



22 July 2015

ASX Announcement
Appendix 4C – Quarterly Cash Flow

Axxis Technology Group Limited (ASX: AYG) ("Company") is pleased to present the attached **Appendix 4C: Consolidated Statement of Cash Flows** for the June 2015 quarter.

Significant matters include:

- As at 30 June 2015, the closing cash balance was **\$589k**
- The company's operating costs have now reduced substantially since the sale of the Anittel Pty Ltd business to IAB in January this year. Net operating cash outflows in the quarter to 30th June 2015 were **\$107k** which included a **\$75k** one - off payment to exit the company's mobile telephone service contract with its provider. (This amount had been provided for in the Company's accounts at 31 Dec 2014)
- As announced on 17 April 2015, the Company and IAB agreed to vary the terms of the sale agreement in relation to the deferred Performance Consideration, resulting in an agreement where IAB will pay the Company **\$150k** in cash by 31 July 2015 in lieu of Performance Consideration.

With the recent conclusion to the mobile telephone service referred above, the Company has now finalised the disposal of all prior operating businesses. We are now concentrating on the acquisition of suitable business assets to reposition the Company.

Justyn Stedwell
Company Secretary
On behalf of the Board of Directors
Axxis Technology Group Ltd

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 (formerly Anittel Group Limited)

ABN

98 009 805 298

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	63	20,034
1.2 Payments for (a) staff costs		(7,353)
(b) advertising and marketing		(39)
(c) research and development		
(d) leased assets		
(e) other working capital	(170)	(15,016)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received		34
1.5 Interest and other costs of finance paid		(213)
1.6 Income taxes paid		
1.7 Other Income		
Net operating cash flows before one-off acquisition related costs	(107)	(2,552)
One-off acquisition related costs		
Net operating cash flows	(107)	(2,552)

+ See chapter 19 for defined terms.

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

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(107)	(2,552)
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		(257)
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5) *	19	(84)
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		2
(e) other non-current assets		104
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other	6	(12)
	25	(246)
Net investing cash flows		
1.14 Total operating and investing cash flows	(82)	(2,798)
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
1.18 Repayment of borrowings		(5,063)
1.19 Dividends paid		
1.20 Other		
Net financing cash flows	0	(4,375)
Net increase (decrease) in cash held	(82)	(7,173)
1.21 Cash at beginning of quarter/year to date	671	7,762
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	589	589

* On the 1st Jan 2015 AXXIS Technology Group Limited (formerly Anittel Group Limited) completed the sale of its operating business to Inabox Group Limited ('IAB' ASX: IAB). The consideration paid by IAB in the Jan-Mar15 quarter consisted of \$500,000 in cash paid on 1st Jan 2015 and 6,153,846 shares in IAB. As the shares are a non-cash item, it has not been reflected in the Appendix 4C. In addition, the value reflected at item at 1.1 (a) is net of legal and advisory costs totalling \$356,252 exclusive of GST and a working capital adjustment payment to IAB of \$218,898 in accordance with the sale agreement.

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	62
1.25	Aggregate amount of loans to the parties included in item 1.11	0
1.26	Explanation necessary for an understanding of the transactions	
	Payment of Directors fees and advisory services	

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

--

- 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

--

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		0	0
3.2	Credit standby arrangements (note A)	0	0

+ See chapter 19 for defined terms.

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

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	589	671
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)		589	671

Acquisitions and disposals of business entities

	<i>Acquisitions (Item 1.9(a))</i>	<i>Disposals (Item 1.10(a))</i>
5.1	Name of entity	Anittel Pty Ltd
5.2	Place of incorporation or registration	NSW
5.3	Consideration for acquisition or disposal	\$500,000 cash received on Jan 1 st 2015 LESS \$218,898 being a working capital adjustment 6,153,000 shares in IAB issued 1 st Jan 2015 \$150,000 Performance Consideration payable by July 31 st 205
5.4	Total net assets	\$1,989,959
5.5	Nature of business	Sales of IT products & professional services

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: 22/7/15

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.