
Q2 FY26 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 2025 ('Q2 FY26').

Highlights

- ▶ Group revenues¹ of \$1.43m, consistent with last quarter and up 274% on PCP (Q2 FY25), underpinned by strong sales momentum across Wholesale and AUA Technology
- ▶ Combined Q1 and Q2 FY26 revenues - together with secured \$560k purchase order to be recognised in Q3 - exceeds \$3.5m, approaching total FY25 revenue of \$3.8m
- ▶ Positive net operating cash flows of \$356,000 for the December quarter with additional positive cash flow quarters targeted in CY26
- ▶ Cash at bank of \$0.74m as at 31 December 2025
- ▶ Receipt of a \$1.22m R&D Tax refund

Financial results underpinned by strong operational momentum:

- ▶ National Medical Products Administration (NMPA) certification secured for China hearing aid product, enabling full commercial launch
 - ▷ Maiden licensing purchase order from TWSE-listed Eastech Co. Ltd, for integration of Audeara's technology into hearing aids for distribution via established channels
- ▶ Chip-level AI licensing agreement secured with OPTEK Microelectronics, a leading China-based SoC (system-on-chip) design company
- ▶ Distribution agreement secured with Eyear System Inc., a leading Tokyo-based audiology and hearing solutions company, to introduce Audeara's Auracast™-enabled products into the Japanese market

Business Targets:

- ▶ Strengthen sales profile in Australian wholesale channels complementing the global expansion strategy for AUA Technology, providing a strong platform to establish consistent operational cashflow
- ▶ Convert multiple commercial development partnerships for AUA Technology into recurring licensing income across global markets

¹ All references to revenues in FY26 are unaudited revenues.



Management commentary

Audeara CEO and founder, Dr James Fielding said:

"The December quarter represented another pivotal period for Audeara, with strong Australian sales momentum alongside accelerating momentum in key Asia-Pacific target markets, further validating our commercialisation strategy for AUA Technology.

With group sales for Q1 and Q2 FY26 - combined with secured wholesale orders to be recognised in Q3 - now already approaching our full FY25 revenue result, the business is demonstrating tangible scale and consistency across both our wholesale and technology licensing channels.

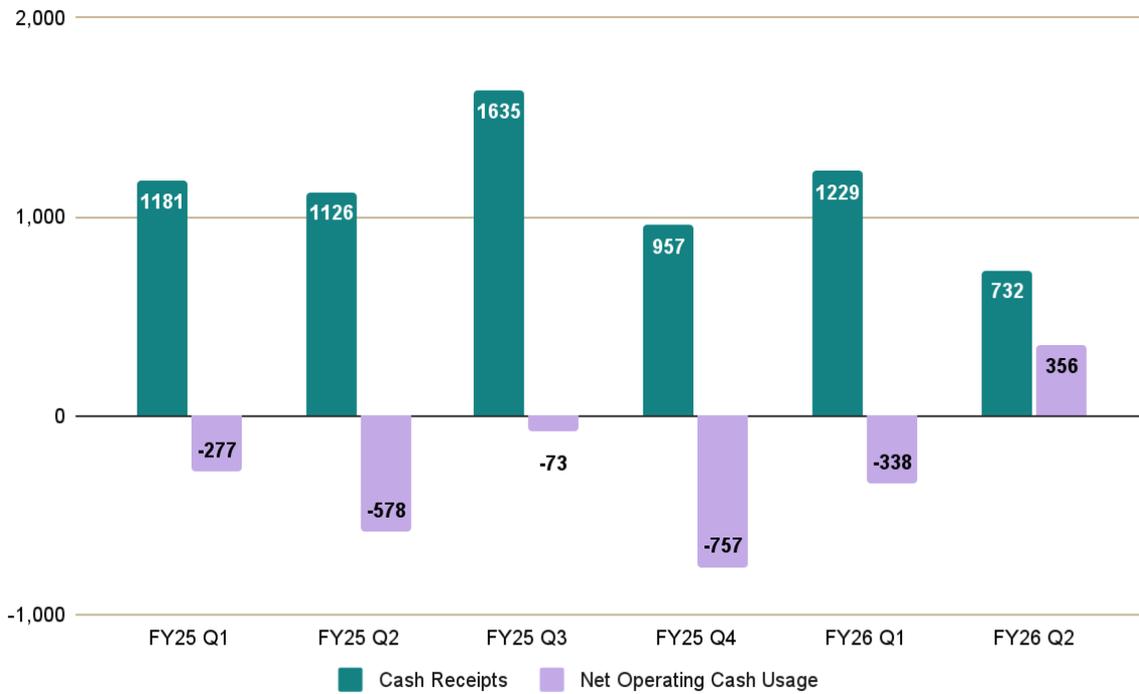
We are particularly encouraged by the progress in key Asia-Pacific markets including China, where regulatory approvals are now complete and commercial manufacturing has commenced, alongside the expansion of our AUA Technology division through new licensing and distribution partnerships globally. This momentum positions Audeara strongly as we move into the second half of FY26."

Financial Overview

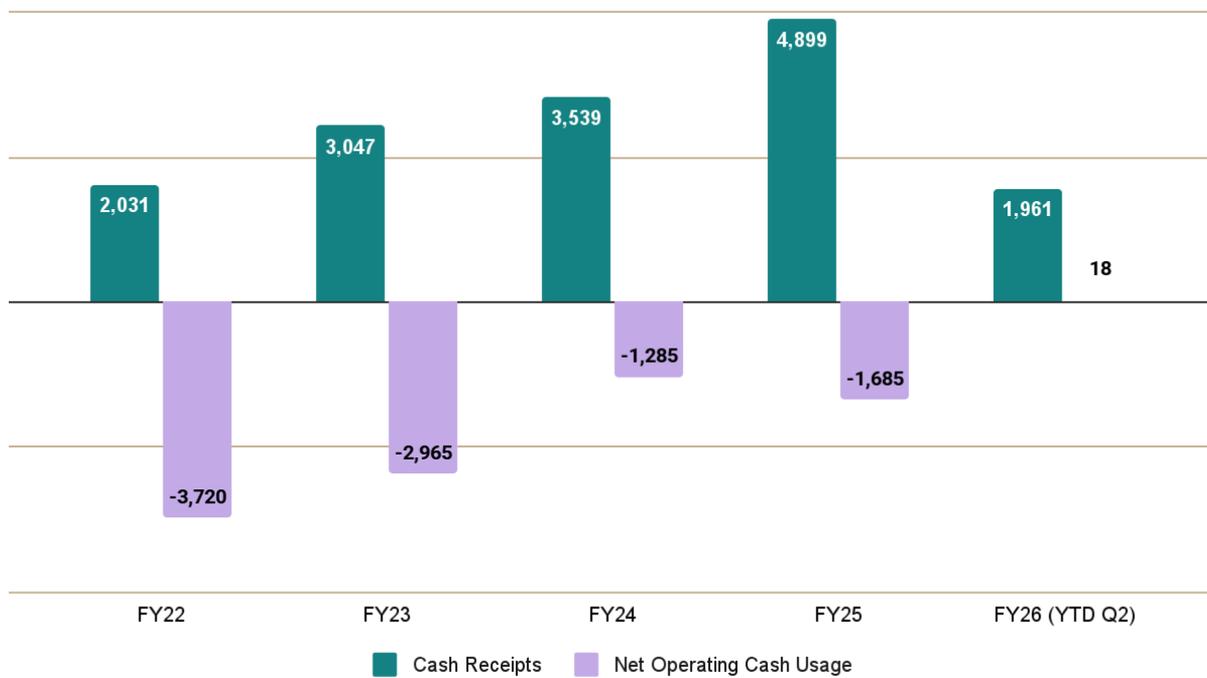
- ▶ Revenue of \$1.43m, consistent with the previous quarter and a 274% increase on Q2 FY25 (prior year comparative period)
- ▶ Increased revenue underpinned by continued market traction for the domestic Wholesale division, alongside accelerating momentum for AUA Technology contract manufacturing revenues, up 60% for the half year to \$1.6m
- ▶ Cash receipts from customers of \$732k, with \$560k wholesale purchase order and \$400k AUA Tech shipment receivables anticipated.
- ▶ Net positive operating cash flows of \$356k incorporating receipt of R&D tax refund of \$1.22m
- ▶ Payments to related parties, including directors' fees, of \$133k, in line with Q1 FY26
- ▶ Cash at bank as at 31 December 2025 of \$0.74m



Quarterly Cash Receipts vs. Net Operating Cash Usage



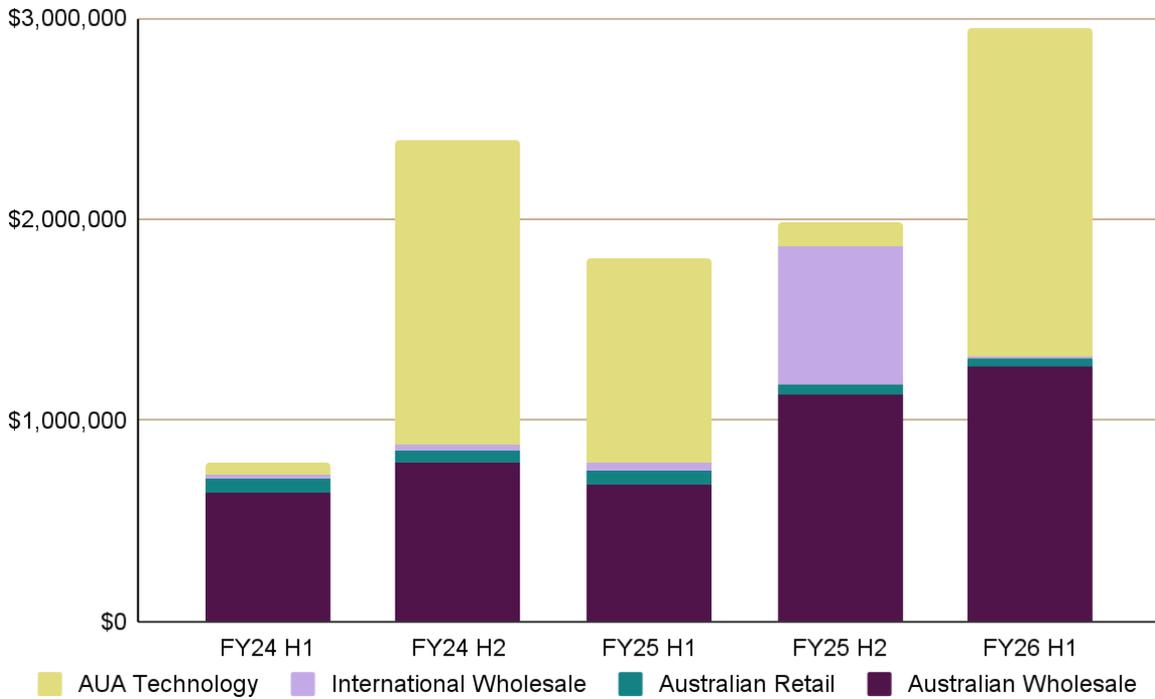
Annual Cash Receipts vs. Net Operating Cash Usage



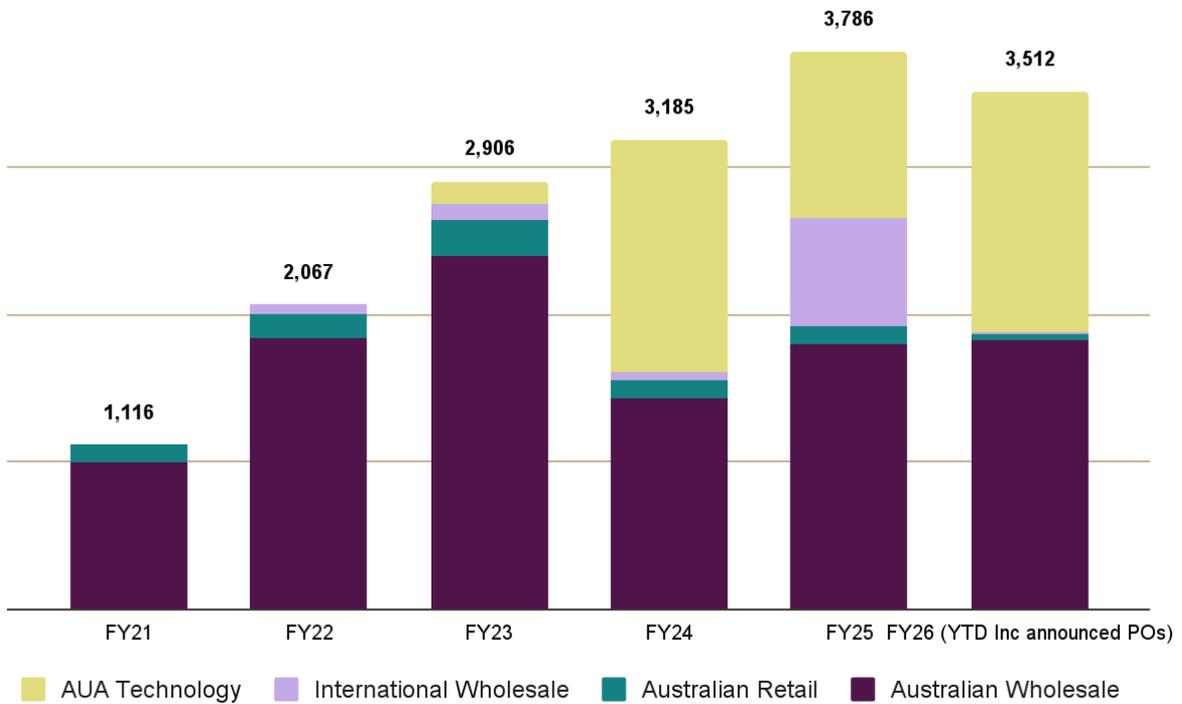
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Half-year Revenue



Annual Revenue



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Operational Overview – Quarterly Highlights

Australian Wholesale Channel

Audeara demonstrated continued strength in its Australian wholesale business during the quarter, underpinned by repeat orders from its largest customer base.

In late November, the Company secured a record \$560,000 purchase order from a major Australian wholesale customer — the largest single wholesale order in Audeara’s history. The order will be recognised as revenue in the March 2026 quarter following delivery in February.

When combined with the unaudited revenue for the Half year the successful delivery of this purchase order would bring FY26 Australian wholesale revenue to approximately \$1.83 million, equivalent to the full FY25 result, and representative of a 58% increase on the prior comparative period.

China Hearing Aid Market – Regulatory & Commercial Progress

Maiden Licensing Purchase Order Received from Eastech

During the quarter, Audeara secured its maiden licensing purchase order from Eastech (Huizhou) Co., Ltd. The initial order comprised 1,000 hearing aid technology licence keys, marking the first commercial order under the Licensing Agreement and a key transition point from development to revenue-generating commercialisation. The licence keys have been delivered to Eastech facilities in China, with manufacturing finalised and commercial launch activities underway.

NMPA Certification Secured – Enabling Full Commercial Launch

Following the maiden purchase order, Audeara achieved a major regulatory milestone by successfully obtaining National Medical Products Administration (NMPA) certification for its hearing personalisation technology licensed to manufacturing partner Eastech (Huizhou) Co., Ltd.

NMPA certification represents full regulatory approval for the manufacture and commercial sale of the hearing aid product in China and marks the culmination of an extensive development, validation and regulatory process undertaken in collaboration with Eastech. The certification materially de-risks Audeara’s entry into one of the world’s largest hearing health markets and clears the pathway for scaled production and sales.

The certified product will be sold under a market-leading third-party hearing aid brand and distributed through China’s primary e-commerce and online healthcare platforms, which account for a significant proportion of national hearing aid sales.

China represents a substantial long-term growth opportunity for Audeara, supported by increasing adoption of hearing health solutions and the dominance of digital distribution channels. With regulatory approval secured and manufacturing underway, the Company is now positioned for growth in the Chinese market through a capital-light, scalable licensing model alongside an established local partner.



AUA Technology – AI & Licensing Expansion

Audeara significantly expanded its AUA Technology footprint during the quarter through the execution of a chip-level AI audio licensing agreement with Optek Microelectronics.

Under the agreement, Audeara's proprietary AUI algorithms — including AI Noise Reduction and Media Personalisation — will be embedded directly into Optek's system-on-chip platforms, enabling royalty-style revenue on a fee-per-chip basis across global OEM and ODM customer programs which have yet to reach the point of purchase order and as such, has not been revenue generating for Audeara during the quarter.

OPTEK supplies audio SoC solutions to a global customer base of major consumer and professional electronics brands, including Sharp, Philips, Panasonic, Toshiba and TEAC. The partnership materially expands Audeara's addressable market and strengthens its positioning as a provider of embedded, scalable audio intelligence. Further to the announcement of the agreement, Audeara has secured additional customer opportunities with Optek with targeted product releases during calendar 2026.

A further shipment of Zildjian Perfect Tune headphones was recognised during the quarter, contributing roughly \$730k AUD to the unaudited revenue for the period. AUA Technology sales for half year are approximately \$1.6m, up 60% from the first half of FY25.

Japan – Auracast™ Distribution Agreement

During the quarter, Audeara further strengthened its international distribution footprint by securing a non-exclusive agreement with Eyear System Inc. to launch its Auracast™-enabled products in Japan.

The agreement set out terms for an initial minimum order of 100 units received to activate the partnership, followed by a tiered pricing structure for future orders. Audeara and Eyearsystem also jointly exhibited at Makuhari Messe, Chiba, Japan, on 19–21 November 2025, showcasing Auracast™ accessibility solutions at one of Asia's key healthcare and assistive technology events.

The parties agreed to collaborate on local certification and to jointly support the product launch, providing Audeara with an additional distribution channel for its accessibility-focused broadcast audio solutions into one of Asia's most advanced hearing health markets.

Taiwan – Clinico Inc. Recognition

Audeara continues to work closely with strategic partner Clinico Inc. in Taiwan, following the launch of the Clinico Earbuds CS1, a true wireless personal hearing device developed by Audeara for both clinical and emerging retail channels. As outlined in the previous quarter, Clinico has been expanding into shopping centre retail, with the CS1 positioned as a flagship product within this strategy.

During the quarter, the Clinico Earbuds CS1 was awarded the SNQ National Quality Mark in Taiwan. The SNQ certification, which stands for Safety and Quality, is a nationally recognised benchmark for product safety, performance, and reliability.



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The SNQ National Quality Mark supports consumer confidence as the CS1 enters broader retail distribution, reinforcing its positioning as a trusted and credible hearing and wellness product for the general public, and further strengthening the partnership as it scales across Asia.

R&D Tax Refund

Audeara received \$1,219,107 for the FY25 R&D Tax Incentive, allocating \$994,701 to repay its R&D loan facility and retaining \$224,406 as additional non-dilutive funding.

Outlook

Audeara enters the second half of FY26 with multiple active commercial initiatives underway and a growing pipeline of near-term opportunities. The Company remains focused on:

- ▶ Consolidating Australian wholesale revenue channels to improve scale and operating efficiency
- ▶ Advancing late-stage commercial discussions to support the transition of AUA Technology products into recurring licensing revenue
- ▶ Executing the China hearing aid launch and supporting follow-on orders as market penetration builds
- ▶ Expanding Auracast™ adoption through targeted international distribution partnerships

Supported by a growing base of repeat customers, embedded technology agreements and improving cash flow dynamics, Audeara is focused on disciplined execution to support its pathway toward sustainable profitability.



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

For more information please visit, audeara.com.

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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 2025

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	732	1,961
1.2	Payments for	-	
	(a) research and development	(138)	(281)
	(b) product manufacturing and operating costs	(593)	(1,176)
	(c) advertising and marketing	(73)	(117)
	(d) leased assets	(1)	(2)
	(e) staff costs	(571)	(1,171)
	(f) administration and corporate costs	(224)	(458)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	5	43
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	1,219	1,219
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	356	18
2	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(2)	(2)
	(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	-	-

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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	(2)	(2)

3	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	223	418
3.6	Repayment of borrowings	(958)	(1,015)
3.7	Transaction costs related to loans and borrowings	(102)	(109)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(837)	(706)

4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,215	1,422
4.2	Net cash from / (used in) operating activities (item 1.9 above)	356	18
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(2)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(837)	(706)
4.5	Effect of movement in exchange rates on cash held	5	5
4.6	Cash and cash equivalents at end of period	737	737

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	737	1,215
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)	737	1,215

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	133
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	440	418
7.2 Credit standby arrangements	-	-
7.3 Other (insurance premium funding)	13	13
7.4 Total financing facilities	453	431
7.5 Unused financing facilities available at quarter end		22
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 FY2026 Q1 & Q2. 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 2026 R&D Tax Incentive from the Australian Taxation Office and 31 December 2026. Principal outstanding at 31 December 2025 was \$417,876.</p> <p>(ii) Westpac Banking Corporation credit card facility, secured rolling line of credit for \$21,730 at 20.24% interest on unpaid balances</p> <p>7.3: Hunter Premium Funding, unsecured 10-month loan fully drawn in April 2025 for \$127,915.82 to fund insurance premiums. Principal outstanding at 31 December 2025 was \$12,680.82. The loan is repayable in monthly instalments at a flat annualised interest rate of approximately 5.6%.</p>		

8 Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	356
8.2 Cash and cash equivalents at quarter end (item 4.6)	737
8.3 Unused finance facilities available at quarter end (item 7.5)	22
8.4 Total available funding (item 8.2 + item 8.3)	759
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<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: 21 January 2026

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.

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