

MARTIN AIRCRAFT COMPANY LIMITED  
**ASX ANNOUNCEMENT**



**INDUSTRY:** Aviation

**MARTIN AIRCRAFT  
COMPANY LIMITED**

A company registered in  
New Zealand with company  
number 901393  
(ARBN 601 582 638)

39 Ballarat Way, Wigram  
Christchurch 8042  
New Zealand  
Ph: +64 3 377 8584  
[www.martinjetpack.com](http://www.martinjetpack.com)

**COMPANY CONTACT**

James West  
CEO & CFO

**ASX Code:** MJP

**BOARD OF DIRECTORS**

**Jon Mayson**  
Non-Executive Chairman

**Steve Bayliss**  
Non-Executive Director

**Hamish Bell**  
Non-Executive Director

**Dr Liu Ruopeng**  
Non-Executive Director

**Dr Luan Lin**  
Non-Executive Director

**Further information**

Ph: +64 (0)3 377 8584  
[enquiries@martinaircraft.co.nz](mailto:enquiries@martinaircraft.co.nz)

Lodged by MJP

**31 July 2017**

Dear Sir/Madam

Appendix 4C Cash Report – 30 June 2017

Please find attached for immediate release to the market the Appendix 4C Cash Report for the quarter ended 30 June 2017.

Please note, HK\$24.5 million (NZ\$4.3 million) of cash is held by KuangChi Martin Jetpack Limited, a 95% owned subsidiary of Martin Aircraft Company Limited (Martin Aircraft). Accordingly, the KuangChi Martin Jetpack Limited cash is consolidated into Martin Aircraft financial statements and is included in the Appendix 4C Consolidated Cash Flow Quarterly Report.

Approvals have been received to transfer HK\$12.0 million (NZ\$2.1 million) from KuangChi Martin Jetpack Limited to Martin Aircraft to enable Martin Aircraft to have sufficient cash to trade into October 2017.

With respect to the classification of development expenditure in the 4C Cash Report, based on the financial commitment received from Martin Aircraft's major shareholder, KuangChi Science Limited (KCS), and technical feasibility, development expenditure

had been classified as Cash Flows from Investing Activities under other non-current assets. As notified to the market on 14 June 2017, some uncertainties have arisen with respect to the commercial viability of the current engine programme and the Company has been notified by KCS that they do not wish to provide further capital to the business until a viable commercial pathway for the aircraft can be determined in more detail and until control of the Martin Aircraft Board is established. The accounting standard requirements to continue to capitalise development expenditure as an intangible asset and classify development expenditure as Cash Flows from Investing Activities are no longer met. As a result, development expenditure has been classified in Cash Flows from Operating Activities as research and development expenditure in the quarter. This is an accounting classification and has no impact on cash on hand.

Consolidated cash on hand at 30 June 2017 is NZ\$9.76 million.

Yours faithfully



**James West**  
CEO

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## **ABOUT THE MARTIN AIRCRAFT COMPANY LIMITED**

The Martin Aircraft Company has evolved to become the world leader in jetpack development and commercialisation. Initially conceived to be the ultimate in personal transportation, the Martin Jetpack's potential for alternative applications soon became clear and led the company to refocus its vision to include being part of the global crusade to save and improve lives.

The Martin Jetpack has the pedigree of design ingenuity and innovation for which New Zealand is renowned. Designed with the goal to be the world's safest light aircraft, its potential applications span first response, search and rescue, military operations and commercial operations. It has the capability to be used in both a manned and unmanned capacity, which makes it the world's smallest and most practical Optionally Piloted Hovering Air Vehicle (OPHAV).

More detailed information about Martin Aircraft and the Martin Jetpack is available at [www.martinjetpack.com](http://www.martinjetpack.com)

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

**Name of entity**

Martin Aircraft Company Limited

**NZ Company number /ARBN**

901393 / 601 582 638

**Quarter ended ("current quarter")**

30 June 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter</b>	<b>Year to date (12 months)</b>
	<b>\$NZ'000</b>	<b>\$NZ'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	1,290
1.2 Payments for		
(a) research and development	(3,198)	(3,265)
(b) product manufacturing and operating costs	24	(94)
(c) advertising and marketing	(55)	(329)
(d) leased assets	(114)	(483)
(e) staff costs	(692)	(4,127)
(f) administration and corporate costs/other working capital	(126)	(3,681)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	51	569
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes refunded/(paid)	(18)	(78)
1.7 Other (provide details if material)	2	13
<b>1.8 Net cash from / (used in) operating activities</b>	<b>(4,126)</b>	<b>(10,185)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(84)	(1,218)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	(32)	(103)
(e) other non-current assets	-	(8,211)

<b>Consolidated statement of cash flows</b>		<b>Current quarter</b>	<b>Year to date (12 months)</b>
		<b>\$NZ'000</b>	<b>\$NZ'000</b>
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(116)</b>	<b>(9,532)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
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	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	14,198	29,631
4.2	Net cash from / (used in) operating activities (item 1.8 above)	<b>(4,126)</b>	<b>(10,185)</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	<b>(116)</b>	<b>(9,532)</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter</b>	<b>Year to date (12 months)</b>
		<b>\$NZ'000</b>	<b>\$NZ'000</b>
4.5	Effect of movement in exchange rates on cash held	(197)	(155)
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>9,759</b>	<b>9,759</b>

<b>5. Reconciliation of cash and cash equivalents</b>	<b>Current quarter</b>	<b>Previous quarter</b>	
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>\$NZ'000</b>	<b>\$NZ'000</b>	
5.1	Bank balances	1,262	3,464
5.2	Call deposits	8,497	10,734
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>9,759</b>	<b>14,198</b>

**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

<b>Current quarter</b>
<b>\$NZ'000</b>
57
-

**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

<b>Current quarter</b>
<b>\$NZ'000</b>
-
-

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$NZ'000	Amount drawn at quarter end \$NZ'000
8.1 Loan facilities		
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.		

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9. <b>Estimated cash outflows for next quarter</b>	\$NZ'000
9.1 Research and development	2,374
9.2 Product manufacturing and operating costs	156
9.3 Advertising and marketing	76
9.4 Leased assets	115
9.5 Staff costs	627
9.6 Administration and corporate costs	317
9.7 Other (provide details if material)	222
9.8 Disposal of Fixed Assets	(350)
<b>9.10 Total estimated cash outflows</b>	<b>3,537</b>

10. <b>Acquisitions and disposals of business entities</b> <b>(items 2.1(b) and 2.2(b) above)</b>	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: ..... *James West* .....  
(CEO)

Date: *31/7/2017* .....

Print name: ..... *James West* .....