

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

COMPANY CONTACT

James West
CEO & CFO

ASX Code: MJP

BOARD OF DIRECTORS

Dr Luan Lin
Non-Executive Chairperson

Dr Liu Ruopeng
Non-Executive Director

Ran Elias
Non-Executive Director

Robert (Guailin) Luo
Non-Executive Director

Vincent Leung
Non-Executive Director

Further information

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

Lodged by MJP

27 April 2018

Dear Sir/Madam

Appendix 4C Cash Report – 31 March 2018

Please find attached for immediate release to the market the Appendix 4C Cash Report for the quarter ended 31 March 2018.

Please note:

On 19 September 2017 Martin Aircraft Company Limited entered into a HK\$57.8m (approximately NZ\$10m) loan facility with its majority shareholder KuangChi Science Limited (KCS). The loan from KCS can be drawn down quarterly over the next 12 months to provide funds to Martin Aircraft to enable continued development and commercialisation of Jetpacks. To date, three of the four loan drawdowns of HK\$14.45m respectively have been received. The loan is unsecured and repayable in 12 months from the date of the agreement with interest being payable at the 12-month HIBOR rate plus a margin of 3%.

At 31 March 2018, KuangChi Martin Jetpack Limited, a 95% owned subsidiary of Martin Aircraft held HK \$12.5m cash. 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.

With respect to accounting treatment of research and development expenses, these expenses have been treated as research and development expense in the Cash Flow Quarterly Report instead of cash flows from Investing Activities - refer to Note 2a(iii) of the Notes to Consolidated Financial Statements of the Annual Report 2017 for further information. This is an accounting classification and has no impact on cash on hand.

Consolidated cash on hand at 31 March 2018 is NZ\$6.18 million.

Yours faithfully



James West
CEO

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

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")

31 March 2018

Consolidated statement of cash flows	Current quarter	Year to date
	\$NZ'000	(9 months)
		\$NZ'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(1,385)	(4,776)
(b) product manufacturing and operating costs	(43)	(116)
(c) advertising and marketing	(39)	(221)
(d) leased assets	(124)	(348)
(e) staff costs	(500)	(1,723)
(f) administration and corporate costs/other working capital	(240)	(1,528)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	11	54
1.5 Interest and other costs of finance paid	(4)	(4)
1.6 Income taxes refunded/(paid)	(4)	149
1.7 Other (provide details if material)	-	4
1.8 Net cash from / (used in) operating activities	(2,328)	(8,509)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(59)	(244)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$NZ'000	\$NZ'000
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)	-	-
2.6	Net cash from / (used in) investing activities	(59)	(244)

3.	Cash flows from financing activities		
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	2,425	5,072
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)	-	-
3.10	Net cash from / (used in) financing activities	2,425	5,072

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	6,202	9,759
4.2	Net cash from / (used in) operating activities (item 1.8 above)	(2,328)	(8,509)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(59)	(244)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,425	5,072

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$NZ'000	\$NZ'000
4.5	Effect of movement in exchange rates on cash held	(64)	98
4.6	Cash and cash equivalents at end of quarter	6,176	6,176

5. Reconciliation of cash and cash equivalents	Current quarter	Previous quarter	
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$NZ'000	\$NZ'000	
5.1	Bank balances	1,130	307
5.2	Call deposits	5,046	5,894
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,176	6,201

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

**Current quarter
\$NZ'000**

31

-

- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

--	--

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

**Current quarter
\$NZ'000**

-

-

- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

--	--

8. Financing facilities available <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	2,425	5,072
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.		

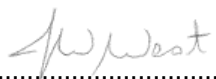
On 19 September 2017 Martin Aircraft Company Limited entered into a HK\$57.8m (approximately NZ\$10m) loan facility with its majority shareholder KuangChi Science Limited (KCS). The loan from KCS can be drawn down quarterly over the next 12 months to provide funds to Martin Aircraft to enable continued development and commercialisation of Jetpacks. The first loan drawdown of HK\$14.45m was received in the quarter ended 31 December 2017. The second drawdown of HK\$14.45m was received on 26 January 2018. The third drawdown of HK\$14.45m has been made and funds received on 18 April 2018. The loan is unsecured and repayable in 12 months from the date of the agreement with interest being payable at the 12-month HIBOR rate plus a margin of 3%.

9. Estimated cash outflows for next quarter	\$NZ'000
9.1 Research and development	2,372
9.2 Product manufacturing and operating costs	244
9.3 Advertising and marketing	24
9.4 Leased assets	116
9.5 Staff costs	434
9.6 Administration and corporate costs	376
9.7 Other (provide details if material)	130
9.8 Disposal of Fixed Assets	
9.10 Total estimated cash outflows	3,696

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	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: 
(CEO)

Date: 27 April 2018

Print name: James West