

1. Company details

Name of entity:	Audinate Group Limited
ABN:	56 618 616 916
Reporting period:	For the half-year ended 31 December 2024
Previous period:	For the half-year ended 31 December 2023

2. Results for announcement to the market

				\$'000
Revenues from ordinary activities	down	(38.4%)	to	28,722
Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA')	down	(91.5%)	to	842
Loss before income tax expense	up	>100%	to	(4,276)
Loss from ordinary activities after tax expense attributable to the owners of Audinate Group Limited	up	>100%	to	(2,207)
Loss for the year attributable to the owners of Audinate Group Limited	up	>100%	to	(2,207)

Dividends

No dividends paid, recommended or declared during the current financial period.

Comments

Review of operations

For the half-year period ended 31 December 2024, the Group reported a 38.4% decrease in revenue, declining to \$28.7 million from \$46.6 million in the prior corresponding period (six months ended 31 December 2023). Given that the Group invoices its customers in US dollars, this currency provides a more relevant measure of sales performance. In US dollars, revenue decreased by 38.0%, falling to US\$18.9 million from US\$30.4 million in the previous corresponding period.

As previously communicated, Audinate's FY25 financial performance has been impacted by our manufacturing customers working through accumulated inventory balances, leading to a dampening in short term demand for our chips, card and modules products. This has temporarily affected revenue as customers utilise existing inventory rather than placing new orders.

Gross profit decreased by 29.3%, from \$33.5 million in the prior corresponding period to \$23.7 million for the half-year ended 31 December 2024. As anticipated, the increased contribution of Software sales to overall revenue resulted in an improved gross margin. The gross margin for the half-year ended 31 December 2024 increased to 82.5%, compared to 71.8% in the prior 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. The Group's reconciliation of its statutory net profit after tax for the current and previous year to EBITDA is as follows:

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
(Loss)/profit after income tax expense for the half-year	(2,207)	4,745
Interest income	(2,407)	(1,663)
Interest expense	110	69
Income tax (benefit)/expense	(2,069)	844
Depreciation and amortisation	7,415	5,899
EBITDA*	<u>842</u>	<u>9,894</u>

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* The EBITDA measure previously excluded the foreign exchange gains/loss, however from the current financial year, these have been included into the EBITDA measure as the impacts are directly linked to Audinate's core operations and are therefore considered relevant to its operating performance.

Operating expenses, comprising employee benefit expenses, sales and marketing expenses, and administration and other operating expenses, decreased by approximately 1.1% to \$23.1 million for the half-year ended 31 December 2024, compared to \$23.4 million in the prior corresponding period. The primary driver of this decrease was a \$1 million reduction in employee costs, primarily due to lower short and long-term employee incentive expenses. This reduction was partially offset by higher costs associated with an increase in headcount, which rose from 204 as of 31 December 2023 to 226 as of 31 December 2024. Sales and marketing expenses increased by \$0.2 million compared to the prior corresponding period, driven by higher spending on marketing initiatives to better engage with Dante installed base. Administration and other operating expenses rose by \$0.5 million, reflecting increased costs for software subscriptions, travel, and professional services.

Audinate generated \$0.3 million in foreign currency gains in the half-year ended 31 December 2024 compared to \$0.2 million of foreign currency losses in the previous corresponding period.

EBITDA was \$0.8 million for the half-year ended 31 December 2024, compared to \$9.9 million in the prior corresponding period.

The increase in capitalised development costs resulted in a rise in depreciation and amortisation expenses to \$7.4 million for the half-year ended 31 December 2024, up from \$5.9 million in the prior corresponding period. Audinate also recognised an income tax benefit of \$2.1 million during the half-year ended 31 December 2024, compared to an income tax expense of \$0.8 million in the prior corresponding period.

As a result of these movements, the net loss after tax for the half-year ended 31 December 2024 was \$2.2 million, compared to a net profit after tax of \$4.7 million in the prior corresponding period.

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

3. Net tangible assets

	31 Dec 2024 Cents	30 June 2024 Cents
Net tangible assets per ordinary security	<u>156.38</u>	<u>159.56</u>

Net tangible assets is calculated as net assets excluding intangibles as per the statement of financial position.

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 2024 is attached.

7. Signed

Authorised by the Board of Directors.

Signed 

Date: 17 February 2025

David Krall
Chairman
Sydney

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Audinate Group Limited

ABN 56 618 616 916

Interim Report - 31 December 2024

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Directors	David Krall Aidan Williams John Dyson Roger Price Alison Ledger Tim Finlayson Amrita Blickstead
Company secretary	Chris Rollinson
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	Ernst & Young 200 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 2024.

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
Amrita Blickstead

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 chips, cards and modules that are sold to and integrated inside the AV products of its Original Equipment Manufacturer ('OEM') customers. Audinate also provides a series of products and services to AV professionals including AVIO adapters and management and control software.

Dividends

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 2024, the Group reported a decrease in revenue of 38.4% to \$28.7 million from \$46.6 million in the previous corresponding period (six months ended 31 December 2023). As the Group invoices its customers in US dollars, this currency is a more relevant measure of sales performance. In US dollars, revenue decreased by 38.0% to US\$18.9 million in the current period from US\$30.4 million in the previous corresponding period.

As previously communicated, Audinate's FY25 financial performance has been impacted by our manufacturing customers working through accumulated inventory balances, leading to a dampening in short term demand for our chips, card and modules products. This has temporarily affected revenue as customers utilise existing inventory rather than placing new orders.

Gross profit decreased by 29.3%, from \$33.5 million in the prior corresponding period to \$23.7 million for the half-year ended 31 December 2024. As anticipated, the increased contribution of Software sales to overall revenue resulted in an improved gross margin. The gross margin for the half-year ended 31 December 2024 increased to 82.5%, compared to 71.8% in the prior 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. The Group's reconciliation of its statutory net profit after tax for the current and previous year to EBITDA is as follows:

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EBITDA was \$0.8 million for the half-year ended 31 December 2024, compared to \$9.9 million in the prior corresponding period.

The increase in capitalised development costs resulted in a rise in depreciation and amortisation expenses to \$7.4 million for the half-year ended 31 December 2024, up from \$5.9 million in the prior corresponding period. Audinate also recognised an income tax benefit of \$2.1 million during the half-year ended 31 December 2024, compared to an income tax expense of \$0.8 million in the prior corresponding period.

As a result of these movements, the net loss after tax for the half-year ended 31 December 2024 was \$2.2 million, compared to a net profit after tax of \$4.7 million in the prior corresponding period.

The following table highlights key balances in Audinate's statement of financial position.

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
Cash and term deposits	111,279	117,037
Inventories	4,809	5,233
Total current assets	126,106	135,388
Total non-current assets	55,366	54,086
Total assets	181,472	189,474
Total current liabilities	9,517	15,249
Total non-current liabilities	3,895	3,739
Total liabilities	13,412	18,988
Total equity	168,060	170,486

The Company recorded operating cash flows of \$1.18 million for the half-year ended 31 December 2024 compared to \$11.8 million for the previous corresponding period.

At 31 December 2024, Audinate held over \$111 million in cash and term deposits.

Ongoing strength in core business metrics

The Audinate sale cycle involves an OEM design win followed by a period of 12 – 24 months for completion of product design, followed by a repeat revenue model from the point of manufacture. During the period, the number of OEMs in the process of developing their first Dante product increased to 173 from 159 in the previous corresponding period. Furthermore, the number of OEMs shipping Dante products increased to 476 from 430 in the previous corresponding period.

As a result, the number of Dante-enabled OEM products increased to 4,372, reflecting a net increase in products of 196 for the six months ended 31 December 2024 compared to 155 net products added during the previous corresponding period. This growth is important to continue to drive revenue in future period.

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Significant changes in the state of affairs

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

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2024 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.

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.

On behalf of the directors



David Krall
Chairman

17 February 2025
Sydney

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**Shape the future
with confidence**

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
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Auditor's independence declaration to the directors of Audinate Group Limited

As lead auditor for the review of the half-year financial report of Audinate Group Limited for the half-year ended 31 December 2024, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Audinate Group Limited and the entities it controlled during the financial period.

Ernst & Young

Rachel Rudman
Partner
17 February 2025

Audinate Group Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

AUDINATE

	Note	Consolidated 31 Dec 2024 \$'000	31 Dec 2023 \$'000
Revenue			
Sales	4	28,722	46,604
Cost of goods sold		<u>(5,037)</u>	<u>(13,122)</u>
Gross profit		23,685	33,482
Expenses			
Employee expenses		(16,611)	(17,548)
Sales and marketing expenses		(2,587)	(2,411)
Administration and other operating expenses		(3,945)	(3,434)
Depreciation and amortisation		<u>(7,415)</u>	<u>(5,899)</u>
Total expenses		<u>(30,558)</u>	<u>(29,292)</u>
Operating (loss)/profit		(6,873)	4,190
Net foreign exchange gain/(loss)		300	(195)
Finance costs		(110)	(69)
Other income	5	<u>2,407</u>	<u>1,663</u>
(Loss)/profit before income tax benefit/(expense)		(4,276)	5,589
Income tax benefit/(expense)	6	<u>2,069</u>	<u>(844)</u>
(Loss)/profit after income tax benefit/(expense) for the half-year		(2,207)	4,745
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>560</u>	<u>(258)</u>
Other comprehensive income for the half-year, net of tax		<u>560</u>	<u>(258)</u>
Total comprehensive income for the half-year		<u>(1,647)</u>	<u>4,487</u>
		Cents	Cents
Basic (loss)/earnings per share	7	(2.65)	5.88
Diluted (loss)/earnings per share	7	(2.65)	5.88

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

Audinate Group Limited
Consolidated statement of financial position
As at 31 December 2024

AUDINATE

	Note	Consolidated 31 Dec 2024 \$'000	30 Jun 2024 \$'000
Assets			
Current assets			
Cash and cash equivalents	8	70,652	47,842
Term deposits	9	40,627	69,195
Trade and other receivables	10	6,896	10,690
Income tax receivables	6	17	45
Inventories		4,809	5,233
Other assets		3,105	2,383
Total current assets		<u>126,106</u>	<u>135,388</u>
Non-current assets			
Property, plant and equipment		2,246	2,088
Right-of-use assets		2,680	3,144
Intangibles	11	37,729	37,874
Deferred tax	6	12,248	10,537
Other assets		463	443
Total non-current assets		<u>55,366</u>	<u>54,086</u>
Total assets		<u>181,472</u>	<u>189,474</u>
Liabilities			
Current liabilities			
Trade and other payables		2,283	3,886
Contract liabilities		2,761	2,240
Lease liability		1,131	1,041
Income tax payable	6	115	72
Employee benefits		3,227	8,010
Total current liabilities		<u>9,517</u>	<u>15,249</u>
Non-current liabilities			
Contract liabilities		1,522	887
Lease liability		1,914	2,406
Deferred tax	6	51	75
Employee benefits		408	371
Total non-current liabilities		<u>3,895</u>	<u>3,739</u>
Total liabilities		<u>13,412</u>	<u>18,988</u>
Net assets		<u>168,060</u>	<u>170,486</u>
Equity			
Contributed capital	12	202,005	199,764
Reserves	13	2,193	4,653
Accumulated losses		<u>(36,138)</u>	<u>(33,931)</u>
Total equity		<u>168,060</u>	<u>170,486</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Audinate Group Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2024

AUDINATE

Consolidated	Contributed capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2023	129,307	5,056	(44,167)	90,196
Profit after income tax expense for the half-year	-	-	4,745	4,745
Other comprehensive income for the half-year, net of tax	-	(258)	-	(258)
Total comprehensive income for the half-year	-	(258)	4,745	4,487
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	1,768	-	1,768
Issue of shares - under long term incentive plan	1,591	(1,591)	-	-
Issue of shares - institutional placement	50,000	-	-	50,000
Issue of shares - share purchase plan	20,000	-	-	20,000
Share issue transaction costs	(2,117)	-	-	(2,117)
Tax credit recognised directly in equity	983	657	-	1,640
Balance at 31 December 2023	<u>199,764</u>	<u>5,632</u>	<u>(39,422)</u>	<u>165,974</u>
Consolidated	Contributed capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2024	199,764	4,653	(33,931)	170,486
Loss after income tax benefit for the half-year	-	-	(2,207)	(2,207)
Other comprehensive income for the half-year, net of tax	-	560	-	560
Total comprehensive income for the half-year	-	560	(2,207)	(1,647)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	(152)	-	(152)
Issue of shares - under long term incentive plan	2,241	(2,241)	-	-
Tax credit recognised directly in equity	-	(627)	-	(627)
Balance at 31 December 2024	<u>202,005</u>	<u>2,193</u>	<u>(36,138)</u>	<u>168,060</u>

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 2024

AUDINATE

Consolidated
31 Dec 2024 31 Dec 2023
\$'000 \$'000

Cash flows from operating activities

Receipts from customers (inclusive of GST)	33,911	46,631
Payments to suppliers and employees (inclusive of GST)	(34,787)	(35,482)
Interest received	2,383	1,040
Interest and other finance costs paid	(110)	(69)
Income taxes paid	(219)	(352)
	<u> </u>	<u> </u>

Net cash from operating activities	<u>1,178</u>	<u>11,768</u>
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Cash flows from investing activities

Payments for property, plant and equipment	(1,009)	(395)
Payments for intangibles	(5,731)	(6,827)
Proceeds from/(investment in) term deposits	28,568	(33,500)
	<u> </u>	<u> </u>

Net cash from/(used in) investing activities	<u>21,828</u>	<u>(40,722)</u>
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Cash flows from financing activities

Proceeds from issue of shares	-	70,000
Share issue transaction costs	-	(2,117)
Repayment of lease liability	(525)	(490)
	<u> </u>	<u> </u>

Net cash (used in)/from financing activities	<u>(525)</u>	<u>67,393</u>
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Net increase in cash and cash equivalents	22,481	38,439
Cash and cash equivalents at the beginning of the financial half-year	47,842	24,031
Effects of exchange rate changes on cash and cash equivalents	329	(298)
	<u> </u>	<u> </u>

Cash and cash equivalents at the end of the financial half-year	<u><u>70,652</u></u>	<u><u>62,172</u></u>
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The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

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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 17 February 2025. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 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 are condensed financial statements that 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 Jun 2024 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 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 during the financial half-year ended 31 December 2024 and are not expected to have a significant impact for the full financial year ending 30 June 2025.

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 Chief Executive Officer (who is identified as the Chief Operating Decision Maker) in assessing performance and in determining the allocation of resources.

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

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Note 4. Revenue

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Sales	28,722	46,604

Disaggregation of revenue

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

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Chips, cards and modules - units	15,099	34,564
Chips, cards and modules - subscriptions and maintenance	291	284
Software	11,381	10,143
Software - subscriptions and maintenance	1,353	1,063
Other	598	550
	<u>28,722</u>	<u>46,604</u>

Timing of revenue recognition

Revenue from subscriptions and 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 2024	31 Dec 2023
	\$'000	\$'000
Interest income	2,407	1,663

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Note 6. Income tax

The Group incurs an income tax expense in its overseas subsidiaries relating to the net taxable profit generated on services provided to the Group.

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
<i>Income tax (benefit)/expense</i>		
Current tax	269	228
Under provision prior year	50	30
Deferred tax - origination and reversal of temporary differences	(2,388)	586
	<u>(2,069)</u>	<u>844</u>
<i>Numerical reconciliation of income tax (benefit)/expense and tax at the statutory rate</i>		
(Loss)/profit before income tax benefit/(expense)	(4,276)	5,589
Tax at the statutory tax rate of 30%	(1,283)	1,677
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Research and development incentive benefit	(713)	(736)
Income from controlled foreign companies	147	158
Share-based payments	44	(24)
Tax deductible amounts in a foreign subsidiary	(299)	(136)
Non-assessable income	-	(10)
Non-deductible expenses	89	5
	<u>(2,015)</u>	<u>934</u>
Under provision prior year	50	30
Other	(104)	(120)
	<u>(2,069)</u>	<u>844</u>
	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
<i>Deferred tax asset</i>		
Net deferred tax asset comprises temporary differences attributable to:		
Carried forward tax losses	12,311	9,822
Provisions	937	1,963
Share-based payments	266	1,608
Lease liabilities	805	907
Capital blackhole expenditure	499	588
Unearned revenue	1,122	824
Trade and other payables	218	179
Intangible assets	(2,969)	(4,199)
Right-of-use assets	(713)	(834)
Property, plant and equipment	(217)	(274)
Unrealised foreign exchange gains	187	390
Trade and other receivables	(461)	(640)
Other	212	128
	<u>12,197</u>	<u>10,462</u>

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Note 6. Income tax (continued)

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
Deferred tax asset	12,248	10,537
Deferred tax liability	(51)	(75)
Net deferred tax asset	<u>12,197</u>	<u>10,462</u>

Note 7. Earnings per share

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
(Loss)/profit after income tax	<u>(2,207)</u>	<u>4,745</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	83,279,589	80,683,439
Adjustments for calculation of diluted earnings per share:		
Performance rights	-	44,917
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>83,279,589</u>	<u>80,728,356</u>
	Cents	Cents
Basic (loss)/earnings per share	(2.65)	5.88
Diluted (loss)/earnings per share	(2.65)	5.88

At 31 December 2024, 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. Cash and cash equivalents

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
<i>Current assets</i>		
Cash at bank	11,743	14,310
Cash on deposit	58,909	33,532
	<u>70,652</u>	<u>47,842</u>

Note 9. Term deposits

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
<i>Current assets</i>		
Term deposits	40,627	69,195
	<u>40,627</u>	<u>69,195</u>

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Note 9. Term deposits (continued)

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

Note 10. Trade and other receivables

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
<i>Current assets</i>		
Trade receivables	4,235	8,217
Less: Allowance for expected credit losses	(35)	(19)
	<u>4,200</u>	<u>8,198</u>
Other receivables	<u>2,696</u>	<u>2,492</u>
	<u><u>6,896</u></u>	<u><u>10,690</u></u>

Allowance for expected credit losses

The Group has recognised \$16,000 (31 December 2023: \$nil) in the income statement in respect of the expected credit losses for the half-year ended 31 December 2024.

Note 11. Intangibles

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
<i>Non-current assets</i>		
Goodwill - at cost	<u>9,440</u>	<u>9,073</u>
Development costs	60,872	55,109
Less: Accumulated amortisation	(33,511)	(27,457)
	<u>27,361</u>	<u>27,652</u>
Intellectual property	814	789
Less: Accumulated amortisation	(691)	(647)
	<u>123</u>	<u>142</u>
Customer contracts - at cost	780	780
Less: Accumulated amortisation	(515)	(427)
	<u>265</u>	<u>353</u>
Software - at cost	2,420	2,604
Less: Accumulated amortisation	(1,880)	(1,950)
	<u>540</u>	<u>654</u>
	<u><u>37,729</u></u>	<u><u>37,874</u></u>

Note 11. Intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Goodwill \$'000	Development costs \$'000	Intellectual property \$'000	Customer contracts \$'000	Software \$'000	Total \$'000
Balance at 1 July 2024	9,073	27,652	142	353	654	37,874
Additions	-	5,763	25	-	151	5,939
Foreign exchange differences	367	-	-	-	-	367
Amortisation expense	-	(6,054)	(44)	(88)	(265)	(6,451)
Balance at 31 December 2024	<u>9,440</u>	<u>27,361</u>	<u>123</u>	<u>265</u>	<u>540</u>	<u>37,729</u>

Note 12. Contributed capital

Fully paid ordinary shares

	Consolidated			
	31 Dec 2024 Shares	30 Jun 2024 Shares	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Ordinary shares - fully paid	<u>83,342,014</u>	<u>83,108,836</u>	<u>202,005</u>	<u>199,764</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.

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.

Movements in ordinary share capital

Details	Date	Shares	Price	\$'000
Balance	1 July 2024	83,108,836		199,764
Issue of shares - vesting of performance rights	19 August 2024	184,519	\$9.10	1,680
Issue of shares - vesting of performance rights	19 August 2024	17,064	\$8.52	145
Issue of shares - vesting of performance rights	19 August 2024	25,545	\$13.95	356
Issue of shares - under long term incentive plan	29 August 2024	6,050	\$9.81	60
Balance	31 December 2024	<u>83,342,014</u>		<u>202,005</u>

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

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Note 13. Reserves

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
Foreign currency reserve	274	(286)
Share-based payments reserve	1,919	4,939
	<u>2,193</u>	<u>4,653</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Foreign currency \$'000	Share-based payments \$'000	Total \$'000
Balance at 1 July 2024	(286)	4,939	4,653
Foreign currency translation	560	-	560
Share-based payments	-	(152)	(152)
Issue of shares	-	(2,241)	(2,241)
Tax credit recognised directly in equity	-	(627)	(627)
Balance at 31 December 2024	<u>274</u>	<u>1,919</u>	<u>2,193</u>

Note 14. Dividends

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

Note 15. Contingent liabilities

The Group had no contingent liabilities at 31 December 2024 and 30 June 2024.

Note 16. Events after the reporting period

No matter or circumstance has arisen since 31 December 2024 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.

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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 2024 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

17 February 2025
Sydney

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Independent auditor's review report to the members of Audinate Group Limited

Conclusion

We have reviewed the accompanying half-year financial report of Audinate Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

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 does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial 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* (ASRE 2410). 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 auditor independence requirements of the *Corporations Act 2001* and 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.

Directors' responsibilities for the half-year financial report

The directors of the Company 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 responsibilities for the review of the half-year financial report

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 2024 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.

Ernst & Young

Ernst & Young

Rudman

Rachel Rudman
Partner
Sydney
17 February 2025

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