



Mach7 Technologies Limited

ABN 26 007 817 192

ASX Appendix 4E Preliminary Final Report & Directors' Report and Audited Financial Statements

For the year ended 30 June 2026

(Previous corresponding period: year ended 30 June 2025)

Provided to the ASX in accordance with listing rule 4.3A

Mach7 Technologies Limited (ACN 007 817 192 ABN 26 007 817 192)
Suite2, Level 11 | 385 Bourke Street | Melbourne
VIC 3000 Australia

Mach7 Technologies Limited
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30 June 2026

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For personal use

Mach7 Technologies Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Mach7 Technologies Limited
ABN:	26 007 817 192
Reporting period:	For the year ended 30 June 2026
Previous period:	For the year ended 30 June 2025

2. Results for announcement to the market

				\$
Revenues from ordinary activities	down	17.4%	to	27,909,143
Loss from ordinary activities after tax attributable to the owners of Mach7 Technologies Limited	up	44.0%	to	(8,928,554)
Loss for the year attributable to the owners of Mach7 Technologies Limited	up	44.0%	to	(8,928,554)

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 \$8,928,554 (30 June 2025: \$6,201,404).

The loss for the consolidated entity after providing for income tax amounted to \$8,928,554 (30 June 2025 \$6,201,404). Please refer to the Directors' Report for a detailed explanation and analysis of the Group's performance for the year ended 30 June 2026.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	8.0	9.8

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 have been audited and an unmodified opinion has been issued.

11. Attachments

Details of attachments (if any):

The Directors' Report and Audited Financial Statements of Mach7 Technologies Limited for the year ended 30 June 2026 are attached.

12. Signed



Signed _____

Date: 28 August 2026

Robert Bazzani
Chairman
Melbourne

Mach7 Technologies Limited
Corporate directory
30 June 2026

Directors

Mr Robert Bazzani (Independent Non-Executive Chairman)
Ms Teri Thomas (Managing Director and Chief Executive Officer)
Dr Eliot Siegel (Independent Non-Executive Director)
Ms Rebecca Fitzgibbon (Independent Non-Executive Director)

Company secretary

Ms Naomi Lawrie

Registered office

Suite 2, Level 11, 385 Bourke Street, Melbourne VIC 3000

Principal place of business

50 Lakeside Avenue,
Burlington, VT 05401, United States
T: +1 802.861.7745

Share register

Computershare Investor Services Pty Limited
452 Johnston Street, Abbotsford, VIC 3067
Telephone: 1300 850 505
Website: www.computershare.com

Auditor

RSM Australia Partners
Level 27, 120 Collins Street, Melbourne, VIC 3000

Solicitors

Gadens Lawyers
Level 13, Collins Arch, 447 Collins Street, Melbourne, VIC 3000

Bankers

Westpac Banking Corporation
150 Collins Street, Melbourne VIC 3000

Stock exchange listing

Mach7 Technologies Limited shares are listed on the Australian Securities Exchange
(ASX code: M7T)

Mach7 Technologies Limited
Directors' report
30 June 2026

The directors of Mach7 Technologies Limited present their report for the year ended 30 June 2026 consisting of Mach7 Technologies Limited (referred to hereafter as the 'company' or 'parent entity') and its controlled entities (hereafter referred to as the 'consolidated entity', 'Group' or 'Mach7'). All amounts are in AUD.

ABOUT MACH 7
WHO WE ARE

Mach7 is a software provider of vendor-neutral data archiving, orchestration and viewing for enterprise imaging in healthcare. The Group provides software that consolidates, governs and delivers medical imaging data across a healthcare organisation, together with the diagnostic viewing tools clinicians use to read it, giving customers control of their own imaging data. Mach7 supports a diverse global network, from large academic health systems, integrated delivery networks (IDNs) and national health systems to independent provider groups, private radiology practices, teleradiology companies and veterinarians.

Corporate Structure

Mach7 Technologies Limited is an Australian incorporated company, listed on the Australian Stock Exchange (ASX) with operating subsidiaries in North America and Asia Pacific.

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.

Mach7 at a glance

Our key business activities consist of the following functional areas:

- **Research & Development (Engineering)** – software development, innovation, enhancements, upgrades, analytics, artificial intelligence integration
- **Sales** – including direct and channel partnership sales
- **Product** – strategy and road-map
- **Professional Services** – training and project management, clinical applications, support and maintenance
- **Administration** – finance, people and culture (human resources), IT, risk management, governance

Mach7 Technologies develops innovative image management and viewing solutions for healthcare organisations globally. Our products form the core of an integrated enterprise imaging ecosystem. The interoperability and flexibility of deployments give customers genuine technological independence: control of their own imaging data, freedom from vendor lock-in, and the choice of cloud, on-premise or hybrid deployment. During FY26 the Group set the direction for the next generation of this platform, Flamingo: a modular architecture that evolves and builds on the systems customers already run with both standalone and incremental capabilities, so that customers can modernise step by step without a forced migration.

Mach7's **Enterprise Imaging Solution** includes:

- **The Mach7 eUnity Enterprise Diagnostic Viewer** – a one-of-a-kind, industry leading, zero-footprint viewer that allows medical professionals to remotely access patients' medical images at any location, from any device, in a secure and efficient manner without loss of speed or image quality. eUnity is a best-in-market viewing platform designed for reading radiologists performing primary diagnosis or clinical staff viewing images, reports and other patient image information. It integrates with electronic medical records, patient portals, and partner applications giving an entire health system's network a comprehensive view of the patient's images.
- **The Mach7 Vendor Neutral Archive (VNA)** – a powerful vendor agnostic data management solution including administration tools that allow for the fast storage, access, retrieval and viewing of images across a healthcare network. Mach7's VNA gives customers ultimate control to consolidate and standardise all of their imaging data across the enterprise in a single system. The VNA enhances the patient's electronic health record and allows healthcare organisations to incorporate advanced applications such as AI and provides connectivity to the cloud through partnerships with Amazon Web Services (AWS) and Oracle Cloud Infrastructure (OCI).
- **Flamingo Applications** – the next generation of Mach7's workflow and data applications, delivered as modules on a common architecture. Flamingo extends the environment customers already operate rather than replacing it, so capability can be adopted module by module without a difficult full system migration. The initial applications include enterprise worklist and workflow orchestration, data ingestion, routing and policy-based orchestration, and intelligent imaging data lifecycle and storage management across cloud, on-premise and hybrid infrastructure. Later applications are intended to extend the architecture into governed AI enablement, preparing, de-identifying and controlling access to imaging data for artificial intelligence and research use and into digital pathology.

FINANCIAL PERFORMANCE

FY26 was a rebuilding year focused on restoring operational discipline, building high-quality recurring revenue and laying the foundation for sustainable growth. The year was not without setback. Revenue was affected by the loss of a small number of enterprise customers, softer professional services activity, and a significant weakening of the US Dollar against the Australian Dollar. Further, as the Company continues its transformation to a subscription software model from a capital approach in the US, the Capital Software revenue declined while the Annual Recurring Revenue (ARR) run rate stabilised. The growth in recurring revenue (in constant currency) is positive for the long-term outlook of the business reflecting a migration to a stable and predictable revenue base. Results are summarised in the sub-sections below which provide further details on Sales Orders, Cash and Cashflows, Revenue, Expenses and Profitability. The following table also provides a snapshot of important balances from the Group's statement of financial position as at 30 June 2026.

	30 June 2026	30 June 2025	Change	Change
	\$	\$	\$	%
Cash	19,920,095	23,069,049	(3,148,954)	(14%)
Deferred Revenue – yet to be recognised	(11,685,865)	(11,834,231)	148,366	(1%)
Net current assets	12,829,899	15,870,251	(3,040,352)	(19%)
Net tangible assets	20,431,424	26,283,108	(5,851,684)	(22%)
Intangible assets net of associated deferred tax liability	14,133,298	19,294,375	(5,161,077)	(27%)
Net assets	34,564,722	45,577,483	(11,012,761)	(24%)

SALES ORDERS

FY26 sales orders of \$23.5 million reflects a strong existing customer base and green shoots.

FY26 sales orders were \$23.5 million Total Contract Value (TCV¹) with an even split between existing renewal revenue (51% of sales orders) and net new revenue (49% of sales order). Sales order intake for FY26 was lower than FY25, reflecting the rebuild of Mach7's sales pipeline and commercial engine during the year, which is now re-established and generating renewed pipeline growth. Pleasingly, FY26 included \$4.9 million of sales orders from new customers.

FY26 Sales Orders of \$23.5 million TCV comprised:

- \$20.3 million (or 86%) in Annual Recurring Revenue (ARR) type sales (Maintenance and Support contracts and Subscriptions licences) recognised as revenue over the contract term when the customer achieves First Productive Use (FPU), up from 70% in FY25,
- \$1.3 million (or 6%) in Capital Software sales (recognised as revenue upfront upon electronic delivery of the software) reflecting Mach7's active transition to a sustainable recurring revenue model, and
- \$1.9 million (or 8%) of Professional Services sales (recognised on a percent of completion basis).

FY26 Sales Orders (TCV)	ARR Sales (\$'000) (Subscription licences and Maintenance and Support contracts)	Capital Software Sales (\$'000)	Professional Services Sales (\$'000)	FY26 Total Sales Orders (\$'000)	%
New Customer	4,473	4	380	4,857	21%
Renewals	11,363	603	-	11,966	51%
Expansions	4,425	702	1,100	6,227	27%
Add-on orders	11	13	395	419	2%
Existing customers	15,799	1,318	1,495	18,612	79%
Total Sales Orders	20,273	1,323	1,874	23,469	
	86%	6%	8%		100%

¹Total Contract Value (TCV): capital software licence fees, professional services fees, annual subscription fees and annual maintenance and support fees over the life of the contract

As indicated in the table above, 21% of FY26 sales orders arose from new customers (0% in prior year) with ARR sales remaining the predominant category at 86% (up from 70% in the prior year). Of the \$23.5 million total, sales orders for expansions accounted for \$6.3 million (or 27%) demonstrating continued increase in usage by existing customers, renewals accounted for \$11.9 million (or 51%) and add-ons accounted for \$0.4 million (or 2%).

CASH AND CASHFLOWS

Operating cashflow positive from Q2 FY26 with cash on hand of \$19.9 million.

The Group was operating cash flow positive for the majority of the year. Cash receipts from customers in FY26 amounted to \$28.0 million, with lower receipts affected by the non-renewal of certain enterprise contracts at the start of the reporting period and the continued transition to a predominantly subscription sales model (FY25 \$35.7 million).

Cash payments to suppliers and employees of \$29.6 million was down 16% from FY25 (\$35.3 million), reflecting stronger cash management and our ability to fund our product and commercial investment from customer receipts and existing cash.

The financial position of the Company remains solid, with no debt and \$19.9 million cash on hand at 30 June 2026 (\$23.1 million at 30 June 2025).

REVENUE

FY26 revenue of \$27.9m is down on FY25, largely driven by lower Capital Software revenue.

The Group reported \$27.9 million revenue from operations (FY25: \$33.8 million), a decrease of 17%, driven predominantly by lower Capital Software revenue and softer Professional Services revenue. The decline in Capital Software revenue reflected several factors: the continued shift to a subscription-based model, including a large FY25 expansion converted to subscription in FY26; the timing of a large expansion shifting from FY26 into FY27; and reduced APAC activity linked to broader regional instability. Expansion transaction volumes were also lower during the year, as customers who expanded in FY25 typically did so with capacity headroom already built in.

The Group's ARR (Maintenance and Support revenue plus Subscription revenue) decreased 8% to \$23.4 million (FY25: \$25.3 million), largely driven by the discontinuation of contracts with Trinity Health and the Veterans Health Administration (VHA), and adverse currency effects. Recurring revenue now accounts for 84% of total revenue (FY25: 75%) and covers 87% of operating expenditure (FY25: 80%), laying the foundation for sustainable growth and enhanced operating leverage.

	30 June 2026	30 June 2025	Change	Change
	\$	\$	\$	%
Subscription revenue*	11,805,980	12,326,991	(521,011)	(4%)
Maintenance and Support revenue	11,607,706	13,008,343	(1,400,637)	(11%)
Total recurring revenue	23,413,686	25,335,334	(1,921,648)	(8%)
Software Licence revenue*	1,450,593	4,781,133	(3,330,540)	(70%)
Professional Services revenue**	3,044,864	3,651,728	(606,864)	(17%)
	4,495,457	8,432,861	(3,937,404)	(47%)
	<u>27,909,143</u>	<u>33,768,195</u>	<u>(5,859,052)</u>	<u>(17%)</u>

* Subscription and Software Licence revenue above comprises the total software licence revenue amounting to \$13,256,573 as disclosed in note 5 to these financial statements.

** Represents combination of implementation, training, migration and other custom services disclosed in note 5 to these financial statements.

EXPENSES

FY26 total opex down 16%, restructured cost base supports improved operating leverage.

Total operating expenditure was reduced to \$26.7million in FY26 (FY25: \$31.8 million), down 16%.

The reduction reflects a deliberate restructuring of the Group's operating base during the year, undertaken to align the cost structure with the Group's revenue profile and strategic priorities. This reset establishes a leaner and more efficient cost base from which the Group can scale, supporting improved operating leverage as revenue grows in future periods.

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

	30 June 2026	30 June 2025	Change	Change
	\$	\$	\$	%
Employment and related expenses	20,917,266	25,180,114	(4,262,848)	(17%)
General administration and office expenses	2,485,491	2,657,729	(172,238)	(6%)
Professional fees and corporate expenses	1,814,199	2,203,283	(389,084)	(18%)
Travel and related expenses	685,047	1,104,425	(419,378)	(38%)
Marketing expenses	847,339	695,154	152,185	22%
TOTAL OPERATING EXPENDITURE	26,749,342	31,840,705	(5,091,363)	(16%)

PROFITABILITY

NPATA* of -\$2.9 million (FY25: \$0.4 million) and Adjusted EBITDA of -\$1.0 million (FY25: -\$0.3 million).**

The Group continues to deliver strong Gross Margin of 93% or \$25.9 million (FY25: 94% or \$31.8 million). Cost of sales increased by 3% primarily due to increased migration services being outsourced to a third party. Adjusted EBITDA loss for FY26 was \$1.0 million, compared to \$0.3 million in FY25. This relatively modest increase in loss, against a backdrop of significantly lower revenue for the year, reflects the extent to which the Group's operating cost reset substantially offset the earnings impact of contract non-renewals and lower Capital Software revenue.

The Group reported a net loss after tax of \$8.9 million for FY26, compared to \$6.2 million in FY25. The increase reflects a combination of restructuring costs incurred during the year and lower income tax benefits driven by a one-off deferred tax asset write-off.

	30 June 2026	30 June 2025	Change	Change
	\$	\$	\$	%
Revenue from contracts with customers	27,909,143	33,768,195	(5,859,052)	(17%)
Cost of sales	(2,050,842)	(1,996,824)	(54,018)	3%
Gross Margin	25,858,301	31,771,371	(5,913,070)	(19%)
Gross Margin %	93%	94%		
Operating expenditure	(26,749,342)	(31,840,705)	5,091,363	(16%)
Net foreign exchange loss (realised)	(66,511)	(107,168)	40,657	(38%)
Other income/(expenses) (net)	41,199	(98,863)	140,062	(142%)
	<u>(26,774,654)</u>	<u>(32,046,736)</u>	<u>5,272,082</u>	<u>(16%)</u>
EBITDA Adjusted**	(916,353)	(275,365)	(640,988)	233%
Interest income	509,391	853,741	(344,350)	(40%)
Restructuring expense***	(1,914,845)	-	(1,914,845)	-
Net foreign exchange loss (unrealised)	(215,980)	(66,555)	(149,425)	225%
Share-based payments expense (non-cash)	(287,410)	(1,109,685)	822,275	(74%)
Right-of-use lease liability interest expense	(70,005)	(117,960)	47,955	(41%)
Depreciation and amortisation (non-cash)	(6,541,056)	(7,243,034)	701,978	(10%)
Income tax benefit (non-cash)	507,704	1,757,454	(1,249,750)	(71%)
Loss for the year	(8,928,554)	(6,201,404)	(2,727,150)	44%

* NPATA (Net Profit After Tax and before Amortisation) is NPAT adjusted for amortisation of acquired intangibles.

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

***Restructuring costs include severances, loss on disposal of fit out from the early exit of the Vermont long term lease and other associated costs.

ORGANISATIONAL OVERVIEW

Global Operations

The structure of our global operations and how they impact our financial outcomes is summarised below:

Australia	North America	Asia Pacific/Middle East
The majority of Mach7's shareholder base is located in Australia. Certain regulatory and governance activities are undertaken by the Board of Directors and other administration functions in Australia. Mach7 does not yet derive revenue from customers based in Australia.	North America is where the majority of Mach7's executive team resides and where the vast majority of Mach7's employees reside including sales, marketing, research & development (engineering), product and professional services teams. Operations are conducted in both the US and Canada. Research & development (engineering) teams are located in the US, Canada, each having a principal product focus of Mach7 Vendor Neutral Archive (US) and Mach7 eUnity Viewer (Canada). 86% of the Group's revenue is derived from North America, with a focus on a subscription software sales model. North America ARR increased 7.7% in constant currency in FY26, attributed to existing customer expansions, renewals and add-ons, together with new sales and organic growth from price increases.	Mach7's Asia Pacific team undertakes the sales and support activities in the Asia Pacific and Middle East Regions. An engineering and QA team is also located in Malaysia to focus on interoperability, supporting our global clients. Our team is mainly located in Singapore and Malaysia. The region has experienced significant political and market instability this year, driving lower sales activity and growth. Revenue decreased 10% in Asia Pacific, compared to the prior year, predominantly driven by adverse currency effects.

EXTERNAL ENVIRONMENT

Growth of Medical Imaging

Medical images are large, and growing, components of the medical record. It is essential to store and provide diagnostic reading and viewing capabilities both inside and outside the walls of the hospital. The medical imaging function is becoming more complex with ever increasing volumes, file types, file sizes, broader sources and numerous data repositories. As these complexities increase for healthcare providers, the enterprise-wide medical imaging solutions provided by Mach7 give our customers the functionality, interoperability and efficiency they need.

Two further shifts are reshaping this market. First, artificial intelligence is becoming a direct consumer of imaging data rather than a tool applied alongside it. That raises the value of data that is clean, accessible and governed, and makes the layer controlling how imaging data is stored, organised and delivered strategically important. Second, health systems are consolidating vendors while simultaneously resisting architectures that lock their data away or charge fees for access. They are weighing the cost and availability risks of cloud-only models against hybrid deployments that place data where it makes clinical and economic sense. Mach7's vendor-neutral, deployment-flexible position sits at the intersection of these two shifts.

Volume-based business model - capital and subscription pricing options

Mach7 has a volume-based business model and offers all customers the flexibility of procuring their software as either a term capital software licence (a capex purchase) or a subscription licence (an opex purchase). This allows our customers full procurement flexibility to suit their individual business needs and provides them with multiple options to suit their budgetary requirements.

Mach7's sales orders are showing a shift of procurement preference by its customers from term capital software licence sales to subscription licence sales, as more customers lean towards spreading the cost of software over the term of usage rather than paying 100% upfront. This translates to ARR growth for Mach7.

OUR BUSINESS STRATEGIES

The Group remains focused on building market share in enterprise imaging across our core regions of North America, Asia Pacific, and the Middle East. The Group has adopted a customer centric growth strategy and moved from design into execution during FY26.

This new approach centres on defining and targeting ideal customer profiles (ICP) to ensure our product roadmap, marketing, and positioning are aligned to the customer types that can best drive new logo acquisition and sustainable long-term growth. Our customer-centric focus is intended to improve market fit, sales effectiveness and brand clarity, and is now supported by a refreshed brand identity and market positioning.

A key element already in place is the overhaul of our customer-facing operations. Previously separated into services/implementation and support functions, these have now been unified into a single "Flight Crew" structure centred on customer needs, and now directly engaged with development. Each customer is supported by a designated Advocate for the Customer Experience (ACE), who coordinates a multidisciplinary team directly assigned to the account. Software Engineers engage with customers early in the design and development process to improve output, cultivate early adopters, and create stronger job satisfaction among developers. These model changes foster stronger relationships, more responsive support, and greater continuity. We expect these to translate into stronger products and measurable improvements in customer satisfaction, including higher KLAS scores, which in turn support future sales growth.

Marketing has been strengthened under a new VP of Growth and Marketing, with messaging and outreach building toward the Group's presence at RSNA 2026. At the same time, our strengthened Research and Development team, now unified with Product under the Chief Technology Officer and applying AI tooling across the development lifecycle is delivering at a materially faster cadence.

Mach7 continues to benefit from a broad, engaged, and collaborative customer base, providing a strong foundation for co-innovation and product leadership. As a respected leader in image management, the Group is well-positioned to capitalise on this strategy and drive meaningful growth in the years ahead.

Risk Management

The Board takes a proactive approach to risk management. The Board oversees the Audit and Risk Management Committee, which is responsible for ensuring that risks and opportunities are identified on a timely basis and that the Group's objectives and activities take these risks and opportunities into account.

Key Business Risks

The Group's operations are subject to several risks. The Board, through its Audit and Risk Management Committee, regularly reviews the possible impact of these risks and seeks to minimise this impact through a commitment to its corporate governance principles and its various risk management functions. A number of specific risk factors that may impact the future performance of the Company are described below.

Shareholders should note that this list is not exhaustive and only includes risks that could affect the Group's financial prospects, taking into account the nature and business of the Group and its business strategy.

Commercialisation risk

The principal activity of the Group is the provision of enterprise imaging data storage, sharing and interoperability for healthcare organisations. There is a risk that the Group will be unable to attract sufficient customers to be profitable and to fund future operations. In addition, commercial success of new technology, such as the new Flamingo modules, is subject to inherent uncertainty due to unknown variables.

Competition and new technologies

The industry in which the Group is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. Whilst the Group will undertake all business decisions and operations with reasonable care and diligence, it will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of its business. For instance, the image management platform may be superseded by new and cheaper technology creating competitive pressures, in which case, the Group's revenues and profitability could be adversely affected.

Risks associated with the regulatory environment

The Group operates in a highly regulated markets internationally. Success can be impacted by changes to the regulatory environment. Mach7 continues to monitor changes and proposed changes to the regulatory environment to which it is exposed.

Customer retention and revenue concentration

The Group's revenue is derived from a broad base of contracted customer relationships across its markets. A limited number of these are large enterprise agreements that result in a concentration of revenue and cash generation. The non-renewal or loss of one or more of these key customer contracts could have a disproportionate effect on the Group's revenue and cash flow. While contract renewal risk of this nature is inherent to many businesses operating on a subscription or contracted revenue model, the Group has made customer retention its first operating priority, including designated customer teams, executive sponsorship of key accounts, and structured engagement coverage. There is no assurance that these measures will prevent future customer losses.

Cybersecurity and data integrity

The Group stores and transmits sensitive patient imaging data on behalf of healthcare providers. A security incident, data loss or extended service disruption could result in regulatory action, contractual liability, remediation cost and reputational damage. Healthcare remains among the most targeted sectors globally. The Group maintains strong security controls, monitoring and incident response processes and continues to invest in certification and assurance, but cannot eliminate this risk.

Product development and technical capability

The Group's ability to deliver planned enhancements to its product roadmap depends in part on specialised technical expertise, including domain knowledge specific to enterprise medical imaging, concentrated within a relatively small technical team. This is typical of businesses of the Group's size and specialisation. The Group's existing subscription revenue is derived from committed customer contracts and is not dependent on future roadmap delivery; however, delay in delivering planned product capability could affect the pace of revenue growth and the Group's competitive position over time. The Group has strengthened its technical leadership during the year, including the appointment of a new Chief Technology Officer, and manages this risk through succession planning, knowledge documentation and employee learning and development.

DIRECTORS

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

Mr Robert Bazzani - Chairman

Ms Teri Thomas - Managing Director and Chief Executive Officer (Appointed effective 1 July 2025)

Mr Eliot Siegel, MD - Independent Non-Executive Director

Ms Rebecca Fitzgibbon (previously Rebecca Thompson) - Independent Non-Executive Director

Board of Directors

The names and details of the Company's Directors in office as at the date of this report are as follows:

Name:	Robert Bazzani
Title:	Chairman
Qualifications:	Master of Business Administration, Bachelor of Laws and Bachelor of Science
Experience and expertise:	Mr Robert Bazzani is an experienced Chair, non-executive director, and business leader, with over 30 years' experience in law, corporate finance and corporate advisory. Mr Bazzani has a demonstrated track record of leading and growing large scale and complex businesses. He has played a significant role in advising corporations (public, private, and global subsidiaries) on commercial matters, public transitions, corporate governance, and Mergers and Acquisitions. His prior professional experience includes commercial law, investment banking, and in professional services with global consulting firm KPMG in multiple senior roles. Robert is Chair of Natrio Asia Pacific Pty Limited, ORDE Financial Holdings Pty Limited and Chair of NALSPA Limited (National Automotive Leasing & Salary Packaging Ltd).
Other current directorships:	OFX Group Ltd (ASX:OFX)
Former directorships (last 3 years):	Keypath Education International Inc. (ASX:KED)
Special responsibilities:	Remuneration & Nomination Committee – Chair, and Audit & Risk Management Committee - member.
Interests in shares:	427,869
Interests in options:	75,000
Interests in rights:	None.

Mach7 Technologies Limited
Directors' report
30 June 2026

Name: Teri Thomas (appointed effective 1 July 2025)
 Title: Managing Director and Chief Executive Officer
 Qualifications: Master of Science
 Experience and expertise: Ms. Teri Thomas has a distinguished career in healthcare technology and executive leadership, with more than 20 years of experience driving strategic growth in global health IT companies. Her remarkable leadership includes senior roles at Epic, the leading U.S. electronic medical record company, and as Executive Vice President at New Zealand-headquartered Orion Health, driving sales and corporate strategy.

Most recently, Ms. Thomas served as CEO and Managing Director of Volpara Health Technologies Ltd (ASX: VHT), a global leader in breast cancer screening software. Beginning in 2022, she successfully led a corporate transformation at Volpara, implementing operational efficiencies, disciplined commercial strategies, and a renewed focus on U.S. growth. Her leadership strengthened company culture, stabilised performance, and positioned Volpara for its successful acquisition by Lunit in May 2024. Ms Thomas then served as both Volpara CEO and as Chief Business Officer at Lunit, a market leader in AI-driven cancer detection and diagnostics company based in Seoul, South Korea.

Other current directorships: None.
 Former directorships (last 3 years): Volpara Health Technologies Ltd (ASX:VHT)
 Special responsibilities: None.
 Interests in shares: 558,000
 Interests in options: None.
 Interests in rights: 1,989,189

Name: Eliot Siegel, MD
 Title: Independent Non-executive Director
 Qualifications: Doctor of Medicine
 Experience and expertise: Dr. Eliot Siegel is a well-known thought leader in the world of radiology, imaging informatics, and artificial intelligence applications in medicine. He currently serves as a Professor in the Department of Diagnostic Radiology at the University of Maryland School of Medicine and also works for the Veterans Affairs Maryland Healthcare System in Baltimore, MD. Additionally, he holds an adjunct professorship in computer science and biomedical engineering at the undergraduate campuses of the University of Maryland.

Dr. Siegel is a pioneer and co-founder of United Theranostics, a company dedicated to bringing state-of-the-art radiopharmaceuticals to patients for cancer therapy. Under his guidance, the Veterans Affairs Maryland Healthcare System achieved a significant milestone by becoming the first filmless healthcare enterprise in the world. He has also been a leader in national informatics efforts, serving as the informatics lead for the National Cancer Institute's Cancer Biomedical Informatics Grid (caBIG).

A prolific author, he has written over 300 articles and book chapters on PACS (Picture Archiving and Communication Systems) and digital imaging. He has also edited numerous books on these topics, including Filmless Radiology and Security Issues in the Digital Medical Enterprise. Dr. Siegel has delivered more than 1,000 presentations globally on a wide range of subjects related to the use of computers and artificial intelligence in medicine.

He served as symposium chairman for the Society of Photo-optical and Industrial Engineers (SPIE) Medical Imaging Meeting for three years and has been honored as a fellow in that organisation, as well as the American College of Radiology and the Society of Imaging Informatics in Medicine, where he was also awarded the Gold Medal.

Dr. Siegel currently serves on the board of directors for Mach7 Technologies, United Theranostics, ACREW, and Softread. On the Mach7 board he reviews product direction on AI integration and diagnostic workflow.

Other current directorships: None.
 Former directorships (last 3 years): None.

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Special responsibilities: Audit & Risk Management Committee - member, and Remuneration & Nomination Committee - member.

Interests in shares: 828,834

Interests in options: 75,000

Interests in rights: None.

Name: Rebecca Fitzgibbon

Title: Independent Non-Executive Director

Qualifications: Bachelor of Economics, Grad Dip Applied Finance & Investment, GAICD

Experience and expertise: Rebecca is an experienced non-executive director, Audit and Risk Committee Chair, and capital markets professional with more than 25 years' experience across global investment banking, ASX-listed companies, SaaS and technology businesses, real assets, and the not-for-profit sector. She has a demonstrated track record in financial oversight, enterprise risk management, capital allocation, ESG governance, strategic communications, and stakeholder engagement. Rebecca has advised boards and executive teams through capital raisings, mergers and acquisitions, sustainability initiatives, governance challenges, and strategic transformation.

Her prior professional experience includes senior leadership roles with J.P. Morgan, KPMG Advisory, CSR Limited, and Valad Property Group, as well as equity research and financial journalism. She is also co-founder of MarketMeter, an investor sentiment and data analytics platform serving ASX-listed companies and institutional investors. She is also Non-Executive Director and Chair, Finance, Risk & Audit Committee of Independent Community Living Australia (ICLA).

Other current directorships: None.

Former directorships (last 3 years): None.

Special responsibilities: Audit & Risk Management Committee – Chair, and Remuneration & Nomination Committee - member.

Interests in shares: 469,934

Interests in options: 225,000

Interests in rights: None.

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Name: Ms Naomi Lawrie

Title: Company Secretary

Appointment date: 24 June 2025

Qualifications: Bachelor of Laws / Bachelor of Commerce

Experience and expertise: Ms Naomi Lawrie is a Senior Company Secretary at Vistra (Australia) Pty Ltd, the Company's provider of secretarial services. Naomi has over 20 years' experience as a company secretary and lawyer.

Meetings of directors

The number of meetings of the company's Board of Directors (the 'Board') and of each Board committee held during the year ended 30 June 2026, and the number of meetings attended by each director were:

	Full Board		Remuneration and Nomination Committee		Audit and Risk Management Committee	
	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend
Eliot Siegel, MD	10	10	1	1	4	4
Mr Robert Bazzani	10	10	1	1	4	4
Ms Rebecca Fitzgibbon	10	10	1	1	4	4
Ms Teri Thomas	10	10	-	-	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Outlook

The demand for imaging continues to grow in both diagnostic frequency and clinical importance, while at the same time a global shortage of radiologists is placing increasing pressure on healthcare systems. This dynamic ensures that technology will remain strategic to healthcare delivery, positioning Mach7 strongly as a partner of choice for providers worldwide.

FY26 was the first full year under a substantially renewed leadership team. Teri Thomas was appointed Managing Director and Chief Executive Officer with effect from 1 July 2025. During the year the Company appointed a new Chief Financial Officer, a new Chief Technology Officer with responsibility for a combined Product and Engineering function, and a new EVP of Commercial responsible for the renewed commercial engine and go-to-market function, together with dedicated leadership for customer experience, partnerships and regulatory affairs. That team reset the cost base, unified the customer-facing organisation, prioritised marketing and set the product architecture for the next phase of growth.

Mach7's innovative and interoperable products form the foundation of an enterprise imaging strategy that enables both hospital networks and private practices to consolidate image data management and access diagnostic images from any location. Our competitive advantage lies in not only the strength of our platform, but also in a deep understanding of our customers—what they want and need, where they experience pain points, and where we can create opportunities to delight them. Under our Chief Technology Officer, this customer-centric approach is driving a renewed cadence of product delivery.

We are also leveraging our highly knowledgeable Asia-based team to extend customer experience and technical support across global time zones, while simultaneously enhancing R&D capacity in a cost-effective manner. This global approach enhances both execution speed and customer satisfaction.

Looking ahead, our focus is on strengthening customer engagement through a new model designed to create a continuous loop, effectively a “flywheel” effect in customer, marketing, and sales. With our new Flight Crew leading the journey, supported by digital engagement, robust knowledge bases, and AI-powered processes, we aim to deliver a premium experience that begins well before a prospect becomes a customer, guiding them through their personalized “flight plan” and ensuring ongoing success once they are on board.

The Company remains well positioned to take advantage of a highly fragmented imaging market and the ongoing shift in demand from acute to ambulatory settings. Our sales pipeline reflects opportunities across new and existing customers, multiple care settings, and varied product combinations.

We continue to focus on subscription sales, particularly in North America, as it provides great visibility to future revenue and a predictable, recurring, and scalable business model.

In FY27, Mach7 will concentrate on its customers and on the differentiators that decide deals in our favour: vendor-neutral data independence, hybrid deployment economics, deep integration with the electronic medical record, and an architecture built for AI-enabled imaging workflows. The strategy is defined and in execution.

Dividends

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

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the financial year.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 27 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 27 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

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.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2026 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.

Likely developments and expected results of operations

The Group will continue to announce material contract wins as and when they occur. Following the leadership transition completed at the start of the year, the Group has concluded its review of its customer base, product differentiators and market dynamics and has adopted a refreshed strategy anchored in growth through the delivery of compelling customer value. In FY27 the Group's focus moves from defining strategy to executing it: making the existing customer base a core engine of growth, alongside continued new customer acquisition, releasing the first modules of the Flamingo architecture, rebuilding demand generation, and funding the product build from operating cash flow.

Environmental regulation

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory of Australia, or any of the regions where it operates.

REMUNERATION REPORT (AUDITED)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

The KMP included in this report are as follows:

Non-executive Directors (NED)	Role	Period covered for remuneration
Mr Robert Bazzani	Chairman	Full year
Dr Eliot Siegel, MD	Independent, Non-Executive Director	Full year
Ms Rebecca Fitzgibbon	Independent, Non-Executive Director	Full year

Executives

Ms Teri Thomas	Chief Executive Officer & Managing Director	Full year
Ms Shawni Hadfield	Interim Chief Financial Officer	4 May 2026- 30 June 2026
Mr Daniel Lee	Chief Financial Officer (Resigned)	25 September 2025- 4 May 2026
Ms Dyan O'Herne	Chief Financial Officer (Resigned)	1 July 2025- 30 September 2025
Mr David Madaffri	Chief Operating Officer (Resigned)	1 July 2025- 25 July 2025

REMUNERATION PHILOSOPHY

The performance of the Group depends on the quality of its directors and executives. The Group's remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

REMUNERATION STRUCTURE

The Board, through its Nomination and Remuneration Committee, is responsible for determining and reviewing remuneration arrangements for the Group's directors and executives. In accordance with best practice corporate governance, the structure of Non-Executive Directors and executive remunerations are separate.

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Company. The framework is designed to:

- ensure that coherent remuneration policies and practices are observed which enable the attraction and retention of directors and management who will create value for shareholders
- fairly and responsibly reward directors and senior management having regard to the Group's performance, the performance of the senior management and the general pay environment; and
- comply with all relevant legal and regulatory provision.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

NON-EXECUTIVE DIRECTORS' REMUNERATION FRAMEWORK

Objective

Remuneration for Non-Executive Directors is set with the objective of attracting and retaining highly experienced and skilled directors, and which reflect the demands and responsibilities of their role.

Structure

The financial position of the Company is considered when determining the mix between cash and non-cash remuneration. Non-Executive Directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, seek advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with market standards. Remuneration for Non-Executive Directors (NEDs) may contain any or all of the following:

- Annual fees, reflecting the value of the individual's personal performance, time commitment and responsibilities of the role; and
- Other benefits required by law, for example, superannuation payments.

All non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. Following the adoption of a revised Company Constitution on 31 March 2016, the aggregate remuneration for all non-executive directors has been set at a maximum amount of \$500,000 per annum under clause 50 (a) of the Company's Constitution.

The annual fees awarded to non-executive Directors are as follows:

	From 1 July 2023 \$
Base fee	
Chair	110,000
Director	90,000
Additional fees for each Chair of Board Committees	10,000

EXECUTIVE REMUNERATION FRAMEWORK

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

Structure

Fixed Remuneration:

Fixed remuneration is set with reference to the skills, experience and performance of the individual performing the role, comparable market remuneration for the role being performed, and the overall size and financial position of the Group as a whole. Fixed remuneration is reviewed annually by the Board (via its Nomination & Remuneration Committee).

Fixed remuneration for key management personnel includes the following:

- Annual base salary
- Benefits in compliance with local laws (e.g. paid leave, medical insurance and superannuation payments)

Performance-based (variable) remuneration:

Performance-based remuneration for key management personnel includes:

- Bonuses to reward individuals following an outstanding business contribution having regard to clearly specified performance targets;
- Sales commission (sales executives only); and
- Equity based remuneration, reflecting the Group's medium and long-term performance objectives.

The Group has both a short-term incentive program (STIP) and a long-term incentive plan (LTIP).

SHORT TERM INCENTIVE PLAN (STIP)

STIP is designed to align corporate and departmental goals with the targets of executives responsible for meeting those goals. STI payments are granted to executives based on the achievement of specific annual targets/key performance indicators (KPI's). KPI's can include (but are not necessarily limited to) the following elements:

- Achievement of financial targets (e.g. revenue, earnings/profitability, cash flows, sales orders, budgeted operating expenses)
- Excellence in customer service and satisfaction
- Leadership contribution
- Product development
- Capital management
- Corporate transactions

Description of the plan

The STIP is an annual incentive plan under which executives are eligible to receive an annual award if they satisfy challenging strategic, operational and individual performance targets. Executives will be entitled to a STIP award up to a maximum fixed percentage of their annual fixed remuneration. The maximum amount will differ between individuals.

Appropriate STIP incentive

The STIP is designed to motivate and reward high performance. It puts a significant proportion of the executive's remuneration at-risk against targets linked to the Group's performance objectives, thereby aligning executive's interests with shareholders.

Choice of performance conditions

The choice of performance conditions for the STIP is relevant to the Group in its current phase of growth and is heavily focussed on financial metrics, such as revenue, earnings, cash flow, and sales orders targets. The Directors believe these targets are most closely aligned with growing shareholder value. In addition, the performance conditions are set with relevance to the individuals' role, such that the person is appropriately incentivised and motivated to achieve the best they can.

Performance period

The STIP is an annual plan.

Assessment of performance conditions

Financial targets as assessed by the Board with reference to annual financial statements and sales order information. For non-financial and individual targets, management assesses the personal performance of each executive against non-financial and personal performance targets and makes recommendations to the Remuneration & Nomination Committee in relation to the payment of any STI. The Remuneration & Nomination Committee review these recommendations and provide a final recommendation to the Board for its approval of STIs to be paid.

Payment of the STIP

Any STI payment is generally made within two to three months of the end of the performance period. The Board may, in its discretion, vary the general payment period. There was no STIP payment for FY26.

Cessation of employment

In order to qualify for inclusion in the STIP plan, the executive must remain employed with a Group Company as an eligible employee at the end of the fiscal year and must have been employed for all or portion of the performance period. If the executive leaves for a qualifying reason, the Board may award the STI in its full discretion.

LONG-TERM INCENTIVE PROGRAM (LTIP)

The LTIP provides for the issue of equity instruments such as performance rights, shares and options that are linked to the achievement of targets related to the Group's medium to long-term performance. Option awards typically vest over a period of three years, and expire within five years. The most recent LTIP was approved by shareholders in November 2025.

Performance conditions

The performance conditions must be satisfied in order for performance rights to vest. Performance conditions include financial and non-financial targets and generally require the holder to remain employed by the Group through to vesting date. Each performance right entitles the holder to one share in the Company, subject to meeting specific performance conditions. The performance rights do not carry rights to dividends or voting.

As of 30 June 2026, the Company has 2,455,856 performance rights on issue, including:

- 466,667 performance rights which vest on 30 June 2026 and are under the Board's consideration for the performance conditions; and
- 1,989,189 performance rights issued to Ms Teri Thomas on 4 December 2025. The Rights will be measured over a three - year vesting period beginning on 1 July 2025 and ending on 30 June 2028 (the "Performance Period"). The Rights are subject to the Absolute Compound Annual Growth ("CAGR") in Total Shareholder Return ("TSR") performance condition and will vest in accordance with the below matrix:

Hurdle: M7T TSR CAGR)

Percentage of Performance Rights to vest

Less than 25%
 25%
 40% and above

No vesting
 60% vesting
 100% vesting

Cessation of employment

If a KMP ceases to be employed or engaged by the Group for any reason other than as a result of a Qualifying Event, any unvested performance rights and equity options held by the participant will lapse immediately on the participant ceasing to be employed. Any vested performance rights and equity options must be exercised within 30 days of termination date. A Qualifying Event means:

- Death;
- Serious injury, disability or illness which prohibits continued employment;
- Retirement or retrenchment; or
- Such other circumstances which the Board determines to be a Qualifying Event.

Where a participant in the LTIP scheme ceases to be employed by the Group as a result of a Qualifying Event, the Board may, in its absolute discretion, make a determination as to whether some or all of those performance rights or equity options become vested at the time of the cessation of employment of the participant or another date determined by the Board.

In the event of a change of control, the Board has discretion to determine that the vesting of some or all of non-vested performance rights and equity options should be accelerated. Any remaining unvested performance rights or options will immediately lapse.

Voting and comments made at the company's 30 June 2025 Annual General Meeting ('AGM')

At the 28 November 2025 AGM, 99.49% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2025. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel (KMP) of the consolidated entity are set out in the following tables.

	Short-term benefits			Termination benefits	Post-employment benefits	Long-term benefits	¹ Share-based payments	
	Cash salary and fees	Cash bonus	Non-monetary	Severance	Super-annuation	Long service leave	Equity-settled	Total
30 June 2026	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
Robert Bazzani	107,143	-	-	-	12,857	-	2,548	122,548
Eliot Siegel	90,000	-	-	-	-	-	2,548	92,548
Rebecca Fitzgibbon	89,286	-	-	-	10,714	-	17,902	117,902
<i>Executive Director:</i>								
Teri Thomas ¹	646,000	-	39,037	-	-	-	115,979	801,016
<i>Other Key Management Personnel:</i>								
Shawni Hadfield ²	56,691	-	13,473	-	-	-	2,995	73,159
Daniel Lee ³	237,164	-	58,284	91,372	-	-	-	386,820
Dyan O'Herne ⁴	123,251	-	17,380	274,827	-	-	(68,542)	346,916
David Madaffri ⁵	68,107	-	7,835	-	-	-	(64,970)	10,972
	1,417,642	-	136,009	366,199	23,571	-	8,460	1,951,881

¹ Ms Teri Thomas was appointed, Chief Executive Officer and Managing Director, effective 1 July 2025. Cash salary is based on Employment contract with base salary of US\$407,000 at AUD/USD exchange rate of \$0.63 which translates to a fixed minimum annual AUD salary of A\$646,000.

² Ms Shawni Hadfield was appointed Interim Chief Financial Officer effective 4 May 2026 and, as a result, became a key management personnel from that date.

³ Mr Daniel Lee appointed as Chief Financial Officer effective 25 September 2025 and resigned effective 4 May 2026.

⁴ Ms Dyan O'Herne resigned as Chief Financial Officer effective 30 September 2025. \$(68,542) of movement in share-based payments represent \$11,044 of share-based payment expenses on unvested options and \$(79,586) of reversal of share-based payment charge due to the forfeiture of options due to the resignation.

⁵ Mr David Madaffri resigned as Chief Operating Officer effective 25 July 2025. \$(64,970) of movement in share-based payments represent \$499 of share-based payment expenses on unvested options and \$(65,469) of reversal of share-based payment charge due to the forfeiture of options due to the resignation.

¹Equity-settled share-based payments in the table above represents the valuation of the options and/or performance rights granted to the relevant KMP, as required by Accounting Standard AASB 2- Share-based Payment to be accounted as the cost to the company. The amount disclosed for equity-settled share-based payments represents the accounting valuation recognised as cost to the company during the year as disclosed in note 35 and does not represent cash remuneration to the KMP.

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	Short-term benefits			Termination benefits	Post-employment benefits	Long-term benefits	¹ Share-based payments	
	Cash salary and fees	Cash bonus	Non-monetary	Severance	Super-annuation	Long service leave	Equity-settled	Total
30 June 2025	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
Robert Bazzani	107,623	-	-	-	12,377	-	5,738	125,738
Eliot Siegel	90,000	-	-	-	-	-	5,739	95,739
Rebecca Fitzgibbon	89,686	-	-	-	10,314	-	41,553	141,553
<i>Executive Director:</i>								
Michael Lampron*	627,664	-	93,207	339,751	-	-	237,071	1,297,693
<i>Other Key Management Personnel:</i>								
Dyan O'Herne	514,040	-	70,527	-	-	-	73,514	658,081
David Madaffri	723,622	-	89,700	-	-	-	72,262	885,584
	2,152,635	-	253,434	339,751	22,691	-	435,877	3,204,388

* Mr Michael Lampron resigned as Chief Executive Officer & Managing Director effective close of business 30 June 2025. Ms Teri Thomas was appointed as Chief Executive Officer & Managing Director effective 1 July 2025.

¹Equity-settled share-based payments in the table above represents the valuation of the options and/or performance rights granted to the relevant KMP, as required by Accounting Standard AASB 2- Share-based Payment to be accounted as the cost to the company. The amount disclosed for equity-settled share-based payments represents the accounting valuation recognised as cost to the company during the year as disclosed in note 35 and does not represent cash remuneration to the KMP.

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The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Remuneration		At risk - STI		At risk - LTI	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025	30 June 2026	30 June 2025
<i>Non-Executive Directors:</i>						
Robert Bazzani	98%	95%	-	-	2%	5%
Eliot Siegel	97%	94%	-	-	3%	6%
Rebecca Fitzgibbon	85%	71%	-	-	15%	29%
	-	-	-	-	-	-
<i>Executive Directors:</i>						
Teri Thomas*	86%	-	-	-	14%	-
Michael Lampron*	-	82%	-	-	-	18%
<i>Other Key Management Personnel:</i>						
Shawni Hadfield**	96%	-	-	-	4%	-
Daniel Lee***	100%	-	-	-	-	-
Dyan O'Herne***	120%	89%	-	-	(20%)	11%
David Madaffri***	692%	92%	-	-	(592%)	8%

* Mr Michael Lampron resigned as Chief Executive Officer & Managing Director effective close of business 30 June 2025.

Ms Teri Thomas was appointed as Chief Executive Officer & Managing Director effective 1 July 2025

** Ms Shawni Hadfield was appointed Interim Chief Financial Officer effective 4 May 2026 and, as a result, became a KMP from that date. She held 175,000 options immediately prior to her appointment.

*** Mr Daniel Lee resigned effective 4 May 2026. Ms Dyan O'Herne resigned effective 30 September 2025 and Mr David Madaffri resigned effective 25 July 2025.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Component	Requirement
Fixed remuneration	Reviewed annually
Variable remuneration	Participation in the Company's STIP and LTIP; Annual Sales Commission Plan for Sales Executives only
Contract duration	Ongoing
Termination of employment (without cause) by the Company or by individual	6 months' notice (CEO), 3 months' notice (CFO & COO)
Termination of employment (for cause) by Company	Terminated immediately

Share-based compensation

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2026.

No shares were issued to directors and other key management personnel upon exercise of remuneration related options during the year ended 30 June 2026.

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Options and performance rights

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Eliot Siegel	8,333	11/11/2021	11/11/2022	11/11/2026	\$0.910	\$0.380
Eliot Siegel	8,333	11/11/2021	11/11/2023	11/11/2026	\$0.910	\$0.380
Eliot Siegel	8,334	11/11/2021	11/11/2024	11/11/2026	\$0.910	\$0.380
Robert Bazzani	8,333	11/11/2021	11/11/2022	11/11/2026	\$0.910	\$0.380
Robert Bazzani	8,333	11/11/2021	11/11/2023	11/11/2026	\$0.910	\$0.380
Robert Bazzani	8,334	11/11/2021	11/11/2024	11/11/2026	\$0.910	\$0.380
Eliot Siegel	8,333	12/12/2022	12/12/2023	12/12/2027	\$0.610	\$0.320
Eliot Siegel	8,333	12/12/2022	12/12/2024	12/12/2027	\$0.610	\$0.320
Eliot Siegel	8,334	12/12/2022	12/12/2025	12/12/2027	\$0.610	\$0.320
Robert Bazzani	8,333	12/12/2022	12/12/2023	12/12/2027	\$0.610	\$0.320
Robert Bazzani	8,333	12/12/2022	12/12/2024	12/12/2027	\$0.610	\$0.320
Robert Bazzani	8,334	12/12/2022	12/12/2025	12/12/2027	\$0.610	\$0.320
Rebecca Fitzgibbon	75,000	16/11/2023	16/11/2024	16/11/2028	\$0.710	\$0.457
Rebecca Fitzgibbon	75,000	16/11/2023	16/11/2025	16/11/2028	\$0.710	\$0.457
Rebecca Fitzgibbon	75,000	16/11/2023	16/11/2026	16/11/2028	\$0.710	\$0.457
Robert Bazzani	8,334	01/12/2023	01/12/2026	01/12/2028	\$0.725	\$0.416
Robert Bazzani	8,333	01/12/2023	01/12/2024	01/12/2028	\$0.725	\$0.416
Robert Bazzani	8,333	01/12/2023	01/12/2025	01/12/2028	\$0.725	\$0.416
Eliot Siegel	8,333	01/12/2023	01/12/2024	01/12/2028	\$0.725	\$0.416
Eliot Siegel	8,333	01/12/2023	01/12/2025	01/12/2028	\$0.725	\$0.416
Eliot Siegel	8,334	01/12/2023	01/12/2026	01/12/2028	\$0.725	\$0.416
Teri Thomas*	1,989,189	04/12/2025	30/06/2028	31/12/2028	\$0.000	\$0.263
Shawni Hadfield**	58,333	16/02/2026	16/02/2027	16/02/2031	\$0.378	\$0.179
Shawni Hadfield**	58,333	16/02/2026	16/02/2028	16/02/2031	\$0.378	\$0.179
Shawni Hadfield**	58,334	16/02/2026	16/02/2029	16/02/2031	\$0.378	\$0.179

* performance rights subject to performance hurdles.

** Ms Shawni Hadfield was appointed Interim Chief Financial Officer effective 4 May 2026 and, as a result, became a KMP from that date. She held these options immediately prior to her appointment.

Options granted carry no dividend or voting rights.

There were no options over ordinary shares granted to or vested by directors and other key management personnel in-lieu of their fees/salaries during the year ended 30 June 2026.

Mach7 Technologies Limited
Directors' report
30 June 2026

The number of options over ordinary shares granted to and vested by directors and other key management personnel during the year ended 30 June 2026 are set out below:

	Number of options granted during year 30 June 2026	Number of options granted during year 30 June 2025	Number of options vested during year 30 June 2026	Number of options vested during year 30 June 2025	Value of options granted during year 30 June 2026	Value of options exercised during year 30 June 2026	Value of options lapsed during year 30 June 2026
Eliot Siegel	-	-	8,333	25,000	-	-	19,750
Robert Bazzani	-	-	8,333	25,000	-	-	19,750
Rebecca Fitzgibbon	-	-	75,000	75,000	-	-	-
Teri Thomas*	1,989,189	-	-	-	523,580	-	-
Michael Lampron**	-	800,000	-	-	-	-	413,556
Shawni Hadfield	175,000	-	-	-	31,390	-	-
David Madaffri***	-	275,000	66,667	233,332	-	-	274,157
Dyan O'Herne****	-	325,000	66,667	133,332	-	-	79,586

* Ms Teri Thomas was appointed, Chief Executive Officer and Managing Director, effective 1 July 2025. 1,989,189 performance rights issued to her with various vesting conditions relating to service period and performance hurdles.

** Mr Lampron resigned as Managing Director and Chief Executive Officer effective close of business 30 June 2025.

*** Mr David Madaffri resigned as Chief Operating Officer with effect from 25 July 2025.

**** Ms Dyan O'Herne resigned as Chief Financial Officer with effect from 30 September 2025.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions*	Other movements	Balance at the end of the year
Ordinary shares					
Robert Bazzani	254,728	-	173,141	-	427,869
Eliot Siegel	358,112	-	470,722	-	828,834
Rebecca Fitzgibbon	469,934	-	-	-	469,934
Teri Thomas ¹	-	-	258,000	300,000	558,000
Michael Lampron ²	879,405	-	-	(879,405)	-
Dyan O'Herne ³	208,205	-	-	(208,205)	-
	2,170,384	-	901,863	(787,610)	2,284,637

*Additions represent on-market purchases during the year.

¹ The other movement for Ms Teri Thomas represents shares held by her prior to her appointment as Managing Director and Chief Executive Officer, effective 1 July 2025.

² Mr Michael Lampron resigned as Managing Director and Chief Operating Officer effective at the close of business on 30 June 2025. The other movement of 879,405 shares represents the number of shares held by him at the time he ceased to be a Key Management Personnel (KMP) of the Company.

³ Ms Dyan O'Herne resigned as Chief Financial Officer effective 30 September 2025. The other movement of 208,205 shares for Ms Dyan O'Herne represents the number of shares held by her at the time she ceased to be a KMP of the Company.

Mach7 Technologies Limited
Directors' report
30 June 2026

Options and performance rights holding

The number of options and performance rights over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options and performance rights over ordinary shares</i>					
Robert Bazzani ¹	100,000	-	-	(25,000)	75,000
Eliot Siegel ¹	100,000	-	-	(25,000)	75,000
Rebecca Fitzgibbon	225,000	-	-	-	225,000
Teri Thomas ²	-	1,989,189	-	-	1,989,189
Shawni Hadfield ³	-	-	-	175,000	175,000
Michael Lampron ⁴	1,189,667	-	-	(1,189,667)	-
David Madaffri ⁵	975,000	-	-	(975,000)	-
Dyan O'Herne ⁶	925,000	-	-	(925,000)	-
	3,514,667	1,989,189	-	(2,964,667)	2,539,189

¹ Lapsed on the expiry of the option term.

² 1,989,189 performance rights issued to Ms Teri Thomas, Chief Executive Officer and Managing Director, with various vesting conditions relating to service period and performance hurdles

³ Ms Shawni Hadfield was appointed Interim Chief Financial Officer effective 4 May 2026 and, as a result, became a KMP from that date. She held 175,000 options immediately prior to her appointment

⁴ Mr Michael Lampron resigned as Managing Director and Chief Operating Officer effective close of business 30 June 2025. Movement of 1,189,667 performance rights represents number of the performance rights held by him at the time he ceased to be a KMP of the Company.

⁵ Mr David Madaffri resigned as Chief Operating Officer effective 25 July 2025. Other movement of 975,000 represents 441,667 unvested options which were forfeited upon his resignation and 533,333 vested options held by him at the time of ceasing as the KMP of the Company.

⁶ Ms Dyan O'Herne resigned as Chief Financial Officer effective 30 September 2025. Other movement of 925,000 represents 491,667 unvested options which were forfeited upon her resignation and 433,333 vested options held by her at the time of ceasing as the KMP of the Company.

Other transactions with key management personnel and their related parties

There have been no other transactions with KMPs during the year.

Additional information

The earnings of the consolidated entity for the five years to 30 June 2026 are summarised below:

	2026	2025	2024	2023	2022
	\$	\$	\$	\$	\$
Loss for the year	(8,928,554)	(6,201,404)	(7,970,324)	(1,048,112)	(4,167,850)
Basic earnings per share (EPS) (Cent)	(3.8)	(2.6)	(3.3)	(0.4)	(1.8)
Share price (\$)	0.290	0.330	0.640	0.620	0.490
% change in share price (%)	(12%)	(48%)	3%	27%	(54%)

This concludes the remuneration report, which has been audited.

Shares under options and performance rights

Unissued ordinary shares of Mach7 Technologies Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
10/09/2021	31/08/2026	\$0.980	1,235,000
11/11/2021	11/11/2026	\$0.910	89,999
24/02/2022	24/02/2027	\$0.731	250,000
12/12/2022	12/12/2027	\$0.610	50,000
01/01/2023	30/09/2026	\$0.570	200,000
01/07/2023	30/09/2026	\$0.582	133,333
14/08/2023	14/08/2028	\$0.800	50,000
16/11/2023 *	30/09/2026	\$0.000	466,667
16/11/2023	16/11/2028	\$0.710	225,000
01/12/2023	01/12/2028	\$0.725	50,000
18/12/2023	29/08/2026	\$0.730	16,666
18/12/2023	30/09/2026	\$0.730	50,000
18/12/2023	18/12/2028	\$0.730	1,025,000
01/03/2024	01/03/2029	\$0.679	200,000
19/08/2024	19/08/2029	\$0.591	100,000
16/09/2024	16/09/2029	\$0.540	200,000
18/11/2024	18/11/2029	\$0.380	1,425,000
01/10/2025	01/10/2030	\$0.308	325,000
04/12/2025 *	31/12/2028	\$0.000	1,989,189
16/02/2026	16/02/2031	\$0.378	275,000
05/03/2026	05/03/2031	\$0.334	1,300,000
			<u>9,655,854</u>

* Unissued ordinary share under performance rights.

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options

The following ordinary shares of Mach7 Technologies Limited were issued during the year ended 30 June 2026 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
18/11/2024	\$0.380	41,666

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Mach7 Technologies Limited
Directors' report
30 June 2026

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

28 August 2026

RSM Australia Partners

Level 27, 120 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Mach7 Technologies Limited and its controlled entities for the year ended 30 June 2026, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS



M PARAMESWARAN
Partner

Dated: 28 August 2026
Melbourne, Victoria

Mach7 Technologies Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2026

		Consolidated	
	Note	30 June 2026	30 June 2025
		\$	\$
Revenue from contracts with customers	5	27,909,143	33,768,195
Other income	6	557,936	871,844
Expenses			
Cost of sales		(2,050,842)	(1,996,824)
Employment and related expenses	7	(20,917,266)	(25,180,114)
Depreciation and amortisation	7	(6,541,056)	(7,243,034)
Professional fees and corporate expenses		(1,814,199)	(2,203,283)
General administration and office expense		(2,485,491)	(2,657,729)
Marketing expense		(847,339)	(695,154)
Travel and related expense		(685,047)	(1,104,425)
Share-based payments expense (non-cash)		(287,410)	(1,109,685)
Restructuring expense		(1,914,845)	-
Right-of-use lease liability interest expense		(70,005)	(117,960)
Net foreign exchange losses		(282,491)	(173,723)
Other expenses	7	(7,346)	(116,966)
Loss before income tax benefit		(9,436,258)	(7,958,858)
Income tax benefit	9	507,704	1,757,454
Loss after income tax benefit for the year attributable to the owners of Mach7 Technologies Limited		(8,928,554)	(6,201,404)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(2,387,450)	1,059,523
Other comprehensive income for the year, net of tax		(2,387,450)	1,059,523
Total comprehensive loss for the year attributable to the owners of Mach7 Technologies Limited		<u>(11,316,004)</u>	<u>(5,141,881)</u>
		Cents	Cents
Basic and diluted earnings per share	8	(3.8)	(2.6)

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 30 June 2026

		Consolidated	
	Note	30 June 2026	30 June 2025
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	10	19,920,095	23,069,049
Trade and other receivables	11	4,668,831	3,932,508
Customer contract assets	12	1,109,466	1,539,499
Other assets	13	1,509,240	1,738,693
Total current assets		<u>27,207,632</u>	<u>30,279,749</u>
Non-current assets			
Customer contract assets	12	3,468,006	4,176,001
Right-of-use assets	14	76,304	985,217
Property, plant and equipment	15	359,000	1,152,941
Intangibles	16	15,673,379	22,616,191
Deferred tax asset	20	2,951,337	4,195,202
Other assets	13	761,694	803,838
Total non-current assets		<u>23,289,720</u>	<u>33,929,390</u>
Total assets		<u>50,497,352</u>	<u>64,209,139</u>
Liabilities			
Current liabilities			
Trade and other payables	17	2,626,291	2,356,789
Customer contract liabilities	18	11,685,865	11,834,231
Lease liabilities	19	65,577	218,478
Total current liabilities		<u>14,377,733</u>	<u>14,409,498</u>
Non-current liabilities			
Lease liabilities	19	14,816	900,342
Deferred tax liability	20	1,540,081	3,321,816
Total non-current liabilities		<u>1,554,897</u>	<u>4,222,158</u>
Total liabilities		<u>15,932,630</u>	<u>18,631,656</u>
Net assets		<u>34,564,722</u>	<u>45,577,483</u>
Equity			
Issued capital	21	114,021,080	113,997,327
Reserves	22	3,360,648	6,594,344
Accumulated losses		<u>(82,817,006)</u>	<u>(75,014,188)</u>
Total equity		<u>34,564,722</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 year ended 30 June 2026

Consolidated	Issued capital \$	Share based payments reserve \$	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 year	-	-	-	(6,201,404)	(6,201,404)
Other comprehensive income for the year, net of tax	-	-	1,059,523	-	1,059,523
Total comprehensive income for the year	-	-	1,059,523	(6,201,404)	(5,141,881)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments expense (note 35)	-	1,109,685	-	-	1,109,685
Transfers upon lapse of options	-	(2,192,683)	-	2,192,683	-
On-market buyback of shares	(2,236,019)	-	-	-	(2,236,019)
Transaction cost	(11,180)	-	-	-	(11,180)
Balance at 30 June 2025	<u>113,997,327</u>	<u>3,264,735</u>	<u>3,329,609</u>	<u>(75,014,188)</u>	<u>45,577,483</u>

Consolidated	Issued capital \$	Share based payments reserve \$	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 benefit for the year	-	-	-	(8,928,554)	(8,928,554)
Other comprehensive loss for the year, net of tax	-	-	(2,387,450)	-	(2,387,450)
Total comprehensive loss for the year	-	-	(2,387,450)	(8,928,554)	(11,316,004)
Share-based payments expense (note 35)	-	287,410	-	-	287,410
Issue of shares upon option exercises	15,833	-	-	-	15,833
Transfers upon lapse of options	-	(1,125,736)	-	1,125,736	-
Transfers upon exercise of options/rights	7,920	(7,920)	-	-	-
Balance at 30 June 2026	<u>114,021,080</u>	<u>2,418,489</u>	<u>942,159</u>	<u>(82,817,006)</u>	<u>34,564,722</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 year ended 30 June 2026

		Consolidated	
	Note	30 June 2026	30 June 2025
		\$	\$
Cash flows from operating activities			
Receipts from customers (including GST)		28,025,257	35,692,612
Payments to suppliers and employees (including GST)		(29,614,444)	(35,325,272)
Interest received		325,015	501,250
Net cash (used in)/from operating activities	25	(1,264,172)	868,590
Cash flows from investing activities			
Payments for property, plant and equipment		(68,987)	(755,668)
Payments for intangibles		(846,980)	(942,554)
Net cash used in investing activities		(915,967)	(1,698,222)
Cash flows from financing activities			
Proceeds from exercise of share options		15,833	-
Payments for share buy-backs		(4,000)	(2,243,939)
Repayment of lease liabilities		(175,858)	(186,689)
Net cash used in financing activities		(164,025)	(2,430,628)
Net decrease in cash and cash equivalents		(2,344,164)	(3,260,260)
Cash and cash equivalents at the beginning of the financial year		23,069,049	26,175,405
Effects of exchange rate changes on cash and cash equivalents		(804,790)	153,904
Cash and cash equivalents at the end of the financial year	10	<u>19,920,095</u>	<u>23,069,049</u>

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

Note 1. Corporate information

The financial statements cover Mach7 Technologies Limited as a consolidated entity consisting of Mach7 Technologies Limited (the "Company" or the "Parent") and the entities it controlled at the end of, or during, the year.

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). Its registered office and principal place of business are:

Registered office

Suite 2, Level 11, 385 Bourke Street
Melbourne VIC 3000

Principal place of business

50 Lakeside Avenue,
Burlington, VT 05401, United States

The nature of the operations and principal activities of Mach7 Technologies Limited and its consolidated entities (the "Group" or "Consolidated entity") are described in the Directors' Report.

The financial report of Mach7 Technologies Limited for the year ended 30 June 2026 was authorised for issue in accordance with a resolution of the Directors on **28 August 2026**.

Note 2. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, 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.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with IFRS Accounting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 30.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Mach7 Technologies Limited ('company' or 'parent entity') as at 30 June 2026 and the results of all subsidiaries for the year then ended. Mach7 Technologies Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Note 2. Material accounting policy information (continued)

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received, and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors. Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team. The group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- Nature of the products and services;
- Nature of the production processes;
- Type or class of customer for the products and services;
- Methods used to distribute the products or provide the services; and if applicable
- Nature of the regulatory environment.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements. Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

Foreign currency translation

The financial statements are presented in Australian dollars, which is Mach7 Technologies Limited's presentation currency. The Group has multiple functional currencies including Australian dollar, US dollar, Canadian dollar and Singapore dollar.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity. The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Note 2. Material accounting policy information (continued)

Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

Sale of software

Revenue from the sale of software licences is recognised at the point in time when the customer obtains control of the software, which is generally at the time of delivery. The provision of the software licence is a distinct performance obligation as the customer can derive substantial benefits from the licence on its own when the licence is delivered and installed. Therefore, revenue from the sale of software is recognised when the software is delivered to the customer.

Subscription of software licence

Subscription revenue from software licence subscription is recognised over the annual subscription period as the services are rendered.

Rendering of professional services

Revenue from a contract to provide professional services, such as implementation, training, maintenance and annual support services, is recognised over time as the services are rendered. This is because the professional services price is based on either a fixed price or an hourly rate.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Note 2. Material accounting policy information (continued)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss
- equity instruments at fair value through other comprehensive income
- debt instruments at fair value through other comprehensive income

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses. Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

Note 2. Material accounting policy information (continued)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Impairment of financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition of that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held on call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30-45 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets

Contract assets are recognised when the consolidated entity has transferred goods or services to the customer, but where the consolidated entity is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Note 2. Material accounting policy information (continued)

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Computer hardware and software	2 - 5 years
Furniture, fixtures & office equipment	5 - 7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets acquired separately are initially measured at cost. Intangible asset acquired in a business combination are initially measured at their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over their useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

Software development costs

Software development costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. . Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and

Note 2. Material accounting policy information (continued)

accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefits from the related projects.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Employee benefits

Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave are measured as short-term employee benefits when expected to be settled wholly within 12 months of the reporting date or as long-term benefits when not expected to be settled within 12 months of the reporting date.

Termination benefits

Termination benefits are recognised when a detailed plan of termination has been communicated to affected employees. They are measured as short-term employee benefits when expected to be settled wholly within 12 months of the reporting date or as long-term benefits when not expected to be settled within 12 months of the reporting date.

Note 2. Material accounting policy information (continued)

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Note 2. Material accounting policy information (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Mach7 Technologies Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Revenue from contracts with customers

When recognising revenue in relation to the sale of software, the key performance obligation of the consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised software and therefore the benefits of unimpeded access.

The Group derives revenue from software licence subscriptions that provide customers with a right to access hosted software and related support services over a fixed subscription term, typically one year. Revenue is recognised over the subscription period as the performance obligations are satisfied and services are rendered.

The Group generates revenue from contracts to provide professional services, including implementation, training, maintenance and annual support services. Revenue is recognised over time as the services are rendered because customers simultaneously receive and consume the benefits of the services provided.

Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 4. Operating segments

Description of segments and principal activities

Mach7 Technologies is a global provider of enterprise imaging solutions for healthcare institutions, 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 5.

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	
	30 June 2026	30 June 2025
	\$	\$
Revenue from contracts with customers	27,909,143	33,768,195
Cost of sales	(2,050,842)	(1,996,824)
Operating expenditure	(26,749,342)	(31,840,705)
Net foreign exchange loss (realised)	(66,511)	(107,168)
Other income/(expenses) (net)	41,199	(98,863)
EBITDA – before the following items	(916,353)	(275,365)
Share-based payments expense (non-cash)	(287,410)	(1,109,685)
Net foreign exchange loss (unrealised)	(215,980)	(66,555)
Restructuring expense	(1,914,845)	-
EBITDA*	(3,334,588)	(1,451,605)
Depreciation and amortisation expense	(6,541,056)	(7,243,034)
Right-of-use lease liability interest expense	(70,005)	(117,960)
Interest income	509,391	853,741
Income tax benefit	507,704	1,757,454
Net loss after tax	(8,928,554)	(6,201,404)

* EBITDA is a non-IFRS financial measure.

Segment assets and liabilities

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

Geographical non-current assets

The total of non-current assets, other than intangible assets, broken down by location of the assets, is shown in the table below:

	Consolidated	
	30 June 2026	30 June 2025
	\$	\$
North America	6,490,003	10,919,057
Asia	1,126,338	447,600
	7,616,341	11,366,657

Note 5. 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 an 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	
	30 June 2026	30 June 2025
	\$	\$
Software Licence Revenue (major segment) *	13,256,573	17,108,124
Professional Services Revenue		
- implementation and training services	2,225,156	2,874,131
- migration services	819,708	777,597
Maintenance and Support (recurring revenue)	11,607,706	13,008,343
Total segment Revenue	<u>27,909,143</u>	<u>33,768,195</u>
Geographical segment revenues		
North America	24,067,308	29,443,189
Asia Pacific	2,829,681	3,153,224
Middle East	853,015	854,695
Europe and other regions	159,139	317,087
	<u>27,909,143</u>	<u>33,768,195</u>
Timing of revenue recognition		
Revenue recognised at a point in time	1,450,593	4,781,133
Revenue recognised over time	26,458,550	28,987,062
	<u>27,909,143</u>	<u>33,768,195</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)

Revenues of approximately \$3.3 million, 11.9% (FY25: 3.6 million, 10.6%) are derived from a single external customer.

Assets and liabilities related to contracts with customers

Refer to note 12 and note 18 for current assets and current liabilities (respectively) related to contracts with customers.

Revenue recognised in relation to prior year contract liabilities

The following table shows revenue recognised in the current reporting period that relates to carried-forward contract liabilities:

	Consolidated	
	30 June 2026	30 June 2025
	\$	\$
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Maintenance and Support and Subscription Revenue	9,894,644	9,303,544
Professional Services Revenue	1,356,358	1,560,403
Software Licence Revenue	98,788	97,144
	<u>11,349,790</u>	<u>10,961,091</u>

Note 5. Revenue from contracts with customers (continued)

Unsatisfied performance obligations

The following table shows unsatisfied performance obligations resulting from fixed-price professional services and annual maintenance and support and subscription contracts.

	Consolidated 30 June 2026	Consolidated 30 June 2025
	\$	\$
Contracted Maintenance and Support and Subscription Revenue: (recurring)	25,453,937	30,231,370
Contracted Professional Services Revenue: (non-recurring)	2,215,904	3,429,021
Contracted Capital Software Licence Revenue: (non-recurring)	16,690	52,840
	<u>27,686,531</u>	<u>33,713,231</u>
<u>Amounts expected to be recognised as revenues:</u>		
Contracted Maintenance and Support and Subscription Revenue within one year	25,012,453	24,690,246
Contracted Maintenance and Support and Subscription Revenue within two years	85,410	4,632,776
Contracted Maintenance and Support and Subscription Revenue beyond two years	356,074	908,348
	<u>25,453,937</u>	<u>30,231,370</u>
Contracted Professional Services and Capital Software Licence Revenue within one year	2,232,594	3,034,253
Contracted Professional Services and Capital Software Licence Revenue within two years	-	447,608
	<u>2,232,594</u>	<u>3,481,861</u>

Note 6. Other income

	Consolidated 30 June 2026	Consolidated 30 June 2025
	\$	\$
Interest Income	509,391	853,741
Net gain on disposal of property, plant and equipment	12,041	-
Other revenues	36,504	18,103
	<u>557,936</u>	<u>871,844</u>

Interest income of \$509,391 includes interest of \$305,924 (FY25: \$466,194) from term deposits and cash at banks and interest of approximately \$203,467 (FY25: \$387,547) from customers.

Note 7. Expenses

Consolidated
30 June 2026 30 June 2025
\$ \$

Loss before income tax includes the following specific expenses:

Depreciation and amortisation

Amortisation of intangible asset	6,041,593	6,637,485
Depreciation of right-to-use assets	199,217	248,516
Depreciation of property, plant and equipment	300,246	357,033
	<u>6,541,056</u>	<u>7,243,034</u>

Employment and related expenses

Salaries and wages	15,897,371	19,449,812
Employee benefits	1,774,885	2,140,263
Employer tax	1,085,090	1,238,945
Contractors	523,600	1,000,740
Other employment related expenses	285,494	357,381
Retention and hiring incentives	900,563	(28,579)
Severance*	-	534,761
Defined contribution plan expense (superannuation)	395,140	481,944
Annual leave provision movement	55,123	4,847
	<u>20,917,266</u>	<u>25,180,114</u>

Other expenses

Losses on fixed asset disposals	-	9,488
Other tax	-	106,683
Other miscellaneous	7,346	795
	<u>7,346</u>	<u>116,966</u>

*Severance cost of \$1,045,354 for FY26 have been presented under Restructuring expense in the statement of profit and loss and other comprehensive income.

There were changes in the presentation of the comparative balances in the statement of profit or loss and other comprehensive income for the year ended 30 June 2025, due to the presentation of investor relations expenses (2025:\$157,530) as Corporate cost in the statement of profit or loss and other comprehensive income for the year ended 30 June 2026.

Note 8. Earnings per share

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

Consolidated
30 June 2026 30 June 2025
\$ \$

Earnings per share for loss from continuing operations

Loss after income tax attributable to the owners of Mach7 Technologies Limited	<u>(8,928,554)</u>	<u>(6,201,404)</u>
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Number Number

Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	234,985,398	240,123,376
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Cents Cents
(3.8) (2.6)

Basic and diluted earnings per share

Number of share options and performance rights not included in the diluted earnings per share calculation as they are anti-dilutive: 10,265,853 (FY25: 10,858,000).

Note 9. Income tax benefit

(a) Unused tax losses

At 30 June 2026, the Group has gross tax losses of \$ 48.4 million (FY25: \$48.8 million) arising in Australia (\$25.9 million), US (\$11.5 million), Singapore (\$0.7 million) and Canada (\$10.3 million) that are likely to be available indefinitely for offset against future taxable profits of the companies in which the losses arose, subject to satisfying the relevant income tax loss carry forward rules.

(b) Deferred tax liabilities

The Group has recognised a deferred tax liability because of the acquisition of Mach7 Technologies Canada Inc. in accordance with AASB112 Income Taxes. Refer note 20.

(c) Income tax expense/(benefit)

The major components of income tax expense are:

(Increase) / decrease in deferred tax assets

Decrease in deferred tax liabilities

Consolidated	
30 June 2026	30 June 2025
\$	\$

1,048,960	-
(1,556,664)	(1,757,454)
<u>(507,704)</u>	<u>(1,757,454)</u>

Consolidated	
30 June 2026	30 June 2025
\$	\$

Numerical reconciliation of income tax benefit and tax at the statutory rate

Loss before income tax benefit

(9,436,258)	(7,958,858)
-------------	-------------

Tax at the statutory tax rate of 25%

(2,359,065)	(1,989,715)
-------------	-------------

Tax effect amounts which are not deductible/(taxable) in calculating taxable income:

Share-based payments

32,245	67,610
--------	--------

Unrealised foreign exchange (gains)/losses

336,182	63,979
---------	--------

Other non-deductible expenses/non-assessable income

431,586	587,002
---------	---------

(1,559,052)	(1,271,124)
-------------	-------------

Deferred tax liability not recognised for temporary differences

310,148	(181,869)
---------	-----------

Option exercises deductible for tax

51,288	207,324
--------	---------

Tax losses not recognised

(70,932)	378,905
----------	---------

Tax losses utilised

(274,814)	(741,049)
-----------	-----------

Differences in local tax rates

(13,302)	(149,641)
----------	-----------

Deferred tax asset unrecognised

1,048,960	-
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Income tax benefit

<u>(507,704)</u>	<u>(1,757,454)</u>
------------------	--------------------

Note 10. Cash and cash equivalents

	Consolidated	
	30 June 2026	30 June 2025
	\$	\$
<i>Current assets</i>		
Cash at bank	14,227,746	17,254,828
Cash on deposit	5,692,349	5,814,221
	<u>19,920,095</u>	<u>23,069,049</u>

Cash and cash equivalents include cash on hand, deposits held on call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value.

Note 11. Trade and other receivables

	Consolidated	
	30 June 2026	30 June 2025
	\$	\$
<i>Current assets</i>		
Trade receivables	4,955,897	3,836,871
Less allowance for expected credit losses	(350,934)	-
	<u>4,604,963</u>	<u>3,836,871</u>
Interest receivable	43,934	66,775
GST receivable	17,115	24,498
	<u>61,049</u>	<u>91,273</u>
Other receivables	2,819	4,364
	<u>4,668,831</u>	<u>3,932,508</u>

Trade receivables typically have 30-45 day payment terms.

The carrying amounts of trade and other receivables are assumed to approximate their fair values due to their short-term nature.

Allowance for expected credit losses

The consolidated entity has recognised \$350,934 (FY25: nil) in profit or loss in respect of expected credit losses net of recoveries for the year ended 30 June 2026.

The aging of the trade receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025	30 June 2026	30 June 2025
Consolidated	%	%	\$	\$	\$	\$
Not overdue	-	-	2,207,246	557,372	-	-
0 to 3 months overdue	8.66%	-	2,384,011	2,269,720	206,530	-
3 to 6 months overdue	-	-	80,176	839,261	-	-
Over 6 months overdue	50.76%	-	284,464	170,518	144,404	-
			<u>4,955,897</u>	<u>3,836,871</u>	<u>350,934</u>	<u>-</u>

Note 11. Trade and other receivables (continued)

Movements in the allowance for expected credit losses are as follows:

	Consolidated	Consolidated
	30 June 2026	30 June 2025
	\$	\$
Opening balance	-	-
Additional provisions recognised	350,934	-
Amounts recovered	-	-
Closing balance	<u>350,934</u>	<u>-</u>

Note 12. Customer contract assets

	Consolidated	Consolidated
	30 June 2026	30 June 2025
	\$	\$
<i>Current assets</i>		
Contract assets	<u>1,109,466</u>	<u>1,539,499</u>
<i>Non-current assets</i>		
Contract assets	<u>3,468,006</u>	<u>4,176,001</u>
	<u>4,577,472</u>	<u>5,715,500</u>

Customer contract assets (or accrued revenue) represent 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 specified within each contract. The carrying values are assumed to approximate the fair values for these balances.

Note 13. Other assets

	Consolidated	Consolidated
	30 June 2026	30 June 2025
	\$	\$
<i>Current assets</i>		
Prepayments	654,287	466,709
Deferred expenses	770,448	1,218,526
Security deposits	43,655	53,458
Other current assets	<u>40,850</u>	<u>-</u>
	<u>1,509,240</u>	<u>1,738,693</u>
<i>Non-current assets</i>		
Contract deposits	<u>761,694</u>	<u>803,838</u>
	<u>2,270,934</u>	<u>2,542,531</u>

Contract deposit relates to a 5% contract deposit in cash to a customer, Hospital Authority of Hong Kong, as security for the due and faithful performance of Mach7's services under the current and future contracts.

Note 14. Right-of-use assets

	Consolidated	Consolidated
	30 June 2026	30 June 2025
	\$	\$
<i>Non-current assets</i>		
Land and buildings - right-of-use	521,527	1,490,955
Less: Accumulated depreciation	<u>(445,223)</u>	<u>(505,738)</u>
	<u>76,304</u>	<u>985,217</u>
	Consolidated	Consolidated
	30 June 2026	30 June 2025
	\$	\$
Net book value - opening balance	985,217	1,204,648
Termination	(659,814)	-
Depreciation	(199,217)	(248,516)
Foreign exchange movements	<u>(49,882)</u>	<u>29,085</u>
	<u>76,304</u>	<u>985,217</u>

The consolidated entity leases land and buildings for its offices in Vermont (USA), Waterloo (Canada) and Johor (Malaysia). The Vermont lease originally commenced 1 August 2014. It was renegotiated in May 2024 to rent additional office space. The lease, originally expiring 31 July 2031, was terminated early effective 28 February 2026. The Vermont office relocated to a new space with a 1-year lease that commenced on 16 February 2026 and renews annually. The Waterloo lease commenced 1 November 2019, for a term of 6 years ending 31 December 2026. This lease was renegotiated in April 2022 to reduce the size of the rented premises by approximately half. This lease has the option to renew for a further two additional periods of five years each. The Johor lease originally commenced 1 June 2019. It was renewed on 1 June 2026 for a term of two years through 31 May 2028, with an option to renew for a further two years.

Note 15. Property, plant and equipment

	Consolidated	Consolidated
	30 June 2026	30 June 2025
	\$	\$
<i>Non-current assets</i>		
Leasehold improvements - at cost	209,438	559,641
Less: Accumulated depreciation	<u>(207,253)</u>	<u>(293,500)</u>
	<u>2,185</u>	<u>266,141</u>
Computer hardware & software - at cost	1,179,134	1,399,957
Less: Accumulated depreciation	<u>(838,778)</u>	<u>(816,334)</u>
	<u>340,356</u>	<u>583,623</u>
Office equipment - at cost	237,073	670,732
Less: Accumulated depreciation	<u>(220,614)</u>	<u>(367,555)</u>
	<u>16,459</u>	<u>303,177</u>
	<u>359,000</u>	<u>1,152,941</u>

Note 15. Property, plant and equipment (continued)

Reconciliations

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

Consolidated	Office Equipment \$	Computer Hardware & Software \$	Leasehold Improvement s \$	Total \$
Balance at 1 July 2025	303,177	583,623	266,141	1,152,941
Additions	1,796	67,191	-	68,987
Disposals	(229,650)	(72,766)	(205,821)	(508,237)
Depreciation expense	(44,508)	(210,061)	(45,677)	(300,246)
Foreign exchange revaluations	(14,356)	(27,631)	(12,458)	(54,445)
Balance at 30 June 2026	16,459	340,356	2,185	359,000

Note 16. Intangibles

	Consolidated 30 June 2026 \$	30 June 2025 \$
<i>Non-current assets</i>		
Goodwill - at cost	3,905,093	4,277,146
Patents and trademarks - at cost	175,180	184,872
Less: Accumulated amortisation	(113,735)	(114,495)
	61,445	70,377
Customer contracts - at cost	11,364,537	11,606,512
Less: Accumulated amortisation	(11,364,537)	(11,587,069)
	-	19,443
Software - at cost	56,545,632	59,591,489
Less: Accumulated amortisation	(48,977,336)	(45,875,104)
	7,568,296	13,716,385
Brand - at cost	5,696,519	6,090,814
Less: Accumulated amortisation	(1,557,974)	(1,557,974)
	4,138,545	4,532,840
	15,673,379	22,616,191

Reconciliations

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

Consolidated	Goodwill \$	Patents \$	Customer contracts \$	Software \$	Brand Names \$	Total \$
Balance at 1 July 2025	4,277,146	70,377	19,443	13,716,385	4,532,840	22,616,191
Additions	-	-	-	819,084	-	819,084
Amortisation expense	-	(5,332)	(19,432)	(6,016,829)	-	(6,041,593)
Exchange differences	(372,053)	(3,600)	(11)	(950,344)	(394,295)	(1,720,303)
Balance at 30 June 2026	3,905,093	61,445	-	7,568,296	4,138,545	15,673,379

Note 16. Intangibles (continued)

Amortisation methods and useful lives

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

- Patents and software acquired – 7 years
- Customer contracts – 5 years
- Brand names – 7 years and indefinite

Customer contracts, software, brand names and patents

In FY26, the Group capitalised approximately \$0.8 million (FY25: \$0.9 million) development costs related to various Research & Development projects. The remaining software, customer contracts, brand names and patents were acquired as part of two business combinations. They are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line based on the timing of projected cash flows of the contracts over their estimated useful lives.

Impairment tests for goodwill and indefinite useful life brand names

For impairment testing, the Group views that its past business combination giving rise to goodwill on acquisition relate to synergistic opportunities for its Enterprise Imaging Segment. Therefore, goodwill is allocated to the Group's Enterprise Imaging Segment, being the only operating and reportable segment of the business. The recoverable amount of that segment (cash generating unit) was determined based on a value-in-use calculation using a discounted cash flow valuation which requires the use of assumptions. The valuation estimates future cash flows over a five-year period. Cash flows beyond the five-year forecast period are extrapolated using the estimated terminal growth rates.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive. The following table sets out the key assumptions for the Enterprise Imaging cash-generating unit to which goodwill and indefinite life intangible have been allocated:

Item	Key Assumption	Rationale
Revenue growth rates	First year = Budget Year 2 to 5 = Average 12.5%	Year 2 to 5 growth rate is based on Group results achieved and expected over the preceding 5 years.
Expenditure growth rates	First year = Budget Year 2 to 5 = Average 5% growth rate across all expenditure	Year 2 to 5 growth rate is based on targeted expenditure growth. Management is focused on controlling expenses and increasing the EBITDA margins each year.
Discount Rate	14.1% post-tax; 18% pre-tax	As per management's estimate of the Group's weighted average cost of capital.
Terminal growth rate	2.5%	Growth rate reverts to long-term inflation targets at Year 5.

Results of impairment testing and sensitivity to changes in assumptions

Based on the discounted cash flow valuation using the assumptions above, the recoverable amount of goodwill and other intangible assets exceeded the carrying amount at 30 June 2026 and no impairment charge was recognised.

Sensitivity

Revenue growth rate for years 2 to 5 will need to decrease to 6.5% per annum for there to be no headroom available when comparing the calculation of the estimated recoverable amount of the cash-generating unit against its carrying value at 30 June 2026. Management believes that other reasonable changes in the key assumption on which the recoverable amount of the cash-generating unit is based would not cause its carrying amount to exceed its recoverable amount.

Note 17. Trade and other payables

	Consolidated	
	30 June 2026	30 June 2025
	\$	\$
<i>Current liabilities</i>		
Trade creditors	1,437,406	1,086,461
Accrued expenses	419,415	334,727
Employee entitlements and related costs	769,470	450,834
Distributor/reseller fees payable	-	484,767
	<u>2,626,291</u>	<u>2,356,789</u>

Refer to note 24 for further information on financial instruments.

Trade creditors are non-interest bearing and are normally settled on 30-day terms. Accrued expenses comprise general operating expenses where costs are incurred but have not yet been invoiced. Employee entitlements include sales commissions, redundancy provisions, withholding taxes, superannuation etc. Distributor/reseller fees will become payable at the time the customer pays their invoice, usually within 30-45 days.

Due to the short-term nature of trade and other payables, their carrying value is assumed to approximate their fair value.

Note 18. Customer contract liabilities

	Consolidated	
	30 June 2026	30 June 2025
	\$	\$
<i>Current liabilities</i>		
Maintenance and Support Revenue received in advance	6,472,534	6,484,847
Professional Services Revenue received in advance	1,037,947	1,825,857
Subscription Revenue received in advance	4,161,306	3,424,739
Capital Software Licence Revenue received in advance	14,078	98,788
	<u>11,685,865</u>	<u>11,834,231</u>

Customer contract liabilities (or deferred revenue) represent 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 19. Lease liabilities

	Consolidated	
	30 June 2026	30 June 2025
	\$	\$
<i>Current liabilities</i>		
Lease liability	65,577	218,478
<i>Non-current liabilities</i>		
Lease liability	14,816	900,342
	<u>80,393</u>	<u>1,118,820</u>

Refer to note 24 for further information on financial instruments.

Note 20. Deferred tax asset and liability

Deferred tax liability relates to intangible assets, including software and customer contracts, acquired as part of acquisition of Mach7 Technologies Canada Inc in FY2021.

	Consolidated	
	30 June 2026	30 June 2025
	\$	\$
<i>Non-current liabilities</i>		
Deferred tax liability	1,540,081	3,321,816
Initial recognition value	11,089,587	12,146,136
Accumulated amortisation	(9,549,506)	(8,824,320)
	<u>1,540,081</u>	<u>3,321,816</u>
<i>Movements:</i>		
Opening balance	3,321,816	4,992,802
Amortisation credit for the period	(1,556,664)	(1,757,454)
Foreign exchange differences	(225,071)	86,468
Closing balance	<u>1,540,081</u>	<u>3,321,816</u>

	Consolidated	
	30 June 2026	30 June 2025
	\$	\$
<i>Deferred tax asset comprises temporary differences attributable to:</i>		
Unutilised tax losses	2,951,337	4,195,202
Deferred tax asset	<u>2,951,337</u>	<u>4,195,202</u>
Opening balance	4,195,202	4,087,764
Credited to profit or loss (note 9)	(1,048,960)	-
Exchange differences	(194,905)	107,438
	<u>2,951,337</u>	<u>4,195,202</u>

Note 21. Issued capital

	Consolidated		
	30 June 2026	30 June 2025	30 June 2026
	Shares	Shares	\$

Ordinary shares - fully paid

	30 June 2026	30 June 2025	30 June 2026
	Shares	Shares	\$
	<u>235,009,713</u>	<u>234,968,047</u>	<u>114,021,080</u>

Movements in ordinary share capital

Details

		Shares	\$
Balance	1 July 2024	241,241,047	116,244,526
On-market share buyback during the year*		(6,273,000)	(2,236,019)
Transaction cost		-	(11,180)
Balance	30 June 2025	234,968,047	113,997,327
Options exercised during the year	29 January 2026	41,666	23,753
Balance	30 June 2026	<u>235,009,713</u>	<u>114,021,080</u>

* In 2025 financial year, the company under its on-market share buy-back program as announced on ASX on 30 January 2025, bought back 6,273,000 shares for a gross consideration of \$2,247,199 (including transaction costs).

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

On 30 January 2025, the company announced an on-market share buy-back program. The program commenced 3 March 2025 and concluded on 2 March 2026. Shares bought back were cancelled upon acquisition and the number of shares on issue reduce accordingly. No shares were bought back during the year ended 30 June 2026.

Options and performance rights outstanding

Options and performance rights do not entitle the holders to voting rights, to participate in dividends or the proceeds on winding up of the Company. Refer to note 35 for details on options and performance rights.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies. The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 2025 Annual Report.

Note 22. Reserves

	Consolidated	
	30 June 2026	30 June 2025
	\$	\$
Foreign exchange translation reserve	942,159	3,329,609
Share based payments reserve	2,418,489	3,264,735
	<u>3,360,648</u>	<u>6,594,344</u>

Foreign exchange translation reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share based payments reserve

The Company has a share-based payment option scheme under which options to subscribe for the Company's shares have been granted to certain executives and other employees.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share based payments reserve \$	Foreign exchange translation reserve \$	Total \$
Balance at 1 July 2024	4,347,733	2,270,086	6,617,819
Share-based payments (note 35)	1,109,685	-	1,109,685
Transfer upon lapse of options	(2,192,683)	-	(2,192,683)
Foreign exchange on translation of subsidiaries	-	1,059,523	1,059,523
Balance at 30 June 2025	3,264,735	3,329,609	6,594,344
Share-based payments (note 35)	287,410	-	287,410
Transfer upon lapse of options	(1,125,736)	-	(1,125,736)
Transfers upon exercise of options/rights	(7,920)	-	(7,920)
Foreign exchange on translation of subsidiaries	-	(2,387,450)	(2,387,450)
Balance at 30 June 2026	<u>2,418,489</u>	<u>942,159</u>	<u>3,360,648</u>

Note 23. Dividends

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

Note 24. Financial instruments

Financial risk management objectives

The Group's principal financial instruments comprise receivables, payables, cash and short-term deposits.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange. Aging analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board, through the Audit and Risk Management Committee, reviews and agrees policies for managing each of these risks as summarised below. This includes the setting of limits of concentration risks with any one financial institution, credit rate limits, and future cash flow forecast projections.

Note 24. Financial instruments (continued)

Market risk

Foreign currency risk

The Group has transactional currency exposure. Such exposure arises from purchases by the Group in currencies other than the functional currency and through foreign currency receipts in the form of milestone, profit share or expense reimbursements under the Group's various collaborations. Generally, the Group does not use financial instruments to hedge the foreign exchange exposure.

The Group's exposure to foreign currency risk at the reporting date that are not designated in cash flow hedges was as follows (all amounts are in AUD):

Reconciliation of financial assets and liabilities denominated in foreign currency

30 June 2026	USD	SGD	CAD	GBP	HKD	INR	MYR	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets								
Cash and cash equivalent	15,939,065	129,916	105,212	-	-	-	-	16,174,193
Accounts receivables	4,932,329	-	-	-	26,387	-	-	4,958,716
Customer contract assets	4,577,472	-	-	-	-	-	-	4,577,472
Other assets	-	-	-	-	761,694	-	-	761,694
	<u>25,448,866</u>	<u>129,916</u>	<u>105,212</u>	<u>-</u>	<u>788,081</u>	<u>-</u>	<u>-</u>	<u>26,472,075</u>
Financial liabilities								
Trade and other payables	(1,860,378)	(153,413)	(348,442)	-	-	-	(8,298)	(2,370,531)
Lease liabilities	-	(30,224)	(50,169)	-	-	-	-	(80,393)
	<u>(1,860,378)</u>	<u>(183,637)</u>	<u>(398,611)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,298)</u>	<u>(2,450,924)</u>
Financial assets	25,448,866	129,916	105,212	-	788,081	-	-	26,472,075
Financial liabilities	(1,860,378)	(183,637)	(398,611)	-	-	-	(8,298)	(2,450,924)
Net exposures	<u>23,588,488</u>	<u>(53,721)</u>	<u>(293,399)</u>	<u>-</u>	<u>788,081</u>	<u>-</u>	<u>(8,298)</u>	<u>24,021,151</u>
30 June 2025	USD	SGD	CAD	GBP	HKD	INR	MYR	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets								
Cash and cash equivalent	17,993,579	81,401	152,063	-	-	-	-	18,227,043
Accounts receivables	3,810,600	-	-	-	30,635	-	-	3,841,235
Customer contract assets	5,692,524	-	-	-	22,976	-	-	5,715,500
Other assets	-	-	-	-	803,838	-	-	803,838
	<u>27,496,703</u>	<u>81,401</u>	<u>152,063</u>	<u>-</u>	<u>857,449</u>	<u>-</u>	<u>-</u>	<u>28,587,616</u>
Financial liabilities								
Trade and other payables	(1,785,076)	(109,145)	(90,657)	(52,721)	-	(3,768)	-	(2,041,367)
Lease liabilities	(912,876)	(48,022)	(157,922)	-	-	-	-	(1,118,820)
	<u>(2,697,952)</u>	<u>(157,167)</u>	<u>(248,579)</u>	<u>(52,721)</u>	<u>-</u>	<u>(3,768)</u>	<u>-</u>	<u>(3,160,187)</u>
Financial assets	27,496,703	81,401	152,063	-	857,449	-	-	28,587,616
Financial liabilities	(2,697,952)	(157,167)	(248,579)	(52,721)	-	(3,768)	-	(3,160,187)
Net exposures	<u>24,798,751</u>	<u>(75,766)</u>	<u>(96,516)</u>	<u>(52,721)</u>	<u>857,449</u>	<u>(3,768)</u>	<u>-</u>	<u>25,427,429</u>

Note 24. Financial instruments (continued)

Based on the financial instruments held at 30 June 2026, had the Australian dollar strengthened/weakened by 10% against the above currencies, with all other variables held constant, the Group's post-tax loss for the year would have been (reduced)/increased by:

Sensitivity	Profitability (post-tax) higher/(lower) 2026 \$	Profitability (post-tax) higher/(lower) 2025 \$	Equity (excluding accumulated losses) 2026 \$	Equity (excluding accumulated losses) 2025 \$
AUD strengthens +10% (2025:+10%)	(2,183,741)	(2,311,585)	-	-
AUD weakens -10% (2025:-10%)	2,669,016	2,825,270	-	-

Management believes the balance date risk exposures are representative of the risk exposure inherent in those financial instruments.

Significant assumptions used in the foreign currency exposure sensitivity analysis include:

- Reasonably possible movements in foreign exchange rates were determined based on a review of the historical movements and economic forecaster's expectations;
- The reasonably possible movement of 10% was calculated by taking the foreign currency spot rate as at balance date, moving this spot rate by 10% and the re-converting the foreign currency into AUD with the "new spot-rate"; and
- This methodology reflects the translation methodology undertaken by the Group.

Price risk

The consolidated entity does not consider it to have any material exposure to price risk

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the income earned on the Group's cash and short-term deposits of various deposit terms.

At 30 June 2026, the Group's cash and cash equivalents comprised of deposits on call and foreign currency accounts.

The Group's policy to manage its interest rate risk, given its dependence on cash and cash equivalents is to keep maturities short generally using 30-90 day term deposit and savings facilities. The Group constantly analyses its interest rate exposure with respect to renewal of existing positions, alternative investment opportunities/facilities and whether to consider a mix of fixed and variable instruments.

At balance date, the Group had the following mix of financial assets and liabilities exposed to Australian and US variable interest rate risk that are not designated as cash flow hedges (other currencies or non-interest bearing accounts are not included):

Consolidated	30 June 2026 Balance \$	30 June 2025 Balance \$
AUD Term deposit (maturity date less than 3 months)	3,515,000	3,515,000
USD Deposits on call	6,779,896	6,410,312
USD Term deposits (maturity date less than 3 months)	2,177,349	2,299,221
Net exposure to cash flow interest rate risk	<u>12,472,245</u>	<u>12,224,533</u>

The Group believes that the carrying amount approximates fair value because of their short term to maturity. Significant assumptions used in the interest rate sensitivity analysis include:

- Reasonably possible movements in interest rates were determined based on economic forecaster's expectations
- The net exposure at balance date is representative of what the Group was and is expecting to be exposed to in the next twelve months from the balance date.

Note 24. Financial instruments (continued)

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, short term deposits, trade and other receivables and customer contract assets. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note. The Group does not hold any credit derivatives to offset its credit exposure.

The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its trades and other receivables.

Term deposits are held with Westpac Banking Corporation and HSBC Bank.

Liquidity risk

The Group's objective is to maintain a balance between continuity of product development utilising an optimal combination of equity funding, finance and operating lease commitments. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities.

The Group manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows and matching maturity profiles in financial assets and liabilities.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 30 June 2026	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	2,626,291	-	-	-	2,626,291
<i>Interest-bearing - fixed rate</i>						
	-	-	-	-	-	-
Lease liability	6.08%	67,731	15,189	-	-	82,920
Total non-derivatives		2,694,022	15,189	-	-	2,709,211

Consolidated - 30 June 2025	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade and other payables	-	2,356,789	-	-	-	2,356,789
<i>Interest-bearing - fixed rate</i>						
	9.88%	317,546	268,752	637,024	237,798	1,461,120
Total non-derivatives		2,674,335	268,752	637,024	237,798	3,817,909

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 25. Reconciliation of loss after income tax to net cash (used in)/from operating activities

	Consolidated	
	30 June 2026	30 June 2025
	\$	\$
Loss after income tax benefit for the year	(8,928,554)	(6,201,404)
Adjustments for:		
Depreciation and amortisation	6,541,056	7,243,034
Lease interest expense	70,005	117,960
Net loss on disposal of property, plant and equipment	361,328	9,488
Share-based payments	287,410	1,109,685
Foreign exchange differences	113,849	320,202
Income tax benefits	(507,704)	(1,757,454)
Change in operating assets and liabilities:		
Decrease in trade and other receivables	400,160	1,076,684
Decrease/(increase) in customer contract deposits	42,144	(16,847)
Increase/(decrease) in other current assets	230,998	(180,061)
Decrease/(increase) in trade and other payables	273,502	(1,054,259)
Increase/(decrease) in customer contract liabilities	(148,366)	201,562
Net cash (used in)/from operating activities	<u>(1,264,172)</u>	<u>868,590</u>

Note 26. Key management personnel disclosures

Directors

The following persons were directors of Mach7 Technologies Limited during the financial year:

Mr Robert Bazzani - Chairman

Mr Eliot Siegel, MD - Independent Non-Executive Director

Ms Rebecca Fitzgibbon - Independent Non-Executive Director

Ms Teri Thomas - Managing Director and Chief Executive Officer (effective 1 July 2025)

Other key management personnel

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Ms Shawni Hadfield (appointed Interim Chief Financial Officer effective 4 May 2026)

Mr Daniel Lee (appointed Chief Financial Officer effective 25 September 2025 and resigned effective 4 May 2026)

Ms Dyan O'Herne (Chief Financial Officer resigned effective 30 September 2025)

Mr David Madaffri (Chief Operating Officer resigned effective 25 July 2025)

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	30 June 2026	30 June 2025
	\$	\$
Short-term employee benefits	1,553,651	2,406,069
Post-employment benefits	23,571	22,691
Termination benefits	366,199	339,751
Share-based payments	8,460	435,877
	<u>1,951,881</u>	<u>3,204,388</u>

Note 27. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the company:

	Consolidated	
	30 June 2026	30 June 2025
	\$	\$
<i>Audit services - RSM Australia Partners</i>		
Audit or review of the financial statements	188,000	179,000
<i>Other services - RSM Australia Partners</i>		
Preparation of the tax return	12,100	11,700
	<u>200,100</u>	<u>190,700</u>

Note 28. Commitments

There are no expenditure commitments as at 30 June 2026 (FY25: nil).

Note 29. Related party transactions

Parent entity

Mach7 Technologies Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 31.

Key management personnel

Disclosures relating to key management personnel are set out in note 26.

Transactions with related parties

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

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.

Mach7 Technologies Limited
Notes to the financial statements
30 June 2026

Note 30. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 30 June 2026	Parent 30 June 2025
	\$	\$
Loss after income tax	(1,206,804)	(1,169,031)
Total comprehensive income	(1,206,804)	(1,169,031)

Statement of financial position

	Parent 30 June 2026	Parent 30 June 2025
	\$	\$
Total current assets	19,791,350	10,330,586
Total assets	78,307,095	80,583,317
Total current liabilities	762,214	1,104,211
Total liabilities	762,214	1,104,211
Equity		
Issued capital	114,021,080	113,997,327
Options reserve	2,418,489	3,264,735
Accumulated losses	(38,894,688)	(37,782,956)
Total equity	77,544,881	79,479,106

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2026 and 30 June 2025.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2026 and 30 June 2025.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2026 and 30 June 2025.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 31. Interests in subsidiaries

Mach7 Technologies Limited is the ultimate parent of the Group. The consolidated financial statements include the financial statements of Mach7 Technologies Limited and its direct/indirect subsidiaries listed below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2026 %	30 June 2025 %
Direct subsidiary		-	-
Mach7 Technologies International Pty Ltd	Australia	100%	100%
Indirect subsidiaries		-	-
Mach7 Technologies UK Ltd	UK	100%	100%
Mach7 Technologies Pte Ltd	Singapore	100%	100%
Mach7 Technologies, Inc.	U.S.A	100%	100%
Mach7 Technologies Canada Inc.	Canada	100%	100%

Note 32. Contingent assets

The Group has no contingent assets at 30 June 2026 (FY25: none).

Note 33. Contingent liabilities

The Group has no contingent liabilities at 30 June 2026 (FY25: none).

Note 34. Events after the reporting period

No matter or circumstance has arisen since 30 June 2026 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 35. Share-based payments

A share option plan has been established by the entity, whereby the entity may grant options and performance rights over ordinary shares in the company to certain key management personnel, employees and consultants of the entity. The options are issued for nil consideration.

Share-based payments expense during the year is \$287,410 (FY25: 1,109,685). This relates to vesting charge on options and performance rights issued to Directors, KMP and employees of the company.

Types of share-based payment plans

Employee Share Option Plan, 'ESOP'

A Long-Term Incentive Plan has been established and approved by shareholders where Mach7 Technologies Limited may, at the discretion of the Board, grant options over the ordinary shares of Mach7 Technologies Limited to executives, contractors and employees of the consolidated entity. Upon vesting, the options, issued for nil consideration, are exercisable any time two to three years after the grant date and expire four to five years after the grant date.

The exercise of the options is not subject to any performance conditions other than the employee remaining in the employ of the Company at the date of exercise. The options cannot be transferred and will not be quoted on the ASX.

Note 35. Share-based payments (continued)

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

	Number of options 30 June 2026	Weighted average exercise price 30 June 2026	Number of options 30 June 2025	Weighted average exercise price 30 June 2025
Outstanding at the beginning of the financial year	9,668,333	\$0.685	10,326,665	\$0.908
Granted	2,320,000	\$0.347	3,200,000	\$0.397
Exercised	(41,666)	\$0.380	-	\$0.000
Expired/Forfeited	(4,136,670)	\$0.655	(3,858,332)	\$1.044
Outstanding at the end of the financial year	<u>7,809,997</u>	\$0.602	<u>9,668,333</u>	\$0.685
Exercisable at the end of the financial year	<u>4,106,646</u>	\$0.768	<u>4,289,979</u>	\$0.878

30 June 2026

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/12/2020	30/11/2025	\$1.400	73,334	-	-	(73,334)	-
10/09/2021	31/08/2026	\$0.980	1,900,000	-	-	(575,000)	1,325,000
10/09/2021	09/07/2026	\$0.980	250,000	-	-	-	250,000
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	\$0.782	200,000	-	-	(200,000)	-
24/02/2022	24/02/2027	\$0.731	250,000	-	-	-	250,000
12/12/2022	12/12/2027	\$0.610	50,000	-	-	-	50,000
01/01/2023	30/09/2026	\$0.570	200,000	-	-	-	200,000
01/05/2023	01/05/2028	\$0.636	200,000	-	-	(200,000)	-
01/07/2023	30/09/2026	\$0.582	133,333	-	-	-	133,333
01/07/2023	01/07/2028	\$0.582	266,667	-	-	(266,667)	-
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	\$0.725	50,000	-	-	-	50,000
18/12/2023	09/07/2026	\$0.730	33,333	-	-	-	33,333
18/12/2023	29/08/2026	\$0.730	16,666	-	-	-	16,666
18/12/2023	30/09/2026	\$0.730	50,000	-	-	-	50,000
18/12/2023	18/12/2028	\$0.730	1,975,001	-	-	(900,001)	1,075,000
15/01/2024	15/01/2029	\$0.732	133,334	-	-	(133,334)	-
15/01/2024	09/07/2026	\$0.732	66,666	-	-	-	66,666
01/03/2024	01/03/2029	\$0.679	200,000	-	-	-	200,000
19/08/2024	19/08/2029	\$0.591	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	-	(41,666)	(1,258,334)	1,475,000
04/08/2025	04/08/2030	\$0.408	-	350,000	-	(350,000)	-
01/10/2025	01/10/2030	\$0.308	-	325,000	-	-	325,000
16/02/2026	16/02/2031	\$0.378	-	275,000	-	-	275,000
05/03/2026	05/03/2031	\$0.334	-	1,370,000	-	-	1,370,000
			<u>9,668,333</u>	<u>2,320,000</u>	<u>(41,666)</u>	<u>(4,136,670)</u>	<u>7,809,997</u>
Weighted average exercise price			\$0.685	\$0.347	\$0.380	\$0.655	\$0.602

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
11/10/2019	11/10/2024	\$0.680	881,666	-	-	(881,666)	-
01/12/2020	30/11/2025	\$1.400	73,334	-	-	-	73,334
01/01/2023	01/01/2028	\$0.570	200,000	-	-	-	200,000
10/09/2021	21/07/2024	\$0.980	26,666	-	-	(26,666)	-
01/07/2023	01/07/2028	\$0.582	400,000	-	-	-	400,000
18/11/2019	18/11/2024	\$0.820	285,000	-	-	(285,000)	-
18/11/2019	18/11/2024	\$0.800	250,000	-	-	(250,000)	-
01/05/2023	01/05/2028	\$0.636	200,000	-	-	-	200,000
18/11/2019	18/11/2024	\$0.950	250,000	-	-	(250,000)	-
18/11/2019	18/11/2024	\$1.100	250,000	-	-	(250,000)	-
14/08/2023	14/08/2028	\$0.800	50,000	-	-	-	50,000
03/02/2021	30/06/2025	\$1.480	1,440,000	-	-	(1,440,000)	-
10/09/2021	31/08/2026	\$0.980	2,240,000	-	-	(90,000)	2,150,000
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	\$0.782	200,000	-	-	-	200,000
24/02/2022	24/02/2027	\$0.731	250,000	-	-	-	250,000
12/12/2022	12/12/2027	\$0.610	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	\$0.725	50,000	-	-	-	50,000
18/12/2023	18/12/2028	\$0.730	2,335,000	-	-	(260,000)	2,075,000
15/01/2024	15/01/2029	\$0.732	200,000	-	-	-	200,000
01/03/2024	01/03/2029	\$0.679	200,000	-	-	-	200,000
18/11/2024	18/11/2029	\$0.380	-	2,900,000	-	(125,000)	2,775,000
19/08/2024	19/08/2029	\$0.591	-	100,000	-	-	100,000
16/09/2024	16/09/2029	\$0.540	-	200,000	-	-	200,000
			10,326,665	3,200,000	-	(3,858,332)	9,668,333

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.5 years (FY25: 3 years).

Equity-settled transactions

For the options granted during the current financial 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
01/10/2025	01/10/2030	\$0.320	\$0.308	53.00%	-	3.75%	\$0.163
16/02/2026	16/02/2031	\$0.355	\$0.378	55.00%	-	4.34%	\$0.179
05/03/2026	05/03/2031	\$0.315	\$0.334	55.00%	-	4.44%	\$0.159

Note 35. Share-based payments (continued)

Performance rights

The Company has on issue 2,455,856 (FY25: 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.

A summary of performances rights is set out below:

	30 June 2026	30 June 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)
Outstanding at the end of the financial year	<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 to 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 2026 target date	Note 1
Fair value per performance right (\$)	0.263
Fair value of performance right (\$)	523,580

Note 1- Vesting Conditions:

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

Mach7 Technologies Limited
Consolidated entity disclosure statement
As at 30 June 2026

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Mach7 Technologies Limited	Body Corporate	Australia	-	Australia
Mach7 Technologies International Pty Ltd	Body Corporate	Australia	100.00%	Australia
Mach7 Technologies UK Ltd	Body Corporate	UK	100.00%	UK
Mach7 Technologies Pte Ltd	Body Corporate	Singapore	100.00%	Singapore
Mach7 Technologies, Inc.	Body Corporate	U.S.A	100.00%	U.S.A
Mach7 Technologies Canada Inc.	Body Corporate	Canada	100.00%	Canada

Basis of preparation

This Consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the Group as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Determination of tax residency

Section 295 (3A)(vi) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Partnerships and Trusts

None of the entities noted above were trustees of trusts within the consolidated entity, partners in a partnership within the consolidated entity or participants in a joint venture within the Group.

Mach7 Technologies Limited
Directors' declaration
30 June 2026

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with IFRS Accounting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Robert Bazzani
Chairman

28 August 2026

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

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Mach7 Technologies Limited (the Company) and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including independence standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to our audit of the financial report of public interest entities 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 the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed this matter
Recognition of Revenue Refer to Note 5 in the financial statements	
Revenue recognition was considered a key audit matter, as it involves significant management estimates and judgement. The Group's revenue is derived from the sale of software licenses and subscription services, and provision of professional services including implementation and training, migration, and support and maintenance. Revenue in respect of some of the service contracts is based on percentage of completion, which involves management's estimates and judgements.	Our audit procedures in relation to the recognition of revenue included: - Assessing whether the Group's revenue recognition policies was in compliance with <i>AASB 15 Revenue from Contracts with Customers</i> ("AASB 15") - For a sample of revenue transactions that were recognised at a point in time (i.e. sale of software license), substantiating transactions by agreeing to supporting documentation, including contracts with customers and proof of delivery to assess whether performance obligation has been satisfied and whether transaction price has been allocated onto each performance obligation correctly; - For a sample of revenue transactions that were recognised on over time, our testing included: - Agreeing the contract price and the value of services to customer contracts; and - Assessing the reasonableness of management's determination of percentage of completion and resultant revenues recognised for the year and deferred revenues as at 30 June 2026. - Assessing long-term contracts and the group's listing of unbilled receivables to identify arrangements with potential embedded financing components, and evaluating the related accounting treatment in accordance with AASB 15; - Reviewing sales transactions before and after year-end to ensure that revenue was recognised in the correct period; and - Reviewing adequacy of disclosures against the requirements of AASB 15.

Key Audit Matters (continued)

Impairment Assessment of Intangibles Refer to Note 16 in the financial statements	
At 30 June 2026, the Group had intangible assets and goodwill (collectively known as intangibles) with carrying values of \$11.8m and \$3.9m respectively. We determine this to be a Key Audit Matter due to the materiality of the intangibles' balances. In addition, the directors' assessment of the recoverable amount of the cash generating unit ("CGU") to which these intangibles relate to involves significant judgments and estimates, including future underlying cashflows of the CGU, estimated growth rates for the CGU, and judgments of an appropriate discount rate to apply to the estimated cashflows. Management also performed sensitivity analysis over the calculations, by varying the assumptions used in the revenue growth rate to assess the impact on the valuations.	Our audit procedures, which involved the assistance of our Corporate Finance team, included: - Assessing whether there is a change in assumptions supporting management's determination that the intangible assets should be allocated to a single CGU, based on the nature of the Group's operating business; - Assessing the valuation methodology used to determine the recoverable amount of the intangible assets and CGU to which the goodwill has been allocated to; - Verifying the mathematical accuracy of the impairment assessment calculations; - Evaluating the reasonableness of the key assumptions built into the model which includes the future revenue growth rates, cost of sales growth rates, overhead growth rates, discount rate, terminal value, and working capital; - Performing sensitivity analysis on growth rates and discount rates applied to cash flows, to determine the extent of headroom for the intangibles; and - Reviewing the adequacy of disclosures against the requirements of AASB 136 <i>Impairment of Assets</i>.
Share-Based Payments Refer to Note 35 in the financial statements	
During the year, the Group issued new share options to key management personnel and employees, and had cancellation of options during the year (including lapses and forfeitures). Management have accounted for the above in accordance with AASB 2 <i>Share-based Payment</i> ("AASB 2"). We consider this to be a key audit matter because of the complexity of the accounting required to value the instruments and the judgemental nature of inputs into the valuation models.	Our audit procedures, which involved the assistance of our Corporate Finance team, included: - Reviewing the terms and conditions of the instruments issued; - Reviewing the valuation methodology to ensure it is in compliance with AASB 2 <i>Share-based Payments</i>; - Verifying the mathematical accuracy of the underlying model; - Critically evaluating the key assumptions used including considering the grant date share price, expected volatility, vesting period and number of instruments expected to vest; - Recalculating the value and accounting treatment of the share-based payment expense to be recognised and the reserve balance for accuracy, factoring in any cancellations due to expiry, forfeiture of other reasons; and - Reviewing the adequacy of the relevant disclosures against the requirements of AASB 2.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf

This description forms part of our auditor's report.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Mach7 Technologies Limited, for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A blue ink signature of an RSM representative.

RSM AUSTRALIA PARTNERS

A blue ink signature of M Parameswaran.

M PARAMESWARAN

Partner

Dated: 28 August 2026

Melbourne, Victoria