

Audinate Group Limited Equity raising – investor presentation

22 July 2020



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Summary Information

This presentation has been prepared by, and is the sole responsibility of, Audinate Group Limited ACN 618 616 916 (“Audinate” or the “Company”) and is dated 22 July 2020.

This presentation contains information about the Company and has been prepared in relation to:

- an institutional placement of new fully paid ordinary shares in the Company (“New Shares”) to eligible institutional investors under section 708A of the Corporations Act 2001 (Cth) (“Corporations Act”) (“Placement”); and
 - an offer of New Shares to eligible shareholders in Australia and New Zealand under a share purchase plan in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (“SPP”),
- (together, the “Equity Raising”).

UBS AG, Australia Branch and Canaccord Genuity (Australia) Limited are acting as joint lead managers and underwriters to the Placement (“Underwriters”). For the avoidance of doubt, the SPP is not underwritten.

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You acknowledge and agree that determination of eligibility of investors for the purposes of the Placement and the SPP is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company and the Underwriters. Each of the Company and the Underwriters (and their respective Associated Parties) disclaim any duty or liability (including for negligence) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

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Financial Data

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Investors should be aware that certain financial measures included in this presentation are ‘non-IFRS financial information’ under ASIC Regulatory Guide 230: ‘Disclosing non-IFRS financial information’ published by ASIC and are not recognised under International Financial Reporting Standards (“IFRS”). The principal non-IFRS financial measure that is referred to in this presentation is EBITDA. EBITDA is earnings before interest, tax, depreciation and amortisation and significant items. Management uses EBITDA to evaluate the operating performance of the business and each operating segment prior to the impact of significant items, the non-cash impact of depreciation and amortisation and interest and tax charges, which are significantly impacted by the historical capital structure and historical capital structure and historical tax position of Audinate. Other non-IFRS financial measures that may be used in the presentation include gross margin and net operating free cash flow.

The Company believes the non-IFRS financial information provides useful information to users in measuring the financial performance and conditions of the Company. The non-IFRS financial information do not have a standardised meaning prescribed by IFRS. Therefore, the non-IFRS financial information is not a measure of financial performance, liquidity or value under the IFRS and may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with IFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information included in this presentation.

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Executive summary

Equity Raising

Use of Funds

Financial

Audinate Group Limited (“Audinate” or “the Company”) is raising:

- A\$28 million via a fully underwritten Institutional Placement to professional and sophisticated investors at an issue price of A\$5.15 per share (“Placement”); and
- up to A\$12 million in a Share Purchase Plan to all existing eligible shareholders (“SPP”)⁽¹⁾

Audinate intends to utilise the proceeds of the Equity Raising to:

- **increase investment in engineering, R&D capabilities and business infrastructure** to extend its market-leading position in the audio networking space
- **strengthen the Company’s balance sheet position** in the uncertain COVID-19 period
- **accelerate investment in additional video and software products**
- **provide flexibility to pursue potential M&A opportunities** that complement the Company's medium-term objectives

Audinate recently announced unaudited FY20 results:

- Revenue of approximately US\$20.4 million (A\$30.3 million)
- EBITDA of approximately A\$2.0 million

Pro-forma cash post Placement of approximately A\$56 million²

1) Audinate reserves the right (at its absolute discretion) to scale back applications under the SPP if total demand exceeds A\$12 million
2) Pro-forma cash post Placement and transaction fees but excluding any funds raised under the SPP

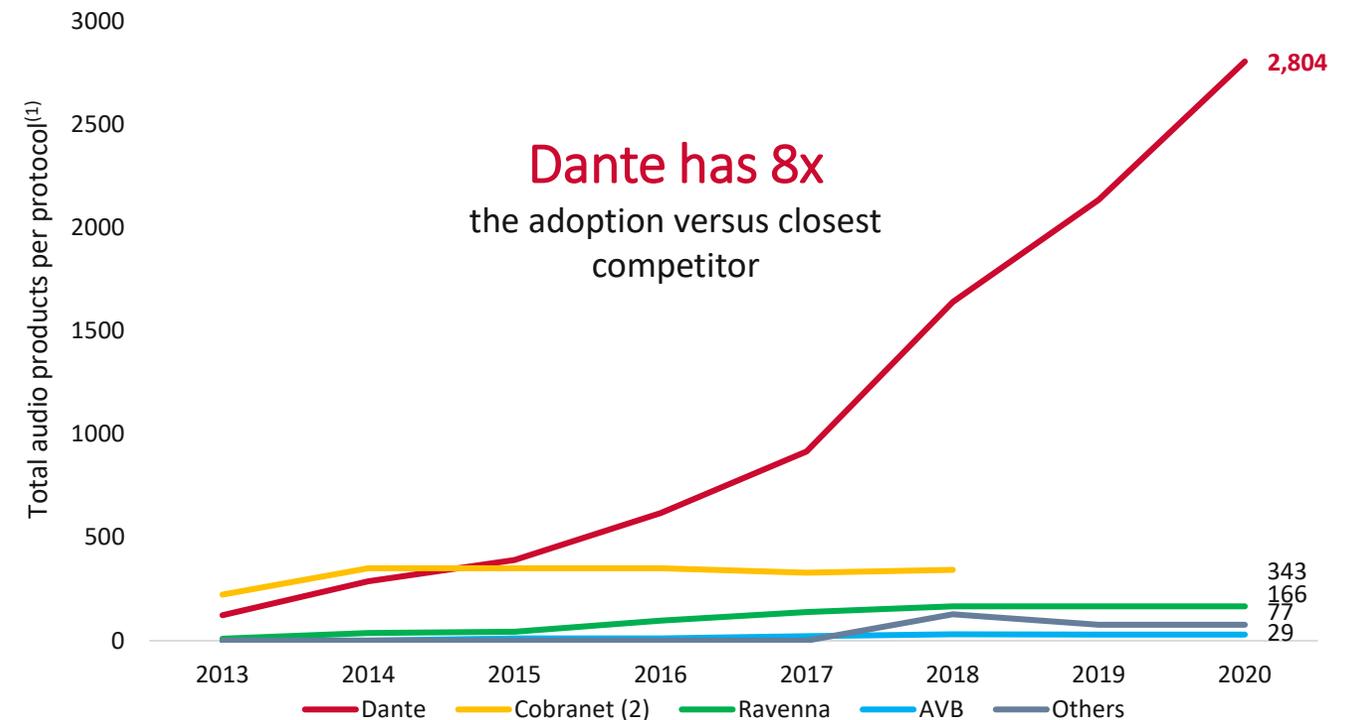
World-leading supplier of digital media networking

Highlights

>A\$1bn	Total addressable market ⁽¹⁾
292	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

Operational update

Audinate is well positioned to capitalise on medium-term growth objectives, despite taking prudent measures during COVID-19

COVID-19 impact and measures adopted

- Addition of contract manufacturing in Malaysia and internal auditing of component suppliers have made our supply chain more robust, minimising the impact caused by disruptions to Chinese manufacturing activity in Q3 FY20
- 2H FY20 revenue adversely impacted by COVID-19. The continued impact is unknown at present and may result in lower revenue in FY21 as compared to FY20 (refer to Key risks section for further considerations around COVID-19 impact)
- Prudent measures taken in response to COVID-19 disruption:
 - downsized headcount and paused near-term recruitment plans to reflect reduced staffing requirements
 - FY20 cash bonuses forgone for all staff and pay freeze implemented
 - centralised back office functions and standardised processes
 - curtailed marketing and travel expenditure and actively monitoring other discretionary expenditure
- Revenue and sales orders recovered in the month of June (as compared to April and May) demonstrating business model resilience
- Qualified for JobKeeper program in May 2020 and received c. A\$0.2 million for both May and June

Continued conviction for medium-term priorities

- ✓ **Focused on delivering on medium-term strategic priorities** to ensure Audinate is best placed to benefit from an economic recovery
- ✓ **Manufacturing facilities have returned to full operations** since temporary Government mandated closures
- ✓ **Successful product expansion** at the InfoComm tradeshow in June
 - InfoComm platform assisted with increasing number of Dante enable products available to 2,804, up 31% from FY19
 - launched new Dante AVIO® bluetooth and USB-C adapters and early orders have been encouraging
- ✓ **Ramped up webinars and Dante Certification training program** to enhance propensity of Dante technology adoption
 - ~120,000 AV professionals attended 77 webinars or participated in online training and ~40,000 professionals undertook Dante certification in 2H FY20

Unaudited FY20 results

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FY20 Revenue⁽¹⁾
US\$20.4m
(A\$30.3m)

FY20 EBITDA^(1,2)
A\$2.0m

FY20 Gross margin⁽¹⁾
~77%

Pro-forma cash
position
~A\$56m⁽³⁾

- 1) Approximate figures based on unaudited results
- 2) EBITDA is exclusive of non-recurring costs and includes CEO transition costs of A\$0.6m and redundancy costs
- 3) Pro-forma cash post Placement and transaction fees but excluding any funds raised under the SPP

Equity raising summary

Fully underwritten Placement to raise A\$28 million and non-underwritten Share Purchase Plan to raise up to A\$12 million

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Placement structure and size	<ul style="list-style-type: none"> Fully underwritten Placement to raise approximately A\$28 million via the issue of 5.4 million new ordinary fully paid shares (“New Shares”) at A\$5.15 per share (“Placement Price”) It is intended that eligible institutional shareholders who bid for up to their ‘pro-rata’ share of New Shares under the Placement will be allocated their full bid, on a best endeavours basis^(1,2)
Placement price	<ul style="list-style-type: none"> Placement price will be A\$5.15 per share representing a 9.5% discount to closing price of A\$5.69 per share on 21 July 2020
Ranking	<ul style="list-style-type: none"> New Shares issued under the Placement will rank pari passu with existing ordinary shares from the date of issue
Share Purchase Plan (“SPP”)	<ul style="list-style-type: none"> Audinate will offer eligible Australian and New Zealand shareholders the opportunity to acquire up to A\$30,000 in New Shares via a SPP The issue price for New Shares issued under the SPP will be at the lower of the Placement Price and the price that is a 2% discount to the volume weighted average price of ordinary shares in Audinate traded on the ASX over the five trading days up to, and including, the day on which the SPP closes The SPP aims to raise up to A\$12 million, which may be increased or subject to scale back and is not underwritten No brokerage or transaction costs are payable for New Shares issued under the SPP New Shares issued via the SPP will rank equally with existing ordinary shares from the date of issue An SPP Booklet containing further details of the SPP offer will be sent to eligible shareholders in due course

For this purpose, an eligible institutional shareholder’s ‘pro-rata’ share will be estimated by Audinate’s latest beneficial register, but without undertaking any reconciliation and ignoring shares that may be issued under the SPP. Accordingly unlike in a rights issue, this may not truly reflect the participating shareholder’s actual pro-rata share. Nothing in the presentation gives a shareholder a right or entitlement to participate in the Placement and Audinate has no obligation to reconcile assumed holdings (e.g. for recent trading or swap positions when determining a shareholder’s ‘pro-rata’ share. Institutional shareholders who do not reside in Australia or other eligible jurisdictions will not be able to participate in the Placement. See foreign selling restrictions for eligible jurisdictions and selling restrictions relevant to these jurisdictions. Audinate and the Underwriters disclaim any duty or liability (including for negligence) in respect of the determination of a shareholder’s ‘pro-rata’ share.

2) Eligible institutional shareholders who bid in excess of their ‘pro-rata’ share as determined by Audinate and the Underwriters are expected to be allocated a minimum of their ‘pro-rata’ share on a best endeavours basis as set out in footnote 1 above, and any excess may be subject to scale back.

Proposed use of funds

Audinate is well positioned to take advantage of current market opportunities to strengthen its global leadership position

1

Increase investment in engineering, R&D capabilities and business infrastructure to extend its market-leading position in the audio networking space

2

Strengthen the Company's balance sheet position in the uncertain COVID-19 period

3

Accelerate investment in additional video and software products

4

Provide flexibility to pursue potential M&A opportunities that complement the Company's medium-term objectives

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Equity raising timetable

Institutional Placement

Date

Trading halt and announcement of Placement and SPP	Wednesday, 22 July 2020
Placement bookbuild	Wednesday, 22 July 2020
Trading halt lifted and Audinate shares recommence trading on ASX	Thursday, 23 July 2020
Settlement of Placement	Monday, 27 July 2020
Allotment of New Shares issued under the Placement	Tuesday, 28 July 2020

Share Purchase Plan

Date

Record date for determining eligible participation to subscribe for New Shares via the SPP	7:00pm, Tuesday, 21 July 2020
SPP Booklet dispatched to eligible shareholders	Wednesday, 29 July 2020
SPP opens	Wednesday, 29 July 2020
SPP closes	5:00pm, Tuesday, 11 August 2020
Announce SPP results	Friday, 14 August 2020
Allotment of New Shares issued under the SPP	Monday, 17 August 2020
Dispatch of holding statements in respect of New Shares issued under SPP	Tuesday, 18 August 2020

1) These dates are indicative only and are subject to change. Audinate, reserves the right, subject to the Corporations Act 2001(Cth) and the ASX Listing Rules, to amend this indicative timetable. In particular, Audinate reserves the right to extend the Closing Date, accept late applications under the SPP Offer (either generally or in particular cases), and to withdraw or vary the Placement or SPP Offer without prior notice. Any extension of the closing date will have a consequential effect on the date for the allotment and issue of New Shares. Audinate will consult with the Underwriters in relation to any proposed change to this indicative timetable and any such change will require the consent of the Underwriters.

Key risks

This Section describes some of the potential material risks associated with Audinate’s business, the industry in which Audinate operates and the risks associated with an investment in Shares. Audinate is subject to a number of risks, both specific to the Company’s business activities and of a general nature, which may either individually or in combination adversely impact Audinate’s future operating and financial performance, investment returns and the value of Audinate’s Shares. The occurrence or consequences of some of the risks described here are partially or completely outside of Audinate’s control, or the control of Audinate’s Directors and Management.

This Section does not purport to list every risk that may be associated with Audinate’s business or the industry in which Audinate operates, or an investment in Shares, now or in the future and there is no guarantee or assurance that the risks will not change or that other risks or matters that may adversely affect Audinate will not emerge. Any of these risks, or any other risks or other matters, may emerge and may have a material adverse effect on the business and its financial position and performance.

Risk Factor	Summary
Specific Risks	
Impact of COVID-19 on the Company’s business and operations	<p>The current COVID-19 disruptions and Government imposed restrictions are directly and indirectly impacting the Company’s business. In particular, some manufacturing customers have been directly impacted by shutdowns and restrictions on public gatherings which has impacted demand for Audinate’s products. There is continued uncertainty as to governments’ responses both in Australia and internationally (where many of Audinate’s customers are based) and the likelihood of an Australian and global economic recession of uncertain duration and severity. While Audinate has been monitoring the ongoing impact of COVID-19 on its operations, the full impact is not currently ascertainable due to the unknown length of time that the economy, businesses and people will be required to adhere to government responses and regulatory requirements related to COVID-19 including lockdowns, travel restrictions and other unforeseen changes. COVID-19 could potentially continue to impact suppliers, customers, manufacturing and distribution of the Company’s products. Audinate has to date experienced a slowdown in revenue and impacts to its manufacturing facilities which is reflected in the FY20 unaudited results. There is a risk that subdued customer demand and other impacts could continue or increase if the COVID-19 pandemic continues for a prolonged period. The impact of these factors, if they eventuate, could have a detrimental effect on the Company’s financial performance, and depending on the extent of the disruption, any effect could be material.</p>
Impact of COVID-19 on market and share price	<p>The events relating to COVID-19 have recently resulted in a decline in general economic conditions together with significant market falls and volatility including in the prices of securities trading on the Australian Securities Exchange and other foreign share markets. There is continued uncertainty around the duration and extent of further impacts of COVID-19 governmental action, work stoppages, lockdowns, quarantines, travel restrictions and other unforeseen changes and the impact these will have on the Australian and global economy and share markets. However, the continuation of these impacts will likely have a material adverse effect on global economic conditions and share markets and may materially adversely affect the price of the Company’s shares trading on the ASX.</p>
Launch of new products	<p>The development schedule for new products may take longer than forecast, delaying the development of new revenue streams. New third party technologies could prove more advanced and be developed in less time than Audinate’s new products. In addition, Audinate expects that over time software revenue will contribute a greater proportion of Audinate’s total revenue. There is a risk that Audinate’s software and services may not be well received by its customers or Audinate may not be able to generate sufficient adoption of its software by end users.</p>

Key risks (cont'd)

Risk Factor	Summary
Specific Risks	
Tariffs and duties	The introduction of new or increased trading tariffs, import or export duties or other trade restrictions may affect Audinate's competitiveness in, and limit its access to, particular markets. In particular, if the United States government extends the scope of tariffs on the importation of goods from China into the United States, this could result in margin pressure for Audinate and decreased demand in the United States for OEM products manufactured in China.
Sell-down by existing shareholders	There is a risk that existing substantial shareholders may seek to sell-down their shareholding in Audinate. A significant sale of shares or a perception that a sell-down may occur could adversely affect the price of Audinate shares
Competition risk	Some of Audinate's existing and potential competitors may have significantly more resources than Audinate does and this may enable them to increase their market share. In addition, Audinate's OEM customers may also decide to develop their own networking technology solutions in-house or Audinate may fail to anticipate and respond to changing opportunities, technology, standards or customer requirements as quickly as competitors. If any of these risks arise, Audinate may compete less effectively against Audinate's competitors and it could reduce Audinate's market share and ability to secure existing or new business which would have an adverse impact on Audinate's operating and financial performance.
Industry Standardisation	There is currently a minimal level of industry standardisation across the AV industry. There is a risk that future industry standardisation across the AV industry could disrupt and adversely affect Audinate's business. If Audinate does not continue to innovate, such standardisation has the potential to commoditise Audinate's products and could result in reduced margins and have an adverse effect on Audinate's operations and financial performance.
Protection of intellectual property	The value of Audinate's products is dependent on Audinate's ability to protect intellectual property, including business processes and know-how, copyrights and trademarks. There is a risk that Audinate may be unable to detect the unauthorised use of its intellectual property rights in all instances. Further, actions Audinate takes to protect its intellectual property may be costly, and may not be adequate or enforceable and thus may not prevent the misappropriation of its intellectual property and proprietary information. Audinate's failure to protect its intellectual property rights could have an adverse impact on Audinate's operations and financial performance.
Reliance on key customers	A significant proportion of Audinate's revenue is currently derived from Audinate's largest customer, Yamaha Corporation. If Audinate's relationship with Yamaha or any of its other major customers deteriorates, or should any of these major customers default or terminate their agreements with Audinate, or merely not order products from Audinate, then Audinate's business and financial condition could be adversely impacted.
Ability to attract and retain key personnel	The Group's continued success depends on being able to hire and retain highly skilled and experienced employees in the technical and development teams. Failure to do so may adversely affect Audinate's ability to develop products or implement its business strategies, which may adversely affect its future financial performance.

Key risks (cont'd)

Risk Factor	Summary
Specific Risks	
Supply chain disruption risk	<p>Audinate sells chips and printed circuit board modules which incorporate its software. These devices are manufactured or supplied by third parties. A disruption to supply of these components or the manufacturing of these devices could have a material adverse effect on the Company's ability to generate revenue while the disruption or delays remain in place. If the disruptions were prolonged and another third party supplier or manufacturer could not be sourced, this could have a material adverse effect on Audinate's ability to continue to grow the business.</p> <p>This risk is particularly prevalent during the COVID-19 pandemic (refer to "COVID-19 related risks").</p>
Failure to retain existing customers and attract new customers	<p>The success of Audinate's business relies on the ability to retain existing customers, attract new business from existing customers as well as attract new customers. If customers do not continue to use Audinate's products and increase their usage over time, and if new customers do not choose to use Audinate's products, the growth in Audinate's revenue may slow, or Audinate's revenue may decline, which will have an adverse impact on Audinate's operating and financial performance.</p>
Failure to realise benefits from product development costs	<p>Developing technology is expensive and the investment in the development of these product offerings often involves an extended period of time to achieve a return on investment. Audinate may not, however receive significant revenues from these investments for several years, or may not realise such benefits at all.</p>
Acquisition risks	<p>Audinate has identified potential acquisitions as a lever to its growth strategy. There can be no assurance that suitable future acquisition opportunities will arise or if they do arise that they will be able to be made on acceptable terms.</p> <p>While Audinate will take every effort to ensure that any acquisition is successfully integrated and the benefits realised, there is a risk that the acquisitions may fail to meet Audinate's strategic and financial objectives including, if applicable, the transition of customers from one business to Audinate's business, generate the synergies and benefits that Audinate expected or provide an adequate return on the purchase price. There are also regulatory, cultural and control risks that arise when making acquisitions in overseas jurisdictions and as Audinate's business expands</p> <p>While Audinate will undertake reasonable and appropriate due diligence in respect of additional acquisition opportunities, there is a risk that Audinate's due diligence and analysis may be incomplete or inaccurate. An unforeseen liability that arises after the acquisition, and for which Audinate has no warranty or indemnity protection under the sale and purchase agreement, may impact on the investment and ultimately Audinate's financial performance.</p>

Key risks (cont'd)

Risk Factor	Summary
General Risks	
Share Price and Volume Fluctuations	<p>Audinate, as a publicly listed company on the ASX, is subject to general market risks applicable to all securities listed on a stock exchange. This may result in fluctuations in the share price that are not explained by the performance of Audinate. The price at which shares are quoted on the ASX may increase or decrease due to a number of factors, some of which may not relate directly or indirectly to Audinate's performance or prospects. These factors may cause the shares to trade at prices below the Equity Raising price. There is no assurance that the price of the shares will increase, even if Audinate's earnings increase.</p> <p>Some of the factors which may affect the price of Audinate shares include:</p> <ul style="list-style-type: none"> • fluctuations in the domestic and international markets for listed stocks; • general economic conditions, including interest rates, inflation rates, exchange rates, commodity and oil prices or changes to government; • fiscal, monetary or regulatory policies, legislation or regulation; • inclusion in or removal from market indices; • the nature of the markets in which Audinate operates; • general operational and business risks; • variations in sector performance, which can lead to investors exiting one sector to prefer another; and • initiatives by other sector participants which may lead to investors switching from one stock to another. <p>Deterioration of general economic conditions may also affect Audinate's business operations, and the consequent returns from an investment in shares</p>
General Economic and Financial Market Conditions	<p>The operating and financial performance of Audinate is influenced by a variety of general domestic and global economic and business conditions that are outside the control of Audinate. There is a risk that prolonged deterioration in general economic conditions may negatively impact the demand for Audinate's products and negatively impact Audinate's financial performance, financial position, cash flows, dividends, growth prospects and share price.</p>

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The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Japan

The New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Foreign selling restrictions (cont'd)

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold in the Placement, in any country outside Australia except to the extent permitted below.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" (within the meaning of Article 2(e) of the Prospectus Regulation (2017/1129/EU), replacing section 86(7) of the FSMA). This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

Overview of underwriting agreement

Audinate has entered into a placement agreement with the Joint Lead Managers (Underwriters) dated 22 July 2020 (Underwriting Agreement). The Underwriters have agreed to fully underwrite the Institutional Placement to raise A\$28 million (Placement Amount) via the issue of new fully paid ordinary shares in Audinate on the terms and conditions set out in the Underwriting Agreement. The obligations of the Underwriters are subject to the satisfaction of certain conditions precedent documented in the Underwriting Agreement. Furthermore, in accordance with the Underwriting Agreement, as is customary with these types of underwriting agreements:

- Audinate has provided various representations, warranties and undertakings and the Underwriters have provided certain representations and warranties, in connection (amongst other things) the conduct of the Placement;
- subject to certain exceptions, Audinate has agreed to indemnify each Underwriter, its affiliates and related bodies corporate, and their respective directors, officers, employees, partners, agents and advisers, (each an Indemnified Party) from and against all losses directly or indirectly suffered, or claims made against, an Indemnified Party arising out of or in connection with the Placement.
- the Underwriters may terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain events. Some (but not all) of those events are described below in summary form only:
 - the ASX announces that Audinate will be removed from the official list or that any Shares will be delisted or suspended from quotation by ASX for any reason (this excludes a trading halt for the purposes of the Placement);
 - the S&P/ASX 200 Index or Small Ordinaries Index is, at any time from the date of the Underwriting Agreement to 4.00pm on the Settlement Date, at a level 90% or more below its level as at the close of trading on the last trading day immediately prior to the date of the Underwriting Agreement;
 - any Placement document (which includes this investor presentation) or publication relating to Audinate or the Placement that has been published by or on behalf of Audinate includes content that is misleading or deceptive (including by omission) in a material respect;
 - there is an application to a governmental authority for an order, declaration or other remedy, or a governmental authority commences any investigation or hearing or announces its intention to do so, in connection with the Placement or any agreement entered into in respect of the Placement;
 - there is any regulatory action such as an application, investigation or proceedings taken by ASIC in relation to the Placement;
 - ASX does not, or states that it will not, grant official quotation of all the Placement Shares by the Settlement Date;
 - there is a change to the CEO, CFO or the Chairman of the Board; or
 - there is a force majeure event which makes it illegal or commercially impracticable for the Underwriters to satisfy material obligations under the Underwriting Agreement or to market or promote the offer under the Placement.

The Underwriters may also terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain events where the occurrence has, or is likely to have, a material adverse effect on the financial position or prospects of the Audinate group or the outcome or success of the Placement or the market price of, or ability to settle the placement of the Placement Shares, or will lead, or is likely to lead, to a contravention by or liability of the Underwriter under applicable law. Some (but not all) of those events are described below in summary form only:

- Audinate is in breach of any terms and conditions of the Underwriting Agreement or any representation or warranty provided by Audinate under the Underwriting Agreement becomes incorrect, untrue or misleading;
- there is an omission from or misstatement relating to the completed due diligence questionnaire or meetings with management provided by Audinate in connection with the Underwriting Agreement or any other information supplied by or on behalf of Audinate to the Underwriters;
- there is an adverse change, or an event occurs which is likely to give rise to an adverse change, in the financial position, results, condition, operations or prospects of the Audinate group other than as disclosed by Audinate to the ASX before the date of the Underwriting Agreement;
- there is a contravention by Audinate of the Corporations Act 2001 (Cth), its constitution, any of the ASX Listing Rules or any other applicable law or regulation;
- banking and securities exchange disruptions including, a suspension or material limitation in trading in securities generally on ASX, NYSE or the LSE, or, any adverse change or disruption to existing financial markets, political or economic conditions, or, there is a general moratorium on commercial banking activities in Australia, New Zealand, the United States, the People's Republic of China, Hong Kong, Singapore or the United Kingdom.
- a change occurs to the board of directors, other than the Chairman; or
- there is a change in relevant law or policy in Australia.

The Underwriters will receive the following fees under the Underwriting Agreement to be paid in equal shares to each of the Underwriters:

- a management and selling fee of 0.6% of the Placement Amount;
- an underwriting fee of 2.4% of the Placement Amount.

Audinate must also pay the Underwriters their reasonable expenses including legal costs and out-of-pocket expenses incurred by the Underwriters in relation to the Placement.

Audinate may also, in its sole discretion, pay the Underwriters an incentive fee of up to 0.5% of the Placement Amount (in aggregate).

Thank you

Appendix

Supplementary information

For personal use only



Audinate - Pioneering the future of AV

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World-leading supplier of digital media networking for the Professional AV industry



Growing network effect with number of Dante-enabled products in market **2,804**



Products



Audinate's core technology, called Dante, distributes media signals across computer networks

Dante comprises software and hardware that resides inside the audio and video products of Audinate's Original Equipment Manufacturer (OEM) customers

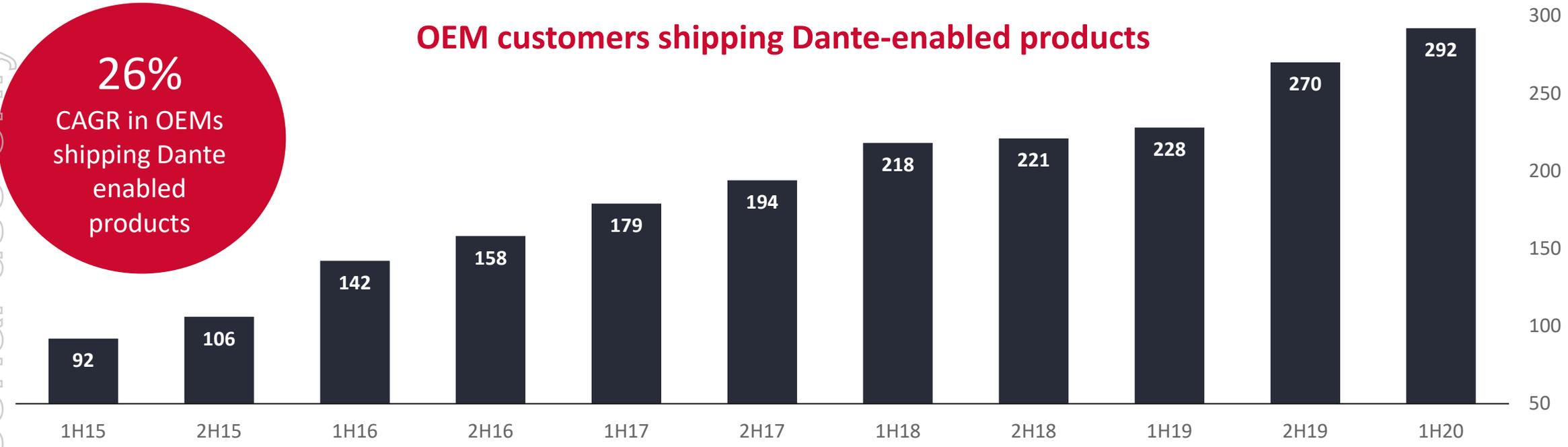


Listed on the Australian Stock Exchange (ASX:AD8) in June 2017



Increasing OEM customer adoption: pipeline for growth

OEM customers shipping Dante-enabled products



Note: per financial year


 Audinate has grown to 490 OEM customers


 292 OEM customers have announced products in the market


 179 OEM customers are currently developing their first Dante-enabled products

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Growth drivers

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Robust core audio networking business

- Market leadership position in digital audio networking
- 2,804 products shipping from 292 manufacturers, and growing
- Strong pipeline of Dante from 179 manufacturers yet to ship first product
- Continued conversion from analogue connected systems to digital
- Expansion of Dante core networking offerings including software based solutions
- Plenty of runway for growth – management estimate digital penetration is 7-8%



New products more than *double* addressable market to >A\$1bn

- Dante AVIO Adapters – connect legacy equipment to Dante
- Dante System Management software
- Dante AV Video solution

