
JUNE 2015 QUARTERLY CASH FLOW REPORT

3D Medical Limited (ASX:3DM) (3DM or the **Company**) today released its cash flow report for the quarter ending 30 June 2015 (**Quarter**).

COMMENTARY

During the Quarter, the Company received cash from the sale of 3D printed anatomical biomodels to a number of existing and new customers, including the first sales to the Australian Cranio-Maxillo Facial Foundation under the previously announced Exclusive Supply Agreement. The Company remains focussed on increasing the volume of sales of its 3D printed biomodels, especially to surgeons for preoperative planning, as well as sales of other 3D printed non-implant consumables for use in surgical procedures.

During the Quarter the Company also commenced data migration services for its launch customer of its Mach7 image management software. As previously announced, 3DM has entered into a commercial partnership whereby Telstra Health, a division of Telstra Corporation Ltd (ASX:TLS), will act as reseller of the 3D Medical Mach7 technology to provide image management solutions to hospitals, radiology clinics and other health services providers. With commercial launch scheduled in FY16, the Company expects to receive milestone payments during the next quarter, and working with Telstra Health, is focussed on securing additional client installations of the Mach7 image management software.

As announced during the Quarter, the Company also made the sale of an Australian-first customised 3D printed titanium jaw joint for use as an implant in a pioneering corrective surgical procedure. The Company has since secured additional sales under a manufacturing agreement to produce further customised 3D printed titanium implants, and expects revenues to flow from these sales during the next quarter.

The Company continues to invest in sales and marketing infrastructure, as well as in equipment and processes to ensure ongoing high quality supply of products and services.

Net operating cash outflow for the Quarter was \$439,000, with a further \$283,000 in non-recurring cash outflow relating to investment in non-current assets at its Port Melbourne facility comprising office equipment, computer software and 3D printing technology. A further \$18,000 was incurred throughout the period in non-recurring expenses associated with capital raising costs relating to the acquisition of the 3D Medical business by the Company.

In reviewing the Company's liquidity and cash flow, the Directors note the Company holds a cash balance of \$2.795 million as at 30 June 2015.

END

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About 3D Medical Limited:

At 3D Medical our aim is to aid medical professionals in the facilitation of improved clinical care, improving medical procedures, diagnostics and ultimately improving patient outcomes.

3D Medical is a medical specific 3D printing and holographic projection and data integrations provider. Our services 3D Medical Printing; EchoPixel (holographic projection technology); GestSure (in surgery image control); Mach 7 (enterprise imaging solution provides healthcare organisations with the ability to archive, consolidate, access, and share medical imaging data across departments, locations and regions); and MediDATA provide medical practices the opportunity to leverage their analytical capabilities to gain an improved understanding of the characteristics of the patients which drive their business.

These new and innovative products leverage data already captured by conventional imaging modalities and apply it in more meaningful ways to deliver improved economic and patient outcomes.

Further information is available at www.3Dmedical.com.au

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

3D Medical Limited

ABN

26 007 817 192

Quarter ended ("current quarter")

30 June 2015

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 | 83 | 189 |
| 1.2 | Payments for (a) staff costs | (132) | (370) |
| | (b) advertising & marketing | (15) | (31) |
| | (c) research & development | - | - |
| | (d) leased assets | - | - |
| | (e) other working capital | (387) | (997) |
| 1.3 | Dividends received | - | - |
| 1.4 | Interest and other items of a similar nature received | 12 | 22 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Other (provide details if material) | - | 6 |
| Net operating cash flows | | (439) | (1,181) |

+ 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) | (439) | (1,181) |
| 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 | (283) | (454) |
| (e) other non-current assets | - | - |
| 1.10 Proceeds from disposal of: | | |
| (a) businesses (item 5) | - | - |
| (b) equity investments | - | - |
| (c) intellectual property | - | - |
| (d) physical non-current assets | - | - |
| (e) other non-current assets | - | - |
| 1.11 Loans to other entities. | - | - |
| 1.12 Loans repaid by other entities. | - | - |
| 1.13 Other – Acquisition costs. | - | (178) |
| Other – Cash acquired on completion of transaction with Safety Medical Products Ltd. | - | 2,285 |
| Net investing cash flows | (283) | 1,653 |
| 1.14 Total operating and investing cash flows | (722) | 472 |
| Cash flows related to financing activities | | |
| 1.15 Proceeds from issues of shares, options, etc. | - | 1,915 |
| 1.16 Proceeds from sale of forfeited shares | - | - |
| 1.17 Proceeds from borrowings | - | 610 |
| 1.18 Repayment of borrowings | - | - |
| 1.19 Dividends paid | - | - |
| 1.20 Other – Capital raising costs | (18) | (410) |
| Net financing cash flows | (18) | 2,115 |
| Net increase (decrease) in cash held | (740) | 2,587 |
| 1.21 Cash at beginning of quarter/year to date | 3,535 | 208 |
| 1.22 Exchange rate adjustments to item 1.20 | - | - |
| 1.23 Cash at end of quarter | 2,795 | 2,795 |

+ 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 | 73 |
| 1.25 Aggregate amount of loans to the parties included in item 1.11 | - |
| 1.26 Explanation necessary for an understanding of the transactions | |
| Directors fees which include amounts paid to entities associated with the Directors. | |

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

On 25 June 2015, 2,845,224 ordinary shares were issued to Katia Pty Ltd in lieu of fees for services provided to 3D Medical Limited.

- 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
admitted on the basis of commitments

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 | 2,721 | 3,491 |
| 4.2 Deposits at call | 30 | - |
| 4.3 Bank overdraft | - | - |
| 4.4 Other – Lease Bond | 44 | 44 |
| Total: cash at end of quarter (item 1.23) | 2,795 | 3,535 |

Acquisitions and disposals of business entities

| | Acquisitions (Item 1.9(a)) | Disposals (Item 1.10(a)) |
|---|-------------------------------|-----------------------------|
| 5.1 Name of entity | - | - |
| 5.2 Place of incorporation or registration | - | - |
| 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.

Dr Nigel Finch
Chairman
28 July 2015

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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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