
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): June 14, 2023

ClearOne, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation)

001-33660

(Commission File Number)

87-0398877

(I.R.S. Employer Identification No.)

5225 Wiley Post Way, Suite 500, Salt Lake City, Utah

(Address of principal executive offices)

84116

(Zip Code)

+1 (801) 975-7200

(Registrant's telephone number, including area code)

Not applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communication pursuant to Rule 13e-4© under the Exchange Act (17 CFR 240.13e-4©)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class
Common Stock, \$0.001

Trading Symbol(s)
CLRO

Name of each exchange on which registered
The NASDAQ Capital Market

Item 7.01 Regulation FD Disclosure

Beginning on June 14, 2023, ClearOne, Inc. (the “Company”) will participate in investor meetings and the Emerging Growth Conference during which members of the Company’s management will make presentations to investors. A copy of the Company’s investor presentation is furnished herewith as Exhibit 99.1.

Limitation of Incorporation by Reference

In accordance with General Instruction B.2. of Form 8-K, this information, including Exhibit 99.1 furnished herewith, is furnished pursuant to Item 7.01 and shall not be deemed to be “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into a filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act. The information in this Item 7.01 of this Current Report on Form 8-K (including the exhibit hereto) will not be deemed an admission as to the materiality of any information required to be disclosed solely to satisfy the requirements of Regulation FD.

Cautionary Statements

This Current Report on Form 8-K, including the exhibits furnished herewith, contains “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Such forward-looking statements relate to, without limitation, our future economic performance, plans and objectives for future operations and projections of revenue and other financial items. Forward-looking statements can be identified by the use of words such as “may,” “will,” “plan,” “potential,” “project,” “should,” “expect,” “anticipate,” “estimate,” “target,” “continue” or comparable terminology. Forward-looking statements are inherently subject to certain risks, trends and uncertainties, many of which we cannot predict with accuracy and some of which we might not even anticipate. Although we believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions at the time made, we can give no assurance that such expectations will be achieved. Future events and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements as a result of various factors, including those listed in Exhibit 99.1 on pages 2 and 3 and incorporated by reference herein. Readers are cautioned not to place undue reliance on these forward-looking statements. Unless required by U.S. federal securities laws, we do not intend to update any of the forward-looking statements to reflect circumstances or events that occur after the statements are made or to conform the statements to actual results. The information contained in this Current Report on Form 8-K, including the exhibit filed herewith, should be viewed in conjunction with the consolidated financial statements and notes thereto appearing in the Company’s Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q.

In connection with the foregoing, the Company hereby furnishes the following documents:

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit Number	Exhibit Title
99.1	Investor Presentation.
104.1	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CLEARONE, INC.

Date: June 14, 2023

By: /s/ Narsi Narayanan
Narsi Narayanan
Chief Financial Officer (Principal Accounting and Principal Financial Officer)

**We enhance communication
and collaboration for
organizations worldwide**

Safe-Harbor Statement – 1 of 2

This presentation includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements in this report, other than statements of historical fact, are forward-looking statements for purposes of these provisions, including any projections of earnings, revenues or other financial items, any statements of the plans and objectives of management for future operations, any statements concerning proposed new products or services, any statements regarding future economic conditions or performance, and any statements of assumptions underlying any of the foregoing. All forward-looking statements included in this report are made as of the date hereof and are based on information available to us as of such date. We assume no obligation to update any forward-looking statement. In some cases, forward-looking statements can be identified by the use of terminology such as "may," "will," "expects," "plans," "anticipates," "intends," "believes," "estimates," "potential," or "continue," or the negative thereof or other comparable terminology. Although we believe that the expectations reflected in the forward-looking statements contained herein are based upon reasonable assumptions at the time made, there can be no assurance that any such expectations or any forward-looking statement will prove to be correct. Our actual results will vary, and may vary materially, from those projected or assumed in the forward-looking statements. Future financial condition and results of operations, as well as any forward-looking statements, are subject to inherent risks and uncertainties, many of which we cannot predict with accuracy and some of which we might not anticipate, including, without limitation, product recalls and product liability claims; infringement of our technology or assertion that our technology infringes the rights of other parties; termination of supplier relationships, or failure of suppliers to perform; inability to successfully manage growth; delays in obtaining regulatory approvals or the failure to maintain such approvals; concentration of our revenue among a few customers, products or procedures; development of new products and technology that could render our products obsolete; market acceptance of new products; introduction of products in a timely fashion; price and product competition, availability of labor and materials, cost increases, and fluctuations in and obsolescence of inventory; volatility of the market price of our common stock; foreign currency fluctuations; changes in key personnel; work stoppage or transportation risks; integration of business acquisitions; and other factors referred to in our reports filed with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2022 and our Quarterly Reports on Form 10-Q for the three months ended March 31, 2023. All subsequent forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. Additional factors that may have a direct bearing on our operating results are discussed in Part I, Item 1A "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2022.



Safe-Harbor Statement – 2 of 2

This communication is not an offer to sell or a solicitation of offers to purchase any securities. This communication has not been approved or disapproved by the U.S. Securities and Exchange Commission (the "SEC") or the securities regulatory authority of any state, nor has the SEC or any security regulatory authority of any statement passed upon the accuracy or adequacy of statements in this communication. Any representation to the contrary is a criminal offense.

Certain information concerning economic or market trends and performance may be based on or derived from publicly available information provided by third parties and other industry sources. While the Company believes this third-party information to be reliable, the Company cannot guarantee the accuracy of such information nor has the Company independently verified the assumptions upon which such information is based.



Broad Portfolio of A/V Conferencing and Collaboration Solutions

ClearOne provides a complete suite of pro audio and video conferencing products and collaboration solutions for traditional offices and home offices.



Distinguished by Quality and Innovation

- Our products' **high audio quality** and **superior audio-visual streaming performance** serve as key competitive advantages, driven by **proprietary, highly advanced** audio signal processing and networking technologies
- We believe the following principal factors drive our sales:



Quality, features, functionality, and ease of use



Broad and deep global channel partnerships



Brand name recognition and acceptance



Effective sales and marketing



Quality of sales and technical support services



Track record of installations for diverse vertical markets globally

Our advantages against larger competitors

- Proprietary technology with 80+ patents.
- Pioneer in the installed audio conferencing market and a trend-setter with new inventions.
- Four decades of experience – one of the oldest in the industry.
- Strong brand recognition in the Pro AV channel.
- Led by people who understand both the art and the science of sound.

Addressable Market Opportunity For ClearOne

Market	ClearOne 2022 Revenue from the Market (\$ in millions)	Addressable Market Size Estimated 2023 (\$ in millions)	Addressable Market Growth Rate Estimate 2023-2028
Installed audio conferencing	\$20.3	\$195 ¹	7.0% ¹
Video conferencing devices	\$3.5	\$4,150 ²	25.2% ²
USB tabletop audio conferencing end points	\$1.3	\$319 ²	8.3% ²

1. Source: ClearOne Estimate based on Frost & Sullivan Reports

2. Source: Frost & Sullivan

Innovation Enables a Superior Meeting Experience

With over 80 patents and patents pending, ClearOne's innovative collaboration technology plays a pivotal role in achieving business productivity and operational goals at the office and at home.



HD Conference® Audio Technology

Exceptional HDConference audio technology enables fatigue-free and natural-sounding audio using the most advanced audio signal processing.



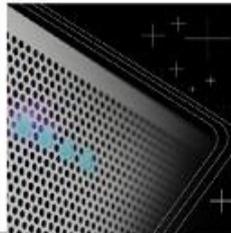
Powerful Video Collaboration Technology

Everything for online meetings – Messaging, file sharing, whiteboarding, annotation, meeting minutes, scheduling, phone calls, and more.



True-to-life Video Quality

ClearOne's outstanding, true-to-life video quality dramatically enhances the collaboration experience.



Aesthetics, Performance and Ease of use

ClearOne noticeably enhances aesthetics, performance, and ease of use in any workspace.

Spans Across Organizations and Workspaces

Complete suite of advanced audio and video conferencing solutions for high-performance professionals across multiple industries and verticals for WFO and WFH.

Any organization



Finance



Legal



Healthcare



Government



Education



Enterprise

Any workspace



Home Offices



Personal Spaces



Conference Rooms



Classrooms



Auditoriums



Large Venues

Sample of Our Blue-Chip Customers



Audio Conferencing and Voice Lift



New Audio Products

BMA 360D

The BMA 360D with Dante® audio is a microphone array ceiling tile that incorporates the world's most advanced technology and works with any Dante-enabled DSP mixer. Choose any DSP mixer that has Dante audio and the BMA 360D pairs perfectly and delivers unrivaled audio performance.

- Launched in June 2023. Scheduled to start shipping in Q3 2023.



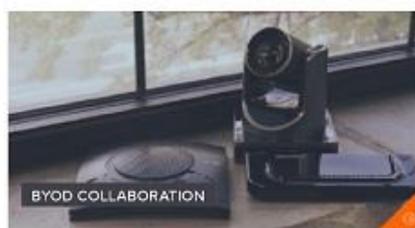
DIALOG® UVHF

The ClearOne DIALOG UVHF is a highly flexible wireless microphone system that delivers incredibly robust reception and more available spectrum on-demand than any other product in its class.

- Launched in June 2023. Scheduled to start shipping in Q3 2023



Video



New Video Products

UNITE 60 4K Camera

- 120-degree field of view
- Electronic Pan-Tilt-Zoom
- AI-based smart face or voice tracking



UNITE 160 4K Camera

- Mechanical Pan-Tilt-Zoom
- 12x optical zoom
- AI-based auto framing and smart face tracking



Unite 260 Pro Camera

- Mechanical Pan-Tilt-Zoom
- 20x optical zoom
- AI-based auto framing and smart face tracking



Versa UCS 2100

- Versa UCS2100 is a collaboration switcher kit designed for modern hybrid, flexible UC (Unified Communication) meeting spaces.
- Automatically detects HDMI and USB-C sources, such as dedicated in-room PC and BYOM laptop and offers the flexibility for users to access the same set of in-room AV peripherals, such as cameras and audio devices.

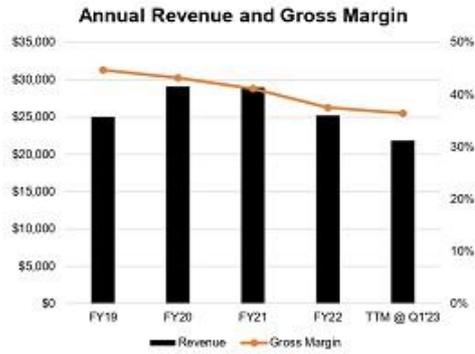


Channel Sales Structure



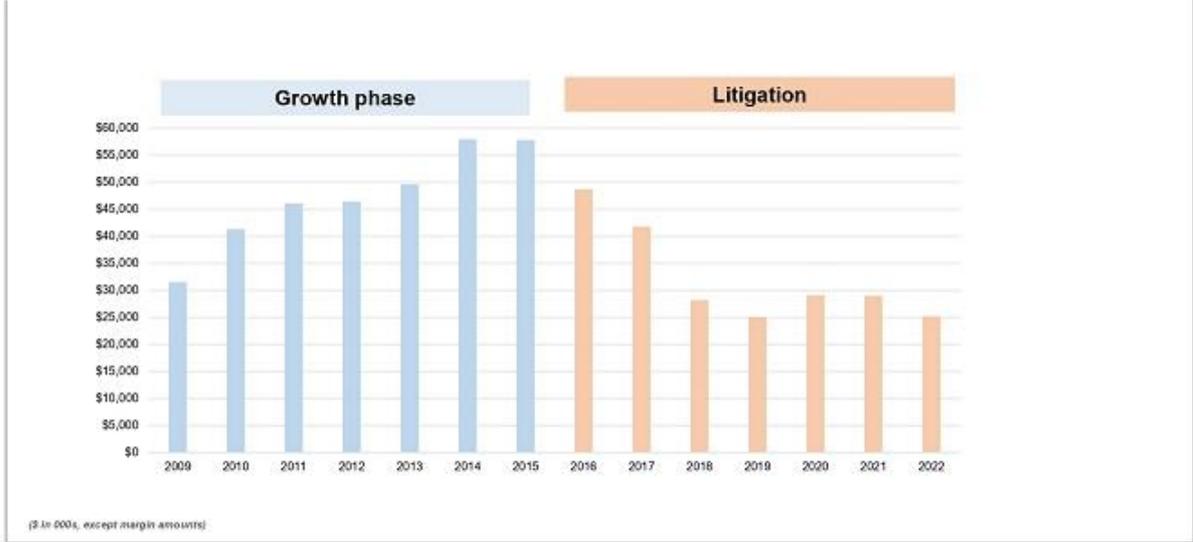
Financial Summary – Revenue

- Revenue performance expected to improve in 2H23 as the Company works to mitigate recent pressures from litigation impacts and manufacturing volume constraints
- Growing revenue backlog reflects continued demand, particularly for our core audio conferencing products



(\$ in 000s, except margin amounts)

Revenue History



Near-Term Revenue Growth Drivers

Annual Revenue Goal - \$40 million

- Resolve manufacturing issues with contract manufacturer. (Expected mid Q3 2023)
- Start shipping beamforming microphone solutions (Dante) to interoperate with most DSPs in the market. This is expected to increase available market 4x. (Expected mid Q3 2023)
- Start shipping an integrated professional microphone solution with lower cost, improved ease-of-installation and improved ease of use. (Expected early Q4 2023)
- New generation of wireless microphones (Expected 2024 Q1).
- Start shipping Bluetooth group USB speakerphone to increase market share (Expected early Q3 2023)
- New professional cameras introduced. (Q1 2023)
- Increase investments in marketing.

Mid-Term Revenue Growth Drivers

Annual Revenue Goal - \$60 million

- New generation of DSPs.
- Solutions tailor-made for remote workforce.
- Introduce sound reinforcement and audio distribution technologies leveraging and augmenting ClearOne's existing technology.
- Additional AI-based audio and video processing enhancements.

Long-Term Revenue Growth Drivers

Annual Revenue Goal - \$100 million

- System-level AI integration enabling video and audio components to work together to provide the best camera angles and best audio.
- Cloud-based DSP.
- Specialized solutions incorporating ClearOne cloud-based audio, video, storage, and messaging technology.
- Enterprise video streaming solutions.

Financial Summary – OpEx and Profitability

- Cost-cutting initiatives implemented in FY22 drive operating expense reductions and leaner foundation for growth



(\$ in 000s unless otherwise stated)

	FY19	FY20	FY21	FY22	TTM @ Q1'23
GAAP Net Income (Loss)	\$(6.4)M	\$0.5M ¹	\$(7.7)M	\$20.6M ²	\$21.7M ²
Non-GAAP Net Income (Loss)	\$(6.8)M	\$2.3M	\$(5.3)M	\$(5.2)M	\$(5.9)M
Adjusted EBITDA	\$(6.2)M	\$(3.7)M	\$(4.7)M	\$(4.4M)	\$(5.0)M

¹ Includes recognition of income tax refund receivable of approximately \$7.1 million arising out of the carryback of net operating losses that became possible due to the enactment of the CARES Act.
² Includes recognition of a gain of \$33.0 million related to the one-time legal settlement receivable of \$50 million net of unamortized capitalized legal expenses of \$21.4 million. This gain was partially offset by operating loss and provision for income tax.

Balance Sheet

	Mar 31, 2023	Dec 31, 2022	
Assets			
Cash on hand	59,006	964	} \$55 million settlement received.
Accounts receivable	3,541	58,603	
Inventories (Current and Long Term)	11,280	11,668	
Prepaid exp & other assets	3,747	8,994	\$4.5 million bond with court refunded.
Intangibles	1,905	2,071	
PP&E, net	356	383	
Total Assets	79,925	82,703	
Liabilities			
Accounts payable	1,820	1,284	
Accrued expenses and taxes	1,850	2,400	
Debt	1,506	3,732	\$2 million bridge loan refunded.
Other liabilities	1,151	1,157	
Total Liabilities	6,377	8,573	
Equity:			
Common stock and APIC	74,957	74,934	
Accumulated Deficit including OCI	(1,631)	(904)	
Total Equity	73,326	74,130	
Total Liabilities & Equity	79,703	82,703	

- May 31, 2023 - \$29.0 million special dividend paid.
- Current cash on hand - \$20.0 million (approx.)

(\$ in 000s, except margin amounts)

Corporate Focus

➤ Innovation

6 new products introduced in the last 12 months
84 issued patents with additional applications pending

➤ Cost Savings

Non-GAAP OPEX reduced by 24% YoY (2022 vs 2021)

➤ Manufacturing Transition and Ramp

Transitioned most manufacturing from China to Singapore to facilitate sales to the US government and avoid China import tariffs. Next step is to ramp production volumes

Investment Rationale

- ClearOne's strong balance sheet, especially our cash position after paying the special dividend, provides us the necessary ramp to launch new products, build strong teams, and compete effectively in the market.
- ClearOne has strong underlying assets including intellectual property, solutions, and sales channel
- Our growth strategy provides a strong motivation for investment now.

Appendices

Settlement of IP Litigation

- On December 9, 2022, we entered into a confidential settlement and license agreement with Shure.
- Under the terms of this agreement, both parties dismissed with prejudice all the litigations between the parties and released all claims against each other in connection with the litigations.
- The parties also agreed to cross-license certain patents to each other and certain covenants not to sue.
- We received a one-time settlement payment of \$55 million in January 2023.

ClearOne Executive Team – Bios

ClearOne
Nasdaq: CLRO

Derek Graham, CEO

Joined ClearOne in July 2003. Promoted through the R&D organization. Inventor on 13 patents. Earned a BS in EE, with highest honors, and a Master's Degree in EE from the Georgia Institute of Technology. Named Interim CEO in May 2022 and permanent CEO in January 2023.



Narsi Narayanan, CFO

Joined ClearOne in July 2009. He has over three decades of professional experience in the areas of accounting, finance and taxes. He is a Certified Public Accountant with master's degrees in accounting (University of Utah) and business administration (University of Illinois).



Jared Paget, VP Operations

Joined ClearOne in March 2023. With a career spanning over 20 years, he has experience across various industries, focusing on technology and operational improvement. Jared holds a master's degree in international business from Georgia State University.



ClearOne Executive Team – Bios

ClearOne

Nasdaq: CLRO

David Lambert, VP Audio Technologies

Joined ClearOne in 1986. Years of experience working in Research and Development creating algorithms and developing products. Inventor on 33 patents. Earned a BS in EE from the University of Utah.



Jim Mergens, VP Sales - Americas

Joined C1 August 2023. Promoted through the Sales organization. Inducted into the inaugural InfoComm 100 industries most influential individuals. He holds a CTS & multiple industry certifications. 43 years of industry experience.



Griffiths Zacharia, AVP Sales – EMEA, India, Oceania

Joined ClearOne in 2011. He has two decades of professional experience in the Pro AV industry with a background in Electronics and Avionics engineering from Kerala University, India. Listed in 40 under 40 with Inavate EMEA Class of 2022 and APAC Class of 2021 as a regional influential leader.



David Wang, CTS-D, VP Sales, APAC

Joined ClearOne in April 2004. In charge of ClearOne APAC sales since 2008. Earned a Ph.D. in Materials from Pennsylvania State University and a Master of Business Administration Degree from University of Rochester.



Financial summary – Income statement summary

(\$ in 000, except per share)

	2023-Q1	2022-Q4	2022-Q3	2022-Q2	Last 4 Qtrs	2022-Q1	2021-Q4	2021-Q3	2021-Q2	Qtrs 5 to 8	Change%
GAAP											
Revenue	4,178	4,021	6,264	7,375	21,838	7,545	7,202	6,992	7,735	29,474	(26)
COGS	2,863	2,757	3,694	4,568	13,882	4,729	4,564	4,141	4,311	17,745	22
Gross Profit	1,315	1,264	2,570	2,807	7,956	2,816	2,638	2,851	3,424	11,729	(32)
S&M	1,192	1,244	1,151	1,562	5,149	1,560	1,716	1,692	1,735	6,723	23
R&D	1,043	984	876	1,177	4,080	1,353	1,541	1,492	1,487	5,873	31
G&A	1,269	1,626	1,673	1,717	6,285	1,756	1,857	1,676	1,668	6,957	10
Operating expenses	3,504	3,854	3,700	4,456	15,514	4,669	5,114	4,860	4,910	19,553	21
Operating loss	(2,189)	(2,590)	(1,130)	(1,649)	(7,558)	(1,853)	(2,476)	(2,009)	(1,486)	(7,824)	3
Net (Income)/Loss	(832)	24,028	(1,248)	(257)	21,691	(1,967)	(2,284)	(2,169)	(1,566)	(8,006)	371
Diluted Shares Qtr	23,955,767	24,947,851	23,952,555	23,948,631	24,201,201	23,897,365	22,403,408	19,449,283	18,775,817	21,131,433	(15)
Diluted EPS	\$ [0.03]	\$ 0.97	\$ [0.05]	\$ [0.01]	\$ 0.90	\$ [0.08]	\$ [0.10]	\$ [0.11]	\$ [0.08]	\$ [0.38]	337
GP%	31%	31%	41%	38%	36.4%	37%	37%	41%	44%	39.8%	
Non-GAAP											
Non-GAAP operating expenses	3,365	3,358	2,992	3,746	13,461	3,966	4,429	4,244	4,336	16,975	21
Non-GAAP operating loss	(2,048)	(2,092)	(420)	(937)	(5,497)	(1,148)	(1,788)	(1,391)	(910)	(5,237)	(5)
Non-GAAP net loss	(2,041)	(2,292)	(538)	(1,073)	(5,944)	(1,262)	(1,596)	(1,551)	(1,009)	(5,418)	(10)
Non-GAAP Adjusted EBITDA	(1,678)	(2,062)	(360)	(892)	(4,992)	(1,069)	(1,678)	(1,295)	(802)	(4,844)	(3)
Non-GAAP EPS	\$ [0.09]	\$ [0.09]	\$ [0.02]	\$ [0.04]	\$ [0.25]	\$ [0.05]	\$ [0.07]	\$ [0.08]	\$ [0.05]	\$ [0.26]	4

**Thank You
For Your Time**