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ASX ANNOUNCEMENT

NUHEARA UNDERTAKES CAPITAL RAISING TO SUPPORT EXPANSION WITH US RETAILERS

10 OCTOBER 2023

Key highlights

- Pro rata accelerated non-renounceable entitlement offer to raise approximately \$10.0 million (before costs) if fully subscribed
- The entitlement offer prioritises participation by existing shareholders, and if shareholders participate for their full entitlement, they will not be diluted by the current raising
- Funding to support expansion with several US retailers, including Walmart, with over 4,800 US stores retailing Nuheara's HP Hearing PRO this month, and 5,000 targeted before the end of 2023
- Nuheara's Board fully supports the Entitlement Offer and certain eligible Directors have agreed to participate

Nuheara Limited (ASX: NUH, "**Nuheara**" or the "**Company**") is pleased to announce that with the Company now commercialising its unique medical device technology, it is undertaking a 1-for-2.64 pro-rata accelerated non-renounceable entitlement offer of approximately \$10.0 million ("**Entitlement Offer**") of new fully paid ordinary shares in Nuheara ("**New Shares**") at an offer price of \$0.13 per New Share ("**Offer Price**") to support its expansion with US retailers.

It is expected that approximately 77.1 million New Shares will be issued under the Entitlement Offer (comprising approximately 37.9% of Nuheara's existing issued capital as at today's date). All New Shares issued under the Entitlement Offer will rank equally with existing ordinary shares.

The Offer Price represents a:

- 2.7% discount to the theoretical ex-rights price ("**TERP**" of \$0.1336); and
- 3.7% discount to the last close price of Nuheara shares of \$0.1350 on Monday, 9 October 2023.

The Entitlement Offer will be open between 7:00am (AWST), Tuesday, 17 October 2023 and 5:00pm (AWST), Monday, 30 October 2023 to all existing shareholders at the Record Date (defined below) residing in Australia or New Zealand. Eligible shareholders can participate in the Entitlement Offer by following the instructions set out in their personalised Entitlement and Acceptance Form.

The Entitlement Offer prioritises participation by existing shareholders and if shareholders participate for their full entitlement, they will not be diluted by the current raising.

The Entitlement Offer is lead managed by Bell Potter Securities Limited ("**Bell Potter**" or the "**Lead Manager**").

Purpose of the Entitlement Offer

The Entitlement Offer strengthens Nuheara's capability to execute on its accelerated US expansion and expected future opportunities. The proceeds of the Entitlement Offer will be used to fund:

- Working capital to support increased inventory sale ramp, given the materially increasing production ahead;

- Sales and marketing investment required to further expand points-of-sale, including in-store displays and advertising that is expected to drive sales;
- External pre-launch cost for Nuheara's next generation single-chip product which is expected to be launched in January 2024; and
- Costs of the Entitlement Offer.

Details of the Entitlement Offer

Eligible existing shareholders will be entitled to subscribe for 1 New Share for every 2.64 existing shares ("**Entitlement**") held as at 4.00pm (AWST) on Thursday, 12 October 2023 ("**Record Date**"). All New Shares issued under the Entitlement Offer will be issued at the Offer Price.

Institutional Entitlement Offer

Eligible institutional and sophisticated shareholders will be invited to participate in the institutional component of the Entitlement Offer ("**Institutional Entitlement Offer**"), which is being conducted today, Tuesday, 10 October 2023.

Eligible institutional shareholders can choose to take up all, part or none of their Entitlement. Institutional Entitlements cannot be traded on ASX or any other exchange, nor can it be privately transferred.

Institutional Entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and institutional Entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to other institutional and sophisticated investors at the Offer Price under an institutional shortfall bookbuild.

Nuheara shares will remain in a trading halt pending completion of the Institutional Entitlement Offer ("**Institutional Offer**").

Retail Entitlement Offer

Eligible retail shareholders with a registered address in Australia or New Zealand as at 4.00pm (AWST) on the Record Date, not being persons residing in the United States of America (**US**) or acting for the account or benefit of persons in the U.S. ("**Eligible Retail Shareholders**") will be invited to participate in the retail component of the Entitlement Offer ("**Retail Entitlement Offer**") at the same Offer Price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open at 7.00am (AWST) on Tuesday, 17 October 2023 and close at 5.00pm (AWST) on Monday, 30 October 2023.

The Retail Entitlement Offer will be made under a transaction specific prospectus issued under section 713 of the *Corporations Act 2001* (Cth) ("**Prospectus**"). The Prospectus will be lodged with ASIC and the ASX on Tuesday, 10 October 2023 and will be dispatched to Eligible Retail Shareholders, along with personalised acceptance forms, on Tuesday, 17 October 2023.

In addition to each Eligible Retail Shareholder's Entitlement under the Retail Entitlement Offer, Eligible Retail Shareholders will be offered the opportunity to apply for additional New Shares ("**Shortfall Shares**") under a shortfall offer ("**Shortfall Offer**"). Eligible Retail Shareholders are not assured of being allocated any Shortfall Shares in excess of their Entitlement under the Shortfall Offer. Shortfall Shares allocated under the Shortfall Offer will be allocated in accordance with the allocation policy outlined in the Prospectus. The Company and the Lead Manager retain absolute discretion regarding allocation under the Shortfall Offer.

If Eligible Retail Shareholders take no action, they will not be issued New Shares and their Entitlements will lapse. Eligible Retail Shareholders who do not take up their Entitlements in full under the Retail Entitlement Offer will not receive any value or payment for those entitlements they do

not take up. The Retail Entitlement Offer is non-renounceable and cannot be traded on ASX or any other exchange, nor can it be privately transferred.

The terms and conditions under which Eligible Retail Shareholders may apply are outlined in the Prospectus.

Existing Shareholders with a registered address outside Australia or New Zealand on the Record Date or who are acting for the account or benefit of persons in the U.S. will be ineligible to participate in the Retail Entitlement Offer, other than persons that Nuheara has (with the prior written agreement of the Lead Manager in their absolute discretion) determined in its discretion are Eligible Retail Shareholders.

Director participation

The Nuheara Board fully supports the Entitlement Offer and certain eligible Company Directors have agreed to participate in the Entitlement Offer.

Indicative timetable

Event	Time and Date
Trading halt, announcement of the Entitlement Offer	Tuesday, 10 October 2023
Institutional Offer opens	Tuesday, 10 October 2023
Announcement of results of Institutional Offer	Thursday, 12 October 2023
Trading halt lifted – Shares recommence trading on ASX on an “ex-entitlement” basis	Thursday, 12 October 2023
Record Date for determining entitlement to subscribe for New Shares	4:00pm (AWST), Thursday, 12 October 2023
Prospectus dispatched and Retail Entitlement Offer opens	7:00am (AWST), 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	5:00pm (AWST), 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

Note: This timetable is indicative only and may be subject to change without notice to, or consultation with, you. Nuheara reserves the right to amend any or all of these dates and times subject to the *Corporations Act 2001* (Cth), the ASX Listing Rules and other applicable laws. In particular, Nuheara reserves the right to extend the closing date for the Institutional Entitlement Offer or the Retail Entitlement Offer, to accept late applications under the Institutional Entitlement Offer or the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Institutional Offer or the Retail Entitlement Offer without prior notice. Any extension of the closing date for the Institutional Offer or the Retail Entitlement Offer will have a consequential effect on the allotment date of New Shares. Nuheara also reserves the right not to proceed with the Entitlement Offer in whole or in part at any time prior to allotment and issue of the relevant New Shares. In that event, the relevant application monies (without interest) must be returned in full to applicants.

Additional details

Additional information regarding the Entitlement Offer is contained in the investor presentation released to the ASX today. The investor presentation contains important information that

shareholders should consider, including information about the risk factors and the foreign selling restrictions with respect to the Entitlement Offer.

The Prospectus is available on ASX and will be made available to eligible shareholders.

You should seek appropriate professional advice before making any investment decision. If you have any questions about the Entitlement Offer, please contact the Company via email on investor-relationships@nuheara.com or the Company Secretary by telephone on + 61 8 6555 9999 between 8.30am and 5.30pm (AWST), Monday to Friday during the Retail Offer Period.

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This announcement was authorised for release by the Co-Founder and Managing Director of Nuheara Limited. All dollar amounts are in Australian dollars unless otherwise indicated.

FOR FURTHER INFORMATION PLEASE CONTACT:

Authorised by:

Justin Miller
Co-Founder and Managing Director
Ph: +61 8 6555 9999
Email: justin.miller@nuheara.com

Investors:

Ronn Bechler, Automic Markets
Ph: +61 4 0000 9774
Email: ronn.bechler@automicgroup.com.au

ABOUT NUHEARA LIMITED

Nuheara is a 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 and was the first consumer wearables technology company to be listed on the Australian Securities 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 October 2022, Nuheara received an FDA 510(k) certification for its self-fit hearing aid, having previously signed a worldwide trademark licensing agreement with HP Inc to sell Nuheara 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/>.

Important Notices Forward looking statements

This announcement contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of Nuheara, its directors and management. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based. These statements may assume the success of Nuheara's business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, none of Nuheara, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. The forward-looking statements are based on information available to Nuheara as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), none of Nuheara, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

Not an offer in the United States

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the U.S. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the U.S. or in any other jurisdiction in which such an offer would be illegal. Any securities described in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**US Securities Act**") or the securities laws of any state or jurisdiction of the U.S.. Accordingly, the securities described in this announcement may not be offered or sold, directly or indirectly, in the U.S. except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the U.S..

Own enquiries

Investors should make and rely upon their own enquiries before deciding to acquire or deal in Nuheara's securities.

Involvement of the Lead Manager

Neither the Lead Manager nor its related bodies corporate and affiliates, and each of its respective officers, directors, partners, employees, consultants, contractors, agents and advisers ("**Beneficiaries**"), have authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this announcement and nor do they make any recommendation as to whether any

potential investor should participate in the Entitlement Offer. There is no statement in this announcement which is based on any statement made by the Lead Manager or any other Beneficiary. To the maximum extent permitted by law, the Lead Manager and the Beneficiaries expressly disclaim all liabilities (including for fault, negligence, or negligent misstatement) in respect of, and take no responsibility for, any part of this announcement, and make no representation or warranty (whether express or implied) regarding any part of this announcement, including as to the fairness, currency, accuracy, timeliness, reliability or completeness of any information in this announcement (including the accuracy, likelihood of achievement or reasonableness of any forecast returns, yields, future income or other statements in relation to future matters nor that the Information or this website contains all material information about Nuheara or which a prospective investor may require in evaluating a possible investment in Nuheara).

Neither the Lead Manager nor the Beneficiaries make any recommendation as to whether any potential investor should participate in the Entitlement Offer. Further, neither the Lead Manager or the Beneficiaries accept any fiduciary obligations to or duty of care to or relationship with any investor or potential investor in connection with the Entitlement Offer or otherwise, and by accessing this announcement each recipient expressly disclaims any such fiduciary relationship and agrees that it is responsible for making its own independent judgements with respect to the Entitlement Offer and any other transaction or other matter arising in connection with this announcement.

The Lead Manager and the Beneficiaries may, from time to time, have interests in the new securities under the Entitlement Offer or other securities of Nuheara, including providing corporate advisory or other financial advisory services to Nuheara and/or managing the offering of such New Shares under the Entitlement Offer. Further, they may have long or short positions in, act as market maker or buy or sell those securities or associated derivatives as principal or agent. Such persons may receive fees or other benefits for engaging in these activities. A Beneficiary may act as a lender and/or counterparty to Nuheara or its affiliates and may or now in the future provide financial accommodation or services to Nuheara or its affiliates.

Determination of eligibility of investors

Determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Nuheara and/or the Lead Manager. To the maximum extent permitted by law, Nuheara, the Lead Manager, and the Beneficiaries each disclaim any duty or liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) in respect of the exercise of that discretion or otherwise. The Lead Manager may rely on information provided by or on behalf of institutional investors in connection with managing or, conducting the Entitlement Offer without the Lead Manager or the Beneficiaries having independently verified that information and the Lead Manager and the Beneficiaries do not assume responsibility for the fairness, currency, accuracy, timeliness, reliability or completeness of the information (including the accuracy, likelihood of achievement or reasonableness of any forecast returns, yields, future income or other statements in relation to future matters nor that the Information or this website contains all material information about Nuheara or which a prospective investor may require in evaluating a possible investment in Nuheara).

General

This announcement is subject to the same “**Disclaimer**” that appears on slide 2 of the investor presentation released to the ASX today with any necessary contextual changes.

Financial Data

The pro-forma financial information included in this announcement is for illustrative purposes and does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the United States Securities and Exchange Commission.

Certain financial data included in this announcement is "non-IFRS financial information" under ASIC Regulatory Guide 230 Disclosing non-IFRS financial information published by ASIC and also "non-GAAP financial measures" within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, and are not recognised under AAS and International Financial Reporting Standards (IFRS).

Non-IFRS/non-GAAP measures in this announcement are not subject to audit and include EBITDA and EBIT. Readers are cautioned, therefore, not to place undue reliance on any non-IFRS/non-GAAP financial information and ratios included in this announcement.