 December 2024 \$	Change \$	Change %
Revenue from contracts with customers	13,653,595	17,739,317	(4,085,722)	(23%)
Cost of sales	(1,057,705)	(1,039,262)	(18,443)	2%
Gross Margin	<u>12,595,890</u>	<u>16,700,055</u>	<u>(4,104,165)</u>	<u>(25%)</u>
Gross Margin%	92%	94%		
Operating expenditure	(14,835,115)	(15,810,843)	975,728	(6%)
Net foreign exchange losses (realised)	(60,888)	(10,231)	(50,657)	495%
Other income/(expenses) (net)	(5,188)	(63,813)	58,625	(92%)
	<u>(14,901,191)</u>	<u>(15,884,887)</u>	<u>983,696</u>	<u>(6%)</u>
EBITDA Adjusted*	(2,305,301)	815,168	(3,120,469)	(383%)
Interest income	370,518	395,817	(25,299)	(6%)
Net foreign exchange gains/(losses) (unrealised)	(96,914)	338,191	(435,105)	(129%)
Share-based payments expense (non-cash)	(33,628)	(662,400)	628,772	(95%)
Right-of-use lease liability interest expense	(52,347)	(59,640)	7,293	(12%)
Depreciation and amortisation (non-cash)	(3,388,372)	(3,565,723)	177,351	(5%)
Income tax (expense)/benefit (non-cash)	(243,022)	869,895	(1,112,917)	(128%)
Loss for the half-year	<u>(5,749,066)</u>	<u>(1,868,692)</u>	<u>(3,880,374)</u>	<u>208%</u>

* Adjusted EBITDA (Earnings Before Interest, Tax, Depreciation, Amortisation) is EBITDA adjusted for unrealised foreign exchange (losses)/gains and non-cash item share-based payments expense.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Contingent liability

The Group has no contingent liabilities as at 31 December 2025 (30 June 2025: Nil)

Outlook

Mach7 continues to be a leading innovator in the enterprise imaging space, with a portfolio of interoperable solutions that underpin the imaging strategies of both acute and non-acute care facilities. As the healthcare landscape evolves amidst an increasingly complex financial environment, consolidation among providers is reshaping the dynamics for imaging IT vendors. This trend presents unique challenges, particularly for vendors attempting to transition between outpatient and acute care markets and vice-versa.

Mach7 is well positioned to capitalise on these shifts, supported by a strong installed base across both acute and non-acute care settings. This positioning, together with the continued global adoption of enterprise imaging, underpins attractive market conditions for the Group. Purchasing decisions are increasingly driven at the C-suite level, directly aligning with Mach7's commercial reset strategy, which is designed to strengthen senior executive engagement and drive more effective enterprise-level sales outcomes.

A key strategic pillar supporting both commercial expansion and product innovation is the Group's Asia operations. Asia represents a growing enterprise imaging market in its own right, providing meaningful commercial opportunity across both public and private healthcare systems. In parallel, the region serves as an increasingly important hub for product development and engineering excellence, enabling accelerated innovation and platform scalability from a structurally lower cost base. This dual role enhances operating leverage while strengthening the Group's ability to deliver competitively priced, globally relevant solutions.

Mach7 enters the second half of FY26 with a refined strategy, a stronger operational foundation and improving commercial momentum. The Group remains focused on disciplined cost management while selectively investing in capabilities that enhance scalability and long-term operating efficiency across sales execution, product development and platform delivery. A key step in this strategic shift is the appointment of the Company's first dedicated API developer, situated within its Asia team, strengthening the scalability and integration capability of the Flamingo platform while building a more efficient, globally leveraged development model. This marks the beginning of a broader expansion of Asia-based engineering capability

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designed to support innovation, accelerate time to market and improve cost efficiency across the Group. In addition, Mach7 launched a significantly expanded and refreshed marketing program to modernise its brand, digital presence and market engagement.

Mach7 remains confident in its strategy and execution, underpinned by a re-energised sales and partner model, expanded marketing capability and early traction for its Flamingo solutions. The Company continues to prioritise financial discipline and efficient capital allocation, positioning it well to deliver against its strategy and capture emerging market opportunities.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' Report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001 (Cth).

On behalf of the Directors



Robert Bazzani
Chairman

27 February 2026

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Mach7 Technologies Limited and its controlled entities for the half year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

**RSM AUSTRALIA PARTNERS****M PARAMESWARAN**
Partner

Melbourne, Victoria
Dated: 27 February 2026

Mach7 Technologies Limited
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Mach7 Technologies Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2025

		Consolidated	
	Note	31 December 2025	31 December 2024
		\$	\$
Revenue from contracts with customers	4	13,653,595	17,739,317
Other income		393,738	404,598
Expenses			
Cost of sales		(1,057,705)	(1,039,262)
Employment and related expenses		(11,601,606)	(12,279,437)
Depreciation and amortisation		(3,388,372)	(3,565,723)
Professional fees and corporate expenses		(1,020,450)	(985,111)
General administration and office expenses		(1,256,124)	(1,361,367)
Marketing expenses		(501,853)	(552,392)
Travel and related expenses		(455,082)	(632,536)
Share-based payments expense (non-cash)		(33,628)	(662,400)
Right-of-use lease liability interest expense		(52,347)	(59,640)
Net foreign exchange gains/(losses)		(157,802)	327,960
Other expenses		(28,408)	(72,594)
Loss before income tax (expense)/benefit		(5,506,044)	(2,738,587)
Income tax (expense)/benefit		(243,022)	869,895
Loss after income tax (expense)/benefit for the half-year attributable to the owners of Mach7 Technologies Limited		(5,749,066)	(1,868,692)
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(915,802)	1,519,151
Other comprehensive loss for the half-year, net of tax		(915,802)	1,519,151
Total comprehensive loss for the half-year attributable to the owners of Mach7 Technologies Limited		(6,664,868)	(349,541)
		Cents	Cents
Basic and diluted earnings per share	5	(2.4)	(0.8)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Mach7 Technologies Limited
Statement of financial position
As at 31 December 2025

		Consolidated	
		31 December	
	Note	2025	30 June 2025
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		18,487,843	23,069,049
Trade and other receivables	6	4,289,696	3,932,508
Customer contract assets	7	955,994	1,539,499
Other assets		1,876,247	1,738,693
Total current assets		<u>25,609,780</u>	<u>30,279,749</u>
Non-current assets			
Customer contract assets	7	3,439,070	4,176,001
Right-of-use assets		838,300	985,217
Property, plant and equipment		965,062	1,152,941
Intangibles	8	19,364,451	22,616,191
Deferred tax asset		3,036,818	4,195,202
Other assets		783,159	803,838
Total non-current assets		<u>28,426,860</u>	<u>33,929,390</u>
Total assets		<u>54,036,640</u>	<u>64,209,139</u>
Liabilities			
Current liabilities			
Trade and other payables		2,098,993	2,356,789
Customer contract liabilities	9	9,568,783	11,834,231
Lease liabilities		226,072	218,478
Total current liabilities		<u>11,893,848</u>	<u>14,409,498</u>
Non-current liabilities			
Lease liabilities		760,394	900,342
Deferred tax liability		2,436,155	3,321,816
Total non-current liabilities		<u>3,196,549</u>	<u>4,222,158</u>
Total liabilities		<u>15,090,397</u>	<u>18,631,656</u>
Net assets		<u>38,946,243</u>	<u>45,577,483</u>
Equity			
Issued capital	10	113,997,327	113,997,327
Reserves		4,895,503	6,594,344
Accumulated losses		(79,946,587)	(75,014,188)
Total equity		<u>38,946,243</u>	<u>45,577,483</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Mach7 Technologies Limited
Statement of changes in equity
For the half-year ended 31 December 2025

Consolidated	Issued Capital \$	Share Based Payment Reserves \$	Foreign Exchange Translation Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2024	116,244,526	4,347,733	2,270,086	(71,005,467)	51,856,878
Loss after income tax benefit for the half-year	-	-	-	(1,868,692)	(1,868,692)
Other comprehensive income for the half-year, net of tax	-	-	1,519,151	-	1,519,151
Total comprehensive loss for the half-year	-	-	1,519,151	(1,868,692)	(349,541)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 15)	-	662,400	-	-	662,400
Transfers upon lapse of options/rights	-	(978,852)	-	978,852	-
Balance at 31 December 2024	<u>116,244,526</u>	<u>4,031,281</u>	<u>3,789,237</u>	<u>(71,895,307)</u>	<u>52,169,737</u>

Consolidated	Issued Capital \$	Share Based Payment Reserves \$	Foreign Exchange Translation Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2025	113,997,327	3,264,735	3,329,609	(75,014,188)	45,577,483
Loss after income tax expense for the half-year	-	-	-	(5,749,066)	(5,749,066)
Other comprehensive loss for the half-year, net of tax	-	-	(915,802)	-	(915,802)
Total comprehensive loss for the half-year	-	-	(915,802)	(5,749,066)	(6,664,868)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 15)	-	33,628	-	-	33,628
Transfers upon lapse of options/rights	-	(816,667)	-	816,667	-
Balance at 31 December 2025	<u>113,997,327</u>	<u>2,481,696</u>	<u>2,413,807</u>	<u>(79,946,587)</u>	<u>38,946,243</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Mach7 Technologies Limited
Statement of cash flows
For the half-year ended 31 December 2025

For persons

Note	Consolidated	
	31 December 2025	31 December 2024
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	12,456,017	15,919,139
Payments to suppliers (inclusive of GST)	(16,282,306)	(18,583,858)
	(3,826,289)	(2,664,719)
Interest received	195,532	265,079
Income taxes paid	-	(51,621)
Net cash used in operating activities	(3,630,757)	(2,451,261)
Cash flows from investing activities		
Payments for property, plant and equipment	(35,199)	(525,493)
Payments for intangibles	(401,088)	(524,480)
Net cash used in investing activities	(436,287)	(1,049,973)
Cash flows from financing activities		
Payments for share buy-backs	(4,355)	-
Repayment of lease liabilities	(104,888)	(79,181)
Net cash used in financing activities	(109,243)	(79,181)
Net decrease in cash and cash equivalents	(4,176,287)	(3,580,415)
Cash and cash equivalents at the beginning of the financial half-year	23,069,049	26,175,405
Effects of exchange rate changes on cash and cash equivalents	(404,919)	1,001,835
Cash and cash equivalents at the end of the financial half-year	<u>18,487,843</u>	<u>23,596,825</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Mach7 Technologies Limited
Notes to the financial statements
31 December 2025

Note 1. Corporate information

The financial report of Mach7 Technologies Limited (the “Company” or the “Parent”) for the half-year ended 31 December 2025 was authorised for issue in accordance with a resolution of the Directors on **27 February 2026**.

Mach7 Technologies Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX:M7T). The nature of the operations and principal activities of Mach7 Technologies Limited and its consolidated entities (the “Group”) are described in the Directors’ Report.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001 (Cth), as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Operating segments

Description of segments and principal activities

Mach7 Technologies is a global provider of enterprise imaging solutions for healthcare organisations, predominantly throughout the North America, Asia Pacific, and the Middle East region. The Group's performance is monitored and reported for one main segment, which is enterprise imaging. In addition, revenue is monitored at a regional and product/services level.

This information is presented in Note 4.

Profit or Loss

The Group's profit and loss is managed as a whole and is the same as what is presented in the statement of financial performance and other comprehensive income. In addition, management and the directors monitor Gross Margins, Earnings Before Interest, Tax and Depreciation (EBITDA), and EBITDA adjusted for non-cash items. This is presented below:

	Consolidated	
	31 December 2025	31 December 2024
	\$	\$
Revenue from contracts with customers	13,653,595	17,739,317
Cost of sales	(1,057,705)	(1,039,262)
Operating expenditure	(14,835,115)	(15,810,843)
Net foreign exchange losses (realised)	(60,888)	(10,231)
Other income/(expenses) (net)	(5,188)	(63,813)
EBITDA – before the following items	(2,305,301)	815,168
Share-based payments expense (non-cash)	(33,628)	(662,400)
Net foreign exchange gains/(losses) (unrealised)	(96,914)	338,191
EBITDA	(2,435,843)	490,959
	-	-
Depreciation and amortisation	(3,388,372)	(3,565,723)
Right-of-use lease liability interest expense	(52,347)	(59,640)
Interest income	370,518	395,817
Income tax (expense)/benefit	(243,022)	869,895
Net loss after tax	(5,749,066)	(1,868,692)

Segment assets and liabilities

The Group's chief decision makers review and monitor assets and liabilities as a whole.

Geographical non-current tangible assets*

	Consolidated	
	31 December 2025	30 June 2025
	\$	\$
North America	8,690,549	10,919,057
Asia	423,721	447,600
	9,114,270	11,366,657

*Non-current assets excluding the intangible assets of the Group.

Note 4. Revenue from contracts with customers

Disaggregation of revenue from contracts with customers

Mach7 is a global provider of medical imaging software solutions. Every software sale, or provision of services, is subject to a software licence agreement, statement of work and/or order form. The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

	Consolidated	
	31 December 2025	31 December 2024
	\$	\$
Software Licence Revenue (major segment)*	6,667,487	9,876,110
Professional Services Revenue:		
- implementation & training services	633,954	1,325,957
- migration services	312,580	223,395
Maintenance and Support (recurring revenue)	6,039,574	6,313,855
	<u>13,653,595</u>	<u>17,739,317</u>
Geographical segment revenues		
North America	11,512,833	15,422,033
Asia Pacific	1,527,854	1,640,362
Middle East	420,753	430,162
Europe and other regions	192,155	246,760
	<u>13,653,595</u>	<u>17,739,317</u>
Timing of revenue recognition		
Revenue recognised at a point in time	1,124,991	3,542,148
Revenue recognised over time	12,528,604	14,197,169
	<u>13,653,595</u>	<u>17,739,317</u>

*Software Licence Revenue is comprised of Subscription Revenue (annual recurring revenue) and Capital Software Licence Revenue (recognised upfront upon delivery of software and is recurring at the end of each term, which is normally 5 years).

Note 5. Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the net loss for the half-year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the half-year. The income and share data used in the calculations of basic and diluted EPS is as follows:

	Consolidated	
	31 December 2025	31 December 2024
	\$	\$
Basic and diluted earnings per share for loss		
Loss after income tax attributable to the owners of Mach7 Technologies Limited	<u>(5,749,066)</u>	<u>(1,868,692)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	234,968,047	241,241,047
	Cents	Cents
Basic and diluted earnings per share	(2.4)	(0.8)

Number of share options and performance rights not included in the diluted earnings per share calculation as they are anti-dilutive: 9,779,185 (31 December 2024: 13,672,999)

Mach7 Technologies Limited
Notes to the financial statements
31 December 2025

Note 6. Trade and other receivables

	Consolidated	
	31 December	30 June 2025
	2025	2025
	\$	\$
Trade receivables	4,227,815	3,836,871
Interest receivable	38,165	66,775
Sales tax receivable	23,716	24,498
	<u>61,881</u>	<u>91,273</u>
Other receivables	-	4,364
	<u>4,289,696</u>	<u>3,932,508</u>

Note 7. Customer contract assets

	Consolidated	
	31 December	30 June 2025
	2025	2025
	\$	\$
Contract assets - current	955,994	1,539,499
Contract assets - non-current	3,439,070	4,176,001
	<u>4,395,064</u>	<u>5,715,500</u>

Customer contract assets (or accrued revenue) represents fees which have been recognised as revenue which are yet to be invoiced to the customer. The customer is invoiced when certain contract milestones have been met. This can fluctuate from period to period, as these balances are impacted by the timing of when contracted sales occur, performance obligations are met and the payment milestones that are specified within each contract. The carrying values are assumed to approximate the fair values for these balances.

Under the accounting standards, contracts in which payment by the customer and performance by the Group occur at significantly different times will need to be assessed to determine whether the contract contains a significant financing component. In the FY23 reporting period, the Group identified that its customer contract with Akumin contains a significant financing component due to the performance obligation in relation to the delivery of the capital licence being completed in December 2022 but payment for the capital software licence occurring over a 10-year period. In determining the promised amount of consideration adjusted for the significant financing component, the Group used a discount rate that would be reflected in a separate financing transaction between the Group and Akumin at contract inception which takes into account the credit characteristics of Akumin. The difference between the contract value and the capital software licence revenue recognised at contract inception will unwind over the 10-year contract term as interest income in the statement of profit or loss and other comprehensive income. The contract asset recognised in relation to the Akumin contract is split between current and non-current based on the invoicing schedule in the contract.

Mach7 Technologies Limited
Notes to the financial statements
31 December 2025

Note 8. Intangibles

	Consolidated	
	31 December	30 June 2025
	2025	2025
	\$	\$
Goodwill - at cost	4,164,105	4,277,146
Patents and trademarks - at cost	180,117	184,872
Less: Accumulated amortisation	(114,248)	(114,495)
	<u>65,869</u>	<u>70,377</u>
Customer contracts - at cost	11,532,993	11,606,512
Less: Accumulated amortisation	(11,532,993)	(11,587,069)
	<u>-</u>	<u>19,443</u>
Software - at cost	58,809,361	59,591,489
Less: Accumulated amortisation	(48,087,925)	(45,875,104)
	<u>10,721,436</u>	<u>13,716,385</u>
Brand Names - at cost	5,971,015	6,090,814
Less: Accumulated amortisation	(1,557,974)	(1,557,974)
	<u>4,413,041</u>	<u>4,532,840</u>
	<u><u>19,364,451</u></u>	<u><u>22,616,191</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Patents	Customer	Brand	Software	Goodwill	Total
	\$	Contracts	Names	\$	\$	\$
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2025	70,377	19,443	4,532,840	13,716,385	4,277,146	22,616,191
Additions	-	-	-	401,088	-	401,088
Exchange differences	(1,751)	(10)	(119,799)	(340,224)	(113,041)	(574,825)
Amortisation expense	(2,757)	(19,433)	-	(3,055,813)	-	(3,078,003)
Balance at 31 December 2025	<u><u>65,869</u></u>	<u><u>-</u></u>	<u><u>4,413,041</u></u>	<u><u>10,721,436</u></u>	<u><u>4,164,105</u></u>	<u><u>19,364,451</u></u>

Note 9. Customer contract liabilities

	Consolidated	
	31 December	30 June 2025
	2025	2025
	\$	\$
Maintenance and Support Revenue received in advance	4,745,021	6,484,847
Professional Services Revenue received in advance	1,489,139	1,825,857
Subscription Revenue received in advance	3,289,857	3,424,739
Capital Software Licence Revenue received in advance	44,766	98,788
	<u>9,568,783</u>	<u>11,834,231</u>

Customer contract liabilities (or deferred revenue) represents cash amounts that have been collected from customers that will be recognised as revenue in a future period. Revenue is recognised:

- at a point in time when Capital Software Licences are delivered.
- over a period of time when Professional Services are performed.
- over a period of time when Maintenance and Support services are performed.
- for Subscription over the subscription period upon the customer achieving First Productive Use.

The carrying values are assumed to approximate the fair values for these balances. Maintenance and Support revenue and Subscription revenue received in advance are expected to grow year on year as the Group signs new customer contracts, i.e. every new Maintenance and Support contract and Subscription contract signed going forward will add to this balance. Professional Services revenue received in advance is expected to fluctuate from year to year, as timing of sales orders, cash payment milestones and Professional Services performed will impact this balance.

Note 10. Issued capital

	Consolidated			
	31 December	30 June 2025	31 December	30 June 2025
	2025	2025	2025	2025
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>234,968,047</u>	<u>234,968,047</u>	<u>113,997,327</u>	<u>113,997,327</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

An on-market share buy-back program is in place until 2 March 2026. There was no buy-back activity during the period.

Note 11. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 12. Related party transactions

Parent entity

Mach7 Technologies Limited is the parent entity.

Transactions with related parties

There were no transactions with related parties during the current and previous financial half-year.

Mach7 Technologies Limited
Notes to the financial statements
31 December 2025

Note 12. Related party transactions (continued)

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 13. Events after the reporting period

No matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 14. Contingent liabilities

The Group has no contingent liabilities as at 31 December 2025 (30 June 2025: Nil)

Note 15. Share-based payments

Share-based payments expense during the period is \$33,628 (31 December 2024:\$662,400) which relates to options/performance rights/shares issued to Directors, KMP and other employees of the company.

Summary of options granted and lapsed during the half-year ended 31 December 2025 are as below:

Unlisted Options

Set out below are summaries of options granted under the plan:

**31 December
2025**

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
01/12/2020	30/11/2025	\$1.400	73,334	-	-	(73,334)	-
10/09/2021	31/08/2026	\$0.980	2,150,000	-	-	(350,000)	1,800,000
11/11/2021	11/11/2026	\$0.910	89,999	-	-	-	89,999
11/11/2021	31/12/2025	\$1.380	150,000	-	-	(150,000)	-
20/01/2022	20/01/2027	\$0.780	200,000	-	-	-	200,000
24/02/2022	24/02/2027	\$0.730	250,000	-	-	-	250,000
12/12/2022	12/12/2027	\$0.610	50,000	-	-	-	50,000
01/01/2023	01/01/2028	\$0.570	200,000	-	-	-	200,000
01/05/2023	01/05/2028	\$0.640	200,000	-	-	(200,000)	-
01/07/2023	01/07/2028	\$0.580	400,000	-	-	(266,667)	133,333
14/08/2023	14/08/2028	\$0.800	50,000	-	-	-	50,000
01/09/2023	01/09/2028	\$0.760	30,000	-	-	(30,000)	-
16/11/2023	16/11/2028	\$0.710	225,000	-	-	-	225,000
01/12/2023	01/12/2028	\$0.730	50,000	-	-	-	50,000
18/12/2023	18/12/2028	\$0.730	2,075,000	-	-	(508,335)	1,566,665
15/01/2024	15/01/2029	\$0.730	200,000	-	-	(133,334)	66,666
01/03/2024	01/03/2029	\$0.680	200,000	-	-	-	200,000
19/08/2024	19/08/2029	\$0.590	100,000	-	-	-	100,000
16/09/2024	16/09/2029	\$0.540	200,000	-	-	-	200,000
18/11/2024	18/11/2029	\$0.380	2,775,000	-	-	(983,334)	1,791,666
04/08/2025	04/08/2030	\$0.408	-	350,000	-	-	350,000
			9,668,333	350,000	-	(2,695,004)	7,323,329

Mach7 Technologies Limited
Notes to the financial statements
31 December 2025

Note 15. Share-based payments (continued)

For the options granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
04/08/2025	04/08/2030	\$0.380	\$0.408	52.00%	-	3.56%	\$0.179

Performance rights

The Company has on issue 2,455,856 (June 2025: 1,189,667) performance rights of which 466,667 expires on 30 September 2026 and 1,989,189 issued during the period to Teri Thomas, Chief Executive Officer and Managing Director, with expiry date of 31 December 2028.

Summaries of performances rights is as below:

	Consolidated	
	31 December	30 June 2025
	2025	2025
Outstanding at the beginning of the financial year	1,189,667	1,825,185
Granted	1,989,189	800,000
Expired/Forfeited	(723,000)	(1,435,518)
	<u>2,455,856</u>	<u>1,189,667</u>

During the period, the consolidated entity issued 1,989,189 issued performance rights to Teri Thomas, Chief Executive Officer and Managing Director, with various vesting conditions relating to service period and performance hurdles. The fair value of the performance rights was determined a hybrid model licensed by Hoadley using multiple share price targets, with the following inputs:

Number of performance rights granted	1,989,189
Grant date	4 December 2025
Performance period	1 July 2025- 30 June 2028
Weighted average share price at date of grant (\$)	\$0.476
Weighted average exercise price (\$)	-
Weighted average volatility %	50%
Weighted average risk-free rate %	4.053%
Vesting conditions with 30 June 2028 target date	Note 1
Fair value per performance right \$	0.263
Fair value of performance right \$	523,580

Note 1- Vesting Condition:

Market-based vesting condition linked to Total Shareholder Return for the period 1 July 2025 to 30 June 2028.

Mach7 Technologies Limited
Directors' declaration
31 December 2025

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001 (Cth), Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001 (Cth).

On behalf of the Directors



Robert Bazzani
Chairman

27 February 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT
To the Members of Mach7 Technologies Limited

Conclusion

We have reviewed the accompanying half-year financial report of Mach7 Technologies Limited ("Company") and its controlled entities ("Group") which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of material accounting policies and other explanatory information, and the directors' declaration of the Group at the half-year end.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Mach7 Technologies Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Mach7 Technologies Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Mach7 Technologies Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



RSM AUSTRALIA PARTNERS



M PARAMESWARAN

Partner

Melbourne, Victoria

Dated: 27 February 2026