

Tech hopeful's collapse sparks ownership battle

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A group of shareholders in failed ASX-listed technology firm Nuheara are battling to resurrect the once-promising hearing device maker, but must first defeat a legal challenge from \$14 billion Taiwanese semiconductor giant Realtek.

Perth-based Nuheara collapsed into administration last August after it was unable to refinance a \$2.5 million loan from Realtek, which was its largest shareholder, amid struggling sales and consistent losses.

A group of Australian investors led by its second-largest shareholder, Sydney barrister Tim Robertson, thought it had secured a deal to buy Nuheara's assets from administrators KPMG in March, but Realtek says it wants to buy them.

Founded by Justin Miller and David Annington in 2015, Nuheara makes wireless earbuds, aimed at general consumers and the hard of hearing.

It had patented technology that

blocks out background noise while amplifying conversations, and more recently developed low-cost hearing aids that were sold over the counter in US retail chains Walmart and Best Buy.

As well as being its biggest investor, Realtek supplied the chips for Nuheara's earbuds.

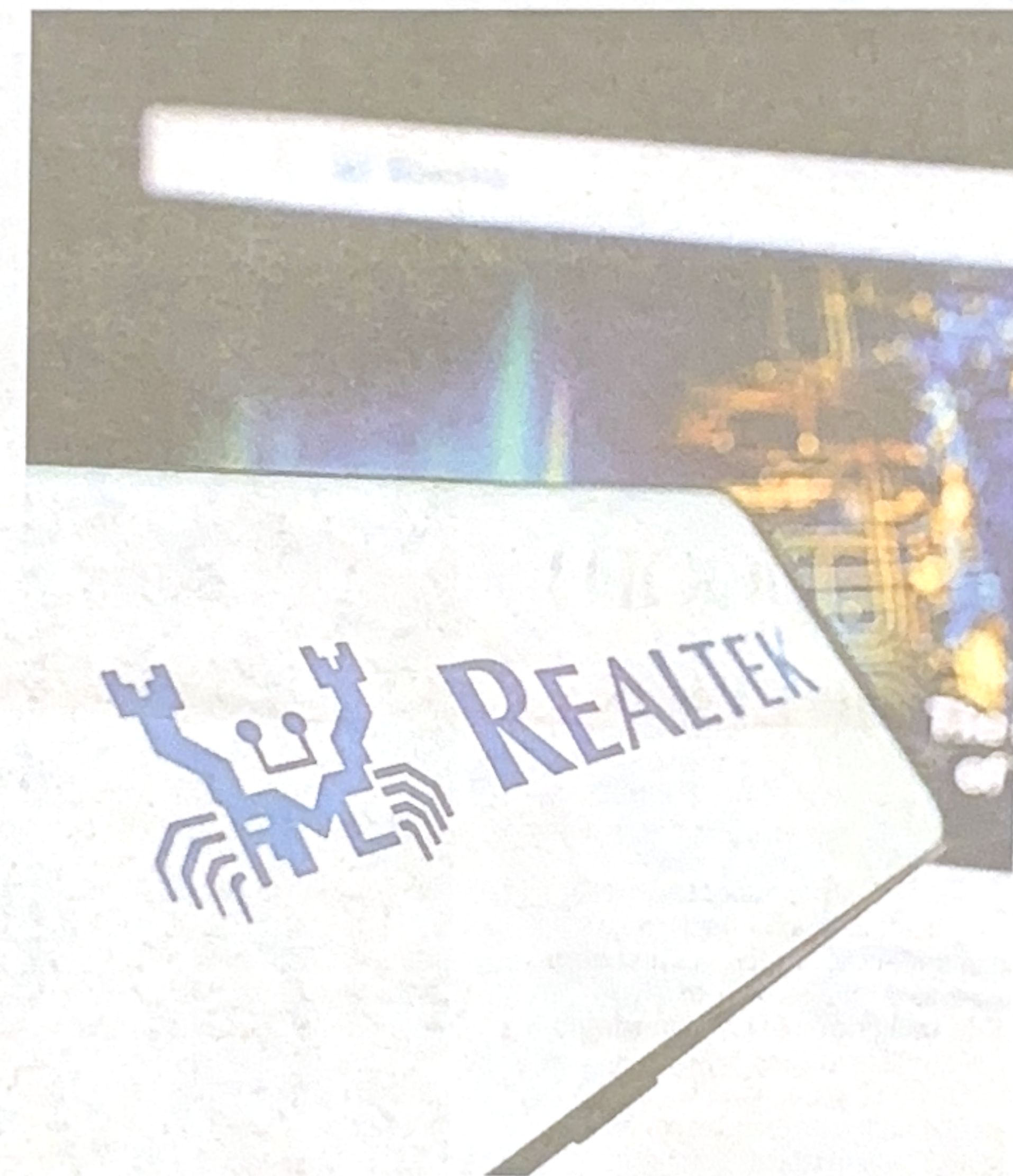
It is disputing a Federal Court decision in March, which approved the sale to Robertson's syndicate.

The collapse was a major fall from grace for a company that won the 2020 AFR BOSS Best Product Innovation award and appeared on the cover of *Time* magazine's Best Inventions 2020 edition.

After listing on the ASX in 2016 through a reverse takeover of Wild Acre Metals, it became the target of an \$84 million takeover bid from tech giant Samsung in 2019.

However, Nuheara was never profitable, and its revenue fell from \$3.9 million in 2022 to just \$772,000 in 2024.

It struggled badly during the COVID-19 pandemic, when its factories were



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shut down, before supply-chain delays hit its manufacturing.

The debt to Realtek came from a \$2.5 million convertible note in 2022,

which was set to either convert into Nuheara shares or be repaid last September. At the time, the companies also signed an agreement to jointly

develop a chip for its next generation of hearing aids. It entered administration when it could not repay the loan, but Nuheara executives blamed Realtek for failing to negotiate a new commercial agreement, which they claimed would have allowed it to raise further capital.

Robertson and a syndicate of shareholders, operating under the name Orecchio – the Italian word for ear – offered Realtek \$500,000 to relinquish its secured creditor status, as well as 47.6¢ in the dollar for all unsecured creditors and ongoing employment for staff.

In response, Realtek lodged an injunction in the Federal Court to stop the sale and put forward its own proposal. The chipmaker would forgive its debt and pay unsecured creditors 55¢ in the dollar in exchange for the company's assets.

Orecchio scored an early victory when the Federal Court allowed its purchase to proceed in March. The decision set aside Realtek's registered security on the basis the deal would provide a better return to Realtek and fellow creditors than liquidation.

Robertson, alongside another major Nuheara shareholder, Daniel Di Paolo, then convinced the majority of creditors to back their proposal over Realtek's offer. To sweeten the deal, they promised to keep the operations in Australia, and pay creditors an extra 20¢ on the dollar if they can turn a profit or sell the company in its first year of operation.

The matter returns to court this week, but administrators have warned the outcome of Realtek's appeal may be delayed until the end of 2025 or later.