

**Mach7 Technologies Limited**  
**Appendix 4D**  
**Half-year report**

**1. Company details**

Name of entity:	Mach7 Technologies Limited
ABN:	26 007 817 192
Reporting period:	For the half-year ended 31 December 2024
Previous period:	For the half-year ended 31 December 2023

**2. Results for announcement to the market**

			\$
Revenues from ordinary activities	up	33.1% to	17,739,317
Loss from ordinary activities after tax attributable to the owners of Mach7 Technologies Limited	down	59.7% to	(1,868,692)
Loss for the half-year attributable to the owners of Mach7 Technologies Limited	down	59.7% to	(1,868,692)

*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 \$1,868,692 (31 December 2023: \$4,634,590).

Please refer to the “Operating and Financial Review” in the Directors’ Report for a detailed explanation and analysis of the Group’s performance for the six months ended 31 December 2024.

**3. Net tangible assets**

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	11.11	9.65

**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.

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**8. Details of associates and joint venture entities**

Not applicable.

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**9. Foreign entities**

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

Not applicable.

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**10. Audit qualification or review**

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

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

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**11. Attachments**

*Details of attachments (if any):*

The Half Year Report of Mach7 Technologies Limited for the half-year ended 31 December 2024 is attached.

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**12. Signed**



Signed \_\_\_\_\_

Date: 27 February 2025

Robert Bazzani  
Chairman  
Melbourne

# **Mach7 Technologies Limited**

**ABN 26 007 817 192**

## **Half Year Report - 31 December 2024**

**Mach7 Technologies Limited**  
**Directors' report**  
**31 December 2024**

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity', 'Group' or 'Mach7') consisting of Mach7 Technologies Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024. All amounts are in AUD.

**Directors**

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

Mr Robert Bazzani - Independent Non-Executive Chairman  
Mr Michael Lampron - Managing Director and Chief Executive Officer  
Mr Eliot Seigel, MD - Independent Non-Executive Director  
Ms Rebecca Thompson - Independent Non-Executive Director

**Principal activities**

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

**Operating and financial review**

The loss for the consolidated entity after providing for income tax amounted to \$1,868,692 (31 December 2023: \$4,634,590).

**Financial position**

At 31 December 2024, the Group reported net current assets of \$20.09 million (30 June 2024: \$18.81 million), which includes cash on hand of \$23.60 million (30 June 2024: \$26.17 million), trade and other receivables \$6.99 million (30 June 2024: \$3.55 million) and customer contract assets of \$2.22 million (30 June 2024: \$2.62 million).

**Review of operations**

**Revenue from continuing operations**

**Revenue increased by 33% on previous corresponding period, \$17.74 million revenue recognised (half-year 31 December 2023: \$13.33 million).**

The Group has reported \$16.2 million in sales orders (total contract value) for this half-year of which 62% is related to Subscription and Maintenance and Support sales as customers increasingly opt for the Subscription rather than Capital model. The ongoing transition to a predominantly Subscription model will ultimately result in higher quality recurring revenue which will provide greater predictability and less volatility around future earnings and cash.

Group revenue has increased by \$4.41 million (33%) compared to the previous corresponding period ("PCP"). Recurring revenue which is comprised of Subscription revenue and Maintenance and Support revenue ("ARR") increased by 28% on PCP to \$12.65 million for the half-year. The Group's ARR recognised for the period represents 80% of operating expenditure (PCP: 72%). Software licence revenue which represents capital software sales orders that are generally contracted over a 5-year term was \$3.54 million for the half-year, an increase of \$1.81 million compared to PCP primarily due to capital software licence expansions and add-ons for existing customers. This reflects the Group's focus on customer intimacy and the success of its "land and expand" strategy. Professional Services revenue for the half-year was \$1.55 million, a 9% decrease compared to PCP due to FY24 being a large renewal year and those sales orders generally excluding professional services that would normally be recognised as revenue in the subsequent 12-18 months.

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

	<b>31 December 2024</b>	<b>31 December 2023</b>	<b>Change</b>	<b>Change</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
Subscription revenue*	6,333,962	3,993,550	2,340,412	59%
Maintenance and Support revenue	6,313,855	5,900,389	413,466	7%
Total recurring revenue	<u>12,647,817</u>	<u>9,893,939</u>	<u>2,753,878</u>	28%
Software Licence revenue*	3,542,148	1,730,970	1,811,178	105%
Professional Service revenue**	<u>1,549,352</u>	<u>1,707,404</u>	<u>(158,052)</u>	(9%)
	<u><u>17,739,317</u></u>	<u><u>13,332,313</u></u>	<u><u>4,407,004</u></u>	33%

\* Subscription and Software Licence revenue above comprises the total software licence revenue amounting to \$9,876,110 as disclosed in note 5 to these financial statements.

\*\* Represents combination of implementation & training services and migration services disclosed in note 5 to these financial statements.

## **Expenses from operations**

### **Operating expenses increased by \$2.07 million or 15%**

The first six months of the fiscal year are generally the more expensive half for the Group due to the timing of trade shows and other operating expenses. During the half-year ended 31 December 2024, the Group made targeted investments in line with our three strategic pillars of cloud enablement, customer service, integration and interoperability. Notwithstanding this investment, operating expenses increased by only 15% reflecting careful cost management (half-year 31 December 2023: increased by 9%).

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

	<b>31 December 2024</b>	<b>31 December 2023</b>	<b>Change</b>	<b>Change</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
Employment and related expenses	12,279,437	10,664,048	1,615,389	15%
General administration and office expenses	1,361,367	1,139,801	221,566	19%
Professional fees and corporate expenses	985,111	710,523	274,588	39%
Travel and related expenses	632,536	715,971	(83,435)	(12%)
Marketing expenses	<u>552,392</u>	<u>508,294</u>	<u>44,098</u>	9%
	<u><u>15,810,843</u></u>	<u><u>13,738,637</u></u>	<u><u>2,072,206</u></u>	15%

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

## Profitability

**NPATA\* of \$1.4 million (half-year 31 December 2023: (\$1.25) million) which demonstrates that, in the absence of the amortisation of intangibles associated with the acquisition of Client Outlook, Mach7 had a profitable half year**

The Group has reported EBITDA (on an adjusted basis)\*\* of \$0.81 million for the half-year (half-year 31 December 2023: (\$1.57) million). The increase in EBITDA (adjusted) is primarily due to the increase in revenue (up 33% from PCP). This is set out in the table below:

	31 December 2024 \$	31 December 2023 \$	Change \$	Change %
Revenue from contracts with customers	17,739,317	13,332,313	4,407,004	33%
Cost of sales	(1,039,262)	(1,058,772)	19,510	(2%)
<b>Gross Margin</b>	<b>16,700,055</b>	<b>12,273,541</b>	<b>4,426,514</b>	<b>36%</b>
<b>Gross Margin%</b>	<b>94%</b>	<b>92%</b>		
Operating expenditure	(15,810,843)	(13,738,637)	(2,072,206)	15%
Net foreign exchange losses (realised)	(10,231)	(2,553)	(7,678)	301%
Other income/(expenses) (net)	(63,813)	(108,439)	44,626	(41%)
	<b>(15,884,887)</b>	<b>(13,849,629)</b>	<b>(2,035,258)</b>	<b>15%</b>
<b>EBITDA Adjusted**</b>	<b>815,168</b>	<b>(1,576,088)</b>	<b>2,391,256</b>	<b>(152%)</b>
Interest income	395,817	437,712	(41,895)	(10%)
Net foreign exchange gains/(losses) (unrealised)	338,191	(172,371)	510,562	(296%)
Share-based payments expense (non-cash)	(662,400)	(544,171)	(118,229)	22%
Right-of-use lease liability interest expense	(59,640)	(29,986)	(29,654)	99%
Depreciation and amortisation (non-cash)	(3,565,723)	(3,646,385)	80,662	(2%)
Income tax benefit (non-cash)	869,895	896,699	(26,804)	(3%)
<b>Loss for the year</b>	<b>(1,868,692)</b>	<b>(4,634,590)</b>	<b>2,765,898</b>	<b>(60%)</b>

\* 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 unrealised foreign exchange (losses)/gains and non-cash item share-based payments expense.

## Matters subsequent to the end of the financial half-year

On 30 January 2025 the Company announced an on-market share buy-back program with a maximum value of up to \$5 million. The expected commencement date is 3 March 2025 for a period of up to 12 months.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

## Contingent liability

The Group has no contingent liabilities as at 31 December 2024 (30 June 2024: Nil)

### **Outlook**

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

Mach7 is well-positioned to capitalize on these shifts, benefiting from a robust install base across both acute and non-acute care sectors. This strategic positioning, combined with the global rise of enterprise imaging adoption, provides favorable market conditions for the Group. Moreover, with purchasing decisions now increasingly driven by C-suite executives—many of whom have longstanding relationships with Mach7 in the data management sector—these dynamics are conducive to a favourable sales environment.

In 2024, we observed a deceleration in M&A activity within the imaging IT space, with many players opting for partnerships rather than acquisitions. This trend is particularly advantageous for Mach7, given our independence as a technology provider without the constraints or conflicts associated with a modality business. Our strong partner ecosystem remains a core growth driver, highlighted most recently by our UnityVue offering.

Looking ahead, Mach7's sales pipeline remains robust, reflecting growth opportunities across diverse regions, care settings, and product offerings. We remain confident in our ability to execute and deliver value to shareholders throughout FY25.

Mach7 reaffirms its FY25 guidance for 15-25% growth in Contracted Annual Recurring Revenue (CARR) and revenue on PCP and for OPEX growth to be less than revenue growth.

### **Significant changes in the state of affairs**

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

### **Auditor's independence declaration**

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

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

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Rob Bazzani', with a long horizontal line extending to the right.

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Robert Bazzani  
Chairman

27 February 2025

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### AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Mach7 Technologies Limited and its controlled entities for the half year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

A handwritten signature in blue ink that reads "RSM".

**RSM AUSTRALIA PARTNERS**

A handwritten signature in blue ink that appears to read "M Parameswaran".

**M PARAMESWARAN**  
Partner

Dated: 27 February 2025  
Melbourne, Victoria

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**Mach7 Technologies Limited****Contents****31 December 2024**

Statement of profit or loss and other comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11
Directors' declaration	19
Independent auditor's review report to the members of Mach7 Technologies Limited	20

**Mach7 Technologies Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2024**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue from contracts with customers</b>	5	17,739,317	13,332,313
Other income		404,598	443,492
<b>Expenses</b>			
Cost of sales		(1,039,262)	(1,058,772)
Employment and related expenses		(12,279,437)	(10,664,048)
Depreciation and amortisation		(3,565,723)	(3,646,385)
Professional fees and corporate expenses		(985,111)	(710,523)
General administration and office expenses		(1,361,367)	(1,139,801)
Marketing expenses		(552,392)	(508,294)
Travel and related expenses		(632,536)	(715,971)
Share-based payments expense (non-cash)		(662,400)	(544,171)
Right-of-use lease liability interest expense		(59,640)	(29,986)
Net foreign exchange gains/(losses)		327,960	(174,924)
Other expenses		(72,594)	(114,219)
<b>Loss before income tax benefit</b>		(2,738,587)	(5,531,289)
Income tax benefit		869,895	896,699
<b>Loss after income tax benefit for the half-year attributable to the owners of Mach7 Technologies Limited</b>		(1,868,692)	(4,634,590)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		1,519,151	(1,146,456)
Other comprehensive income for the half-year, net of tax		1,519,151	(1,146,456)
<b>Total comprehensive income for the half-year attributable to the owners of Mach7 Technologies Limited</b>		(349,541)	(5,781,046)
		<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings per share	6	(0.8)	(1.9)

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

**Mach7 Technologies Limited**  
**Statement of financial position**  
**As at 31 December 2024**

		<b>Consolidated</b>	
		<b>31 December</b>	
	<b>Note</b>	<b>2024</b>	<b>30 June 2024</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		23,596,825	26,175,405
Trade and other receivables	7	6,994,408	3,552,783
Customer contract assets	8	2,218,891	2,621,409
Other assets		2,129,450	1,559,318
Total current assets		<u>34,939,574</u>	<u>33,908,915</u>
<b>Non-current assets</b>			
Customer contract assets	8	4,217,935	4,549,814
Right-of-use assets		1,149,097	1,204,648
Property, plant and equipment		1,326,699	711,630
Intangibles	9	25,471,428	27,781,577
Deferred tax asset		4,321,136	4,087,764
Other assets		842,676	786,991
Total non-current assets		<u>37,328,971</u>	<u>39,122,424</u>
<b>Total assets</b>		<u>72,268,545</u>	<u>73,031,339</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		2,523,877	3,280,712
Customer contract liabilities	10	12,113,879	11,632,669
Lease liabilities		209,314	181,259
Total current liabilities		<u>14,847,070</u>	<u>15,094,640</u>
<b>Non-current liabilities</b>			
Lease liabilities		1,053,689	1,087,019
Deferred tax liability		4,198,049	4,992,802
Total non-current liabilities		<u>5,251,738</u>	<u>6,079,821</u>
<b>Total liabilities</b>		<u>20,098,808</u>	<u>21,174,461</u>
<b>Net assets</b>		<u>52,169,737</u>	<u>51,856,878</u>
<b>Equity</b>			
Issued capital	11	116,244,526	116,244,526
Reserves		7,820,518	6,617,819
Accumulated losses		<u>(71,895,307)</u>	<u>(71,005,467)</u>
<b>Total equity</b>		<u>52,169,737</u>	<u>51,856,878</u>

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

**Mach7 Technologies Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2024**

<b>Consolidated</b>	<b>Issued Capital \$</b>	<b>Share Based Payment Reserves \$</b>	<b>Foreign Exchange Translation Reserve \$</b>	<b>Accumulated Losses \$</b>	<b>Total Equity \$</b>
Balance at 1 July 2023	115,697,098	3,923,857	3,388,466	(63,525,755)	59,483,666
Loss after income tax benefit for the half-year	-	-	-	(4,634,590)	(4,634,590)
Other comprehensive income for the half-year, net of tax	-	-	(1,146,456)	-	(1,146,456)
Total comprehensive income for the half-year	-	-	(1,146,456)	(4,634,590)	(5,781,046)
<i>Transactions with owners in their capacity as owners:</i>					
Issue of shares upon exercise of options	174,233	-	-	-	174,233
Share-based payments (note 16)	-	310,171	-	-	310,171
Transfers upon exercise of options/rights	118,540	(118,540)	-	-	-
Transfers upon lapse of options/rights	-	(338,154)	-	338,154	-
Shares issued as remuneration	234,000	-	-	-	234,000
Balance at 31 December 2023	<u>116,223,871</u>	<u>3,777,334</u>	<u>2,242,010</u>	<u>(67,822,191)</u>	<u>54,421,024</u>

<b>Consolidated</b>	<b>Issued Capital \$</b>	<b>Share Based Payment Reserves \$</b>	<b>Foreign Exchange Translation Reserve \$</b>	<b>Accumulated Losses \$</b>	<b>Total Equity \$</b>
Balance at 1 July 2024	116,244,526	4,347,733	2,270,086	(71,005,467)	51,856,878
Loss after income tax benefit for the half-year	-	-	-	(1,868,692)	(1,868,692)
Other comprehensive income for the half-year, net of tax	-	-	1,519,151	-	1,519,151
Total comprehensive income for the half-year	-	-	1,519,151	(1,868,692)	(349,541)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 16)	-	662,400	-	-	662,400
Transfers upon lapse of options/rights	-	(978,852)	-	978,852	-
Balance at 31 December 2024	<u>116,244,526</u>	<u>4,031,281</u>	<u>3,789,237</u>	<u>(71,895,307)</u>	<u>52,169,737</u>

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

**Mach7 Technologies Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2024**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		15,919,139	15,481,106
Payments to suppliers (inclusive of GST)		<u>(18,583,858)</u>	<u>(15,766,904)</u>
		(2,664,719)	(285,798)
Interest received		265,079	226,044
Income taxes paid		<u>(51,621)</u>	<u>(133,241)</u>
Net cash used in operating activities		<u>(2,451,261)</u>	<u>(192,995)</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(525,493)	(63,483)
Payments for intangibles	9	<u>(524,480)</u>	<u>-</u>
Net cash used in investing activities		<u>(1,049,973)</u>	<u>(63,483)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	174,233
Repayment of lease liabilities		<u>(79,181)</u>	<u>(106,465)</u>
Net cash (used in)/from financing activities		<u>(79,181)</u>	<u>67,768</u>
Net decrease in cash and cash equivalents		(3,580,415)	(188,710)
Cash and cash equivalents at the beginning of the financial half-year		26,175,405	23,394,568
Effects of exchange rate changes on cash and cash equivalents		<u>1,001,835</u>	<u>(476,711)</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>23,596,825</u></u>	<u><u>22,729,147</u></u>

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

**Note 1. Corporate information**

The financial report of Mach7 Technologies Limited (the “Company” or the “Parent”) for the half-year ended 31 December 2024 was authorised for issue in accordance with a resolution of the Directors on **27 February 2025**.

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

**Note 2. Material accounting policy information**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001 (Cth), as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

**New or amended Accounting Standards and Interpretations adopted**

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

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

**Note 3. Restatement of comparatives**

*Reclassification*

There were changes in the presentation of the comparative balances in the statement of profit or loss and other comprehensive income for the half-year ended 31 December 2023, due to the presentation of commission expenses and distributor and licence fees as cost of sales.

The impact of the change in the comparative for the half-year ended 31 December 2023 is as below:

	<b>31 December 2023</b>	<b>Reclass</b>	<b>31 December 2023 Restated</b>
Cost of sales	-	1,058,772	1,058,772
Distributor and licence fees	660,667	(660,667)	-
Employment and related expenses	11,062,153	(398,105)	10,664,048
	<u>11,722,820</u>	<u>-</u>	<u>11,722,820</u>

#### **Note 4. Operating segments**

##### **Description of segments and principal activities**

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

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>31 December 2024</b>	<b>31 December 2023</b>
	<b>\$</b>	<b>\$</b>
Revenue from contracts with customers	17,739,317	13,332,313
Cost of sales	(1,039,262)	(1,058,772)
Operating expenditure	(15,810,843)	(13,738,637)
Net foreign exchange losses (realised)	(10,231)	(2,553)
Other income/(expenses) (net)	(63,813)	(108,439)
<b>EBITDA – before the following items</b>	<u>815,168</u>	<u>(1,576,088)</u>
Share-based payments expense (non-cash)	(662,400)	(544,171)
Net foreign exchange gains/(losses) (unrealised)	<u>338,191</u>	<u>(172,371)</u>
<b>EBITDA</b>	<b>490,959</b>	<b>(2,292,630)</b>
Depreciation and amortisation	(3,565,723)	(3,646,385)
Right-of-use lease liability interest expense	(59,640)	(29,986)
Interest income	395,817	437,712
Income tax benefit	<u>869,895</u>	<u>896,699</u>
Net loss after tax	<u><u>(1,868,692)</u></u>	<u><u>(4,634,590)</u></u>

##### **Segment assets and liabilities**

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

##### **Geographical non-current tangible assets\***

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>31 December 2024</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
North America	11,445,118	10,937,608
Asia	<u>412,426</u>	<u>403,239</u>
	<u><u>11,857,544</u></u>	<u><u>11,340,847</u></u>

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

**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 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:

	<b>Consolidated</b>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
	<b>\$</b>	<b>\$</b>
Software Licence Revenue (major segment)*	9,876,110	5,724,520
Professional Services Revenue:		
- implementation & training services	1,325,957	1,489,303
- migration services	223,395	218,101
Maintenance and Support (recurring revenue)	6,313,855	5,900,389
	<u>17,739,317</u>	<u>13,332,313</u>
Geographical segment revenues		
North America	15,422,033	10,717,823
Asia Pacific	1,640,362	1,724,121
Middle East	430,162	421,603
Europe and other regions	246,760	468,766
	<u>17,739,317</u>	<u>13,332,313</u>
<b>Timing of revenue recognition</b>		
Revenue recognised at a point in time	3,542,148	1,730,970
Revenue recognised over time	14,197,169	11,601,343
	<u>17,739,317</u>	<u>13,332,313</u>

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

**Note 6. Earnings per share**

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

	<b>Consolidated</b>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
	<b>\$</b>	<b>\$</b>
Basic and diluted earnings per share for loss		
Loss after income tax attributable to the owners of Mach7 Technologies Limited	<u>(1,868,692)</u>	<u>(4,634,590)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	241,241,047	241,191,047
	<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings per share	(0.8)	(1.9)

Number of share options and performance rights not included in the diluted earnings per share calculation as they are anti-dilutive: 13,672,999 (31 December 2023: 12,208,517).



**Note 7. Trade and other receivables**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2024</b>
	<b>2024</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Trade receivables	6,768,542	3,410,057
Interest receivable	74,028	102,152
Sales tax receivable	43,807	36,896
	<u>117,835</u>	<u>139,048</u>
Other receivables	108,031	3,678
	<u><u>6,994,408</u></u>	<u><u>3,552,783</u></u>

**Note 8. Customer contract assets**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2024</b>
	<b>2024</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Contract assets - current	2,218,891	2,621,409
Contract assets - non-current	4,217,935	4,549,814
	<u><u>6,436,826</u></u>	<u><u>7,171,223</u></u>

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

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

**Note 9. Intangibles**

	<b>Consolidated</b>	
	<b>31 December 2024</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
Goodwill - at cost	4,264,540	4,187,982
Patents and trademarks - at cost	193,805	399,322
Less: Accumulated amortisation	(117,127)	(325,002)
	<u>76,678</u>	<u>74,320</u>
Customer contracts - at cost	11,598,313	11,548,522
Less: Accumulated amortisation	(11,301,573)	(10,984,733)
	<u>296,740</u>	<u>563,789</u>
Software - at cost	59,029,305	57,496,457
Less: Accumulated amortisation	(42,715,315)	(38,979,316)
	<u>16,313,990</u>	<u>18,517,141</u>
Brand Names - at cost	6,077,454	5,996,319
Less: Accumulated amortisation	(1,557,974)	(1,557,974)
	<u>4,519,480</u>	<u>4,438,345</u>
	<u><u>25,471,428</u></u>	<u><u>27,781,577</u></u>

*Reconciliations*

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

	<b>Patents</b>	<b>Customer Contracts</b>	<b>Brand Names</b>	<b>Software</b>	<b>Goodwill</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Consolidated</b>						
Balance at 1 July 2024	74,320	563,789	4,438,345	18,517,141	4,187,982	27,781,577
Additions	-	-	-	524,480	-	524,480
Exchange differences	5,091	5,257	81,135	282,687	76,558	450,728
Amortisation expense	(2,733)	(272,306)	-	(3,010,318)	-	(3,285,357)
Balance at 31 December 2024	<u>76,678</u>	<u>296,740</u>	<u>4,519,480</u>	<u>16,313,990</u>	<u>4,264,540</u>	<u>25,471,428</u>

**Note 10. Customer contract liabilities**

	<b>Consolidated</b>	
	<b>31 December 2024</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
Maintenance and Support Revenue received in advance	5,704,172	6,499,073
Professional Services Revenue received in advance	3,117,007	2,018,610
Subscription Revenue received in advance	3,228,476	3,017,842
Capital Software Licence Revenue received in advance	64,224	97,144
	<u>12,113,879</u>	<u>11,632,669</u>

**Note 10. Customer contract liabilities (continued)**

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

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

The carrying values are assumed to approximate the fair values for these balances. Revenue received in advance is expected to fluctuate from year to year, as the timing of sales orders, contract payment terms and revenue recognition milestones will impact this balance.

**Note 11. Issued capital**

	<b>Consolidated</b>			
	<b>31 December 2024 Shares</b>	<b>30 June 2024 Shares</b>	<b>31 December 2024 \$</b>	<b>30 June 2024 \$</b>
Ordinary shares - fully paid	<u>241,241,047</u>	<u>241,241,047</u>	<u>116,244,526</u>	<u>116,244,526</u>

*Ordinary shares*

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

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

*Share buy-back*

There is no current on-market share buy-back.

**Note 12. Dividends**

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

**Note 13. Related party transactions**

*Parent entity*

Mach7 Technologies Limited is the parent entity.

*Transactions with related parties*

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

*Receivable from and payable to related parties*

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

*Loans to/from related parties*

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

**Note 14. Events after the reporting period**

On 30 January 2025 the Company announced an on-market share buy-back program with a maximum value of up to \$5 million. The expected commencement date is 3 March 2025 for a period of up to 12 months.

No other matter or circumstance has arisen since 31 December 2024 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.

**Mach7 Technologies Limited**  
**Notes to the financial statements**  
**31 December 2024**

**Note 15. Contingent liabilities**

The Group has no contingent liabilities as at 31 December 2024 (30 June 2024: Nil)

**Note 16. Share-based payments**

Share-based payments expense during the period is \$662,400 (31 December 2023: \$544,171) which relates to options/performance rights/shares issued to Directors, KMP and other employees of the company.

Summary of options granted and lapsed during the half-year ended 31 December 2024 are as below:

**Unlisted Options**

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

**31 December 2024**

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
11/10/2019	11/10/2024	\$0.680	881,666	-	-	(881,666)	-
18/11/2019	18/11/2024	\$0.820	285,000	-	-	(285,000)	-
18/11/2019	18/11/2024	\$0.800	250,000	-	-	(250,000)	-
18/11/2019	18/11/2024	\$0.950	250,000	-	-	(250,000)	-
18/11/2019	18/11/2024	\$1.100	250,000	-	-	(250,000)	-
01/12/2020	30/11/2025	\$1.400	73,334	-	-	-	73,334
03/02/2021	30/01/2025	\$1.480	40,000	-	-	-	40,000
03/02/2021	30/06/2025	\$1.480	1,400,000	-	-	-	1,400,000
10/09/2021	30/01/2025	\$0.980	40,000	-	-	-	40,000
10/09/2021	31/08/2026	\$0.980	2,200,000	-	-	-	2,200,000
10/09/2021	21/07/2024	\$0.980	26,666	-	-	(26,666)	-
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	01/01/2028	\$0.570	200,000	-	-	-	200,000
01/05/2023	01/05/2028	\$0.636	200,000	-	-	-	200,000
01/07/2023	01/07/2028	\$0.582	400,000	-	-	-	400,000
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	01/10/2024	\$0.730	100,000	-	-	(100,000)	-
18/12/2023	31/12/2024	\$0.730	33,334	-	-	(33,334)	-
18/12/2023	31/01/2025	\$0.730	16,666	-	-	-	16,666
18/12/2023	18/12/2028	\$0.730	2,185,000	-	-	-	2,185,000
15/01/2024	15/01/2029	\$0.732	200,000	-	-	-	200,000
01/03/2024	01/03/2029	\$0.679	200,000	-	-	-	200,000
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	-	2,900,000	-	-	2,900,000
			10,326,665	3,200,000	-	(2,076,666)	11,449,999

**Note 16. Share-based payments (continued)**

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

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
19/08/2024	19/08/2029	\$0.595	\$0.591	59.00%	-	3.60%	\$0.318
16/09/2024	16/09/2029	\$0.535	\$0.540	58.00%	-	3.45%	\$0.281
18/11/2024	18/11/2029	\$0.365	\$0.380	57.00%	-	4.22%	\$0.190

**Performance rights**

The Company has on issue 2,223,000 (June 2024: 1,825,185) performance rights of which 723,000 expires on 30 September 2025 and 700,000 expires on 30 September 2026 and 800,000 expires on 30 September 2027.

Summaries of performances rights is as below:

	31 December 2024	30 June 2024
Outstanding at the beginning of the financial year	1,825,185	1,503,299
Granted	800,000	700,000
Expired/Forfeited	(402,185)	(378,114)
	<u>2,223,000</u>	<u>1,825,185</u>

During the period, the consolidated entity issued 800,000 performance rights to Mr Michael Lampron with various vesting conditions relating to service period and performance hurdles. The fair value of the performance rights was determined using the Monte Carlo Simulation using the following inputs:

	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Number of performance rights granted	200,000	200,000	200,000	200,000
Grant date	28 November 2024	28 November 2024	28 November 2024	28 November 2024
Expiry date	30 September 2027	30 September 2027	30 September 2027	30 September 2027
Weighted average share price at date of grant (\$)	\$0.38	\$0.38	\$0.38	\$0.38
Weighted average exercise price (\$)	-	-	-	-
Weighted average volatility %	53.95%	53.95%	53.95%	53.95%
Weighted average risk-free rate %	3.972%	3.972%	3.972%	3.972%
Vesting conditions with 30 June 2027 target date	Note 1	Note 1	Note 1	Note 1
Fair value per performance right \$	0.1469	0.3436	0.3436	0.3436
Fair value of performance right \$	\$29,371	\$68,722	\$68,722	\$68,722

*Note 1- Vesting Conditions:*

Tranche	Vesting condition
Tranche 1	Market-based vesting condition linked to Total Shareholder Return.
Tranche 2	Company performance vesting condition linked to KLAS Ranking.
Tranche 3	Company performance vesting condition linked to Annual Recurring Revenue.
Tranche 4	Company performance vesting condition linked to EBITDA Margin.

**Mach7 Technologies Limited**  
**Directors' declaration**  
**31 December 2024**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001 (Cth), Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Rob Bazzani', with a long horizontal line extending to the right.

---

Robert Bazzani  
Chairman

27 February 2025

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

### *Conclusion*

We have reviewed the accompanying half-year financial report of Mach7 Technologies Limited ("Company") and its controlled entities ("Group") which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of material accounting policies and other explanatory information, and the directors' declaration of the Group at the half-year end.

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

### *Basis for Conclusion*

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

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

#### *Directors' Responsibility for the Half-Year Financial Report*

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

#### *Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

A handwritten signature in blue ink, appearing to read 'RSM'.

**RSM AUSTRALIA PARTNERS**

A handwritten signature in blue ink, appearing to read 'M Parameswaran'.

**M PARAMESWARAN**  
Partner

Dated: 27 February 2025  
Melbourne, Victoria