



AUDEARA

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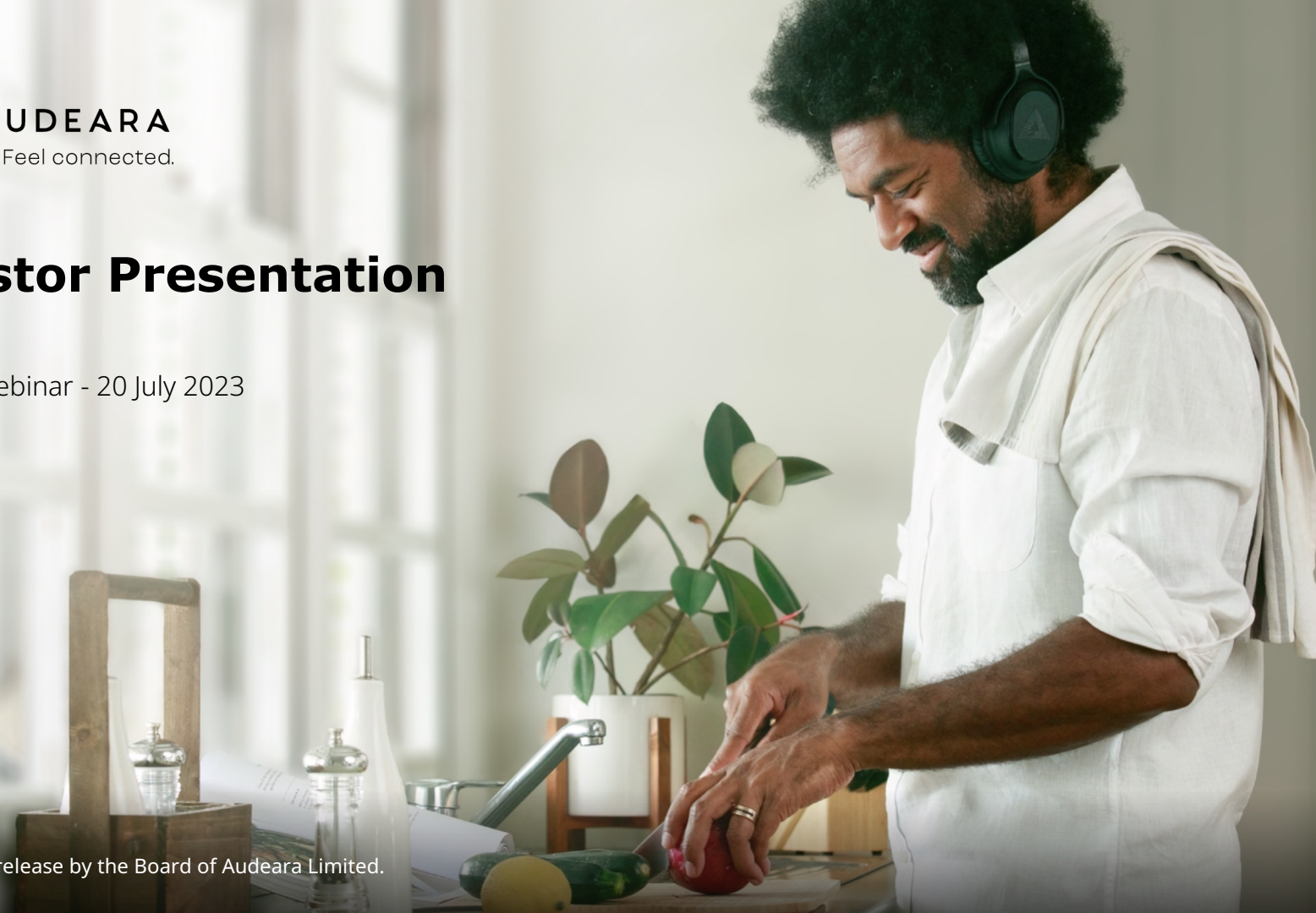
# Investor Presentation

Investor Webinar - 20 July 2023

ASX: AUA

Approved for release by the Board of Audeara Limited.

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20 July 2023

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# Business overview

## Audeara

Headphone and accessories sales:

- ▶ Partnerships with domestic and international audiology clinic chains
- ▶ Established presence in Australian retail channel
- ▶ International expansion now underway

## Audeara Proprietary Technology

Hardware | Firmware | Software

## AUA Technology

- ▶ White label products for large third parties
- ▶ Highly scalable technology licensing revenue
- ▶ Engineering services
- ▶ Pipeline of potential licensing partners growing

Customer and hearing health industry feedback and insights

## Audeara Research and Development

Innovative partnerships and strategic opportunities

# Record financial results and strong operational performance

- ▶ Quarterly revenue of \$0.94m - up 23% yoy (Q4 FY22: \$0.76m) and 40% qoq (Q3 FY23: \$0.67m)
- ▶ Q4 FY23 cash receipts of \$0.59m with an additional \$0.38m received post quarter end
- ▶ Revenue and cash receipts underpinned by purchase orders from Australian and international partners
- ▶ Ongoing reduction in operating cash outflows - down 14% on last quarter following reduced staff costs
- ▶ \$2.62m in cash or equivalents at 30 June 2023 - well placed to advance international expansion

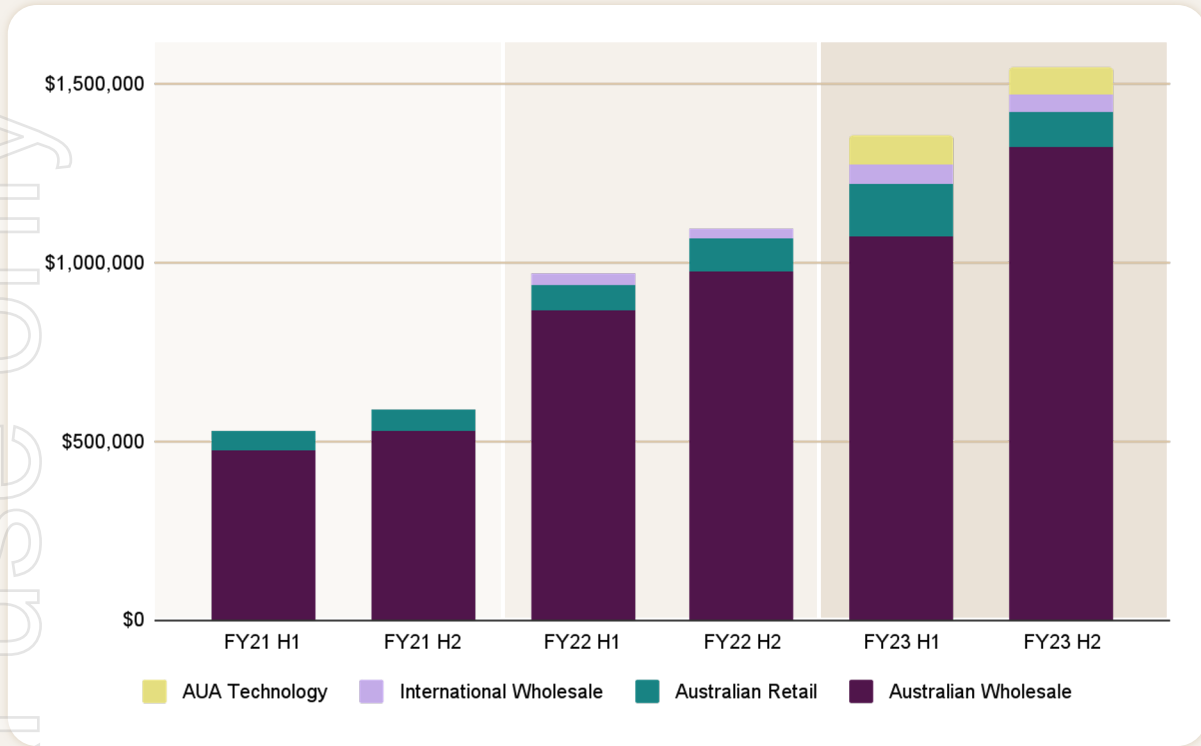
## Audeara

- ▶ Austrian market entry via WS Audiology's Bloom Hoerakustik - product launched in June
- ▶ Product launched via WS Audiology's HearUSA subsidiary in May
- ▶ In roads made into US through Demant A/S' HearingLife USA subsidiary in June
- ▶ Demant A/S' Audika clinics in Hungary commenced stocking products

## AUA Technology

- ▶ In-ear, earbud product development continues to progress with Taiwan's largest hearing aid retailer Clinico Inc. following strategic investment at a premium from the group's CEO
- ▶ AUA Technology engaged by a leading musical instrument company - on track to meet timelines for product manufacture H1 FY24

# Sales by Half Year continue to diversify



## Australian Wholesale

- ▶ Focus on increasing sales per clinic

## AUA Technology

- ▶ Engineering Services

## International Wholesale

- ▶ EU - global chains
- ▶ US - Independents, global chains
- ▶ Taiwan - Clinico

## Australian Retail

- ▶ NDIS + E-Commerce

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# Audera

Hardware and software solutions for the hearing industry

# The Audeara difference



Audeara headphones use a hearing check algorithm<sup>^</sup> to tailor sound to a user's unique hearing profile.

Sound is clearer, not louder by only amplifying frequencies the user can't hear as well.

The listener experiences clearer sound while connecting to the moments that bring them joy – whether that's watching a favourite TV show, listening to music or FaceTiming with family.

<sup>^</sup> Not for the purpose of medical diagnosis.

# Who is Audeara for?

Audeara is for people of all hearing abilities. The primary end users of our products are people who are seeking solutions in an audiology clinic setting who fit into these groups:

People with a hearing loss, who aren't ready for hearing aids



Wanting to hear the TV better and/or alleviate household tension due to loud volume

Current hearing aid or cochlear implant wearers



Seeking a device for entertainment

# Clients | Audiology clinics

## The PROBLEM for audiology clinics



**45%**

of self declared hearing impaired adopt hearing aids\*



**35%**

of hearing impaired people who visit a clinic **leave empty handed\***



**10 Years**

Average time hearing aid users wait before getting help for hearing loss^

## The SOLUTION of Audeara to audiology clinics

- ✓ **Additional revenue stream**  
As an Assistive Listening Device (ALD), Audeara provides clinics with an additional revenue stream.
- ✓ **Increase customer conversion**  
Clinics who recommend Audeara increase customer conversion rates and reduce the time to client's first purchase for customers who aren't ready to commit to hearing aids.
- ✓ **Increase lifetime value**  
Audeara increases the lifetime value of their clients, by providing a solution **on the way to** or **as well as** a hearing aid. We **never** position ourselves **instead of** a hearing aid.

Sources:

\* Anovum on behalf of HCIA in Australia and the European EHIMA, 2021

^ Davis et al., 2007



# Clients | Audiology clinics

By 2030, nearly

# 1.9 billion

people will be living with some degree of hearing loss\*

**amplifon**

2,119.1 million EUR  
Consolidated Revenue<sup>1</sup>

**Demant**

19,705 million DKK  
Consolidated Revenue<sup>2</sup>

**WSAudiology**

2,351 million EUR  
Consolidated Revenue<sup>3</sup>

**Specsav**ers

3.43 billion GBP  
Consolidated Revenue<sup>4</sup>

## Australia

Number of locations that currently stock Audeara (including sub-brands)



645<sup>#</sup>



400+<sup>^</sup>



130+<sup>^</sup>

330<sup>^</sup>

## Audeara's international opportunities

(including sub-brands)

~9,241 locations<sup>#</sup>  
in 25 countries<sup>1</sup>

~2,500 locations<sup>^</sup>  
in 130+ countries<sup>2</sup>

~3,300 locations<sup>^</sup>  
in 130 countries<sup>3</sup>

~2,100 locations<sup>^</sup>  
in 11 countries<sup>4</sup>

Sources:

\* WHO World Report on Hearing 2021

<sup>^</sup> Frost & Sullivan - Market Report, The Headphone Market March 2021

<sup>#</sup> Amplifon - GLOBAL OPERATIONS - November 2022

<sup>1</sup> Amplifon Annual Report, 2022

<sup>2</sup> Demant Annual Report, 2022

<sup>3</sup> WS Audiology Annual Report, 2022

<sup>4</sup> Specsavers Annual Review 2022

# International distribution

An established footprint and near term international expansion opportunities



## ASIAPAC

### Australia

- ▶ Currently stocked in over 1400 clinics.
- ▶ Primary revenue stream FY23



### Taiwan

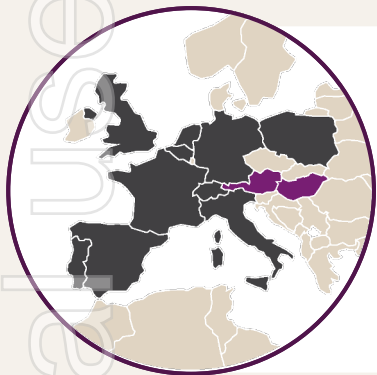
- ▶ Currently stocked in Clinico Inc. clinics – the largest audiology chain in Taiwan.
- ▶ Cooperative agreement signed with Clinico to develop healthy hearing earbuds.



## AMERICAS

### USA

- ▶ Demant AS' Hearing Life
- ▶ WS Audiology's HearUSA



## EMEA

- ▶ Significant growth prospects ahead with a coordinated rollout to be executed to ensure market success.
- ▶ Underpinned by Amplifon Territories

### Austria

- ▶ WS Audiology's Bloom Hoerakustik

### Hungary

- ▶ Demant AS' Audika

Currently stocked in  
6 countries

- ▶ Australia
- ▶ USA
- ▶ Taiwan
- ▶ New Zealand
- ▶ Hungary
- ▶ Austria

FY24 Pipeline  
Potential for another 11 countries

- ▶ Italy
- ▶ France
- ▶ Germany
- ▶ Spain
- ▶ Netherlands
- ▶ Singapore
- ▶ UK
- ▶ Switzerland
- ▶ Belgium
- ▶ Poland
- ▶ Portugal

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# AUA Technology

Innovative listening solutions with the potential to unlock a new, high margin licensing and contract manufacturing revenue stream

# AUA Technology

## Third party product development and technology licensing

Leverage Audeara Proprietary Technology for strategic opportunities outside of audiology industry.

## Audeara product pipeline

Utilise Audeara Proprietary Technology to develop products in Audeara's product pipeline.

## Research and development capabilities

Research and development driving Audeara Proprietary Technology including hardware, firmware and software. IP Portfolio - Patents/ Trademarks

# Taiwan's largest hearing aid retailer Clinico Inc.

Cooperative agreement following strategic  
\$2.8M investment at 20% premium

## Product development

Developing a series of healthy hearing earbuds in conjunction with Clinico

Expected completion within FY24 adding additional sales growth

Clear path to market

## Exclusive distribution

In Taiwan and China, Audeara will be exclusively distributed through Clinico.

Audeara branded products will be placed as a priority to sell.



**Clinico Inc. is a Taiwanese company, based in Taipei, and the largest hearing aid retailer in Taiwan with over 33% market share, and a presence in Taiwan and China.**

# Global musical instrument brand

## Product development agreement

### Engineering fee for services underway

- ▶ Design
- ▶ Sourcing
- ▶ Product development
- ▶ Post market support

### Contract manufacturing and licensing H1 FY24

- High volume consumer markets with global reach
- Highly scalable products with well established sales channels



# Innovative product pipeline

Headphones  
with tailored sound



A-01 Headphones



A-02 Headphones



A-03 Headphones



Kids

TV Listeners



A-01 TV Bundle



A-02 TV Bundle



A-03 TV Bundle

AUA Technology



Global musical  
instrument brand



Healthy Hearing  
Earbuds

FY18

FY20

FY22

FY23

FY24

## Tailored listening software

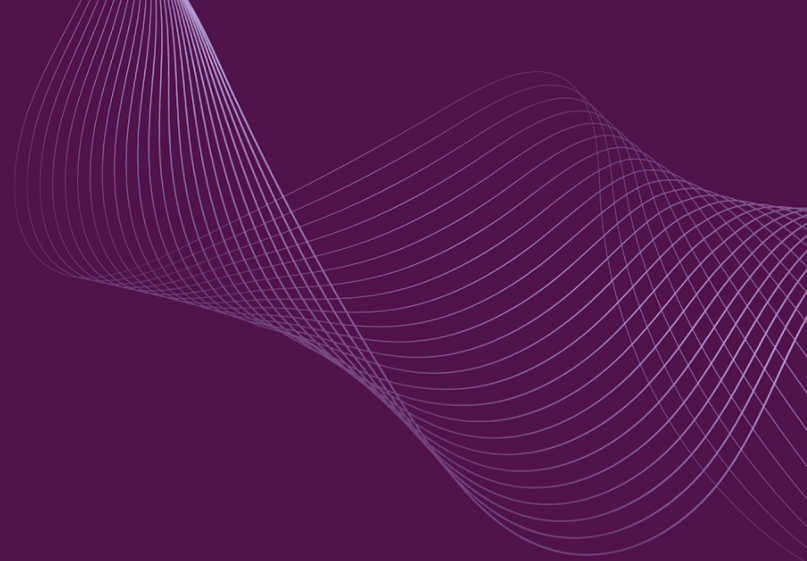
- ▶ **Audeara app** (consumer mobile app)
- ▶ **AudAssist** (desktop app for clinics)

## Research and development underway

- ▶ **Musicians**
  - ▶ Hearing protection that doesn't sacrifice sound quality.
- ▶ **Kids**
  - ▶ Volume limiting headphones that don't sacrifice sound quality.
- ▶ **Gaming**
  - ▶ Dr Ian O'Brien, Audeara research engineer, attending WHO Safe Listening Devices council in Geneva.

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# Outlook





# Milestones and targets 2023 - 2024

## Current quarter April - June

- ▶ **Australian wholesale driven record quarter**
- ▶ **WS Audiology Austria**
- ▶ **WS Audiology USA**
- ▶ **Demant A/S Hungary**

## FY24 targets

### **Audeara**

- ▶ EU Global Clinic Groups
  - ▶ 10 European countries
- ▶ US Global Clinic Groups
  - ▶ Expansion beyond trial sites to national rollout

### **AUA Technology**

- ▶ First PO from global music industry brand
- ▶ Healthy hearing earbuds introduction to Taiwanese audiology market

# Contact

## INVESTOR ENQUIRIES

**Dr James Fielding**

Managing Director and Chief Executive Officer

[james.fielding@audeara.com](mailto:james.fielding@audeara.com)

# Company snapshot

## Enterprise value (A\$)

Market cap	Share price \$0.032 at 30 June 2023	\$4.59M
Cash	As at 30 June 2023	\$2.62M
Debt	As at 30 June 2023	\$0
<b>Enterprise value</b>	<b>30 June 2023</b>	<b>\$1.97M</b>

## Key operating metrics

Rev. FY22	30 June 2022	\$2.07M	+85% on FY21
Unaudited Rev. FY23	30 June 2022	\$2.9M	+40% yoy
Unaudited Cash outflow FY23	30 June 2022	(\$2.96M)	-ve 20% yoy

## Top shareholders

Name	Shares	Percentage
Fortune Pioneer	28,000,000	19.5%
Board of Directors	43,515,087	30.0%
Other Top 20	31,302,323	22.2%



# Board Members



**Dr. James Fielding**  
**CEO and Managing Director**

Dr Fielding completed dual bachelor's degrees in business management and Biomedical Science at University of Queensland (UQ).

After working in finance and public relations in New York, Dr Fielding commenced a Bachelor of Medicine/Bachelor Surgery, earning a scholarship for UQ's Medical Leadership Program.

James left full time clinical medicine to focus on Audeara.

Dr Fielding was appointed to the Audeara Board 23 February 2015.



**David Trimboli**  
**Non-Executive Chairman**

Mr Trimboli helped launch Audeara in 2015. He has 10 years experience with the international commodity trading and asset management company, Glencore International AG, as a senior coal trader.

David has since established two Switzerland and Australia based investments, the latter being Seefeld Investments Pty Ltd.

Mr Trimboli was appointed to the Board 27 August 2015.



**Pasquale 'Paddy' Rombola**  
**Non-Executive Director**

Mr Rombola's experience is in the investment banking industry in Australia, United Kingdom and Asia, specialising in Asian and Australian equities at both Morgan Stanley and Deutsche Bank.

One of his roles at Morgan Stanley was Head of the ASEAN Equity and Global Head of the Asia Equity Sales. Paddy is currently Chairman of Advantage Agriculture Pty Ltd and Microba Life Sciences Limited.

Mr Rombola was appointed to the Board 31 March 2021.



**Dr. Elaine Saunders**  
**Non-Executive Director**

Dr Saunders is a Biomedical Engineer, Audiological Scientist, business-woman, author, speaker and professional director.

She co-founded and led two award-winning companies which changed the hearing industry: Blamey Saunders hears, and Dynamic Hearing Pty Ltd. Elaine now leads Bingarra Scale-Up Solutions, specialising in helping businesses through growth.

Dr Saunders was appointed to the Audeara Board 1 January 2022.



**Bill Peng**  
**Executive Director**

Mr Peng has extensive experience in the electronics industry, including the production of electronic materials, components, and semi-product through to finished products.

Bill brings extensive business experience across operational, supply chain management, product development and international sales, particularly in the Asia Pacific Region.

Mr Peng was appointed to the Audeara Board 5 August 2022.