

ASX announcement

25 July 2018

Audinate (ASX: AD8) reports strong finish to FY18 and record cash collections in Q4

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 4th quarter of the financial year ending 30 June 2018 (4Q FY18). Audinate announced it has exceeded its prospectus forecasts for revenue, EBITDA and operating cashflow based on the unaudited provisional FY18 results.

The Company recorded cash collections of \$5.9m for the quarter versus \$4.5m in the prior quarter and positive operating cashflow of approximately \$1.7m versus a negative operating cashflow of \$0.4m in 3Q FY18. Full year cash collections amounted to \$19.7m and the year to date positive operating cashflow is approximately \$1.0m (inclusive of IPO related operating cash payments of \$0.9m).

Overall there was negative cashflow for the year amounting to approximately \$1.1m after adjusting for IPO related impacts. These impacts included the receipt of the balance of funds from the IPO and payments to selling shareholders, which amounted to a net payment of approximately \$3.1m in 1Q FY18, which is shown within financing activities.

It should be noted that the forecast cash payments for 1Q FY19 includes payments for FY18 staff bonuses and other annual costs such as directors & officers insurance and ASX fees. Accordingly, first quarter cash payments are seasonally high relative to other quarters.

The Company expects to release its results for the financial year ended 30 June 2018 on 27 August 2018 and will hold a conference call at 10AM on this date for analysts and investors to discuss Audinate's results. 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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Audinate Group Limited

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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")

30 June 2018

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	5,916	19,679
1.2 Payments for		
(a) research and development	(76)	(934)
(b) product manufacturing and operating costs	(1,354)	(5,740)
(c) advertising and marketing	(852)	(2,457)
(d) leased assets		
(e) staff costs	(1,682)	(7,181)
(f) administration and corporate costs	(340)	(1,957)
1.3 Dividends received (see note 3)		
1.4 Interest received	50	251
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid	(7)	(62)
1.7 Government grants and tax incentives		335
1.8 Other – Capital Raising Costs (IPO)		(897)
1.9 Net cash from / (used in) operating activities	1,655	1,037

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(192)	(627)
(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	(51)	(106)
(e) other non-current assets	(926)	(2,923)
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 Net cash from / (used in) investing activities	(1,169)	(2,976)

3. Cash flows from financing activities		
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	1	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 Net cash from / (used in) financing activities	1	(3,059)

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	13,145	18,694
4.2 Net cash from / (used in) operating activities (item 1.9 above)	1,655	1,037
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,169)	(2,976)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1	(3,059)
4.5	Effect of movement in exchange rates on cash held	(1)	(65)
4.6	Cash and cash equivalents at end of quarter	13,631	13,631

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	1,878	1,439
5.2	Call deposits	11,753	11,706
5.3	Bank overdrafts		
5.4	Other (provide details if material)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	13,631	13,145

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**

(103)

Nil

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

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	(171)
9.2 Product manufacturing and operating costs	(1,525)
9.3 Advertising and marketing	(538)
9.4 Leased assets	
9.5 Staff costs	(3,140)
9.6 Administration and corporate costs	(798)
9.7 Other – (provide details if material)	
9.8 Total estimated cash outflows	(6,172)

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: 
(Company secretary)

Date: 25 July 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.