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# Investor Presentation

—

17 May 2023 (ASX: AUA)

Approved for release by the Board of Audeara Limited.

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17 May 2023

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# Business overview

### Audeara

Headphones and accessories:
- Audiology clinics
  - Global chains
- Australian retail channel

### Audeara Proprietary Technology

Hardware | Firmware | Software

### AUA Technology

- White label products
- Technology licensing
- Engineering services

Customer and hearing health industry feedback and insights

Innovative partnerships and strategic opportunities

### Audeara Research and Development

# Market updates | 17 May 2023

- Quarterly revenue up 104% vs Q3 FY22
- Q3 FY23 cash receipts $1.01m, up 168% from the pcp
- YTD FY23 cash receipts $2.46m, up 85% from the pcp
- YTD FY23 net cash outflows $2.28m reduced 23% from the pcp
- $3.25 million in cash or equivalents at 31st March

## Audeara

- WS Audiology Bloom Hoerakustik product launch
- WS Audiology HearUSA product launch
- Amplifon product launch preparation being finalised to 11 country pipeline
- Demant Group USA: first sales into Hearing Life

## AUA Technology

- Clinico cooperative agreement executed following on from strategic investment in Q2 FY23
- AUA Technology engagement by a leading musical instrument company on track to meet development timelines for product manufacture H1 FY24

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# Audeara

Hardware and software solutions for the hearing industry

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# The Audeara difference

Audeara headphones use a health-check algorithm^ to tailor sound to a 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.

^ Not for the purpose of medical diagnosis.

# Who is Audeara for?

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

**Need**
Wants to hear the TV better and/or alleviate household tension due to loud volume

## Current hearing aid or cochlear implant wearers

**Need**
Seeking a complementary 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 value 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



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# **Clients** | Audiology clinics

By 2030, nearly

**1.9 billion**

people will be living with some degree of hearing loss*

| | Australia<br>Number of locations that currently stock Audeara (including sub-brands) | Audeara's international opportunities (including sub-brands) |
|---|---|---|
| amplifon<br>2,119.1 million EUR Consolidated Revenue [1] | BAY AUDIO HEARING EXPERTS / attune hearing each moment<br>645# | ~9,241 locations#<br>in 25 countries [1] |
| Demant<br>19,705 million DKK Consolidated Revenue [2] | Audika<br>400+^ | ~2,500 locations^<br>in 130+ countries [2] |
| WSAudiology<br>2,351 million EUR Consolidated Revenue [3] | bloom hearing specialists<br>130+^ | ~3,300 locations^<br>in 130 countries [3] |
| Specsavers<br>3.43 billion GBP Consolidated Revenue [4] | 330^ | ~2,100 locations^<br>in 11 countries [4] |

Sources:
* WHO World Report on Hearing 2021
^ Frost & Sullivan - Market Report, The Headphone Market March 2021
# Amplifon - GLOBAL OPERATIONS - November 2022

1 Amplifon Annual Report, 2022
2 Demant Annual Report, 2022
3 WS Audiology Annual Report, 2022
4 Specsavers Annual Review 2022



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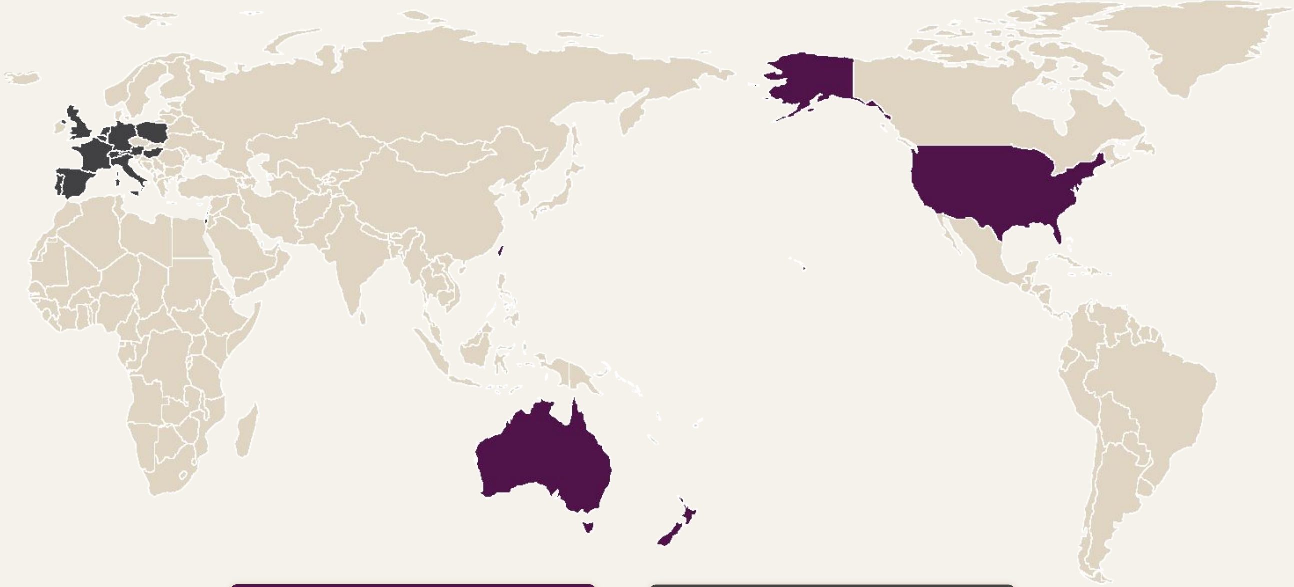
# International distribution

expansion of clinics stocking Audeara



Currently stocked in
6 countries

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

FY24 Pipeline
11 countries

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

**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

- Hearing Life (Demant Group)
- HearUSA (WSA)

**EMEA**

- Significant growth prospects ahead with a coordinated rollout to be executed to ensure market success.
- Underpinned by Amplifon Territories
- First Country launched with WSA
- Demant negotiations underway



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# AUA Technology

Innovative listening solutions

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# 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

# Global musical instrument brand

## Product development agreement

### Engineering fee for services

- Design
- Sourcing
- Product development
- Post market support

### Contract manufacturing and licensing

High volume consumer markets with global reach.

Highly scalable products with well established sales channels.

# Clinico Inc.

## Cooperative agreement following strategic $2.8M investment

**Product development**

Developing a series of healthy hearing earbuds in conjunction with Clinico.

Expected completion within the next 18 months.

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 科林儀器 科林助聽器

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.

# Audeara product pipeline


## 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.

# Revenue

Continual year on year growth + additional revenue streams

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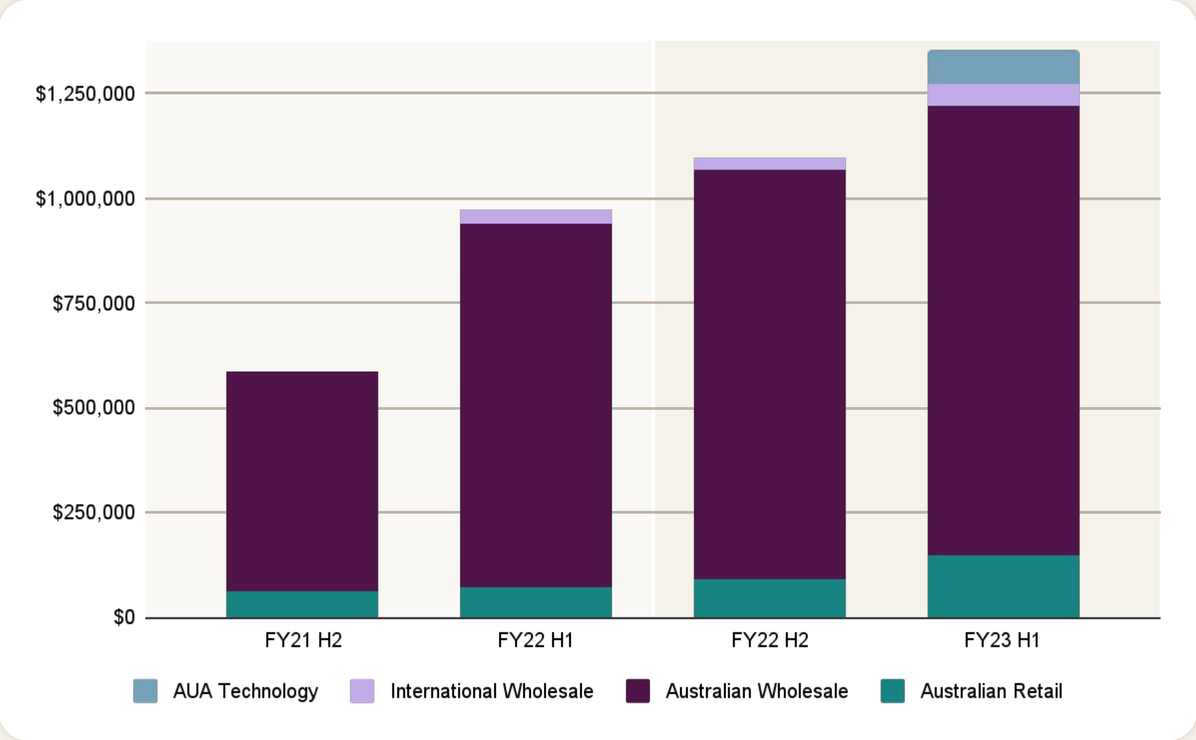
# Sales by Half Year




AUA Technology
- Engineering Services

International Wholesale
- US - Independents, global chains
- EU - global chains
- Taiwan - Clinico

Australian Wholesale
- Focus on increasing sales per clinic

Australian Retail
- NDIS + E-Commerce

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# Outlook

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# Milestones and targets 2023 - 2024

## Previous quarter
January - March

**Audeara**

- Australia: Wholesale and Retail Sales continued Year-on-Year Growth
  - Wholesale up 78% on the pcp.
  - Retail sales up 51% on the pcp.
- Europe: Preparations for launch into 11 countries in Europe  with global chains.
- USA: First Sales into Demant and WS Audiology corporate owned clinics.

**AUA Technology**

- Achieved product development milestones for music industry partner.
- Strategic Product Partnership with Clinico Inc. in Taiwan and China following on from strategic investment.

## Current quarter
April - June

- ✓ **WS Audiology Austria**
  - rollout to 21 clinics
- ✓ **WS Audiology USA**
  - pilot in flagship location with goal to expand through to 360 locations
- First POs for country launches under global Amplifon agreement

## FY24 targets

**Audeara**

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

**AUA Technology**

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



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# Contact

INVESTOR ENQUIRIES

**Dr James Fielding**
Managing Director and Chief Executive Officer

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# Company snapshot

| Enterprise value (A$) | | |
|---|---|---|
| Market cap | Share price $0.046 at 16 May 2023 | $6.59M |
| Cash | As at 31 March 2023 | $3.247M |
| Debt | As at 31 March 2023 | $0 |
| **Enterprise value** | **16 May 2023** | **$3.343M** |

| Key operating metrics | | | |
|---|---|---|---|
| Rev. FY22 | 30 June 2022 | $2.07M | +85% on FY21 |
| Rev. YTD FY23 | 31 March 2023 | $2.03M | +56% on pcp |
| Cash outflow YTD FY23 | 31 March 2023 | ($2.28M) | -ve 24% on pcp |

## 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.

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