

**A V E X A**

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ASX Release

APPENDIX 4C – QUARTERLY CASH FLOW REPORT – JUNE 2016

Melbourne, Australia, Friday 29th July 2016: Avexa Limited (ASX: AVX) lodges the attached Appendix 4C Quarterly Consolidated Statement of Cash Flows for the period ending 30 June 2016.

Quarter Highlights

- Three new clinics signed to trial TALI during the quarter
- Clinics currently trialing the TALI Technology (beta version) include:
 - Listen and Learn Centre, Balwyn VIC;
 - Learn Quick Smart, Moonee Ponds VIC;
 - Brain and Language Connections, Hawthorn East VIC;
 - Learning Enrichment Studio, Malvern VIC; and
 - Train Your Brain Learning Centre, Footscray VIC
- Discussions have been initiated with several international clinics in both Europe and the US.
- Australian Prime Minister Malcolm Turnbull identified TALI as ‘a leading example’ of Australian innovation at the Engineers Australia showcase
- Key research published ‘Computerised attention training for children with intellectual and developmental disabilities: A randomised controlled trial’ by Chief Research Officer Dr Hannah Kirk in the highly regarded *Journal of Child Psychology and Psychiatry*.
- Further clinical research is ongoing to strengthen the market position of the TALI technology
- New website, Twitter and Facebook accounts launched.
- An impressive Scientific Advisory Board has been formed, which features world renowned academics and clinical researchers.

Corporate

- 1-for-1 Non-Renounceable Rights Issue (“Entitlement Offer”) underway to raise \$2.2 million (before costs) at \$0.022 per share. The Entitlement Offer is supported by an underwriting commitment from InterPrac Financial Planning totaling \$1.8 million (see ASX announcements dated 27 and 29 July for full details)
- Funds raised in the Entitlement Offer will be used to accelerate and complete the launch version of the TALI Technology, including the remaining product and game enhancements, study trials, workshops and initial rollout in clinical centres
- Mr Mark Simari appointed as Non-Executive Director with effect from the conclusion of the Rights Issue offer
- Resignation of Non-Executive Director Mr Bruce Hewett from the Board
- Resignation of Non-Executive Director Mr Benjamin Yeo from the Board
- The Company held cash reserves of \$0.4 million at 30 June 2016
- Net operating cash outflows for the June quarter were \$0.5 million

September Quarter Plans

- Further partnerships with domestic and international clinics to trial the TALI Technology ahead of commercial release
- Ongoing product development - release of first generation version of the TALI Technology targeted for Q4 2016, when limited commercial release to clinical partners is expected to generate first revenues for the Company
- Appointment of Chief Executive Officer
- Commencement of a clinical research trial in collaboration with Monash University in Q4 2016

About Avexa Limited

Avexa is a Melbourne-based medical technology company with a long history of innovation, development and commercialisation of medical treatments. Avexa's flagship program is the revolutionary and innovative TALI system, which uses cutting edge technology to diagnose and treat cognitive problems such as attention difficulties in early childhood.

About TALI Health Pty Ltd (100% owned by Avexa)

TALI Health has the exclusive global license to the TALI Technology together with the option to acquire the TALI Technology outright. TALI is seeking to position itself as the global leader in the diagnosis and treatment of attention difficulties, particularly in children with developmental disorders, such as autism. The TALI Technology is a result of ground-breaking research pioneered over twenty years by internationally renowned neuroscientist Professor Kim Cornish and her team at Monash University. The front end of the TALI Technology is an attention assessment and training program (accessed via a software application prescribed by healthcare professionals), delivered on a computerized tablet (or similar). The back end of the TALI Technology is a Cloud based, centralised secure data collection, analysis and report system.

The Technology was developed by Monash University, in collaboration with game developers – Torus Games Pty Ltd, and technology commercialization experts – Grey Innovation Pty Ltd in response to the absence of holistic approaches by the medical industry in the detection and treatment of developmental disorders in modern society.

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 June 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Cumulative to 30 June 2016 - \$A'000
1.1 Receipts from customers	-	-
1.2 Payments for:		
(a) Staff costs	(135)	(537)
(b) Advertising and marketing	(7)	(27)
(c) Research and development	(214)	(347)
(d) Leased assets	(6)	(20)
(e) Laboratory consumables	-	-
(f) Occupancy	(38)	(125)
(g) Consulting	(5)	(55)
(h) Legal and professional	(38)	(247)
(i) Corporate administration	(43)	(120)
(j) Travel and entertainment	-	(11)
(k) Insurance	-	(61)
(l) Intellectual property	(9)	(102)
(m) Other working capital	(11)	(35)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	11
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - GST refunds/payments	16	-
- Government grants	-	289
- Support services	-	-

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Net operating cash flows	(488)	(1,387)
	Current quarter \$A'000	Cumulative to 30 June 2016 - \$A'000
1.8 Net operating cash flows (carried forward)	(488)	(1,387)
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	-	(1)
(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)
1.12 Loans repaid by other entities	-	-
1.13 Other: Net proceeds on acquisition of TALI	(35)	20
Net investing cash flows	(35)	(51)
1.14 Total operating and investing cash flows	(523)	(1,438)
Cash flows related to financing activities		
1.15 Net proceeds from issues of shares, options, etc. net of raising costs	(9)	803
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	(9)	803
Net increase (decrease) in cash held	(532)	(635)
1.21 Cash at beginning of quarter/year to date	921	1,025
1.22 Exchange rate adjustments to item 1.21	(1)	(2)
1.23 Cash at end of quarter	388	388

+ 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 June 2016 - \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	422
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

Year to date cash payments for Staff Costs include director fees \$122k.

Year to date cash payments for Research & Development include \$300k paid to Grey Innovation Pty Ltd, an associate entity of Jefferson Harcourt. These arrangements reflect normal commercial terms.

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

Not applicable.

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	96	120
4.2 Deposits at call / Term Deposits	292	801
4.3 Bank overdraft	-	-
4.4 Other (provide details):	-	-
Total: cash at end of quarter (item 1.23)	388	921

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 July 2016

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