

3DM Signs Share Sale Agreement to Merge with Mach7 Technologies

3D Medical Limited (ASX: 3DM) (**3DM** or the **Company**) is pleased to announce that it has today signed a Share Sale Agreement (**SSA**) to acquire 100% of the shares in Mach7 Technologies Pte. Ltd. (**Mach7**).

The signed SSA, which follows the Company's announcement of 26 October 2015, is subject to regulatory approval and shareholder approval at an Extraordinary General Meeting (**EGM**) to be called to consider the transaction.

Given that Mach7's shareholders will acquire an interest of approximately 48.7% in 3DM immediately after completion of the proposed transaction, 3DM has commissioned an independent expert's report (**IER**). Consequently, the Directors of 3DM have requested Lonergan Edwards & Associates Limited (**LEA**) to prepare an IER stating whether, in LEA's opinion, the proposal to acquire Mach7 is fair and reasonable to the shareholders of 3DM. A copy of the IER will be provided to shareholders along with the notice of the EGM.

Terms of the Share Sale Agreement

Under the SSA, 3DM has agreed to acquire 100% of the shares of Mach7 from its current shareholders (**Vendors**) in return for issuing 459,499,119 new ordinary shares (**Consideration Shares**) in 3DM (being 48.7% of the total shares on issue immediately after completion) to the Vendors.

Additionally, the Vendors will be issued 300,000,000 Performance Shares in 3DM, which will convert into new ordinary shares subject to four separate performance hurdles being achieved:

Tranche A comprising 150,000,000 performance shares, which will convert into 150,000,000 ordinary shares if:

- Mach7's and its subsidiaries' (**Mach7 Group**) gross revenue equals or exceeds USD\$6 million during the financial year ending 31 December 2016 and the Volume Weighted Average Price (**VWAP**) of 3DM's shares for any 20 day period is equal to or exceeds \$0.20 during that financial year; or
- if Mach7 does not achieve the performance hurdle specified above, Mach7 Group's gross revenue equals or exceeds US\$6.6 million during the financial year ending 31 December 2017 and the VWAP of 3DM's shares for any 20 day period is equal to or exceeds \$0.20 during that financial year.

Tranche B comprising 50,000,000 performance shares, which will convert into 50,000,000 ordinary shares if:

- Mach7 Group's revenue equals or exceeds USD\$6 million during the financial year ending 31 December 2016 and the VWAP of 3DM's shares for any 20 day period is equal to or exceeds \$0.25 during that financial year; or

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- if Mach7 does not achieve the performance hurdle specified above, Mach 7 Group's gross revenue equals or exceeds \$6.6 million during the financial year ending 31 December 2017 and the VWAP of 3DM's shares for any 20 day period is equal to or exceeds \$0.25 during that financial year.

Tranche C comprising 50,000,000 performance shares, which will convert into 50,000,000 ordinary shares if Mach7 Group's revenue equals or exceeds USD\$12 million for the financial year ending 31 December 2016.

Tranche D comprising 50,000,000 performance shares, which will convert into 50,000,000 ordinary shares if Mach7 revenue equals or exceeds USD\$20 million for the year ending 31 December 2017.

In addition to the above performance hurdles, the performance shares may convert into ordinary shares if there is a change in control of 3DM notwithstanding that the relevant performance hurdles have not been met (subject to certain conditions).

Further details of the proposed transaction (including the proposed changes to the 3DM Board) are contained in the investor presentation announced by 3DM on 26 October 2015.

Next Steps – Shareholder Approval and Completion

3DM will convene the EGM of shareholders to consider and vote on the proposed transaction.

It is currently anticipated that the EGM will be held during the first weeks of March 2016. The Company will keep shareholders informed regarding the likely timing of the EGM.

The Board looks forward to announcing the EGM date and supplying shareholders with documentation ahead of voting regarding the proposed merger with Mach7 and other related matters.

Subject to all necessary approvals being obtained, the proposed transaction will complete shortly following the EGM.

- ENDS

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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); Mach7 (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. On 26 October 2015, 3D Medical announced that it had entered into a binding merger agreement with Mach7 Technologies. Subject to shareholder approval, and upon successful completion of the merger, 3D Medical will change its name to Mach7 Technologies.

About Mach7 Technologies:

Mach7 Technologies is a global provider of enterprise image management systems that allow healthcare enterprises to easily identify, connect, and share diagnostic image and patient care intelligence where and when needed. Mach7's award-winning platform delivers image management including rapid record identification, integration, synchronization and routing, advanced clinical viewing, and optimized vendor neutral archiving. Mach7 has locations in the U.S., Asia, Australia, and the Middle East.

For more information, visit www.mach7t.com

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