

Q3 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 March 2025 ('Q3 FY25').

Highlights

- ▶ Strong financial and operational performance, underpinned by:
 - ▷ Flagship launch of Clinico-branded Audeara healthy hearing earbuds in Taiwan, alongside \$0.57m maiden purchase order (PO)
 - ▷ PO valued at US\$0.9m from global music instrument manufacturer, Avedis Zildjian highlighting commencement of second phase of manufacturing
- ▶ Both developments mark execution of strategy to expand AUA Technology division to with minimal capital expenditure through sales and marketing costs
- ▶ Reseller agreement with George & Matilda Eyecare - a leading independent optical network with over 115 locations in 140 Australian communities
- ▶ George & Matilda Eyecare agreement broadens Audeara's established footprint of over 1,500 clinics and unlocks another sales channel for Audeara buds product

Exceptionally strong financial results:

- ▶ Record cash receipts of \$1.64m, up 46% on prior comparative period (PCP)
- ▶ YTD cash receipts now total \$3.9m, 11% higher than \$3.5m for full year FY24
- ▶ Quarterly unaudited revenues of \$1.26m, up 230% on last quarter and 113% YOY
- ▶ Net operating cash outflows reduced considerably to \$73,000 when compared to Q2 FY25
- ▶ Cash at bank of \$1.9m as at 31 March 2025

Outlook:

- ▶ Advancement and launch of key product lines, including hearing aid technology licensing opportunities in major international markets
- ▶ Ongoing work with strategic counterparties to advance potential purchase orders for AUA Technology and with key retailers locally and internationally



Management commentary

Audeara CEO and founder, Dr James Fielding said:

"The March quarter has been one of significant progress for Audeara, underpinned by exceptional operational and financial momentum. This has led to a record in cash receipts on a quarterly basis, as well as year to date receipts now eclipsing the entirety of the previous financial year. Our focus on managing overheads has continued to flow through, highlighted by a significant reduction in net operating cash outflows.

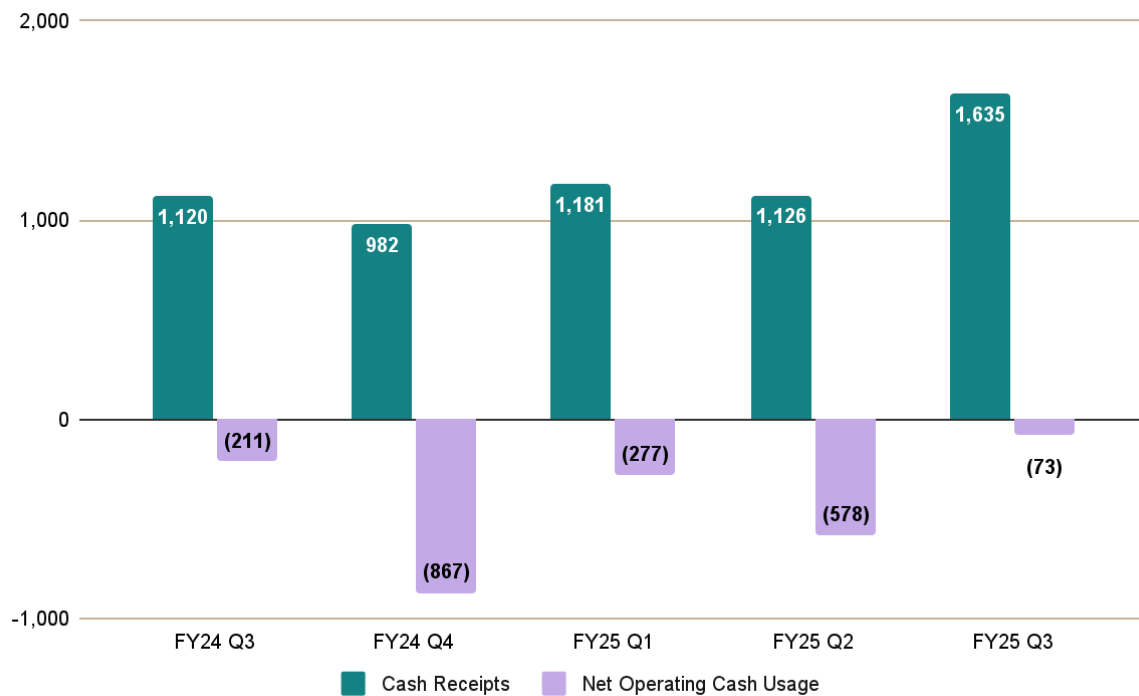
"Looking ahead, the Company is exceptionally well placed to capitalise on its momentum in the current quarter and beyond. With initial payments received post-quarter end from a large audiology clinic, the pending roll out through George & Matilda Eyecare and a number of other AUA Technology related developments pending, we expect to continue to deliver pleasing operational and financial performance."

Financial Overview

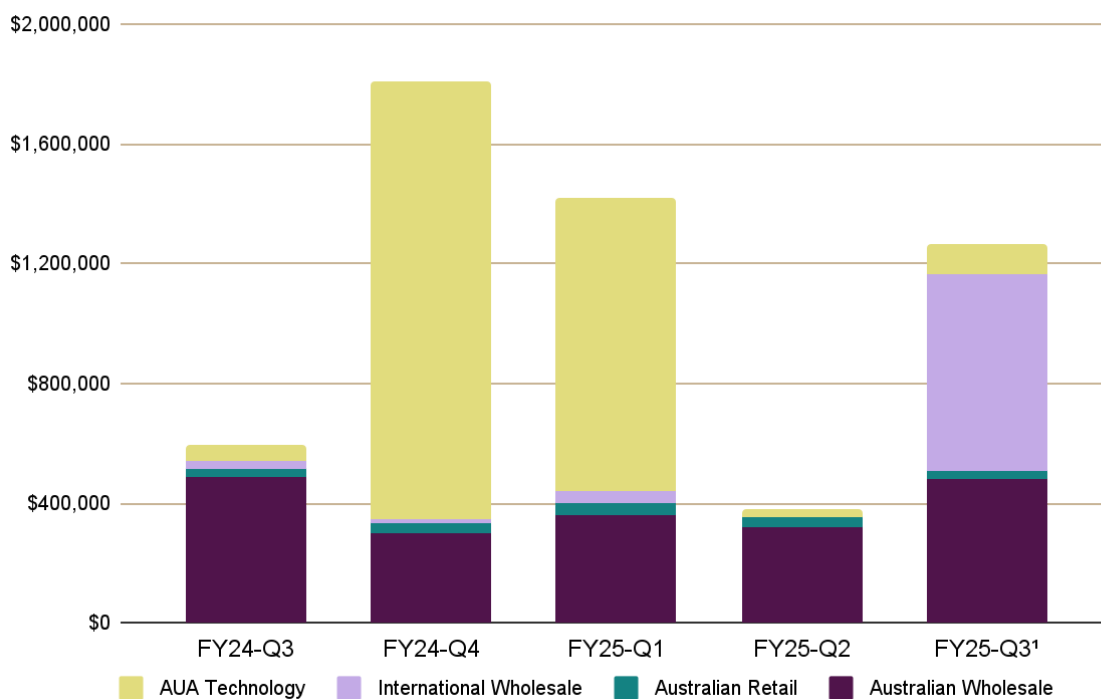
- ▶ Record cash receipts of \$1.64m, up 46% on prior comparative period (PCP)
- ▶ Year to date cash receipts now total \$3.9m - an 11% increase on FY24 total of \$3.5m
- ▶ Quarterly unaudited revenue totalled \$1.26m - 230% rise on last quarter and up 113% YoY
- ▶ Payments to related parties, including directors' fees, of \$137,000 was a decrease of \$75k when compared to Q2 FY25
- ▶ Net operating cash outflows reduced to \$73,000 - an 87% improvement on last quarter
- ▶ Post quarter end - additional ~ \$0.3m payment received from large audiology group
- ▶ Cash at bank as at 31 March 2025 of \$1.9m



Quarterly Cash Receipts vs. Net Operating Cash Usage (exc. R&D rebates)



Sales by Quarter



¹ FY25 - Q3 results are unaudited.



Operational Overview

Launch of Clinico Sound Earbuds CS1 in Taiwan

Highlighting an important milestone in Audeara's stated strategy to scale its AUA Technology division into international markets through product integration and white-label partnerships, the Company launched the Clinico-branded Clinico Sound Earbuds CS1 in Taiwan. Clinico Inc. is Taiwan's largest hearing aid retailer and operates over 140 branches across the country.

The launch followed an extensive R&D period between Audeara and Clinico, which resulted in an innovative product which combines the Company's advanced audio engineering, with accessibility and user-centric design.

Launch with Clinico has provided the Company with access to two, large new addressable markets in China and Taiwan, as well as an initial purchase order valued at \$570,000 which was recognised as revenue this quarter under the international wholesale category due to the fact that the relationship is commercially aligned with wholesale clinic ordering margins.

US\$917,000 AUA Technology purchase order from Avedis Zildjian

The Company received a second purchase order from large music instrument manufacturer, Avedis Zildjian, its international commercial partner. The second order from the group further solidifies the potential of the Company's collaboration with Avedis Zildjian and follows an initial \$2.1m order in 2024 (refer ASX announcement: 27 February 2024). It also marks further validation of Audeara's strategy to expand its AUA Technology division, with minimal capital expenditure through sales and marketing costs.

It highlights the second phase of mass production, providing considerable validation of the in-market traction Audeara's products have established for the group. The purchase order will be recognised as revenue in accordance with accounting policies after shipment of the products, expected in the coming months.

Also received during the quarter was a long lead time deposit valued at US\$91,700 to secure components for any additional purchase orders, in keeping with previous operational practice.

Reseller Agreement with George & Matilda Eyecare broadens Australian market footprint

Audeara executed a reseller agreement with George & Matilda Eyecare to offer the Company's range of tailored audio solutions through the group's network of stores. This considerably expands the Company's Australian market presence, which is currently over 1,500 clinics via relationships with major retail groups.

George & Matilda Eyecare is a leading independent optical network. The group was established in 2016 and has grown to over 115 practices which service 140 Australian communities.

The group will offer Audeara's branded assistive listening devices to customers to highlight how personalised audio solutions complement the effectiveness of tailored optical care and reinforce the importance of individualised sensory health. Initially, George & Matilda will stock the Audeara Buds and aim to broaden the Company's full suite of products.



Consumer Electronics Show January 2025

Audeara personnel attended CES 2025 in January, co-exhibiting at the booth of strategic counterparty Eastech. The event provided a platform to showcase the two parties' collaborative advancements in personalised audio technology to a global audience.

The event provided management with exceptional opportunities to liaise with strategic partners and prospective customers, while advancing key relationship development for AUA Technology. Our presence further reinforced the Company's growing reputation as a leader in hearing health innovation.

Auracast Pipeline Progress

The Company has continued to advance a number of opportunities via its auracast-enabled suite of devices. Auracast is a technology which revolutionises Bluetooth by enabling a one-to-many connection, allowing an unlimited number of users within range to listen to the same audio stream.

During the quarter, Audeara assisted in the permanent installation of Auracast-enabled technology with the University of Queensland (**UQ**). These solutions are now in use across UQ's campus and production for additional deployments is being finalised. Audeara has continued to witness a growing pipeline of mass retail outlets, entertainment venues and academic institutions seeking to adopt the innovative solution and is confident of further deployments in the near term. The Company has also engaged with a number of large audio visual installers to advance uptake of the technology.

Outlook

In the current quarter, Audeara is actively pursuing initiatives that are expected to deliver near-term outcomes. These include finalising the technology platform required to launch our hearing aid technology licensing business in collaboration with Eastech into key international markets. Additionally, we are actively engaging with global brands to secure new partnerships across the broader suite of Audeara's technology licensing offerings, positioning the Company for further revenue growth.

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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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 MARCH 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1	Cash flows from operating activities		
1.1	Receipts from customers	1,635	3,942
1.2	Payments for	-	-
	(a) research and development	(239)	(490)
	(b) product manufacturing and operating costs	(624)	(2,566)
	(c) advertising and marketing	(69)	(341)
	(d) leased assets (including premises)	(1)	(3)
	(e) staff costs	(665)	(1,652)
	(f) administration and corporate costs	(114)	(536)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	5	8
1.5	Interest and other costs of finance paid	(1)	(3)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	695
1.8	Other (refund of rental bond)	-	18
1.9	Net cash from / (used in) operating activities	(73)	(928)
2	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(110)	(110)
	(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	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	(110)	(110)

3	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	175	1,350
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)
3.5	Proceeds from borrowings	204	501
3.6	Repayment of borrowings	(44)	(175)
3.7	Transaction costs related to loans and borrowings	-	(5)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	335	1,608

4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,714	1,271
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(73)	(928)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(110)	(110)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	335	1,608
4.5	Effect of movement in exchange rates on cash held	15	40
4.6	Cash and cash equivalents at end of period	1,881	1,881

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	1,881	1,714
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)	1,881	1,714

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	137
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>	

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	534	534
7.2 Credit standby arrangements	-	-
7.3 Other (insurance premium funding)	-	-
7.4 Total financing facilities	534	534
7.5 Unused financing facilities available at quarter end	21	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.		
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. (ii) Westpac Banking Corporation credit card facility, secured rolling line of credit for \$20,844 at 20.24% interest on unpaid balances		

8 Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(73)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,881
8.3 Unused finance facilities available at quarter end (item 7.5)	21
8.4 Total available funding (item 8.2 + item 8.3)	1,902
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	26.1
<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: 17 April 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.