
Quarterly Cash Flow Report – 31 December 2016

- Cash on hand \$5.8 million, up \$4.1 million from previous quarter
- Four debt facilities have been repaid during the quarter
- Cash receipts from customers \$1.53 million for the quarter

Melbourne, Australia; 31 January 2017: 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 31 December 2016.

Cash on hand at 31 December 2016 was \$5.84 million, compared to \$1.75 million at the end of the last quarter.

During the quarter the Company raised \$9 million via an equity placement to sophisticated and institutional investor's at 4 cents per share. This equity placement raised \$6.425 million (net of transaction costs), of which \$663k was used to retire one of four debt facilities. The remaining three debt facilities (A\$2.2 million) were retired by issuing shares under the placement during the quarter. In addition, the Company repaid its last employee loan in January 2017. The Company no longer has any external debt financing.

Cash receipts from customers for the quarter were \$1.53 million. Cash receipts included receipts from annual support fees (\$1.03m), software and support fees (\$355k), and monthly subscription fees (\$144k). Offsetting cash receipts, were cash payments for operational activities of \$3.39 million, giving a net cash outflow from operations of \$1.7 million for the current quarter.

The Company expects to release a general company update shortly, and its half-yearly financial report on or before the 28 February.

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 optimised [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

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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")

31 December 2016

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	1,531	4,343
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(108)	(166)
(c) advertising and marketing	(285)	(431)
(d) leased assets	(78)	(156)
(e) staff costs	(2,322)	(4,645)
(f) administration and corporate costs	(602)	(1,260)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	3
1.5 Interest and other costs of finance paid	(62)	(135)
1.6 Income taxes paid	(8)	(8)
1.7 Government grants and tax incentives	6	6
1.8 Other (rental and reimbursements)	223	342
1.9 Net cash from / (used in) operating activities	(1,704)	(2,107)

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 (6 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)	20	51
2.6 Net cash from / (used in) investing activities	20	51

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	6,920	7,400
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	(495)	(495)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings	(663)	(670)
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	5,762	6,235

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	1,753	1,721
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,704)	(2,107)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	20	51
4.4 Net cash from / (used in) financing activities (item 3.10 above)	5,762	6,235

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	12	(57)
4.6	Cash and cash equivalents at end of quarter	5,843	5,843

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	1,119	1,679
5.2	Call deposits	4,680	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)	5,843	1,753

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
113
-

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	nil	nil
8.2 Credit standby arrangements	nil	nil
8.3 Other (please specify)	nil	nil
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	75
9.3 Advertising and marketing	225
9.4 Leased assets	80
9.5 Staff costs	2,330
9.6 Administration and corporate costs	600
9.7 Other	-
9.8 Total estimated cash outflows (before cash inflows)	3,310

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	na	na
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: 31 January 2017

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.