

30 January 2026

SECOND QUARTER FY26 BUSINESS UPDATE¹

Q2 FY26 SUMMARY

- Commercial transformation well underway
- Operating cashflow positive in Q2 FY26, significant improvement on Q1 FY26
- First Flamingo Architecture customer secured in Q2 FY26²
- Q2 FY26 operating activity payments down 9% on pcp³ driven by lower staff costs (down 7%)
- CARR⁴ of A\$26.1M at 31 December 2025, down A\$2.9M largely due to the VHA's decision to discontinue their current NextGen PACS program⁵
- ARR⁶ Run Rate of A\$23.0M stable at 31 December 2025
- Cash of A\$18.5M at 31 December 2025 and no debt (cash at 30 Sept 2025: A\$18.9M)

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 31 December 2025 (Appendix 4C).

Mach7 CEO Teri Thomas said: “The December quarter continued our deliberate reset for Mach7 as we focused on sharpening our strategy, strengthening execution discipline and aligning the organisation for sustainable, profitable growth.

“We made meaningful progress, simplifying how we operate, lowering our cost base and improving delivery consistency, while continuing to invest selectively in areas that directly support customer outcomes as well as sales and commercial momentum. Improvements in our eUnity Viewer KLAS scores during the quarter reflected early benefits from our Flight Crew operating model and renewed focus on execution quality.

“This quarter was about building foundations. With those foundations now in place, Mach7 is accelerating the execution of its clear strategy with a strong balance sheet and improving commercial momentum.”

¹ Unaudited financial information.

² On 3 December 2025, Mach7 announced that UnityPoint Health had signed a 5-year subscription licence for the Flamingo Architecture product. This was Mach7's first contract for the new product.

³ Prior corresponding period (pcp).

⁴ Contracted Annual Recurring Revenue (CARR) at 31 December 2025 excludes Veterans Health Administration (VHA) and Trinity contracts.

⁵ On 23 January 2026, Mach7 announced that the Veterans Health Administration (VHA) had decided to cease its current multi-vendor NextGen PACS program. Mach7 was one of several subcontractors to a prime vendor under this contract.

⁶ Annual Recurring Revenue (ARR) in constant currency. Note ARR at 31 December 2025 excludes VHA and Trinity contracts.

STRATEGY UPDATE

During the December quarter, Mach7 progressed key elements of its refreshed corporate strategy, focused on commercial excellence, disciplined execution and scalable growth. Key strategic initiatives included:

- A strong presence at RSNA 2025, showcasing our move “from archive to architecture” with the launch of Mach7 Flamingo Architecture. Our approachable marketing strategy, including tagline: “completing the patient picture with patient pictures”, has generated high quality sales leads.
- Signed Mach7’s first Flamingo contract, a five-year subscription licence, validating early customer interest and opening new revenue pathways.
- Re-energised sales and marketing models and strengthened partner engagement through a more proactive and structured approach, including meetings with more than a dozen partners at RSNA.
- Ongoing progress toward Medical Device Regulation (MDR) compliance and CE Mark, supporting future global regulatory pathways including Europe and the Middle East.
- Deliberate reshaping of our organisational structure realising significant cost savings.
- Further reductions in IT and operating costs through infrastructure upgrades, licensing optimisation and contract renegotiations.

SALES

Q2 FY26 Sales orders totalled A\$6.8M (TCV) reflecting continued demand for Mach7’s solutions. The bulk of sales orders (A\$5.6M or 82%) represented ARR-type sales.

The ARR run rate of A\$23.0M at 31 December 2025 was in line with 30 September 2025 in constant currency.⁷ ARR growth from renewals, add-ons and expansions offset the previously announced reductions associated with the VHA National Teleradiology Program (NTP) and Trinity Health contracts.

CARR at 31 December 2025 was A\$26.1M (Q1 FY26: A\$29.0M in constant currency) comprising:

- A\$23.0M of ARR from customers live on the platform; and
- A\$3.1M of contracted backlog to be recognised as customers achieve First Productive Use (FPU).

The A\$2.9M reduction in CARR versus 30 September 2025 in constant currency reflects the reductions relating to VHA and Trinity Health, partially offset by the addition of the new logo won in Q2 FY26 and ARR growth from existing customers referenced above.

⁷ ARR run rate is calculated by annualising the revenue earned from Subscription and Maintenance and Support fees. ARR will grow as new customers achieve FPU and existing customers expand, renew at increased rates or achieve FPU on add-ons.

CASH FLOW AND CASH RECEIPTS

Cash receipts from customers in Q2 FY26 were A\$7.9M, substantially higher on Q1 FY26 (A\$4.6M) reflecting a return to more normalised billing and collection patterns following the resolution of legacy administrative processes.

Mach7 capitalised A\$0.1M in development costs in Q2 FY26, which largely related to an R&D project that commenced in FY24 and was completed in 1H FY26 at a total cost of approximately A\$0.9M. This project is expected to reduce Mach7's Cost of Sales by approximately A\$1.0M on an annualised basis when fully implemented.

Operating activity payments in Q2 FY26 were 9% lower on Q2 FY25 largely driven by the reduction in staff costs (-7% on pc) due to the realisation of ongoing efficiencies across the business.

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\$18.5M cash on hand at 31 December 2025 (A\$18.9M at 30 September 2025).

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\$77,438 for Directors' fees and superannuation for the quarter
- A\$155,939 for Executive Director's salary and superannuation for the quarter

LEADERSHIP ALIGNMENT

As Mach7 transitions from strategy definition into execution, leadership capabilities are being aligned to support the next phase of growth. A search has commenced for an experienced Chief Technology Officer to lead the R&D organisation. This follows the departure of the Chief Innovation Officer in January 2026 and reflects the Company's focus on strengthening engineering leadership, platform scalability and product execution.

OUTLOOK

Mach7 enters the second half of FY26 with a more refined strategy, a stronger operational foundation and improving commercial momentum. The Company remains focused on disciplined cost management while selectively investing in growth-critical capabilities across sales, product development and platform scalability.

Execution of the Company's strategy continued into January with several tangible milestones already achieved:

- *Regulatory progress:* Mach7's eUnity Viewer was granted a new CE certificate under the EU Medical Device Regulations (2017/745), supporting continued access to European and Middle Eastern markets.
- *Platform capability:* The Company appointed its first experienced API developer in Malaysia, commencing a key element of its innovation strategy and strengthening Flamingo platform scalability and integration capability.
- *Commercial acceleration:* Mach7 launched a significantly expanded and refreshed marketing program, supported by an external agency, to modernise its brand, digital presence and market engagement.

As Mach7's delivery focus transitions away from the VHA program, greater emphasis is being placed on capital deals in Asia and the Middle East to meet or exceed FY25 revenue. Mach7 remains confident in its strategy and execution, underpinned by a re-energised sales and partner model, expanded marketing capability and early traction for its Flamingo solutions. The Company continues to prioritise financial discipline and efficient resource allocation, positioning it well to deliver against its strategy and capture emerging market opportunities.

Q2 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, 30 January 2026**.

Please use the link below to register for the webinar.

https://mach7t.zoom.us/webinar/register/WN_QcFTXvr4TkCjWFz5iKdmew

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")

31 December 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	7,856	12,456
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(171)	(400)
(c) advertising and marketing	(449)	(544)
(d) leased assets	(53)	(105)
(e) staff costs ¹	(6,040)	(12,073)
(f) administration and corporate costs	(1,231)	(3,258)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	93	196
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	(8)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	5	(3,736)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(13)	(35)
(d) investments	-	-

¹ Mach7 has capitalised A\$128K of development costs in Q2 FY26.

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(e) intellectual property ¹	(128)	(401)
(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	(141)	(436)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities) ²	-	(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)

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 (6 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	18,911	23,069
4.2	Net cash from / (used in) operating activities (item 1.9 above)	5	(3,736)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(142)	(436)
4.4	Net cash from / (used in) financing activities (item 3.10 above)		(4)
4.5	Effect of movement in exchange rates on cash held	(287)	(405)
4.6	Cash and cash equivalents at end of period	18,488	18,488

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	12,734	13,086
5.2 Call deposits	5,754	5,825
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)	18,488	18,911

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>	

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
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)	5
8.2 Cash and cash equivalents at quarter end (item 4.6)	18,488
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	18,488
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	NA
<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: ...January 30, 2026.....

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.