

# ASX Announcement

Release Date: 8 September 2022

## NUHEARA ANNOUNCES \$2.5 MILLION FOLLOW-ON FUNDING FROM REALTEK

**PERTH, AUSTRALIA: Nuheara Limited (ASX:NUH) (Nuheara)** is pleased to announce a follow-on round of funding from strategic cornerstone investor Taiwan based Realtek Semiconductor Corporation (**Realtek**).

By way of a signed Convertible Note, the terms of which are attached to this announcement in Annexure 1, Nuheara has raised \$2.5 million from Realtek, which follows a \$1.7 million placement from Realtek on 1 July 2022. These funds further strengthen the Nuheara and Realtek partnership, designed 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. Funds will be used for product research and development, Medical Device/Hearing Aid market and regulatory development, and working capital. The Convertible Note will be issued under the Company's Listing Rule 7.1 placement capacity.

Commenting on the strategic partnership, Managing Director Justin Miller said, "The recent FDA publication of Over-The-Counter (OTC) hearing aid regulations has drawn significantly more attention to our hearing related technology and our subsequent market opportunities. As such, we are delighted to be working with Realtek in developing turnkey solutions to fit. We truly appreciate Realtek's ongoing financial support, industry experience, and overall commitment. It is an exciting time to be building hearing solutions that embed elements of our hearing technology into Realtek's ICs, specifically designed for the broader hearing device market."

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

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### Annexure 1: Summary of Convertible Note

1.	<b>Subscription</b>	2,500,000 convertible notes each with a face value of A\$1.00. Issued under the Company's Listing Rule 7.1 placement capacity.
2.	<b>Subscription Amount</b>	A\$2,500,000
3.	<b>Maturity Date</b>	7 September 2024
4.	<b>Conversion Price</b>	A\$0.16
5.	<b>Conversion</b>	(a) Convertible (in whole or part) by Realtek at any time prior to the Maturity Date.  (b) Converted into such number of shares as is determined by dividing the conversion amount by the Conversion Price.
6.	<b>Interest</b>	8% per annum payable quarterly either (at Realtek's election):  (a) in cash; or  (b) converted into such number of shares as is determined by the amount of accrued interest payable divided by the Interest Conversion Price.  <b>Interest Conversion Price</b> means the 30-trading day VWAP of shares immediately prior to the relevant interest payment date, subject to a floor price of A\$0.16.
7.	<b>Security</b>	(a) Subject to shareholder approval under Listing Rule 10.1, the Company will grant a first ranking security interest over all of its assets to Realtek ( <b>Security Interest</b> ) to secure payment of the outstanding amount and any accrued interest owed to Realtek ( <b>Outstanding Amount</b> ).  (b) If the Company does not obtain shareholder approval by 30 November 2022 or shareholders do not approve the grant of the Security Interest to Realtek, then the Company must, within 15 business days, repay the Outstanding Amount together with three years of interest on the Outstanding Amount at an interest rate of 8% per annum.
8.	<b>Unquoted</b>	The Convertible Notes will not be quoted on the ASX.
9.	<b>Repayment</b>	Unless fully converted, the Company must redeem all convertible notes by repaying the Outstanding Amount and any accrued but unpaid interest on the Maturity Date.  The Company cannot prepay the convertible notes.
10.	<b>Reconstruction</b>	If the Company undertakes a reconstruction, the entitlement of Realtek to convert their Convertible Notes must be reconstructed in the same proportion and in the same manner as the issued capital of the Company is reconstructed and in a manner which will not result in any additional benefits being conferred on Realtek which are not conferred on shareholders and does not prejudice Realtek and in accordance with the Listing Rules.

11.	<b>Events of Default</b>	<p>(a) <b>Events of Default:</b></p> <ul style="list-style-type: none"> <li>(i) the Company fails to make any payment due in accordance with the convertible note conditions; or</li> <li>(ii) the Company suffers an insolvency event.</li> </ul> <p>(b) On the occurrence of an Event of Default, Realtek may by written notice to the Company declare all of the convertible notes due and payable and demand the payment of the Outstanding Amount and any accrued but unpaid interest.</p>
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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 IQbuds<sup>2</sup> 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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