

2020 Annual General Meeting

15 October 2020

Audinate®

Audinate Group Limited 2020 ANNUAL GENERAL MEETING

Thursday, 15 October 2020 at 9.30am (Sydney time).

Chairman's Address

Before our CEO Aidan Williams addresses us, I would like to welcome our directors that have joined us here virtually today, and would like to make a few comments.

There is little doubt that the COVID-19 crisis has made financial year 2020 a particularly tumultuous period for even the most seasoned CEOs. However, even with all the operational and day-to-day challenges that have arisen from this once in a generation event, Aidan has done a fantastic job continuing to progress Audinate's growth trajectory.

The Board have all been impressed by the mature and calm manner in which Aidan has balanced the immediate tactical demands of the business with an ongoing focus on strategic imperatives. We are also fortunate to have a level of depth, experience and expertise within our Executive Leadership team that have made an invaluable contribution in supporting Audinate's growth. On behalf of the Board, I would like to recognise and thank Aidan, the Executive Leadership Team, and the entire staff of Audinate for their persistence, dedication and teamwork in the extremely challenging and demanding environment that we have experienced this year.

I would also like to thank all our shareholders for their continued commitment and support. After year-end, Audinate completed a \$40 million equity raise which has provided growth capital and de-risked the business from the ongoing uncertainties and impacts of COVID-19. This capital injection also enhances our ability to consider strategic acquisitions. The placement raised \$28 million at a 5.1% discount to the 5-day VWAP and a further \$12 million was raised via an SPP at a 2.0% discount to the VWAP, both representing low levels of dilution for shareholders and strongly oversubscribed.

During the year, the business has continued to make good progress in achieving its medium-term objectives despite the challenging environment in the second half. The uptake of our new Dante products has been particularly encouraging with the number of design wins across Dante video, Dante Embedded Platform, Dante Application Library and IP core representing a strong market endorsement of these products. Notably, the Dante Embedded Platform introduces the capability for an end-user to add Dante to an existing AV product in the field. This is a significant step in the evolution of our business model and something we expect will aid the proliferation of our technology.

Product development requires new business infrastructure to enable and support it. Accordingly, it is pleasing to see the progress Audinate has made this year in terms of code protection and in-field licensing and enablement. The fulfilment of these capabilities is an essential strategic objective for the year ahead.

The establishment of a manufacturing line in Malaysia was initiated to address the imposition of US tariffs on Chinese imports. Following the emergence of the COVID-19 crisis, this provided critical business continuity and allowed us to maintain supply as many others experienced disruption. The opening of our office in the Philippines, amid COVID-19, was another important step in building out the business platform to support growth and achieve operational efficiencies.

We have made important progress in the video market this year, delivering our Dante AV Product Design Suite to customers in April, securing several design wins, facilitating a demo of the first Dante video camera by Bolin, and launching the Authorised Implementer Program to enable the production of white-labelled Dante video products. The launch of the first Dante video products by our customers will be another milestone we expect to achieve in the year ahead.

The milestones Audinate achieves in the near term will position the Company and our stakeholders to benefit from the economic recovery to come. We retain a strong conviction in our business and strategy to enable a transformation of the AV industry. Again, I would like to express my gratitude to the Audinate team and all our shareholders for their continued commitment and support throughout this challenging year.

I would now like to welcome Aidan Williams, our Chief Executive Officer, to address you.

2020 Audinate AGM: CEO Presentation

15 October 2020

Dante
Embedded
Platform



Aidan Williams – Chief Executive Officer

Audinate: pioneering the future of the AV industry

Dante technology distributes audio & video signals across computer networks

Audinate is the leading supplier of digital audio & video networking for the Professional AV industry

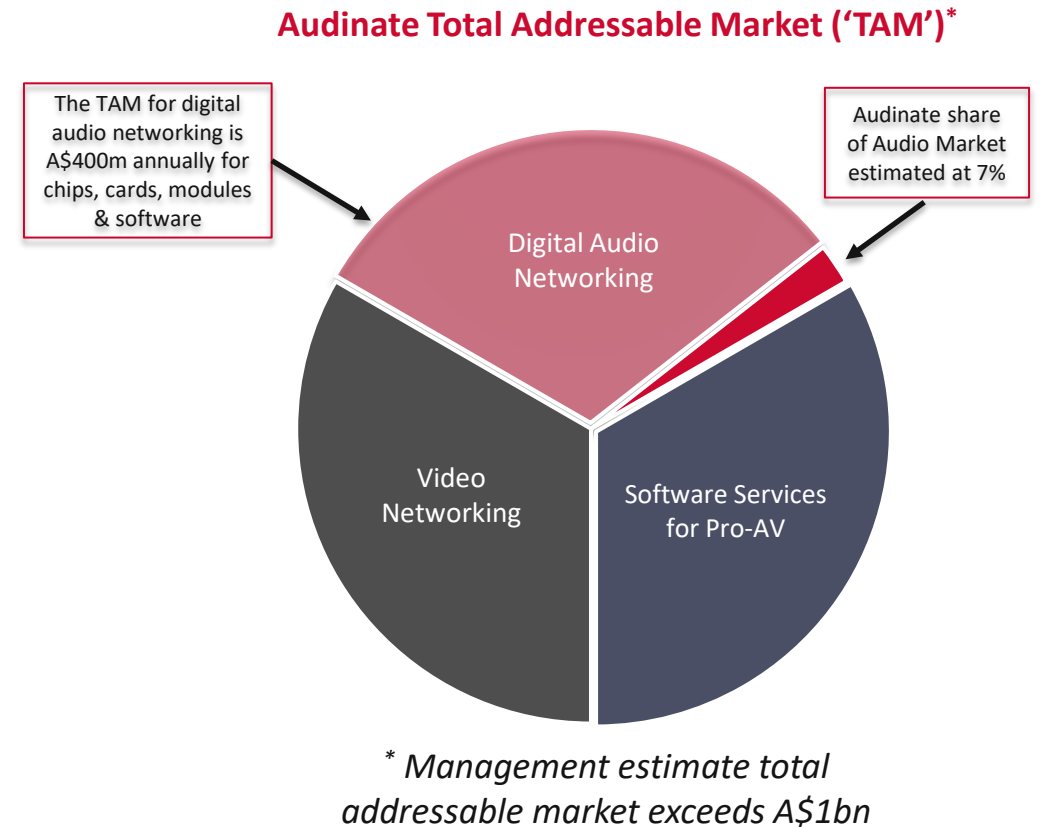
The Dante platform is used in thousands of installations globally

*Melbourne Convention Centre
Melbourne, Australia*



Audinate is driving the transformation of the AV industry

- Networked digital connectivity is replacing traditional, point-to-point analogue cabling in the AV industry
- Software-based AV systems are replacing hardware AV systems, in the next wave of industry transformation
- Transformation analogous to the impact of VOIP on the telecom industry



FY20 Highlights

Financial

A\$30.3m

Revenue
(US\$20.4m)

A\$2.0m

EBITDA

76.6%

Gross profit margin

A\$29.3m

Cash on hand
at 30 June 2020

Operational

2,804

Dante-enabled
products on the
market

57,000

Professionals
trained on Dante
during FY20

21%

Increase in OEMs
shipping Dante
product

A\$40.0m

Capital raised
via placement & SPP
post year end

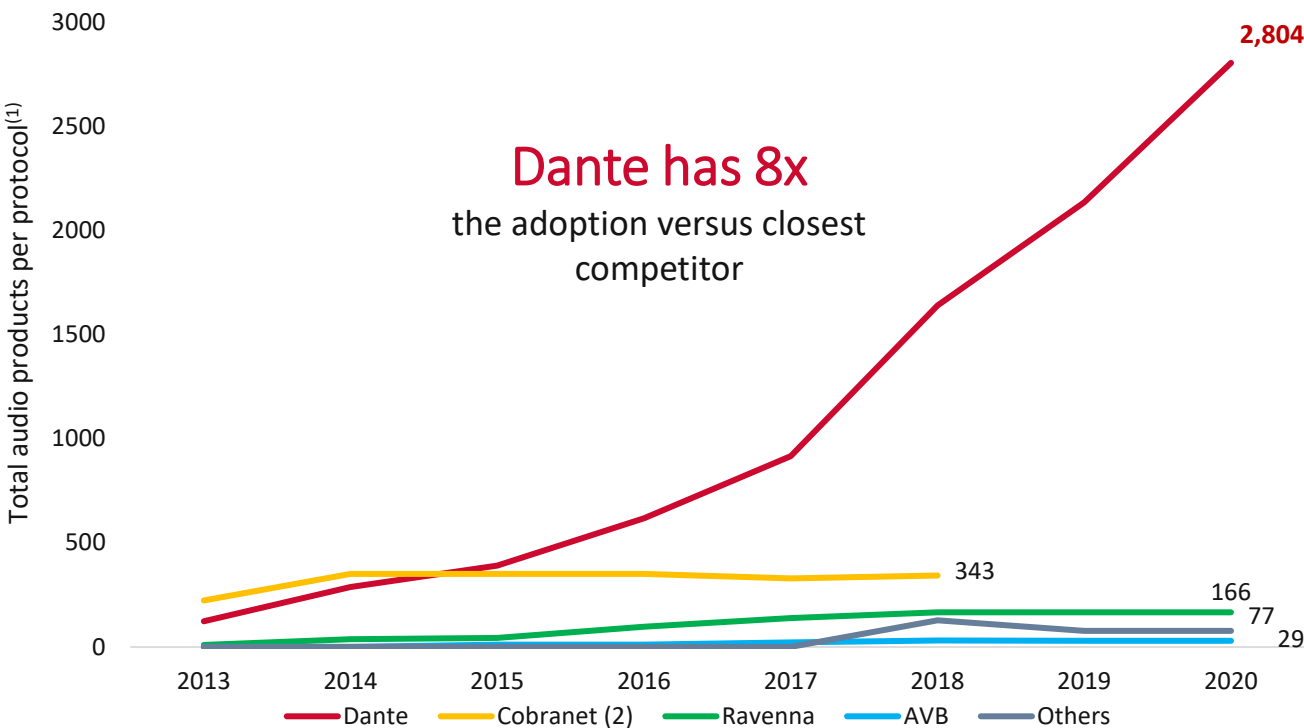
Leading global supplier of digital media networking

Highlights

>A\$1bn	Total addressable market ⁽¹⁾
328	OEM customers shipping Dante enabled products
2,804	Dante enabled products available on the market
8x	Market adoption of closest competitor
120,000	Dante trained and certified individuals globally

1) Management estimate of total addressable market of audio, video and Pro-AV software products

Increasing market awareness and adoption of Dante

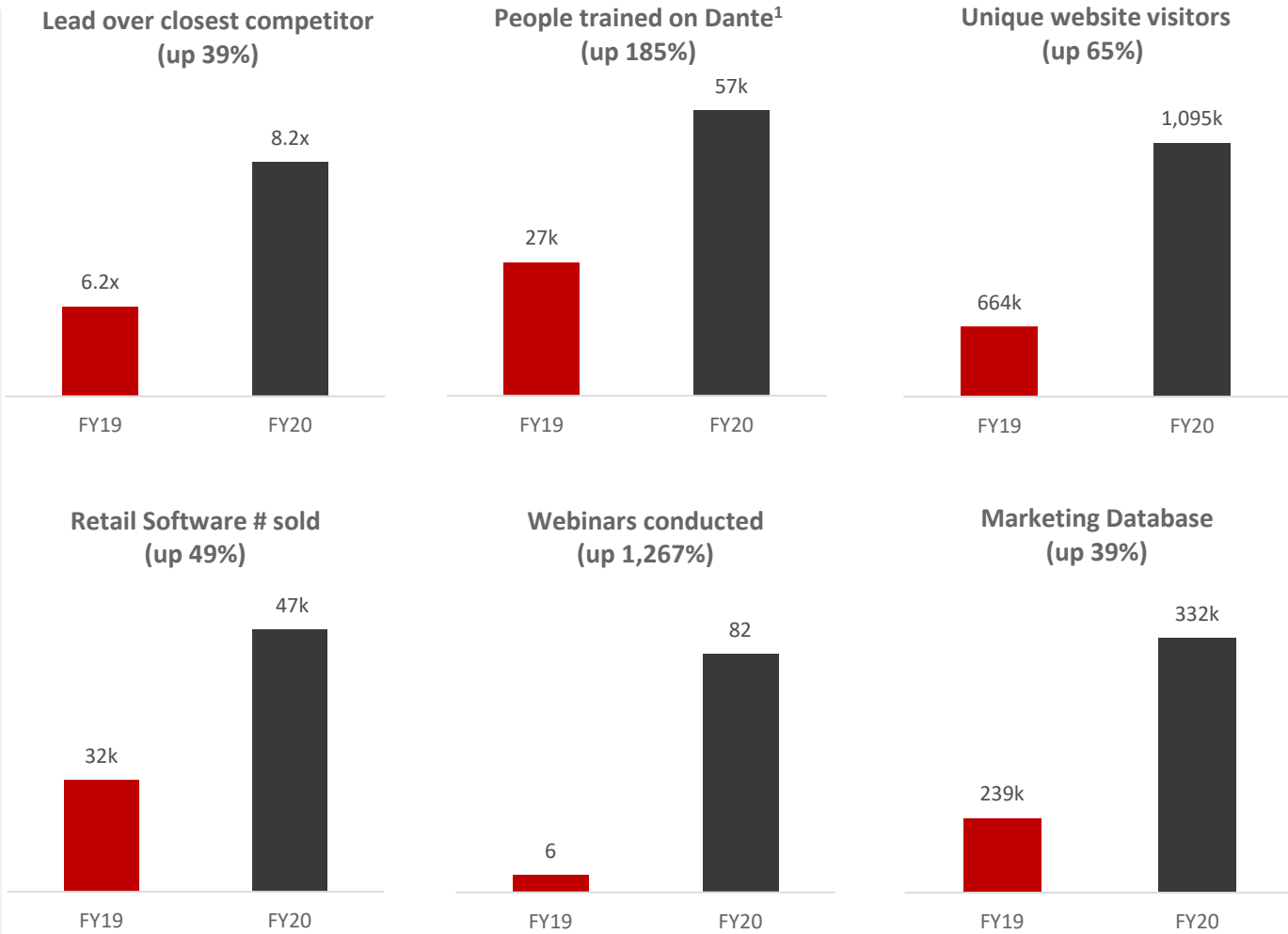


1) RH Consulting, Networked Audio Products 2020 and Audinate company data
2) RH Consulting stopped counting Cobranet products in 2020 and noted that it is impossible to get reliable data on available products, with only a small number of manufacturers selling some equipment. RH Consulting further noted that Cobranet is not a consideration in forward looking statements about the audio industry

Laying the foundation for accelerated adoption

Dante Certification Training

- Free training for industry professionals – including designers, system integrators & end users
- Conducted online, via webinar & in person
- Three levels of certification from introductory thru to advanced network troubleshooting
- Industry accredited for CPD
- Training now offered in 9 languages
- 8 Audinate trainers based in 5 countries
- Our research shows training = more Dante purchases
- Training content also applies to Dante video



¹Represents people trained on Dante during the year, total people trained on Dante now 120,000

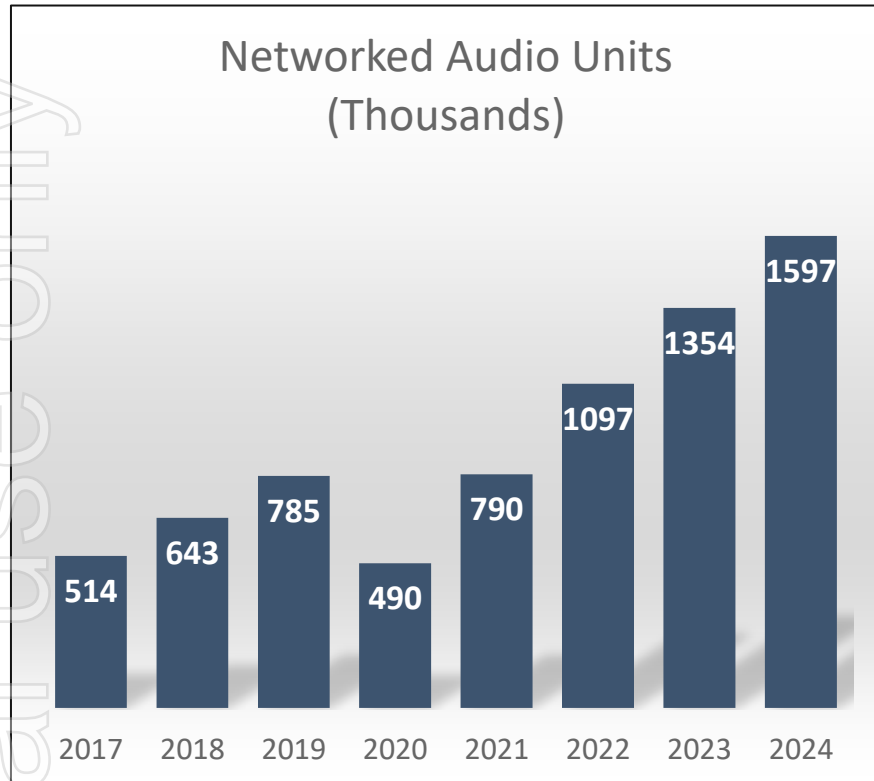


Audio Networking in Higher Education

Transforming Facilities, Workflows and the Student Experience with Dante



Independent Forecast of Networked Audio Units

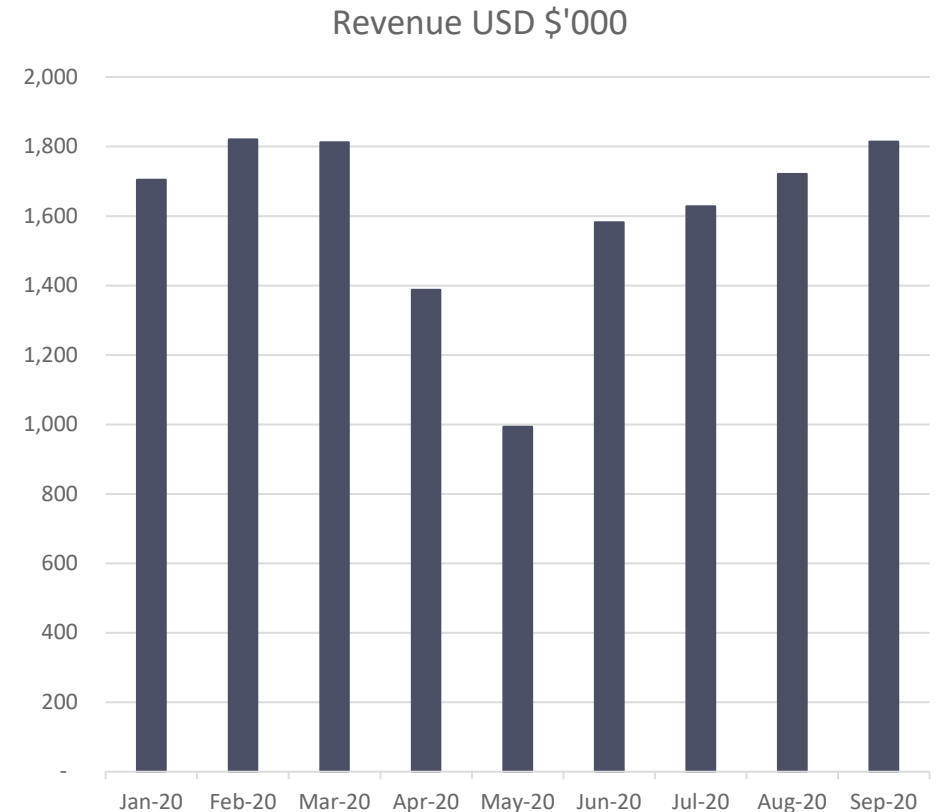


Source: FutureSource Consulting – Audio Over Ethernet Research

- Market data forecasts Networked Audio Unit volume to triple over the five-year period from 2020 to 2024
- Research does not factor in impact of cheaper technology accelerating the adoption of AoIP
- During COVID-19 the biggest impact is on higher end, more expensive products
 - Reflects Audinate's experience with Brooklyn revenue
- Penetration of audio networking
 - estimated <1% for speakers & microphones
 - other product penetration estimated at 17%
 - fastest growing categories forecast to be speakers & amplifiers
- The “installed commercial” vertical (corporate, education, retail, etc) is the fastest growing vertical for adoption of AoIP

1Q21 Trading Performance

- **Steady improvement in trading conditions since May**
 - Customer and market segments impacted differently
 - Good momentum in corporate conferencing & higher education
 - Challenging conditions in live sound & large events
 - Sales backlog circa pre-COVID19 level
- **Unaudited Revenue for 1Q21 amounted to USD \$5.2m**
 - Selected products experiencing strong growth (relative to FY20), including Adaptors, Ultimo, Broadway and Retail Software Sales
 - Brooklyn revenue down on pcp reflecting exposure to live sound
- **Unaudited EBITDA for 1Q21 of AUD \$0.3m**
- **Prudent return to investing for growth**
 - Expecting to add around 10 roles globally over FY21
 - Further incremental opex expected to amount to around \$1.5m over FY20
 - Additional updates, as relevant, over the remainder of FY21



Focus areas for FY21

Medium-term strategic priorities



Investing to double Audinate's engineering and R&D functions over two years (from July 2019)



Putting in place the business infrastructure platform to support long term growth



Developing next generation Dante audio and video software implementations



Make Dante video the technology of choice for OEMs



Expand its Total Addressable Market with the addition of video & software products

FY21 objectives

- Drive designs wins during economic downturn & prime the pump for economic recovery
- Broaden Dante video product offerings
- Validate new business models, e.g. in-field activation
- Expand training offerings to include Dante video and a wider range of languages
- Build business systems & development capability
- Explore M&A opportunities to accelerate growth
- Drive short term revenue opportunities
- Manage total net cash expenditure

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