
Q2 FY25 Quarterly Activities Report & Appendix 4C

Audeara Ltd (ASX: AUA) ('Audeara' or 'the Company') is pleased to provide the following update for the three-month period ended 31 December 2024 ('Q2 FY25').

Highlights

- ▶ Flagship launch of Clinico-branded Audeara healthy hearing earbuds into Taiwan post quarter-end, following \$0.57m purchase order in October 2024
- ▶ All payments in connection with \$2.1m contract with global music instrument manufacturer Avedis Zildjian received
- ▶ Launch of Audeara Buds – Audeara's first in ear product to capture the growth in the True Wireless audio market
- ▶ Key industry engagement with Audeara represented at the European Union of Hearing Aid Acousticians (EUHA) Congress in Germany, and recognised as a finalist in the 2024 Australian Export awards
- ▶ Showcase with Eastech Ltd at CES to global audio leaders regarding hearing aid and PSAP capability
 - ▷ Discussions for sale & distribution of Audeara Buds alongside Auracast-enabled transceiver and lapel microphone system now gaining significant traction
- ▶ Cash Receipts \$1.13m, up 70% on prior comparative period (PCP)
- ▶ Quarterly revenues of \$0.38m, with \$0.65m recognised post quarter end due to shipment to Clinico being delayed.
- ▶ YTD revenue \$1.8m up 130% on PCP. YTD including Clinico \$2.45m up 211% on PCP reflecting ongoing growth and contribution to revenues of the AUA Technology division



Management commentary

Audeara CEO and founder, Dr James Fielding said:

“As we move into 2025, today’s announcement highlights the significant momentum Audeara has achieved across all its key growth drivers, positioning the company for a transformative period of growth over the next 12 months. This progress is further supported by the successful completion of our recent strategic placement, which has provided additional financial flexibility to capitalise on our market opportunity.”

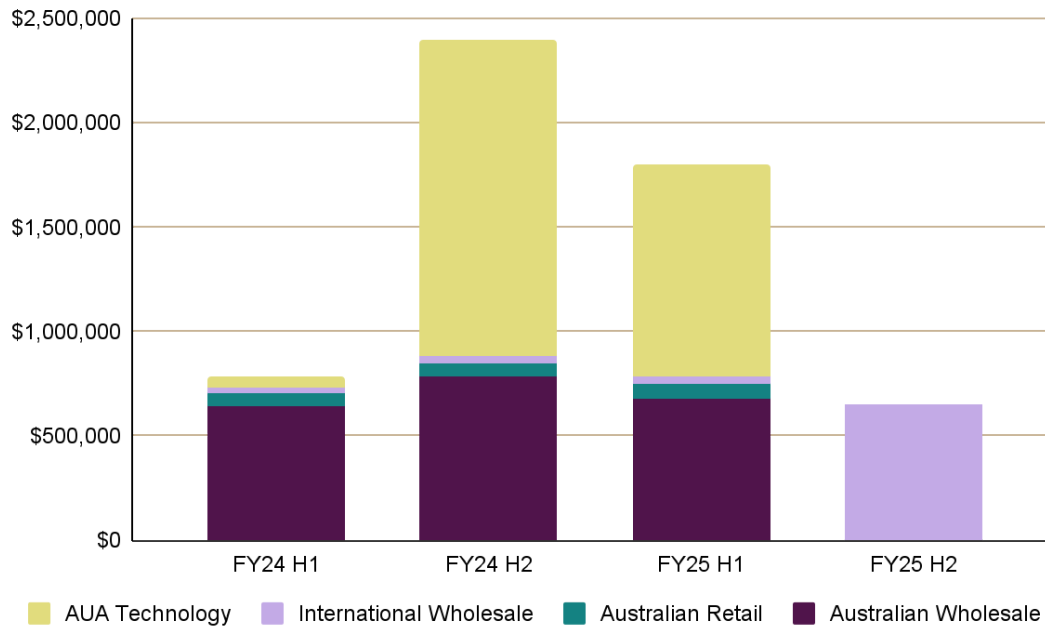
“With the successful launch of the Audeara Buds in December 2024 and the introduction of Clinico-branded Audeara products on 22 January 2025, we are uniquely positioned to leverage Clinico’s market leadership as Taiwan’s largest hearing aid retailer to drive sales. The international growth potential of our AUA Technology division complements the ongoing strength of our core business, which was recently reinforced by a substantial contract extension with the world’s largest audiology retailer. Our multi-channel success in 2024 has established a robust foundation for growth, and we are excited to execute on the group’s strategic vision to unlock further value in the years ahead.”

Financial Overview

- ▶ Cash receipts for Q2 FY25 were \$1.13m up 70% YoY. YTD Cash receipts of \$2.3m up 61% YOY.
- ▶ Quarterly revenue generated totalled \$0.38m. YTD Revenue including Clinico \$2.45m
- ▶ Operating cash outflow of (\$0.578m)
- ▶ Payments to related parties for directors’ fees of \$212,000 were an increase of \$80k due to timing of payments along with an additional \$63k paid to James Fielding as an offset of accrued annual leave.
- ▶ Cash at bank as at 31 December 2024 was \$1.74m
- ▶ \$1.18m received from the Placement and a further R&D tax incentive of \$0.69m received during the quarter providing financial flexibility.



Preliminary Half-Year Results



Operational Overview

Full Receipt of Avedis Zildjian Project Funds

The Company is pleased to confirm that all payments related to its first mass purchase order from global music instrument manufacturer Avedis Zildjian ('Zildjian') (refer ASX Announcement: 27 February 2024) have now been received. The payment from Zildjian will be recognised as an operating cash receipt for the December quarter.

The purchase order was valued at \$2.1m and has resulted in the successful launch of Zildjian's Alchem-E product line. This also highlighted Audeara's ability to deliver innovative audio solutions tailored to the needs of global market leaders.

This initiative has established a strong product-market for the AUA Technology division and highlights the Company's ability. Discussions with a number of parties across a range of segments are well advanced.

Audeara Buds and Auracast Pipeline Progress

In December 2024, Audeara successfully launched the Audeara Buds, the company's first in-ear product, marking a significant milestone in capturing the growing True Wireless audio market. The Audeara Buds, designed with advanced hearing health technology and user-centric innovation, have been met with strong interest from consumer, corporate and professional audiology channels. Alongside the Auracast-enabled transceiver and lapel microphone system, these products are gaining traction across diverse markets, positioning Audeara at the forefront of accessibility-focused audio solutions.

The Company advises a growing pipeline of mass retail outlets and venues actively seeking to adopt these cutting-edge solutions. Designed to provide the latest in audio enhancement and



accessibility, these products position Audeara at the forefront of a rapidly evolving market for innovative audio technologies. The agreements are anticipated to materialise in the coming months and will provide the Company with further revenue to underpin its growing sales profile.

Clinico Sound Earbuds CS1 Launch

Audeara's Clinico-branded Clinico Sound Earbuds CS1 launched in Taiwan on 22 January 2025 following an extensive period of product development and collaboration with Clinico Inc. – the largest hearing aid manufacturer in Taiwan.

The earbud product represents a significant breakthrough in hearing health technology, combining advanced audio engineering with accessibility and user-centric design. The launch provides the Company with access to significant new addressable markets in Taiwan and China, and follows a recent \$570,000 purchase order from Clinico (refer ASX Announcement 8 October 2024) to integrate Audeara's technology into its product suite. This will be recognised as revenue in the March Quarter.

Engaging Key International Stakeholders at EUHA

CEO James Fielding and Head of International Sales and Marketing John Krajewski recently attended the European Union of Hearing Aid Acousticians (EUHA) Congress in Germany. This prestigious event provided a valuable platform to engage with key international stakeholders and progress the pipeline of opportunities for the Audeara Buds and AUA Technology licensing initiatives. The meetings held at EUHA have strengthened relationships with existing partners and opened pathways to new collaborations, furthering Audeara's mission to deliver world-class audio solutions globally.

National Export Awards

In October 2024, Audeara was named as a finalist in the Australian Export Awards under the International Health category. Held annually since 1963, the Awards are a Federal Government initiative to recognise companies that have established market-leading export operations for Australian products.

Consumer Electronics Show January 2025

Audeara proudly attended CES 2025 with Eastech from 7–10 January, showcasing our collaborative advancements in personalised audio technology to a global audience. The event provided an incredible platform to highlight the Audeara Buds and other innovative products, demonstrating our shared commitment to enhancing hearing health and audio experiences. Our participation at CES further solidified Audeara's position as a leader in the field and strengthened our partnership with Eastech, paving the way for exciting developments in the year ahead.

Two-Year Contract Extension with Leading Audiology Retailer

Audeara advises it has extended its supply contract with the world's largest audiology retailer for a further two years. The contract includes a minimum order quantity (MOQ) of 2,500 units per annum of the Audeara A-02 TV Bundles, reinforcing the strong global demand for the group's leading range of advanced hearing products. The renewal further cements the



Company's position as a trusted provider of high-quality personalised audio solutions to the hearing health industry and is anticipated to underpin revenue from Australian operations.

Outlook

Audeara continues to execute on its growth strategy, underpinned by strong partnerships, an expanding product portfolio, and an unwavering commitment to delivering personalised listening solutions to customers worldwide.

The Company remains focused on driving operational efficiencies and capturing new sales and distribution opportunities across its core domestic and emerging international markets.

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

For more information please visit, audeara.com.

CORPORATE & MEDIA ENQUIRIES

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INVESTOR ENQUIRIES

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ABOUT AUDEARA

Feel connected, your way.

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

We are passionate about redefining hearing health, with a particular focus on delivering products that provide world-class tailored listening experiences.

We care about connecting people with experiences that bring them joy - whether that's watching a favourite TV show, FaceTiming family or listening to music with confidence.

All Audeara products are purposefully designed and engineered in Australia with precision detail and state-of-the-art technology. Each product delivers optimum listening experiences to enhance quality of life for people of all ages and abilities.

Audeara sells its products through distributors and resellers in Australia, Europe, Asia and North America, and through e-commerce channels.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

AUDEARA LIMITED

ABN

27 604 368 443

Quarter ended ("current quarter")

31 DECEMBER 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1	Cash flows from operating activities		
1.1	Receipts from customers	1,126	2,307
1.2	Payments for	-	-
	(a) research and development	(125)	(251)
	(b) product manufacturing and operating costs	(1,435)	(1,942)
	(c) advertising and marketing	(160)	(272)
	(d) leased assets (including premises)	(1)	(2)
	(e) staff costs	(483)	(987)
	(f) administration and corporate costs	(231)	(422)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	3
1.5	Interest and other costs of finance paid	-	(2)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	688	695
1.8	Other (refund of rental bond)	42	18
1.9	Net cash from / (used in) operating activities	(578)	(855)
2	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:	-	-
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
(e)	Intellectual property	-	-
(f)	Other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,175	1,175
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(63)	(63)
3.5	Proceeds from borrowings	297	297
3.6	Repayment of borrowings	(69)	(131)
3.7	Transaction costs related to loans and borrowings	(5)	(5)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,335	1,273

4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	916	1,271
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(578)	(855)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,335	1,273
4.5	Effect of movement in exchange rates on cash held	41	25
4.6	Cash and cash equivalents at end of period	1,714	1,714

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

5 Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,714	916
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,714	916

6 Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	212
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7 Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	348	327
7.2 Credit standby arrangements	-	-
7.3 Other (insurance premium funding)	13	13
7.4 Total financing facilities	361	340
7.5 Unused financing facilities available at quarter end		21
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>7.1: (i) Short term loan facility with Sturt Capital Pty Ltd against the anticipated R&D Tax Incentive rebate for FY2025. The loan facility has an establishment fee of 1.5%, bears interest of 1.33% per month with a repayment date which is earlier of the date of receipt of the 2025 R&D Tax Incentive from the Australian Taxation Office and 31 December 2025.</p> <p>(ii) Unsecured loan facility with FeeSynergy Finance Pty Ltd to fund professional fees. The fully drawn initial loan amount is \$58,387 and bears interest of 6%. The principal outstanding at 31 December 2024 is \$29,944.</p> <p>(iii) Westpac Banking Corporation credit card facility, secured rolling line of credit for \$20,844 at 20.24% interest on unpaid balances</p> <p>7.3: Hunter Premium Funding, unsecured fixed term (10 month) initial fully drawn loan amount \$126,391.72 at 4.95% interest starting April 2024 to fund insurance premiums. Principal outstanding at 31 December \$12,707.</p>		

8 Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(578)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,715
8.3 Unused finance facilities available at quarter end (item 7.5)	21
8.4 Total available funding (item 8.2 + item 8.3)	1,736
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	3.0
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2025

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.