

# ||NI|| NUHEARA

Hear that sound

## 2022FY Q2 Results

Justin Miller, CEO & Co-founder  
Jean-Marie Rudd, CFO

1<sup>st</sup> February 2022

TIME  
BEST

INVENTIONS

2020

# Agenda

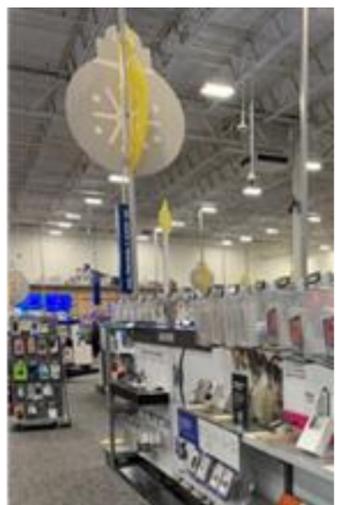
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# Summary Q2 FY22

## Nuheara delivers strong product growth as US market potential expands

- ✓ Mainstream Retail sales continue growth in US, with Best Buy launching Nuheara products in 241 stores in new Hearing Solutions category
- ✓ Direct To Consumer (DTC) sales continue to deliver in COVID economy
- ✓ New partnerships including global supply agreement with Sonova AG
- ✓ Completed clinical trials validating hearing benefits of Nuheara's self-fitted hearing aids and software on pathway to FDA 510(K) submission
- ✓ Landmark US FDA ruling for over-the-counter (OTC) hearing aids opens potential US addressable market of 30 million customers
- ✓ Strong inventory levels and balance sheet with recent capital raise to underpins continued strong growth



# Nuheara is now scaling with Mainstream Retail

Any Point-of-Sale (POS) addition to Nuheara's Mainstream Retail sales channel, either online or in store, adds significant incremental sales revenue opportunities



- ✓ Launched "Black Friday" 25 November 2021 to 241 stores (Best Buy have 956 in total)
- ✓ Expectation to build up to 1 unit sold per Point of Sale (POS) or Store per week.
- ✓ @ 1 per week = 12,532 units per annum + plus online.



- ✓ 3-year global supply agreement
- ✓ Initial rollout into the US and Australia, including potential 140 points of sale in Australia via Connect Hearing, with sales commenced Q3



- ✓ Relaunch of US store on 1 November 2021, with product now in 27 of Amazon's 110 US warehouses.
- ✓ Nuheara directed, ringfencing sale of our products.
- ✓ Can provide same day delivery of Nuheara products.

- ✓ Network of 3,200 potential global points of sales
- ✓ Other regions to follow, with priorities being Europe, UK and Canada, as respective Nuheara trading entities are registered



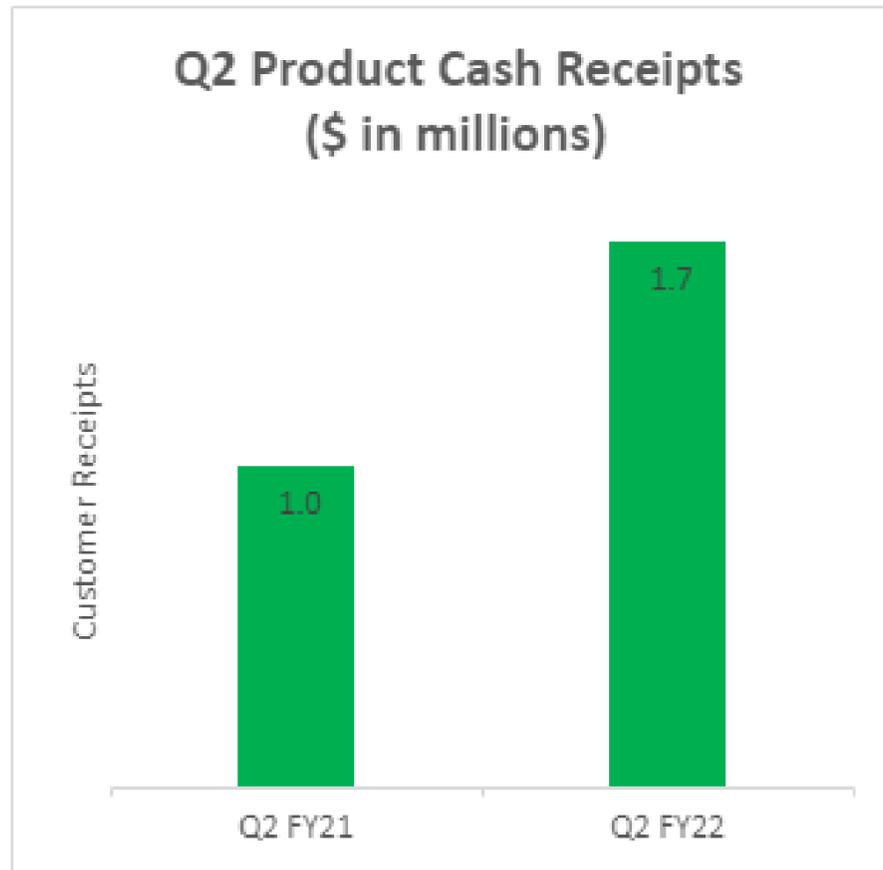
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# Strong financial position supports our growth initiatives



## ✓ Strong first quarter performance

- \$1.7m in customer receipts, up 61% year on year
- \$1.8m invoiced product sales revenue, up 37% year on year
- 12% increase in Average Selling Price (ASP) to \$453 from FY21 average \$405
- Maintaining circa 50% product Gross Margins despite increasing global price pressures on supply chain and logistics

## ✓ Cash and Inventory

- \$6.3m in cash at end of December 2021 with further \$1.1m received in January 2022 (SPP)
- \$1.7m R&D tax cash rebate received
- Global component shortages de-risked with circa \$6m stock in warehouses

## ✓ Investing to continue growth trajectory

- Managing cash resources for safe and sustainable growth with focus on US
- Working to develop strong cashflow through new product lines, with higher ASP's and higher margins
- Drive innovation to support entry into hearing aid market



# Agenda

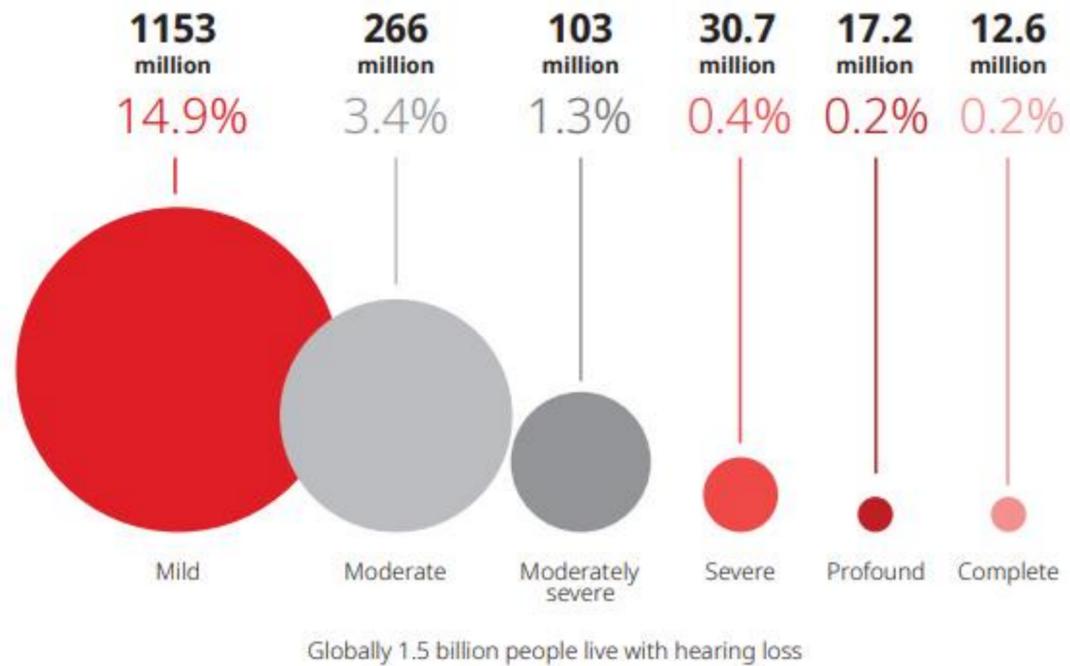
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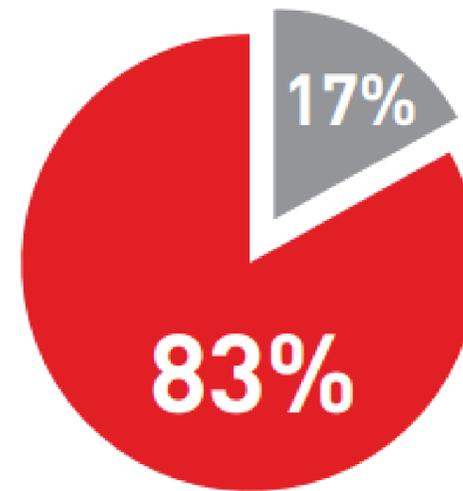
# The hearing market opportunity for Nuheara

## Meeting the unmet global need in hearing health

### 01 20% of global population have hearing loss



### 02 Massive gap in global hearing aid use

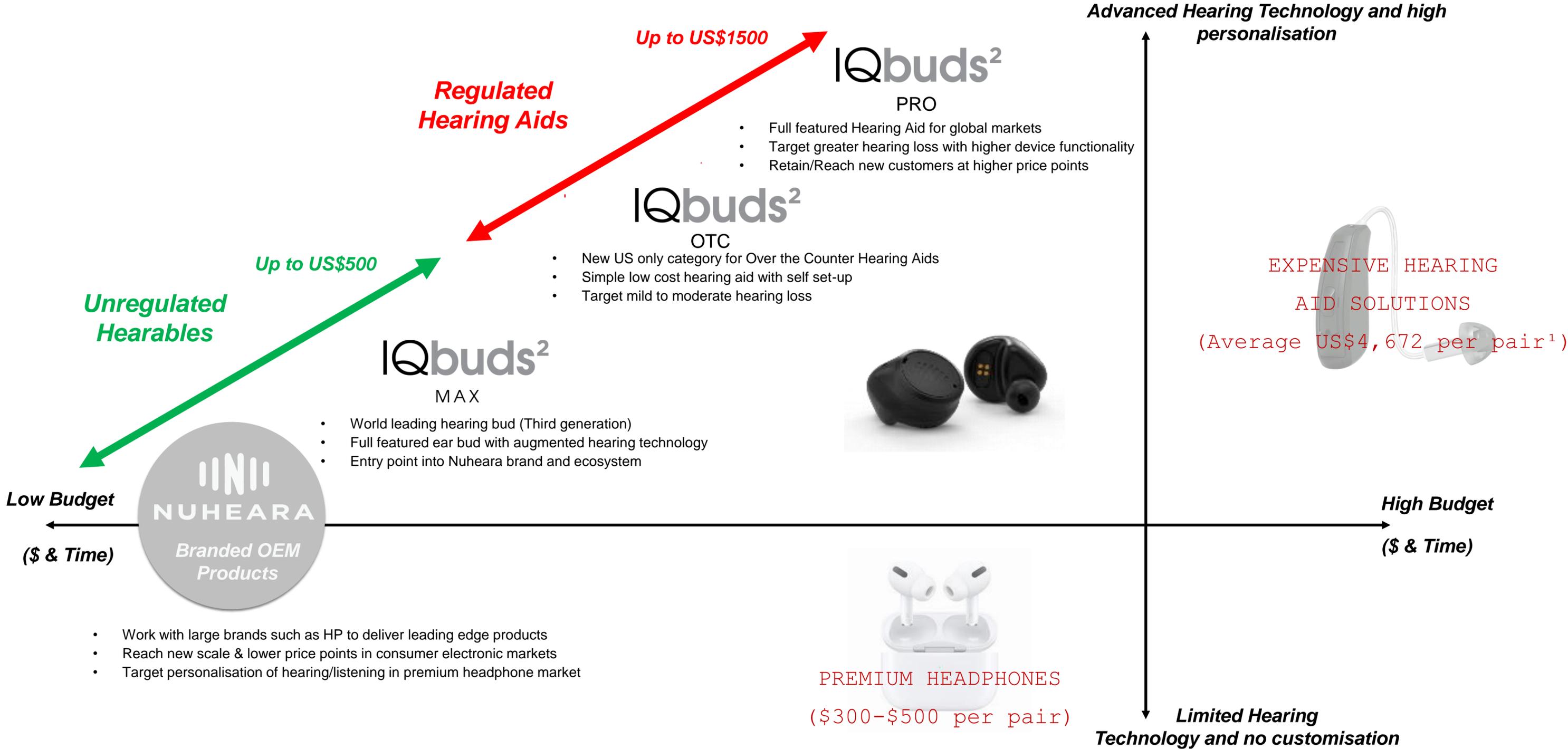


- ✓ Of the 400 million with moderate to severe hearing loss only 17% have hearing aids
- ✓ Gap range is consistently high in all parts of the world, ranging from 77% (Europe) to 90% (Africa), and from 74% to 91% across all income levels
- ✓ Negligible penetration of hearing aid use for those 1.1 billion people with mild hearing loss

## Sell innovative products with self-fit technology to meet the varying hearing needs of consumers

# Smart Hearing with Hearables and Hearing Aids

Deliver hearing innovation, with features tailored to varying consumer needs, across increasing price points



Source 1: Technological Advancements in the Hearing Aid Industry, Ahlstrand and Green, 2021



# Nuheara enters the regulated hearing aid market

How 7 years building hearables category will overcome the barriers to entry for hearing aids

## TRADITIONAL HEARING AIDS

### TECHNOLOGY

Supporting the ear is hard, as everyone's hearing is unique. R&D is expensive and time consuming. Technology is difficult to support increasingly diverse needs.

### DISTRIBUTION

Audiology clinic driven. B2B with limited Hearing Aid manufacturers, who also now own an increasing percentage of retail clinics

### REGULATION

Hearing Aids are a very specialized field with limited manufacturers supplying into heavily regulated markets around the world.

Entry barriers to US\$8 billion+ p.a.<sup>2</sup> hearing aid device market



**sonova**  
HEAR THE WORLD

5 companies hold 99% of the global hearing aid manufacturing market<sup>1</sup>

**Starkey**  
Hearing Technologies

**Demant**

**GN**

**WSAudiology**



## NUHEARA

### TECHNOLOGY

7 years of R&D and 3 generations of IQbuds in market, has provided a rich technology set and the experience to deliver the right hearing solutions.

### DISTRIBUTION

Empowering the consumer to control their own hearing healthcare journey with DTC engagement model and the right self-help technology features.

### REGULATION

New FDA OTC hearing aid regulatory guidelines have now been published for final review. In accordance with FDA timelines, final guidelines are expected to be published in Q2 2022 and be in effect by Q3 2022

This is a US only OTC Hearing Aid category for mild to moderate hearing loss that potentially lays the foundation for change in other countries.

# US FDA issues landmark proposal for OTC Hearing Aids

## What this New hearing aid category means to Nuheara

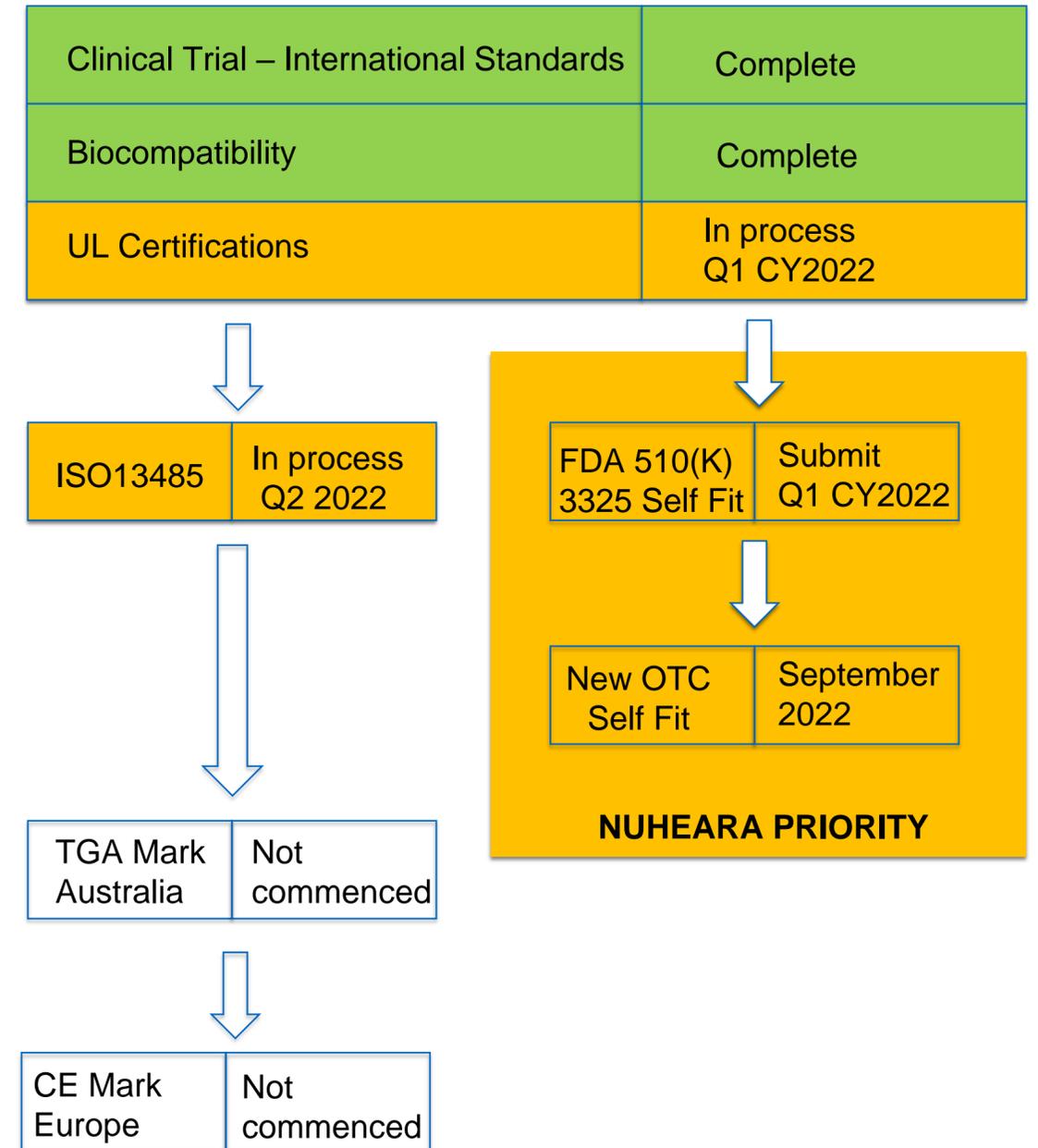
- ✓ Levels playing field with big 5 hearing aid companies – 510(K) required now for all OTC hearing aids
- ✓ OTC significantly opens up regulated points of distribution to the consumer – DTC, Consumer Electronics Retailers, Pharmacy Chains, Specialty Retail, Big Box
- ✓ Nuheara has existing relationships with major players (Best Buy, Walgreens, Amazon)
- ✓ New service models will move away from hearing clinics to telehealth and beyond – Nuheara is building out this new model
- ✓ Self-fit technology will dominate OTC product innovation. Nuheara is a pioneer in this with Ear ID™ since 2018



# Nuheara clinical trial & regulatory approval

## The process and timing of pathway to FDA 510(K) submission

- ✓ Clinical trial for self fit hearing aid complete
- ✓ Product biocompatibility testing incorporating cytotoxicity, irritation, and sensitisation tests complete
- ✓ In parallel completing UL certifications and ISO 13485 medical device standards
- ✓ USA FDA 510 (K) with a 3325 Self Fit Hearing Aid (Bose Predicate) expected by end of Q1 CY2022
- ✓ 3325 Submission will allow Nuheara be one of the first Self-Fit Hearing Aids ensuring first mover advantage after Bose, and also ensure Nuheara has a smooth transition to the OTC category (800.30) in September 2022 when first new OTC products can enter the market



# Nuheara completes clinical trial with NAL

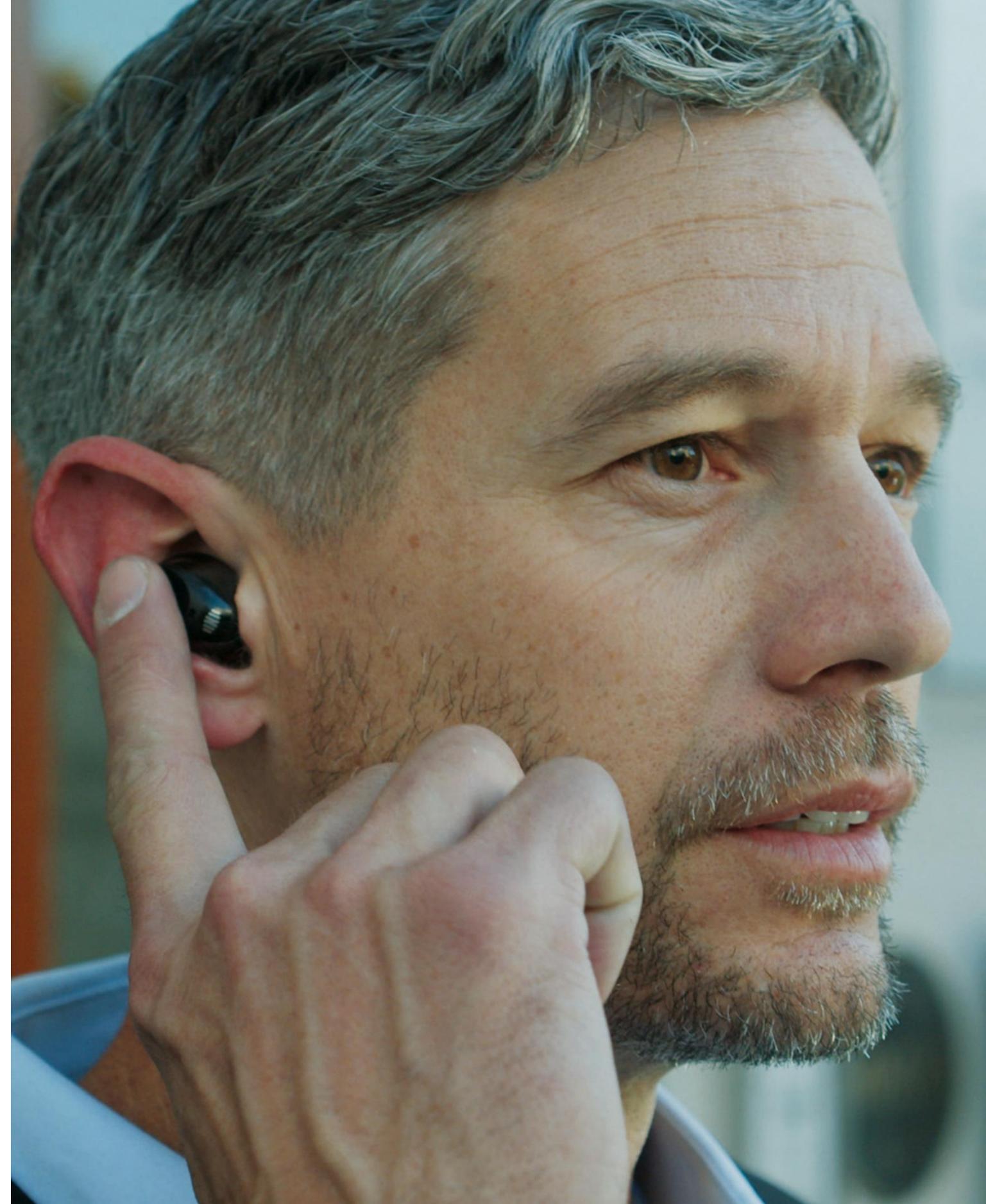
**Trial successfully validates the hearing benefits of Nuheara self fitting hearing aids**

- ✓ Clinical trial for self fit hearing aid completed by well renowned National Acoustic Laboratories
- ✓ Trial successfully validated Nuheara hearing aid benefits including:
  - Improved speech understanding in noise
  - Improved ability to follow conversations
  - Ability to reduce background noise levels
  - Overall hearing improvement when listening in everyday conversations
  - Effectiveness of proprietary Ear ID™ self-fitting method when compared to an audiologist fit hearing aid in clinic
- ✓ Completes a complex and important milestone on pathway to US FDA 510(K) submission



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# Key Priorities for Q3 FY22

- ✓ Maintain product sales growth with a strong focus on US as market potential expands
- ✓ Drive growth through expanding range of traditional retail partners with both in-store and online product offerings
- ✓ Complete US FDA 510(K) submission
- ✓ Increase development/shipping of OEM products across a growing range of global opportunities
- ✓ Continue R&D with innovative hearable and hearing aid solutions



# CHANGING THOUSANDS OF LIVES AROUND THE WORLD

**INI NUHEARA**  
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SCOTT - RETIRED POLICEMAN CAN

BRANDON - FUNERAL DIRECTOR USA

SCOTT - RETIRED POLICEMAN CAN

MARINO - TV EDITOR CAN

MARTY - DISC GOLFER USA

VIOLET - STUDENT USA

MARK - CYBER SECURITY USA

ANA - MUM USA

MIKE - VETERAN COUNSELLOR USA

CLIVE - VOICE TECH UK

LEWIS - PLUMBER UK

CARSTON - SALES GER

PHO - SINGER AUS

VENERO - WRITER AUS

MARK - CEO AUS

MICHAEL - TELEHEALTH AUS

LESLIE - WRITER AUS

ILAN - ARCHITECT NZ

QUESTIONS?

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