



ASX Announcement

Release Date: 9 April 2024



Nuheara initiates a Strategic Review, supported by \$1.85 million capital raise

HIGHLIGHTS

- The Board has commenced a Strategic Review, with M&A considered the most appropriate strategy for the next phase of its evolution
- The Company has secured commitments for \$1.85 million in additional equity capital via a placement of shares to shareholders to support the completion of the Strategic Review
- Following completion of the capital raise it is the Company's intention to seek to secure a return of its equity to trading on ASX, subject to satisfying all requirements of ASX

PERTH, AUSTRALIA: The Board of **Nuheara Limited** (ASX:NUH) (**Nuheara** or the **Company**) today announces that it has initiated a Strategic Review to evaluate and determine its future strategic options and has secured commitments for \$1.85 million (before costs) in additional funding to support this process.

STRATEGIC REVIEW

Following the successful launch of its FDA-approved OTC hearing aid; the securing of a substantial US retail footprint; and the imminent completion of its next generation product, the Company is now positioned to evolve to its next phase. This phase will require significant levels of sales and marketing investment, including in expanded internal resources and capabilities. It is the Board's view that M&A will be required to achieve this evolution, given the Company's current resources and capital. The Board is confident that the business' unique R&D capability, encompassing medical device, hearing and consumer electronics industry, can realise value for shareholders via M&A.

As part of this process the business is shifting its strategy and will therefore be restructuring its investment levels, including limiting new production and marketing spend, with a prioritisation on the completion of the new chip development with Realtek and the next generation of HP Hearing PRO product. While this reduced investment will limit sales and revenue of our current generation product, it reduces the level of additional external capital expected to be required to complete the Strategic Review process.

Azure Capital Pty Ltd has been appointed as advisor to assist with the Strategic Review, including assisting with discussions relating to potential M&A.

CAPITAL RAISE

The Company has received firm commitments to raise \$1.85 million (before costs) through a placement of fully paid ordinary shares (**Shares**) to sophisticated and professional investors at \$0.06 per Share (the **Placement**). The issue price of \$0.06 per Share represents a 23% discount to the Company's 15-day volume weighted average Share price (**VWAP**). The Placement, majority supported by current Nuheara shareholders, will result in 30,838,873 new Shares being issued, with Placement participants also receiving one (1) free attaching option for each three (3) new Shares subscribed for. The 10,279,624 options will have an exercise price of \$0.11 per option and a 90-day expiration date from the date of issue (**Options**).

The Placement and issue of associated Options are being undertaken under the Company's existing ASX Listing Rule 7.1 and 7.1A placement capacity. A total of 10,279,624 Options and 7,261,298 Shares will be issued under the Company's available ASX Listing Rule 7.1 placement capacity and a total of 23,577,575 Shares will be issued under the Company's available ASX Listing Rule 7.1A placement capacity.

Nuheara's investment advisor to the Placement was Intuitive Pty Ltd (**Intuitive**). Intuitive will receive a fee of 3.5% of the total funds raised in the Placement which is payable through issue of 1,065,252 new Shares at a deemed issue price of \$0.06 per Share and 355,084 free attaching Options issued on the same terms and conditions as the Placement. These securities will be issued under the Company's existing ASX Listing Rule 7.1 placement capacity.

Settlement of the Placement is expected to take place on or about Thursday, 11 April 2024, with allotment of the new Shares and Options on or about Friday, 12 April 2024.

Following completion of the capital raising, it is the Company's intention to seek to secure a return of its Shares to trading on the ASX, subject to satisfying all requirements of ASX.

-ENDS-

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ABOUT NUHEARA

Nuheara is a medical device company with smart hearing technology, designed to change people's lives by enhancing the power to hear. As a global pioneer in Hearable products, Nuheara has developed proprietary, multi-functional, personalised intelligent hearing devices that augments a person's hearing. Nuheara is headquartered in Perth, Australia and was the first consumer wearables technology company to be listed on the Australian Stock Exchange (ASX).

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 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/>.