

## ASX announcement

24 April 2018

### **Audinate (ASX: AD8) reports continued strong revenue growth in 3Q FY18**

Audinate Group Limited ('Audinate' or the 'Company'), developer of the professional AV-industry leading Dante® audio over IP networking solution, today released its Appendix 4C for the 3<sup>rd</sup> quarter of the financial year ending 30 June 2018 (3Q FY18). The Company recorded cash collections of \$4.5m for the quarter and negative operating cashflow of approximately \$0.4m for the same period. Year to date cash collections amount to \$13.8m and the year to date negative operating cashflow is approximately \$0.6m (inclusive of IPO related operating cash payments of \$0.9m).

Unaudited revenue for the period increased more than 10% from 2<sup>nd</sup> quarter. Cash collections from customers for 3Q FY18 were \$4.5m compared to \$4.8m for 2Q FY18. This difference reflects an increase in accounts receivable which was partly seasonal due to the timing of Chinese New Year and Easter holidays.

Operating cash payments were greater than estimated for the quarter due to additional payments for inventory to support better than expected order growth and the early payment of expenses related to three key tradeshow held in April 2018.

Audinate's industry leading Dante technology has been adopted by over 400 manufacturers and is now available in over 1400 Dante-enabled products. Based on the continued strong revenue growth in 3Q FY18, the Company expects to achieve the FY18 prospectus forecasts, which include FY18 revenue of AU\$18.6m and an EBITDA loss of (AU\$1.2m), assuming an AUD/USD exchange rate of 77c.

A short conference call will be held today at 10am for analysts and investors to discuss Audinate's performance for the quarter. Conference call details are set out on the following page:

To pre-register for the briefing and avoid a queue while calling, please register at the following link:

<https://services.choruscall.com.au/diamondpass/audinate-136220-invite.html>

If you are unable to pre-register, at the time of the call please dial one of the numbers below and provide the conference ID: 136220 to the operator.

Australia Toll Free: 1800 558 698      Australia Local/International: +61 2 9007 3187

-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**

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**Forward-Looking Statements**

This ASX release includes certain forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Audinate. These factors may cause actual results to differ materially from those expressed in the statements contained in this announcement.

## 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 March 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	4,459	13,763
1.2 Payments for		
(a) research and development	(286)	(858)
(b) product manufacturing and operating costs	(1,580)	(4,386)
(c) advertising and marketing	(729)	(1,605)
(d) leased assets		
(e) staff costs	(1,601)	(5,499)
(f) administration and corporate costs	(718)	(1,618)
1.3 Dividends received (see note 3)		
1.4 Interest received	61	201
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid	(10)	(55)
1.7 Government grants and tax incentives		335
1.8 Other – Capital Raising Costs (IPO)		(897)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(404)</b>	<b>(619)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(238)	(436)
(b) businesses (see item 10)		
(c) investments		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) intellectual property	(10)	(56)
	(e) other non-current assets	(665)	(1,996)
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
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(913)</b>	<b>(1,808)</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	2	24
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)		(115)
	Other – Payments to selling shareholders		(7,030)
3.10	<b>Net cash from / (used in) financing activities</b>	<b>2</b>	<b>(3,059)</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	14,453	18,694
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(404)	(619)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(913)	(1,808)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2	(3,059)
4.5	Effect of movement in exchange rates on cash held	7	(63)
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>13,145</b>	<b>13,145</b>

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	1,439	2,805
5.2	Call deposits	11,706	11,648
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>13,145</b>	<b>14,453</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

(103)

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	(1,632)
9.3 Advertising and marketing	(606)
9.4 Leased assets	
9.5 Staff costs	(1,910)
9.6 Administration and corporate costs	(628)
9.7 Other – (provide details if material)	
<b>9.8 Total estimated cash outflows</b>	<b>(5,063)</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: 24 April 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.