

FIRST QUARTER FY27 BUSINESS UPDATE¹

Q1 FY27 SUMMARY

- Fourth consecutive quarter of positive operating cashflow, including the first positive Q1 operating cashflow in the Company's history (+A\$0.3M)
- Increased investment in R&D supporting product innovation and commercial growth
- Next generation Flamingo portfolio progressing toward its RSNA² 2026 introduction, designed to expand the Company's addressable market through additional modular workflow capabilities and seamless integrations
- Cash of A\$19.3M at 30 September 2026 and no debt (30 Sep 2025: A\$18.9M)
- ARR³ Run Rate of A\$23.5M at 30 Sep 2026, up 8.5% in constant currency vs Q1 FY26⁴
- Expanded commercial opportunities through EMR⁵-connected imaging workflows, supported by existing customer relationships and new development

Mach7 Technologies Limited ("Mach7" or the "Company") (ASX: M7T), a healthcare software company providing a broad set of enterprise imaging solutions for modern, AI-enabled healthcare environments, today provides a business update and quarterly cashflow report for the three months ended 30 September 2026.

Mach7 CEO and Managing Director Teri Thomas said: "Mach7 has started FY27 with a stronger financial foundation, delivering our fourth consecutive quarter of positive operating cash flow while expanding our investment in the products and capabilities we believe will drive future growth.

"We have made substantial progress in how we build, test and deliver software. Our focus now is on translating those improvements into greater customer value and stronger commercial performance.

"Our next-generation Flamingo architecture represents an important evolution in how customers can work with Mach7. Rather than requiring healthcare organisations to undertake large, complex imaging infrastructure projects, we are building a modular portfolio that allows them to address specific clinical and operational needs, adopt new capabilities incrementally and expand over time.

"This provides deal structures with lower sales friction and differentiated product benefits including lower cost and easier deployment. The new modules provide practical ways to connect imaging across specialties, integrate AI into clinical workflows and make imaging information available wherever care is delivered.

¹ Unaudited financial information.

² The Radiological Society of North America (RSNA) Annual Meeting is the world's leading medical imaging conference, bringing together healthcare professionals, researchers and technology providers to showcase the latest advances in radiology, artificial intelligence and diagnostic imaging. RSNA 2026 will be held in Chicago from 29 November to 3 December 2026.

³ Annual Recurring Revenue (ARR).

⁴ Constant currency assumes exchange rates of 30 September 2025.

⁵ An Electronic Medical Record (EMR) is a digital patient record, subset of the Electronic Health Record (EHR). An EHR is a digital version of a patient's medical history. It is designed to be comprehensive and securely shared with patients and authorised healthcare providers to support coordinated care. It is broader than the EMR but often used interchangeably.

“We recognise that sustainable growth must ultimately be demonstrated through customer adoption, new contracts and recurring revenue. With improved financial discipline, a more flexible product portfolio and clearer commercial priorities, we are focused on delivering those results.”

STRATEGY UPDATE

Mach7 is strengthening the alignment between product development and commercial execution, with a focus on customer-engaged development, improving pipeline qualification, conversion and the expansion of existing customer relationships.

Product delivery and innovation

Mach7 continued development of its next-generation Flamingo architecture, with five modular capabilities, Foundation, Storage, Worklist, Sonar and Flow, scheduled for demonstration at RSNA 2026.

Flamingo is designed to extend Mach7's established enterprise imaging capabilities with a more flexible, modular approach to imaging infrastructure and clinical workflow. The architecture will enable healthcare organisations to adopt individual capabilities alongside their existing technology investments, rather than requiring wholesale system replacement.

The enhanced portfolio is intended to address a broader range of customer requirements, including imaging data access, storage, enterprise worklists, workflow orchestration and integration with AI-enabled clinical applications.

The modular architecture also creates new commercial opportunities for Mach7. Customers will be able to begin with solutions addressing specific clinical or operational needs, with the potential to expand their investment as additional requirements emerge. Mach7 expects this approach to broaden its addressable market and provide additional entry points with existing and prospective customers.

Commercial strategy and market expansion

Mach7's commercial strategy is evolving alongside its product portfolio, with a focus on increasing opportunities within existing customers, addressing improvement of workflows in new clinical specialties and reducing complexity for initial customer adoption.

The modular Flamingo portfolio is designed to create additional ways for customers to engage with Mach7, including targeted workflow applications, incremental infrastructure modernisation and expansion of existing deployments with a faster and more streamlined process, often entirely avoiding the lengthy tender process.

An important area of development is the integration of enterprise imaging with Electronic Medical Record (EMR) workflows. Mach7 is engaging with customers on specialty-focused solutions that connect imaging more directly to clinical care, including endoscopy, point-of-care ultrasound and other imaging-intensive specialties.

These opportunities build on Mach7's existing interoperability capabilities and ongoing work with our healthcare customers to identify and prioritise commercially relevant workflows.

The Company is also progressing its direct sales and partner-enabled commercial strategies, with an emphasis on translating product development and customer engagement into qualified opportunities, contracted sales and recurring revenue growth.

Flamingo is more than a rebrand or an infrastructure modernisation exercise. It offers a different way for customers to purchase, adopt and expand Mach7 technology.

Software development efficiency

Mach7 continued its investment in automated quality assurance, AI-assisted software development and modern deployment practices during the quarter. These initiatives are designed to improve development capacity, support more consistent software quality and enable the Company to develop and maintain a broader product portfolio without a corresponding increase in its operating cost base. Mach7 is focused on improving the efficiency of its engineering investment while maintaining the quality and reliability required by healthcare customers.

CARR / ARR

The ARR run rate⁶ of A\$23.5M at 30 September 2026 was 8.5% higher in constant currency vs 30 September 2025 reflecting the continued growth of Mach7's existing customer base via expansions, add-ons and services, and new customers going live.

CARR⁷ at 30 September 2026 was A\$25.3M, down 7.4% vs 30 September 2025 in constant currency largely due to the discontinuation of the Veterans Health Administration's NextGen PACS teleradiology program in FY26.⁸ CARR comprised:

- A\$23.5M of ARR from customers live on the platform including AMRADNET; and
- A\$1.8M of contracted backlog.

Improved product quality and customer engagement continued to support a stable recurring revenue base and stronger customer sentiment during the quarter.

CASH FLOW AND CASH RECEIPTS

Mach7 recorded the fourth consecutive quarter of positive operating cash flow with net cash from operating activities of A\$0.3M in Q1 FY27.

Cash receipts from customers in Q1 FY27 were A\$7.3M, 58% higher on Q1 FY26 (A\$4.6M) reflecting customer growth and ongoing focus on disciplined cash collection.

⁶ 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.

⁷ Contracted Annual Recurring Revenue (CARR).

⁸ 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.

Q1 FY27 operating activity payments were 17% lower vs Q1 FY26 largely driven by reduced staff costs and administration and corporate costs. It also demonstrates Mach7's ability to sustain a lower cost base following the restructuring undertaken in FY26.

Mach7 capitalised A\$0.68M in development costs in Q1 FY27 reflecting increased investment in R&D projects (Q1 FY26: A\$0.27M) across the expanded product suite. 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\$19.3M cash on hand at 30 September 2026 (A\$18.9M at 30 September 2025; A\$19.9M at 30 June 2026).

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\$77,390 for Directors' fees and superannuation for the quarter
- A\$186,103 for Executive Director's salary and superannuation for the quarter.

OUTLOOK

Mach7 enters the remainder of FY27 with an improved operating cost base, a stable recurring revenue foundation and a focused program of product development and commercial execution.

The Company's near-term priorities are to progress additional modular Flamingo products toward customer availability, expand opportunities within its established customer base and pursue new customer acquisitions through a more flexible range of enterprise imaging and workflow solutions.

At RSNA 2026, Mach7 plans to demonstrate its next-generation modular architecture and engage with existing and prospective customers on applications spanning imaging infrastructure, clinical workflow and AI integration.

Following RSNA, the Company is targeting an initial early-adopter release. Management remains focused on converting these investments into contracted sales, recurring revenue growth and sustained positive operating cash flow.

Q1 FY27 INVESTOR WEBINAR

CEO Teri Thomas and CFO Shawni Hadfield will host a Zoom webinar including a Q&A session with the investment community at **9:30am (AEDT) today, 26 October 2026**.

Please use the link below to register for the webinar.

https://mach7t.zoom.us/webinar/register/WN_cdd_DqqDSvKqfOm7ns9vmQ

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) provides enterprise imaging software that helps healthcare organizations manage, access and share diagnostic imaging data across complex environments. The Mach7 platform includes a Vendor Neutral Archive (VNA), the eUnity Enterprise Diagnostic Viewer and an expanding suite of Flamingo modules, expanding capabilities across workflow, interoperability and data management to support a more complete view of the patient record. Together, these capabilities help healthcare organizations build a unified, longitudinal patient record that integrates diagnostic imaging with broader clinical data. Designed for interoperability and scale, Mach7 is increasingly aligned with leading cloud ecosystems such as Amazon Web Services (AWS) and Oracle Cloud Infrastructure (OCI), helping customers modernize imaging infrastructure and prepare for AI-enabled clinical workflows. Mach7 serves healthcare organizations worldwide, including integrated delivery networks, national health systems and specialist imaging providers. Visit mach7t.com for more information. 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 2026

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	7,273	7,273
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(580)	(580)
(c) advertising and marketing	(426)	(426)
(d) leased assets	(29)	(29)
(e) staff costs ¹	(4,740)	(4,740)
(f) administration and corporate costs	(1,229)	(1,229)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	75	75
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	344	344
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(12)	(12)
(d) investments	-	-

¹ Mach7 has capitalised A\$683k of development costs in Q1 FY27.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(e) intellectual property ¹	(683)	(683)
	(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	(695)	(695)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
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.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	19,921	19,921
4.2	Net cash from / (used in) operating activities (item 1.9 above)	344	344

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(695)	(695)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(255)	(255)
4.6	Cash and cash equivalents at end of period	19,315	19,315

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	13,655	14,229
5.2	Call deposits	5,660	5,692
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)	19,315	19,921

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	263
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)	344
8.2	Cash and cash equivalents at quarter end (item 4.6)	19,315
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	19,315
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<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: 26 October 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.