

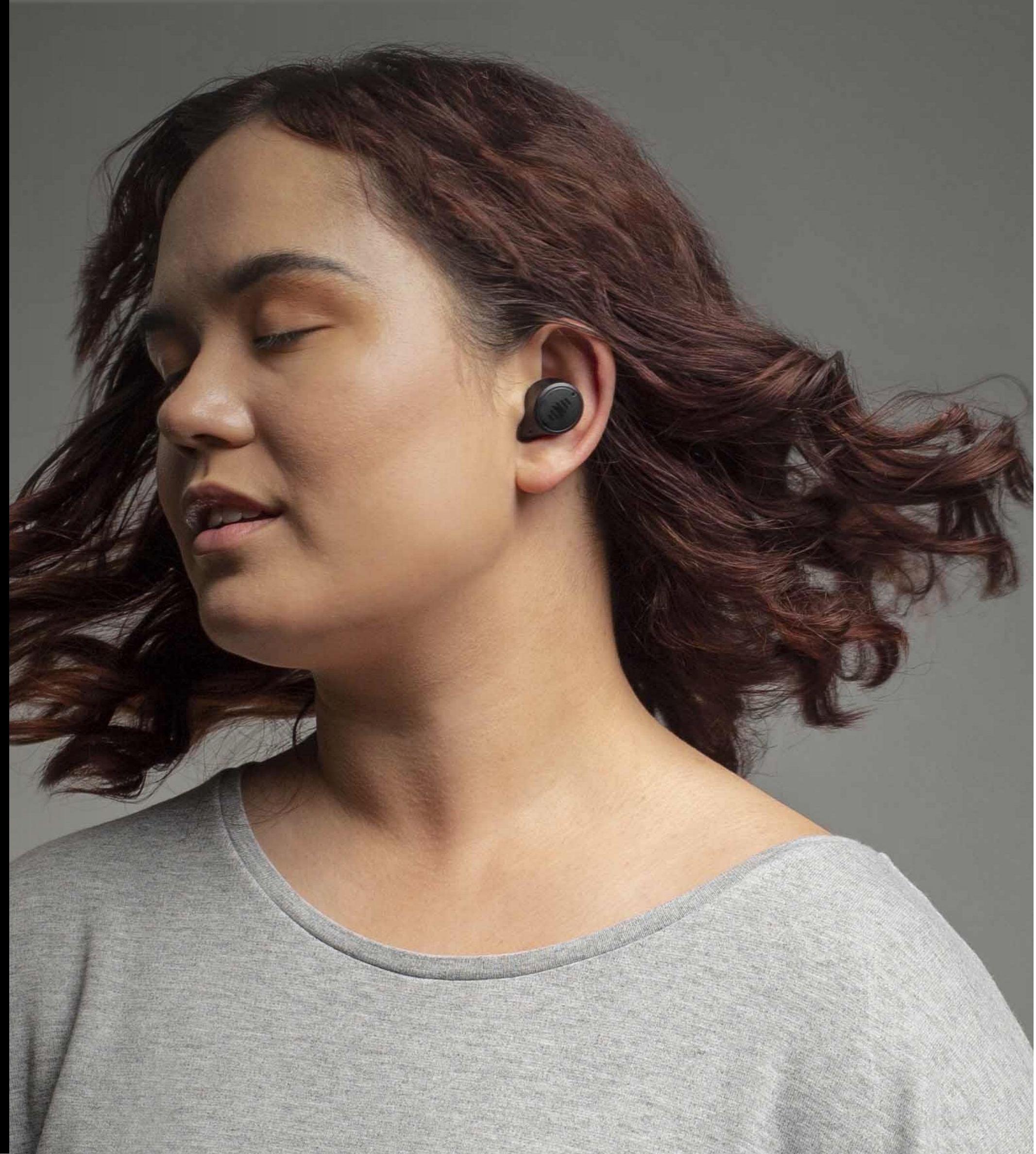


**ENTITLEMENT OFFER  
PRESENTATION**

***OCTOBER 2023***

Not for release to US wire services or distribution in the United States

<https://www.nuheara.com/>





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- each of Nuheara and the Lead Manager and each of their respective affiliates, officers, employees, agents and advisers disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- the Lead Manager may have interests in the securities of Nuheara, including by providing investment banking and debt services to Nuheara. Further, it may act as market maker or buy or sell securities or associated derivatives of Nuheara as principal or agent; and
- the Lead Manager will receive fees for acting in its capacity as lead manager to the Entitlement Offer.

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# TODAY'S PRESENTERS

OUR TEAM IS COMMITTED TO FORGING NUHEARA INTO THE GLOBAL COMPANY AT THE FOREFRONT OF HEARING INNOVATION




 <p><b>Justin Miller</b> Co-Founder and Managing Director</p>	<ul style="list-style-type: none"><li>Justin is a serial entrepreneur who has developed a thorough knowledge of the global technology and innovation marketplace during his 25-year executive career</li><li>He was the founder and CEO of industrial communication company, Sensear, where he was responsible for growing the global business over a 10-year period and moving its HQ to the USA</li><li>Justin was the founder and inaugural CEO of the previously ASX Listed IT services company Empired (ASX:EPD)</li></ul>
 <p><b>Ivan Kelly</b> Chief Financial Officer</p>	<ul style="list-style-type: none"><li>Ivan is a seasoned executive with extensive corporate finance experience globally, including capital markets in UK, Europe, USA and Australia.</li><li>Prior to joining Nuheara, he was based in New York as the VP of Corporate Finance at FanDuel Group, a leading US sports-tech entertainment company. This cumulated 12 years experience as a senior executive at Flutter Entertainment plc including serving as the FTSE100 / EURO STOXX 50 group's Head of Investor Relations</li><li>Living with live-long hearing loss, Ivan is passionate about how accessible hearing technology can transform wellbeing globally, and was excited with the opportunity to join the Group in May 2023 to leverage his corporate experience to help Nuheara accelerate on its mission</li><li>A Chartered Accountant, Ivan started his career at KPMG, Ireland</li></ul>
 <p><b>Catherine Morgan</b> Head of Compliance, Regulatory &amp; Legal</p>	<ul style="list-style-type: none"><li>Catherine joined the Nuheara C-suite in August 2023 with over 20 years of experience in the hearing industry, bringing a deep understanding of the hearing healthcare, medical device industry, global regulatory requirements, and quality standards</li><li>Catherine is responsible for driving regulatory strategies, ensuring adherence to global regulations and standards, and driving continuous improvement initiatives within quality management systems</li><li>Prior to joining Nuheara, Catherine held senior leadership positions at the National Acoustic Laboratories and more than 14 years with Cochlear Ltd. Catherine has a proven track record of successfully navigating complex regulatory landscapes and implementing strong clinical quality management processes and while fostering a culture of regulatory compliance and quality excellence within the hearing market</li></ul>





TABLE OF CONTENTS

01	RECENT OVERVIEW & OUTLOOK	7
----	---------------------------	---

02	ENTITLEMENT OFFER	21
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# EXECUTIVE SUMMARY

- ✓ Nuheara is addressing a large underserved market opportunity for individuals with perceived-to-moderate hearing loss created by technology, regulatory and imminent distribution disruption
- ✓ Nuheara is uniquely positioned to capitalize on this nascent market opportunity
  - ✓ Combines consumers hearables expertise with medical device (hearing) expertise, delivering products that the demographic not adequately serviced by traditional hearing-aid market want and need
  - ✓ Business model enables us to offer leading product to the mass market under a trusted household name brand at a compelling consumer price and at attractive unit economics
  - ✓ Recently won distribution deals mean HP Hearing PRO will be on sale at ~5,000 high-footfall retail locations across the USA enabling us to target the 68 million adults in the US<sup>1</sup> who would benefit from our hearing product
  - ✓ We are well-advanced in the development of our next generation single-chip product, which we expect to bring to market in CY 2024
- ✓ This means we have a substantial revenue growth opportunity, which can be further enhanced through OEM/B2B and international opportunities, and a clear path towards sustainable profitability
- ✓ To enable us to deliver on this opportunity we are undertaking an entitlement offer of ~\$10.0 million (see next slide for details)
- ✓ The funds will be utilised to expand our retail distribution to the ~5,000 points-of-sale; for working capital as we materially increase production ahead of expected sales growth; together with R&D and capital investment in bringing our next generation single-chip product to market in CY 2024





# ENTITLEMENT OFFER OVERVIEW

Entitlement Offer Summary	<p>Nuheara is undertaking an entitlement offer to raise approximately \$10.0 million at an Offer Price of \$0.13 per share, comprising of:</p> <ul style="list-style-type: none"><li>○ A 1-for-2.64 pro-rata accelerated non-renounceable entitlement offer to raise approximately \$10.0 million comprising of:<ul style="list-style-type: none"><li>▪ An Institutional Entitlement Offer to eligible shareholders who are registered as holders of Securities in the Offeror at 4:00pm AWST, Thursday 12 October 2023; and</li><li>▪ A Retail Entitlement Offer</li></ul></li></ul> <p>(Together, being the “Entitlement Offer”)</p>
Use of Funds	<p>Proceeds from the entitlement offer will go towards:</p> <ul style="list-style-type: none"><li>○ Supporting increased inventory sale ramp up, given the materially increasing production ahead;</li><li>○ Sales and marketing investment required to expand points-of-sale, including in-store displays and advertising which is expected to drive sales; and</li><li>○ External pre-launch costs for the next generation single-chip product in January 2024.</li></ul>
Key Risks	<p>Refer to pages 24 – 32 of this Presentation for a summary of general and specific risk factors associated with the entitlement offer and investing in Nuheara.</p>



## Q1 FY24 Update



**Successfully delivered on our key focus of the quarter to expand our US retail distribution:**



Walmart distribution agreed, with build-out of displays to 4,239 stores commenced ahead of product launch in store in October (HP Hearing Pro launched on Walmart.com in September)



Best Buy points-of-sale increased to 554 from July and to 600 in October



Advanced progress made with other leading US retailers, including initial launch of product in their online stores



**Initial prototypes of next generation product developed, enabling launch target for CES in Jan 2024 and us to further advance discussions with prospective OEM partners**



Brings total Company next generation product investment to more than \$4m



**Continued to work closely with Best Buy to evolve how best to position the category / our product in their stores to increase sell-through rates of product**



**With this focus on supporting Best Buy and with the Company's US retail distribution expansion pending, new product sales were limited during the quarter**



**Following the securing of Walmart points-of-sale in August, commenced increasing levels of production ahead of expected ramp up in sales orders following launch in-store in October**



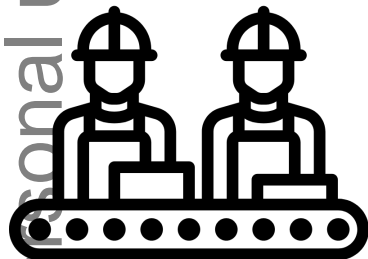
# CAPITAL INJECTION WILL FUEL OUR GROWTH ACCELERATION

Nuheara is currently in process of expanding to build a high growth business with a clear path to sustainable profitability

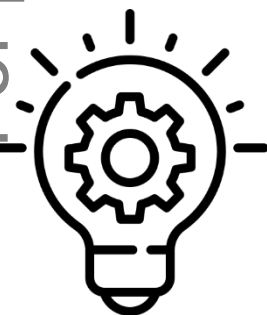


## **Distribution: expanding US footprint to ~5,000 retail points-of-sale with nationwide coverage:**

- ✓ 4,239 Walmart stores to sell HP Hearing Pro from October, displays currently being built for deployment ahead of key holiday season.
- ✓ Best Buy footprint in process of increasing from 300 stores at June 2023 to 600 by end of October
- ✓ Imminent launch expected with at another key national retailer
- ✓ While there is plenty of room for additional POS growth, this footprint alone can enable us to reach profitability with net sales of 1 unit per store per month



## **Production: following securing of Walmart distribution the Company have been scaling manufacturing to meet expected future sales demand**



## **Next Generation Product: new single-chip hearing aid expected to be launch at US CES in Jan 2024**

- ✓ Partnership with Realtek has made material progress, creating 4th generation product with lower costs of production and enhanced performance
- ✓ This ongoing R&D investment solidifies Nuheara's position as a first-choice OTC hearing device at US retailers and prospective OEM partners
- ✓ Currently investing in development of this new product, including access to large scale contract manufacturing capabilities



## **Regulatory strategy focused on commercializing additional self-fit opportunities outside of US**



## **Potential OEM opportunities can fast-track route to some international markets**

# NUHEARA IS ADDRESSING A LARGE AND UNDERSERVICED MARKET OPPORTUNITY

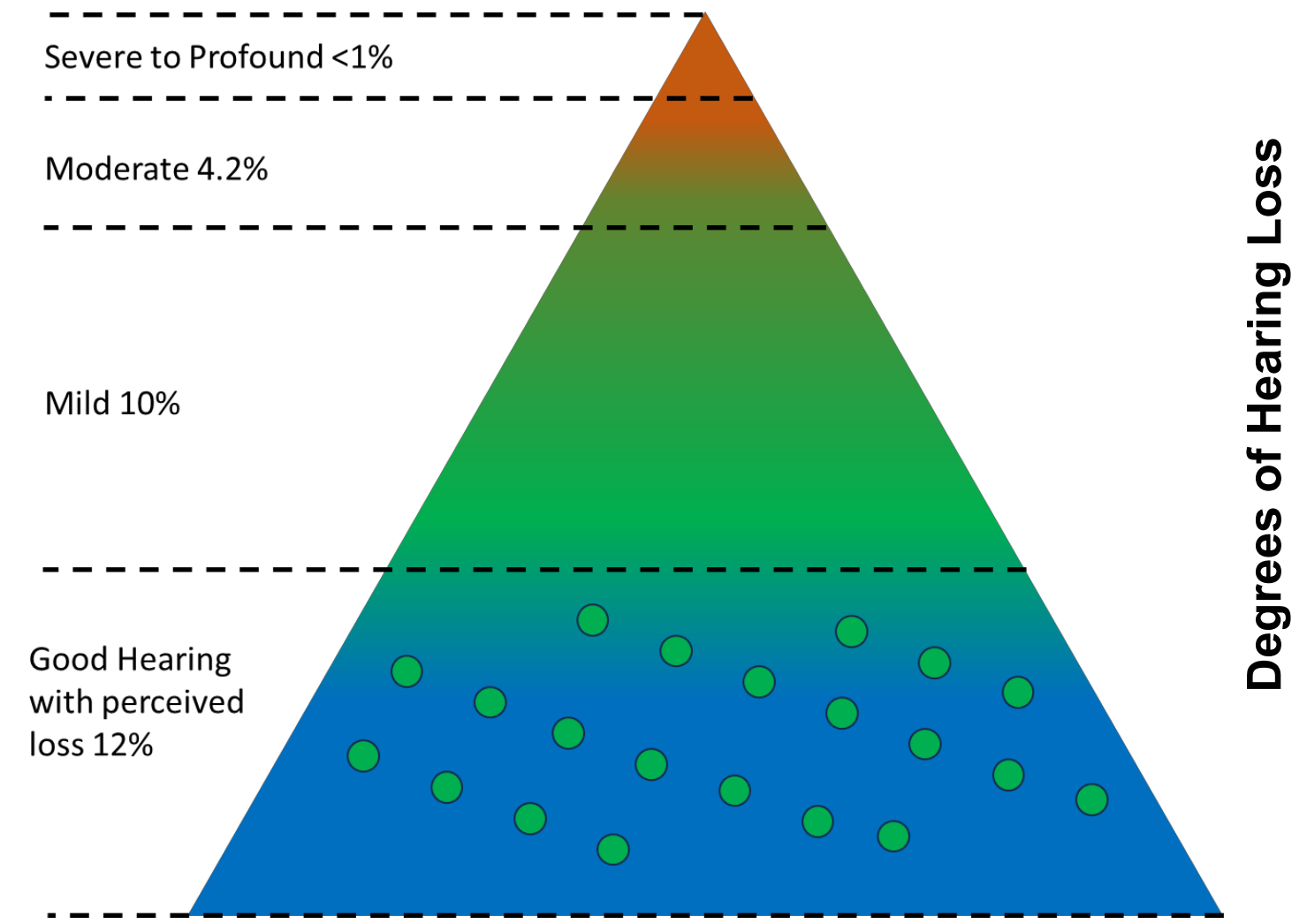
## HEARING LOSS IS A LARGE GLOBAL ISSUE NOT BEING ADEQUATELY ADDRESSED

- ✓ Hearing loss in the **4<sup>th</sup>** highest cause of disability globally<sup>1</sup>
- ✓ **1 in 5 people worldwide** live with hearing loss and by 2050 it is projected to be 1 in 4 people<sup>2</sup>
- ✓ Failure to treat hearing loss at an early age **increases risk of dementia by 3 times**<sup>3</sup>
- ✓ Currently, the average person delays seeking to treat hearing loss **by an average of 7 years**<sup>3</sup>
- ✓ Hearing loss begins at an average age of **35** but the average age of hearing aid wearers is **72**<sup>4</sup>

## NUHEARA USES ITS TECHNOLOGY TO OVERCOME THESE ISSUES

- ✓ Smart, **affordable lifestyle-based hearing solutions** vs traditional expensive hearing-aids
- ✓ Average Nuheara customer age of **52** vs 72<sup>4</sup> for hearing aids
- ✓ **Self-fitting technology** allows to be sold directly to customers via regular retail channels vs expensive, inaccessible hearing clinics

## USA TAM alone is ~US\$11 billion per annum













- ✓ **26%<sup>3</sup> of ~260m USA Adult Population** with perceived-to-moderate hearing loss = Nuheara addressable market in USA of **68m adults**
- ✓ At an assumed US\$499 average retail price with average 3-year purchase cycle<sup>5</sup> = **Annual TAM of ~US\$11 billion** (~AUD\$17 billion)

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# NUHEARA'S UNIQUE POSITIONING

**Success in OTC Hearing Aid market necessitates the best of consumers hearables PLUS medical device (hearing) expertise**

-  **US FDA 510(k) Certification is essential** to serve OTC Self-fit Hearing Aid Market, and requires extensive R&D, IP and clinical trials. Nuheara received FDA certification in October 2022
-  New medical device categories require innovative and fast-moving companies to successfully unlock the opportunity
  -  Traditional Hearing industry slow to adapt business model for mass market
  -  Consumer Earbud manufacturers lack expertise/IP to enter medical device market
  -  Ongoing R&D and access to strategic partners ensure Nuheara adapts to consumer needs as market develops
-  Reaching this mass market requires the following which we have in place:
  -  Product: Consumer earbud experience (sound quality, fit, features e.g. ANC) plus Hearing (Clarity, adaptability, customised self-fit)
  -  Price to drive adoption: New Price Point of US \$499 is at premium consumer earbud level as opposed to high end medical device (average hearing aid US \$4,672 pair<sup>1</sup>)
  -  Brand: trusted household name with HP
  -  Access/Distribution: c. 5,000 POS in US with key high-footfall retailers including Walmart and Best Buy

**With extensive distribution finally unlocked from October 2023, Nuheara has successfully broken through the traditional hearing industry barriers to entry and positioned itself for success....**




# NUHEARA'S UNIQUE POSITIONING (continued)


...With extensive distribution finally unlocked from October 2023, Nuheara has broken through the traditional hearing industry barriers and positioned itself for success

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## TRADITIONAL HEARING AID MARKET

**TECHNOLOGY**

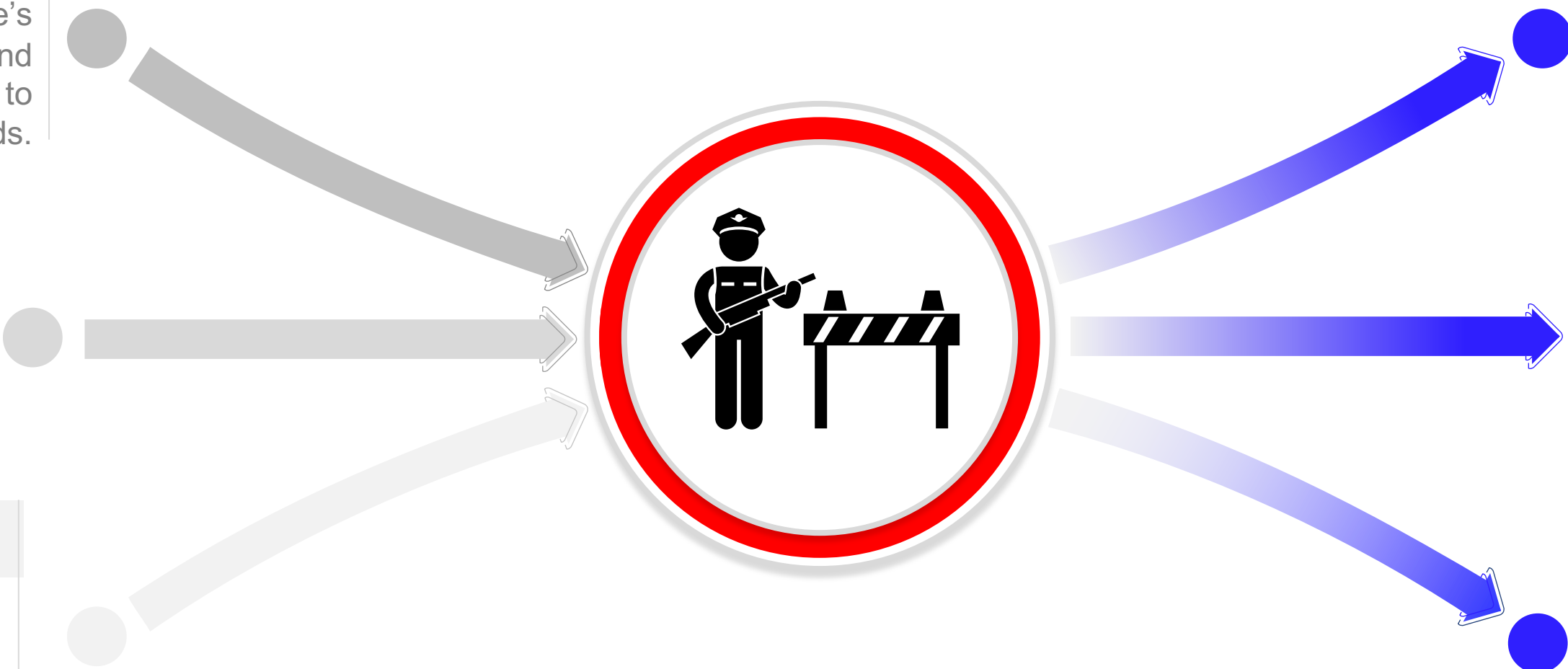
Supporting the ear is hard, as everyone's hearing is unique. R&D is expensive and time consuming. Technology is difficult to support increasingly diverse needs.

**REGULATION**


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

**DISTRIBUTION**


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




## NUHEARA-LED HEARING MARKET

**TECHNOLOGY**

8 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 at the right price.

**REGULATION**

New FDA OTC hearing aid market created Oct 2022.  
Lays the foundation for change in other countries.

**DISTRIBUTION**

Self-fitting technology & new regulation allows sales via mass market accessible consumer channels.

Nuheara available in 5,000 points-of-sale with key retailers across US from October 2023.

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

1. Source: UBS, Longer Term Investments – Medical Devices, 11 April 2019, Page 13



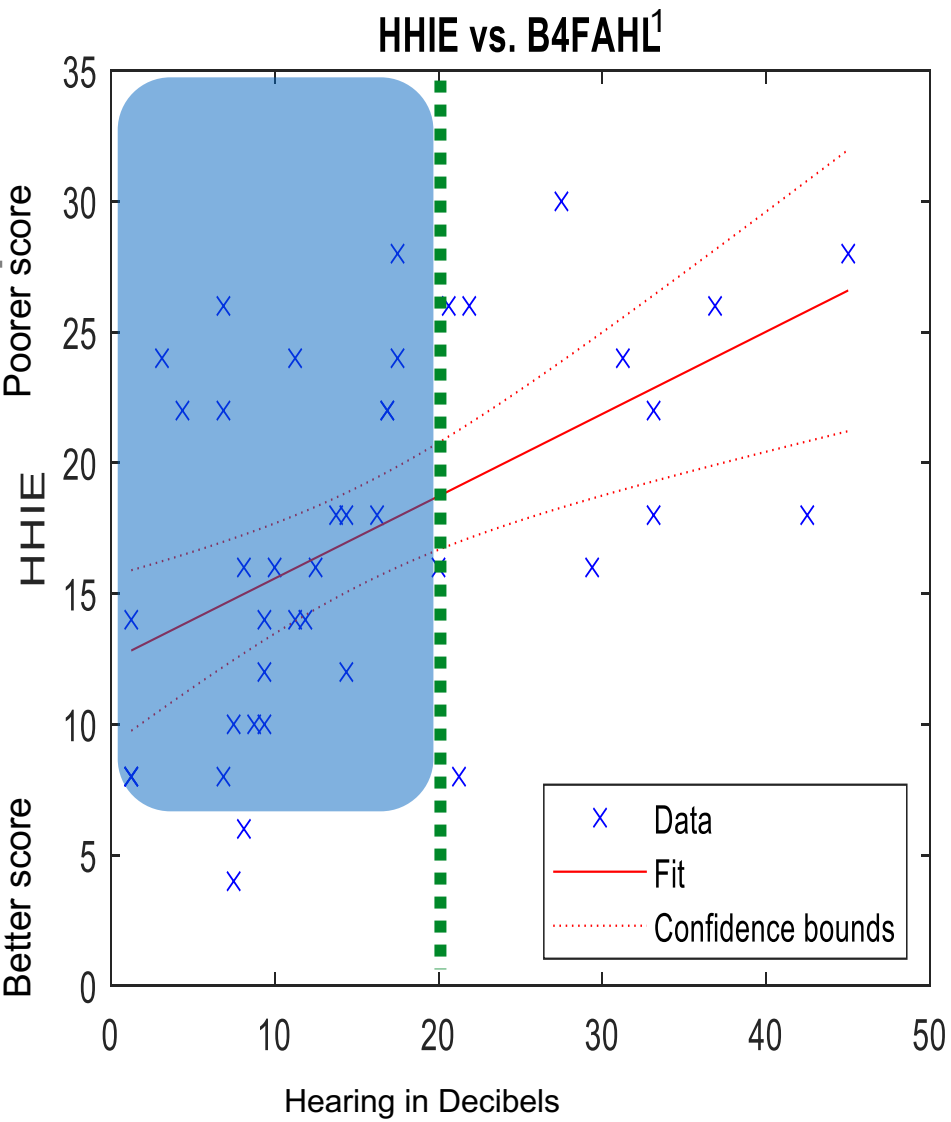


# NUHEARA'S UNIQUE POSITION IS SUPPORTED BY REGULATION AND CLINICAL EVIDENCE

- ✓ US FDA Certification is difficult to achieve and requires extensive R&D, IP and clinical trials
- ✓ Nuheara has clinically validated that it treats perceived hearing loss as well as mild-to-moderate hearing loss
- ✓ Nuheara is uniquely able to target the full spectrum of perceived to moderate hearing loss, increasing its TAM versus competitors

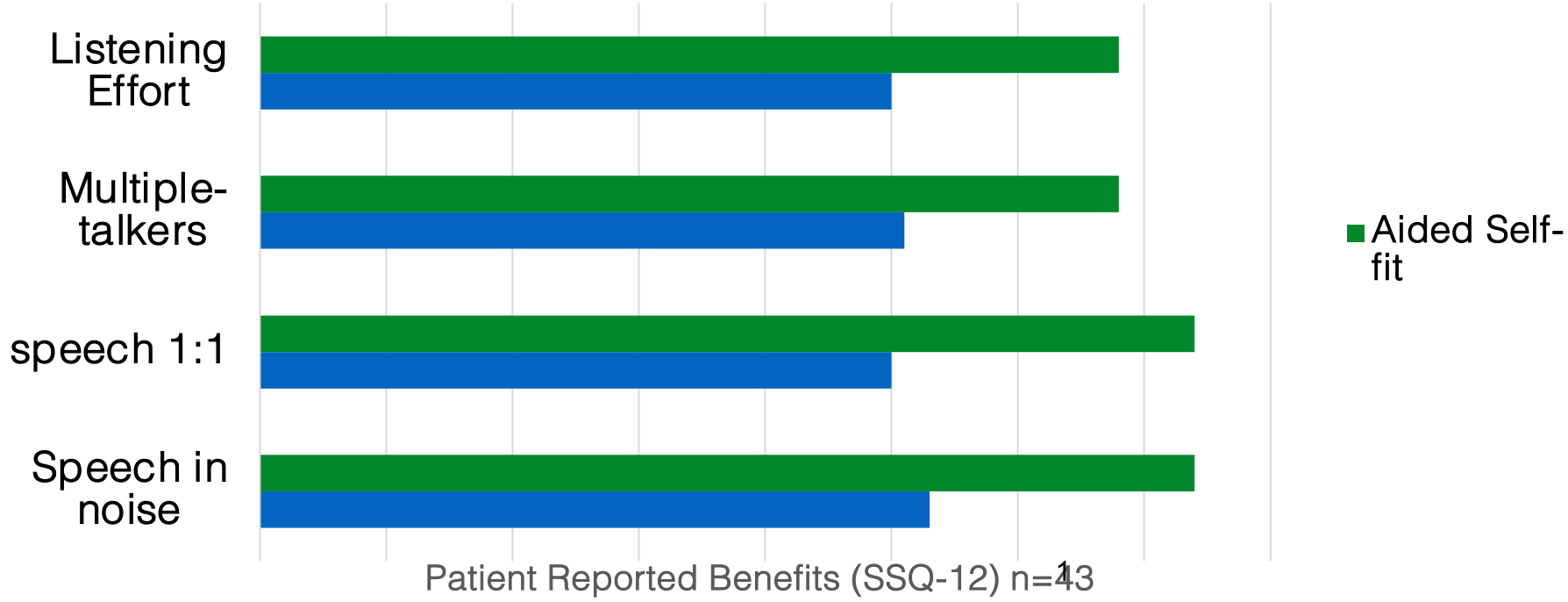
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## Nuheara's unique population of FDA reviewed data evidence



- OTC HA US indication: perceived mild to moderate hearing loss
- 63% of participants identified as self-reported perceived hearing loss
- Lowest group had moderate hearing loss 4%

## Nuheara's clinical evidence of consumer benefits



- Reduced listening effort: 18% vs 11% industry sample<sup>2</sup>
- 30% improvement understanding speech in dynamic multi-talker babble
- Improved communicating:
  - multiple talkers (17%)
  - 1:1 conversations (24%)
  - in noisy environments (21%)

1. Source: Nuheara clinical data



2. Source: Latzel, M., Lesimple, C., & Woodward, J (2022). New implementation of directional beamforming configurations shows improved speech understanding and reduced listening effort. Phonak Field Study News

# FUTURE LANDSCAPE



## Regulatory Strategy

- Commercialise in multiple jurisdictions
- Continue self-fit consumer model
- Customer focus not professional need
- Reimagine professional solutions
- Expansion of distribution



## Next Regulatory Jurisdiction

- Australian pathway identified and planned
- TGA opening to “piggyback” FDA submission
- Unique distribution opportunity with potential retail partner discussions commenced



# COMPELLING FINANCIAL TRAJECTORY NOW VISIBLE



## Substantial Revenue Growth Potential

- A large proportion of all hearing loss adults fit within Nuheara's TAM: US ~USD \$11bn plus multiple international opportunities.
- Attractive customer proposition: Product, Price, Trusted Brand.
- Distribution & reach: c. 5,000 Retail POS from October with further opportunities.
- OEM opportunities available with next generation product launch expected in CY 2024.



## Attractive Unit Economics

- Production: benefit of in-house R&D / IP ownership combined with outsourced low-cost manufacturing.
- Single-chip next generation product expected to lower cost of production further.
- Brand: variable sales-driven licensing deal limits spend required to build awareness and trust.
- Marketing: retail-led distribution model, limits the variable investment required to scale revenue, with partners co-investing in rollout/launch spend.



## Compounding Returns on R&D Investment

- Spend required to launch leading product benefits from pre-existing IP from years of in-house investment.
- Benefit from strategic partners, including Realtek, co-investing in development.
- OEM revenue streams can offer additional returns with limited incremental spend.



## Scalable Cost Base

- Majority of cost is corporate & administrative, including people with limited additional resources required as revenue expands.

# FINANCIAL TRAJECTORY

Key drivers:

Key considerations:

## Revenue

- HP PRO:      No. of Points-of-sale x  
                         Units sold per store x  
                         Avg Sales Price
- OEM revenue possibilities from CY 2024.

- HP PRO trajectory transformed from October expansion
  - Points-of-sale: c. 5,000
  - Consumer price: US\$499 (vs US\$699)
  - Revenue: NUH retains ~70% of consumer price on average

## Gross Profit

- Revenue less cost of sales.
- Cost of sales includes production & fulfillment costs, brand license fees and other variable costs.

- H2 FY23 Gross Profit % (excluding inventory write-offs) 57%, when HP PRO selling at US\$699.
- Expect impact of lower price point to be offset by reduced costs when next gen single-chip product launched.

## Marketing Costs

- Primarily driven by points-of-sale rollout, with co-invest from retail partners; with upfront investment for displays and in-store launches.
- Limited additional spend, with advertising only incurred on strict expected-ROI basis.

- A\$0.8m costs in H2 FY23, predominantly for Best Buy rollout to 554 stores.
- Walmart spend being incurred in Q1 FY24, materially lower per store than Best Buy rollout given the scale of the rollout.



# FINANCIAL TRAJECTORY (CONT.)

Key drivers:

Key considerations:

## R&D Investment

- Ongoing spend for development of products & technologies, primarily people costs.
- One-off launch costs for new products, including product line set-up/tooling and regulatory licensing.

- FY23 P&L cost of A\$4.3m / Cash flow A\$3.9m before benefit of R&D tax rebate.
- Spend is scalable including against potential OEM revenue.
- R&D tax rebate: FY23 A\$2.1m received; FY24 expected receipt in Q2 of A\$1.4m.

## Operating Costs

- Predominantly relates to administrative and corporate costs (e.g., management, legal, office, IT, professional fees).

- FY23: P&L cost A\$5.4m / Cash flow A\$5.8m.
- Scalable and will not need to materially increase as revenue trajectory transforms.

## Working Capital Investment

- Currently production costs are incurred ahead of sales receipts from retail customers.
- Upfront marketing costs are incurred in advance of the sales they generate.

- Initial investment as we ramp production; however attractive unit economics can enable further growth to be self-funded (in particular post-launch of next generation product).





## OUTLOOK - POSITION

- ✓ Technology and regulation disruption has created a market opportunity addressing a large global hearing problem
- ✓ From October 2023, HP Hearing PRO will be available in approximately 5,000 points of sale across the USA at an attractive consumer price point in high footfall leading retailers, including Walmart
- ✓ This distribution and consumer accessibility means the FDA-created US OTC market can finally begin to flourish, with Nuheara at the forefront at this growth opportunity targeting 68 million consumers in the US
- ✓ Nuheara's benchmark unit economics and scalable cost base provides for a measurable path to sustainable profitability
- ✓ This entitlement offer enables us to both to deliver on this near-term opportunity (funding expansion of the retail POS and working capital for production ramp ahead of sales) and to continue to invest in bringing our next generation single-chip product to market in CY 2024
- ✓ Nuheara will continue to explore potential OEM / B2B opportunities and International self-fit OTC market growth opportunities



# TABLE OF CONTENTS

01	RECENT OVERVIEW & OUTLOOK	7
02	ENTITLEMENT OFFER	21





# ENTITLEMENT OFFER OVERVIEW

## ENTITLEMENT OFFER OF APPROXIMATELY A\$10.0 MILLION

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With agreements to significantly expand its distribution reach secured, Nuheara’s HP Hearing PRO will become available in approximately 5,000 retail points of sale across the USA later this month



Capital is therefore being raised to fund:

- sales and marketing investment required to expand the points-of-sale, including in-store displays & advertising which is expected to drive sales
- working capital including materially increasing production ahead of expected increased sales ahead of the business reaching the scale required to generate sustainable profitability



In addition, the funds will be used for external pre-launch costs for Nuheara’s next generation single-chip product which is expected to be launched at CES in January 2024 and brought to market in CY2024

Source of Funds	Amount
Entitlement Offer	\$10.0m

Use of Funds	50% raise	100% raise
Working Capital to support increased inventory sales ramp	\$2.5m	\$4.5m
Sales & Marketing for US Retail Distribution Expansion	\$0.8m	\$2.2m
Next Generation Product Pre-launch costs	\$1.4m	\$2.8m
Costs of the Entitlement Offer	\$0.3m	\$0.5m
Total	\$5.0m	\$10.0m






# ENTITLEMENT OFFER OVERVIEW (CONT.)

## ENTITLEMENT OFFER OF APPROXIMATELY A\$10.0 MILLION

Entitlement Offer Size & Structure	<ul style="list-style-type: none"><li>Entitlement offer of approximately A\$10.0 million comprising:<ul style="list-style-type: none"><li>A 1-for-2.64 pro rata accelerated non-renounceable entitlement offer (“<b>Entitlement Offer</b>”).</li></ul></li><li>Approximately 77.1 million new fully paid ordinary shares in NUH (“<b>New Shares</b>”) to be issued, representing 37.9% of existing shares on issue.</li><li>Record date for the Entitlement Offer is 4:00pm AWST, Thursday, 12 October 2023.</li></ul>
Offer Price	<ul style="list-style-type: none"><li>All shares under the Entitlement Offer will be issued at A\$0.13 per New Share (“<b>Offer Price</b>”), representing:<ul style="list-style-type: none"><li>2.7% discount to TERP<sup>1</sup>.</li><li>3.7% discount to last close of A\$0.1350 as of Monday, 9 October 2023.</li></ul></li></ul>
Institutional Offer	<ul style="list-style-type: none"><li>Institutional Entitlement Offer (“<b>Institutional Offer</b>”) to be conducted by way of bookbuild process that will open at Tuesday, 10 October 2023 and close on Thursday, 12 October 2023.</li></ul>
Retail Entitlement Offer <sup>2</sup>	<ul style="list-style-type: none"><li>The Retail Entitlement Offer will open at 7:00am AWST, Tuesday, 17 October 2023 and close at 5:00pm AWST, Monday, 30 October 2023.</li><li>Under the Retail Entitlement Offer, Eligible Retail Shareholders that take up their full Entitlement may also apply for additional New Shares in excess of their Entitlement at the Offer Price (“<b>Additional Shares</b>”).</li></ul>
Ranking	<ul style="list-style-type: none"><li>New shares issued under the Entitlement Offer will rank equally with existing Nuheara shares on issue.</li></ul>
Lead Manager and Bookrunner	<ul style="list-style-type: none"><li>The Entitlement Offer is being led by the Lead Manager and Bookrunner, Bell Potter Securities Limited (“<b>Bell Potter</b>”).</li></ul>
Board Participation	<ul style="list-style-type: none"><li>Certain eligible Company Directors have agreed to participate in the Entitlement Offer.</li></ul>

(1): Theoretical ex-rights price (TERP) includes shares issued under the Institutional Entitlement Offer and the Retail Entitlement Offer. TERP is a theoretical calculation only and the actual price at which NUH shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP.

(2): Only certain retail shareholders registered in Australia or New Zealand will be eligible to participate in the Retail Entitlement Offer.



23

# ENTITLEMENT OFFER OVERVIEW (CONT.)

## PRO FORMA CAPITAL STRUCTURE

POST-ENTITLEMENT OFFER PRO FORMA	
Pre-raise ordinary shares	203.5m
Pre-raise market capitalisation <sup>1</sup>	\$27.5m
Approx. new shares issued (Total)	77.1m
Approx. shares post-entitlement raising	280.5m
Issue Price	\$0.13
Implied market capitalisation (issue price)	\$36.5m
Cash <sup>2</sup>	\$12.7m
Debt (including Convertible Note) <sup>3</sup>	\$2.7m
Implied enterprise value	\$26.5m

PRO FORMA POST-ENTITLEMENT OFFER STRUCTURE	
Ordinary shares	280.5m
Options (\$1.00 – expiring 3-Feb-2024)	1.2m
Options (\$0.56 – expiring 28-Oct 2023)	0.5m
Options (\$0.87 – expiring 2-Mar 2024)	0.1m
Options (\$0.682 – expiring 31-Aug 2024)	0.4m
Options (\$0.366 – expiring 4-Jan 2025)	0.05m
Options (\$0.48 – expiring 28-Apr 2025)	0.25m
Options (\$0.153 – expiring 3-Jun 2025)	0.05m
Options (\$0.182 – expiring 12-Jun 2026)	0.4m
Options (\$0.255 – expiring 12-Jun 2026)	2.0m
Options (\$0.27 – expiring 12-Jun 2026)	2.1m
Convertible Notes	2.5m

(1): As at last price of A\$0.1350 per Share on Monday, 9 October 2023.  
(2): Cash as of 30 June 2023 of \$2.3m plus A\$0.88m equity issue receipts from August (balance of June 2023 capital raise which was subject to shareholder approval received in July) plus A\$9.5 million net proceeds from the Entitlement Offer.  
(3): Includes \$2.5m convertible notes and other financial liabilities as at 30 June 2023



# ENTITLEMENT OFFER OVERVIEW (CONT.)

## INDICATIVE TIMETABLE

Summary of Key Dates	Time / Date
Trading Halt and announcement of the Entitlement Offer	Tuesday, 10 October 2023
Institutional Offer opens	Tuesday, 10 October 2023
Institutional Offer closes	Thursday, 12 October 2023
Trading halt ends – Securities recommence trading on the ASX on an “ex-entitlement” basis	Thursday, 12 October 2023
Record Date for determining entitlement subscribe for New Securities	7:00pm Thursday, 12 October 2023
Retail Entitlement Offer opens	10:00am Tuesday, 17 October 2023
Settlement of Institutional Offer	Tuesday, 17 October 2023
Allotment and normal settlement trading of New Shares issued under the Institutional Offer on ASX	Wednesday, 18 October 2023
Retail Entitlement Offer closes	8:00pm Monday, 30 October 2023
Notification of shortfall	Thursday, 2 November 2023
Settlement of the Retail Entitlement Offer	Friday, 3 November 2023
Allotment of New Shares under the Retail Entitlement Offer	Monday, 6 November 2023
New Shares issued under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis	Tuesday, 7 November 2023
Holding statements in respect of New Shares issued under the Retail Entitlement Offer are dispatched	Tuesday, 7 November 2023

The above timetable is indicative only and may change without notice, subject to compliance with applicable laws and ASX Listing Rules.  
All time are Sydney Time.





# CONVERTIBLE NOTE OVERVIEW<sup>1</sup>

Face Value	\$2,500,000
Maturity	7 September 2024 (24 months from issue)
Conversion	Convertible (in whole or part) by Realtek at any time prior to the Maturity Date into such number of shares as is determined by the Conversion Price of A\$0.16.
Interest Conversion Price	The 30-trading day VWAP of shares immediately prior to the relevant interest payment date, subject to a floor price of A\$0.16.
Interest	8% per annum, payable quarterly either (at Realtek’s election) into cash or converted into such number of shares as is determined by the Interest Conversion Price.
Repayment	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.
Security	A first ranking security interest over all of the Company’s assets to Realtek to secure payment of the outstanding amount and any accrued interest owed to Realtek (Outstanding Amount).

(1): For further information regarding this convertible note, please see Note 14 to the financial statements, Financial Liabilities, in the Annual Report, dated 29 September 2023.



# KEY RISKS

There are a number of risks that are both specific to Nuheara and of a general nature, which may affect the future operating and financial performance of the Company and the outcome of any investment in the Company.

This section describes some, but not all, of the material business risks that may be associated with an investment in the Company or in Nuheara shares and the occurrence or consequences of some of the risks described below are partially or completely outside the Company's control. Additional risks and uncertainties that the Company is unaware of, or that it currently considers to be immaterial, could also become important factors that adversely affect the future performance of the Company and in Nuheara shares. Before making an investment decision, you should consult your financial or other professional adviser and carefully consider the risks described in this section, as well as other information in this presentation.



# KEY RISKS

## COMPANY-SPECIFIC

### LOSS-MAKING OPERATION, FUTURE CAPITAL NEEDS AND ADDITIONAL FUNDING RISKS

As at the date of this Prospectus, the Company is currently loss making and is not cash flow positive, meaning it has been reliant on raising funds from investors to continue to fund its operations and product development. Although the Directors consider that the Company has sufficient working capital following completion of the Entitlement Offer to carry out its stated objectives, there can be no assurance that such objectives can continue to be met in the future without securing further funding. If less than the full subscription amount is raised under the Entitlement Offer, the Company will likely require additional funding in the short term. The future capital requirements of the Company will depend on many factors, including the development of its business and sales. The Company may need to raise additional funds from time to time to finance the ongoing development and commercialisation of its technology and to meet its other longer-term objectives. Should the Company require additional funding, there can be no assurance that additional financing will be available on acceptable terms or at all. Any inability to obtain additional financing, if required, would have a material adverse effect on the Company's business, financial condition and results of operations.

### POTENTIAL FOR DILUTION RISK

Upon completion of the Entitlement Offer, assuming no Options or Convertible Notes are exercised or converted prior to the Record Date, the number of Shares in the Company will increase from 203,450,494 to approximately 280,515,076 (assuming a full subscription under the Entitlement Offer) . This increase equates to approximately 37.9% of all the issued Shares in the Company following completion of the Entitlement Offer. This means that each Share will represent a lower proportion of the ownership of the Company. It is not possible to predict what the value of the Company or a Share will be following the completion of the Entitlement Offer and the Directors do not make any representations with respect to such matters. The last closing trading price of Shares on ASX on the day prior to the date of announcement of the Entitlement Offer of \$0.1350 on Monday, 9 October 2023 is not a reliable indicator as to the potential trading price of Shares following completion of the Entitlement Offer. Shareholders should note that if they do not take up their Entitlement under the Entitlement Offer in full, their holdings will be diluted as a result.

### FUTURE PROFITABILITY IS UNCERTAIN

The Company is still in the early sales stage for its technology. To date, it has funded its operations principally through issuing securities, seeking research and development tax refunds and by applying for grants. There is no guarantee that the Company will be able to grow its product sales through market adoption of its products, the latter being crucial for revenue generation and profitability of the Company. The Company's ability to operate profitably in the short term will depend on its ability to successfully further penetrate its target markets. If the Company fails to increase its market share in its key markets, it may never become profitable. Other factors that will determine the Company's profitability are its ability to manage costs, its ability to execute its development and growth strategies, economic conditions in the markets in which it operates, competitive factors and regulatory developments. Accordingly, the extent of future profits, if any, and the time required to achieve a sustained profitability are uncertain. Moreover, the level of any profitability cannot be predicted.



# KEY RISKS

## COMPANY-SPECIFIC (CONT.)

### DEPENDENCE ON KEY PERSONNEL RISK

The success of the Company depends on the ability, performance and experience of its key personnel. The loss of key personnel or an inability to recruit or retain suitable replacement or additional personnel may impact the Company's ability to develop and implement its strategies, which may have an adverse effect on its future financial performance. There can be no assurance that the Company will be able to attract or retain sufficiently qualified personnel or maintain its relationship with key organisations and contractors. The loss of key personnel and the associated knowledge of those people could have a detrimental impact on the Company and may have a material adverse effect on the Company's business, financial condition and results of operations.

### COMPETITION FROM NEW ENTRANTS RISKS

The Company is subject to risk from competitors, including the introduction of new and emerging technologies or inventions. While the Company closely monitors existing and emerging technology of relevance to its business, potential competitors may include companies with substantially greater resources and access to larger markets. Therefore, competitors may succeed in developing products that are more effective or otherwise commercially superior to those developed, or being developed, by the Company, or which could render the Company's products obsolete and/or otherwise uncompetitive. The Company may not always be able to match its competitors in both functionality and price. General technological development in the Company's key industries may render some of the Company's products obsolete or subject to significant pricing pressure as customers move to the use of substitute products and technologies. To the extent possible, the Company plans to mitigate this risk by implementation of its own research and development and product innovation programs over time.

### RISK OF SUPERSEDING TECHNOLOGY

There is a risk that new technology will be developed that will supersede the Company's technology. Additionally, new technologies require significant resources for development and experience lengthy commercialisation timelines. The Company cannot guarantee that its technology will not be superseded.

### LOSS OF KEY CUSTOMERS RISK

The Company may lose key customers due to a range of events, including failure to renew a contract, weakening of customer relationships, disputes with customers, failure to remedy a contractual breach, occupational health and safety concerns, failure to deliver products on time, consolidation of customers, insolvency of distributors or resellers, increased competition or lack of input supply. The loss of any one or more of the Company's material relationships with major customers may materially and adversely affect the Company's revenue, profitability and growth.

### CUSTOMER CONCENTRATION RISK

The Company has significant customer concentration, particularly among resellers who sell the Company products to their customers. While the Company has entered into other distribution arrangements and aims to broaden its customer base, loss of any such key customer may be materially adverse to the Company.



# KEY RISKS

## COMPANY-SPECIFIC (CONT.)

### COVID-19 RISK

The COVID-19 pandemic has had a significant impact on the Australian economy, including the ability of individuals, businesses, and the State and Federal governments in Australia to operate. There continues to be uncertainty as to the duration and further impact of COVID-19, including government, regulatory or health authority actions, supply restrictions, costs increases and unemployment rates in Australia. The negative impact of some or all of these factors on the Australian economy may have an adverse impact on the Company's operations as well as adverse implications on the Company's future cash flows, profitability and financial condition. There is also a risk that other pandemics could occur, which may have effects on global economies and populations that are similar to, or worse than, COVID-19.

### REGULATORY AND ACCREDITATION RISK

The Company has to comply with certain US FDA OTC requirements to remain eligible to supply its products in the USA to resellers for sale. The legislative frameworks in the United States, Australia and other countries where the Company may seek to operate may vary without notice and adversely impact the Company, in particular in relation to its operations and profitability. The Company is exposed to risks of changes in applicable laws and changes to the interpretation of existing laws. These changes in law may negatively affect the Company and failure to comply with legislative, accreditation or regulatory requirements may result in loss of key customers and/or reputational damage which may have a material adverse effect on the Company's business, net assets, financial condition and operational results.

### PRODUCT LIABILITY RISK

While the Company considers the risk to be low, should any product cause injury to a person, considerable reputational damage may be caused to the Company from the perspective of its suppliers, customers and regulators. Any resulting loss of contracts with the Company's customers may also result in significant product recall costs and compensation payments. All of these circumstances may have a material adverse effect on the Company's revenue, profitability and growth. It is possible that product warranty or product liability claims against the Company could arise from defects in products supplied by the Company. Claims could be made including for product liability or damage or loss arising from defective products.

### SUPPLIER RISK

The Company's success is dependent upon its ability to manufacture its products on a commercial scale with outsourced manufacturers, with continuity of supply and in accordance with current good manufacturing practices prescribed by regulatory authorities. Any delays or difficulties in the future manufacture of products, including as a result of unexpected termination of key agreements with the Company's manufacturers, may have a material adverse effect on the Company. Should the Company's outsourced manufacturing facilities be disrupted or agreements terminated unexpectedly, it may not be able to source alternate methods of creating its products within a reasonable time and could suffer reputational damage. The Company's distribution arrangements may be terminated at the discretion of the counterparties, which could, in cases of material distribution agreements, materially adversely affect the Company.



# KEY RISKS

## COMPANY-SPECIFIC (CONT.)

### PRODUCT PRICE VARIATION RISK

Prices of the Company's products are affected by variations in market supply and demand. A decrease in demand for the Company's products, whether as a result of the actions of competitors or general economic conditions, may result in the Company having to reduce the prices of its products, reducing revenue and profit. However, it is likely that the Company's competitors will be affected in the same way as the Company.

### DISRUPTION OF BUSINESS OPERATIONS RISKS

The Company is exposed to a range of operational risks relating to both current and future operations. Such operational risks include equipment failures, IT system failures, external services failures, industrial action or disputes and natural disasters. While the Company endeavours to take appropriate action to mitigate these operational risks, one or more of these risks may have a material adverse impact on the performance of the Company.

### THIRD PARTY RISK

The Company's manufacturers and its own operations require the involvement of a number of third parties, including suppliers and contractors. Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the operations and performance of the Company.

### INTELLECTUAL PROPERTY RISK

There may be circumstances where the Company's intellectual property cannot be protected or is subject to unauthorised disclosure, infringement or challenge by a third party. The Company may incur significant costs in asserting its rights in such circumstances. Even a registered patent can be invalidated in certain circumstances. There can be no assurance that any patents the Company may own or control or license now and in the future will afford the Company a competitive advantage, commercially significant protection of the intellectual property, or that any of the products that may arise from the intellectual property will have commercial application. There is always a risk of third parties claiming involvement in technological discoveries. Further, competition in retaining and sustaining protection of intellectual property and the complex nature of intellectual property can lead to expensive and lengthy patents disputes, for which there can be no guaranteed outcome. Some parties may be able to utilise their greater financial resources to better sustain the costs of litigation or proceedings.

### RESEARCH AND DEVELOPMENT TAX RISK

The Company is eligible for the Australian Government's R&D Tax Incentive program and has historically received the refundable cash R&D Tax Offset which the Company uses to offset its research and development costs each year. Applications for the R&D Tax Incentive have been an area of active enquiry from the Australian Taxation Office and AusIndustry. The legislation is complex, the issues are technical and should some or all of the Company's previous R&D refunds may be clawed back, this may have a material adverse impact on the Company.





# KEY RISKS

## COMPANY-SPECIFIC (CONT.)

### RISK THAT AUSTRALIAN GOVERNMENT R&D INCENTIVES MAY CHANGE

The Company's development program includes anticipated receipt of tax refunds based on the Company's actual research and development spending. If the status of the Company or its connected entities should change or the Australian Federal Government changes its R&D incentive program in a manner which adversely affects the amount of funds available or the timing of receipt of such funds, there is a risk that the Company may need to obtain additional funds to complete the program. No assurance can be given that future funding will be available, or that it will be available on terms acceptable to the Company. As a result, the Company's ability to complete its development programs may be delayed or halted until such funds are raised (if at all), preventing the Company from commercialising its intellectual property and generating revenues.

### INFORMATION SYSTEMS AND CYBER RISK

The Company is reliant on information technology to operate its business. Unauthorised third party access to these information technology systems and the potential theft of client, supplier and other information could expose the Company to reputational damage, claims by customers, loss of customers, theft, a disruption of supply to clients, legal action and regulatory scrutiny. Any of these events could adversely impact the Company's reputation, business, financial condition and financial performance.

### INSURANCE RISK

The Company has obtained insurance where it is considered appropriate for its needs. However, the Company would not expect to be insured against all risks, either if appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue. Accordingly, the Company may not be fully insured against all losses and liabilities that could unintentionally arise from its operations. If the Company incurs losses or liabilities for which it is uninsured, it may impact the Company's reputation, business, financial condition and financial performance.

### FUTURE CAPITAL REQUIREMENTS RISKS

Whilst the Entitlement Offer is expected to leave the Company better positioned, the Company may require further financing to continue to operate in the future if, for example, it fails to meet its timeline or there is otherwise a material departure from the Company's production or cost guidance. Any additional equity financing that the Company may undertake in the future may dilute existing shareholdings. Debt financing, if available, may involve restrictions on financing and operation activities.

There can be no assurance that the Company will be able to obtain additional financing when required in the future, or that the terms and the time in which any such financing can be obtained will be acceptable to the Company. This may have an adverse effect on the Company's financial position and prospects.



# KEY RISKS

## GENERAL RISKS

### SECURITIES INVESTMENTS RISKS

Applicants should be aware that there are risks associated with any securities investment. There is no guarantee that an active trading market in the Shares will develop or that the price of the Shares will increase. The prices at which the Shares trade may be above or below the price of the Entitlement Offer and may fluctuate in response to a number of factors. Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the Shares, regardless of Company's operational performance.

### ECONOMIC RISK

Changes in the general economic climate in which Company operates may adversely affect the financial performance of Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, include, but not are but not limited to:

- i. general economic conditions;
- ii. changes in Government policies, taxation and other laws;
- iii. the strength of the equity and share markets in Australia and throughout the world;
- iv. industrial disputes in Australia and overseas;
- v. changes in investor sentiment toward particular market sectors;
- vi. financial failure or default by an entity with which the Company may become involved in a contractual relationship; and
- vii. natural disasters, social upheaval or war.

### DILUTION RISK

In certain circumstances, the Directors may issue equity securities without any vote or action by Shareholders. If the Company were to issue any equity securities, the percentage ownership of Shareholders may be reduced and diluted.

# KEY RISKS

## GENERAL RISKS (CONT.)

### SHARE MARKET RISK

Share market conditions may affect the value of the Company’s quoted securities regardless of the Company’s operating performance. The market price of the Securities may be subject to fluctuation and may be affected by many factors including, but not limited to, the following:

- i. general economic outlook;
- ii. interest rates and inflation rates;
- iii. currency fluctuations;
- iv. commodity price fluctuations;
- v. changes in investor sentiment toward particular market sectors;
- vi. the demand for, and supply of, capital; and
- vii. terrorism or other hostilities.

There is also no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. There may be relatively few buyers or sellers of Shares on the ASX at any particular time.

### LEGAL PROCEEDINGS RISKS

Legal proceedings may arise from time to time in the course of the business of the Company. Legal proceedings brought by third parties including but not limited to customers, business partners or employees could negatively affect the business in the case where the impact of such litigation is greater than or outside the scope of the Company’s insurance. As at the date of this Prospectus, there are no material legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

### UNFORESEEN EXPENSES RISKS

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.





# KEY RISKS

## GENERAL RISKS (CONT.)

### MACRO-ECONOMIC RISKS

Changes in the general economic outlook in Australia and globally may affect the performance of the Company and its projects. Such changes may include

- i. uncertainty in the Australian economy or increases in the rate of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);
- ii. increases in expenses (including the cost of goods and services used by the Company);
- iii. new or increased government taxes, duties or changes in taxation laws; and
- iv. fluctuations in equity markets in Australia and internationally.

A prolonged and significant downturn in general economic conditions may have a material adverse impact on the Company’s trading and financial performance.

### BROADER GENERAL RISKS

There are also a number of broader general risks that may affect the Company’s performance. These include:

- i. abnormal stoppages in normal business operations due to factors such as war, political or civil unrest, infrastructure failure or industrial disruption; and
- ii. higher than budgeted costs associated with the provision of service offerings.

### CURRENCY RISK

The Company operates across multiple international jurisdictions, which exposes the Company to multiple currencies and their future currency fluctuations. This may affect future profitability of the Company.

### TAXATION RISK

The acquisition and disposal of Shares will have tax consequences that will differ for each investor depending on their individual financial circumstances. All potential investors in the Company are urged to obtain independent financial advice regarding the tax and other consequences of acquiring Shares. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to any tax consequences of applying for Shares under this Prospectus.

### ACCOUNTING STANDARDS RISKS

Changes to any applicable accounting standards or to any assumptions, estimates or judgments applied by management in connection with complex accounting matters may adversely impact the Company’s financial statements, results or condition.



# INTERNATIONAL OFFER RESTRICTIONS

This document does not constitute an offer of new ordinary shares (“**New Shares**”) of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below:

## HONG KONG

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance). No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities. The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## NEW ZEALAND

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the “**FMC Act**”). The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

## TAIWAN

The New Shares have not been registered in Taiwan nor approved by the Financial Supervisory Commission of the Republic of China (Taiwan). Holders of the New Shares may not resell them in Taiwan nor solicit any other purchasers in Taiwan for this offering.





## CONTACTS

### *Justin Miller*

Managing Director & CEO

T: +61 8 6555 9999

M: +61 419 948 487

E: [justin.miller@nuheara.com](mailto:justin.miller@nuheara.com)

### *Ivan Kelly*

Chief Financial Officer

T: +61 8 6555 9999

M: +61 448 807 760

E: [ivan.kelly@nuheara.com](mailto:ivan.kelly@nuheara.com)

