AUDEARA

ASX APPENDIX 4E

ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

1. DETAILS OF REPORTING PERIOD

Name of Entity	Audeara Limited (“Audeara” or the “Company”)
ABN	27 604 368 443
Reporting Period	30 June 2026
Previous Corresponding Period	30 June 2025
Presentation Currency	Australian Dollar ($)

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

Key information	30 June 2026 $’000	30 June 2025 $’000	Increase/ (decrease) %	Amount change $’000
Revenues from ordinary activities	4,449	3,786	17.51	663
Loss from ordinary activities after tax attributable to members	(1,303)	(1,787)	(27.08)	484
Net loss for the period attributable to members	(1,303)	(1,787)	(27.08)	484

	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	

Commentary on results:

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

3. STATEMENT OF COMPREHENSIVE INCOME

Refer to attached financial statements.

4. STATEMENT OF FINANCIAL POSITION

Refer to attached financial statements.

5. STATEMENT OF CASH FLOWS

Refer to attached financial statements.

6. STATEMENT OF RETAINED EARNINGS/CHANGES IN EQUITY

Refer to attached financial statements.

7. DIVIDENDS/DISTRIBUTIONS

No dividends declared in current or prior year.

8. DETAILS OF DIVIDEND REINVESTMENT PLANS

Not Applicable

9. NET TANGIBLE ASSETS PER SHARE

	Current Period	Previous Period
Net tangible asset backing per ordinary security	0.07 cents	0.69 cents

10. DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD

Control gained over entities

Name of entity (or group of entities)	N/A
Date control gained	N/A
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)	N/A
Profit/(loss) of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)	N/A

Loss of control over entities

Name of entity (or group of entities)	N/A
Date control lost	N/A
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)	N/A
Profit/(loss) of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)	N/A

11. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

Name of associate or joint venture entity	N/A
Reporting entity's percentage holding in this entity	N/A
Contribution to net profit/(loss) (where material)	N/A
Aggregate share of profits/(losses) of the above entity (where material)	N/A

12. ANY OTHER SIGNIFICANT INFORMATION NEEDED BY AN INVESTOR TO MAKE AN INFORMED ASSESSMENT OF THE COMPANY'S FINANCIAL PERFORMANCE AND FINANCIAL POSITION

Refer to attached financial statements.

13. FOREIGN ENTITIES

Not Applicable

14. COMMENTARY ON RESULTS FOR PERIOD AND EXPLANATORY INFORMATION

Refer to attached financial statements.

15. AUDIT

This report is based on accounts which have been audited. The Auditor's Report contains an 'Emphasis of Matter' paragraph drawing attention to a material uncertainty that may cast a doubt about the Group's ability to continue as a going concern. The attached financial statements have been prepared on a going concern basis. Please refer to note 2 in the financial statements.

Mr David Trimboli
Chair

31 August 2026

AUDEARA
Feel connected.

Annual Report

30 JUNE 2026

Audeara Limited

ABN 27 604 368 443 | ASX: AUA

Corporate Directory

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

Registered office & principal place of business

35 Brookes St
Bowen Hills QLD 4006

Phone
1300 251 539

Website
www.audeara.com

Corporate Governance Statement
www.audeara.com/corporate-governance

Share register

Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnston Street
Abbotsford VIC 3067

Phone
(03) 9907 7163

Auditor

Grant Thornton Audit Pty Ltd
King George Central
Level 18, 145 Ann Street
Brisbane QLD 4000

Bankers

Westpac Banking Corporation
300 Elizabeth Street
Brisbane QLD 4000

Stock exchange listing

Audeara Limited shares are listed on the Australian Securities Exchange (ASX)

ASX Code
AUA (fully paid ordinary shares)

Contents

Letter to Shareholders

Dear fellow shareholders,

We are pleased to present Audeara Limited's Annual Report for the 12-month period ended 30 June 2026 (FY26).

FY26 was a year of meaningful commercial progress for Audeara. The Group delivered further revenue growth, materially strengthened its Australian wholesale business and expanded the number of international partners integrating, distributing or commercialising Audeara technology.

Importantly, the year demonstrated the increasingly diversified nature of the Audeara business. The Group now operates across three complementary commercial channels: sales of Audeara-branded products through hearing clinics and other professional channels; the development and manufacture of partner-branded and white-label products; and the licensing of Audeara's proprietary software, algorithms and audio-processing technologies.

Together, these channels provide Audeara with multiple pathways to market and allow the Group to apply its technology across hearing health, consumer electronics, education, aged care, entertainment and shared-listening environments.

This progress remains closely aligned with our purpose: to help people feel connected, their way. Whether through personalised headphones, hearing-enhancement products, classroom listening solutions, Auracast™ infrastructure or technology embedded directly into third-party devices and semiconductor platforms, Audeara is focused on making better listening experiences more accessible to people everywhere.

FY26 Financial Performance

Audeara generated revenue of approximately $4.45 million during FY26, compared with approximately $3.79 million in FY25. This represented another year of record Group revenue and continued Audeara's multi-year trajectory of top-line growth.

Australian wholesale revenue, a component of the $2.85 million total Australian revenue disclosed in note 5, increased by approximately 45% to $2.62 million, underpinned by sustained demand from the Group's major audiology partners and the continued adoption of Audeara products within the professional hearing-health channel. This result reflects the strength of Audeara's established domestic business and the important role that clinics play in helping consumers identify and access appropriate listening solutions.

The Group recorded approximately $4.21 million in cash receipts from customers and full-year net operating cash flow of approximately negative $0.39 million. This represented a material improvement compared with FY25 and included two consecutive quarters of positive net operating cash flow during the year.

The improvement was achieved while continuing to fund research and development, product certification, inventory requirements and the commercialisation of several new programs. It reflects management's continued focus on disciplined expenditure, working-capital management and the conversion of development activities into revenue-generating opportunities.

The Group reported a statutory loss after income tax of $1.3 million for FY26, compared with a loss of $1.78 million in FY25.

Audeara also invested $3.04 million in eligible research and development activities during the year and expects to receive an R&D Tax Incentive refund of approximately $1.32 million. These activities were directed towards projects with identified commercial applications, including artificial intelligence audio processing, personalised listening technologies, embedded software, Auracast-enabled products and hearing-enhancement solutions.

While we are encouraged by the financial progress achieved during FY26, the timing of revenue from technology programs, product deliveries, certification processes and partner launches can result in variability between quarters. The Group's priority is therefore not simply quarterly growth, but the development of a broader portfolio of repeatable commercial programs capable of generating more consistent revenue and cash flow over time.

Achieving sustainable positive operating cash flow remains a central objective for the Board and management team.

Strategic Execution

During FY26, Audeara made significant progress in converting its research, intellectual property and engineering capabilities into commercial programs with established industry participants.

In Australia, Audeara's wholesale and clinical channel delivered strong growth. The Company received its largest individual Australian wholesale purchase order to date during the year, with the order contributing to FY26 Australian wholesale revenue of approximately $2.62 million.

This result reinforced the value of Audeara's long-standing relationships with hearing clinics and demonstrated continued demand for products that sit between traditional consumer audio and conventional hearing aids.

The AUA Technology division continued to expand its role within the Group. Through AUA Technology, Audeara provides software licensing, engineering services, product development, firmware integration and manufacturing support to international partners seeking to incorporate advanced listening technologies into their own products.

A key development during FY26 was the execution of a chip-level artificial intelligence audio licensing agreement with OPTEK Microelectronics Co., Ltd. The agreement provides a framework for Audeara's proprietary AI audio-processing technologies to be integrated into OPTEK semiconductor platforms and subsequently deployed across customer programs.

At the date of this report, the first two OPTEK customer programs had progressed to commercial production. The OPTEK relationship represents an important evolution of the AUA Technology model, providing a pathway for Audeara technology to be deployed directly at semiconductor level across multiple third-party products.

In China, the Group advanced its licensing relationship with Eastech following the achievement of National Medical Products Administration certification for a hearing aid incorporating Audeara technology. Manufacturing commenced during FY26 and Audeara received an initial order for 1,000 hearing-aid technology licence keys.

The products are intended to be sold under a third-party brand through established Chinese e-commerce and hearing-health channels. The program provides Audeara with an entry point into one of the world's largest hearing-health markets without requiring the Group to establish its own direct consumer distribution infrastructure.

Audeara also continued to expand its relationship with Clinico Inc. in Taiwan. Building on the commercial launch of the Clinico Sound Earbuds CS1, Audeara received introductory purchase orders of approximately $164,000 to commence three additional white-label commercial programs.

These programs include two Auracast-enabled devices incorporating Audeara's BT-03 Audio Broadcaster technology, partner-branded accessories and packaging, and a separate programming and interface tool. The expansion demonstrates how Audeara's technology and product platforms can be adapted and deployed within a partner's broader commercial ecosystem.

The Group's Asian footprint was further strengthened through a distribution agreement with Eyear System Inc. for the introduction of Audeara's Auracast-enabled products into Japan. The agreement included an initial minimum order and collaboration on certification, marketing and local market development.

Auracast and New Commercial Channels

FY26 also marked a transition in Audeara's Auracast strategy from individual product development towards the deployment of complete shared-listening ecosystems.

Audeara's product portfolio now addresses both sides of the Auracast environment. The BT-03 Audio Broadcaster allows venues, televisions and existing audio-visual systems to transmit sound, while Audeara Buds, transceivers, headphones and partner-branded products provide individuals with accessible ways to receive and personalise that sound.

During the year, Audeara commenced a national Auracast rollout with Bolton Clarke across its retirement-living network. The program began in Queensland and is intended to expand across 43 retirement villages, enabling residents to receive sound from shared community spaces directly through compatible personal listening devices.

The project demonstrates the practical application of Audeara's technology in environments where hearing accessibility can directly support participation, wellbeing and social connection.

Audeara also secured exclusive Australian deployment rights from Shokz Health Global Limited for a customised open-ear listening solution designed for use by children experiencing listening and learning challenges.

The agreement builds upon work undertaken with Ear Science Institute Australia and combines ShokzHear's bone-conduction hardware capabilities with Audeara's local market knowledge, technical input and audio-tuning expertise. The initiative is intended to create a scalable pathway for deployment through education, government and charitable programs.

These initiatives expand Audeara's addressable market beyond conventional retail audio and demonstrate the ability of the Group's technology to support listening accessibility across healthcare, education, community, aged-care and public environments.

Outlook

Audeara entered FY27 with a substantially broader commercial platform than it had at the beginning of FY26.

The Group's immediate priorities are to:

- convert existing partner programs into production revenue and repeat orders;
- progress OPTEK customer programs through validation and commercial production;
- expand the range and volume of products commercialised with Clinico;
- support the commercial launch and growth of hearing-aid products incorporating Audeara technology in China;
- grow the Australian wholesale and clinical channel;
- scale the deployment of Auracast infrastructure and compatible listening products;
- progress the ShokzHear education solution towards initial customer orders and broader deployment; and
- maintain disciplined expenditure and working-capital management as the Group progresses towards sustainable positive operating cash flow.

Audeara has invested over many years to build proprietary technology, an experienced engineering team, trusted clinical relationships and an international network of commercial partners. FY26 demonstrated that these capabilities can be applied across a growing number of products, partners and markets.

The opportunity in front of the Group is now to convert this expanded commercial base into greater production volumes, recurring licensing revenue and improved financial performance.

We would like to thank our shareholders for their continued support and patience, our partners for the trust they place in Audeara, and our employees for their commitment, creativity and resilience throughout the year.

We remain ambitious about the role Audeara can play in the future of hearing health and accessible audio, and we look forward to updating shareholders as the Group progresses through the next stage of its commercial development.

—

Dr James Fielding
Chief Executive Officer

—

Mr David Trimboli
Chair of the Board

Business Overview

Customer and audiology industry feedback and insights

Audeara Research and Development

Innovative partnerships and strategic opportunities

Audeara Proprietary Technology

AI | Firmware | Software | Hardware

Audeara

Utilises Audeara Proprietary Technology to develop Audeara's product pipeline.

Audeara provides hardware and software solutions for the hearing industry, distributed through:

- Over 3,000 clinics globally including 1,500 clinics in Australia.
- International audiology clinics. Currently stocked in 12 countries with expansion of footprint ongoing.
- Established presence in Australian retail channel.

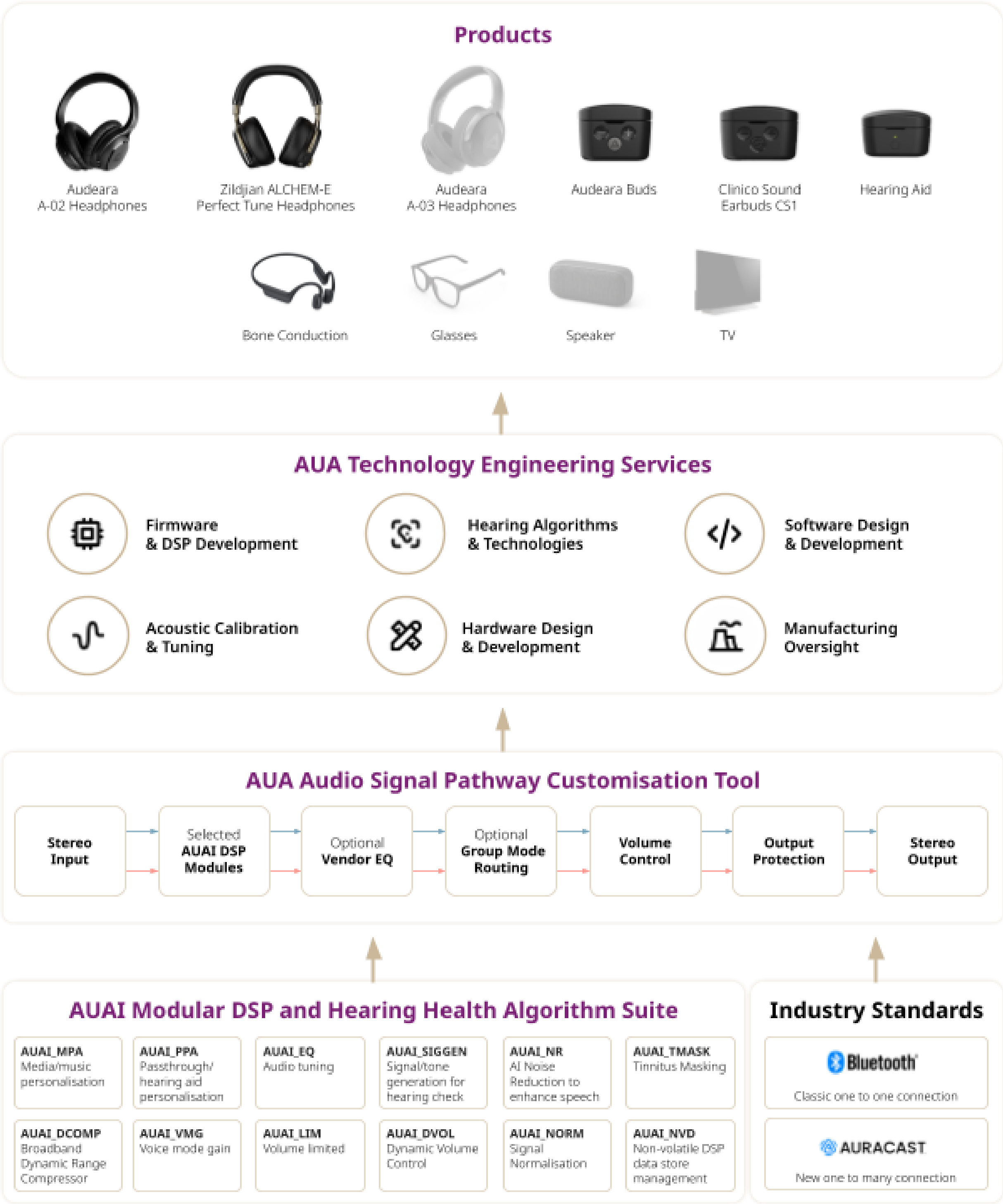
AUA Technology

Utilises Audeara Proprietary Technology to develop third party products.

This business unit has unlocked the potential for strong growth through:

- White label products for large third parties.
- Highly scalable technology licensing revenue.
- Engineering services.
- Pipeline of potential licensing partners growing.

AUA Technology Innovation Ecosystem



Financial Highlights

$1.68m AUA Technology sales FY26

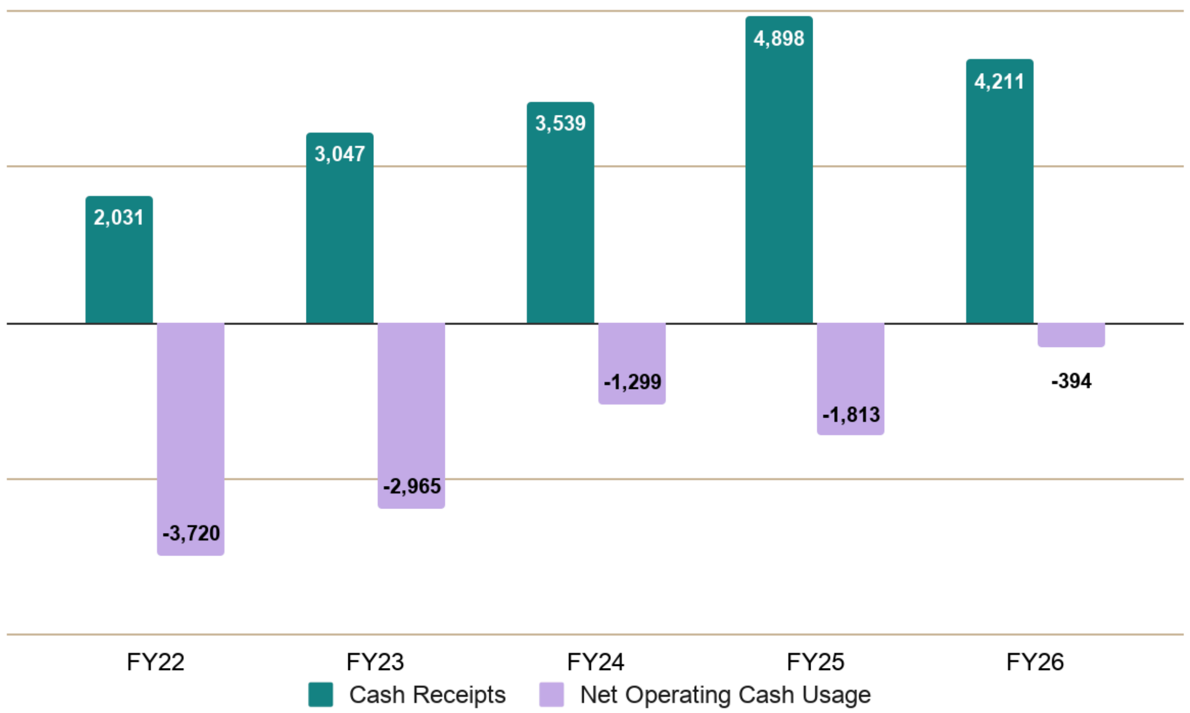
48% YoY
High-margin, scalable revenue with minimal cost of goods - the foundation of Audeara's path to profitability.

$4.45m FY26 Audited Revenue

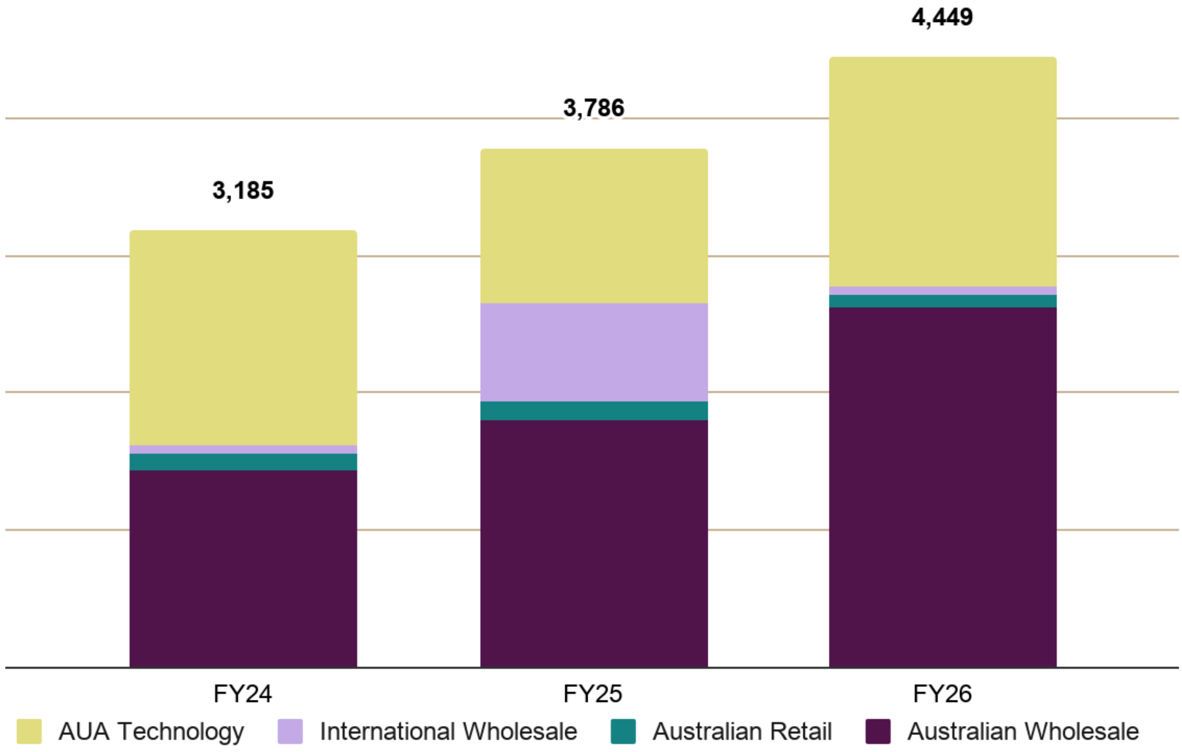
18% YOY

$-0.39m FY26 Operating Cashflow

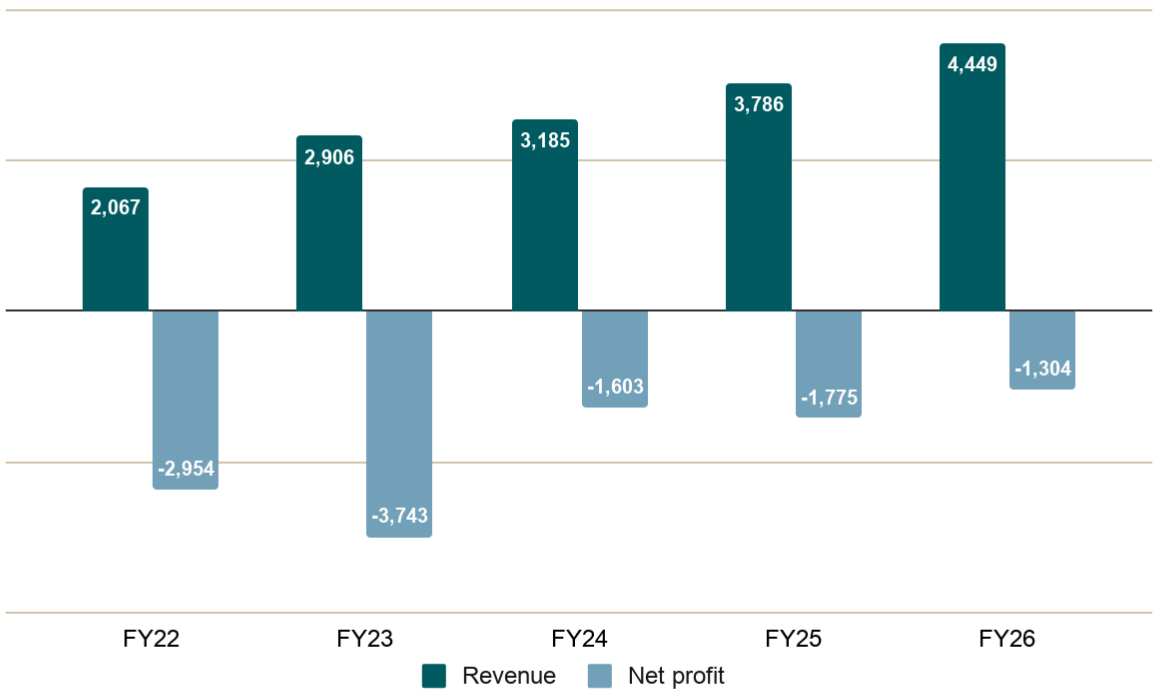
Cash: Receipts vs Operating Usage



Sales by Financial Year



Revenue and Net Profit



Brand Highlights

Award-Winning Recognition

FY26 saw Audeara recognised across export, innovation and product design, reflecting the growing strength of the brand in Australia and internationally.

Premier of Queensland's Export Awards

Audeara received the Small Business Award at the *Premier of Queensland's Export Awards*, recognising the Company's continued international growth and expanding global partnerships.

The award reflected Audeara's progress in taking Australian-developed listening technology into international markets and the continued support of Trade and Investment Queensland in helping build meaningful relationships across key markets.

As Queensland's Small Business Award winner, Audeara also progressed as a national finalist in the 2025 Australian Export Awards, with continued support from the Australian Trade and Investment Commission (Austrade) as we build our international presence.

Hong Kong Australia Business Association Awards

Audeara received the **Best Initiative Award** from the *Hong Kong Australia Business Association*, recognising the Company's approach to innovation, collaboration and international engagement across the Asia Pacific region.

Good Design Awards

The **Audeara Buds** received the *2025 Australian Good Design Award* for **Product Design (Consumer Electronics)**, their combination of thoughtful product design, personalised listening and accessibility.

The recognition reflects Audeara's commitment to innovation, accessibility, and world-class design.

Connecting Globally

Australian Wholesale

Audika | bloom | Connect Hearing! | BAY AUDIO | amplifon | Specsavers | Hearing Australia

International Wholesale

Our major stockists include global international audiology chains

amplifon | Demant | Specsavers | WSAudiology

Australia's audiology sector remained at the heart of Audeara's activity throughout FY26. The Company continued to work closely with hearing clinics, clinicians and industry partners, while maintaining a presence at the professional events that bring the hearing-health community together.

Across the year, Audeara participated in numerous audiology conferences. At *ACAud 2026*, Audeara created an interactive Listening Lounge where attendees could experience personalised listening, Auracast™ and assistive listening technologies first-hand, and explore how emerging solutions can complement existing hearing-care pathways.

At the *Hearing Business Alliance* conferences in Perth and Brisbane, Audeara provided independent audiology clinics with tools and resources to help them use Auracast as a community engagement and lead generation opportunity.

Audeara also maintained a presence across key industry events including *Audiology Australia*, the *World Congress of Audiology*, the *New Zealand Audiological Society Conference*, the *Future of Hearing Healthcare Conference* and the *EUHA Congress*. These events provide an important opportunity to listen to the professionals who recommend, fit and support listening solutions every day, with their feedback continuing to inform Audeara's products, education and approach to supporting clinics.

Beyond audiology, Audeara showcased its technology across a broader mix of technology, innovation and international forums, including *Integrate Expo*, the *Innovation & Technology Show*, *Inter BEE*, *CES*, *SusHi Tech* and the *Asia Summit on Global Health*. Supported by organisations including Trade and Investment Queensland and Austrade, these opportunities helped Audeara connect with new partners and markets while demonstrating the wider applications of personalised and accessible audio technology.

Bringing Auracast to life

Throughout FY26, Audeara continued to move Auracast™ from an emerging industry standard into practical, real-world listening experiences through deployment, demonstration and education.

At *The University of Queensland*, Audeara supported the rollout of Auracast across more than 30 teaching spaces, helping make shared audio more accessible for students and demonstrating how the technology can be integrated at scale.

Audeara also worked with *Bolton Clarke* to introduce Auracast-enabled shared listening across its retirement-living network. Alongside the technology rollout, the Audeara team delivered education sessions for residents and staff, helping people understand how Auracast works, how to access broadcasts and how the technology can support participation and connection in everyday communal environments.

Beyond these deployments, Audeara supported broader adoption through clinic resources, demonstrations and education for hearing-health professionals. Together, this work is helping organisations and communities move from understanding Auracast to using it in practice, creating more accessible shared listening experiences for people of all hearing abilities.

Supporting even more accessible listening

During FY26, the Company continued to explore how better listening experiences could support people beyond traditional consumer and clinical environments. This included continued development of *OpenLearn by ShokzHear*, an assistive listening device designed to support children in classroom environments. Built on ShokzHear's open-ear technology and tuned by Audeara, OpenLearn is designed to provide clearer access to the sounds that matter while allowing children to remain aware of their surroundings.

*Sources: Australian school screening studies (Choi et al.); WHO; AIHW (2023–2024); NIDCD (2025); USPSTF (2024).

In collaboration with *Ear Science Institute Australia*, feasibility and proof-of-function trials were conducted across education and community settings in the Pilbara, Rockhampton, Mount Isa and Brisbane. The trials helped demonstrate the practical use of open-ear listening technology in everyday learning environments and informed the continued development of OpenLearn for the Australian market. Feedback from clinicians and teachers helped inform the product and its application in learning environments, with clinicians reporting strong ease of use and teachers observing improved classroom engagement.

In FY27, Audeara will build on this foundation through the *Listen & Learn Community Impact Program*, bringing together community delivery partners and funding partners to help make better listening more accessible to more children across Australia.

Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of Audeara Limited (referred to hereafter as the 'Group' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2026.

Directors

The following persons were directors of the Group during the whole of the financial year and up to the date of this report, unless otherwise stated:

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

Principal activities

The principal activity of the Group during the course of the financial year consisted of:

- The development of hearing health technology,
- Engineering Services, and
- Manufacturing Audio Devices.

The offering of engineering services and manufacturing devices on behalf of third party brands significantly increased during the period.

Dividends

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

Operating and Financial Review

The loss for the Group after providing for income tax amounted to $1,303,924 for the year ended 30 June 2026, compared with $1,787,038 for the year ended 30 June 2025.

Overview

During the 12-month period ended 30 June 2026, Audeara continued to execute its strategy of building a diversified hearing-health technology business across branded hardware, wholesale clinical distribution, white-label product development, engineering services and software licensing.

Group revenue increased to approximately $4.45 million, compared with approximately $3.79 million in FY25.

Growth was led by the Australian wholesale channel and supported by revenue from AUA Technology programs. The Group also secured new commercial agreements and progressed several development programs that are expected to contribute to revenue in future reporting periods.

Management maintained a focus on cost control, working-capital management and the alignment of research and development expenditure with identifiable commercial opportunities.

Net operating cash flow for FY26 was approximately negative $0.39 million, representing a material improvement on the prior corresponding period. The Group recorded positive net operating cash flow in two consecutive quarters during the year before the timing of project expenditure, inventory payments and customer receipts affected the full-year result.

Australian Wholesale and Clinical Channel

Australian wholesale revenue increased by approximately 45% to $2.62 million during FY26.

The result was underpinned by strong demand from the Group's major Australian audiology partners and included Audeara's largest individual Australian wholesale purchase order to date.

The wholesale channel remains an important foundation for the Group. It provides Audeara with access to an established network of hearing professionals who can identify appropriate customers, demonstrate the benefits of personalised audio and support users after purchase.

The channel also provides Audeara with a platform through which new products and listening solutions can be introduced to consumers who may not yet require, or may not be ready to adopt, conventional hearing aids.

The Group will continue to strengthen its relationships with clinic partners, support improved product education and expand the range of Audeara solutions available through professional hearing-health channels.

AUA Technology and International Commercialisation

AUA Technology enables third-party businesses to incorporate Audeara's intellectual property, software, engineering expertise and product-development capabilities into their own products.

The division's commercial model includes engineering and development fees, product supply, licence fees, post-market support and, where applicable, per-unit or per-chip royalties.

During FY26, the Group progressed several strategically important programs.

Audeara entered into a software licensing cooperation agreement with OPTEK Microelectronics for the integration of Audeara's proprietary AI audio technologies into OPTEK semiconductor platforms.

The arrangement provides a capital-efficient pathway for Audeara technology to be incorporated into multiple customer products without Audeara being responsible for the manufacture, distribution or inventory requirements of the finished consumer device.

At the date of this report, the first two OPTEK customer programs had progressed to commercial production.The timing and financial contribution of OPTEK programs will depend upon customer validation, production commencement, unit volumes and the successful commercialisation of the relevant end products.

In China, Audeara continued to progress its licensing relationship with Eastech. National Medical Products Administration certification was secured for a hearing-aid product incorporating Audeara technology, manufacturing commenced and the Group received an initial order for 1,000 technology licence keys.

The program is expected to support sales through established third-party brands and major Chinese e-commerce channels.

In Taiwan, Audeara expanded its relationship with Clinico following the earlier launch of the Clinico Sound Earbuds CS1.

Three additional white-label programs commenced during FY26, including Auracast-enabled products incorporating Audeara's BT-03 Audio Broadcaster platform, partner-branded accessories and a separate programming interface.

The introductory purchase orders associated with the programs at the time of this report totalled approximately $164,000.

The Group also entered into a Japanese distribution agreement with Eyear System Inc. for Audeara's Auracast-enabled BT-LE Audio Transceiver and BT-03 Audio Broadcaster. The parties are collaborating on local certification, marketing and market development activities.

These relationships provide Audeara with commercial beachheads across China, Taiwan and Japan and create pathways for the Group's technology to be distributed through established local businesses.

Auracast and Accessible Listening Infrastructure

Audeara continued to invest in the development and commercialisation of products using Bluetooth LE Audio and Auracast technology.

The BT-03 Audio Broadcaster is designed to connect with existing televisions, audio-visual systems and venue infrastructure and transmit sound to multiple compatible listening devices without conventional one-to-one Bluetooth pairing.

The platform can be used across retirement villages, classrooms, universities, conference venues, hospitality settings, healthcare facilities, places of worship and other shared-listening environments.

During FY26, Audeara commenced a rollout with Bolton Clarke intended to introduce Auracast-enabled listening solutions across 43 retirement villages. The initial deployment commenced at Bolton Clarke's Carrington Retirement Village in Queensland.

The program provides an important reference deployment for Audeara and demonstrates the potential for Auracast to improve accessibility and participation within community environments.

The Group also continued to progress opportunities with universities, healthcare organisations, event providers and other organisations seeking to improve access to shared audio.

Education and Bone-Conduction Listening Solutions

Audeara progressed its collaboration with Ear Science Institute Australia to assess listening solutions for children experiencing hearing and classroom-participation challenges.

Following this work, Audeara entered into an exclusive Australian product-customisation and market-deployment agreement with Shokz Health Global Limited.

Under the agreement, ShokzHear will customise an open-ear bone-conduction product using input from Audeara regarding functionality, sizing and audio-tuning parameters appropriate for the Australian education market.

Audeara will be responsible for developing the Australian market and intends to pursue deployment through government-funded programs, education departments, charitable organisations and other relevant channels.

The Group expects to place initial orders following receipt of customer commitments.

Research, Development and Product Innovation

Research and development remained central to Audeara's strategy during FY26.

Activities undertaken during the year included:

- AI-based noise-reduction and speech-enhancement technologies;
- media-personalisation and hearing-profile algorithms;
- integration of Audeara software into third-party semiconductor platforms;
- Bluetooth LE Audio and Auracast transmission and reception;
- mobile applications, firmware and programming interfaces;
- hearing-aid and personal sound-amplification product development;
- bone-conduction and open-ear listening solutions; and
- product adaptation, testing and certification for international markets.

The Group seeks to direct its research and development resources towards technologies with defined commercial applications and identifiable pathways to deployment through Audeara products or third-party partners.

Audeara incurred eligible research and development expenditure of $3.04 million during FY26 and expects to receive an R&D Tax Incentive refund of approximately $1.32 million.

Outlook

During FY27, the Group will focus on converting the commercial programs established during FY26 into production revenue, repeat orders and scalable deployments.

Key areas of focus include Australian wholesale growth, OPTEK customer programs, Clinico white-label products, the China hearing-aid program with Eastech, Auracast infrastructure deployments and the ShokzHear education initiative.

The timing of revenue from these programs will depend on factors including customer validation, certification, manufacturing schedules, order volumes, product launches and the commercial decisions of Audeara's counterparties.

The Group will continue to exercise disciplined cost control and actively manage inventory, development expenditure and working capital.

Achieving sustainable positive net operating cash flow remains a priority for the Board and management.

Material Business Risks

The Board seeks to ensure that the identification, assessment and management of risk are embedded across the Group's activities.

The Board regularly considers the Group's financial, operational, regulatory, commercial and strategic risks and assesses whether the Group's governance and control environment remains appropriate for the size and nature of its operations.

The principal material business risks include the following:

Access to Financial Resources and Liquidity	The Group incurred a statutory loss and negative net operating cash flow during FY26. Audeara's ability to meet its strategic objectives may depend upon the timing of customer receipts, R&D Tax Incentive refunds, access to debt facilities, the availability of additional capital and the successful conversion of its commercial pipeline into revenue. A failure to obtain sufficient funding when required could affect the Group's ability to meet its obligations, fund research and development, purchase inventory or pursue commercial opportunities. The Board and management actively monitor the Group's cash position, expected receipts, expenditure commitments, financing facilities and available funding alternatives.
Commercialisation and Revenue Timing	A number of the Group's growth opportunities involve partner development programs, product validation, certification, manufacturing preparation and third-party product launches. The timing and scale of revenue from these programs may be difficult to predict and may be affected by matters outside Audeara's direct control. Delays or changes in partner priorities may result in revenue being deferred, reduced or not realised. The Group seeks to mitigate this risk by maintaining a diversified portfolio of products, partners, markets and commercial models.
Customer and Counterparty Concentration	During FY26, approximately 35% of Group revenue was derived from the Group's largest customer, and approximately 78% was derived from its four largest customers. The loss of a major customer, a reduction in order volumes or a change in a customer's product strategy could materially affect the Group's revenue and financial performance. Audeara is seeking to reduce this risk by expanding its Australian clinical footprint, entering new geographic markets and increasing the number of active AUA Technology programs.
Regulatory Approval and Market Access	Certain Audeara and partner products are subject to medical-device, radio-frequency, telecommunications, electrical-safety, consumer-product and other regulatory requirements. The requirements vary between jurisdictions and may change over time. Delays or failures in obtaining or maintaining certifications could delay product launches, increase costs or prevent products from being sold in particular markets. The Group works with experienced regulatory advisers, manufacturing partners, testing laboratories and local distributors to manage these requirements.

Intellectual Property, Technology and Competition	Audeara's commercial prospects depend in part upon its proprietary algorithms, software, product designs, technical know-how, trademarks and other intellectual property. The Group may be unable to prevent third parties from developing competing technologies, challenging Audeara's intellectual-property rights or alleging that Audeara's technology infringes third-party rights. Rapid developments in artificial intelligence, semiconductor technology, hearing products and consumer audio may also reduce the competitive advantage of existing technologies. Audeara seeks to manage these risks through a combination of patents, confidential information controls, contractual protections, technical expertise, continuing research and development and careful review of third-party intellectual-property considerations.
Cybersecurity and Data Privacy	Audeara's products and services include mobile applications, software platforms and systems that may process customer, hearing-profile and commercial information. Cybersecurity incidents, system failures, unauthorised access or failures to comply with applicable privacy requirements could disrupt operations, damage the Group's reputation or expose it to regulatory and financial consequences. The Group seeks to maintain appropriate technical, contractual and organisational safeguards and periodically reviews its information-security and privacy practices.
Manufacturing and Supply-Chain Reliability	Audeara relies on third-party manufacturers and suppliers for finished products, semiconductor components and other essential materials. Manufacturing disruptions, component shortages, quality issues, geopolitical events, freight delays, foreign-exchange movements or changes in supplier terms could affect product availability, margins and customer deliveries. The Group manages these risks through supplier relationships, inventory planning, quality-control processes and, where commercially practical, alternative sourcing strategies.
Key Personnel and Workforce Capability	Audeara's performance depends upon its ability to attract, retain and motivate appropriately skilled employees, particularly across engineering, product development, regulatory, sales and management functions. The loss of key personnel or difficulty recruiting employees with specialised expertise could delay projects or affect the Group's ability to execute its strategy. The Group seeks to manage this risk through succession planning, documentation of technical knowledge, competitive remuneration arrangements and a collaborative organisational culture.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Group during the financial year.

Likely Developments and Expected Results of Operations

The Group expects revenue from personalised audio products, professional hearing-health channels, white-label products, engineering services and technology licensing to contribute to future financial periods.

The Group also expects its Auracast, education, AI audio-processing and international hearing-aid programs to provide additional commercial opportunities.

The timing and financial contribution of these opportunities remain dependent upon matters including customer orders, certification, production schedules, product validation and market adoption.

Maintaining disciplined cost control and progressing towards sustainable positive operating cash flow remain important priorities for the Group.

Environmental Regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Subsequent Events

In August 2026, the Consolidated Entity executed a new two-year lease arrangement for its corporate premises. As this agreement was finalised following the balance date, it represents a non-adjusting event, and the associated accounting valuations and financial implications were still being determined at the date of this report. Consequently, the amounts recognised as at 30 June 2026 remain unadjusted.

On 21 August 2026, the Group announced it had secured firm commitments from sophisticated and professional investors to raise $1,260,000 (before costs) ("Placement"). The Placement comprises the issue of 38,181,830 fully paid ordinary shares at an issue price of $0.033 per share and participants will also receive one (1) free attaching unlisted option for every three (3) shares subscribed. The Placement will be conducted in two tranches, with the settlement of Tranche 2 allocations subject to shareholder approval at the Company's upcoming Annual General Meeting.

There has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Information on directors

Mr David Trimboli
Non-Executive Chair

Qualifications	B. Commerce, Major in Accounting and Corporate Finance
Experience and expertise	Appointed on 27 August 2015, Mr Trimboli has extensive experience as an executive and Group director across many industries. He was a seed investor in Audeara in 2015, helping launch the Group. His experience includes 10 years with the international commodity trading and asset management Group, Glencore International AG, as a senior coal trader based in Zug, Switzerland.
Other current directorships	Quantum Graphite Ltd (ASX: QGL) TrivarX Limited (ASX: TRI) Aurora Labs Ltd (ASX: A3D)
Former directorships (last 3 years)	None
Special responsibilities	Chair of the Board
Interests in shares	25,934,519
Interests in options	1,500,000 unlisted options exercisable at $0.082 expiring 2 May 2027 1,250,000 unlisted options exercisable at $0.08 expiring 10 December 2026 625,000 unlisted options exercisable at $0.08 expiring 30 January 2027 1,250,000 unlisted options exercisable at $0.05 expiring 2 December 2027

Dr James Fielding
Managing Director & Chief Executive Officer

Qualifications	BBusMan/BSci, MBBS, Grad Cert Exec Lead
Experience and expertise	Appointed on 23 February 2015, Dr Fielding completed dual bachelor's degrees in Business Management and Biomedical Science at University of Queensland. After working in finance and public relations in New York City, Dr Fielding gained graduate entrance into a Bachelor of Medicine/Bachelor Surgery, earning a scholarship for the University of Queensland's Medical Leadership Program, being an adapted MBA program for medical school students, conferring a Graduate Certificate of Executive Leadership.
Other current directorships	None
Former directorships (last 3 years)	None
Special responsibilities	Managing Director and Chief Executive Officer
Interests in shares	11,692,834
Interests in options	1,750,000 unlisted options exercisable at $0.082 expiring 2 May 2027 1,500,000 unlisted options exercisable at $0.08 expiring 10 December 2026 416,666 unlisted options exercisable at $0.08 expiring 30 January 2027 1,500,000 unlisted options exercisable at $0.05 expiring 2 December 2027

Mr Bill Peng
Executive Director & Chief Operating Officer

Qualifications	BBus(Mktg), MBus(Entr)
Experience and expertise	Appointed 5 August 2022, Mr Peng has worked in the electronics industry and has extensive knowledge and experience in the production from electronic material, components and semi-product through to finished products. Most recently, he founded an Australian Group specialising in electronic medical products. Mr Peng brings extensive business experience across operational, supply chain management, product development and international sales, particularly in the Asia Pacific region.
Other current directorships	None
Former directorships (last 3 years)	None
Special responsibilities	Chief Operating Officer
Interests in shares	11,477,380
Interests in options	1,750,000 unlisted options exercisable at $0.082 expiring 2 May 2027 1,500,000 unlisted options exercisable at $0.08 expiring 10 December 2026 416,666 unlisted options exercisable at $0.08 expiring 30 January 2027 1,500,000 unlisted options exercisable at $0.05 expiring 2 December 2027

'Other current directorships' quoted above are current directorships for listed entities only and exclude directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and exclude directorships of all other types of entities, unless otherwise stated.

Company Secretary

Mr Stephen Buckley held the position of Company Secretary of Audeara Limited at the end of the financial year. He joined Audeara on 21 September 2022. Mr Buckley is a director of Governance Corporate Pty Ltd, a company specialising in providing company secretarial, corporate governance and corporate advisory services to ASX listed companies.

Meetings of directors

The number of meetings of the Group's Board of Directors ('the Board') held during the year ended 30 June 2026, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
David Trimboli	11	11
James Fielding	11	11
Bill Peng	11	11

'**Held**' represents the number of meetings held during the time the director held office.

The Board has not established a separate audit committee. The full Board carries out the duties that would ordinarily be assigned to the audit committee. The Board considers that the Group is not currently of a size, nor are its affairs of such complexity to justify having a separate audit committee.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors are entitled to receive shares and share options under the Audeara Limited Employee Securities Incentive Plan. Further details can be found under the heading "Share-based compensation" below.

The Chair, David Trimboli, received $50,000 (2025: $41,105) as his rate of remuneration. In addition, the Chair is accruing his fees in lieu of receiving cash, and has sought shareholder approval for the issuance of shares in lieu of his fees annually at the Group's annual general meeting and where appropriate, through a general meeting.

Directors may also be reimbursed for expenses properly incurred by them in dealing with the Group's business or in carrying out their duties as a Director.

Under the Constitution, the Board decides the total amount paid to each Non-Executive Director as remuneration for their services as a Director. However, under the ASX Listing Rules, the total amount of fees paid to all Directors for their services (excluding, for these purposes, the salary of any Executive Director) must not exceed in aggregate in any financial year the amount fixed by the Group's shareholders in a general meeting. This amount is currently fixed at $380,000 per annum, having been set at a general meeting of the Group's members that occurred pre the Initial Public Offering.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

The short-term incentives ('**STI**') program is designed to align the targets of the Group with the performance hurdles of executives. STI payments are granted to executives based on specific targets and key performance indicators ('KPI's') being achieved.

The long-term incentives ('**LTI**') include share-based payments. Further details can be found under the heading "Share-based compensation" below.

Use of remuneration consultants

The Group did not engage remuneration consultants during the financial year ended 30 June 2026.

Voting of shareholders at the Group's last Annual General Meeting

The 2025 Annual General Meeting ('AGM') of the Group was held on 25 November 2025. The Group received 99.83% "Yes" votes of those cast on its Remuneration Report for the 2025 financial year. The Group did not receive any specific feedback at the 2025 AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
	Cash salary and fees	Annual leave accrual	Non-monetary	Super-annuation	Long service leave	Equity-settled shares	Equity-settled options	Total
2026	$	$	$	$	$	$	$	$
Non-Executive Directors:								
David Trimboli*	50,000	-	-	-	-	-	27,375	77,375
Executive Directors:								-
James Fielding	240,000	22,609	-	28,800	3,156	-	32,850	327,415
Bill Peng	200,000	42,655	-	24,000	2,866	-	32,850	302,371
	490,000	65,264	-	52,800	6,022	-	93,075	707,161

* Opted to receive shares in lieu of a salary.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
	Cash salary and fees	Annual leave accrual	Non-monetary	Super-annuation	Long service leave	Equity-settled shares	Equity-settled options	Total
2025	$	$	$	$	$	$	$	$
Non-Executive Directors:								
David Trimboli*	41,105	-	-	-	-	-	25,475	66,580
Executive Directors:								-
James Fielding**	301,496	20,996	-	34,672	5,094	-	30,570	392,828
Bill Peng	199,385	17,497	-	22,929	2,385	-	30,570	272,766
	541,986	38,494	-	57,601	7,479	-	86,615	732,174

* Opted to receive shares in lieu of a salary.
** Includes $62,727 relating to annual leave cashed out during the year.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
David Trimboli	65%	62%	-	-	35%	38%
James Fielding	90%	92%	-	-	10%	8%
Bill Peng	89%	89%	-	-	11%	11%

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name	Dr James Fielding
Title	Managing Director and Chief Executive Officer
Agreement commenced	18 May 2021
Term of agreement	Initial term of 2 years
Details	Annual salary of $240,000 (exclusive of statutory superannuation). Remuneration will be reviewed by the Board of Directors every 12 months thereafter or as otherwise agreed between the parties. Dr Fielding is entitled to participate in the Group's option plan. Please refer to the section title "Share-based compensation" for further details. The Group entered into an employment agreement with Dr Fielding that commenced on the date of the Group's listing on the Australian Securities Exchange and was for an initial two-year period, after which it may be terminated by either party on three months' notice. The Group may terminate the agreement without notice upon limited events including misconduct or incapacity.
Name	Mr Bill Peng
Title	Executive Director and Chief Operating Officer
Agreement commenced	13 June 2022
Term of agreement	Initial term of 2 years
Details	Annual salary of $200,000 (exclusive of statutory superannuation). The remuneration will be reviewed by the Board of Directors 12 months from the commencement date and every 12 months thereafter or as otherwise agreed between the parties. Mr Peng is entitled to participate in the Group's option plan. Please refer to the section title "Share-based compensation" for further details.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

David Trimboli was issued 954,763 shares in lieu of his director fees, which was approved by members at the Group's annual general meeting held on 25 November 2025. There were no shares issued to other directors and other key management personnel as part of their compensation during the year ended 30 June 2026.

Options

The Group has on issue a total of 13,500,000 options to the three Directors as compensation. The options vested on issue. Options are exercisable by the holder as from the vesting date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their exercise.

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Date vested and exercisable	Expiry date	Exercise price	Fair value per option at grant date
David Trimboli	1,250,000	25 Nov 2025	25 Nov 2025	2 Dec 2027	$0.050	$0.022
James Fielding	1,500,000	25 Nov 2025	25 Nov 2025	2 Dec 2027	$0.050	$0.022
Bill Peng	1,500,000	25 Nov 2025	25 Nov 2025	2 Dec 2027	$0.050	$0.022

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2026 are set out below:

Name	Number of options grants during the year	Number of options grants during the year	Number of options vested during the year	Number of options vested during the year
	2026	2025	2026	2025
David Trimboli	1,250,000	1,250,000	1,250,000	1,250,000
James Fielding	1,500,000	1,500,000	1,500,000	1,500,000
Bill Peng	1,500,000	1,500,000	1,500,000	1,500,000

Additional information

The earnings of the Group for the five years to 30 June 2026 are summarised below:

	2026	2025	2024	2023	2022
	$	$	$	$	$
Revenue	4,448,534	3,785,788	3,185,107	2,905,985	2,067,411
Loss after income tax	(1,303,924)	(1,787,038)	(1,602,574)	(3,742,927)	(2,954,057)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2026	2025	2024	2023	2022
Share price at financial year end ($)*	0.029	0.023	0.036	0.032	0.100
Total dividends declared (cents per share)	-	-	-	-	-
Basic earnings per share (cents per share)	(0.72)	(1.09)	(1.11)	(2.88)	(2.80)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Group held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/other	Balance at the end of the year
Ordinary shares					
David Trimboli	24,834,052	954,763	145,704	-	25,934,519
James Fielding	11,692,834	-	-	-	11,692,834
Bill Peng	11,477,380	-	-	-	11,477,380
Total	**48,004,266**	**954,763**	**145,704**	**-**	**49,104,733**

Option holding

The number of options over ordinary shares in the Group held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below. These totals include those discussed above as part of remuneration as well those granted following investment in the Company during share placements that occurred during FY26:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Option holding					
David Trimboli	3,375,000	1,250,000	-	-	4,625,000
James Fielding	3,666,666	1,500,000	-	-	5,166,666
Bill Peng	3,666,666	1,500,000	-	-	5,166,666
Total	**10,708,332**	**4,250,000**	**-**	**-**	**14,958,332**

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of the Group under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
30 April 2024	2 May 2027	$0.082	5,000,000
27 November 2023	18 April 2027	$0.050	1,476,000
27 November 2023	18 April 2027	$0.051	750,000
27 November 2023	18 April 2027	$0.071	725,000
25 November 2024	10 December 2026	$0.080	4,250,000
12 February 2025*	30 January 2027	$0.080	11,249,988
21 February 2025	20 February 2028	$0.080	4,100,000
11 September 2025	10 September 2028	$0.045	3,900,000
25 November 2025	2 December 2027	$0.050	4,250,000

* Options issued on 12 February 2025 were issued as part of a share placement and approved by shareholders at a general meeting.

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Group or of any other body corporate.

Shares issued on the exercise of options

During the financial year ended 30 June 2026, there was a cashless exercise of 300,000 unlisted options expiring 10 September 2028 in accordance with the terms and conditions using the cashless exercise mechanism. There were no other ordinary shares of the Group issued on the exercise of options during the year ended 30 June 2026 and up to the date of this report (2025: nil).

Indemnity and insurance of officers

The Group has indemnified the directors and executives of the Group for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Group paid a premium in respect of a contract to insure the directors and executives of the Group against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor.

During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

Proceedings on behalf of the Group

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the Group who are former partners of Grant Thornton

There are no officers of the Group who are former partners of Grant Thornton Audit Pty Ltd.

Rounding of amounts

The Group is of a kind referred to in Corporations Instrument 2026/183, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

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

Auditor

Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

DE Trimboli

David Trimboli
Chair of the Board

Brisbane, 31 August 2026

Auditor's Independence Declaration

Grant Thornton Audit Pty Ltd
King George Central
Level 18
145 Ann Street
Brisbane QLD 4000
GPO Box 1008
Brisbane QLD 4001

T +61 7 3222 0200

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 audit of Audeara Limited for the year ended 30 June 2026, 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 audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

CDJ Smith
Partner – Audit & Assurance

Brisbane, 31 August 2026

grantthornton.com.au

ACN-130 913 594

Financial Statements

Contents

General information

The financial statements cover Audeara Limited as a consolidated entity consisting of Audeara Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian Dollars ($), which is Audeara Limited's functional and presentation currency.

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

35 Brookes St
Bowen Hills QLD 4006

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2026	Note	Consolidated 2026 $	Consolidated 2025 $
Revenue			
Revenue	5	4,448,534	3,785,788
Cost of sales		(2,761,482)	(2,420,941)
Gross profit		1,687,052	1,364,847
Other income	6	1,411,900	1,249,170
Expenses			
Employee benefits and contractor expenses		(2,690,531)	(2,494,504)
Professional fees		(325,001)	(406,556)
Advertising and marketing		(110,030)	(132,161)
Other expenses		(962,531)	(1,151,121)
Loss before depreciation, net finance costs and income tax		**(989,141)**	**(1,570,325)**
Depreciation and amortisation		(171,677)	(149,637)
Total depreciation and amortisation expense		**(171,677)**	**(149,637)**
Costs of finance	7	(143,106)	(67,076)
Total net finance income/(costs)		**(143,106)**	**(67,076)**
Loss before income tax		**(1,303,924)**	**(1,787,038)**
Income tax expense	8	-	-
Loss after income tax expense for the year attributable to the equity holders of Audeara Limited		**(1,303,924)**	**(1,787,038)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation reserve movement, net of tax	24	(523)	12,296
Total other comprehensive income for the year, net of tax		**(523)**	**12,296**
Total comprehensive income for the year attributable to the equity holders of Audeara Limited		**(1,304,447)**	**(1,774,742)**

		Cents	Cents
Basic earnings/(loss) per share	33	(0.72)	(1.09)
Diluted earnings/(loss) per share	33	(0.72)	(1.09)

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

Statement of financial position

		Consolidated	
	Note	2026	2025
Assets		$	$
Current assets			
Cash and cash equivalents	9	739,750	1,421,091
Trade and other receivables	10	1,585,649	1,606,252
Inventories	11	367,207	324,639
Other assets	12	228,579	469,793
Total current assets		**2,921,185**	**3,821,775**
Non-current assets			
Property, plant and equipment	13	233,862	241,712
Capital work in progress		-	38,883
Right-of-use assets	14	17,353	100,644
Intangibles	15	47,965	54,459
Other assets	16	24,200	45,930
Total non-current assets		**323,380**	**481,628**
Total assets		**3,244,565**	**4,303,403**
Liabilities			
Current liabilities			
Trade and other payables	17	1,222,702	516,723
Contract liabilities	18	391,081	1,048,016
Borrowings	19	1,093,479	1,020,129
Lease liabilities	20	18,701	85,719
Employee benefits	21	284,453	262,884
Provisions	22	11,475	21,729
Total current liabilities		**3,021,891**	**2,955,200**
Non-current liabilities			
Lease liabilities	20	-	18,856
Employee benefits	21	40,246	35,353
Total non-current liabilities		**40,246**	**54,209**
Total liabilities		**3,062,137**	**3,009,409**
Net assets		**182,428**	**1,293,994**
Equity			
Issued capital	23	15,402,403	15,371,850
Reserves	24	493,137	331,332
Accumulated losses		(15,713,112)	(14,409,188)
Total equity		**182,428**	**1,293,994**

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

Statement of changes in equity

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2025	15,371,850	331,332	(14,409,188)	1,293,994
Loss after income tax expense for the year	-	-	(1,303,924)	(1,303,924)
Foreign currency translation reserve movement, net of tax (note 24)	-	(523)		(523)
Total comprehensive income for the year	-	(523)	(1,303,924)	(1,304,447)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 23)	30,553	-	-	30,553
Share-based payments (note 24)	-	162,328	-	162,328
Balance at 30 June 2026	**15,402,403**	**493,137**	**(15,713,112)**	**182,428**

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2024	14,061,018	169,885	(12,622,149)	1,608,753
Loss after income tax expense for the year	-	-	(1,787,038)	(1,787,038)
Other comprehensive income for the year, net of tax	-	12,296	-	12,296
Total comprehensive income for the year	-	12,296	(1,787,038)	(1,774,742)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 23)	1,310,832	-	-	1,310,832
Share-based payments (note 24)	-	149,151	-	149,151
Balance at 30 June 2025	**15,371,850**	**331,332**	**(14,409,188)**	**1,293,994**

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

Statement of cash flows

	Note	Consolidated 2026 $	Consolidated 2025 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		4,211,444	4,898,433
Payments to suppliers and employees (inclusive of GST)		(5,864,342)	(7,425,683)
		(1,652,898)	(2,527,250)
Interest income		11,031	20,752
Research and development tax incentive and other grants		1,264,107	695,072
Interest and other finance costs paid		(16,136)	(1,083)
Net cash used in operating activities	31	**(393,896)**	**(1,812,509)**
Cash flows from investing activities			
Payments for property, plant and equipment	13	(35,014)	(140,384)
Payments for intangibles	15		(8,632)
Net cash used in investing activities		**(35,014)**	**(149,016)**
Cash flows from financing activities			
Proceeds from issue of shares	23		1,350,000
Transaction costs related to issue of shares			(73,773)
Proceeds from borrowings		970,188	957,124
Repayments of borrowings		(994,701)	(58,387)
Interest and transaction costs related to borrowings		(14,553)	(27,826)
Proceeds from insurance premium funding			122,151
Repayment of insurance premium funding		(117,966)	(121,586)
Repayment of lease liabilities		(86,021)	(65,435)
Net cash (used in) / from financing activities		**(243,053)**	**2,082,268**
Net increase/(decrease) in cash and cash equivalents		(671,963)	120,743
Cash and cash equivalents at the beginning of the financial year		1,421,091	1,271,800
Effect of exchange rate changes on cash and cash equivalents*		(9,378)	28,548
Cash and cash equivalents at the end of the financial year	9	**739,750**	**1,421,091**

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

Notes to the Financial Statements

Note 1. General information

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

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

35 Brookes St
Bowen Hills, QLD, 4006

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The material accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, 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 and their impact on the financial statements has not yet been assessed.

Going concern

In accordance with AASB 101(25), the Directors of Audeara Limited have assessed the ability of the Group to continue as a going concern. This assessment is based on a review of the Group's financial position, cash flow forecast, and operating performance.

Audeara experienced negative operating cash flows and incurred losses during the year. These factors prima facie give rise to a material uncertainty about the Group's ability to continue as a going concern. However, several key developments and strategic initiatives support the Directors' confidence in the Group's future prospects.

Key Considerations

1. **Net Loss and Negative Cash Flow:** The Group reported a net operating cash outflow of $0.39m for FY26. The Group reported a net loss of $1.30m. This reduction in net cash outflows and reduction in net loss from previous years reflects management's ongoing cost optimisation initiatives.
2. **Record Revenues:** Audeara achieved a total revenue of $4.45m for FY26. This performance continues the Group's trend of revenue growth since listing on the ASX, supported by strong market presence.

3. **Strategic Partnerships and Orders:** The Group continues to benefit from its global audiology partner supply agreements which include an MOQ of 5,000 per calendar year for 2026. Shipments to the value of $2.62m were another record for Australian wholesale in FY26.
4. **AUA Technology as a Cash-Generating Business Unit:** AUA Technology has emerged as a crucial driver of Audeara's financial performance, contributing a total of $1.68m in revenue for FY26. The division focuses on leveraging the Group's intellectual property through licensing agreements and manufacturing partnerships, positioning the Group for sustainable growth.
5. **Proven Track Record of Raising Funds:** Audeara maintains a proven track record of successfully raising funds to support market expansion. While no cash equity capital raising was completed during FY26, the Group continues to leverage its strategic partnerships and previous capital raises to drive growth and pursue new business initiatives.
6. **Research and Development Incentives:** Audeara has recognised an R&DTI accrual of $1.32m for FY26, which supports the Company’s financial position and ongoing product innovation. At 30 June 2026, the outstanding R&DTI drawdown facility balance was $1.02m, comprising the initial drawdown and accrued interest to that date. By the time of repayment, the total cash required to settle the facility, including further forecast interest, is expected to be approximately $1.07m. The approximate remaining $0.25m of the R&DTI will be available for ongoing activities.
7. **Operational Improvements:** The Group has implemented a management restructure aimed at optimising operations and maintaining a reduced cost base as gross profit increases.
8. **Cash Reserves:** As of 30 June 2026, Audeara holds cash and cash equivalents amounting to $0.74m. This reserve, along with anticipated revenue from ongoing and future orders, provides the Group with the liquidity needed to support its operations.

The Directors of Audeara Limited believe that the actions taken to improve cash flow, secure significant orders, and reduce operating expenses provide a reasonable basis to continue as a going concern. The Group's strategic focus on expanding its AUA Technology division, leveraging partnerships with industry leaders, and its proven ability to raise funds positions Audeara for future profitability and growth. Based on the above, the Directors are of the opinion that at the date of signature of the financial report there are reasonable and supportable grounds to believe that the Group will be able to meet its liabilities from its assets in the ordinary course of business, for a period of not less than 12 months from the date of this financial report and has accordingly prepared the financial report on a going concern basis.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Statement of Cash Flows

Cash flows are classified and presented in the statement of cash flows in accordance with AASB 107 Statement of Cash Flows.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Refer to note 34 for further information.

Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the consolidated entity is considered to be the point of delivery of the goods to the location chosen as the location of control of the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Revenue from contracts with customers involving the provision of services

When recognising revenue in relation to the provision of services over time, significant judgement is required in determining the appropriate performance obligations, the transaction price of the performance obligations and the satisfaction of the performance obligations.

Research and Development (‘R&D’) Tax Incentive

The Group lodges annual returns to claim eligible expenditure under the R&D Tax Incentive scheme with the Australian Government. The application of the R&D provisions requires a level of judgement and the maintenance of appropriate records to support amounts claimed.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Note 4. Operating segments

Identification of reportable operating segments

The Group manages its operations as a single business operation and there are no parts of the Group 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 Group on an integrated basis only and accordingly, the Group 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	
	2026 $	2025 $
Revenue from contracts with customers		
Sale of goods – Wholesale (point in time)	4,081,156	3,494,418
Sale of goods – Retail (point in time)	86,273	124,904
Services revenue (over agreed period of time)	281,105	166,466
	4,448,534	**3,785,788**

Disaggregation of revenue from contracts with customers

	Consolidated	
	2026 $	2025 $
Primary geographical markets		
Australia	2,849,365	1,928,883
North America	1,559,943	1,135,638
Asia	38,776	654,107
Europe	450	67,160
	4,448,534	**3,785,788**

Major customers

During the year ended 30 June 2026, the Group had three external customers that each accounted for 10% or more of total revenue:

- One customer accounted for approximately 35% of total revenue, relating to both the Wholesale and Services channels in North America;
- One customer accounted for approximately 22% of total revenue, within the Wholesale channel in Australia; and

- One customer accounted for approximately 11% of total revenue, within the Wholesale channel in Australia.

The Group is not economically dependent on any single customer and continues to monitor customer concentration as part of its risk management processes.

Accounting policy for revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes any amounts collected on behalf of third parties. The Group recognises revenue when it satisfies its performance obligation by transferring control over a product to a customer when the product is shipped. Invoices are generated at the point of sale and payment terms vary from customer to customer.

Revenue from the sale of products is recognised at a point in time when control of the asset is transferred which is on shipment of the goods. The amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data for specific product types. The contracts permit the customer to return the item, however, there is a low probability of a significant reversal in cumulative revenue occurring.

Services revenue is recognised when the outcome of a transaction involving the rendering of services can be reliably estimated by reference to the stage of completion of the transaction at reporting date.

Note 6. Other income

	Consolidated	
	2026 $	2025 $
Government grants (a)	76,598	6,150
Research and development tax incentive	1,324,271	1,222,268
Interest income	11,031	20,752
Total Other income	**1,411,900**	**1,249,170**

(a) Government grants

	Consolidated	
	2026 $	2025 $
Trade and Investment Queensland Grant	25,000	6,150
Export Market Development Grant	51,598	-
	76,598	**6,150**

Other income includes government grants. Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attached to it and that the grant will be received.

Note 7. Expenses

	Consolidated	
	2026	2025
Loss before income tax includes the following specific expenses:	$	$
Depreciation		
Property plant & equipment	81,892	61,003
Buildings right-of-use assets	83,291	85,207
Total depreciation	165,183	146,210
Amortisation		
Patents and trademarks	6,190	2,795
Product certification	304	632
Total depreciation and amortisation	171,677	149,637
Finance costs		
Interest and finance charges paid/payable on borrowings	117,965	44,112
Interest and finance charges paid/payable on lease liabilities	4,913	7,790
Other finance costs	14,778	15,002
Interest charges paid/payable to the ATO	5,450	172
Finance costs expensed	143,106	67,076
Superannuation expense		
Defined contribution superannuation expense	242,579	236,514
Share-based payments expense		
Share-based payments expense	166,949	149,151

Note 8. Income tax

Loss before income tax includes the following specific expenses:

	Consolidated	
	2026 $	2025 $
Income Tax Expense		
Current tax	141,234	(57,158)
Deferred tax - origination and reversal of temporary differences	(141,234)	57,158
Adjustment recognised for prior periods	-	-
Aggregate income tax expense	**-**	**-**

Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(1,303,924)	(1,787,038)
Tax at the statutory tax rate of 25% (2025: 25%)	(325,981)	(446,760)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-assessable income	(331,068)	(305,567)
R&D expenses	761,075	700,636
Other expenses	37,208	56,679
	141,234	**4,988**
Current year tax losses not recognised	-	57,158
Prior year unrecognised tax losses used	(204,822)	-
Current year temporary differences not recognised	63,588	(62,146)
Income tax expense	**-**	**-**

	Consolidated	
	2026 $	2025 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Prior year unrecognised tax losses carried forward	2,285,687	2,281,888
Over/under recognition of prior year deferred tax adjustments	(7,793)	8,787
Unrecognised tax losses	-	57,158
Prior year unrecognised tax losses used	(204,822)	-
Unrecognised temporary differences	63,588	(62,146)
Total deferred tax assets not recognised	**2,136,660**	**2,285,687**

The above potential tax benefit for tax losses and deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain. The tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 9. Current Assets - Cash and cash equivalents

	Consolidated	
	2026 $	2025 $
Cash at bank	739,750	1,421,091

Accounting policy for cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 10. Current Assets - Trade and other receivables

	Consolidated	
	2026 $	2025 $
Trade receivables	213,052	356,311
Research and development tax incentive and grants	1,360,772	1,219,107
Other receivables	11,825	30,834
	1,585,649	**1,606,252**

At 30 June 2026, trade receivables are presented net of an allowance for expected credit losses of $1,098 (2025: $1,476).

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 14-60 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 11. Current Assets - Inventories

	Consolidated	
	2026 $	2025 $
Stock in manufacturing - at cost	5,351	-
Stock on hand - at cost	367,167	354,077
Less: provision for stock obsolescence	(5,311)	(29,438)
	367,207	**324,639**

Accounting policy for inventories

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises purchase and delivery costs, net of rebates and discounts received or receivable.

Stock on hand is stated at the lower of cost and net realisable value on a "first in first out basis". Cost comprises purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 12. Current Assets - Other assets

	Consolidated	
	2026	2025
	$	$
Prepayments	228,579	469,793
Security deposits	-	-
	228,579	**469,793**

Note 13. Non Current Assets - Property, plant and equipment

	Consolidated	
	2026	2025
	$	$
Equipment - at cost	523,421	449,409
Less Accumulated depreciation	(289,559)	(207,697)
	233,862	**241,712**

Reconciliations

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

	Property Plant & Equipment $
Balance at 30 June 2025	241,712
Additions	74,042
Depreciation expense	(81,892)
Balance at 30 June 2026	**233,862**

Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Equipment/Computers: 3-4 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 14. Non Current Assets - Right-of-use assets

	Consolidated	
	2026 $	2025 $
Buildings - right-of-use	166,583	166,583
Less Accumulated depreciation	(149,230)	(65,939)
	17,353	**100,644**

Reconciliations

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

	Buildings $
Balance at 30 June 2025	100,644
Additions - new lease	-
Depreciation expense	(83,291)
Balance at 30 June 2026	**17,353**

During the year ended 30 June 2026, the Company's building right-of-use lease was continued from last year. The current building lease recognition of a right-of-use asset is $17,353. This lease expires September 2026. The new lease was signed in Aug 2026 for two years and will be depreciated from lease commencement over the lease term on a straight-line basis.

Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 15. Non Current Assets - Intangibles

	Consolidated	
	2026 $	2025 $
Patents and trademarks - at cost	60,851	60,851
Product certification - at cost	16,820	16,820
Less Accumulated amortisation	(29,706)	(23,212)
	47,965	**54,459**

Reconciliations

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

	Patents & Trademarks $	Product Certification $
Balance at 30 June 2025	41,667	12,792
Additions	-	-
Amortisation expense	(6,190)	(304)
Balance at 30 June 2026	**35,477**	**12,488**

Accounting policy for intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Patents and trademarks

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, ranging from 1-20 years.

Product certification

Significant costs associated with obtaining product certifications are capitalised and amortised on a straight-line basis over their expected useful life, which is generally 5 years. The useful life is reviewed annually and adjusted if appropriate.

Note 16. Non Current Assets - Other

	Consolidated	
	2026	2025
	$	$
Term deposit	-	21,730
Security deposits	24,200	24,200
	24,200	**45,930**

Note 17. Current Liabilities - Trade and other payables

	Consolidated	
	2026	2025
	$	$
Trade payables	900,043	165,700
Accrued expenses	255,570	223,674
BAS payable	53,091	122,058
Other payables	13,998	5,291
	1,222,702	**516,723**

Refer to note 25 for further information on financial instruments.

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 18. Current liabilities - Contract liabilities

	Consolidated	
	2026	2025
	$	$
Contract liabilities	391,081	1,048,016

Contract liabilities relate to the unearned revenue component on goods invoiced but not yet delivered to a customer at the year-end.

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was $391,081 as at 30 June 2026 ($1,048,016 as at 30 June 2025) and is expected to be recognised as revenue in future periods as follows:

	Consolidated	
	2026	2025
	$	$
Within 6 months	245,249	902,184
6-12 months	145,832	145,832
	391,081	**1,048,016**

Accounting policy for contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Note 19. Current liabilities - Borrowings

	Consolidated	
	2026	2025
	$	$
Insurance premium funding	76,684	86,565
R&D tax incentive facility	1,016,795	933,564
	1,093,479	**1,020,129**

R&D Tax Incentive Finance Facility

During the financial year the Group entered into a new facility to finance the expected R&D tax incentive refund. The facility incurs interest at a flat rate of 1.25% per month and is secured against the expected refund. As at 30 June 2026, $970,188 had been received under the facility, and accrued interest of $46,607 remained unpaid, bringing the total liability to $1,016,795, recorded in current borrowings. This has been classified as a current liability as it is repayable at the earlier of 31 December 2026 or the date the refund is received.

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	2026 $	2025 $
Total facilities		
Insurance premium funding	76,684	86,565
R&D tax incentive facility	1,016,795	933,564
Used at the reporting date		
Insurance premium funding	76,684	86,565
R&D tax incentive facility	1,016,795	933,564
Unused at the reporting date		
Insurance premium funding	-	-
R&D tax incentive facility	-	-

Accounting policy for borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 20. Current Liabilities - Lease liabilities

	Consolidated	
	2026 $	2025 $
Current liabilities		
Lease liability	18,701	85,719
Non-current liabilities		
Lease liability	-	18,856
	18,701	**104,575**

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 21. Employee benefits

	Consolidated	
	2026 $	2025 $
Current Liabilities		
Annual Leave and long service leave	284,453	262,884
Non-current liabilities		
Long service leave	40,246	35,353
	324,699	**298,237**

Accounting policy for employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 22. Provisions

	Consolidated	
	2026	2025
	$	$
Warranties	11,475	21,729
	11,475	**21,729**

Warranties

The provision represents the estimated warranty claims in respect of products sold which are still under warranty at the reporting date. The provision is estimated based on historical warranty claim information, sales levels and any recent trends that may suggest future claims could differ from historical amounts.

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	Warranties
	$
Carrying amount at the start of the year	21,729
Additional provisions recognised/(reversed)	(10,254)
Carrying amount at the end of the year	11,475

Accounting policy for provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 23. Equity - Issued capital

	2026 Shares	2025 Shares	2026 $	2025 $
Ordinary shares - fully paid	**180,976,547**	**179,934,383**	**15,402,403**	**15,371,850**

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2025	179,934,383		15,371,850
Issue of shares in lieu of director fees	2 December 2025	954,763	$0.028	26,733
Cashless exercise of options	14 April 2026	87,401	$0.053	4,621
Share issue costs				(801)
Balance	30 June 2026	180,976,547		15,402,403

$26,733 of shares were issued in lieu of director fees, which are non-cash transactions. There was also a cashless exercise of 300,000 unlisted options expiring 10 September 2028 in accordance with the terms and conditions using the cashless exercise mechanism.

There were no other non-cash transactions during the financial year other than those mentioned above.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Group in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Group does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group does not have any externally imposed capital requirements.

The capital risk management policy remains unchanged from the 2025 Annual Report.

The Group monitors capital on the basis of its working capital position (i.e. liquidity risk). The Group's net working capital at 30 June 2026 was ($100,706) (2025: $866,575).

Accounting policy for issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 24. Equity - Reserves

	Consolidated	
	2026 $	2025 $
Share-based payments reserve	481,364	319,036
Foreign currency translation reserve	11,773	12,296
Total reserves	**493,137**	**331,332**

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

The reserve includes amounts recognised in respect of both free-attaching options issued under placements and freestanding share options granted independently of any other instruments.

Foreign currency translation reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations into Australian dollars.

The foreign currency translation reserve was recognised for the first time in FY25, reflecting exchange differences arising on translation of the Group's foreign operations, principally denominated in Hungarian Forint (HUF) and United States Dollars (USD).

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	Share-based payments $	Foreign currency translation $
Balance at 30 June 2025	319,036	12,296
Net movement during the period	162,328	(523)
Balance at 30 June 2026	**481,364**	**11,773**

Note 25. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and ageing analysis for credit risk.

Risk management is carried out under policies set by the board of directors. The board provides principles for overall risk management, as well as policies covering specific areas.

Market risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2026	2025	2026	2025
US Dollars (USD)	27,225	12,073	442,598	19,583
Hungarian Forint (HUF)	6,382,414	875,313	-	158,750
Euros (EUR)	12,382	21,497	-	-
Chinese Yuan Renminbi (CNY)	-	549	-	9,850

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

At 30 June 2026, the Group was exposed to variable interest rate risks on cash balances only. A change of 100 basis points (2025: 100 basis points) in interest rates at the reporting date would have decreased the loss before tax by $7,398 (2025: decreased the loss by: $14,211).

As at the reporting date, the Group had the following variable rate cash balances. The Group also has borrowings at fixed interest rates, which are not subject to interest rate risk and are therefore excluded from the sensitivity analysis:

	2026		2025	
	Weighted average interest rate %	Balance	Weighted average interest rate %	Balance
Cash at Bank				
Net exposure to cash flow interest rate risk	1.35%	$739,750	1.35%	$1,421,091

An analysis by remaining contractual maturities is shown in 'liquidity risk' below.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

Cash and cash equivalents

The Group has cash at bank of $739,750 at 30 June 2026 (2025: $1,421,091) that is held with financial institution counter-parties that are rated AA-based on S&P Global rating.

Trade and other receivables

The Group uses an allowance matrix to measure the expected credit losses (ECLs) of trade receivables, which comprise a large number of small balances. Loss rates are calculated using a ‘roll rate’ method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

In line with this method, and based on historical default rates and forward-looking estimates, management has applied a 0.5% general provision to the gross trade receivables balance at 30 June 2026 (2025: 0.5%). This resulted in an allowance for expected credit losses of $1,098 (2025: $1,476).

In applying the simplified approach under AASB 9, the Group also considers forward-looking information and specific credit risk factors for individual debtor balances. Where these indicate a higher probability of default, lifetime expected credit losses are recognised on those balances. As at 30 June 2026, no such additional allowances were required (2025: nil).

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2026	2 months or less $	2-12 months $	1-2 years $	3-5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade payables	1,208,704	-	-	-	1,208,704
Other payables	-	13,998	-	-	13,998
Interest-bearing - fixed rate					
Lease liability	15,253	3,667	-	-	18,920
Insurance premium funding	22,722	56,804	-	-	79,526
R&DTI drawdown facility	-	1,016,795	-	-	1,016,795
Total non-derivatives	**1,246,679**	**1,091,264**	**-**	**-**	**2,337,943**

2025	2 months or less $	2-12 months $	1-2 years $	3-5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade payables	511,431	-	-	-	511,431
Other payables	-	5,291	-	-	5,291
Interest-bearing - fixed rate					
Lease liability	14,667	75,973	19,067	-	109,707
Insurance premium funding	25,571	63,928	-	-	89,499
R&DTI drawdown facility	-	971,310	-	-	971,310
Total non-derivatives	**551,669**	**1,116,502**	**19,067**	**-**	**1,687,238**

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 26. Key management personnel disclosures

	Consolidated	
	2026 $	2025 $
Short-term employee benefits	555,264	580,479
Post-employment benefits	52,800	57,601
Long-term benefits	6,022	7,479
Share-based payments	93,075	86,615
	707,161	**732,174**

Note 27. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the Group:

	Consolidated	
	2026 $	2025 $
Audit services - Grant Thornton Audit Pty Ltd		
Audit or review of the financial statements	110,487	89,150

Note 28. Contingent liabilities

The Group did not have any contingent liabilities at 30 June 2026 and 30 June 2025.

Note 29. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 26 and the remuneration report included in the directors' report.

Transactions with related parties

During the year, the Group supplied Audeara headphones and earbuds to David Trimboli, Chair of the Board, for distribution and use in Company product-awareness and promotional activities. The Chair paid the Group an aggregate amount of $7,329, based on prices intended to recover the Group's product costs. The pricing reflected the promotional purpose of the arrangement and represented cost recovery rather than a personal benefit or component of the Chair's remuneration. All invoices were paid in full and no amount remained outstanding at the reporting date.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to or from related parties

The Group has intercompany loans between the parent and its subsidiaries. These balances are eliminated on consolidation and are therefore not presented in these consolidated financial statements.

Note 30. Events after the reporting period

In August 2026, the Consolidated Entity executed a new two-year lease arrangement for its corporate premises. As this agreement was entered in to following the balance date, it represents a subsequent event as at 30 June 2026 there was no option for extension on the existing agreement with management entering into lease agreement discussions post year end for a new contract which was signed in August 2026. As a result no remeasurement of the existing lease at 30 June 2026 was performed.

On 21 August 2026, the Group announced it had secured firm commitments from sophisticated and professional investors to raise $1,260,000 (before costs) ("Placement"). The Placement comprises the issue of 38,181,830 fully paid ordinary shares at an issue price of $0.033 per share and participants will also receive one (1) free attaching unlisted option for every three (3) shares subscribed. The Placement will be conducted in two tranches, with the settlement of Tranche 2 allocations subject to shareholder approval at the Company's upcoming Annual General Meeting.

Other than the aforementioned lease and capital raising, no other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 31. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated	
	2026 $	2025 $
Loss after income tax expense for the year	(1,303,924)	(1,787,038)
Adjustments for:		
Depreciation and amortisation	171,677	149,637
Share-based payments	166,949	149,151
Costs of finance	143,106	-
Change in operating assets and liabilities:		
Decrease/(Increase) in trade and other receivables	20,603	337,804
(Increase)/decrease in inventories	(42,568)	941,139
Decrease/(increase) in prepayments	241,214	(308,502)
Decrease/(increase) in other operating assets	21,730	(25,086)
Increase/(decrease) in trade and other payables	705,344	(1,273,674)
(Decrease)/increase in contract liabilities	(546,007)	63,030
Increase/(decrease) in employee benefits	26,462	(12,062)
(Decrease) in other provisions	(10,254)	(59,967)
Net gain or loss on foreign exchange	11,773	13,059
Net cash used in operating activities	**(393,896)**	**(1,812,509)**

Note 32. Changes in liabilities arising from financing activities

Consolidated	Lease liabilities $	Insurance Premium Funding $	Sturt Capital $	Total $
Balance at 30 June 2024	**26,182**	**86,000**	**-**	**112,182**
Net cash from/(used in) financing activities	(65,435)	565	898,737	833,867
Other	143,828	-	34,827	178,655
Balance at 30 June 2025	**104,575**	**86,565**	**933,564**	**1,124,704**
Net cash from/(used in) financing activities	(86,021)	(117,966)	(24,513)	(228,500)
Other	147	108,085	107,744	215,976
Balance at 30 June 2026	**18,701**	**76,684**	**1,016,795**	**1,112,180**

Note 33. Earnings per share

	Consolidated	
	2026 $	2025 $
Loss after income tax attributable to the owners of Audeara Limited	(1,303,924)	(1,787,038)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	180,511,142	163,606,585
Weighted average number of ordinary shares used in calculating diluted earnings per share	180,511,142	163,606,585
	Cents	Cents
Basic earnings per share	(0.72)	(1.09)
Diluted earnings per share	(0.72)	(1.09)

Options are considered to be potential ordinary shares but are anti-dilutive in nature and therefore the diluted loss per share is the same as the basic loss per share. These options could potentially dilute basic earnings per share in the future.

Accounting policy for earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Audeara Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 34. Share-based payments

The Group has an Audeara Limited Employee Securities Incentive Plan to align the interests of eligible employees and Directors with shareholders through the sharing of a personal interest in the future growth and development of the Group and to provide a means of attracting and retaining skilled and experienced eligible persons.

On 25 November 2025, shareholders of the Group approved the grant of a total of 4,250,000 unlisted options exercisable at $0.050 on or before 2 December 2027 to Mr Trimboli (1,250,000), Dr Fielding (1,500,000) and Mr Peng (1,500,000) ("Director Options"). Mr Trimboli, Dr Fielding and Mr Peng are directors of the Group and the issue of options is to incentivise and remunerate them in performing their role and the issue of Director Options is considered an appropriate incentive in the circumstances. The Director Options were issued for nil consideration on 2 December 2025 and vested immediately on issue. Other than remaining employed by the Group, there were no other vesting conditions.

On 11 September 2025, the Company issued a total of 4,200,000 unlisted options exercisable at $0.045 on or before 10 September 2028 under an Employee Incentive Plan to employees of the Group ("Employee Options"). The Employee Options vest after six (6) months on issue. On 14 April 2026, the Company completed a cashless exercise of 300,000 employee options, which led to the issuance of 87,401 ordinary shares and a corresponding transfer of $4,621 from the share-based payments reserve to issued capital.

Set out below are summaries of options granted:

2026							
Grant date	Expiry date	Exercise Price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
30 Apr 2024	2 May 2027	$0.082	5,000,000	-	-	-	5,000,000
27 Nov 2023	18 Apr 2027	$0.050	1,476,000	-	-	-	1,476,000
27 Nov 2023	18 Apr 2027	$0.071	725,000	-	-	-	725,000
27 Nov 2023	18 Apr 2027	$0.051	750,000	-	-	-	750,000
11 Dec 2024	10 Dec 2026	$0.080	4,250,000	-	-	-	4,250,000
21 Feb 2025	20 Feb 2028	$0.080	4,100,000	-	-	-	4,100,000
11 Sep 2025	10 Sep 2028	$0.045	-	4,200,000	(300,000)	-	3,900,000
25 Nov 2025	2 Dec 2027	$0.050	-	4,250,000	-	-	4,250,000
			16,301,000	**8,450,000**	**(300,000)**	**-**	**24,451,000**

Weighted average exercise price: $0.067

2025							
Grant date	Expiry date	Exercise Price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
30 Apr 2024	2 May 2027	$0.082	5,000,000		-	-	5,000,000
27 Nov 2023	18 Apr 2027	$0.050	1,476,000		-	-	1,476,000
27 Nov 2023	18 Apr 2027	$0.071	725,000		-	-	725,000
27 Nov 2023	18 Apr 2027	$0.051	750,000		-	-	750,000
11 Dec 2024	10 Dec 2026	$0.080	-	4,250,000	-	-	4,250,000
21 Feb 2025	20 Feb 2028	$0.080	-	4,100,000			4,100,000
			7,951,000	**8,350,000**	**-**	**-**	**16,301,000**

Weighted average exercise price: $0.076

Accounting policy for share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions. Volatility used in the calculation was based on the historical volatility of comparable companies.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 35. Parent entity information

Statement of profit or loss and other comprehensive income

	Parent	
	2026 $	2025 $
Loss after income tax	(1,292,475)	(1,755,862)
Total comprehensive income	(1,292,475)	(1,755,862)

Statement of financial position

	Parent	
	2026 $	2025 $
Total current assets	2,950,101	3,720,075
Total assets	3,273,481	4,162,820
Total current liabilities	(3,020,161)	(2,959,285)
Total liabilities	(3,060,406)	(2,846,257)
Net Assets	**213,075**	**1,316,563**
Equity		
Issued capital	15,987,590	15,944,963
Current Year Earnings	(1,292,475)	(1,755,862)
Retained Earnings	(14,366,946)	(12,607,188)
Options Reserve	470,092	319,036
Share Issue Costs	(585,186)	(584,386)
Total equity	**213,075**	**1,316,563**

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2026 and 30 June 2025.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2026 and 30 June 2025.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2026 and 30 June 2025.

Loans to Subsidiaries

The parent entity holds loans with its subsidiaries which cause the net assets of the parent entity to exceed the total equity of the consolidated Group. Impairment losses have been recorded against the parent entity's loans receivable to reduce the equity position of the parent entity to the consolidated equity of the Group.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1.

Note 36. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

		Ownership interest	
Name	Principal place of business / Country of incorporation	2026 %	2025 %
Audeara Europe KFT	Hungary	100.00%	100.00%
Audeara US Inc.	United States of America	100.00%	100.00%

Consolidated Entity Disclosure Statement

Entity Name*	Type of entity	Trustee, Partner or Participant in Joint Venture	% of share capital held	Country of Incorporation	Australian resident or foreign resident	Foreign tax jurisdictions of foreign residents
Audeara Limited	Body Corporate	N/A	N/A	Australia	Australian resident	N/A
Audeara Europe KFT	Body Corporate	N/A	100%	Hungary	Foreign resident	Hungary
Audeara US Inc.	Body Corporate	N/A	100%	USA	Foreign resident	USA

* Entities listed here are those that are part of the consolidated entity at the end of the financial year. Entities disposed of during the year, or where the entity has lost control by the reporting date, are not included here. This means that entities listed could be different to the 'Interests in subsidiaries' note contained in note 36 of the notes to the financial statements.

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the Group at the end of the financial year.

Determination of Tax Residency

Section 295 (3A) of the Corporation Acts 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. It should be noted that the definitions of 'Australian resident' and 'foreign resident' in the Income Tax Assessment Act 1997 are mutually exclusive. This means that if an entity is an 'Australian resident' it cannot be a 'foreign resident' for the purposes of disclosure in the CEDS.

In determining tax residency, the Group has applied the following interpretations:

Australian tax residency

The Group has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

Where necessary, the Group has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

Partnerships and Trusts

Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow-through basis, so there is no need for a general residence test. Some provisions treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax.

Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

Directors’ Declaration

30 June 2026

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
- The information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

D E Trimboli

David Trimboli
Chair of the Board

Brisbane, 31 August 2026

Independent Auditor's Report to the Members of Audeara Limited

Grant Thornton Audit Pty Ltd
King George Central
Level 18
145 Ann Street
Brisbane QLD 4000
GPO Box 1008
Brisbane QLD 4001

T +61 7 3222 0200

Independent Auditor's Report

To the Members of Audeara Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Audeara Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, 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 year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Group incurred a net loss of $1,303,924 during the year ended 30 June 2026, and recorded net operating cash outflows of $393,897. As of that date, the Group's current liabilities exceeded its current assets by $100,705. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, 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.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition – Note 5	

The Group earns revenue from the sale of its hearing health products to its retail and wholesale customers, as well as the provision of design and engineering services.
 	
Revenue from product sales is recognised when the goods are delivered to the customer .
 	
Revenue from the provision of design and engineering services is recognised over time, which inherently requires the use of estimation and judgement in determining the stage of completion of the contract at reporting date.
 	
This is a key audit matter due to:
• the significance of revenue to the financial performance of the Group;
• the auditor judgement required to assess management's estimate of the stage of completion of design and engineering services contracts; and
• the additional audit effort required to assess the timing of revenue recognition of product sales recorded close to the reporting date.
	Our procedures included:
	• Assessing the Group's revenue recognition policies against the requirements of AASB 15;
	• Obtaining an understanding of the processes for and evaluating the design and implementation of the relevant controls relating to revenue recognition;
	• For a sample of revenue transactions, examining the underlying sales agreements and contractual terms to assess whether the timing and amount of revenue recognised were consistent with the contractual arrangements and the requirements of AASB 15;
	• For a sample of product sales revenue, agreeing transactions to proof of delivery documentation and assessing recognition of revenue in the appropriate reporting period;
	• For a sample of design and engineering service revenue transactions:
	  ◦ evaluating the application of AASB 15 to the relevant customer contracts, including the basis for recognising revenue over time and measuring the stage of completion;
	  ◦ assessing stage of completion with reference to contract terms, and internal and external project documentation, corroborated through inquiries with key project personnel.
	  ◦ recalculating revenue recognised during the year and comparing to amounts recognised by the Group;
	• Examining sales transactions recorded close to the reporting date to assess recognition in the appropriate reporting period; and
	• Assessing the disclosures against the requirements of Australian Accounting Standards.

Grant Thornton Audit Pty Ltd

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 (other than the consolidated entity disclosure statement); and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 24 to 29 of the Directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Audeara Limited, for the year ended 30 June 2026 complies with section 300A of the *Corporations Act 2001*.

Grant Thornton Audit Pty Ltd

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Cameron Smith

CDJ Smith
Partner – Audit & Assurance

Brisbane, 31 August 2026

Shareholder Information

The shareholder information set out below was applicable as at 2 August 2026.

As at 2 August 2026, there were 595 holders of fully paid ordinary shares.

Voting rights

The voting rights of the ordinary shares are as follows:

Subject to any rights or restrictions for the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands, unless a poll is required under the ASX Listing Rules or is otherwise demanded by members. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representation more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents.

On a poll each eligible member has one vote for each fully paid share held.

There are no voting rights attached to any of the options that the Company currently has on issue. Upon the exercise of these options, the shares issued will have the same voting rights as existing ordinary shares.

Twenty largest Shareholders

The names of the twenty largest holders of Ordinary Fully Paid Shares are:

Name	Shares	% Held
Fortune Pioneer International Holdings Co Limited	35,000,000	19.34%
Audeara Investments Pty Ltd	15,235,459	8.42%
James Fielding Family Pty Ltd <James Fielding Family A/C>	11,692,834	6.46%
BP Peng Pty Ltd <BP Peng A/C>	11,250,000	6.22%
Citicorp Nominees Pty Limited	7,631,750	4.22%
Seefeld Investments Pty Ltd <The Seefeld A/C>	6,908,223	3.82%
Alex John Afflick	4,980,823	2.75%
C J New Ventures Pty Ltd <Jeffery Family A/C>	4,168,657	2.30%
Mr David Edward Trimboli	3,790,837	2.09%
JDB Services Pty Ltd <RAC & JD Brice Invest A/C>	3,566,605	1.97%
Chimaera Capital Limited	3,250,000	1.80%
Uniquest Pty Limited	2,929,896	1.62%
Ben Buckler Investments Pty Ltd <Ben Buckler Investment A/C>	2,750,000	1.52%
Cjq Investments Pty Ltd <Cjq Disc A/C>	2,646,575	1.46%
Mr David John Myers + Mrs Amanda Myers	1,949,291	1.08%
Scott Sonnenblick	1,616,727	0.89%
Mrs Suzanne Turner	1,616,537	0.89%
Mr John Marshall Pearce + Mrs Sandra Anne Pearce <Pearce Family Pension A/C>	1,600,000	0.88%
Mr Salvatore Trimboli + Mrs Maria Trimboli <Trimboli Superannuation A/C>	1,500,000	0.83%
Sharesies Australia Nominee Pty Limited	1,328,052	0.73%
Totals	**125,412,266**	**69.30%**

Substantial holders

The names of the substantial shareholders disclosed to the Company as substantial shareholders are:

Name	No of Shares Held	% of Issued Capital
Fortune Pioneer International Holdings Co Limited	28,000,000	19.54%
David Edward Trimboli & Related Parties	24,581,463	13.66%
Audeara Investments Pty Ltd	15,235,459	14.51%
Hsin-Chieh Peng & Related Parties	10,227,380	5.84%
James Fielding Family Pty Ltd <James Fielding Family A/C>	8,307,497	5.80%

Distribution of equity securities

Ordinary Fully Paid Shares			
Range	**Total holders**	**Units**	**% Units**
1 - 1,000	16	3,016	0%
1,001 - 5,000	58	245,061	0.14%
5,001 - 10,000	90	743,557	0.41%
10,001 - 100,000	284	12,367,982	6.83%
100,001 Over	147	167,616,931	92.62%
Total	**595**	**180,976,547**	**100%**

Unmarketable Parcels - 208 Holders with a total of 1,573,493 shares, based on the last trading price of $0.03 on 31 July 2026.

Restricted securities

There are no securities which are subject to ASX escrow.

Unquoted securities

The following unquoted securities were on issue as at 2 August 2026:

5,000,000 Unlisted Options Expiring 2 May 2027 @ $0.082 – 3 Holders

Holders with more than 20%

Holder Name	Holding	% IC
BP Peng Pty Ltd <BP Peng A/C>	1,750,000	35.00%
James Fielding Family Pty Ltd <James Fielding Family A/C>	1,750,000	35.00%
Seefeld Investments Pty Ltd <The Seefeld A/C>	1,500,000	30.00%

4,250,000 Unlisted Options Expiring 10 December 2026 @ $0.08 – 3 Holders

Holders with more than 20%

Holder Name	Holding	% IC
BP Peng Pty Ltd <BP Peng A/C>	1,500,000	35.29%
James Fielding Family Pty Ltd <James Fielding Family A/C>	1,500,000	35.29%
Seefeld Investments Pty Ltd <The Seefeld A/C>	1,250,000	29.41%

11,249,988 Unlisted Options Expiring 30 January 2027 @ $0.08 – 36 Holders

Holders with more than 20%

Holder Name	Holding	% IC
Fortune Pioneer International Holdings Co Limited	2,333,333	20.74%

4,250,000 Unlisted Options Expiring 2 December 2027 @ $0.05 – 3 Holders

Holders with more than 20%

Holder Name	Holding	% IC
BP Peng Pty Ltd <BP Peng A/C>	1,500,000	35.29%
James Fielding Family Pty Ltd <James Fielding Family A/C>	1,500,000	35.29%
Seefeld Investments Pty Ltd <The Seefeld A/C>	1,250,000	29.41%

The following unquoted securities were on issue at 2 August 2026 and were issued under the Company's employee incentive plan.

1,476,000 Unlisted Options Expiring 18 April 2027 @ $0.05 – 5 Holders

750,000 Unlisted Options Expiring 18 April 2027 @ $0.051– 1 Holder

725,000 Unlisted Options Expiring 18 April 2027 @ $0.071 – 4 Holders

4,100,000 Unlisted Options Expiring 20 February 2028 @ $0.08 – 8 Holders

3,900,000 Unlisted Options Expiring 10 September 2028 @ $0.045 – 11 Holders

On market buy back

There is currently no on-market buy back program.

Corporate Governance Statement

The Corporate Governance Statement is available from the Company's website at

https://audeara.com/pages/corporate-governance

AUDEARA

audeara.com

—

Audeara Limited
ABN 27 604 368 443 | ASX: AUA

—

35 Brookes Street
Bowen Hills QLD 4006