Audinate FY24 Annual General Meeting

Authorisation: approved by the Board of Audinate Group Limited
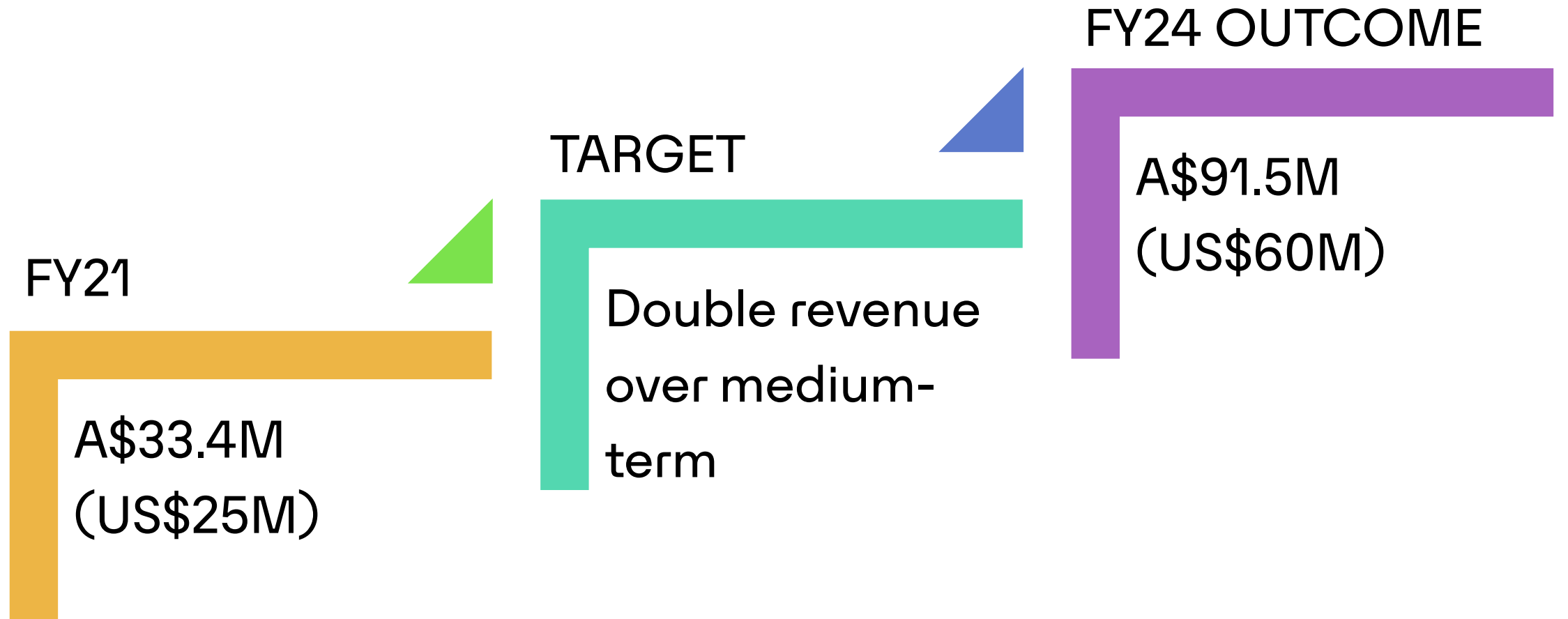
AGENDA

- Welcome

- Chairman's Presentation

- CEO's Presentation

- Formal Business

  - Notice of Meeting and voting procedure

  - Financial Reports, questions and comments

  - Resolutions 1 to 4

- Meeting Close

Chairman's Presentation

Achievement FY24

FY21

A$33.4M
(US$25M)

TARGET

Double revenue over medium-term

FY24 OUTCOME

A$91.5M
(US$60M)

Key Strategic Pillars

Strengthen Audio

- Expand into lower cost higher volume products
- Shift to software

Grow Video

- Continue to build out video platform capability
- Ongoing focus on design wins

Control & Management

- Vision: interoperable control and management of Dante networks, from anywhere
- Dante Director is a major step towards this vision

Entering FY24

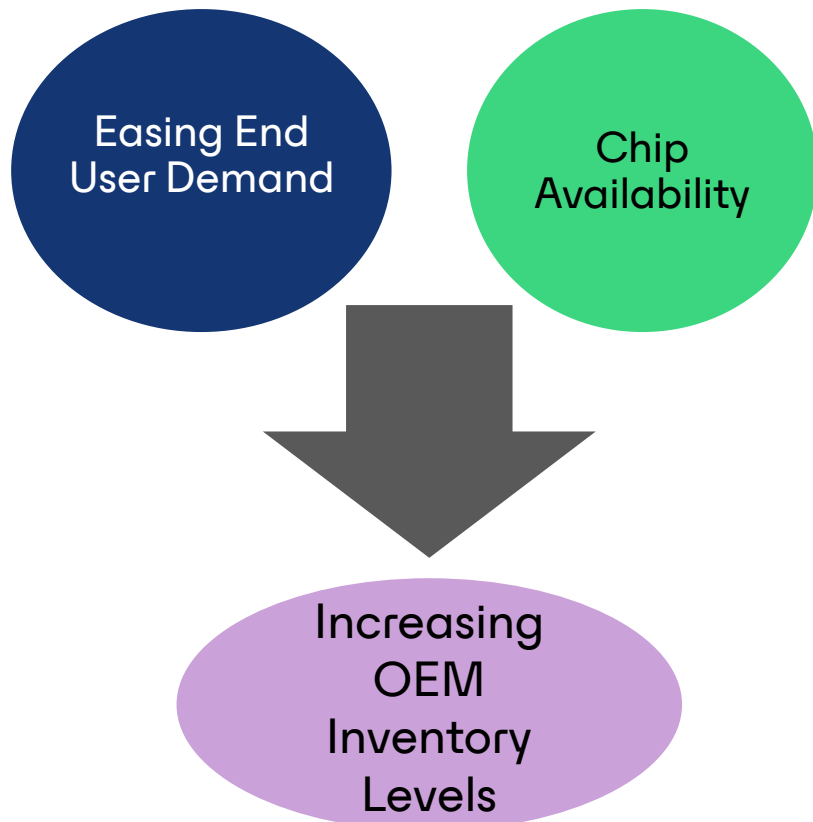## Macro Environment

Covid Bump in end-user spending

Chip Shortages

↓

Record Backlog Levels

First Half of FY24

Macro Environment

Easing End User Demand

Chip Availability

↓
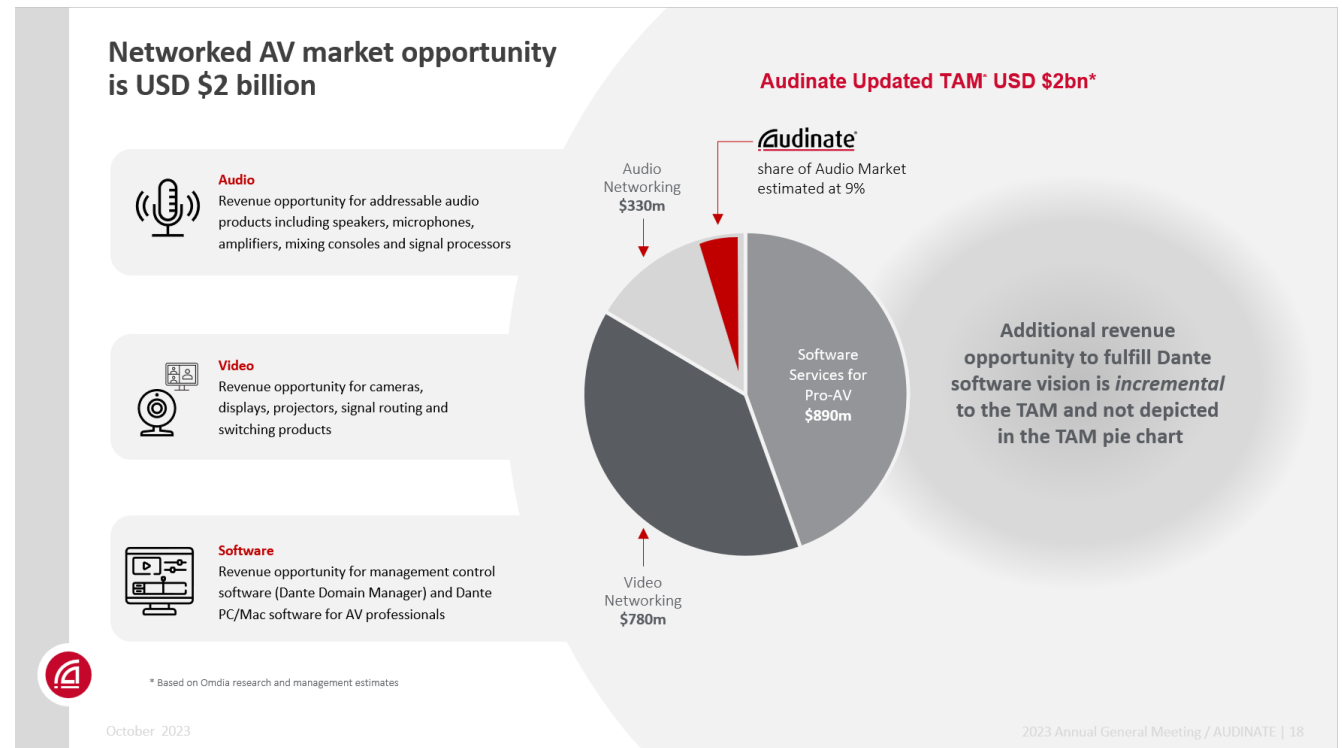
Increasing OEM Inventory Levels

Market Opportunity and Long-Term Prospects Unchanged

- **Market Opportunity Unchanged**: analysis did not reveal any factors that would alter the total market opportunity or TAM for Audinate

- **Confident in Market Share**: no reason to believe that Audinate will capture less than its share of the market

- **Optimistic Outlook**: remain positive about Audinate's long-term growth prospects

Audinate TAM: 2023 Annual General Meeting

Networked AV market opportunity is USD $2 billion

Audinate Updated TAM* USD $2bn*

Audio
Revenue opportunity for addressable audio products including speakers, microphones, amplifiers, mixing consoles and signal processors

Video
Revenue opportunity for cameras, displays, projectors, signal routing and switching products

Software
Revenue opportunity for management control software (Dante Domain Manager) and Dante PC/Mac software for AV professionals

Audinate share of Audio Market estimated at 9%

Audio Networking $330m

Software Services for Pro-AV $890m

Video Networking $780m

Additional revenue opportunity to fulfill Dante software vision is *incremental* to the TAM and not depicted in the TAM pie chart

* Based on Omdia research and management estimates

October 2023

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FY25 Underway...

Continue to focus on our new products like Dante Director

...balanced with financial outcomes
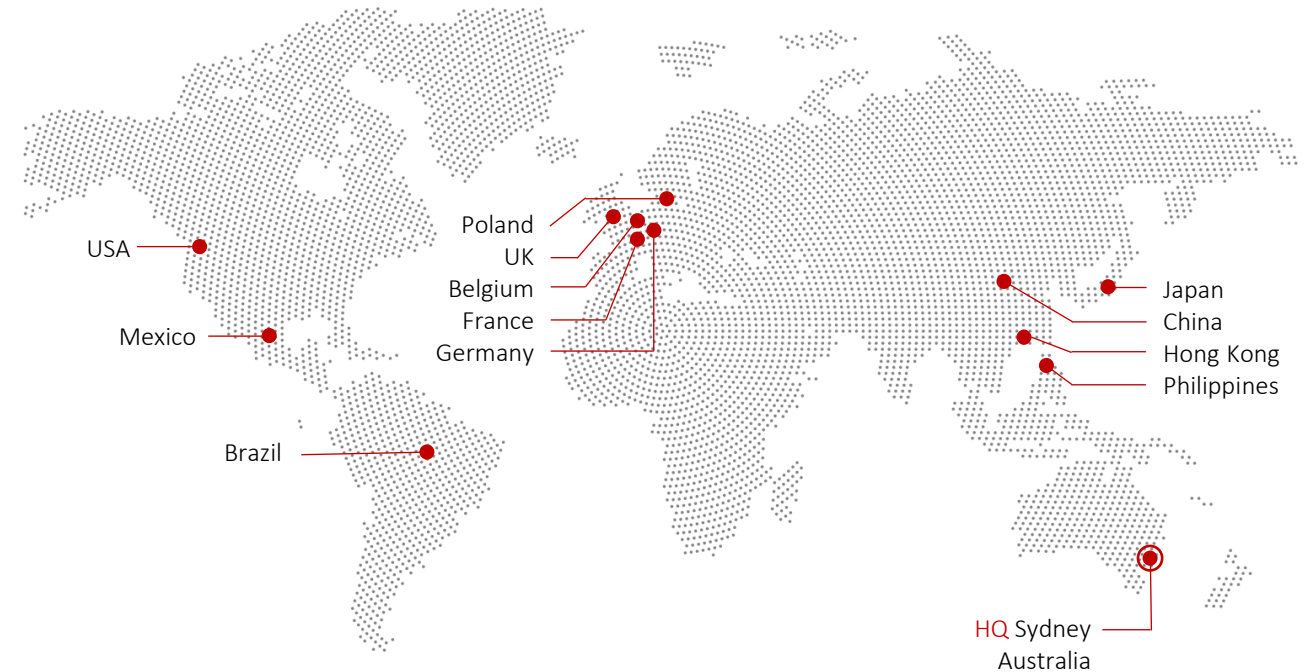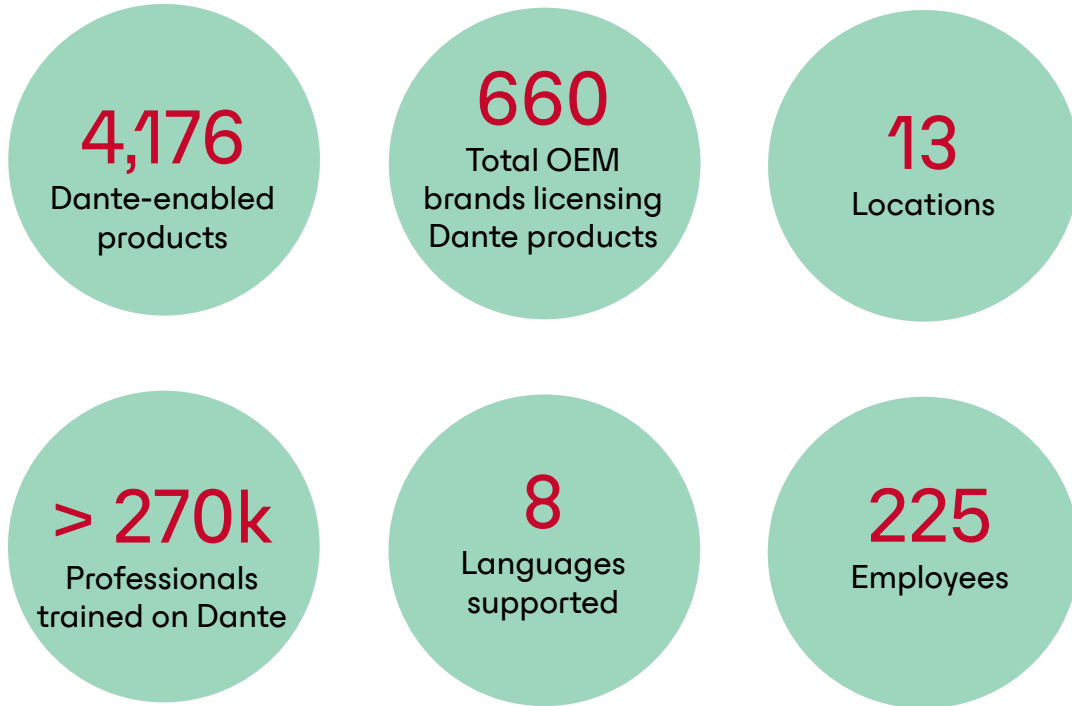
... and potential M&A activity

CEO's Presentation

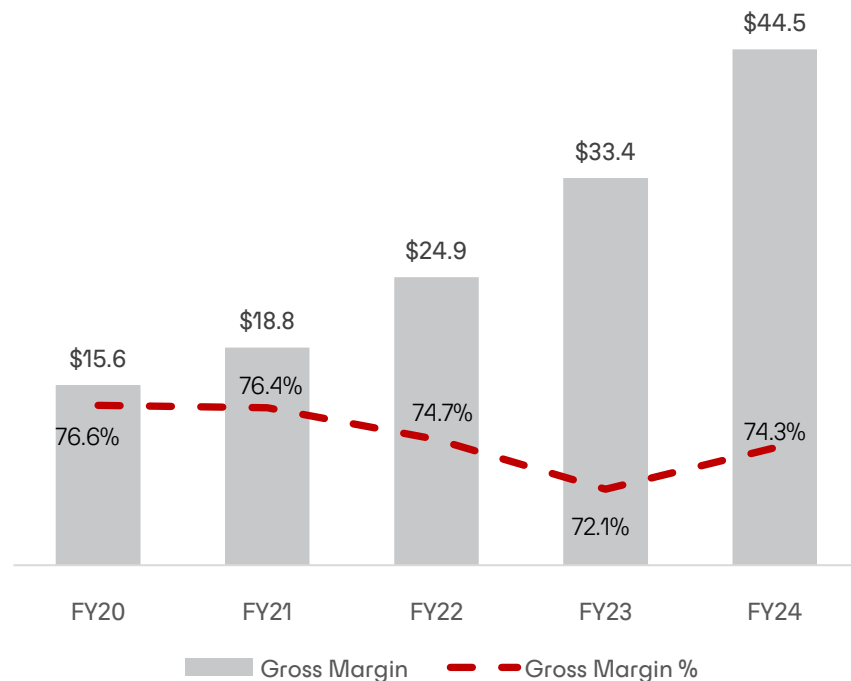# World-leading Technology Supplier to Pro-AV

Audinate is the company behind the **Dante® media networking solution** used in the professional AV industry

4,176
Dante-enabled products

660
Total OEM brands licensing Dante products

13
Locations

> 270k
Professionals trained on Dante

8
Languages supported

225
Employees

USA

Mexico

Brazil

Poland
UK
Belgium
France
Germany

Japan
China
Hong Kong
Philippines

HQ Sydney Australia

FY24 Gross Profit Growth Accelerates

US$M Gross Profit

Bar chart values (Gross Margin, US$M):
- FY20: $15.6 — 76.6%
- FY21: $18.8 — 76.4%
- FY22: $24.9 — 74.7%
- FY23: $33.4 — 72.1%
- FY24: $44.5 — 74.3%

Legend: Gross Margin ▬ ▬ Gross Margin %

| Other Financial Metrics		Variance vs FY23	
A$91.5M	Revenue	31.3%	✓
US$60.0M	US$ Revenue	28.4%	✓
74.3%	Gross Margin %	3.1%	✓
A$20.4M	EBITDA*	85.5%	✓
A$25.4M	Net cashflow from operations	104.3%	✓
A$117.0M	Cash & Term Deposits	$77.0M	✓
A$12.1M	Net Profit Before Tax	$10.7M	✓

*EBITDA is a non-statutory measure and a reconciliation to profit after income tax expense is set out in the Directors Report on page 3 of the financial statements for the year ended 30 June 2024

FY24 Objectives Achieved

FY24 Objectives
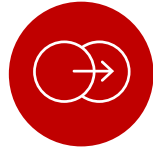
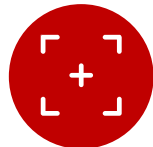1. Double the video ecosystem
   >30k video units-in-field or shipped

2. Release additional video and cloud products

3. Success with Dante Connect cloud offering

4. Deliver initiatives to improve scalability of cost base
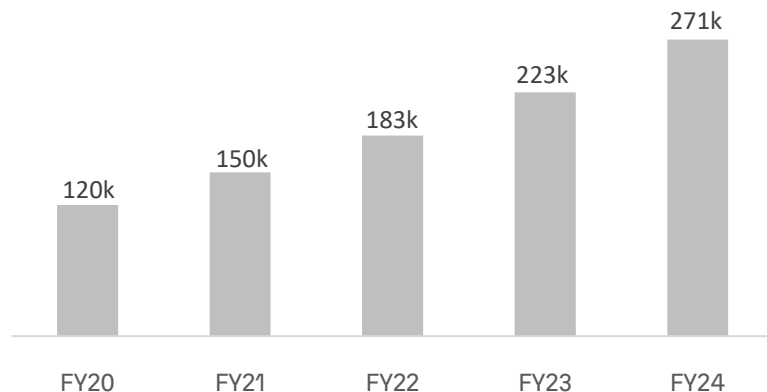
5. Improve profitability and cashflow

Achievements

- Strong growth in 2H to substantially over-achieve target

- Next-generation Dante AV Ultra product complete (first OEM product shown at ISE)
- Dante Director (SaaS) successfully launched at InfoComm tradeshow, June 2024
- Strong video momentum – refer slide 12

- Successful conversion of flagship customers from Proof of Concept (POC)
- Lighthouse use cases published
- Refinement of business model – token-based pricing to be complete 1H25

- First engineering team established in The Philippines – further recruitment ongoing
- Release management process re-designed and implemented
- Implementation of Jedox budgeting & forecasting tool complete

- EBITDA up 85% to $20.4m
- Net Profit Before Tax $12.1m compared to $1.4m pcp
- Operating cash flow of $25.4m up from $12.4m pcp
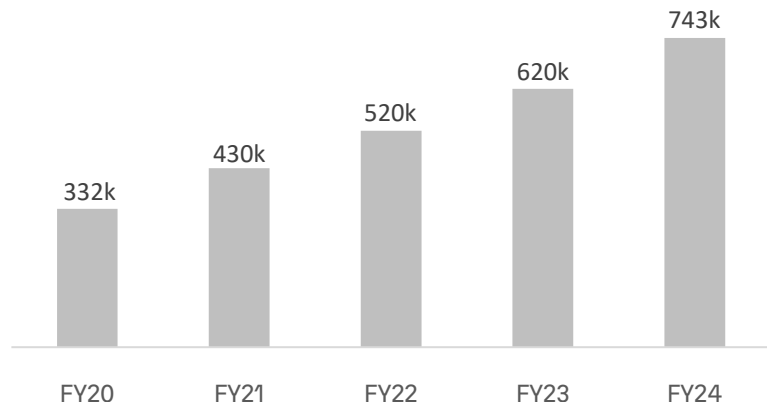- Positive free cash flow $6.9m - $11.2m better than pcp

Demand for Dante Remains Strong

Dante Trained and Certified Professionals (cumulative)

- FY20: 120k
- FY21: 150k
- FY22: 183k
- FY23: 223k
- FY24: 271k

Marketing Database

- FY20: 332k
- FY21: 430k
- FY22: 520k
- FY23: 620k
- FY24: 743k

Interest in Dante continues to be strong across key metrics:

- ✓ AV professionals trained on Dante grew 22%

- ✓ Units of retail software sold to AV professionals up 22%[1]

- ✓ Downloads of Dante Controller set up tool also grew 13%

- ✓ Marketing database grew 20% and is now nearing 750,000

- ✓ Unique website visitors reached 1.5 million (up 22%)

- ✓ Customers shipping Dante-enabled products ↑15% to 460

- ✓ Customers developing first Dante product up from 138 to 161

- ✓ Audio market adoption of 12x our nearest competitor

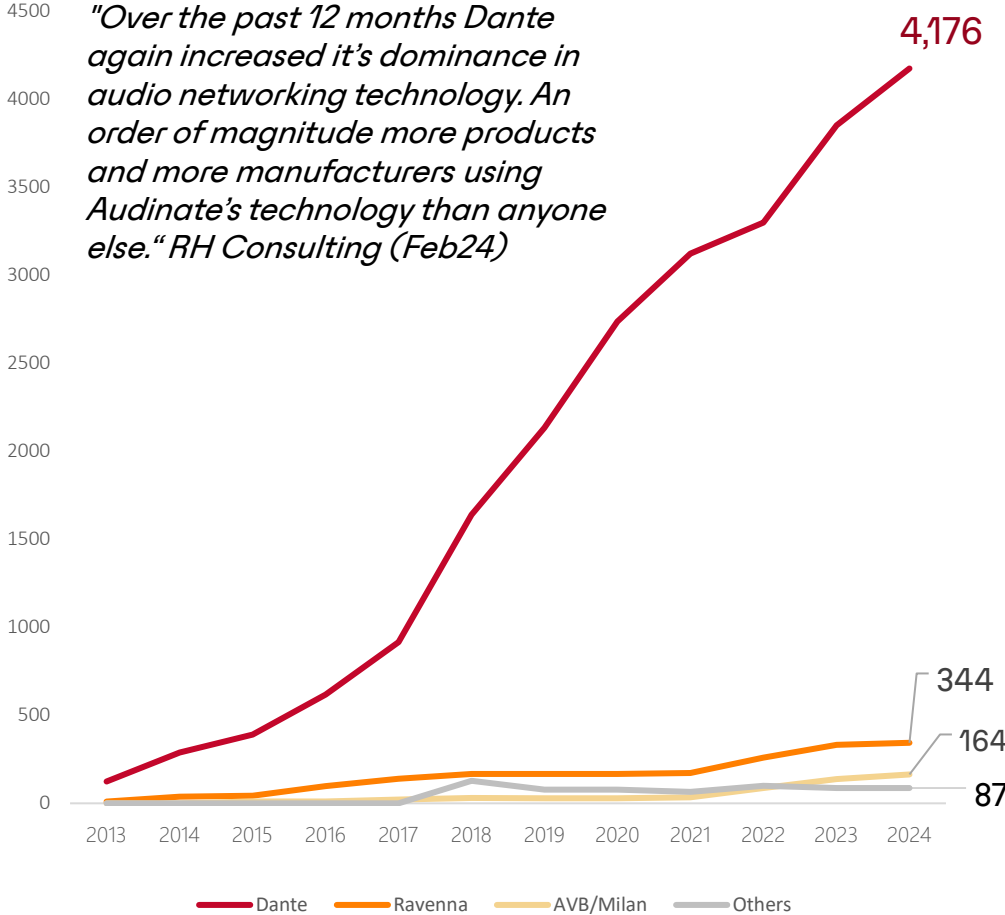*1. Retail Software includes Dante Via & Dante Virtual Sound Card*

Leading Global Supplier of AV Networking

>US$2bn
Total addressable market

660
OEM brands shipping Dante enabled products

4,176
Dante enabled products available on the market

12x
Market adoption of closest competitor

>270,000
Professionals trained on Dante

Total audio products per protocol

"Over the past 12 months Dante again increased it's dominance in audio networking technology. An order of magnitude more products and more manufacturers using Audinate's technology than anyone else." RH Consulting (Feb24)

4,176

344

164

87

Legend: Dante · Ravenna · AVB/Milan · Others

x-axis: 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024

y-axis: 0 500 1000 1500 2000 2500 3000 3500 4000 4500

1) RH Consulting, Networked Audio Products 2023 and Audinate company data
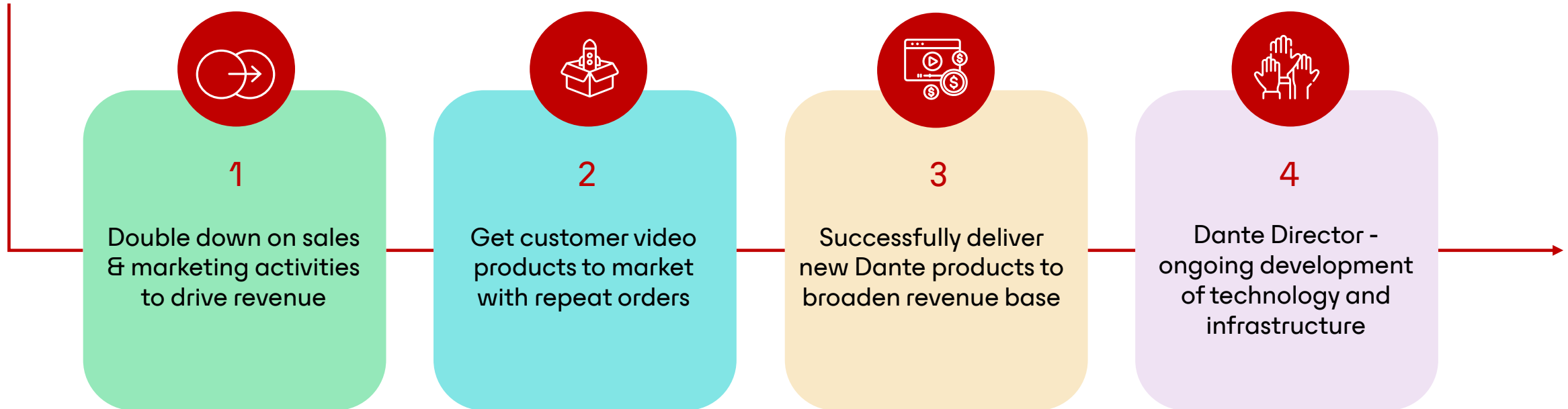
Ongoing traction in Video

In FY24 we have...

- ✓ **Achieved FY24 objective to double the video ecosystem** (target substantially over-achieved)

- ✓ **54 Dante AV partners / OEMs licenced for video** up from 34 at FY23

- ✓ **84 Dante video products** launched by customers at the end of FY24, up from 48 products at FY23

- ✓ **Next-generation Dante AV Ultra** – major features added such as video wall functionality shown at InfoComm, Logo insertion, video thumbnails and colour bar generation

- ✓ **Transition legacy Viper board customers to software virtual ASSP model** – per unit decline in gross profit dollars in FY25

- ✓ Enhanced user experience in Dante Studio with lower latency, better video quality

Dante AV-H Demo (left) & Dante Ultra Video wall functionality (right) on display at InfoComm (June 2024)

Driving Revenue
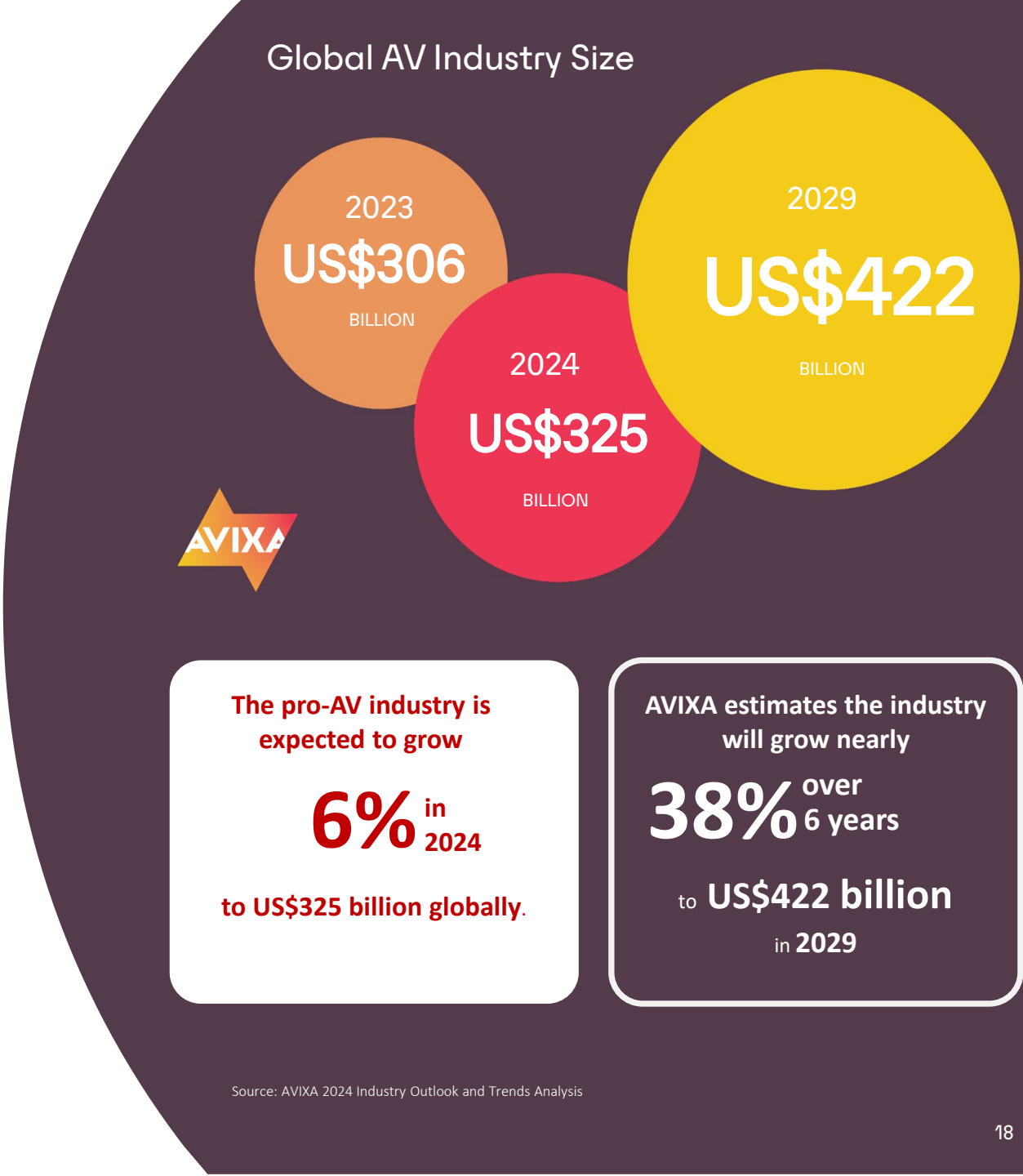
FY25 Priorities

1

Double down on sales & marketing activities to drive revenue

2

Get customer video products to market with repeat orders

3

Successfully deliver new Dante products to broaden revenue base

4

Dante Director - ongoing development of technology and infrastructure

FY25 Outlook

→ **Customer re-balancing of inventory holdings** and rate of OEM's clearing raw materials to influence revenue

→ **Shorter order lead times** – now back to pre-COVID levels

→ **Ongoing customer preference for software-based Dante implementations** to drive GP% towards 80%

→ **New product initiatives underway** to grow revenue

→ **Cost growth expected 7% - 9%** (compares to 28.5% annually over last three years)[1]

→ Actively exploring **M&A opportunities** to accelerate growth plans in video and cloud

1. Based on a USD exchange rate of 68c

Global AV Industry Size

2023
US$306
BILLION

2024
US$325
BILLION

2029
US$422
BILLION

AVIXA

The pro-AV industry is expected to grow

6% in 2024

to US$325 billion globally.

AVIXA estimates the industry will grow nearly

38% over 6 years

to **US$422 billion** in **2029**

Source: AVIXA 2024 Industry Outlook and Trends Analysis

Q1 TRADING UPDATE

- **Audinate delivered unaudited gross profit of US$7.2 million (A$10.6M) in Q1 FY25**

- **Factors affecting Q1 performance -** shorter order lead times, increased inventory across the industry, slower raw material clearance, and softer-than-expected end-user demand

- **FY25 outlook -** Audinate had anticipated a slightly lower US$ gross profit for FY25 compared to FY24, but due to first-half performance, this target is unlikely to be met

- **Q2 Update -** an update on market performance and outlook will be provided after Q2 FY25, with expectations of a stronger second half

- **FY25 remains a transitional year** as customers work through inventory backlogs

- **Audinate expects a return to normal order patterns and growth by FY26**

Long-term strategic thesis for Audinate remains strong

- **Expanding Dante Device Base -** 6 million+ devices in use and more than 1 million added annually. Dante's growing installed base and the launch of Dante Director support long-term revenue opportunities from AV installation management and monitoring

- **New Product Launches -** new AVIO adaptors and a premium Dante Virtual Soundcard is expected to positively impact earnings starting in 2H FY25

- **Strong Demand Indicators -** key metrics from manufacturers, AV system designers, and installers point to continued strong demand for Dante technology

- **OEM design wins up 22%** reflecting strong pipeline of new Dante products and indicate future revenue growth

- **Dante Certification and Training programs** attract over 4,000 attendees per month, boosting global adoption of Dante

Welcome Our Recent New Hires to Audinate

Chris Rollinson
Chief Financial Officer
& Company Secretary

Nick Peace
Chief Strategy Officer

Tim Neal
Vice President, Digital Services

Appendix

Investment Highlights

Global Market Leader

Dominant position as de-facto standard in audio networking

12x market adoption of its closest competitor

Attractive Financial Profile

Gross margins >74% supported by strong IP

Consistent historical revenue growth from repeat orders

$117M cash & term deposits

Innovative Products

Broad intellectual property portfolio developed in Australia

Extensive investment in R&D

Large Market Opportunity

AV just starting digital networking conversion

Audinate is just entering a fragmented video market

Balance sheet capacity for strategic M&A

Strong Customer Base

Existing customer base of leading global AV companies

Customer base is broad and expanding

Experienced Management

Founder-led

Strong executive team with extensive industry experience

Built Audinate into a market leadership position

FY24 ESG Highlights

Employee Engagement & Wellbeing

Top quartile employee engagement

Employee Assistance Program, monthly wellbeing themes, mental health first aiders and wellbeing support tools

Annual career development and performance review discussions for all full time & part time employees

Supporting Families

Over the past two years, 14 new parents across the organisation have accessed Audinate's Paid Parental Leave policy for primary & secondary carers

Diversity & Inclusion

Females represent 26% of workforce and 22% of the Senior Executive Team and 29% on Board

Team comprises people from 28 nationalities, born across 37 countries

Compulsory discrimination & harassment training for all employees

Supply Chain Management

Regular audit of key suppliers - no substantial ESG risks identified in our supply chain

Cyber Security Management

Strengthened IT, privacy and cyber security protection

Global training on cyber security

Commencing ISO27001 accreditation for our Information Security Management System (ISMS)

Environment

Preparation for climate-related financial disclosures

Ongoing reporting of global carbon footprint for scope 1 & 2 emissions

Rolled out global travel management platform to deliver more robust carbon related data for business travel

Formal Business

Meeting Procedure

- **Quorum**

- **Notice of Meeting** - taken as read

- **Voting Procedure**

  - YELLOW CARDS indicates a voting shareholder or proxy holder or duly appointed representatives for the Meeting. You may comment, ask questions and vote at the Meeting.

  - BLUE CARDS indicates a non-voting shareholder. You may comment and ask questions but not vote at the Meeting.

  - RED CARDS indicates a visitor, also non-voting. You may not speak or vote at the Meeting.

Consideration of Reports (General Q&A)

- The 2024 Annual Report contains the Financial Report, Directors' Report and the Independent Auditor's Report.

- This item is the receipt and consideration of the Reports of Audinate Group Limited. This is not a resolution.

- General questions or comments about the Reports and questions for the Auditor.

Resolution 1: Re-election of Director – Mr Tim Finlayson

That for the purposes of clause 15.6 of the Company's Constitution and for all other purposes, Tim Finlayson, who retires and being eligible, is re-elected as a Director of the Company.

Resolution 1: Re-election of Director – Mr Tim Finlayson

	Proxy Results
FOR	36,035,095 (96.06%)
AGAINST	1,254,155 (3.34%)
OPEN	224,427 (0.60%)
ABSTAIN	37,099

Resolution 2: Re-election of Director – Mr John Dyson

That for the purposes of clause 15.6 of the Company's Constitution and for all other purposes, Mr John Dyson, who retires and being eligible, is re-elected as a Director of the Company.

Resolution 2: Re-election of Director – Mr John Dyson

	Proxy Results
FOR	34,916,266 (93.08%)
AGAINST	2,372,984 (6.33%)
OPEN	224,427 (0.60%)
ABSTAIN	37,099

Resolution 3: Remuneration Report

That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Company's Remuneration Report for the financial year ended 30 June 2024, as set out in the Directors' Report, be adopted.

Resolution 3: Remuneration Report

	Proxy Results
FOR	36,912,091 (98.89%)
AGAINST	191,716 (0.51%)
OPEN	222,707 (0.60%)
ABSTAIN	69,254

Resolution 4: Issue of Performance Rights to CEO

That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of 89,201 Performance Rights to Mr Aidan Williams under the Audinate Long Term Incentive Plan on the terms described in the Explanatory Memorandum which forms part of this Notice of Meeting, is approved.

Resolution 4: Issue of Performance Rights to CEO

	Proxy Results
FOR	36,951,004 (98.88%)
AGAINST	197,335 (0.53%)
OPEN	223,027 (0.60%)
ABSTAIN	24,402

Questions?

Thank you for joining us today