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## **ASX announcement**

25 January 2018

### **Audinate (ASX: AD8) reports another strong quarter & receives R&D incentive**

Audinate Group Limited ('Audinate' or the 'Company'), developer of the pro AV-industry leading Dante® audio over IP networking solution, today released its Appendix 4C for the 2<sup>nd</sup> quarter of the financial year ending 30 June 2018 (2Q FY18). The Company recorded cash collections of \$4.8m for the quarter and positive operating cashflow of approximately \$1.3m for the same period. Year to date cash collections amount to \$9.3m and the year to date negative operating cashflow is approximately \$0.2m.

Audinate received its FY2017 R&D incentive, amounting to approximately \$1.0m, during the period. It was allocated between operating and investing cashflows consistent with the accounting treatment of the underlying research and development expenditure.

Cash collections from customers for 2Q FY18 were \$4.8m compared to \$4.5m for 1Q FY18. Total cash receipts for 1H FY18 amount to \$9.3m, exceeding unaudited revenue due to seasonality of cash receipts. Operating cash payments were favourable to estimated cash outflows for the quarter due to positive variances for staff costs and administration & corporate costs.

Earlier in January Audinate announced the launch of a family of six cost-effective endpoint adaptors. Each Dante AVIO™ adaptor acts as a completely independent Dante network device enabling audio professionals to extend the value of their non-networked equipment, making it interoperable with any of the 1250+ Dante-enabled products on the market. Dante AVIO adaptors will be on display for the first time at this week's National Association of Music Merchants (NAMM) tradeshow held in Anaheim, California from 25-28 January 2018. First shipments of these products are anticipated to occur at the beginning of the 4<sup>th</sup> quarter of the financial year.

Commenting on the period so far, Mr. Lee Ellison, CEO of Audinate said: "We are very pleased with Audinate's business performance for the first half and the achievement of key milestones including the launch of our new Dante AVIO adaptor family. The Dante AVIO adapters are sold under Audinate's own brand to end-users to extend the Dante ecosystem to legacy equipment they already have installed."

The Company expects to release its half year results for the period ended 31 December 2017 on 22 February 2018 and a conference call will be held at 10am on this date for analysts and investors to discuss Audinate's performance for the period. 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](http://www.investor.audinate.com)

Website – [www.audinate.com](http://www.audinate.com)

**Enquiries**

Rob Goss

CFO & Company Secretary

Audinate Group Limited

Ph: +61 2 8599 1893

Email: [rob.goss@audinate.com](mailto:rob.goss@audinate.com)

## 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

**ABN**

56 618 616 916

**Quarter ended ("current quarter")**

31 December 2017

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>			
1.1 Receipts from customers		4,819	9,304
1.2 Payments for			
(a) research and development		(286)	(572)
(b) product manufacturing and operating costs		(1,469)	(2,806)
(c) advertising and marketing		(419)	(876)
(d) leased assets			
(e) staff costs		(1,463)	(3,898)
(f) administration and corporate costs		(250)	(898)
1.3 Dividends received (see note 3)			
1.4 Interest received		81	140
1.5 Interest and other costs of finance paid			
1.6 Income taxes paid		(15)	(45)
1.7 Government grants and tax incentives		335	335
1.8 Other – Capital Raising Costs (IPO)		-	(897)
<b>1.9 Net cash from / (used in) operating activities</b>		<b>1,333</b>	<b>(213)</b>
<b>2. Cash flows from investing activities</b>			
2.1 Payments to acquire:			
(a) property, plant and equipment		(102)	(198)
(b) businesses (see item 10)			
(c) investments			

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(d) intellectual property	(28)	(46)
	(e) other non-current assets	(709)	(1,331)
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	680	680
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(159)</b>	<b>(895)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	4,062
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options	7	21
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)	(67)	(115)
	Other – Payments to selling shareholders	-	(7,030)
3.10	<b>Net cash from / (used in) financing activities</b>	<b>(60)</b>	<b>(3,062)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	13,312	18,694
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,333	(213)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(159)	(895)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(60)	(3,062)
4.5	Effect of movement in exchange rates on cash held	27	(71)
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>14,453</b>	<b>14,453</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	2,805	703
5.2 Call deposits	11,648	12,609
5.3 Bank overdrafts		
5.4 Other (provide details if material)		
5.5 <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>14,453</b>	<b>13,312</b>

**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

**Current quarter  
\$A'000**

(118)

Nil

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

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**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

**Current quarter  
\$A'000**

Nil

Nil

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

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8. <b>Financing facilities available</b> <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. <b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	(287)
9.2 Product manufacturing and operating costs	(1,397)
9.3 Advertising and marketing	(666)
9.4 Leased assets	-
9.5 Staff costs	(1,725)
9.6 Administration and corporate costs	(548)
9.7 Other – (provide details if material)	
<b>9.8 Total estimated cash outflows</b>	<b>(4,623)</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
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:   
(Company secretary)

Date: 25 January 2018

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.