

ASX Announcement

Release Date: 1 July 2022

NUHEARA ANNOUNCES STRATEGIC PARTNERSHIP AND NEW CORNERSTONE INVESTMENT WITH REALTEK

PERTH, AUSTRALIA: Nuheara Limited (ASX:NUH) (Nuheara) is pleased to announce a strategic partnership (**Partnership**) and cornerstone investment from Taiwan based Realtek Semiconductor Corporation (**Realtek**).

By way of a signed Memorandum of Understanding, Nuheara and Realtek will partner together to develop chipset (**Integrated Circuits** or **ICs**) and technology solutions to globally penetrate multiple hearing related markets. These include the global True Wireless Stereo (**TWS**) with Personal Sound Amplification Product (**PSAP**) chipset market and the regulated Over The Counter (**OTC**) Hearing Aid market.

Underpinning the Partnership is a placement of 17,083,334 ordinary shares at \$0.12 for a total of \$2.05 million, with Realtek subscribing for \$1.7 million and a further \$0.35 million allocated to sophisticated investors whose shares have now been issued overnight (**Placement**). Funds will be used for product research and development, Medical Device/Hearing Aid market and regulatory development, and working capital. Nuheara remains in discussion with Realtek regarding further funding opportunities. Settlement of the Realtek portion of the Placement is expected to occur on or about Wednesday 6th July 2022. The Placement shares will rank pari passu with existing fully paid ordinary shares. The Placement will be conducted utilising the Company's existing Listing Rule 7.1 and 7.1A capacities. The issue price of the Placement shares is equal to the closing price of the Company's shares on the last day of trading prior to this announcement.

The Partnership will initially help Nuheara to deliver its next generation of hearing aid products by integrating Realtek's advanced chipset. With this experience, the Partnership will expand to co-developing TWS PSAP chipset and technology solutions for the broader consumer electronics market. Components of Nuheara's Intellectual Property (**IP**) including smart hearing processing and self-fit technology are planned to be embedded on Realtek ICs, for which Nuheara will receive a to be agreed royalty fee for each IC sold. Nuheara will also offer Realtek customers full earbud design and manufactured solutions for an agreed services fee per implementation.

Commenting on the strategic partnership, Managing Director Justin Miller said, "From a technology perspective, Realtek and Nuheara have been intensely engaged with each other since early 2022. As a result, Realtek's expertise in designing ICs with high integration, low latency, and ultra-low power consumption will see Nuheara's next generation of hearing devices move from four major chipsets per earbud to just one. Our self-fit and hearing processing smarts combined with their IC capabilities assume a winning combination. As the Nuheara brand focuses on its next generation of hearing aids to a regulated market, the Partnership should still enable us to participate in the broader consumer electronics market by embedding elements of our hearing technology in Realtek's ICs."

Azure Capital is acting as financial advisor with Thomson Geer as legal adviser to Nuheara.

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ABOUT REALTEK SEMICONDUCTOR CORPORATION

Realtek is a semiconductor company situated in the Hsinchu Science Park, Hsinchu, Taiwan. Realtek was founded in October 1987 and subsequently listed on the Taiwan Stock Exchange in 1998. With annual sales of US\$3.8 billion (2021), Realtek currently design, manufacture and sell a variety of microchips globally and its product lines broadly fall into three categories: communications network ICs, computer peripheral ICs, and multimedia ICs. As of 2021 Realtek employs approximately 6,400 people, of whom more than 75% work in research and development.

ABOUT NUHEARA

Nuheara is a medical device company and global leader in smart hearing technology which change people's lives by enhancing the power to hear. As a global pioneer in Hearable products, Nuheara developed proprietary, multi-functional, personalised intelligent hearing devices that augments a person's hearing. Nuheara is headquartered in Perth, Australia with a US office outside of Seattle, USA.

In 2016, the Company released its revolutionary wireless earbuds, IQbuds, which allow consumers to augment their hearing according to their personal hearing preferences. In 2020 Nuheara released its third-generation hearable the IQbuds² MAX, recognised by Time Magazine as one of the Best Inventions of the year. In 2021, Nuheara transformed its operations to include medical device manufacturing for its hearing aid products to meet global demand for mild to moderate hearing loss. Nuheara products are now sold Direct to Consumer (DTC) and in major consumer electronics retailers, professional hearing clinics, pharmacies, and speciality retailers around the world. In April 2022, Nuheara submitted an FDA 510(k) for its self-fit hearing aid and signed a worldwide trademark licensing agreement with HP Inc to sell its hearing aid products under the HP brand name.

The Company's mission is to transform the way people hear by creating smart hearing solutions that are both accessible and affordable. For further information, please visit <https://www.nuheara.com/>.

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