



30 January 2015

ASX Announcement

Appendix 4C – Quarterly Cash Flow

Axxis Technology Group Limited (formerly Anittel Group Limited) (“Company”) is pleased to present the attached **Appendix 4C: Consolidated Statement of Cash Flows** for the December 2014 quarter.

Significant matters include:

- As at 31 December 2014, the closing cash balance was **\$766k**.
- On January 1st 2015 the Company concluded the sale of the Anittel business to Inabox Group Limited (ASX: IAB) and received **\$1.027M** cash consideration, which included a \$527k working capital adjustment.
- Net operating cash outflows in the quarter to December 2014 were **\$326k** which included **\$300k** of employee restructuring costs paid in December 2014 as part of the sale transaction to Inabox Group Limited.

The Company continues to operate its wholesale mobile telecommunications business and is also actively seeking the acquisition of suitable business assets and will keep the market informed of developments.

Justyn Stedwell

Company Secretary

On behalf of the Board of Directors

Axxis Technology Group Ltd

Axxis Technology Group Ltd

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

Axxis Technology Group Limited

ABN

98 009 805 298

Quarter ended ("current quarter")

31 Dec 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	10,708	19,964
1.2 Payments for		
(a) staff costs	(3,857)	(7,353)
(b) advertising and marketing	(14)	(39)
(c) research and development		
(d) leased assets		
(e) other working capital	(7,063)	(14,774)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	7	34
1.5 Interest and other costs of finance paid	(107)	(213)
1.6 Income taxes paid		
1.7 Other Income		
Net operating cash flows before one-off acquisition related costs	(326)	(2,380)
One-off acquisition related costs		
Net operating cash flows	(326)	(2,380)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
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	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(326)	(2,380)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5) , net of cash acquired		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(232)	(257)
(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	2	2
(e) other non-current assets	13	13
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other		
	(217)	(241)
Net investing cash flows		
1.14 Total operating and investing cash flows	(543)	(2,621)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.		
1.16 Proceeds from issue of convertible notes		
1.17 Proceeds from borrowings*	688	688
1.18 Repayment of borrowings**	(802)	(5,063)
1.19 Dividends paid		
1.20 Other		
Net financing cash flows	(114)	(4,375)
Net increase (decrease) in cash held	(657)	(6,996)
1.21 Cash at beginning of quarter/year to date	1,423	7,762
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	766	766

* On 27th Nov 2014, the Company borrowed \$500k from Peter and Vicki Kazacos.

** On 19th Dec 2014 the Company repaid \$500k to Peter and Vicki Kazacos.

** In the previous quarter, on 31st July 2014, the Company repaid \$4mil of related party loans to Peter and Vicki Kazacos.

+ 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

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	133
1.25	Aggregate amount of loans to the parties included in item 1.11	
1.26	Explanation necessary for an understanding of the transactions	
	Payment of director's remuneration and expenses to related entities	

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

Finance leases of \$496,137(Oct to Dec 2014) for PPE, Software and Consulting Services
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- 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

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Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities (a) CBA loan	0	200
	(b) Related party loan facility	4,000***	0
3.2	Credit standby arrangements (note A)	0	0

***On 31st July 2014 a new loan facility of up to \$4mil was provided by Peter and Vicki Kazacos.

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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	766	1,423
4.2 Deposits at call		
4.3 Bank overdraft	Nil	Nil
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.23)	766	1,423

Acquisitions and disposals of business entities

	<i>Acquisitions</i> <i>(Item 1.9(a))</i>	<i>Disposals</i> <i>(Item 1.10(a))</i>
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

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.

Sign here:



Date: 30/1/15

Print name: Justyn Stedwell

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.