

31 October 2025

FIRST QUARTER FY26 BUSINESS UPDATE¹

Q1 FY26 SUMMARY

- CARR² of A\$29.6M; ARR³ Run Rate of A\$23.5M at 30 September 2025
- Q1 FY26 Sales orders of A\$2.6M (TCV⁴) (Q1 FY25: A\$2.3M in constant currency)⁵
- Cash of A\$18.9M at 30 September 2025 and no debt
- Initial limited go-live of Phase 1 of VHA National Teleradiology Project (NTP)⁶
- Leadership renewal with several key appointments including new VP, Sales
- Strategy update and FY26 guidance to be provided at 2025 AGM on 28 November

Mach7 Technologies Limited (“Mach7” or the “Company”) (ASX:M7T), a company specialising in innovative medical imaging software solutions, today provides a business update and quarterly cashflow report for the quarter ended 30 September 2025 (Appendix 4C).

Mach7 CEO Teri Thomas said: “This has been a reset quarter for Mach7 as we made tough but necessary decisions to strengthen the business for long-term profitability and operational excellence.

“This quarter marked a major milestone with the initial limited go-live of Mach7 solutions in the Veterans Health Administration’s National Teleradiology Program, a sub-agency of the U.S. Department of Veterans Affairs. These implementations leverage Mach7’s VNA as the core enterprise image archive, alongside Mach7’s eUnity Diagnostic Viewer, to support critical and time-sensitive clinical needs, most notably in telestroke and mammography. This deployment directly supports improved care for veterans.

“We are also in the process of executing a full commercial transformation, starting with the replacement of the sales organisation. We have brought in a proven enterprise sales leader, Todd Stallard, and the team is building momentum with a sharper focus on high-value enterprise opportunities, including in Asia and the Middle East, where our founder Ravi Krishnan has re-engaged as a strategic consultant to drive regional growth. At the same time, we have right sized our leadership team and broadened our Malaysia hub to support cost efficiencies.

“Q1 FY26 has been an important quarter for the Company as we lowered our cost base, completed critical go-lives, and made deep organisational changes to strengthen execution. We now have the

¹ Unaudited financial information.

² Contracted Annual Recurring Revenue (CARR)

³ Annual Recurring Revenue (ARR)

⁴ Total Contract Value (TCV): Capital Software Licence Fees, Professional Service Fees, Annual Subscription Fees plus Annual Maintenance and Support Fees over contract life.

⁵ Constant currency at average Q1 FY26 exchange rate of AUD/USD \$0.654

⁶ Refer to ASX announcement on Veterans Health Administration (VHA) NTP contract lodged today.

visibility, leadership, and structure in place to drive sustained momentum and deliver a solid rebound through the second half of FY26.”

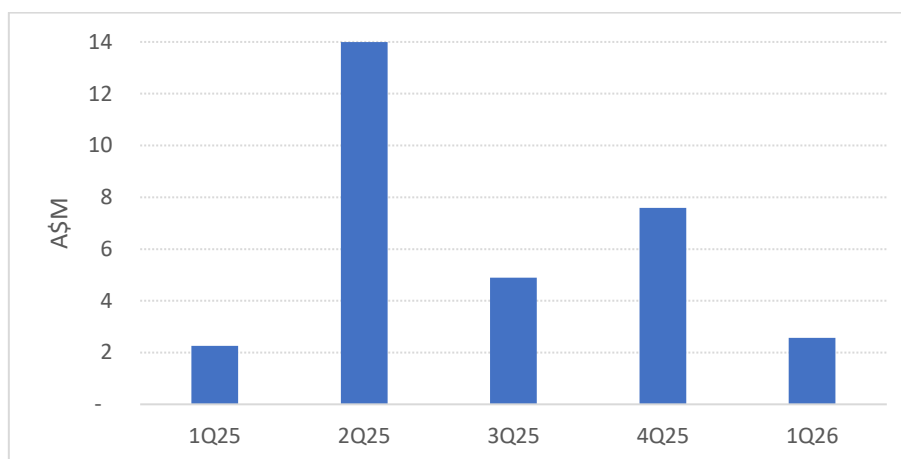
SALES ORDERS

Sales orders for the first quarter of FY26 totalled A\$2.6M (TCV), the majority of sales orders received were for ARR-type sales.

- **Annual Recurring Revenue (ARR)-type sales of A\$2.2M** (86% of total sales orders) representing Subscription fees and Maintenance and Support fees which will be recognised as revenue over the contract term from the effective date of renewal or when the customer achieves First Productive Use (FPU).
- **Capital software sales of A\$0.2M** (9% of total sales orders) which are immediately recognised as revenue upon delivery.
- **Professional Services sales of A\$0.1M** (5% of total sales orders) to be recognised as revenue on a percent completion basis.

Chart 1 provides a summary of the Total Contract Value (TCV) of quarterly sales orders since Q1 FY25 and highlights the variable nature of sales orders. In Q1 FY26, renewals accounted for 91% of sales orders.

CHART 1: QUARTERLY SALES ORDERS (\$AM) - TCV IN CONSTANT CURRENCY



RECURRING REVENUE GROWTH

Annual Recurring Revenue (ARR)

Mach7 is currently generating A\$23.5M in ARR, a run rate calculated by annualising the revenue earned from Subscription and Maintenance and Support fees. ARR will grow as new customers achieve FPU⁷ and existing customers expand, renew at increased rates or achieve FPU on add-ons.

⁷ First Productive Use (FPU)

The ARR run rate has increased slightly since 30 June 2025 in constant currency (A\$23.4M) with the additional ARR generated by the initial go-live of Phase 1 of the VHA NTP contract offsetting the reduction in ARR following reduced engagement with Trinity Health.

Contracted Annual Recurring Revenue (CARR)

Mach7's CARR consists of the A\$23.5M ARR run rate for customers that have achieved FPU of the software, plus a backlog of A\$6.1M of Subscription and Maintenance and Support fees not yet recognised as revenue (A\$6.6M at 30 June 2025 in constant currency).

CARR was A\$29.6M at 30 September 2025, a A\$0.4M decrease compared to 30 June 2025 in constant currency (A\$30.0M). The NTP go-live resulted in significant ARR recognition which reduced the backlog, however the decline in CARR was due to the reduction in ARR from Trinity Health pending a scale-back of services from October 2025. Note that Trinity Health was not included in the backlog at 30 June 2025.

The backlog (gap between CARR and ARR) represents future revenue once FPU is achieved for new customers as well as additional revenue from existing customers from the effective date of renewal or once FPU is achieved for add-ons. CARR is based on contracts in hand as at 30 September 2025 and includes the revenue associated with Q1 FY26 contract renewals, add-ons and expansions.

CASH FLOW AND CASH RECEIPTS

Cash receipts from customers in Q1 FY26 were A\$4.6M, down 27% compared to Q1 FY25 (A\$6.3M). The decline in receipts was largely timing-related and linked to legacy administrative processes that delayed the recognition and payment of renewals. The Company has addressed these issues and expects normalised levels in H2 FY26.

Mach7 capitalised A\$0.3M in development costs in Q1 FY26, which largely related to an R&D project which commenced in FY24 and is expected to be completed in 1H FY26 at a total cost of approximately A\$0.7M. This project is expected to deliver annualised cost savings of approximately A\$1.0M when it is fully implemented.

Operating activity payments in Q1 FY26 were 16% lower on previous corresponding period(pcp) largely driven by the reduction in staff costs (-18% on pcp) reflecting the realisation of significant efficiencies following the right sizing of the leadership team and the broadening of Mach7's Malaysia hub to optimise resource allocation across the group.

Mach7 reported operating cash outflows of A\$3.7M largely due to the decline in receipts outlined above.

Refer to the Appendix 4C accompanying this update for details of the Company's expenditure on its business activities during the quarter.

The financial position of the Company remains strong with no debt and A\$18.9M cash on hand at 30 September 2025 (A\$23.1M at 30 June 2025 and A\$21.9M at 30 September 2024).

Mach7 paused activity in the on-market share buy-back program in Q1 FY26 pending completion of its strategic review which will be released at the 2025 Annual General Meeting (AGM).

PAYMENTS TO RELATED PARTIES OF THE ENTITY AND THEIR ASSOCIATES

The payments to related parties and their associates as disclosed in section 6.1 of the Appendix 4C below relate to salaries, directors' fees and superannuation payments. The payments comprised:

- A\$77,168 for Directors' fees and superannuation for the quarter
- A\$155,563 for Executive Director's salary and superannuation for the quarter

VHA NTP UPDATE

Mach7 today announced initial go-live for Phase 1 of the VHA NTP.⁸ The Next Generation PACS program consists of two major phases. Under Phase 1, Mach7's VNA and eUnity Viewer form the core of the NTP's Next Generation PACS which is expected to interpret 1.0-1.5m studies annually. This phase has a potential Total Contract Value (TCV) of A\$11.7M based on a fee per study subscription licence over a 3-year term.

Mach7 has completed preliminary milestones for a limited go-live in mammography and telestroke with a plan for a phased rollout for the remainder of Phase 1 through the month of November. A successful rollout of Phase 1 opens up the potential for a Phase 2 expansion into the VHA hospital network beyond the NTP.

REGULATORY UPDATE

Mach7 achieved a major regulatory milestone in the first quarter with the successful submission of its Medical Device Regulation (MDR) Technical File to the British Standards Institution (BSI) initiating the formal review process toward CE marking, expected before the end of H1 FY26. This submission reflects extensive technical, clinical, and usability validation including lab-based studies with clinicians to meet the stringent requirements of MDR Rule 11. The one-off expense associated with this process contributed to higher administrative and corporate costs in the September quarter.

Achieving MDR compliance positions Mach7 to maintain and expand its presence across the European Union and the Middle East, strengthens its foundation for future Food and Drug Administration (FDA) and global regulatory pathways, and establishes reusable infrastructure for ongoing product innovation. This transformational effort underscores Mach7's commitment to quality, safety, and international market growth.

⁸ The NTP is the Veterans Affairs in-house teleradiology service which provides 24x7 services to 125 unique sites across all 18 Veterans Integrated Services Networks (VISNs).

LEADERSHIP CHANGES

During the September quarter, there were several changes to the leadership team. This included a Chief Financial Officer transition (with the appointment of Daniel Lee and departure of Dyan O'Herne), the appointment of a new VP Sales, Todd Stallard, the return of founder Ravi Krishnan as Advisor to the CEO and the departure of Sathyan Vaidyanathan, General Manager, APAC / Middle East. Carrie Nadolski was promoted from within Mach7 to lead the combined Service and Support functions which are now integrated into the new Flight Crew structure. Mach7 previously announced the appointment of Paul Jensen as Chief Innovation Officer in August.

STRATEGY UPDATE

Mach7 today also lodged a presentation on the ASX highlighting some initial findings and actions as it undertakes a comprehensive strategic review.

OUTLOOK

During Q2 FY26, the focus will remain on the completion and implementation of the strategic review as the Company accelerates the delivery of innovation and executes a full commercial transformation.

Q1 FY26 INVESTOR WEBINAR

CEO Teri Thomas and CFO Daniel Lee will host a zoom webinar including a Q&A session with the investment community at **9:30am (AEDT) today, 31 October 2025**.

Please use the link below to register for the webinar

https://mach7t.zoom.us/webinar/register/WN_HQ6vsYCPTmG383AkPZwMoA

Investors can submit questions prior to the webinar to ir@mach7t.com or ask questions via the Q&A function during the webinar.

Released on authority of the Board by Teri Thomas, Managing Director and Chief Executive Officer.

For more information, contact:

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About Mach7 Technologies:

Mach7 Technologies (ASX:M7T) is a leading provider of medical imaging software, delivering advanced data management and diagnostic viewing solutions to healthcare organisations worldwide. The Mach7 Enterprise Imaging Solution (EIS) is a next-generation solution combining a powerful Vendor Neutral Archive (VNA), the eUnity Enterprise Diagnostic Viewer, and robust diagnostic workflow applications. Built for maximum flexibility and scalability, Mach7 empowers customers to implement a complete enterprise imaging ecosystem or deploy modular components that fit their unique needs. Today, Mach7 supports a diverse global network, from large integrated delivery networks (IDNs) and national health systems to independent provider groups and private radiology practices. Visit Mach7t.com for more information.

Forward-looking statements

This announcement may contain forward-looking statements regarding the Company's financial position, business strategy and objectives (rather than being based on historical or current facts). Any forward-looking statements are based on the current beliefs of the Company's management as well as assumptions made by, and information currently available to, the Company's management. Forward-looking statements are inherently uncertain and must be read accordingly. There can be no assurance that some or all of the underlying assumptions will prove to be valid.

All data presented in this announcement reflects the current views of the Company with respect to future events. Forward-looking statements are subject to risk, uncertainties and assumptions relating to the operations, results of operations, growth strategy and liquidity of the Company. To the maximum extent permitted by law, the Company, its officers, employees and agents do not accept any obligation to release any updates or revisions to the information (including any forward-looking statements) in this announcement to reflect any change to expectations or assumptions; and disclaim all responsibility and liability for any loss arising from reliance on this announcement or its contents.



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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Mach7 Technologies Limited

ABN

26 007 817 192

Quarter ended ("current quarter")

30 September 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,600	4,600
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(229)	(229)
(c) advertising and marketing	(95)	(95)
(d) leased assets	(52)	(52)
(e) staff costs ¹	(6,033)	(6,033)
(f) administration and corporate costs	(2,027)	(2,027)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	103	103
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(8)	(8)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(3,742)	(3,742)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(22)	(22)
(d) investments	-	-

¹ Mach7 has capitalised A\$273k of development costs in Q1 FY26.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(e) intellectual property ¹	(273)	(273)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (cash acquired in acquisition)	-	-
2.6	Net cash from / (used in) investing activities	(295)	(295)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities) ²	(4)	(4)
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities ²	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(4)	(4)

² Amounts represent the shares purchase price and brokerage fees for the Mach7 on-market share buy-back program that commenced 3 March 2025.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	23,069	23,069
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,742)	(3,742)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(295)	(295)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(4)	(4)
4.5	Effect of movement in exchange rates on cash held	(118)	(118)
4.6	Cash and cash equivalents at end of period	18,911	18,911

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	13,086	17,255
5.2	Call deposits	5,825	5,814
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	18,911	23,069

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	233
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end	-	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(3,742)
8.2	Cash and cash equivalents at quarter end (item 4.6)	18,911
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	18,911
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	5
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A		
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A		
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A		
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2025

Authorised by: ..Board of Directors.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.