



3D Medical Limited (ASX:3DM)

Merger with Mach7 Technologies

Investor Presentation

26 October 2015

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Agenda

1. Company Overview
2. Transaction Overview
3. Strategic Rationale
4. Transaction Funding and Impact
5. Industry Overview
6. Summary and Outlook

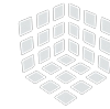
Appendix 1: Products

Appendix 2: Key risks

1. 3DM overview

Company overview

3D Medical's objective is to deploy market leading healthcare technology and become the preferred partner for managing and utilising 3D data in the clinical setting



About 3D MEDICAL

- Successful ASX RTO listing completed February 2015 (ASX:3DM)
- Headquartered in Melbourne
- Major shareholders
 - 45%: top 20 accounts
 - 3,144 shareholders

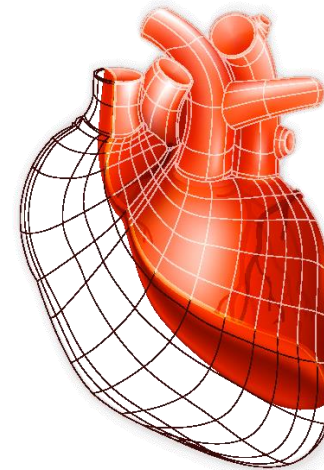
ASX	3DM
52 Week Share Price	\$0.004 - \$0.195
Shares on Issue*	375.9 million
Market Cap	\$28.2 million
Cash at bank**	\$1.5m

* Options (unlisted) on issue: ~116.4m (5c exercise price); of which ~34.6m are escrowed

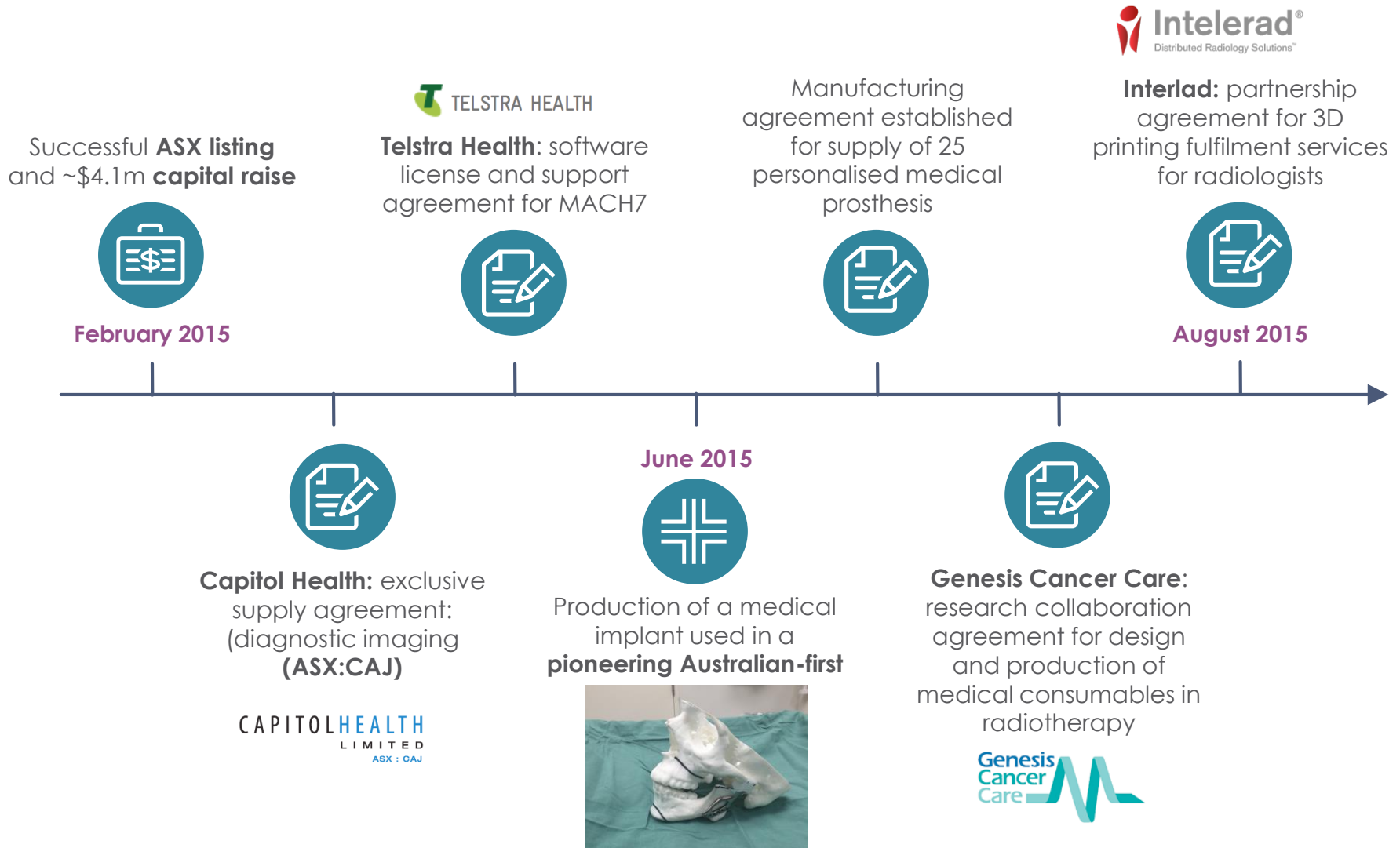
** As at 30 September 2015

Key contracts

- Exclusive Australian distributor of **MACH7** enterprise software
- License and distribution agreement with **Telstra Health**
- Exclusive Australian distributor of **Echopixel hologram** software and **Gesture** in-theatre management tool
- 3D printing of biomodels and implants



Achievements since listing



2. Acquisition Overview

Proposed acquisition of MACH7 Technologies

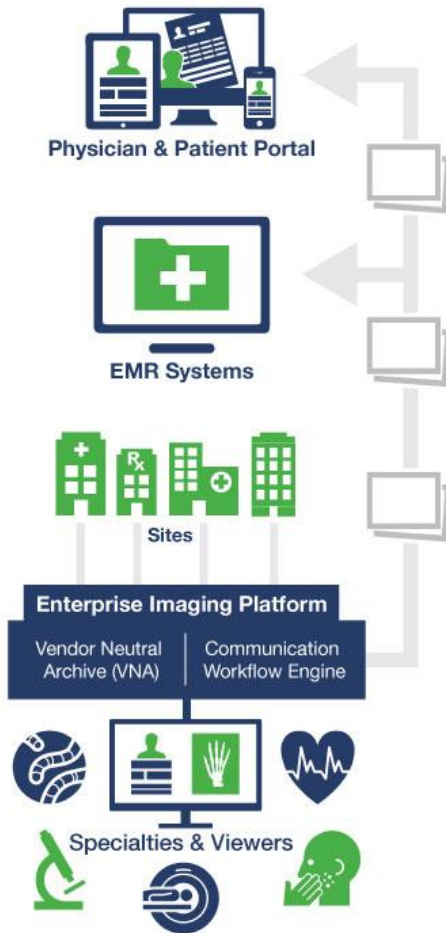
- 3D Medical has entered into a binding Heads of Agreement (HOA) to purchase 100% of the shares issued in Mach7
- Under the terms, 3DM will acquire all shares in Mach7 for a scrip consideration of:
 - ~460m consideration shares plus,
 - Up to 300m performance shares to be issued over 4 tranches in the event of certain milestones being achieved in FY16 & FY17:
 - revenue USD\$6m +VWAP \$0.20
 - revenue USD\$6.6m +VWAP \$0.25
 - revenue USD\$12m
 - revenue USD\$20m



MACH7
TECHNOLOGIES
Unlock. Unleash. UnPAC.™

MACH7 Technologies

Solutions Overview



- **Enterprise imaging solutions** to help healthcare businesses archive, consolidate, access, and share medical imaging data across departments, locations and regions.
- Provides a **suite of image management systems and services** that allows businesses to easily identify, connect and share diagnostic images and patient care intelligence – anytime, anywhere it is needed.
- **MACH7's Vendor Neutral Archive** allows consolidation of image storage irrespective of the disparate legacy systems the healthcare business is running
- It **simplifies access, increases data integrity and heightens security** over images and data
- **USD denominated revenue** for software licence, installation, support and customisation

Key company highlights

MACH7 is a best in class software that has successfully deployed its software platform to over 300 sites across the globe

- Founded in 2008
- Award winning enterprise imaging platform; recently awarded Frost & Sullivan Asia Pacific Medical Imaging Informatics Company of the Year
- Global presence in 10 countries; USA, Singapore, Indonesia, Australia, Qatar, Saudi Arabia, India, Malaysia, UK and South Africa
- 43 FTE staff
- Holding company in Singapore and operational HQ VT
- Multi-jurisdiction sales with strong US presence
- Nearing cash flow breakeven

Key customers include



Penn Medicine



MASSACHUSETTS
GENERAL HOSPITAL

RafflesHospital



SAN DIEGO *imaging*



S E N T A R A[®]
H E A L T H C A R E

Proposed Directors (post transaction)

Experienced leadership team with deep industry knowledge and transaction knowhow.

Ken Poutakidis Chairman

BBus

Principal of Dinimus Capital, an investment advisory firm. 15 years of Corporate Finance experience across Australia and Asia

Prior to joining Dinimus, Mr Poutakidis worked at leading equities firms. Chairman of ASX:ACL

Albert Liong Managing Director

BSc (Management),
MBA, CPA

Albert joined Mach 7 in 2012 with more than 20 years of experience in managing rapid growth technology companies in USA including Adteractive Inc., and Envivio Inc. (NASDAQ:ENVI). Albert is a Certified Public Accountant and holds an M.B.A. and B.Sc. from San Francisco State University

Dr Nigel Finch Non Executive Director

MCom, LL.M, MBA,
Ph.D, CA, CTA, FCPA,
F Fin, FTIA, FAICD

Principal at Saki Partners Transaction Advisers. Non Executive Director ASX: SKB

Formerly CFO, investment manager, executive director and Associate Dean at the University of Sydney

Damien Lim Non Executive Director

BBA

Co-founder of Singapore-based BioVeda Capital. He has more than 21 years in equity and investment banking with Director level roles at Prime Partners, Vickers Ballas and Morgan Greenfell Asia. Serves on a number of boards as well as grant and advisory committees

Nobuhiko Ito Non Executive Director

BSc, MBA

Advisor to TPG Capital Japan. Director of Konica Minolta Business Solutions and Tadano Ltd (6395:JP). Former President & CEO of GE Japan and executive with Exxon Chemical Japan for 16 years

Bachelor of Science from the University of Tokyo, Masters in Business Administration from Cornell University

3. Strategic Rationale

Mach7 Acquisition: Strategic rationale

- **Strong strategic fit with 3DM**
 - Delivers on strategic plan of diversifying away from pure 'reseller' model towards IP ownership
 - Complementary businesses to enable significant profitable growth
 - Provides IP, diversified and strong customer base, and additional leadership expertise
- **Creates a global offering**, particularly USA exposure, with a range of healthcare IT services for developed and emerging markets
- **Scalable platform with potential for substantial global growth**
- **Potential to create material shareholder value for 3DM shareholders**

Global Digital Healthcare Landscape

Massive global market opportunity in VNA to consolidate data, build workflow engines and provide visualization and other value-added functions

- IBM Watson recently acquired Merge Healthcare Inc (NASDAQ: MRGE) leading provider of medical image handling and processing for USD\$1.2 billion in an effort to unlock the value of medical images to help physicians make better patient care decisions



4. Transaction funding and impact

Transaction impact

Building upon good base businesses, the merger between 3DM and Mach7 will:

1. Deliver a global footprint with an enviable customer base
2. Continue to rapidly exploit technologies in medical imaging data
3. Be the global #1 player in managing medical imaging data

The transaction will increase the shares on issue to 998.7 million with the Mach7 vendors owning ~46% of issued capital in 3DM.

Assuming all performance shares are issued, the number of shares on issue will be 1,298.7 million with the Mach7 vendors owning ~58% of issued capital in 3DM.

The unaudited combined revenue for 3DM and Mach 7 for the 9 months to 30 September 2015 was approximately AUD\$5.83 million.

Transaction funding

- Raising up to \$10.9 million and issuing 160 million ordinary shares
- ~\$4 million institutional placement with book build underway
- Offer price of 7.5 cents per share, an 8% discount to the 30 day VWAP
- Exercise existing 3DM options to raise ~\$2 million
- Offer under Share Purchase Plan (SPP) to existing 3DM shareholders at 7.5 cents per share to raise \$5 million

Use of funds:

- MACH7 debt reduction USD\$2 million
- Cost of the offer AUD\$750K
- Working capital to support further sales and marketing activity of MACH7 and build out 3DM value-added data offerings

Post transaction Capital Structure





Shares on Issue	3DM
Current Shares on Issue	375.9 million
Option exercise* to raise up to \$2 million	40.0 million
Placement to raise up to \$4 million @ \$0.075 per share	53.1 million
Share Purchase Plan to raise \$5 million @ \$0.075 per share	66.6 million
Mach7 consideration shares	459.5 million
SUB-TOTAL	998.7 million
Mach7 performance shares	Up to 300 million
Total Shares on Issue	1,298.7 million

* 116.4 million unquoted options on issue exercisable at \$0.05 including 34.6 million escrowed options. Assuming 1/2 of options unrestricted are exercised early.

Timetable to completion

- Monday 26 October: trading halt on ASX and commence institutional book build
 - Tuesday 27 October: confirm participation from institutional placement
 - Tuesday 27 October: announce details of Share Purchase Plan (SPP) for existing shareholders
 - Wednesday 28 October: trading halt released and commence trading on ASX
-
- January 2016: general meeting of 3DM shareholders to approve the transaction
 - January 2016: commence trading as Mach7 Technologies Limited

Post transaction product suite

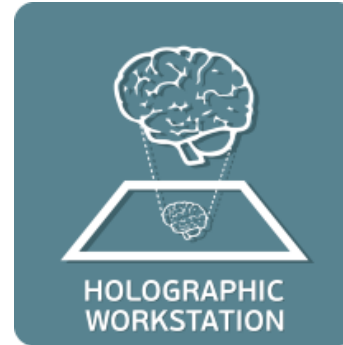
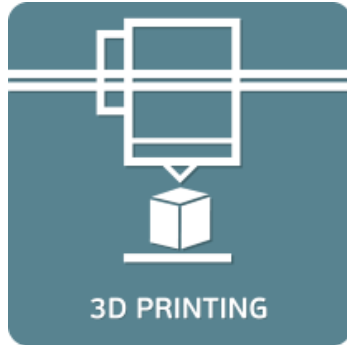
Product	Description	Revenue
1.  TOUCH	3D printed models and implants	Sale of 3D printed models to surgeons for preoperative planning and education, patient communication, medical training and custom designed implants for surgical procedures
2.  MACH7 TECHNOLOGIES Unlock. Unleash. UnPAC.™	Image management solutions	Owner of MACH7's image management solutions to hospitals and radiology clinics; reseller agreement with Telstra Health
3.  VISUALIZE	Holograms	Sale of EchoPixel Inc's holographic technology as a diagnostic aid and for preoperative planning
4.  GEST SURE	In theatre image manipulation	Sale of GestSure Inc.'s image viewing technology for maintaining a sterile environment in surgery

6. Summary and outlook

Summary and outlook

- Strategically compelling acquisition targeted to deliver significant shareholder value
- Attractive and long-term industry growth
- Strong proprietary brands with capacity to develop further
- Strong leadership to execute, drive growth and create further shareholder value
- 3DM continues to:
 - Identify additional and complementary revenue streams
 - Expand geographic and product reach
 - Build channel partnerships with existing and new clients
 - Expand accreditations, including ISO 13485 (allows quality commercial scale to global standards)
 - Strategic investment to be at the forefront of technology in 3D printer technology and post-production technologies, including an additional \$1m investment in capex

Questions



Dr. Nigel Finch
Chairman, 3D Medical Limited

+61 421 742 878
nigel.finch@3Dmedical.com.au
www.3Dmedical.com.au

Appendix 1: Products

3D printed anatomical models

Brand name 'Touch'

Advancing medicine with
additive manufacturing



- Converts anatomical data obtained via CT or MRI scan into physical 3D models
- Works by systematically building up single layers of material to create tactile anatomical models that exactly replicate the data obtained by CT or MRI
- Colour printing highlights anatomical structures & pathologies
- Models can be cut, drilled, or used as visual aids in diagnosis, surgical planning or patient communication
- Can improve efficiency & accuracy in surgery – delivering better patient outcomes
- Supply chain secured via purchase and supply agreement for exclusivity in the medical sector to procure models from largest medical imaging provider in Australia

Holographic projection

Brand name 'Visualize'

Powerful imaging technology with the potential to significantly alter the practice of medicine



- Highly sophisticated viewing technology that converts a CT or MRI image into a 3D hologram of the anatomical part, suspended in open air
- Key partnership in place with Silicon Valley based Echopixel Inc.
- Clinicians can interact with the hologram as if it were a real physical object. Possible to manipulate, crop, dissect or segment using a hand-directed stylus
- Improve practitioner efficacy & workflow, provide greater insight into patient anatomy & pathology, & accelerate the pathway to excellence in medical education and training
- FDA approved diagnostic tool

In Theatre Image Manipulation

Brand name 'GestSure'

Accessing digital patient data in theatre using simple hand gestures



- Sensor technology developed allows surgeons to manipulate diagnostic images through hand gestures increasing efficiencies and eliminating the need to scrub in and out of surgery
- Exclusive distribution and marketing rights for Australia & New Zealand
- Fast and sterile way to access patient information in the operating theatre that reduces risk of surgical site infection
- Potential to reduce operating times, costs & improve workflow
- Seamless integration into computer. No software or driver installation required
- Requires minimal IT support and compatible with all medical viewers

Appendix 2: Key risks

Key risks

This section sets out some of the key risks associated with an investment in 3DM. Before investing in any shares in 3DM, you should consider whether the investment is suitable for you. Potential investors should consider publicly available information on 3DM (including information available on the websites of 3DM and the ASX), carefully consider their personal circumstances, and consult with their financial, legal or other professional advisers before making an investment decision. 3DM's financial performance and the market price of 3DM shares may be adversely affected, potentially materially, by a number of risk factors. These risks include, but are not limited to, the risks set out in the section.

Specific risks relating to 3DM's business

Commercialisation risk

3DM is in the process of commercialising its technologies and products within the Australian medical industry. There is a risk that 3DM will not be able to successfully sell its technologies and products, or that it will be unable to attract sufficient customers to be sufficiently profitable to fund future operations.

Competition and new technologies

The industry in which 3DM operates is subject to increasing domestic and global competition which is fast-paced and fast-changing. While 3DM will undertake all reasonable due diligence in its business decisions and operations, 3DM will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively, or negatively affect the operating and financial performance of 3DM's business. A significant industry-wide fall in hardware and consumables costs may also result in 3DM's business model coming under considerable margin pressure. In both cases, 3DM's revenues and profitability could be adversely affected.

Special reputational risks

3DM operates in a dynamic environment, and negative publicity can disseminate rapidly, whether true or false. Negative comments by disgruntled customers about 3DM may have a disproportionate affect on 3DM's reputation and its ability to earn revenue and profits. Additionally, complaints by such customers can lead to additional regulatory scrutiny and a consequential increased compliance burden in responding to regulatory inquiries. This could negatively impact on 3DM's profitability.

Reliance on key suppliers and material contract risk

3DM has three main suppliers of technology through agreements with [*EchoPixel, GestSure and Mach7 Technologies*]. 3DM also has material contracts with [*Capitol Health Limited and the Telstra Health*]. If one or more of these agreements are terminated, there is a risk that 3DM will be unable to make sufficient sales to customers in order to be sufficiently profitable to fund future operations.

Reliance on key personnel

3DM's business is reliant on the continued performance and expertise of key personnel. There is a risk that 3DM may fail to attract, retain or develop key employees or consultants and this would have an effect on the development of 3DM, the revenue earned and the cost structure of the business. This in turn may have an adverse impact on the financial performance, position and future prospects of 3DM.

Future capital needs

Further funding may be required by 3DM to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain funding will adversely affect the business and financial condition of 3D Medical and consequently its performance.

Key risks

Liability claims

Legal proceedings and claims may arise from time to time in the ordinary course of 3DM's operations. There is a risk that material or costly claims or litigation could impact on 3DM's financial performance either directly, as a result of meeting the costs of defending litigation and paying damages awards, or indirectly, as a result of damages suffered to 3DM's brands and reputation.

Low barriers to entry

There are relatively low barriers to entry in the fields of 3D printing and holographic projection and the market is experiencing the emergence of providers of these services. Potential risks relate to other providers of these services operating on a lower cost basis, placing pressure on 3DM's prices.

Insurance coverage

3DM faces various risks in connection with its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. 3DM maintains insurance coverage for its employees (as required by law in Australia) as well as insurance coverage for management liability, corporate liability, employment practices liability, crime protection and statutory liability. However, 3DM does not maintain insurance against various other liabilities. If 3DM incurs substantial losses or liabilities and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, its financials may be adversely affected.

General risks

Share market risk

There are general risks associated with an investment in the share market. Therefore, the value of 3DM shares may rise above or fall below the issue price of those shares, depending on the financial position and operating performance of 3DM and other factors. Further, broader market factors affecting the price of 3DM shares are unpredictable and may be unrelated or disproportionate to the financial or operating performance of 3DM.

Market risk

Share market conditions may affect the price of 3DM's quoted securities, regardless of the 3DM's operating performance. Share market conditions are affected by many factors, including but not limited to:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- mineral price fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital;
- terrorism or other hostilities; and
- other factors beyond the control of 3DM.

Key risks

Currency risk

As 3DM's potential earnings will be largely derived from the sale of technology both in Australia and overseas, 3DM's future revenue and cash flows will be impacted by changes in the prices of the currencies in which it operates. However, 3DM's cost base will be in Australian dollars. Consequently changes in the Australian dollar exchange rate will impact on the earnings of 3DM. The exchange rate is affected by numerous factors beyond the control of 3DM, including interest rates, inflation and the general economic outlook.

No assurance or liquidity or trading price

There can be no assurance that 3DM's shares will trade at any particular price or as to liquidity of trading in those shares or that any capital growth in the assets will translate into a higher price at which 3DM's shares trade. It should also be noted that the historical share price performance of 3DM shares provides no guidance as to the future share price performance.

Economic and government risks

The performance of 3DM may be influenced by changes in various general economic factors in Australia, including but not limited to the level of economic growth, interest rates, inflation, labour costs and other conditions which may affect the revenue or costs of 3DM, and which may have an adverse impact on 3DM's financial performance.

Taxation risk

Future changes to taxation laws in Australia, including changes in interpretation or application of the law by the courts or taxation authorities may affect taxation treatment of an investment in 3DM's shares or the holding or disposal of those shares.

Dilution

Future capital raisings or equity funded acquisitions by 3DM may dilute the holdings of particular shareholders. 3DM may need to raise additional capital in the future in order to meet its operating or financing requirements, not all of which can be anticipated at this point in time. If an increase in equity is required, particular shareholders may be requested to subscribe for additional equity which may be substantial. To the extent that shareholders do not subscribe for such additional equity, or are otherwise not invited to subscribe, their holdings may be diluted.

Dividends

The future dividend levels of 3DM will be determined by the directors of 3DM, taking into account the operating results and financial position of 3DM. There is no guarantee that any dividend will be paid.

Risks relating to the merger

Completion risk

Completion of the proposed merger with Mach7 may be conditional on certain matters. If any of the conditions are not met, then completion of the merger may be deferred or cancelled. For instance, completion of the proposed merger is conditional on 3DM raising a minimum of \$10 million through a combination of the institutional placement, share purchase plan and exercise of existing options. There is no guarantee that 3DM will successfully raise that amount. Failure to complete this transaction and any action required to be taken to deploy the capital raised may have a material adverse effect on 3DM's financial performance, financial position and share price. If the merger with Mach7 does not occur, 3DM will consider various options for use of the funds raised by the proposed institutional placement, share purchase plan and exercise of existing options, including use of the funds for general corporate purposes or return of funds to shareholders.

Analysis risk

3DM has undertaken financial, commercial and other analysis of the proposed merger with Mach7 in order to determine its attractiveness to 3DM and whether to pursue the merger. It is possible that such analysis and the best estimate assumptions made by 3DM draws conclusions and forecasts that are inaccurate or which are not realised in the future. To the extent that actual results achieved by the business being merged with 3DM are different to those indicated by 3DM's analysis, there is a risk that the profitability and future earnings of the operations of 3DM may be materially different from the probability and earnings expected, as reflected in this presentation.

Key risks

Due diligence risk

The information regarding the proposed merger with Mach7 in this presentation has been derived from limited financial information and other information made available by or on behalf of the sellers of Mach7 during the due diligence process conducted by 3DM in connection with the proposed merger. While 3DM has conducted due diligence on the proposed merger and prepared financial analysis of the proposed merger in order to determine the attractiveness of that merger, 3DM is unable to verify the accuracy or completeness of the information provided to it or on behalf of the sellers and there is no assurance that this due diligence was exhaustive and that all material issues and risks in relation to the proposed merger have been identified. To the extent that this information is incomplete, incorrect, inaccurate or misleading, or the actual results achieved by the proposed merger are weaker than those indicated by 3DM's analysis, there is a risk that the performance and future results of the operations of 3DM may differ (including in a materially adverse way) from 3DM's expectations, or that additional liabilities may arise.

Unaudited financial information

The financial information in this presentation is unaudited and based on management estimates provided by Mach7. While 3DM has conducted due diligence on this information, 3DM is unable to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. Therefore, Mach7's actual financial results for the financial years ended [31 December 2014] and [31 December 2015] may differ from the guidance provided. Investors should not place undue reliance on these numbers.

Assumption of liabilities

3DM may become directly or indirectly liable for any liabilities incurred in the past by Mach7, which were not identified during its due diligence or which are greater than expected, and for which the market standard protections (eg insurance, representations and warranties and indemnities) included in the agreement between 3DM and Mach7 turn out to be inadequate in the circumstances. Such liability may adversely impact on the financial performance or position of 3DM post-merger.

Risks associated with new and existing regulatory environments

3DM's main operating entities are based in Australia and subject to Australian laws and regulations. For example, in Australia, 3DM is required to comply with Therapeutic Goods Act 1989 (Cth). However, following the proposed merger, the merged group will operate in a number of new jurisdictions in which 3DM does not currently operate, and will be subject to the laws and regulations of those new jurisdictions. Users, competitors, members of the general public or regulators could allege breaches of those laws and regulations. This could result in remedial action or litigation, which could potentially lead to 3DM being required to pay compensation or a fine. 3DM's operations may become subject to regulatory requirements, such as licensing and reporting obligations, which would increase the costs and resources associated with its regulatory compliance. Any such increase in the costs and resources associated with regulatory compliance could impact on 3DM's profitability. In addition, if regulators took the view that 3DM had failed to comply with regulatory requirements, this could lead to enforcement action resulting in public warnings, infringement notices or the imposition of a pecuniary penalty. This could lead to significant reputational damage to 3DM and consequent impact on its revenue.

Integration risks

There are risks that any integration between 3DM and Mach7 may take longer than expected and that anticipated efficiencies and benefits of that integration may be less than expected. These risks include, but are not limited to, possible differences in management culture, inability to achieve synergy benefits and costs savings, and the potential loss of key personnel. Any of these risks could have an adverse impact on 3DM's future financial performance.

Assignment and change in control

The proposed merger may trigger assignment or change of control clauses in a number of material contracts. If triggered, the assignment or change of control clauses may require counterparty consent. If the consent of a counterparty cannot be obtained and a material contract containing an assignment or change of control clause is terminated or renegotiated on less favourable terms, it may have an adverse impact on 3DM.

Fair value accounting

In accounting for the proposed merger, 3DM will need to perform a fair value assessment of all of the assets, liabilities and contingent liabilities, which will include the identification and valuation of identifiable intangible assets. As a result, 3DM's depreciation and amortisation charges may differ from the depreciation and amortisation charges as separate businesses, which may have an adverse impact on the financial position or performance of 3DM.