

QUARTERLY CASH FLOW REPORT FOR THE PERIOD TO 30 JUNE 2016

Mach7 Technologies Limited (ASX:M7T) (**Mach7** or the **Company**) today released its quarterly cash flow report (Appendix 4C) for the quarter ending 30 June 2016.

BASIS OF PREPARATION & EFFECTIVE MERGER DATE

The enclosed quarterly cash flow report reflects a full quarter of results for the Company and its various subsidiaries, which includes the operations of the Company, on the basis that Mach7 Technologies Pte. Ltd. was acquired by the Company on 31 March 2016. All amounts quoted in the Appendix 4C and below are in AUD.

FULL YEAR RESULTS

Mach7 will release its full year FY16 results by the end of August 2016 and will provide a comprehensive corporate and strategic update at that time.

CORPORATE UPDATE

On 7 December 2015, the Company announced it had received irrevocable and binding commitments for the exercise of 49 million options at an exercise price of \$0.05 per option, and that it would raise a total of approximately \$2.5 million from the exercise of those options. The option holders agreed to complete the exercise of their options by 1 April 2016, being 1 business day after the Company received all necessary shareholder approvals in connection with the Company's merger with Mach7 Technologies Pte. Ltd.

As at the time of this announcement, the Company has received exercise notices from 3 of the 9 relevant option holders, and has received \$79,514.15 from the exercise of those options (being the exercise of 1,590,283 options). The Company has obtained legal advice confirming the binding nature of the commitments received from the option holders by the Company, and is evaluating available actions to obtain the remaining option funds owed to the Company.

Cash receipts were lower this quarter than expected due to customer delays and timing of invoicing which we expect to be pushed to the second half of 2016. The Company expects to update the market with its progress concerning recent contract wins and intellectual property development in the very near term.

About Mach7 Technologies:

Mach7 Technologies Limited (ASX:M7T) develops innovative enterprise imaging IT solutions that create a clear and complete view of the patient to inform diagnosis, reduce care delivery delays and costs, and improve patient outcomes. Mach7's award-winning enterprise imaging platform provides a vendor neutral foundation for unstructured data consolidation and communication to power interoperability and enables healthcare enterprises to build their best-of-breed clinical ecosystems. Mach7's sophisticated workflow tools, advanced clinical viewing and optimized vendor neutral archiving solutions unlock silos of legacy systems empowering healthcare providers to own, access and share patient data without boundaries. Visit www.mach7t.com.



ASX Announcement

29 July 2016

Mach7's wholly-owned subsidiary, 3D Medical Limited, provides medical specific 3D printing and is an exclusive distributor of various synergistic technologies including holographic projection. 3D Medical's innovative products leverage data already captured by conventional imaging modalities and apply it in more meaningful ways to deliver improved economic and patient outcomes. Visit www.3dmedical.com.au

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Mach7 Technologies Limited

ABN

26 007 817 192

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	2,240	2,688
1.2 Payments for		
(a) staff costs	(2,354)	(3,077)
(b) advertising & marketing	(339)	(487)
(c) research & development		
(d) leased assets	(11)	(11)
(e) other working capital	(819)	(2,401)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	4	22
1.5 Interest and other costs of finance paid	(100)	(100)
1.6 Income taxes paid	(3)	(3)
1.7 Other (provide details if material)		
Net operating cash flows	(1,381)	(3,369)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,381)	(3,369)
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(5)	(480)
(e) other non-current assets		(88)
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	385	385
(e) other non-current assets		
1.11 Loans to other entities		(3,422)
1.12 Loans repaid by other entities		
1.13 Other (Acquisition cost)	(415)	(986)
Other (Cash acquired on completion of transaction with SMP)	156	156
Net investing cash flows	121	(4,436)
1.14 Total operating and investing cash flows	(1,260)	(7,804)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	2,633	6,942
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		
1.18 Repayment of borrowings		
1.19 Dividends paid		
1.20 Other (Capital raising cost)	(194)	(194)
Net financing cash flows	2,439	6,749
Net increase (decrease) in cash held	1,179	(1,056)
1.21 Cash at beginning of quarter/year to date	560	2,795
1.22 Exchange rate adjustments to item 1.20	(19)	(19)
1.23 Cash at end of quarter	1,721	1,721

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	49
1.25	Aggregate amount of loans to the parties included in item 1.11	
1.26	Explanation necessary for an understanding of the transactions	
	N/A	

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

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Appendix 4C
Quarterly report for entities
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Reconciliation of cash

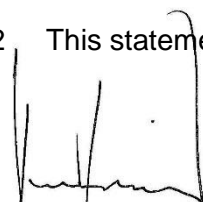
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	1,647	486
4.2 Deposits at call	30	30
4.3 Bank overdraft		
4.4 Other (lease bond)	44	44
Total: cash at end of quarter (item 1.23)	1,721	560

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	Mach7 Technologies Pte Ltd subsidiaries	
5.2 Place of incorporation or registration	Singapore	
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Damien Lim
Chairman
 29 July 2016

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Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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