AUDEARA

31 August 2021

ASX ANNOUNCEMENT

FY21 Full Year Result

HIGHLIGHTS

- FY21 Revenue up 23.5% to $1.115m
- Consistent sales acceleration throughout the year as COVID impact receded
- Q4 FY21 revenue grew 56% year-on-year with a strong increase in unit per clinic sales
- Underlying EBITDA result, (excluding IPO related costs) of ($0.65m)
- Australian audiology clinics stocking Audeara increase to 725 at 30 June 2021
- May 2021 IPO proceeds to be deployed in FY22 and beyond with net cash of $5.7m to accelerate growth
- Key Senior sales and marketing hires secured to accelerate sales growth in Australian and the US

Audeara Ltd (**ASX: AUA**) (‘**Audeara’ or ‘the Company’**) is pleased to announce its FY21 Financial Results.

James Fielding, Audeara’s Co-Founder and CEO commented:

FY21 was a pivotal year for Audeara on a number of fronts. The company continued to grow the number of clinics in Australia stocking Audeara to record levels and we anticipate our partnership with Westone in the US to begin to impact on sales in the coming financial year.

Audeara’s IPO, completed close to year-end, has provided funding for the Company to accelerate its growth. It underpins growing our sales capability and ongoing innovation in our product line with our next generation of headphones and TV listening devices to be released in the 1H FY22.

We ended FY21 well with the final quarter of the year recording the strongest performance in the Company’s history – even prior to beginning to deploy our IPO funding in FY22.

The combination of a strong balance sheet, growing repeat sales through our expanding ‘installed base’ of clinics domestically and the expected contribution from the Westone partnership in the US, as well as ongoing product innovation and the impact of our recent senior sales team hires underpins our expectations of a positive outlook for FY22.

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Audeara generated $1.115m in revenue in FY21, up 23.5%, despite the persistent impact of COVID. The wholesale distribution of Audeara's product offering through audiology clinics is the Company's key sales channel. Notwithstanding the ~200% increase in clinics stocking Audeara in FY20, growth continued strongly in FY21. Clinic numbers averaged ~660 in FY21 but ended the year at 725. The Company is actively working with a number of clinic groups to secure further supply agreements and expects this number to continue to grow in the coming financial year.

International markets provide scope for even greater growth in this sales channel. The Company's partnership with Westone and its US network of 16,000 clinicians alone provides Audeara with access to 10 times the number of clinics versus the entire Australian market. The Company anticipates its partnership with Westone to begin impacting revenue in 1H FY22.

The final quarter of FY21 saw the highest Quarterly sales result for the Company since it was founded. Revenue growth in the Q4 was 56% year-on-year as we saw the benefit of consistent growth in clinic numbers over the year as well as the impact of successfully on boarding and training the growing 'installed base' of clinics. The resulted in increased in 'unit per clinic' sales.

We continue to put in place the foundations of our sales infrastructure. The Company begins FY22 with several new, key positions created and staffed, namely our National Sales Manager USA, National Sales Manager Australia, and our Marketing Manager.

Ongoing innovation is vital to any technology Company and Audeara's next generation headphones, the A02 product line, is progressing as planned. Following feedback from audiologists key aspects of the product features have been finalised and it remains on track for a QX FY22 release.

The Company reported an underlying EBITDA of ($0.65m). Following the $7m IPO completed in May 2021 the Company remains extremely well capitalised to pursue its growth strategy of continued expansion of clinic numbers in Australia, penetrating clinics in the US and delivering new products to our customers.

Whilst mindful of the volatile impact of COVID and associated lockdowns currently in place regions of Australia, Audeara looks forward to FY22 as we seek to generate a return on the capital raised at IPO through our growing distribution partnerships here and in the US especially, an expanded sales infrastructure and new product offering.

This announcement was authorised by the Board of Audeara Limited

To learn more please visit: www.audeara.com

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ABOUT AUDEARA

Audeara makes Perfect Sound, Always. Audeara's algorithm allows customers to personalise sound for their unique hearing profile. We offer a superior sound experience and quality, while promoting the importance of their hearing health.

The company sells its products through e-commerce channels, as well as distributers and resellers in Australia and the United States. Audeara Limited was incorporated in 2015 and is based in Newstead, Australia.