

Audeara FY23 Financial Results

Key Highlights

Financial Highlights

- ▶ Highest annual revenues to-date of \$2.9m, up 40.6% on previous financial year
- ▶ FY23 cash receipts of \$3.05m, up 49% YoY with a commensurate 17% decline in operating cash outflows to \$2.97m
- ▶ Strong year-end cash position with \$2.62m in cash and cash equivalents as at 30 June 2023

Operational Highlights

Proprietary Hardware Solutions

- ▶ Australian wholesale revenues (headphones and accessories) of \$2.4m, up 30% YoY from \$1.8m
- ▶ Australian retail revenues (headphones and accessories) of \$246k, up 49% YoY from \$165k
- ▶ International hardware sales of \$111k up 80% YoY from \$62k

Proprietary Software Solutions

- ▶ Product development and design revenues of \$153k in first year of operations
- ▶ Global growth opportunities in FY24 through contract manufacturing and licensing agreements with new and existing customers, including commercial framework with major international music brand

FY23 Financial Metrics

- ▶ FY23 group operating revenues: \$2.906m (FY22: \$2.067m)
- ▶ FY23 net loss before income tax: (\$3.743m) (FY22: (\$2.954m))
- ▶ FY23 net assets: \$3.169m (FY22: \$4.084m)



Audeara Ltd (ASX: AUA) ('Audeara' or 'the Company') is pleased to report a strong financial and operational performance for the 12-month period ended 30 June 2023 (FY23).

Group revenues for the period totalled \$2.906m, a record annual high and an increase of more than 40% on the prior year. The sales momentum was driven by increased traction for Audeara's proprietary hardware suite in the Australian market, where it holds a leading position as a wholesale distributor to major health networks including the National Disability Insurance Scheme (NDIS). Audeara products are also registered for full subsidies under the federal government's Hearing Services Program (HSP) and the Department of Veteran's Affairs Rehabilitation Appliances Program (RAP).

Wholesale revenues rose by 30%, complemented by consistent growth through retail channels nationwide where Audeara posted YoY revenue growth of 49%. Group operations were highlighted by increased focus on cash flow, with revenue growth contributing to a 49% uplift in full-year operating cash flows to \$3.05m, as well as a 17% decline in cash outflows to \$2.9m.

Alongside its full-year revenue momentum, Audeara also executed on its strategy to significantly expand its global addressable market through the successful launch of its AUA Technology division. The AUA offering has been designed to facilitate the use of Audeara's technology as a component of third-party products through contract manufacturing and software licensing agreements.

First revenues for the division were received during FY23 and several commercial agreements are well advanced heading into FY24, including an agreement to deploy Audeara's technology with a major global music brand. In line with the group's consistent financial and operational performance, Audeara finished the year with a strong cash position of \$2.62m and net assets of \$3.169m, leaving it positioned to capitalise on its multi-channel growth opportunities throughout FY24 and beyond.

The Company generated revenues in the European markets through sales agreements in Europe with Demant and WS Audiology – two of the world's five largest hearing technology companies.



Through its partnership with WS Audiology, Audeara is also in ongoing commercial discussions for its hardware products in the US market.

Near-term commercial pathways for its AUA division are highlighted by the rollout of healthy hearing earbuds, with embedded Audeara software in the Taiwanese audiology market alongside strategic partner Clinico Inc, the largest audiology retailer in Taiwan.

With an established market position for its hardware products across the Australian market, Audeara also initiated a strategic focus on expanding its reach across global markets with a targeted partnership approach.

Management commentary

Audeara CEO James Fielding said:

"This full-year result caps off a transformational year for the business, where Audeara successfully achieved its key operational milestones for revenue growth and net cash flow generation, while also setting the foundation for global growth in both hardware and software licensing.

"With a dominant position in Australian wholesale and retail markets for Audeara's headphones and associated hardware technology, the strategic focus for FY24 is to complement that growth by expanding our addressable markets in Europe, the US and Asia.

"Concurrently, the AUA division achieved first revenues in FY23 and we are confident this business segment has the capacity to materially expand group sales through subscription-based licensing income streams over the coming months.

"With additional commercial agreements well-advanced across the Company in both local and international markets, we look forward to executing on our next round of growth targets into FY24 and beyond."

-ENDS-



This announcement has been authorised by the board of Audeara Limited.

For more information please visit, audeara.com

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ABOUT AUDEARA

Audeara Limited (ASX: AUA) is a global leader in innovative listening solutions for people with hearing challenges.

Passionate about redefining hearing health, Audeara connects people with the experiences that bring them joy - whether that's watching a favourite TV show, FaceTiming family or listening to music with confidence.

Audeara headphones use a health-check algorithm to tailor sound to a unique hearing profile, delivering personalised sound for each ear. Purposefully designed and engineered in Australia, Audeara products deliver optimum listening experiences to enhance quality of life for people of all ages and abilities.

Through its AUA Technology business unit, Audeara works with leading brands around the world to bring Audeara technology to listening devices via R&D, licensing and manufacturing partnerships.

Visit audeara.com to learn more, shop or search for a stockist near you.