

Audeara Limited
Appendix 4D
Half-year report

1. Company details

Name of entity: Audeara Limited
ABN: 27 604 368 443
Reporting period: For the half-year ended 31 December 2022
Previous period: For the half-year ended 31 December 2021

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	39.4% to	1,354,709
Loss from ordinary activities after tax attributable to the owners of Audeara Limited	up	55.5% to	1,874,102
Loss for the half-year attributable to the owners of Audeara Limited	up	55.5% to	1,874,102
		31 Dec 2022 Cents	31 Dec 2021 Cents
Basic and diluted earnings per share		(1.61)	(1.15)

Dividends

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

Comments

The loss for the Consolidated Entity after providing for income tax amounted to \$1,874,102 (31 December 2021: loss of \$1,204,954).

Reference is made to the *Review of Operations* in the Directors' Report contained in the attached Interim Financial Report for Audeara Limited for the half-year ended 31 December 2022.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>3.42</u>	<u>3.54</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

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

Previous period

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

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of Audeara Limited for the half-year ended 31 December 2022 is attached.

12. Signed

Signed



David Trimboli
Non-Executive Chairman

Date: 24 February 2023

Audeara Limited

ABN 27 604 368 443

Interim Report - 31 December 2022

For personal use only

Audeara Limited
Corporate directory
31 December 2022

Directors

David Trimboli - Non-Executive Chairman
Dr James Fielding - Managing Director and Chief Executive Officer
Pasquale Rombola - Non-Executive Director
Dr Elaine Saunders - Non-Executive Director
Bill Peng - Executive Director

Company secretary

Stephen Buckley

Registered office and principal
place of business

Level 1, North Tower
527 Gregory Terrace
Fortitude Valley QLD 4006

Share register

Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnston Street
Abbotsford VIC 3067
Phone: (03) 9907 7163

Auditor

Grant Thornton
King George Central
Level 18, 145 Anne Street
Brisbane QLD 4000

Stock exchange listing

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

Website

www.audeara.com

Corporate Governance Statement

www.audeara.com/investors/

**Audeara Limited
Directors' report
31 December 2022**

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 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

Directors

The following persons were directors of Audeara Limited during the financial half-year and up to the date of this report, unless otherwise stated:

David Trimboli - Non-Executive Chairman
Dr James Fielding - Managing Director
Pasquale Rombola - Non-Executive Director
Dr Elaine Saunders - Non-Executive Director
Bill Peng - Executive Director (appointed 5 August 2022)

Principal activities

The principal activity of the Company during the course of the financial year was the development of hearing health technology.

There were no significant changes in the nature of the activities of the Company during the year.

Review of operations

The past six months have seen Audeara develop, refine and consolidate the business operations and processes to support the expected continued growth in sales and business development.

The key highlights for H1 FY23 has included the following:

- Revenue growth of 39% from the prior comparative period (pcp)
- Cash receipts up 50% from the pcp
- Strengthening of the cash position with a capital raising of \$2.8m from a Taiwanese based strategic investor who owns the largest audiology clinic group in Taiwan. This investor will provide valuable assistance in designing future products.
- Launch of a new product offering including contract design, manufacturing and licensing.
 - Our first customer is a leading musical instrument company who have an agreement to license, develop and integrate Audeara technology into a new product line specifically targeting musicians and music-lovers.
 - Leveraging this capability and product offering to begin negotiations for similar projects with a pipeline of additional potential customers
 - Expansion of the Audeara brand and/or technology beyond core audiology markets to broaden impact and diversify the customer base.
 - Leverage the established go to market capability of our customers.
- Europe:
 - preparation for activation of supply agreement with world's largest audiology retailer announced in July 2022. Compliance, marketing and training materials prepared for activities this financial year.
 - Established Audeara Europe KFT in Hungary in preparation for European sales
- USA:
 - preparation for launch of trials with leading audiology groups alongside continued sales through distribution partners.
- Improved manufacturing payment terms to improve cashflow have been successfully negotiated.

Sales have continued to grow through increased clinic numbers which has necessitated higher finished goods inventory holdings. Overall supply chain inefficiencies contributed to a lower than anticipated sales growth rate and will continue to be an area of focus in the next 6 months.

The loss for the Consolidated Entity after providing for income tax amounted to \$1,874,102 (31 December 2021: \$1,204,954).

Material business risks

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

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

Access to financial resources	Given the Consolidated Entity's net loss and negative cashflow position, the ability of the Consolidated Entity to continue to access financial resources in the future could impact its ability to pay its debts as and when they fall due.
Changing consumer preferences in competitive markets	Given the changing environment in which the Consolidated Entity operates, this could have a significant impact on the Consolidated Entity's financial results. The Board addresses this risk by constantly monitoring the market, and other competitors seeking to enter our market.
Manufacturing disruption & supply chain reliability	Changing dynamics in overseas economies where the Consolidated Entity's products are manufactured could lead to disruption in manufacturing, shortages of crucial componentry, as well as delays in delivery, resulting in a significant impact on the Consolidated Entity's financial results.
Maintaining a talented and motivated workforce	A loss of workforce capability, capacity, difficulty filling key positions, a continued loss of top performers, and forecast wage increases all could lead to a potential shortfall of staff, and in turn the Consolidated Entity's ability to deliver its goods which would result in a significant impact on the Consolidated Entity's financial results.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Consolidated Entity during the financial half-year.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Auditor's independence declaration

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

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

On behalf of the directors



David Trimboli
Non-Executive Chairman

24 February 2023
Brisbane

Grant Thornton Audit Pty Ltd

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Level 18
145 Ann Street
GPO Box 1008
Brisbane QLD 4000

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Auditor's Independence Declaration

To the Directors of Audeara Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Audeara Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

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



Grant Thornton Audit Pty Ltd
Chartered Accountants



Cameron Smith
Partner – Audit & Assurance

Brisbane, 24 February 2023

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Audeara Limited
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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 half-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:

Level 1, North Tower
527 Gregory Terrace
Fortitude Valley 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.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 February 2023.

Audeara Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022

	Note	31 Dec 2022 \$	31 Dec 2021 \$
Revenue			
Revenue	4	1,354,709	971,504
Cost of sales		<u>(749,115)</u>	<u>(469,495)</u>
Gross profit		<u>605,594</u>	<u>502,009</u>
Other income		53,145	9,439
Advertising, marketing and selling expenses		(329,150)	(131,950)
Professional fees		(65,110)	(49,167)
Employment benefits expense		(1,663,401)	(1,248,518)
Insurance		(45,070)	(40,661)
Listing and share registry		(63,567)	(82,328)
Other expenses		<u>(298,479)</u>	<u>(99,103)</u>
Total expenses		<u>(2,464,777)</u>	<u>(1,651,727)</u>
Loss before depreciation, net finance costs and income tax expense		(1,806,038)	(1,140,279)
Depreciation and amortisation		(69,934)	(44,599)
Finance income/(costs)	5	1,870	(20,076)
Loss before income tax		(1,874,102)	(1,204,954)
Income tax expense		<u>-</u>	<u>-</u>
Loss for the half-year attributable to the equity holders of Audeara Limited		(1,874,102)	(1,204,954)
Other comprehensive income for the half-year		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the half-year		<u>(1,874,102)</u>	<u>(1,204,954)</u>
		Cents	Cents
Basic and diluted earnings per share	21	(1.61)	(1.15)

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

Audeara Limited
Consolidated statement of financial position
As at 31 December 2022

	Note	31 Dec 2022 \$	30 June 2022 \$
Assets			
Current assets			
Cash and cash equivalents	6	4,087,039	2,869,588
Trade and other receivables	7	492,653	785,655
Inventories	8	1,664,116	764,942
Other assets	9	138,614	700,748
Total current assets		<u>6,382,422</u>	<u>5,120,933</u>
Non-current assets			
Property, plant and equipment	10	138,404	153,871
Right-of-use assets	11	134,900	173,444
Intangibles	12	45,245	46,654
Other assets	9	41,733	-
Total non-current assets		<u>360,282</u>	<u>373,969</u>
Total assets		<u>6,742,704</u>	<u>5,494,902</u>
Liabilities			
Current liabilities			
Trade and other payables	13	1,176,996	726,016
Contract liabilities	14	102,078	144,519
Borrowings		-	67,652
Lease liabilities	15	47,918	79,664
Employee benefits		243,778	186,856
Provisions		31,930	31,930
Total current liabilities		<u>1,602,700</u>	<u>1,236,637</u>
Non-current liabilities			
Lease liabilities	15	127,790	127,790
Employee benefits		60,210	45,564
Total non-current liabilities		<u>188,000</u>	<u>173,354</u>
Total liabilities		<u>1,790,700</u>	<u>1,409,991</u>
Net assets		<u>4,952,004</u>	<u>4,084,911</u>
Equity			
Issued capital	16	13,970,383	11,170,383
Reserves	17	132,367	191,177
Accumulated losses		<u>(9,150,746)</u>	<u>(7,276,644)</u>
Total equity		<u>4,952,004</u>	<u>4,084,916</u>

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

Audeara Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2022

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	10,206,901	24,301	(4,322,592)	5,908,610
Loss after income tax expense for the half-year	-	-	(1,204,954)	(1,204,954)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income/(loss) for the half-year	-	-	(1,204,954)	(1,204,954)
Share based payments	-	93,575	-	93,575
Balance at 31 December 2021	10,206,901	117,876	(5,527,546)	4,797,231
	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	11,170,383	191,177	(7,276,644)	4,084,916
Loss after income tax expense for the half-year	-	-	(1,874,102)	(1,874,102)
Total comprehensive income/(loss) for the half-year	-	-	(1,874,102)	(1,874,102)
Share placement	2,800,000	-	-	2,800,000
Share option reserve expense/(benefit)	-	(58,810)	-	(58,810)
Balance at 31 December 2022	13,970,383	132,367	(9,150,746)	4,952,004

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

Audeara Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2022

	Note	31 Dec 2022 \$	31 Dec 2021 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,456,325	925,610
Payments to suppliers and employees (inclusive of GST)		<u>(3,225,765)</u>	<u>(2,756,708)</u>
		(1,769,440)	(1,831,098)
Research and development tax incentive received		297,756	219,856
Interest and other finance costs paid		<u>(467)</u>	<u>(5,709)</u>
Net cash from/(used in) operating activities		<u>(1,472,151)</u>	<u>(1,616,951)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(14,514)	(178,284)
Payments for intangibles		-	(58,596)
Payments for security deposits/other		<u>-</u>	<u>(41,731)</u>
Net cash used in investing activities		<u>(14,514)</u>	<u>(278,611)</u>
Cash flows from financing activities			
Proceeds from issue of shares	16	2,800,000	-
Repayment of borrowings		<u>(95,884)</u>	<u>(65,602)</u>
Net cash from/(used in) financing activities		<u>2,704,116</u>	<u>(65,602)</u>
Net increase/(decrease) in cash and cash equivalents		1,217,451	(1,961,164)
Cash and cash equivalents at the beginning of the financial half-year		<u>2,869,588</u>	<u>5,737,612</u>
Cash and cash equivalents at the end of the financial half-year	6	<u>4,087,039</u>	<u>3,776,448</u>

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

Audeara Limited
Notes to the consolidated financial statements
31 December 2022

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

New or amended Accounting Standards and Interpretations adopted

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

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

Note 2. Going concern

For the period ended 31 December 2022, the Company incurred a loss after income tax of \$1,874,102 (2021: \$1,204,954) and had cash outflows from operating activities of \$1,472,151 (2021: \$1,616,951).

Given the Company's net loss and negative cashflow position, the ability of the Company to continue as a going concern, including its ability to pay its debts as and when they fall due, needs to be considered.

Management anticipates continuing growth in revenue from the Australian market and the continued expansion of overseas markets. Sales channels have been developed and established and capitalising on these channels to market will be a primary focus in conjunction with an improved and more efficient finished goods supply chain.

The Directors have concluded that the going concern basis of preparation of the interim report is appropriate and in making this conclusion the following factors have also been considered:

- The Company issued shares on 28 December 2022 at a premium to the market price which raised \$2.8 million. It is expected that additional capital funding can be raised as required.
- At 31 December 2022, the Company had cash balances of \$4.1 million.
- At 31 December 2022, the Company had current assets and total net assets of \$6.7million, and \$5.0 million respectively.

Based on the above, the Directors are of the opinion that at the date of signature of the interim report there are reasonable and supportable grounds to believe that the Company will be able to realise its assets and discharge its liabilities in the ordinary course of business, for a period of not less than 12 months from the date of this financial report and have accordingly prepared the financial report on a going concern basis.

Note 3. Operating segments

Identification of reportable operating segments

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

Audeara Limited
Notes to the consolidated financial statements
31 December 2022

Note 4. Revenue

	31 Dec 2022	31 Dec 2021
	\$	\$
Sale of goods – Wholesale (point in time)	1,125,647	865,001
Sale of goods – Retail (point in time)	148,475	106,503
Service revenue (over agreed period of time)	80,587	-
	<u>1,354,709</u>	<u>971,504</u>

Disaggregation of revenue from contracts with customers

Primary geographical markets

Australia & Asia Pacific	1,253,689	937,457
North America	101,020	34,047
	<u>1,354,709</u>	<u>971,504</u>

Note 5. Finance income/(costs)

Foreign currency gains/(losses)	12,609	(14,367)
Other	(10,739)	(5,709)
	<u>1,870</u>	<u>(20,076)</u>

Note 6. Cash and cash equivalents

	31 Dec 2022	30 June 2022
	\$	\$
<i>Current assets</i>		
Cash on hand	-	1,201
Cash at bank	4,087,039	2,868,387
	<u>4,087,039</u>	<u>2,869,588</u>

Note 7. Trade and other receivables

<i>Current assets</i>		
Trade receivables	462,587	525,406
Other receivables	30,066	10,249
Research and development tax incentive	-	250,000
	<u>492,653</u>	<u>785,655</u>

Audeara Limited
Notes to the consolidated financial statements
31 December 2022

Note 8. Inventories

	31 Dec 2022	30 June 2022
	\$	\$
<i>Current assets</i>		
Stock in transit - at cost	-	220,121
Stock in manufacture – at cost	1,294,804	-
Stock on hand - at cost	369,312	544,821
	<u>1,664,116</u>	<u>764,942</u>

Note 9. Other assets

<i>Current assets</i>		
Prepayments	138,614	277,823
Security deposits	-	41,731
	<u>138,614</u>	<u>319,554</u>
<i>Non-current assets</i>		
Other deposits	41,733	381,194
	<u>180,347</u>	<u>700,748</u>

Note 10. Property, plant and equipment

<i>Non-current assets</i>		
Property, plant and equipment - at cost	221,747	207,233
Less: Accumulated depreciation	(83,343)	(53,362)
	<u>138,404</u>	<u>153,871</u>

Reconciliations

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

	PPE and leasehold improvements \$
Balance at 1 July 2022	153,871
Additions	14,514
Amortisation	<u>(29,981)</u>
Balance at 31 December 2022	<u>138,404</u>

Note 11. Right-of-use assets

	31 Dec 2022	30 June 2022
	\$	\$
<i>Non-current assets</i>		
Buildings - right-of-use	231,260	231,260
Less: Accumulated amortisation	(96,360)	(57,816)
	<u>134,900</u>	<u>173,444</u>

Audeara Limited
Notes to the consolidated financial statements
31 December 2022

Note 11. Right-of-use assets (continued)

During the prior half-year, the Company entered into a new lease for office premises. The new lease is for 3 years and the Company has the option to renew for a further 3 years. The option has not been included in the measurement of the right-of-use asset as the Company cannot be reasonably certain whether it will be exercised.

Reconciliations

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

	Buildings \$
Balance at 1 July 2022	173,444
Amortisation	<u>(38,544)</u>
Balance at 31 December 2022	<u><u>134,900</u></u>

Note 12. Intangibles

Non-current assets

	31 Dec 2022 \$	30 June 2022 \$
Patents and trademarks - at cost	60,850	60,850
Less: Accumulated amortisation	<u>(15,605)</u>	<u>(14,196)</u>
	<u><u>45,245</u></u>	<u><u>46,654</u></u>

Reconciliations

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

	Patents and trademarks \$
Balance at 1 July 2022	46,654
Amortisation	<u>(1,409)</u>
Balance at 31 December 2022	<u><u>45,245</u></u>

Note 13. Trade and other payables

Current liabilities

	31 Dec 2022 \$	30 June 2022 \$
Trade payables	1,161,997	426,274
Accrued expenses	14,999	217,858
Other payables	<u>-</u>	<u>81,884</u>
	<u><u>1,176,996</u></u>	<u><u>726,016</u></u>

Audeara Limited
Notes to the consolidated financial statements
31 December 2022

Note 14. Contract liabilities

	31 Dec 2022 \$	30 June 2022 \$
<i>Current liabilities</i>		
Contract liabilities	<u>102,078</u>	<u>144,519</u>

Note 15. Lease liabilities

<i>Current liabilities</i>		
Lease liability - buildings	<u>47,918</u>	<u>79,664</u>
<i>Non-current liabilities</i>		
Lease liability - buildings	<u>127,790</u>	<u>127,790</u>
	<u>175,708</u>	<u>207,454</u>

During the prior half-year, the Company entered into a new lease for office premises. The new lease is for 3 years and the Company has the option to renew for a further 3 years. The option has not been included in the measurement of the lease liability as the Company cannot be reasonably certain whether it will be exercised.

Note 16. Issued capital

	31 Dec 2022 Shares	30 June 2022 Shares	31 Dec 2022 \$	30 June 2022 \$
Ordinary shares - fully paid	<u>143,300,000</u>	<u>115,000,000</u>	<u>13,970,383</u>	<u>11,170,383</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2022	115,000,000		11,170,383
Share placement	31 August 2022	300,000	-	-
Share placement	28 December 2022	<u>28,000,000</u>	\$0.10	<u>2,800,000</u>
Balance	31 December 2022	<u>143,300,000</u>		<u>13,970,383</u>

Share placement

On 31 August 2022, the Company placed 300,000 ordinary shares to an employee for services rendered in lieu of cash consideration.

On 23 December 2022, the Company placed 28,000,000 ordinary shares at \$0.10 per share and raised \$2,800,000 before costs. The shares are under voluntary escrow for 12 months until 23 December 2023.

Note 17. Reserves

	31 Dec 2022 \$	30 June 2022 \$
Share-based payments reserve	<u>132,367</u>	<u>191,177</u>

Audeara Limited
Notes to the consolidated financial statements
31 December 2022

Note 18. Dividends

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

Note 19. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 Dec 2022	30 June 2022
		%	%
Audeara Inc	USA	100%	100%
Audeara Europe Ltd	Hungary	100%	N/A

Note 20. Events after the reporting period

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Note 21. Earnings per share

	31 Dec 2022	31 Dec 2021
	\$	\$
Loss after income tax attributable to the owners of Audeara Limited	<u>(1,874,102)</u>	<u>(1,204,954)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	<u>116,578,688</u>	<u>105,000,000</u>
	Cents	Cents
Basic and diluted earnings per share	(1.61)	(1.15)

Audeara Limited
Directors' declaration
31 December 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



David Trimboli
Non-Executive Chairman

24 February 2023
Brisbane

Independent Auditor's Review Report

To the Members of Audeara Limited

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Audeara Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

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

- a giving a true and fair view of the Audeara Limited's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for Conclusion

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

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Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

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



Grant Thornton Audit Pty Ltd
Chartered Accountants



Cameron Smith
Partner – Audit & Assurance

Brisbane, 24 February 2023