
ASX announcement

28 July 2017

Audinate (ASX: AD8) reports record operating cashflows & record revenue

Audinate Group Limited ('Audinate' or the 'Company'), developer of the industry leading Dante audio over IP networking solution, today released its initial Appendix 4C for the 4th quarter of the financial year ended 30 June 2017. The Company recorded cash collections of \$4.4m for the quarter and cash collections of \$15.1m for the year (2016: \$11.8m).

Unaudited revenue for the year is more than \$15.0m (USD \$11.2m), beating the prospectus forecast of \$14.6m. This uplift in revenue has also positively impacted EBITDA.

Operating cashflow for the year was \$1.2m, a 59% increase from operating cashflow of \$0.8m in FY16. Adjusting for IPO cash payments of \$0.8m in FY17 the increase was 163%. The proceeds from issue of shares for the quarter ended 30 June 2017 includes \$3.0m relating to the secondary raise which was paid to selling shareholders at the beginning of July.

"We are pleased with the continued growth in Audinate's core business, and our ability to deliver on the commitments made to our shareholders as a part of the IPO process," commented Lee Ellison, CEO of Audinate. The strong finish to FY17 provides a good springboard into FY18 based on the twelve-month growth in key business metrics.

Audinate previewed its award-winning Dante Domain Manager (DDM) InfoComm 2017 in June, the largest trade show for the Professional Audio-Visual Industry. During the exhibition, DDM was recognised with two "Best in Show" awards.

"The feedback for the new Dante Domain Manager management software was extremely encouraging" stated Lee Ellison. "Dante Domain Manager brings valuable new functionality to existing Dante networks including user authentication, role-based security and audit capabilities." DDM is currently in Beta testing and is scheduled for release at the beginning of the 2018 calendar year.

The Company expects to release its results for the financial year ended 30 June 2017 on 21 August 2017 and a conference call will be held at 10am on this date for all shareholders to discuss Audinate's performance for the year. Conference call details will be advised via a separate ASX announcement closer to the date.

-ENDS-

For more information on Audinate, please visit:

Investor Centre – www.investor.audinate.com

Website – www.audinate.com

Enquiries

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CFO & Company Secretary

Audinate Group Limited

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Audinate Group Limited

ACN

618 616 916

Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		4,402	15,079
1.2 Payments for			
(a) research and development		(373)	(1,102)
(b) product manufacturing and operating costs		(1,070)	(4,505)
(c) advertising and marketing		(479)	(1,193)
(d) leased assets			
(e) staff costs		(1,175)	(5,555)
(f) administration and corporate costs		(170)	(1,261)
1.3 Dividends received (see note 3)			
1.4 Interest received		29	54
1.5 Interest and other costs of finance paid			
1.6 Income taxes paid		(4)	(80)
1.7 Government grants and tax incentives		-	575
1.8 Other – Capital Raising Costs (IPO)		(648)	(797)
1.9 Net cash from / (used in) operating activities		512	1,215
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) property, plant and equipment		(20)	(145)
(b) businesses (see item 10)			
(c) investments			

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(d) intellectual property	(113)	(116)
	(e) other non-current assets	(545)	(2,185)
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 – R&D incentive related to development costs		604
2.6	Net cash from / (used in) investing activities	(678)	(1,842)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	16,967	16,967
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options	19	20
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other – Capital Raising Costs capitalised (IPO)	(777)	(777)
3.10	Net cash from / (used in) financing activities	16,209	16,210

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	2,716	3,176
4.2	Net cash from / (used in) operating activities (item 1.9 above)	512	1,215
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(678)	(1,842)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	16,209	16,210

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	18,760	18,760

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	17,204	1,629
5.2	Call deposits	1,556	1,547
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)	18,760	3,176

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

**Current quarter
\$A'000**

21

32

Item 6.2 represents a non-cash loan to a former Director (David Myers) to exercise options, as disclosed in the Prospectus in Section 6.7.2

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

**Current quarter
\$A'000**

nil

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
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.		
Nil		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(282)
9.2 Product manufacturing and operating costs	(953)
9.3 Advertising and marketing	(566)
9.4 Leased assets	-
9.5 Staff costs	(2,687)
9.6 Administration and corporate costs	(428)
9.7 Other – Capital Raising Costs (IPO)	(897)
9.8 Total estimated cash outflows	(5,812)

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: Robert Goss
(Company secretary)

Date: 28 July 2017

Print name: Rob Goss

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.