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ASX announcement

1 February 2022

Audinate completes acquisition of Silex Insight video business

Audinate Group Limited (ASX:AD8), developer of the professional AV-industry leading Dante® media networking solution, is pleased to announce that it has completed the acquisition of the video business of Silex Insight SA ("Silex"), based in Belgium (transaction initially announced 13 December 2021). The Silex video business produces video networking products for manufacturers of AV equipment.

The acquisition of the Silex video business is strategically compelling because it complements Audinate's existing video capabilities in Cambridge UK and aligns with Audinate's strategic vision for video over IP. In particular, the transaction will increase video hardware engineering capacity, enable acceleration of the video product roadmap, and cement critical mass for video product engineering in Europe.

The acquisition consideration comprises an up-front cash payment of US\$6.5 million and a revenue earn-out of up to US\$1.5 million may be payable based on the uplift in revenue for the twelve-month period from acquisition date.

The transaction consideration reflects the challenging supply chain environment impacting the Silex video business, as it has the AV industry generally. Component shortages are expected to curtail revenue for the first half of calendar year 2022, albeit a strong order book is ultimately expected to translate into revenue as supply chain pressures ease.

Audinate Co-founder and CEO Aidan Williams commented:

"We are very excited to acquire a team with widely recognised video hardware expertise and an existing revenue base. The video codecs and deep product expertise in the team, in combination with our Dante networking technology, will enable us to go to market with a variety of full-service video offerings. This acquisition complements the video software skills in the Cambridge (UK) team we established earlier in the year. Together these two deals significantly enhance our video capabilities and know-how – outcomes that have been achieved in only twelve months, notwithstanding the challenges presented by COVID."

Audinate expects to release its half year results on 14th February 2022.

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

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For more information on Audinate, please visit:

Forward-Looking Statements

This ASX release includes certain forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, and other factors, many of which are beyond the control of Audinate. These factors may cause actual results to differ materially from those expressed in the statements contained in this announcement.

About Silex Insights

Silex was founded in 1991 as an ASIC/FPGA design house in Belgium. It was acquired by Barco in 1995 and then renamed as Silex Insight in 2018 as a part of an MBO. Silex Insight is recognised as a market-leading independent supplier of Security IP solutions for embedded systems and custom OEM solutions for AVoIP/Video IP codec. Custom OEM solutions for AVoIP/Video codec from Silex provide high-end image and video compression solutions for distributing low latency, 4K HDR video over IP. The security platforms and solutions include flexible and high-performance crypto engines which are easy to integrate and an eSecure IP module that provides a complete security solution for all platforms. Development takes place at their headquarters near Brussels, Belgium.

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 the worldwide 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 perfectly 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.