



Investor Update

Justin Miller - Managing Director & CEO

Ivan Kelly - CFO

Catherine Morgan - Head of Compliance,
Regulatory and Legal

September 2023



Agenda

01	Overview	02
02	Regulatory Market & Clinical Validation	09
03	Financial Insights	15
04	Summary	19



A global hearing healthcare technology company that is changing lives through the consumerisation of hearing



The Global Hearing Aid Market is on the cusp of major disruption



Nuheara is well placed to capitalize on this opportunity with 8 years end to end hearing experience from R&D, Product Development and hearing retail experience



Nuheara's Self-fit technology is allowing product placement in mainstream retail not exclusive clinics



US FDA Cleared OTC Hearing Aids are lowering price points and increasing accessibility for 68+M consumers in the US



Low hearing aid brand awareness creates an opening for a leading global brand like HP Hearing PRO by Nuheara



From October 2023, HP Hearing PRO will be available in approximately 5,000 points of sale including Walmart and Best Buy at consumer compelling price point



Realtek Partnerships redefines a broader opportunity for Nuheara:



Chip innovation places Nuheara on equal footing with hearing aid companies from a technology perspective



OEM opportunities with Realtek ecosystem to drive B2B revenue streams

Clear path to sustainable profitability



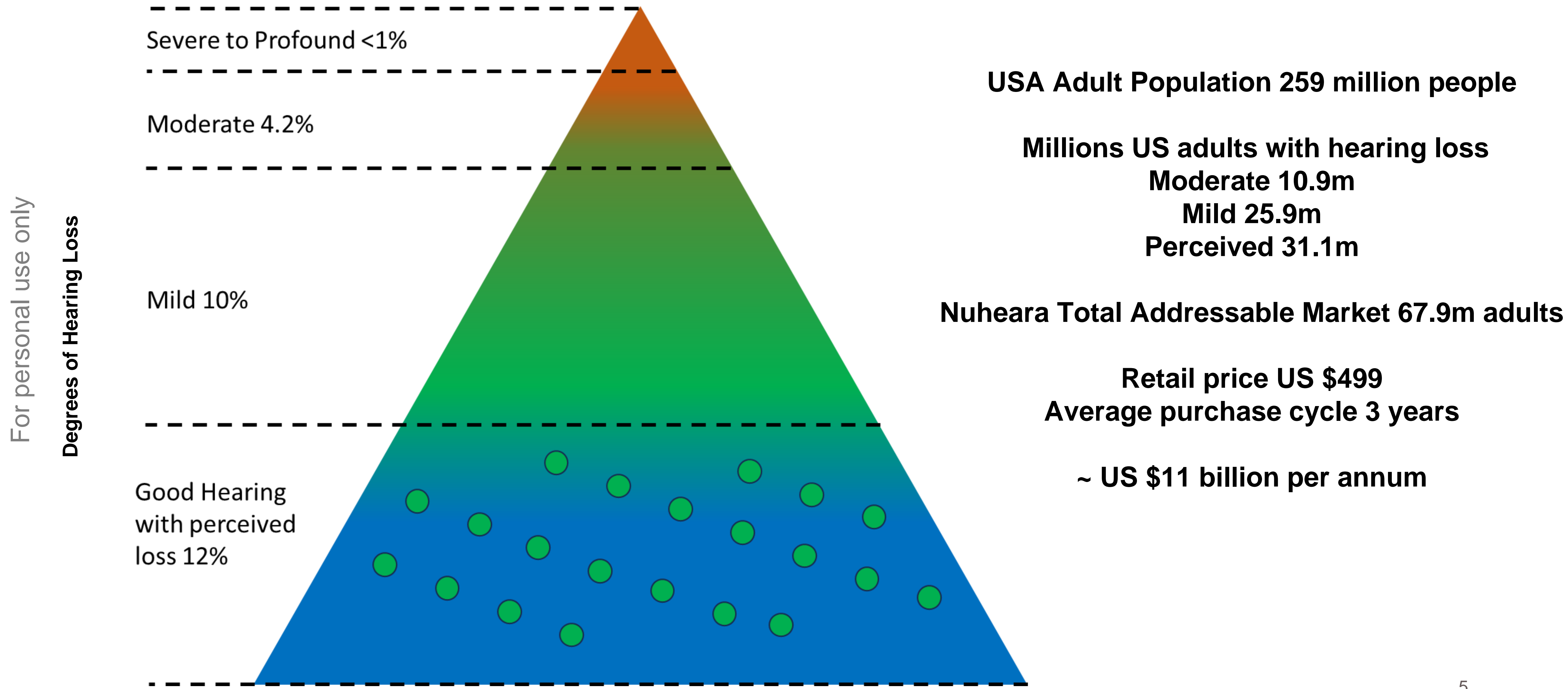
Overcoming a major problem with hearing devices

Nuheara provides smart, affordable & lifestyle based hearing solutions to millions of people who are not being serviced with traditional hearing solutions today.

Regulation, price and convenience have hindered the adoption and growth of this early-stage hearing loss market



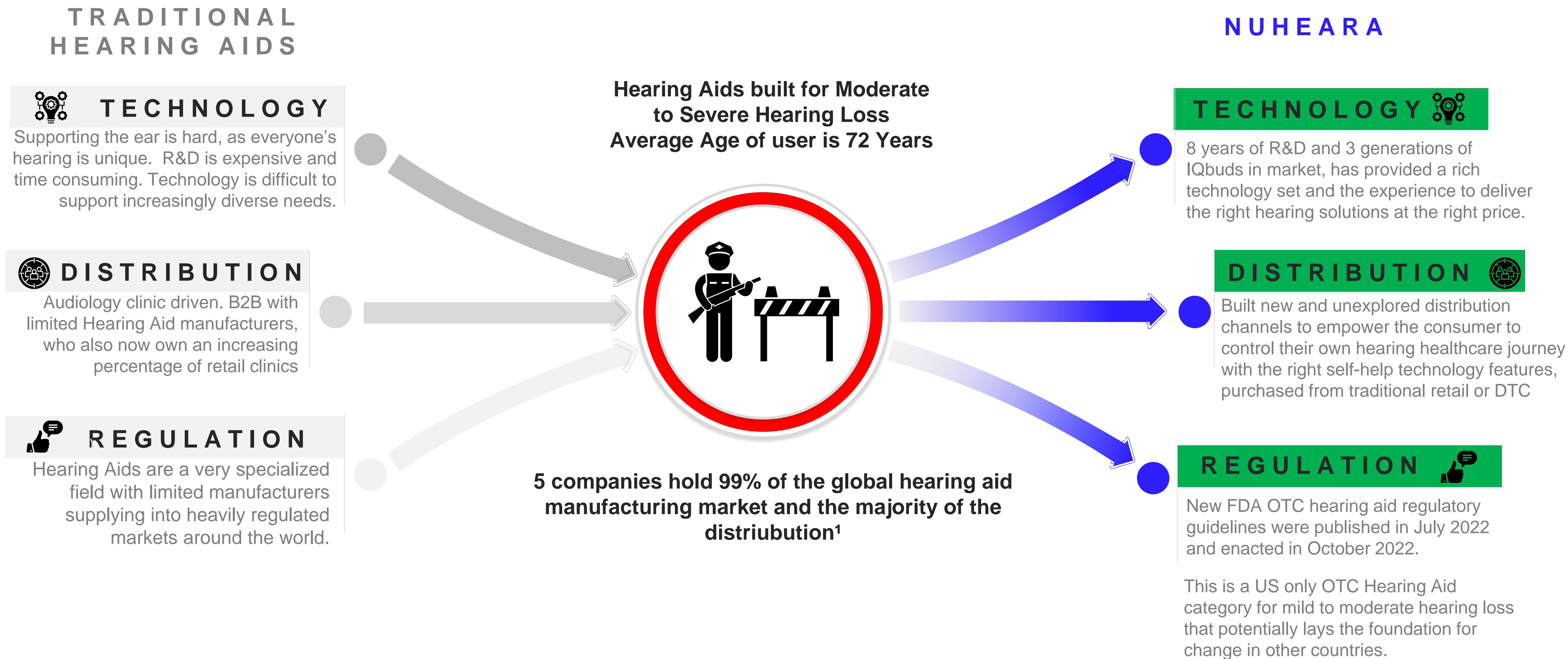
Nuheara's Total Addressable US Market



Gorman AM, Lin FR. [Prevalence of hearing loss by severity in the United States](#).
Am J Public Health. 2016;106(10):1820-1822.
[World Report on Hearing \(who.int\)](#)

Nuheara is building new opportunities with new barriers to entry

For personal use only

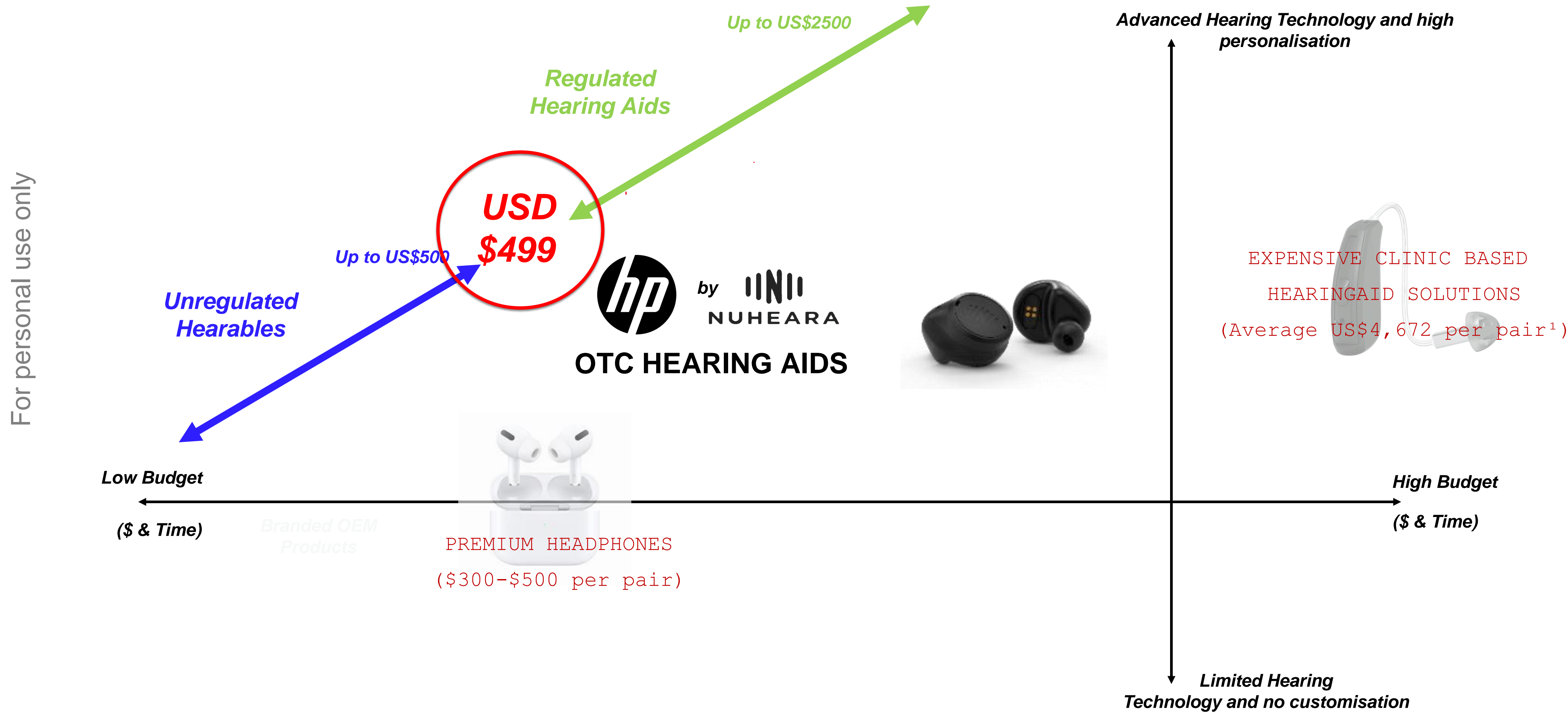


Source 1: UBS, Longer Term Investments – Medical Devices, 11 April 2019, Page 13
Source 2: Markets and Markets, Hearing Aid Market by Product Type, July 2021



Nuheara's compelling market position

Hearing device sales now not restricted to high priced clinic based sales



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



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 necessary to serve OTC Self-fit Hearing Aid Market requiring R&D, IP and clinical trials



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)



Brand: trusted household name with HP



Access/Distribution: > 5,000 POS in US with key high-footfall retailers including Best Buy and Walmart

Agenda

Hear that sound

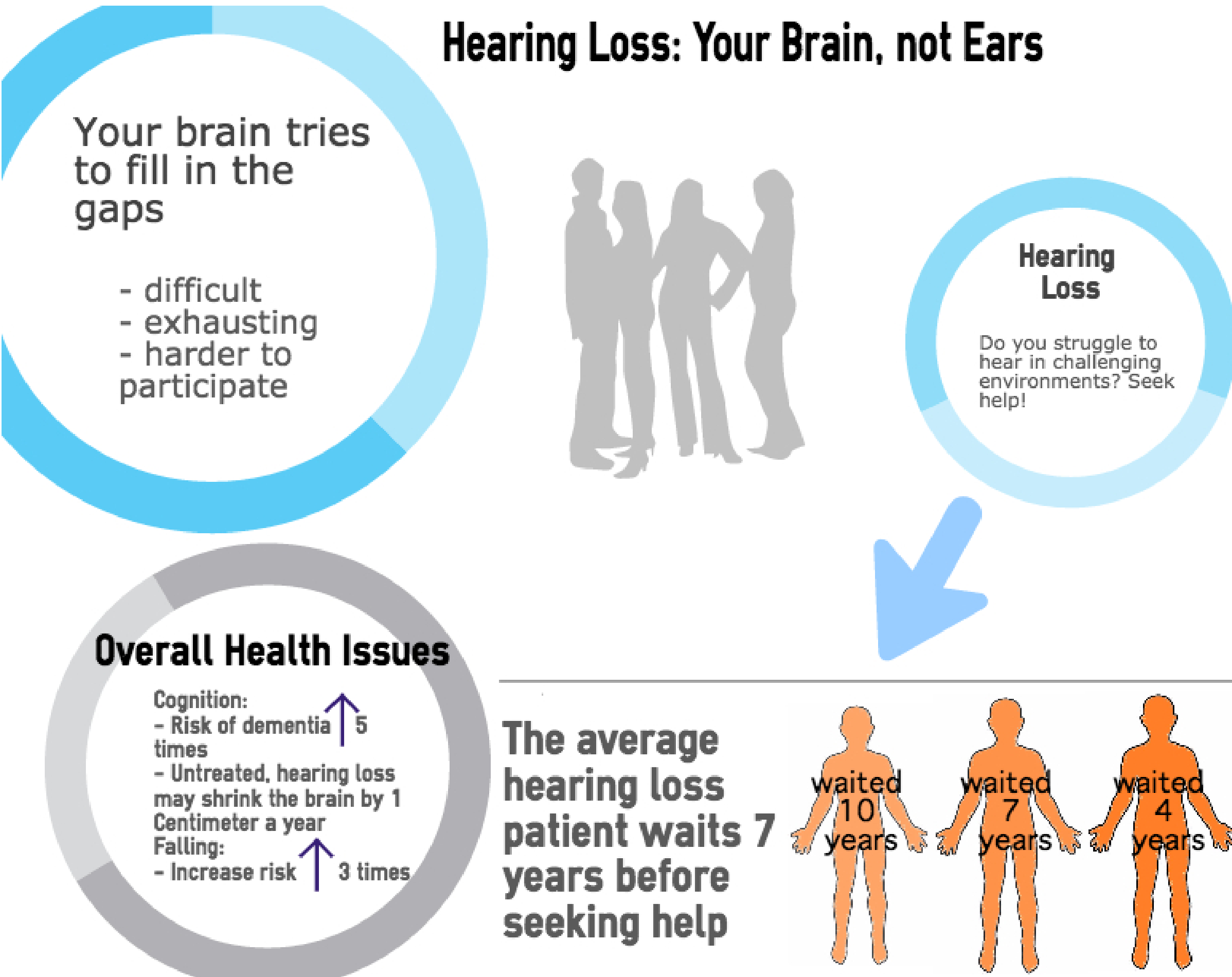
01	Overview	02
02	Regulatory Market & Clinical Validation	09
03	Financial Insights	15
04	Summary	19

For personal use only



The Global Unmet Hearing Need

Hearing Loss: Your Brain, not Ears



Healthier ageing

- Hearing intervention slowed down loss of thinking & memory abilities by **48%** over 3 years. (n = 1300).
- HL contributes to social isolation, lower quality of life, disability, depression and dementia



Nuheara target market

Total US addressable market in detail



Hearing loss in the 4th highest cause of disability globally

4.2% Moderate Hearing loss

10% Mild Hearing loss

12% Perceived Hearing loss



Difficult hearing with normal audiogram



Difficulty hearing with hearing loss untreated

WORLD REPORT ON HEARING



Gorman AM, Lin FR. [Prevalence of hearing loss by severity in the United States.](#)
Am J Public Health. 2016;106(10):1820-1822.
[World Report on Hearing \(who.int\)](#)



Nuheara's Globally Unique Clinical Evidence



Unique population

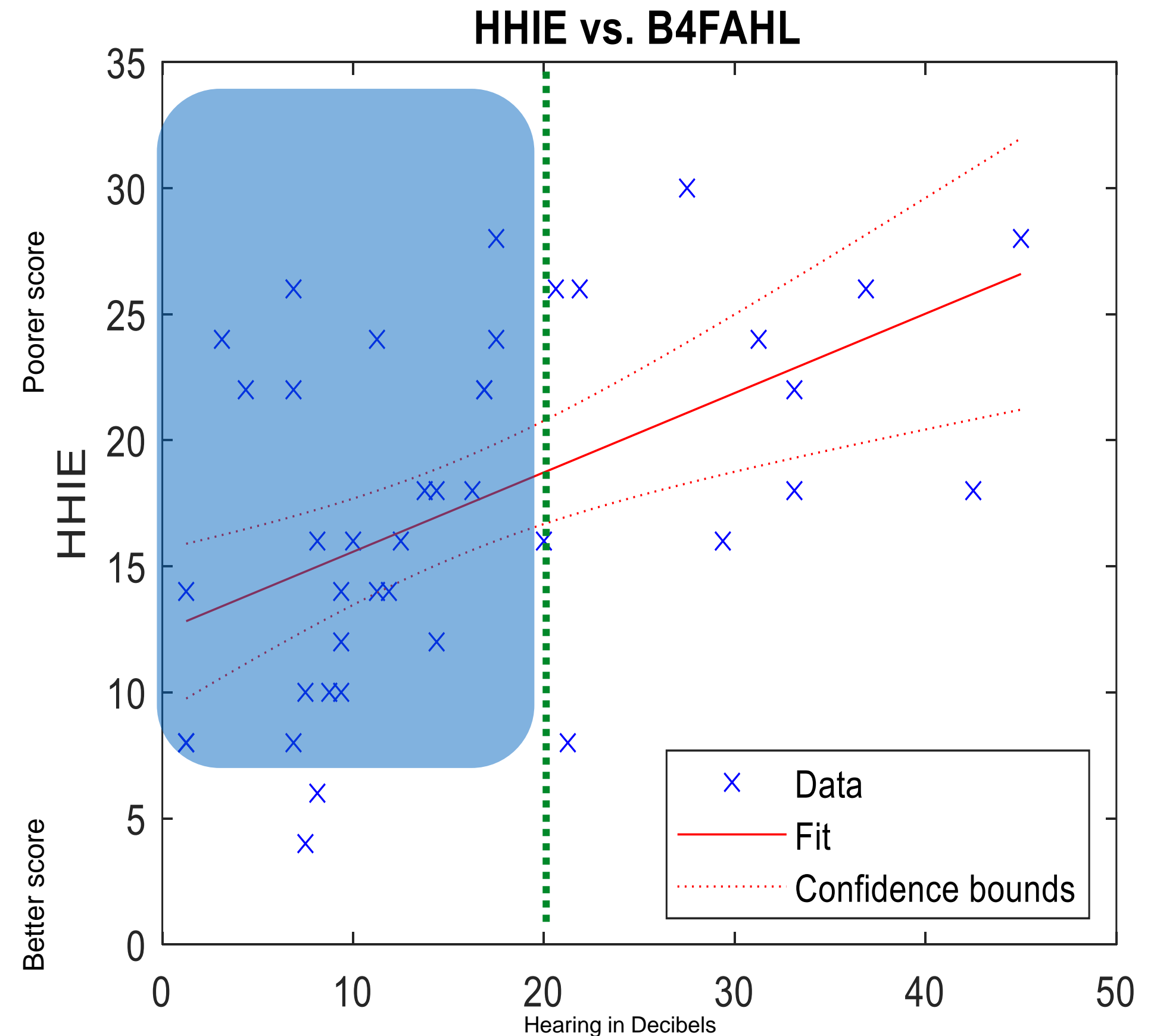
- OTC HA US indication: Perceived mild to moderate hearing loss
- 63% of participants identified as self-reported perceived HL
- Lowest group had moderate HL 4%



Nuheara is only company that has clinically validated the perceived hearing loss opportunity



Uniquely able to target the full spectrum of perceived to moderate hearing loss



Nuheara FDA reviewed data evidence



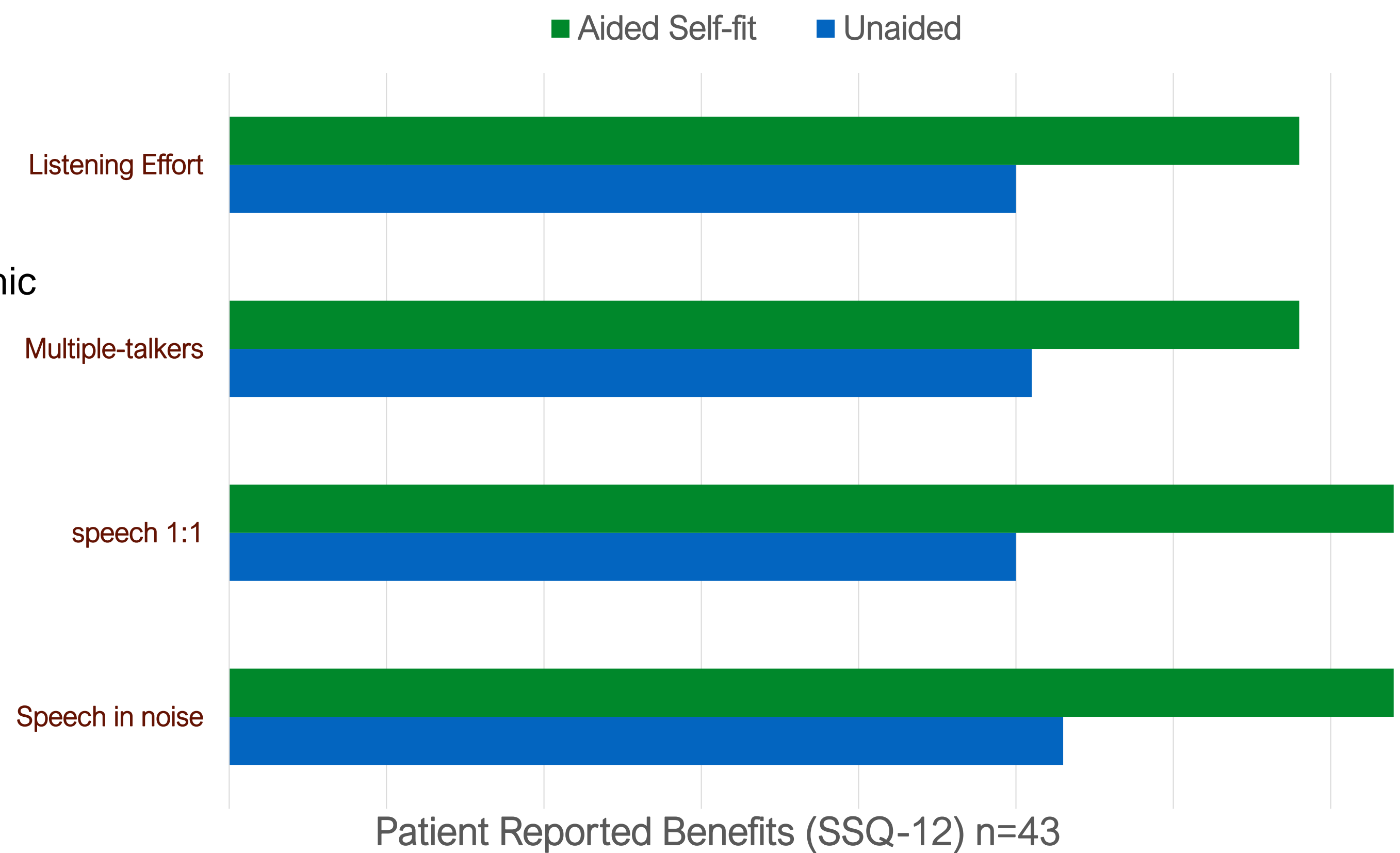
Compelling Clinically Proven Customer Benefits



Nuheara's Real-world benefit

- Reduced listening effort (18% reduced effort vs 11% industry sample)
- Reduced annoyance of background sounds
- 30% improvement understanding speech in dynamic multi-talker babble.
- Improved communicating
 - multiple talkers (17%)
 - 1:1 conversations (24%)
 - in noisy environments (21%)

Nuheara's clinical data results



For personal use only



Future landscape



Regulatory Strategy

- Commercialise in multiple jurisdictions
- Continue Direct-to-consumer
- Customer focus not professional need
- Reimagine professional solutions
- Expansion of distribution



Agenda

01	Overview	02
02	Regulatory Market & Clinical Validation	09
03	Financial Insights	15
04	Summary	19



Compelling Financial Trajectory Now Visible



Revenue Growth Potential

- Huge TAM: US >USD \$11bn plus 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 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 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 material additional returns with limited incremental spend



Highly Scalable Cost Base

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

Financial Trajectory (1)

Key drivers:

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

Key considerations:

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

Revenue

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

For personal use only



Financial Trajectory (2)

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 highly 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\$5.7m / Cash flow A\$5.9m
- Highly 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)

For personal use only



Agenda

01	Overview	02
02	Regulatory Market & Clinical Validation	09
03	Financial Insights	15
04	Summary	19



A global hearing healthcare technology company that is changing lives through the consumerisation of hearing



The Global Hearing Aid Market is on the cusp of major disruption



Nuheara is well placed to capitalize on this opportunity with 8 years end to end hearing experience from R&D, Product Development and hearing retail experience



Nuheara's Self-fit technology is allowing product placement in mainstream retail not exclusive clinics



US FDA Cleared OTC Hearing Aids are lowering price points and increasing accessibility for 68+M consumers in the US



Low hearing aid brand awareness creates an opening for a leading global brand like HP Hearing PRO by Nuheara



From October 2023, HP Hearing PRO will be available in approximately 5,000 points of sale including Walmart and Best Buy at consumer compelling price point



Realtek Partnerships redefines a broader opportunity for Nuheara:



Chip innovation places Nuheara on equal footing with hearing aid companies from a technology perspective



OEM opportunities with Realtek ecosystem to drive B2B revenue streams

Clear path to sustainable profitability



Thank you
Questions?

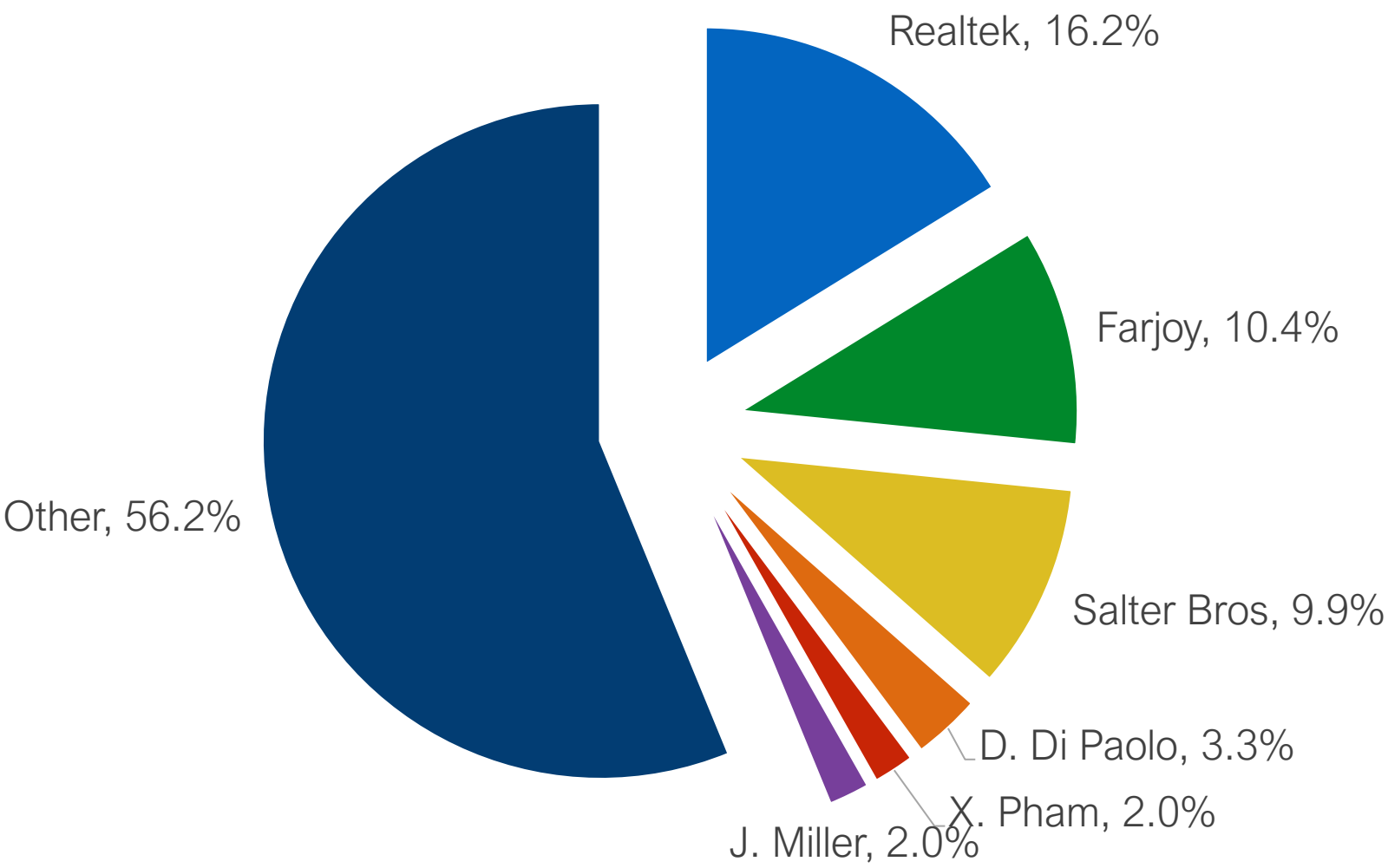


Appendix: Corporate Profile

Company Details

ASX Ticker	NUH
Ordinary Shares on issue (m)	203.5
Unlisted Options (m)	7.1
Share Price \$ (AUD) 1 Sep 2023	0.175
Market Capitalisation \$m (AUD)	36
Cash at 30 June 2023 \$m (AUD)	2.3

Shareholder base includes key cornerstone investors



Price chart (1 year)

