
Quarterly Cash Flow Report – 30 September 2016

- **Cash on hand \$1.75 million, up \$0.03 million from previous quarter**
- **Net cash outflow from operations \$0.40 million for the quarter**
- **Cash receipts from customers \$2.81 million for the quarter**

Melbourne, Australia; 12 October 2016: Mach7 Technologies Limited (**Mach7** or the **Company**) (ASX:**M7T**), a leader in the global enterprise imaging market, today released its Appendix 4C quarterly cash report for the quarter ended 30 September 2016.

Cash on hand at 30 September 2016 was \$1.75 million, compared to \$1.72 million at the end of the last quarter. The movement in cash for the quarter included a net cash outflow of \$0.40 million from operations representing an operating cash burn of \$134k per month. This operating cash outflow was offset by \$0.48 million received from the exercise of options.

Cash receipts from customers for the quarter were \$2.81 million, up \$0.57 million from the previous quarter. These receipts include fees received from three large contract wins announced during the quarter - Sidra Medical and Research Centre (Qatar), MaineHealth (USA) and Virginia Commonwealth University Health System Authority (USA).

During the quarter the Company announced it had entered into Distribution Agreements in the Benelux countries with Alphasat Medical Systems B.V. and with Soliton IT Limited for the United Kingdom. These Distribution Agreements form part of the Company's strategy to rapidly build sales and support capability in high growth markets outside the United States and the Company notes that combined, the Benelux countries and the United Kingdom have some of the highest healthcare spending per capita among The Organisation for Economic Co-operation and Development (OECD) countries.

The Company also announced it had been awarded a second US patent for medical image capture on a mobile device. This second patent forms a valuable and defensible point of differentiation and a significant first mover advantage for the Company's unique customer offering. This patented technology is now commercially available in *Mach7 iModality*; Mach7's mobile image capture application, part of a suite of ever-growing complementary medical tools that plug into Mach7's platform technology.

In addition, the Company recently announced it has partnered with Microsoft Azure to offer cloud based solutions. This capability expands the current product offering beyond onsite installations with the entire suite of Mach7 enterprise imaging solutions now being available to be deployed on premise, in the cloud or via a hybrid model.

About Mach7 Technologies:

Mach7 Technologies (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.

Mach7's wholly-owned subsidiary, 3D Medical Pty Ltd, 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

Contacts:

Albert Liong
CEO
+1 650 743 0167 (U.S.)
albert.liong@mach7t.com

Jenni Pilcher
CEO Australia, CFO
+61 3 9646 2222 (Australia)
jenni.pilcher@mach7t.com

Julia Vaughn
Investor Relations (U.S.)
+1 802 768 0143 (U.S.)
julia.vaughn@mach7t.com

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Mach7 Technologies Limited

ABN

26 007 817 192

Quarter ended ("current quarter")

30 September 2016

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	2,812	2,812
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(58)	(58)
(c) advertising and marketing	(147)	(147)
(d) leased assets	(78)	(78)
(e) staff costs	(2,323)	(2,323)
(f) administration and corporate costs	(657)	(657)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(73)	(73)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (Sub-rental income)	119	119
1.9 Net cash from / (used in) operating activities	(403)	(403)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) intellectual property		
(e) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)	31	31
2.6 Net cash from / (used in) investing activities	31	31

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	480	480
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings	(7)	(7)
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	473	473

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,721	1,721
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(403)	(403)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	31	31
4.4 Net cash from / (used in) financing activities (item 3.10 above)	473	473

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(69)	(69)
4.6	Cash and cash equivalents at end of quarter	1,753	1,753

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	1,679	1,647
5.2	Call deposits	30	30
5.3	Bank overdrafts		
5.4	Other (provide details)	44	44
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,753	1,721

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
36

Directors fees

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	2,781	2,781
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

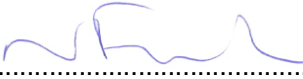
Loans provided by professional investors, and in some cases, existing shareholders of the Company. The loans are unsecured, denominated in USD, and attract an interest rate of 12% per annum. Further information on the loans can be found in the Company's audited financial statements for the year ended 30 June 2016.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	82
9.3 Advertising and marketing	315
9.4 Leased assets	79
9.5 Staff costs	2,339
9.6 Administration and corporate costs	289
9.7 Other (interest)	44
9.8 Total estimated cash outflows	3,148

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

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.

Sign here: 
(Director)

Date: 12 October 2016

Print name: Dr Nigel Finch

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.