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Australia

ASX announcement

7 September 2023

## AUDINATE LAUNCHES A\$50 MILLION PLACEMENT AND SHARE PURCHASE PLAN TO ACCELERATE GROWTH STRATEGY

### Highlights

- Audinate is undertaking a fully underwritten Institutional Placement of A\$50 million at an offer price of A\$13.00 per share ("Placement")
- Audinate will also conduct a non-underwritten Share Purchase Plan offer to existing eligible shareholders to raise up to A\$20 million ("SPP")
- Proceeds from the Placement and SPP (together, the "Equity Raising") will be utilised to continue strategic investment to drive organic growth, enhance and accelerate video growth and to explore a pipeline of identified bolt-on M&A opportunities
- Pro-forma cash position post-raising of approximately A\$90 million<sup>1</sup> to provide a source of readily available funding for future strategic opportunities

**Audinate Group Limited** ("Audinate") (ASX:AD8), developer of the professional AV-industry leading Dante® media networking solutions, is pleased to announce details of its Equity Raising.

### Proposed use of funds

Proceeds from the Equity Raising will be used to deliver organic growth through continued strategic investment in new and innovative products, 'Win in Video' by building on early success and provide flexibility to explore a pipeline of identified bolt-on M&A opportunities. Specifically, the proceeds will be used to:

- **Continued strategic investment**
  - Deliver new and innovative products related to Dante audio installations, e.g.
    - IoT-style device management services (like Dante Director)
    - Software based signal processing solutions (like Dante Connect)
  - Build the "operating system for AV"
- **Win in Video**
  - Build on early success in Video – replicate Audio success
  - Drive execution of strategic Video plan, with the benefit of capital to invest
  - Accelerate full video product portfolio, e.g.
    - Dante Connect to support video
    - Full range of PC / Mac software apps

<sup>1</sup> Pro-forma cash position as at 31 July 2023 post Placement and transaction fees but excluding any funds raised under the SPP

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- **Flexibility to explore pipeline of M&A opportunities**
  - Bolt-on M&A opportunities have been identified to accelerate video and cloud strategy
  - Audinate successfully acquired and integrated the Silex video business in 2022 and has successfully established operations and business units across a range of countries
  - Strategy to consider additional video capabilities is important to potentially accelerate the next phase of growth

### Institutional Placement

Audinate is raising A\$50 million via the fully underwritten Placement at an issue price of A\$13.00 per share (“**Placement Price**”). Audinate will issue approximately 3.8 million new fully paid ordinary shares (“**New Shares**”), representing approximately 4.9% of Audinate’s existing issued share capital.

The Placement Price of A\$13.00 per share represents a 9.0% discount to the last traded price of the Company’s shares on Wednesday, 6 September 2023.

New Shares issued under the Placement will rank equally with existing ordinary shares from the date of issue. 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<sup>23</sup>. Audinate will issue the New Shares without shareholder approval in accordance with its existing placement capacity under ASX Listing Rule 7.1.

The Placement is fully underwritten by UBS Securities (Australia) Limited and Canaccord Genuity (Australia) Limited. Settlement of the New Shares issued under the Placement is expected to occur on Tuesday, 12 September 2023, with allotment of the New Shares issued under the Placement scheduled for Wednesday, 13 September 2023.

### Share Purchase Plan

Audinate is also offering eligible, existing shareholders the opportunity to participate in the SPP to raise up to a further A\$20 million, which may be scaled back if subscriptions under the SPP exceed A\$20 million and is not underwritten. An eligible shareholder is any shareholder in Australia or, New Zealand<sup>4</sup> recorded on Audinate’s share register at 7:00pm AEST on Wednesday, 6 September 2023. The offer under the SPP is non-renounceable and cannot be transferred to any other person.

Eligible shareholders will have the opportunity to acquire up to A\$30,000 in New Shares in increments of A\$1,000, rounded up to the nearest whole number of New Shares via the SPP at an issue price at the lower of:

- the Placement Price (A\$13.00 per New Share); and
- the price that is a 2.0% discount to the VWAP of ordinary shares in Audinate traded on the ASX over the 5 trading days up to, and including, the SPP closing date.

<sup>2</sup> For this purpose, an eligible institutional shareholder’s ‘pro-rata’ share will be estimated using 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 this announcement 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. Refer to foreign selling restrictions on slides 18 to 20 of the Investor Presentation lodged on ASX on 7 September 2023. Audinate and the Underwriters disclaim any duty or liability (including for negligence) in respect of the determination of a shareholder’s ‘pro-rata’ share.

<sup>3</sup> 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 2 above, and any excess may be subject to scale back.

<sup>4</sup> Audinate reserves the right to extend participation in the SPP to eligible shareholders in other jurisdictions at its discretion, subject to compliance with applicable laws.

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The New Shares issued under the SPP will rank equally with existing ordinary shares from the date of issue per the timetable below.

The SPP Booklet containing further details of the SPP Offer will be released on the ASX separately and is expected to be mailed to all eligible shareholders on or about Thursday, 14 September 2023, being the date on which the SPP Offer will open. The SPP Booklet and the accompanying Application Form will contain instructions on how to apply. Application Forms and payments are due no later than 5:00pm AEST on Tuesday, 3 October 2023. Eligible shareholders should consider the SPP Booklet in full, including the Plan Terms and Conditions, before deciding whether to participate in the SPP. Shareholder approval is not required for the issue of New Shares under the SPP.

**Equity Raising indicative timetable**

<b>Placement</b>	
Trading halt and announcement of Placement and SPP	Thursday, 7 September 2023
Placement bookbuild	Thursday, 7 September 2023
Trading halt lifted and Audinate shares recommence trading on ASX	Friday, 8 September 2023
Settlement of Placement	Tuesday, 12 September 2023
Allotment of New Shares issued under the Placement	Wednesday, 13 September 2023
<b>Share Purchase Plan</b>	
Record date for determining eligible participation to subscribe for New Shares via the SPP	7:00pm (AEST), Wednesday, 6 September 2023
SPP Booklet dispatched to eligible shareholders	Thursday, 14 September 2023
SPP opens	Thursday, 14 September 2023
SPP closes	5:00pm (AEDT), Tuesday, 3 October 2023
SPP New Shares allotted	Thursday, 5 October 2023
Expected quotation of SPP New Shares	Friday, 6 October 2023
Dispatch of holding statements to shareholders	Monday, 9 October 2023

The dates in the table above are indicative only and Audinate may amend this timetable. Audinate may also withdraw the offer of New Shares under the SPP at any time before the allotment date in its absolute discretion.

**Authorisation:** This announcement was authorised by the Board of Audinate Group Limited

- ENDS -

**Investor and media enquiries:**

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**For more information on Audinate, please visit:**

Investor Centre – [investor.audinate.com](https://investor.audinate.com) Website – [www.audinate.com](https://www.audinate.com)

### **Forward-Looking Statements**

This ASX release contains certain forward- looking statements and comments about future events. Forward looking statements can generally be identified by the use of forward looking words such as, 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target', 'outlook', 'guidance', 'potential' and other similar expressions. Forward-looking statements in this ASX release include statements about the plans, objectives and strategies of Audinate 's management, including with regard to FY24 priorities and growth opportunities, statements about the industry and the markets in which Audinate operates, as well as statements about the timing, outcome and effects of the Equity Raising and the anticipated use of funds. Indications of, and guidance on, future earnings and financial position and performance, projections and the Company's FY24 outlook for the future, are also forward-looking statements. Forward-looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies, and other factors, many of which are outside the control of Audinate, are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. A number of important factors could cause the actual results or performance of Audinate to be materially different from any results or performance expressed or implied by such forward-looking statements. Refer to the 'Key risks' section as appears on slides 12 to 17 of the Investor Presentation lodged on ASX on 7 September 2023 for a summary of certain general and Audinate-specific risk factors that may affect Audinate. Readers should consider the forward-looking statements contained in this ASX release in light of those disclosures. Such forward-looking statements speak only as of the date of this document. Forward- looking statements should not be relied on as an indication or guarantee of future performance. No guarantee, representation, warranty or undertaking, express or implied, is made as to the accuracy, likelihood or achievement or reasonableness of any projection, forecast, assumption or estimate contained in this document.

Except as required by law or regulation, Audinate and the underwriters disclaim any obligation or undertaking to disseminate any updates or revisions to any forward- looking statements in this document to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statement is based.

### **Not for distribution or release in the United States**

This ASX release may not be distributed or released in the United States. This ASX release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. The securities referred to in this ASX release have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States unless the securities have been registered under the Securities Act (which Audinate has no obligation to do or procure) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

### **General**

In addition, this ASX release is subject to the same "Disclaimer and Important Notice" as appears on slides 2 to 4 of the Investor Presentation lodged on ASX on 7 September 2023 with any necessary contextual changes.

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**About Audinate Group Limited**

Audinate Group Ltd (ASX:AD8) was founded with a vision to pioneering the future of AV. Audinate’s award winning Dante audio over IP networking solution is a market leader and used extensively in the professional live sound, commercial installation, broadcast, public address, and recording industries. Dante replaces traditional analogue audio cables by transmitting synchronized audio signals across large distances, to multiple locations at once, using nothing more than an Ethernet cable. Audinate is headquartered in Australia and has regional offices in the United States, United Kingdom and Hong Kong. Dante technology powers products available from hundreds of leading audio partners around the world. The company's ordinary shares are traded on the Australian Securities Exchange (ASX) under the ticker code AD8.

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