

1. Company details

Name of entity:	Audinate Group Limited
ABN:	56 618 616 916
Reporting period:	For the half-year ended 31 December 2020
Previous period:	For the half-year ended 31 December 2019

2. Results for announcement to the market

				\$'000
Revenues from ordinary activities	down	(4.8)%	to	15,372
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	down	(1.9)%	to	1,838
(Loss)/profit before income tax (expense)/benefit	down	>100%	to	(874)
(Loss)/profit from ordinary activities after tax (expense)/benefit attributable to the owners of Audinate Group Limited	down	>100%	to	(1,209)
(Loss)/profit for the year attributable to the owners of Audinate Group Limited	down	>100%	to	(1,209)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

Review of operations

For the half-year period ended 31 December 2020, the Group reported a decrease in revenue of 4.8% to \$15.4 million from \$16.1 million in the previous corresponding period (six months ended 31 December 2019). This decrease is due to the strengthening of the Australian dollar, as US\$ (the currency we bill our customers) revenue was in line with the previous corresponding period. Gross margin percent also remained relatively stable at 76.9% compared to 77.1% for the previous corresponding period.

The directors consider Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA') to reflect the core earnings of the Group. EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-cash and significant items.

	Consolidated	Consolidated
	31 Dec 2020	31 Dec 2019
	\$'000	\$'000
(Loss)/profit after income tax (expense)/benefit for the half-year	(1,209)	341
Interest revenue	(145)	(194)
Grant income	(828)	-
Net foreign exchange loss	535	1
Interest expense	55	60
Income tax expense/(benefit)	335	(212)
Depreciation and amortisation	3,095	1,877
EBITDA	1,838	1,873

As a result of COVID-19 related stimulus initiatives the Group has received \$759,000 in JobKeeper support payments, \$50,000 from the Australian Government's Cash Flow Boost program and a \$19,000 Hong Kong Employee Support Scheme grant in the half-year period ended 31 December 2020. These amounts were recorded in other income and are therefore excluded from the calculation of EBITDA.

Consistent with the prior financial year, the Group considered it prudent and appropriate to not recognise tax losses of approximately \$0.9 million generated in half-year period ended 31 December 2020. These tax losses include the benefit of research and development tax offsets, which the Group expects to continue to receive in future years. The Group retains access to these tax losses to apply against taxable income in future periods and may re-recognise them as an asset when greater certainty returns.

Net loss after tax was \$1.2 million compared to \$0.3 million net profit after tax in the six-month period ended 31 December 2019. The main factor in this movement was a \$1.2 million increase in depreciation and amortisation relating primarily to increased development costs.

Refer to the 'Review of operations' section of the Directors' report accompanying this Appendix 4D for further commentary.

3. Net tangible assets

	31 Dec 2020 Cents	30 Jun 2020 Cents
Net tangible assets per ordinary security	<u>88.13</u>	<u>44.03</u>

4. Dividend reinvestment plans

Not applicable.

5. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

6. Attachments

Details of attachments (if any):

The Interim Report of Audinate Group Limited for the half-year ended 31 December 2020 is attached.

7. Signed

Authorised by the Board of Directors.

Signed David Krall

Date: 22 February 2021

David Krall
Chairman
Sydney

Audinate Group Limited

ABN 56 618 616 916

Interim Report - 31 December 2020

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Corporate directory	2
Directors' report	3
Auditor's independence declaration	5
Consolidated statement of profit or loss and other comprehensive income	6
Consolidated statement of financial position	7
Consolidated statement of changes in equity	8
Consolidated statement of cash flows	9
Notes to the consolidated financial statements	10
Directors' declaration	16
Independent auditor's review report to the members of Audinate Group Limited	17

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Directors

David Krall
Aidan Williams
John Dyson
Roger Price
Alison Ledger
Tim Finlayson

Company secretary

Rob Goss

Registered office

Level 7
64 Kippax Street
Surry Hills NSW 2010
Tel: 02 8280 7100

Share register

Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000
Tel: 1300 554 474

Auditor

Deloitte Touche Tohmatsu
Grosvenor Place
225 George Street
Sydney NSW 2000

Solicitors

Maddocks
Level 27
123 Pitt Street
Sydney NSW 2000

Stock exchange listing

Audinate Group Limited shares are listed on the Australian Securities Exchange (ASX code: AD8)

Website

www.audinate.com

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Audinate Group Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

Directors

The following persons were directors of Audinate Group Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

David Krall
Aidan Williams
John Dyson
Roger Price
Alison Ledger
Tim Finlayson

Principal activities

The Group's principal activity is the development and sale of digital Audio Visual ('AV') networking solutions. Dante® is the Group's technology platform that distributes high-quality digital audio and video signals over computer networks. Dante comprises software and hardware that is sold to and integrated inside the AV products of its Original Equipment Manufacturer ('OEM') customers. Audinate also sells application software through its own channel to provide management and control for AV installations.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

For the half-year period ended 31 December 2020, the Group reported a decrease in revenue of 4.8% to \$15.4 million from \$16.1 million in the previous corresponding period (six months ended 31 December 2019). This decrease is due to the strengthening of the Australian dollar, as US\$ (the currency we bill our customers) revenue was in line with the previous corresponding period. Gross margin percent also remained relatively stable at 76.9% compared to 77.1% for the previous corresponding period.

The directors consider Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA') to reflect the core earnings of the Group. EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-cash and significant items.

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$'000	\$'000
(Loss)/profit after income tax (expense)/benefit for the half-year	(1,209)	341
Interest revenue	(145)	(194)
Grant income	(828)	-
Net foreign exchange loss	535	1
Interest expense	55	60
Income tax expense/(benefit)	335	(212)
Depreciation and amortisation	3,095	1,877
EBITDA	<u>1,838</u>	<u>1,873</u>

The Group has grown the number of OEM customers shipping Dante enabled products to 360 OEMs at 31 December 2020, up 23% from 292 at 31 December 2019. Once the OEM has designed the Dante platform into one of its products, the Group will receive revenue at each production run in the form of sales of Dante chips, modules or cards or royalties. Dante enabled OEM products available for sale increased to 3,008 products, up 27% from 2,371 at 31 December 2019. Whilst Audinate continued to experience growth in key business metrics this did not fully translate into growth in revenue and units as the AV industry experienced headwinds from global economic conditions, including the impact of COVID-19 and unfavourable exchange rates.

Operating expenses, which consist of employee benefit expenses, marketing expenses and administration and other operating expenses decreased by approximately 5.6% to \$10.0 million in the half-year period ended 31 December 2020 from \$10.6 million in the previous corresponding period. This decrease was due to: a) a \$0.6 million increase from additional headcount; b) the previous corresponding period including \$0.6 million of costs incurred as a result of the prior CEO's exit; c) a \$0.4 million decrease in travel costs; and d) a \$0.2 million favourable foreign exchange benefit on foreign subsidiary expenditures. EBITDA was \$1.8 million in the half-year period ended 31 December 2020 compared to \$1.9 million in the previous corresponding period.

As a result of COVID-19 related stimulus initiatives the Group has received \$759,000 in JobKeeper support payments, \$50,000 from the Australian Government's Cash Flow Boost program and a \$19,000 Hong Kong Employee Support Scheme grant in the half-year period ended 31 December 2020. These amounts were recorded in other income and are therefore excluded from the calculation of EBITDA.

Consistent with the prior financial year, the Group considered it prudent and appropriate to not recognise tax losses of approximately \$0.9 million generated in half-year period ended 31 December 2020. These tax losses include the benefit of research and development tax offsets, which the Group expects to continue to receive in future years. The Group retains access to these tax losses to apply against taxable income in future periods and may re-recognise them as an asset when greater certainty returns.

Net loss after tax was \$1.2 million compared to \$0.3 million net profit after tax in the six-month period ended 31 December 2019. The main factor in this movement was a \$1.2 million increase in depreciation and amortisation relating primarily to increased development costs.

Significant changes in the state of affairs

The Group completed an institutional placement on 22 July 2020 which raised \$28 million of cash and resulted in the issue of 5,436,894 ordinary shares on this date. In addition, a Share Purchase Plan was completed on 17 August 2020 which raised \$12 million of cash and resulted in the issue of 2,343,750 ordinary shares on this date.

During the period, Audinate was able to attract and establish an experienced video development team of 11 employees in Cambridge (UK) which adds 165 years of video experience and expertise to Audinate. The recruitment of this team will allow the Group to accelerate the execution of its video strategy.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191, relating to 'rounding-off' of amounts. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out following the Directors' Report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

This report is made in accordance with a resolution of directors.

On behalf of the directors



David Krall
Chairman

22 February 2021
Sydney

22 February 2021

The Board of Directors
Audinate Group Limited
Level 7
64 Kippax Street
Surry Hills NSW

Dear Board Members

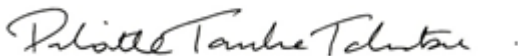
Auditor's Independence Declaration to Audinate Group Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Audinate Group Limited.

As lead audit partner for the review of half year financial report of Audinate Group Limited for the half year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Helen Hamilton-James
Partner
Chartered Accountant

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Audinate Group Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020



	Note	Consolidated 31 Dec 2020 \$'000	31 Dec 2019 \$'000
Revenue			
Sales	4	15,372	16,147
Cost of goods sold		(3,547)	(3,694)
Gross margin		<u>11,825</u>	<u>12,453</u>
Expenses			
Employee expenses		(7,831)	(7,803)
Sales and marketing expenses		(849)	(1,287)
Administration and other operating expenses		(1,307)	(1,490)
Depreciation and amortisation		(3,095)	(1,877)
Total expenses		<u>(13,082)</u>	<u>(12,457)</u>
Operating loss		(1,257)	(4)
Net foreign exchange loss		(535)	(1)
Finance costs		(55)	(60)
Other income	5	<u>973</u>	<u>194</u>
(Loss)/profit before income tax (expense)/benefit		(874)	129
Income tax (expense)/benefit	6	<u>(335)</u>	<u>212</u>
(Loss)/profit after income tax (expense)/benefit for the half-year attributable to the owners of Audinate Group Limited		(1,209)	341
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>(58)</u>	<u>(29)</u>
Other comprehensive income for the half-year, net of tax		<u>(58)</u>	<u>(29)</u>
Total comprehensive income for the half-year attributable to the owners of Audinate Group Limited		<u>(1,267)</u>	<u>312</u>
		Cents	Cents
Basic earnings per share	7	(1.62)	0.52
Diluted earnings per share	7	(1.62)	0.52

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	Consolidated 31 Dec 2020 \$'000	30 Jun 2020 \$'000
Assets			
Current assets			
Cash and cash equivalents		39,326	29,286
Term deposits	8	27,000	-
Trade and other receivables	9	2,692	1,849
Current tax asset	6	16	-
Inventories		1,190	1,645
Other assets		961	993
Total current assets		<u>71,185</u>	<u>33,773</u>
Non-current assets			
Property, plant and equipment		1,466	1,455
Right-of-use assets		2,228	2,481
Intangibles		13,235	12,050
Deferred tax	6	136	100
Other assets		444	444
Total non-current assets		<u>17,509</u>	<u>16,530</u>
Total assets		<u>88,694</u>	<u>50,303</u>
Liabilities			
Current liabilities			
Trade and other payables		2,821	3,034
Contract liabilities		426	512
Lease liability		669	585
Income tax payable	6	-	258
Employee benefits		2,288	1,600
Other liabilities		98	108
Total current liabilities		<u>6,302</u>	<u>6,097</u>
Non-current liabilities			
Lease liability		1,710	2,003
Employee benefits		141	124
Other liabilities		102	112
Total non-current liabilities		<u>1,953</u>	<u>2,239</u>
Total liabilities		<u>8,255</u>	<u>8,336</u>
Net assets		<u>80,439</u>	<u>41,967</u>
Equity			
Contributed capital	10	126,943	87,526
Reserves		1,617	1,353
Accumulated losses		(48,121)	(46,912)
Total equity		<u>80,439</u>	<u>41,967</u>

Audinate Group Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2020



Consolidated	Contributed capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2019	83,143	775	(42,774)	41,144
Profit after income tax benefit for the half-year	-	-	341	341
Other comprehensive income for the half-year, net of tax	-	(29)	-	(29)
Total comprehensive income for the half-year	-	(29)	341	312
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	770	-	770
Issue of shares - share purchase plan	4,000	-	-	4,000
Issue of shares - exercise of options	41	-	-	41
Issue of shares - vesting of performance rights	490	(490)	-	-
Issue of shares - under long-term incentive plan	36	(36)	-	-
Share issue transaction costs, net of tax	(213)	-	-	(213)
Balance at 31 December 2019	87,497	990	(42,433)	46,054

Consolidated	Contributed capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2020	87,526	1,353	(46,912)	41,967
Loss after income tax expense for the half-year	-	-	(1,209)	(1,209)
Other comprehensive income for the half-year, net of tax	-	(58)	-	(58)
Total comprehensive income for the half-year	-	(58)	(1,209)	(1,267)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of shares - institutional placement	28,000	-	-	28,000
Share-based payments	-	640	-	640
Issue of shares - share purchase plan	11,999	-	-	11,999
Issue of shares - exercise of options	29	-	-	29
Issue of shares - under long term incentive plan	318	(318)	-	-
Share issue transaction costs, net of tax	(929)	-	-	(929)
Balance at 31 December 2020	126,943	1,617	(48,121)	80,439

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Audinate Group Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2020



	Consolidated	
Note	31 Dec 2020	31 Dec 2019
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	14,918	16,367
Payments to suppliers and employees (inclusive of GST)	(12,473)	(13,581)
Interest received	127	121
Interest and other finance costs paid	(55)	(60)
Government grants received	1,048	-
Income taxes refunded	-	90
Income taxes paid	(325)	(42)
Net cash from operating activities	<u>3,240</u>	<u>2,895</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(269)	(686)
Payments for intangibles	(3,791)	(3,854)
Payments for long-term secured term deposits	-	(444)
Investment in term deposits	(27,000)	-
Net cash used in investing activities	<u>(31,060)</u>	<u>(4,984)</u>
Cash flows from financing activities		
Proceeds from issue of shares	40,028	4,041
Share issue transaction costs	(1,254)	(294)
Repayment of lease liability	(307)	(339)
Proceeds from sale of employee shares	-	2,986
Net cash from financing activities	<u>38,467</u>	<u>6,394</u>
Net increase in cash and cash equivalents	10,647	4,305
Cash and cash equivalents at the beginning of the financial half-year	29,286	30,069
Effects of exchange rate changes on cash and cash equivalents	(607)	(25)
Cash and cash equivalents at the end of the financial half-year	<u><u>39,326</u></u>	<u><u>34,349</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Audinate Group Limited (the 'Company' or 'parent entity') as a consolidated entity consisting of Audinate Group Limited and the entities it controlled (collectively referred to as the 'Group') at the end of, or during, the financial half-year. The financial statements are presented in Australian dollars, which is Audinate Group Limited's functional and presentation currency.

Audinate Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 7
64 Kippax Street
Surry Hills NSW 2010

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 19 February 2021. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new and amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Operating segments

Identification of reportable operating segments

The Group operates in one segment, based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers) in assessing performance and in determining the allocation of resources.

As a result, the operating segment information is as disclosed in the statements and notes to the financial statements throughout the report.

Note 4. Revenue

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$'000	\$'000
Sales	15,372	16,147

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$'000	\$'000
Chips, cards and modules (including adapters)	10,477	12,615
Software revenue (including licence fees and royalties)	4,607	3,300
Other revenue	288	232
	<u>15,372</u>	<u>16,147</u>

Timing of revenue recognition

Revenue from providing support and maintenance is recognised over the period of time in which the services are provided. All other revenue is recognised when the service or software is provided or the goods are dispatched from the warehouse.

Note 5. Other income

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$'000	\$'000
Interest revenue	145	194
Government grants	828	-
	<u>973</u>	<u>194</u>

Government grants

During the half-year ended 31 December 2020, the Group received \$759,000 from JobKeeper support payments from the Australian Government which are passed on to eligible employees. These have been recognised as government grants in the financial statements and recorded as other income over the periods in which the related employee benefits are recognised as an expense. In addition, the Group received \$50,000 from the Australian Government's Cash Flow Boost program and a \$19,000 grant from the Hong Kong Government's Employment Support Scheme.

Note 6. Income tax (continued)

Current tax asset represents amount receivable by overseas subsidiaries from overseas tax offices.

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$'000	\$'000
<i>Income tax payable</i>		
Income tax payable	-	258

Income tax payable represents an estimate of tax payable by overseas subsidiaries.

The income tax rate for the Australian tax consolidated group reduced from 27.5% to 26% with effect from 1 July 2020. The change in rate increased the unused tax losses for which no deferred tax asset is recognised by \$23,000.

The Group has \$4,543,000 (30 June 2020: \$3,630,000) of unused tax losses for which no deferred tax asset is recognised in the statement of financial position.

Note 7. Earnings per share

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$'000	\$'000
(Loss)/profit after income tax attributable to the owners of Audinate Group Limited	(1,209)	341
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	74,592,994	65,310,617
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	-	632,463
Performance rights	-	32,970
Weighted average number of ordinary shares used in calculating diluted earnings per share	74,592,994	65,976,050
	Cents	Cents
Basic earnings per share	(1.62)	0.52
Diluted earnings per share	(1.62)	0.52

At 31 December 2020, options and performance rights over ordinary shares were excluded from the calculation of the weighted average number of ordinary shares used in calculating diluted earnings per share due to being anti-dilutive, as the Group reported a loss for the period.

Note 8. Current assets - term deposits

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$'000	\$'000
Term deposits	27,000	-

Current term deposits represent term deposits with a maturity date of between three months and one year from the date of acquisition.

Note 9. Current assets - trade and other receivables

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$'000	\$'000
Trade receivables	2,281	1,394
Less: Allowance for expected credit losses	(1)	(11)
	<u>2,280</u>	<u>1,383</u>
Other receivables	412	466
	<u>2,692</u>	<u>1,849</u>

Allowance for expected credit losses

Based on recent improved credit experience the Group has recognised a benefit of \$10,000 (31 December 2019: \$1,000) in profit or loss in respect of the expected credit losses for the half-year ended 31 December 2020.

Note 10. Equity - contributed capital

Fully paid ordinary shares

	Consolidated			
	31 Dec 2020	30 Jun 2020	31 Dec 2020	30 Jun 2020
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	<u>76,253,619</u>	<u>67,940,499</u>	<u>126,943</u>	<u>87,526</u>

Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 10. Equity - contributed capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Price	\$'000
Balance	1 July 2020	67,940,499		87,526
Issue of shares - institutional placement	27 July 2020	5,436,894	\$5.1500	28,000
Issue of shares - exercise of options	10 August 2020	40,000	\$0.0260	-
Issue of shares - exercise of options	10 August 2020	8,000	\$0.2600	2
Issue of shares - share purchase plan	17 August 2020	2,343,750	\$5.1200	11,999
Issue of shares - exercise of options	24 August 2020	10,000	\$0.0620	1
Issue of shares - exercise of options	24 August 2020	7,613	\$0.2600	2
Issue of shares - vesting of performance rights	31 August 2020	262,529	\$0.7800	205
Issue of shares - vesting of performance rights	31 August 2020	15,689	\$7.2100	113
Issue of shares - exercise of options	19 October 2020	3,826	\$0.0260	-
Issue of shares - exercise of options	30 October 2020	60,000	\$0.2600	16
Issue of shares - exercise of options	30 October 2020	4,819	\$0.0260	-
Issue of shares - exercise of options	24 November 2020	110,000	\$0.0620	7
Issue of shares - exercise of options	4 December 2020	10,000	\$0.0620	1
Share issue transaction costs, net of tax		-		(929)
Balance	31 December 2020	<u>76,253,619</u>		<u>126,943</u>

The price for performance rights disclosed in the table above represents fair value of the right at grant date.

Note 11. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 12. Contingent liabilities

The Group had no contingent liabilities at 31 December 2020 and 30 June 2020.

Note 13. Events after the reporting period

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



David Krall
Chairman

22 February 2021
Sydney

Independent Auditor's Review Report to the Members of Audinate Group Limited

We have reviewed the accompanying half-year financial report of Audinate Group Limited, which comprises the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on page 16.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Half-year Financial Report section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibility for the Half-Year Financial Report

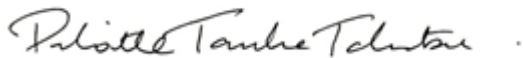
The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



DELOITTE TOUCHE TOHMATSU



Helen Hamilton-James
Partner
Chartered Accountants
Sydney, 22 February 2021

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