

**A V E X A**

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ASX Release

APPENDIX 4C – QUARTERLY CASH FLOW REPORT – SEPTEMBER 2015

Melbourne, Australia, Thursday 29th October 2015: Avexa Limited (ASX: AVX) lodges the attached Appendix 4C Quarterly Consolidated Statement of Cash Flows for the period ending 30 September 2015.

Commentary is provided as follows:

- The Company held cash reserves of \$0.6 million at 30 September 2015.
- Net operating cash outflows for the September quarter were \$0.4 million.
- As announced on 12 October, a private placement of up to \$4.0 million to sophisticated and professional investors is proposed to be undertaken in connection with the agreement to acquire TALI Health (subject to shareholder approval at the Annual General Meeting to be held 26 November 2015).
- Proceeds from the R&D Incentive totaling \$289k were received on 15th October 2015.
- ATC is now available to be supplied to a number of countries via their Special Access or Named Patient type schemes. A number of potential patients and prescribers have approached the Company to acquire ATC for their treatment. However, cost and lack of insurance cover/rebate has been a significant factor in the slow uptake of ATC. An ATC Facebook page has been established which, combined with continued interaction with HIV patient activist groups, is being pursued in the USA and Canada to get ATC to those that will benefit from it most.

About Avexa Limited

Avexa Limited is a Melbourne-based biotechnology company with a focus on discovery, development and commercialization of small molecules for the treatment of infectious diseases. Avexa's key projects include apricitabine (ATC) for the treatment of drug-resistant HIV, an HIV integrase program and an antibiotic program for antibiotic-resistant bacterial infections.

For more information:

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

AVEXA LIMITED

ABN

53 108 150 750

Quarter ended ("current quarter")

30 September 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Cumulative to 30 Sept 2015 - \$A'000
1.1 Receipts from customers	-	-
1.2 Payments for:		
(a) Staff costs	(147)	(147)
(b) Advertising and marketing	(3)	(3)
(c) Research and development	(14)	(14)
(d) Leased assets	(3)	(3)
(e) Laboratory consumables	-	-
(f) Occupancy	(30)	(30)
(g) Consulting	(25)	(25)
(h) Legal and professional	(11)	(11)
(i) Corporate administration	(34)	(34)
(j) Travel and entertainment	(2)	(2)
(k) Insurance	(61)	(61)
(l) Intellectual property	(43)	(43)
(m) Other working capital	13	13
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	5	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - GST refunds/payments	(11)	(11)
- Government grants	-	-
- Support services	-	-

Net operating cash flows	(366)	(366)
	Current quarter \$A'000	Cumulative to 30 Sept 2015 - \$A'000
1.8 Net operating cash flows (carried forward)	(366)	(366)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(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	(70)	(70)
1.12 Loans repaid by other entities	-	-
1.13 Other	-	-
Net investing cash flows	(70)	(70)
1.14 Total operating and investing cash flows	(436)	(436)
Cash flows related to financing activities		
1.15 Net proceeds from issues of shares, options, etc. net of raising costs	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings		
1.19 Dividends paid	-	-
1.20 Other:	-	-
Net financing cash flows	-	-
Net increase (decrease) in cash held	(436)	(436)
1.21 Cash at beginning of quarter/year to date	1,025	1,025
1.22 Exchange rate adjustments to item 1.21	(1)	(1)
1.23 Cash at end of quarter	588	588

+ 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

		Cumulative to 30 Sept 2015 - \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	26
1.25	Aggregate amount of loans to the parties included in item 1.11	70

1.26 Explanation necessary for an understanding of the transactions

Cash payments to directors comprise non-executive director fees for the quarter.

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

None.

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

Not applicable

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	None	Not applicable
3.2	Credit standby arrangements	None	Not applicable
3.3	Credit card facility	Nil	Nil
3.4	Bank Guarantee	31	Nil

+ See chapter 19 for defined terms.

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	120	388
4.2 Deposits at call / Term Deposits	468	637
4.3 Bank overdraft	-	-
4.4 Other (provide details):	-	-
Total: cash at end of quarter (item 1.23)	588	1,025

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity	None	None
5.2 Place of incorporation or registration	Not applicable	Not applicable
5.3 Consideration for acquisition or disposal	Not applicable	Not applicable
5.4 Total net assets	Not applicable	Not applicable
5.5 Nature of business	Not applicable	Not applicable

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.



Mr Iain Kirkwood
 Director

Date: 29 October 2015

+ See chapter 19 for defined terms.