

ASX Appendix 4D

Half-Year Financial Report to 31 December 2024

1. Details of reporting period

Name of Entity	Audeara Limited (the Company)
ABN	27 604 368 443
Reporting Period	31 December 2024
Previous Corresponding Period	31 December 2023
Presentation Currency	Australian Dollar (\$)

2. Results for announcement to the market

	31 Dec 2024	31 Dec 2023	\$ Change	% Change
	\$	\$	\$	
Revenues from ordinary activities	1,802,652	785,632	Up 1,017,020	129.45%
Loss from ordinary activities after tax attributable to members	1,380,293	1,001,235	Up 379,058	37.86%
Comprehensive loss for the period attributable to members	1,381,469	1,001,235	Up 380,234	37.98%

	Amount Per Security	Franked Amount Per Security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Previous Corresponding Period	Nil	Nil
Record Date for Determining Entitlements	Not Applicable	

Brief explanation of any of the figures reported above necessary to enable figures to be understood:

For further information, refer to the review of operations contained in the directors' report, which forms part of the attached consolidated financial statements.



3. Net tangible asset backing

	31 December 2024	31 December 2023
Net tangible asset backing per ordinary security	0.81 cents	1.51 cents

4. Details of entities over which control has been gained or lost during the period

N/A

5. Details of Dividends

No dividend has been paid or recommended to be paid for the half-year ended 31 December 2024.

6. Details of dividend reinvestment plans

N/A

7. Details of associate and joint venture entities

N/A

8. Foreign entities

N/A

9. Audit

This report has been based on accounts that have been subject to an audit review. The Independent Auditor's Report contains an 'Emphasis of Matter' paragraph drawing attention to a material uncertainty that may cast a significant doubt on the Group's ability to continue as a going concern. This half-year report has been prepared on a going concern basis. There are no items of dispute with the auditor and the audit review is not subject to qualification.

Authorised for release by the board

Mr David Trimboli
Non-Executive Chair

27 February 2025

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AUDEARA

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**Financial report
for the half-year ended
31 DECEMBER 2024**

Audeara Limited
ABN 27 604 368 443 | ASX: AUA

Corporate directory

Board of Directors

Mr David Trimboli – Non-Executive Chair
Dr James Fielding – Managing Director & Chief Executive Officer
Mr Bill Peng – Executive Director & Chief Operating Officer

Company Secretary

Mr Stephen Buckley

Securities Exchange Listing

Australian Securities Exchange

ASX Code

AUA – fully paid ordinary shares

Website

www.audeara.com

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Directors' Report

The directors of Audeara Limited ("Audeara" or "the Company") submit herewith the financial report of Audeara Limited and its controlled entities ("the Group") for the half-year ended 31 December 2024. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Directors

The names of the directors of the Company during or since the end of the half-year are:

- ▶ **Mr David Trimboli** – Non-Executive Chair
- ▶ **Dr James Fielding** – Managing Director & Chief Executive Officer
- ▶ **Mr Bill Peng** – Executive Director & Chief Operating Officer

Review of operations

The Company has remained focused on increasing operational efficiency and maintaining expenditure control during the half-year ended 31 December 2024, while also building on an established market footprint, allowing the Company to pursue opportunities for future revenue growth across all operating divisions.

Financial highlights:

- ▶ Revenue from ordinary activities up 129.45% on previous corresponding period (PCP) to \$1.80m (PCP: \$0.75m)
- ▶ Loss from ordinary activities up 40% on PCP to (\$1.38m)
- ▶ Cash at bank at period end was \$1.69m

Operational highlights during the period included:

Audeara

- ▶ Launch of Audeara Buds and Auracast solutions launched with considerable traction across consumer, corporate and audiology sectors.
- ▶ Growing retail and venue adoption of Auracast systems expected to drive revenue growth in the coming months.
- ▶ Europe market footprint continues to expand with reorders from France and Spain, reflecting strong market demand and successful product adoption across the region.
- ▶ Two-year contract extension secured with the world's largest audiology retailer with pleasing minimum order quantities per annum - highlights AUA's position as a trusted provider of in-demand personalised audio solutions.
- ▶ Expansion of the Audeara brand and/or technology offering beyond core audiology markets to broaden impact and diversify the domestic and international customer base.

AUA Technology

- ▶ Full payment received from Avedis Zildjian from a \$2.1M purchase order (ASX: 27 Feb 2024), recognised as an operating cash receipt during half-year ended 31 December 2024.
- ▶ Launch of Zildjian's Alchem-E headphone range, underscoring Audeara's ability to deliver innovative audio solutions and strengthening the AUA Technology division.
- ▶ Discussions with multiple other partners to deploy AUA software offering are well advanced.
- ▶ Clinico Sound Earbuds CS1 developed in collaboration with Clinico Inc., Taiwan's largest hearing aid manufacturer.
- ▶ CS1 product unlocks major markets in Taiwan and China and was complemented by a following \$0.57m purchase order during the period.
- ▶ Product successfully launched across Clinico Inc. store post balance-date, with revenue from initial purchase recognised in the current period.

Material business risks

The board seeks to ensure that the process of risk identification, assessment and management is embedded in all aspects of the Group's businesses and it monitors whether the level of compliance and governance within the Group is appropriate, with a particular focus on the risk, culture and risk reporting.

There are a number of material risks to which the Group is exposed and the key material business risks are, in summary:

Access to financial resources

Given the Group's net loss and negative cash flow position, the ability of the Group to continue to access financial resources in the future could impact its ability to pay its debts as and when they fall due.

Changing consumer preferences in competitive markets

Given the changing environment in which the Group operates, this could have a significant impact on the Group's financial results. The Board addresses this risk by constantly monitoring the market, and other competitors seeking to enter our market.

Manufacturing disruption & supply chain reliability

Changing dynamics in overseas economies where the Group's products are manufactured could lead to disruption in manufacturing, shortages of crucial componentry, as well as delays in delivery, resulting in a significant impact on the Group's financial results.

Maintaining a talented and motivated workforce

A loss of workforce capability, capacity, difficulty filling key positions, a continued loss of top performers, and forecast wage increases all could lead to a potential shortfall of staff, and in turn the Group's ability to deliver its goods which would result in a significant impact on the Group's financial results.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the half-year ended 31 December 2024.

Matters subsequent to the of the half-year

On 22 January 2025, the Company announced the launch of the Clinico Sound Earbuds into the Taiwanese market. The integration of Audeara's technology into the Clinico Sound Earbuds represents the culmination of a lengthy and rigorous R&D period between Audeara and Clinico Inc., the largest hearing aid retailer in Taiwan.

On 5 February 2025, the Company announced a follow-up purchase order for the mass manufacture of branded products incorporating Audeara technology. This follow-up purchase order from Avedis Zildjian is valued at US\$917,000 following the initial A\$2.1 million purchase order in February 2024.

On 12 February 2025, the Company sought and obtained shareholders' approval at a General Meeting to issue shares worth \$175,000 to Directors who participated in the Company's recent placement as well as the issue of shares to Mr Trimboli in settlement of outstanding director fees, amongst other resolutions.

There has not been any other matter or circumstance occurring subsequent to the end of the half-year ended 31 December 2024 to the date of this report that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or state of affairs of the Group in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* has been received and is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'D Trimboli', is positioned above the printed name.

Mr David Trimboli

Non-Executive Chair

Perth, 27 February 2025

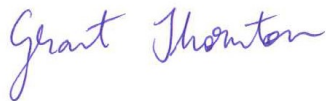
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Auditor's Independence Declaration

To the Directors of Audeara Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Audeara Limited for the half-year ended 31 December 2024. I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



CDJ Smith
Partner – Audit & Assurance

Brisbane, 27 February 2025

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Consolidated statement of profit or loss and other comprehensive income

	Note	Consolidated	
		31 Dec 2024	31 Dec 2023
		\$	\$
Revenue			
Revenue	5	1,802,652	785,632
Cost of sales		(1,333,567)	(336,744)
Gross profit		469,085	448,888
Other income	6	380,912	545,489
Expenses			
Employee benefits and contractor expenses		(1,264,442)	(1,226,744)
Professional fees		(191,183)	(49,489)
Advertising and marketing		(80,908)	(131,807)
Other expenses		(612,340)	(498,908)
Loss before depreciation, net finance costs and income tax		(1,298,876)	(912,571)
Depreciation and amortisation		(70,289)	(56,600)
Total depreciation and amortisation expense		(70,289)	(56,600)
Finance costs		(11,128)	(32,064)
Total net finance costs		(11,128)	(32,064)
Loss before income tax		(1,380,293)	(1,001,235)
Income tax expense		-	-
Loss for the half year attributable to the equity holders of Audeara Limited		(1,380,293)	(1,001,235)
Other comprehensive income for the year, net of tax		(1,176)	-
Total comprehensive income/(loss) for the year		(1,381,469)	(1,001,235)
		Cents	Cents
Basic and diluted earnings per share	24	(1.05)	(0.70)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

	Note	Consolidated	
		31 Dec 2024	30 Jun 2024
		\$	\$
Current assets			
Cash and cash equivalents	7	1,692,300	1,271,800
Trade and other receivables	8	569,407	1,944,055
Inventories	9	197,175	1,265,778
Other assets	10	565,031	161,291
Total current assets		3,023,913	4,642,924
Non-current assets			
Property, plant and equipment	11	219,980	85,008
Capital work in progress		-	79,203
Right-of-use assets	12	144,996	19,268
Intangibles	13	39,657	41,066
Other assets		-	20,844
Total non-current assets		404,633	245,389
Total assets		3,428,546	4,888,313
Current liabilities			
Trade and other payables	14	834,852	1,790,397
Contract liabilities	15	332,557	984,986
Borrowings	16	339,448	86,000
Lease liabilities	17	39,253	26,182
Employee benefits	18	261,132	292,226
Provisions		31,696	81,696
Total current liabilities		1,838,938	3,261,487
Non-current liabilities			
Lease liabilities	17	104,575	-
Employee benefits	18	26,991	18,073
Total non-current liabilities		131,566	18,073
Total liabilities		1,970,504	3,279,560
Net assets		1,458,042	1,608,753
Equity			
Issued capital	19	15,184,352	14,061,018
Reserves	20	276,133	169,885
Accumulated losses		(14,002,443)	(12,622,150)
Total equity		1,458,042	1,608,753

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the half-year ended 31 December 2024

Consolidated statement of changes in equity

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	13,970,383	218,814	(11,019,576)	3,169,621
Loss after income tax expense for the half-year	-	-	(1,001,235)	(1,001,235)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income/(loss) for the half-year	-	-	(1,001,235)	(1,001,235)
Contributions of equity, net of transaction costs	57,326	-	-	57,326
Balance at 31 December 2023	14,027,709	218,814	(12,020,811)	2,225,712

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	14,061,018	169,885	(12,622,150)	1,608,753
Loss after income tax expense for the year	-	-	(1,380,293)	(1,380,293)
Other comprehensive income for the year, net of tax (note 20)	-	(1,176)	-	(1,176)
Total comprehensive income/(loss) for the half-year	-	(1,176)	(1,380,293)	(1,381,469)
Contributions of equity, net of transaction costs (note 19)	1,123,334	-	-	1,123,334
Share-based payments (note 20)	-	107,424	-	107,424
Balance at 31 December 2024	15,184,352	276,133	(14,002,443)	1,458,042

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

	Note	Consolidated	
		31 Dec 2024	31 Dec 2023
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,307,277	1,436,538
Payments to suppliers and employees (inclusive of GST)		(3,879,151)	(2,303,042)
Interest received		2,300	14,414
Research and development tax incentive and other grants		695,072	-
Interest and other finance costs paid		(2,315)	(6,691)
Net cash used in operating activities		(876,816)	(858,781)
Cash flows from investing activities			
Payments for property, plant and equipment		-	-
Net cash used in investing activities		-	-
Cash flows from financing activities			
Proceeds from issue of shares		1,175,000	-
Transaction costs from issue of shares		(62,590)	-
Proceeds from borrowings		296,902	-
Repayment of borrowings		(131,473)	(80,931)
Transaction costs from borrowings		(5,099)	-
Net cash from/(used in) financing activities		1,272,740	(80,931)
Net increase/(decrease) in cash and cash equivalents		395,924	(939,712)
Cash and cash equivalents at the beginning of the period		1,271,800	2,622,961
Effect of exchange rate fluctuations		24,576	(11,773)
Cash and cash equivalents at the end of the period	7	1,692,300	1,671,476

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

Note 1. General information

Audeara Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is disclosed in the corporate directory.

The financial statements cover Audeara Limited as a Group. The financial statements are presented in Australian dollars (\$), which is Audeara Limited's functional and presentation currency.

Note 2. Material accounting policy information

These general-purpose financial statements for the half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Going concern

The half-year financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. For the period ended 31 December 2024, the Company incurred a net loss after tax of \$1,380,293 (31 Dec 2023: \$1,001,235) and had cash outflows from operating activities of \$876,816 (31 Dec 2023: \$858,781). Cash and cash equivalents at 31 December 2024 were \$1,692,300.

The ability of the Group to continue as a going concern is dependent on securing additional funding through the sale of equity and/or the continuing growth in revenue from the Australian market and the continued expansion of the European & North American market. These conditions indicate a material uncertainty that may cast doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the normal course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern. However, the directors believe that there are sufficient funds available to

meet the Group's working capital requirements as at the date of this report and that sufficient funds will be available to finance the ongoing operations of the Group for the following reasons:

- ▶ the Group has a strong track record of successfully raising capital, including a successful capital raise in November 2024. Management remains confident in its ability to secure additional funding if and when required.
- ▶ as at 31 December 2024, the Company maintained a cash balance of \$1,692,300, supported by a recent capital injection, ensuring continued financial stability.
- ▶ the directors of Audeara Limited have reason to believe that in addition to the cash currently available, the level of expenditure can be managed to meet working capital requirements for at least the next twelve (12) months.

The directors plan to continue the Group's operation on the basis outlined above and believe that there will be sufficient funds for the Group to meet its obligations and liabilities for at least twelve (12) months from the date of this report.

Note 4. Operating segments

Identification of reportable operating segments

The Company manages its operations as a single business operation and there are no parts of the Company that qualify as operating segments under AASB 8 *Operating Segments*. The Board of Directors (Chief Operating Decision Maker or "CODM") assess the financial performance of the Company on an integrated basis only and accordingly, the Company is managed on the basis of a single segment, being the development of hearing health technology. Information presented to the CODM on a monthly basis is categorised by type of expenditure

Note 5. Revenue

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$	\$
Revenue from contracts with customers		
Sale of goods – Wholesale (point in time)	1,685,000	678,397
Sale of goods – Retail (point in time)	74,807	53,435
Services revenue (over agreed period of time)	42,845	53,800
	1,802,652	785,632
<i>Disaggregation of revenue from contracts with customers</i>		
Primary geographical markets		
Australia	754,213	711,881
North America	1,011,506	53,800
Europe	36,933	19,951
	1,802,652	785,632

Note 6. Other income

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$	\$
Research & development tax incentive	374,289	472,814
Other income	6,623	72,675
	380,912	545,489

Note 7. Cash and cash equivalents

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
Cash at bank	1,692,300	1,271,800
	1,692,300	1,271,800

Note 8. Trade and other receivables

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
Trade receivables	183,126	1,258,909
Research and development tax incentive	371,128	685,146
Tax refund due	15,153	-
	569,407	1,944,055

Note 9. Inventories

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
Stock in transit - at cost	-	996,071
Stock on hand - at cost	266,118	377,891
Less : provision for stock obsolescence	(68,943)	(108,184)
	197,175	1,265,778

Note 10. Other assets

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
Prepayments	519,987	119,560
Security deposits	24,200	41,731
Term deposit	20,844	-
	565,031	161,291

Note 11. Property, plant and equipment

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
Equipment - at cost	391,541	231,702
Less Accumulated depreciation	(171,561)	(146,694)
	219,980	85,008

Reconciliations of the written down values at the beginning and end of the current half-year are set out below:

Balance at 1 July 2024	85,008
Additions	159,839
Depreciation expense	(24,867)
Balance at 31 December 2024	219,980

Note 12. Right-of-use assets

	Consolidated	
	31 Dec 2024	30 June 2024
	\$	\$
Buildings - right-of-use	169,741	231,260
Less Accumulated depreciation	(24,745)	(211,992)
	144,996	19,268

Reconciliations of the written down values at the beginning and end of the current half-year are set out below:

	Buildings \$
Balance at 1 July 2024	19,268
Additions	169,741
Amortisation	(44,013)
Balance at 31 December 2024	144,996

Note 13. Intangibles

	Consolidated	
	31 Dec 2024	30 June 2024
	\$	\$
Patents and trademarks - at cost	60,851	60,851
Less Accumulated amortisation	(21,194)	(19,785)
	39,657	41,066

	Patents and Trademarks \$
Balance at 1 July 2024	41,066
Amortisation expense	(1,409)
Balance at 31 December 2024	39,657

Note 14. Trade and other payables

	Consolidated	
	31 Dec 2024	30 June 2024
	\$	\$
Current liabilities		
Trade payables	655,003	1,605,354
Accrued expenses	179,849	185,621
GST payable	-	(7,578)
Other payables	-	7,000
	834,852	1,790,397

Note 15. Contract liabilities

	Consolidated	
	31 Dec 2024	30 June 2024
	\$	\$
Current liabilities		
Contract liabilities	332,557	984,986

Contract liabilities relate to the unearned revenue component on goods and services invoiced but not yet delivered to a customer at the end of the reporting period.

Note 16. Borrowings

	Consolidated	
	31 Dec 2024	30 June 2024
	\$	\$
Current liabilities - Unsecured		
Insurance premium funding	12,602	86,000
Short term loan facility - Sturt Capital Pty Ltd (i)	296,902	-
Unsecured loan facility - FeeSynergy Finance Pty Ltd (ii)	29,944	-
	339,448	86,000

(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 than the date of receipt of the 2025 R&D Tax Incentive from the Australian Taxation Office and 31 December 2025.

(ii) Unsecured loan facility with FeeSynergy Finance Pty Ltd to fund professional fees. The fully drawn initial loan is \$58,387 and bears interest of 6%.

Note 17. Lease liabilities

	Consolidated	
	31 Dec 2024	30 June 2024
	\$	\$
Current liabilities		
Lease liability	39,253	26,182
Non-current liabilities		
Lease liability	104,575	-
	143,828	26,182

Note 18. Employee benefits

	Consolidated	
	31 Dec 2024	30 June 2024
	\$	\$
Current Liabilities		
Annual Leave	189,256	222,382
Long service leave	71,876	69,844
Non-current liabilities		
Long service leave	26,991	18,073
	288,123	310,299

Note 19. Issued capital

	31 Dec 2024	30 June 2024	31 Dec 2024	30 June 2024
	Shares	Shares	\$	\$
Fully paid ordinary shares	175,142,716	145,224,130	15,184,352	14,061,018

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance		145,224,130		14,061,018
Issue of shares in lieu of director fees	11 December 2024	543,586	\$0.033	17,938
Issue of shares pursuant to a Placement	11 December 2024	29,375,000	\$0.040	1,175,000
Share issue costs		-		(69,604)
Balance		175,142,716		15,184,352

Note 20. Reserves

	Consolidated	
	31 Dec 2024	30 June 2024
	\$	\$
Share-based payments reserve	277,309	169,885
Cumulative translation adjustment	(1,176)	-
	276,133	169,885

Options may be issued to external consultants or non-related parties without shareholders' approval, where the annual 15% capacity pursuant to ASX Listing Rule 7.1 has not been exceeded. Options cannot be offered to a director or an associate of a director except where approval is given by shareholders at a general meeting.

Each option converts into one (1) ordinary share of Audeara Limited on exercise. The options carry neither the right to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

During the half-year ended 31 December 2024, the Company recorded the following share-based payments:

- ▶ The issue of 4,250,000 unlisted options exercisable at \$0.08 on or before 10 December 2026 to Mr David Trimboli (1,250,000), Dr James Fielding (1,500,000) and Mr Bill Peng (1,500,000) ("Director Options"). Mr Trimboli, Mr Dr Fielding and Mr Peng are directors of the Company and the issue of options is to incentivise and remunerate them in performing their role and the issue of the Director Options is considered an appropriate incentive in the circumstances. The fair value of the Director Options has been determined using Black-Scholes model.

The following options were on issue at the reporting date:

Number of options	Grant date	Exercise price	Expiry date
1,476,000	27 November 2023	\$0.050	18 April 2027
750,000	27 November 2023	\$0.051	18 April 2027
725,000	27 November 2023	\$0.071	18 April 2027
5,000,000	30 April 2024	\$0.082	2 May 2027
4,250,000	11 December 2024	\$0.080	10 December 2026

Note 21. Dividends

There were no dividends paid, recommended or declared during the current of the previous financial half-year.

Note 22. Interests in Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 Dec 2024	30 Jun 2024
		%	%
Audeara Europe KFT	Hungary	100%	100%
Audeara US Inc.	United States of America	100%	100%

Note 23. Events after the reporting period

On 22 January 2025, the Company announced the launch of the Clinico Sound Earbuds into the Taiwanese market. The integration of Audeara's technology into the Clinico Sound Earbuds represents the culmination of a lengthy and rigorous R&D period between Audeara and Clinico Inc., the largest hearing aid retailer in Taiwan.

On 5 February 2025, the Company announced a follow-up purchase order for the mass manufacture of branded products incorporating Audeara technology. This follow-up purchase order from Avedis Zildjian is valued at US\$917,000 following the initial A\$2.1 million purchase order in February 2024.

On 12 February 2025, the Company sought and obtained shareholders' approval at a General Meeting to issue shares worth \$175,000 to Directors who participated in the Company's recent placement as well as the issue of shares to Mr Trimboli in settlement of outstanding director fees, amongst other resolutions.

There have been no other material events subsequent to the reporting date that would require disclosure in these financial statements.

Note 24. Earnings per share

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$	\$
Loss after income tax attributable to the owners of Audeara Limited	(1,380,293)	(1,001,235)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	132,064,258	143,609,573
Weighted average number of ordinary shares used in calculating diluted earnings per share	132,064,258	143,609,573
	Cents	Cents
Basic/diluted earnings/(loss) per share	(1.05)	(0.70)

Directors' declaration

In the directors' opinion:

- ▶ the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- ▶ the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- ▶ there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Mr David Trimboli

Non-Executive Chair

Perth, 27 February 2025

Independent Auditor's Review Report

To the Members of Audeara Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Audeara Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, including material accounting policy information, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Audeara Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Audeara Limited's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 3 in the financial report, which indicates that the Group incurred a net loss of \$1,380,293 during the half year ended 31 December 2024 and, recorded net operating cash outflows of \$876,816. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Grant Thornton Audit Pty Ltd
Chartered Accountants



Cameron Smith
Partner – Audit & Assurance

Brisbane, 27 February 2025