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**NUHEARA LIMITED
ACN 125 167 133**

PROSPECTUS

For an accelerated non-renounceable entitlement offer to Eligible Shareholders of up to approximately 77.1 million New Shares at an issue price of \$0.13 per New Share on the basis of 1 New Share for every 2.64 Shares held, to raise up to approximately \$10 million (before costs).

The Retail Entitlement Offer closes at 5.00pm (AWST) on Monday, 30 October 2023 (unless extended).

IMPORTANT NOTICE

This is an important document and requires your immediate attention. This Prospectus is a 'transaction specific prospectus' prepared in accordance with section 713 of the Corporations Act. Accordingly, this Prospectus does not of itself contain the same level of disclosure as an initial public offering prospectus. You should read this Prospectus (including the 'Risk Factors' in Section 6) in its entirety before deciding whether to apply for New Shares. If you do not understand any part of this Prospectus, or have any questions about the New Shares, you should consult your stockbroker, accountant, solicitor or other professional adviser. Before making any investment decision, you should have regard to all publicly available information concerning the Company. An investment in the securities offered under this Prospectus should be considered highly speculative in nature.

IMPORTANT INFORMATION

General

This Prospectus is dated, and was lodged with ASIC on, 10 October 2023. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No New Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

The Company will apply to ASX within seven days of the date of this Prospectus for Official Quotation by ASX of the New Shares offered under this Prospectus.

A copy of this Prospectus is available for inspection at the registered office of the Company at 190 Aberdeen Street, Northbridge WA 6003 during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (refer to Section 7.4). Eligible Shareholders can obtain a copy of this Prospectus during the period of the Entitlement Offer from the Company's website.

No person or entity is authorised to give any information or to make any representation in connection with the Entitlement Offer which is not contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Entitlement Offer.

Foreign Jurisdictions

This Prospectus does not, and is not intended to, constitute an offer of New Shares in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons outside of Australia and New Zealand should observe such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. Refer to Section 2.20 for further details.

Notice to nominees and custodians

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident in other jurisdictions are responsible for ensuring that taking up any New Shares does not breach regulations in the relevant jurisdiction.

Transaction Specific Prospectus

This is a 'transaction specific prospectus' of 'continuously quoted securities' (as defined in the Corporations Act) of the Company to which the special content rules under section 713 of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73) apply. This allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of this Prospectus. In general terms, 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offering of securities.

Exposure period

No exposure period applies to the Offers.

Speculative investment

An investment in the New Shares should be considered highly speculative. Refer to Section 6 for details of the key risks applicable to an investment in the Company.

Persons wishing to apply for New Shares should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company and the rights and liabilities attaching to New Shares.

This Prospectus does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, their individual risk profile for speculative investments, investment objectives and individual financial circumstances. If persons considering applying for New Shares have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser.

There is no guarantee that New Shares will make a return on the capital invested, that dividends will be paid on the New Shares or that there will be an increase in the value of the New Shares in the future.

Forward-looking statements

This Prospectus contains certain forward-looking statements including, but not limited to, projections, estimates, the outcome and effects of the Entitlement Offer and the use of proceeds and the future performance and financial position of Nuheara. Forward looking statements include those containing words such as: "anticipate", "believe", "expect", "estimate", "should", "will", "plan", "could", "may" "intends", "guidance", "project", "forecast", "target", "likely", "continue", "objectives" and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, the outcome and effects of the Entitlement Offer, the use of the Entitlement Offer proceeds, certain plans, strategies and objectives of management, the expected financial performance and position of Nuheara. Any forward-looking statements, opinions and estimates provided in this Prospectus are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of Nuheara and its officers, employees, agents, associates and advisers. This includes any 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. Past performance is not a guide to future performance. Readers are cautioned not to place undue reliance on forward looking statements. Actual results may differ materially from those expressed or implied in such statements. Except as required by law or regulation (including the Listing Rules), Nuheara undertakes no obligation to update these forward-looking statements or to provide any other additional or updated information whether as a result of new information, future events or results or otherwise.

To the maximum extent permitted by law, Nuheara and its officers, employees, agents, associates and advisers do not make any representation or warranty, express or implied as to the currency, accuracy, reliability or completeness of any forward-looking statements, or the likelihood of fulfilment of any forward looking statement, and disclaim all responsibility and liability for the forward looking statements (including, without limitation, liability for negligence). Refer to the "Risks" detailed in Section 6 for a summary of certain risk factors that may affect Nuheara. There can be no assurance that actual outcomes will not differ materially from the forward-looking statements. The forward-looking statements are based on information available to Nuheara as at the date of this Prospectus.

Website

Any references to documents included on the Company's website or the ASX website are for convenience only, and none of the documents or other information available on those websites is incorporated in this Prospectus by reference.

Diagrams

Any diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

Currency

All financial amounts contained in this Prospectus are expressed as Australian dollars unless otherwise stated.

Rounding

Any discrepancies between totals and sums and components in tables contained in this Prospectus are due to rounding.

Time

All references to time in this Prospectus are references to AWST, unless otherwise stated.

Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the glossary of terms in Section 9.

CORPORATE DIRECTORY

Directors

The Hon Cheryl Edwardes AM – Non-Executive Chair

Mr Justin Miller – Managing Director and Chief Executive Officer

Mr David Cannington – Non-Executive Director

Mr David Buckingham – Non-Executive Director

Ms Kathryn Giudes – Non-Executive Director

Mr Yean-Shao Liu (Leroy Liu) – Non-Executive Director

Company Secretary

Ms Susan Park

Registered Office

190 Aberdeen Street
Northbridge WA 6003

Telephone: (08) 6555 9999

Email: investor-relations@nuheara.com

Website: www.nuheara.com

ASX Code: NUH

Lawyer

Thomson Geer
Level 29, Central Park Tower
152-158 St Georges Terrace
Perth WA 6000

Lead Manager

Bell Potter Securities Limited
Level 29, 101 Collins Street
Melbourne VIC 3000

Share Registry

Computershare Investor Services Pty
Limited
Level 11, 221 St Georges Terrace
Perth WA 6000

Phone (within Australia): 1300 850 505

Phone (outside Australia): +61 3 9415 4000

INDICATIVE TIMETABLE

Event	Date
Lodge Trading Halt notice	Tuesday, 10 October 2023
Announcement of Entitlement Offer	Tuesday, 10 October 2023
Lodgment of Prospectus with ASIC and released to ASX	Tuesday, 10 October 2023
Conduct Institutional Entitlement Offer	Tuesday, 10 October 2023 to Thursday, 12 October 2023
Trading Halt ceases	Thursday, 12 October 2023
Announce results of Institutional Entitlement Offer	Thursday, 12 October 2023
Record Date	4.00pm (AWST) Thursday, 12 October 2023
Despatch of Prospectus and Entitlement and Acceptance Form and announcement that despatch completed	Tuesday, 17 October 2023
Retail Entitlement Offer opens (Opening Date)	Tuesday, 17 October 2023
Settlement of Institutional Entitlement Offer	Tuesday, 17 October 2023
Issue of New Shares under the Institutional Entitlement Offer	Wednesday, 18 October 2023
Retail Entitlement Offer closes (Closing Date)	5.00pm (AWST) Monday, 30 October 2023
Announcement of results under Retail Entitlement Offer	Thursday, 2 November 2023
Settlement of Retail Entitlement Offer	Friday, 3 November 2023
Issue of New Shares under the Retail Entitlement Offer	Monday, 6 November 2023
Normal trading of New Shares issued under the Retail Entitlement Offer expected to commence on ASX	Tuesday, 7 November 2023

The above timetable is indicative only and subject to change. Subject to the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date, without prior notice. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the New Shares. The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer at any time prior to allotment. In that event, the relevant Application Monies will be returned without interest.

CHAIRPERSON'S LETTER

10 October 2023

Dear Shareholder

On behalf of the Board of Nuheara Limited, I invite you to participate in a 1 for 2.64 accelerated non-renounceable pro-rata entitlement offer anticipated to raise approximately \$10 million.

Under the Entitlement Offer, eligible Nuheara shareholders as at the record date of 4.00pm (AWST) on 12 October 2023 will have the opportunity to subscribe for New Shares at an issue price of \$0.13 per New Share.

The proceeds of the Entitlement Offer will be applied principally 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; and
- 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.

Offer details

As outlined above, the Entitlement Offer comprises a 1 for 2.64 accelerated non-renounceable entitlement offer at an issue price of \$0.13 per New Share. The Entitlement Offer comprises the Institutional Entitlement Offer and the Retail Entitlement Offer. New Shares issued under the Entitlement Offer will rank equally with existing shares in all respects.

The Offer Price represents a discount of approximately 3.7% to the closing price of ordinary shares in the Company on ASX on 9 October 2023 (being the last day Shares were traded on ASX before the date of this Prospectus).

Eligible Shareholders under the Entitlement Offer can choose to take up all, part or none of their Entitlement. The Institutional Entitlement Offer will open on 10 October 2023 and close on 12 October 2023. The Retail Entitlement Offer will open on 17 October 2023 and close at 5.00pm (AWST) on 30 October 2023. There is also an opportunity for Eligible Retail Shareholders to apply for more than their Entitlement as part of the Shortfall Offer outlined in Section 2.9. Further information about how to take up all or part of your Entitlement is detailed in Section 3.

Further information

Further information and application instructions for the Entitlement Offer, as well as the risks associated with investing in the Entitlement Offer are detailed in this Prospectus which you should read carefully and in its entirety.

If you have any questions in relation to the Entitlement Offer, please contact Nuheara on (08) 6555 9999 from 9.00am to 5.00pm (AWST), Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

On behalf of the Board of Nuheara, I invite you to consider this investment opportunity and thank you for your continued support.

Yours faithfully,



The Hon Cheryl Edwardes AM
Chairperson

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1. Investment Overview

This Section is not intended to provide full information for investors intending to apply for New Shares offered pursuant to this Prospectus. Prospective investors should read this Prospectus in full before deciding whether to invest in New Shares.

Topic	Summary	Further Information
The Entitlement Offer		
What is the Entitlement Offer?	<p>The Entitlement Offer is an accelerated non-renounceable pro rata entitlement offer of New Shares.</p> <p>Under the Entitlement Offer, all Eligible Shareholders are being offered the opportunity to acquire 1 New Share for every 2.64 Shares held at 4.00pm (AWST) on the Record Date at a price of \$0.13 per New Share.</p> <p>The Entitlement Offer comprises the following:</p> <ul style="list-style-type: none">(a) Institutional Entitlement Offer – Eligible Institutional Shareholders will be given the opportunity to take up all or part of their Entitlement. Entitlements under the Institutional Entitlement Offer are non-renounceable. The Lead Manager will provide all Eligible Institutional Shareholders with details of the Institutional Entitlement Offer and how to apply under the Institutional Entitlement Offer at the commencement of the Institutional Entitlement Offer.(b) Retail Entitlement Offer – Eligible Retail Shareholders will be given the opportunity to take up all or part of their Entitlement. Retail Entitlements are also non-renounceable. Eligible Retail Shareholders can also apply for Shortfall Shares in excess of their Entitlement under the Shortfall Offer. There is no guarantee that Eligible Retail Shareholders will be allocated any Shortfall Shares under the Shortfall Offer.	Section 2.1
How much will be raised from the Entitlement Offer?	The Company is seeking to raise approximately \$10 million (before costs) pursuant to the Entitlement Offer.	Section 2
What is the purpose of the Entitlement Offer and how will the funds raised be used?	<p>The Entitlement Offer is being undertaken to fund:</p> <ul style="list-style-type: none">(a) sales and marketing investment required to expand the points-of-sale, including in-store displays & advertising which is expected to drive sales;(b) working capital including materially increasing production ahead of expected increased sales ahead of the business reaching the scale required to generate sustainable profitability; and(c) external pre-launch costs for Nuheara's next generation single-chip product which is expected to	Section 4.1

Topic	Summary	Further Information
	be launched at CES in January 2024 and brought to market in CY2024.	
Is the Entitlement Offer underwritten?	As the date of this Prospectus, the Entitlement Offer is not underwritten.	Sections 2.11 and 7.3
What is my Entitlement?	<p>Each Eligible Shareholder is entitled to subscribe for 1 New Share for every 2.64 Shares held at 4.00pm (AWST) on the Record Date.</p> <p>If you are an Eligible Retail Shareholder, your Entitlement is set out on the personalised Entitlement and Acceptance Form accompanying this Prospectus.</p>	Sections 2.17 and 2.18
What is the Offer Price?	The offer price for new Shares subscribed for under the Entitlement Offer is \$0.13 per New Share.	Section 2
How to Participate in the Entitlement Offer		
Am I an Eligible Institutional Shareholder and able to participate in the Institutional Entitlement Offer?	<p>An Eligible Institutional Shareholder under this Prospectus is anyone who the Lead Manager determines have successfully received an offer to subscribe for New Shares under the Institutional Entitlement Offer on the basis that they are Institutional Investors.</p> <p>If you are an Eligible Institutional Shareholder, you are eligible to participate in the Institutional Entitlement Offer being conducted by the Company.</p> <p>The Lead Manager will provide Eligible Institutional Shareholders with the details of their Entitlements and how to apply under the Institutional Entitlement Offer at the commencement of the Institutional Entitlement Offer.</p>	Sections 2.2 and 2.18
Am I an Eligible Retail Shareholder and able to participate in the Retail Entitlement Offer?	<p>Eligible Retail Shareholders are those Shareholders who:</p> <ul style="list-style-type: none"> (a) as at 4.00pm (AWST) on the Record Date, have a registered address in Australia or New Zealand; (a) are not in the United States and are not, and are not acting for the account or benefit of, a person in the United States; (b) are not an Institutional Shareholder or an Ineligible Institutional Shareholder; and (c) are eligible under all applicable laws to receive an offer under the Entitlement Offer. 	Section 2.17
How do I accept all or part of the Retail Entitlement	If you are an Eligible Retail Shareholder and you wish to take up all or part of your Entitlement, you must pay the full Application Monies via BPAY® or EFT (for Eligible Retail Shareholders with a registered address in New Zealand only) by no later than the 5.00pm (AWST) on the Closing	Section 3

Topic	Summary	Further Information
Offer?	Date.	
Can I withdraw my application?	Cooling off rights do not apply to an investment in New Shares under the Retail Entitlement Offer. You cannot withdraw your payment once it has been accepted unless permitted to do so in accordance with the Corporations Act.	Section 2.16
Can Eligible Retail Shareholders apply for New Shares in excess of their Entitlement?	<p>Yes. Eligible Retail Shareholders may also apply for Shortfall Shares offered under the Shortfall Offer. However, there may be few or no Shortfall Shares available for issue depending upon the level of take up of Entitlements by Eligible Retail Shareholders.</p> <p>The Company reserves the right to issue to an Eligible Retail Shareholder who has applied for Shortfall Shares a lesser number of Shortfall Shares than the number applied for, reject an application or not proceed with the issuing of the Shortfall Shares or part thereof.</p>	Section 2.9
Further details of the Entitlement Offer		
Can I trade my Entitlement?	No, the Entitlement Offer is non-renounceable. This means that the Entitlements of Eligible Retail Shareholders to subscribe for New Shares under this Prospectus are not transferable and there will be no trading of rights on ASX.	Section 2.6
What will be the effect of the Entitlement Offer on the control of the Company?	No New Shares will be issued to any Shareholder pursuant to this Prospectus if, in the view of the Directors, to do so would increase that Shareholder's Voting Power in the Company above 20% or otherwise result in a breach of the Listing Rules, the Corporations Act or any other applicable law.	Sections 4.5 and 4.6
What are the key risks of taking up my Entitlement?		
What are the risks specific to the Company?	<p>Some of the key risks of investing in the Company are detailed below. The list of risks is not exhaustive and further details of these risks and other risks associated with an investment in the Company are detailed in Section 6.</p> <p>(a) Loss making operation, future capital needs and additional funding</p> <p>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.</p> <p>The future capital requirements of the Company will depend on many factors, including the</p>	Section 6

Topic	Summary	Further Information
	<p>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. The Company's ability to borrow money will be subject to the availability of debt at the time the Company wishes to borrow money and the cost of borrowing.</p> <p>Among other adverse outcomes, the risks and uncertainties faced by the Company could result in the Company not achieving its plans or in such plans generating less revenue than expected, costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on the Company's financial and operational performance, including the potential insolvency of the Group.</p>	
	<p>(b) Material uncertainty relating to going concern</p>	
	<p>For the year ended 30 June 2023 the Group has incurred a loss of \$12,619,733 and incurred net operating cash outflows of \$7,480,364. Whilst the Directors believe there are reasonable grounds to believe that the Group will be able to continue as a going concern due to intended strategic plans (refer to the Annual Report for further details), which include completing the Entitlement Offer, due to the risks inherent in executing on these plans there is a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and whether it will be able to pay its debts as and when they fall due, and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the Annual Report.</p>	
	<p>(c) Potential for dilution</p>	
	<p>Upon completion of the Entitlement Offer, assuming no Options or Convertible Notes are exercised or converted prior to 4.00pm (AWST) on the Record Date, the number of Shares in the Company will increase from 203,450,494 to approximately 280,515,076. This increase equates to approximately 37.9% of all the issued Shares 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 \$0.135 on 9 October 2023 is not a reliable indicator</p>	

Topic	Summary	Further Information
	<p>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 by approximately 37.9% (assuming no Options or Convertible Notes are exercised or converted prior to 4.00pm (AWST) on the Record Date) as compared to their holdings and number of Shares on issue at the date of this Prospectus.</p>	
	<p>(d) Future profitability is uncertain</p> <p>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 penetrate its target markets and the growth of the new and nascent OTC hearing aid market in the United States. If the Company fails to increase its market share in its key markets or the hearing aid market does not grow as the Company expects, the Company may never become profitable. Moreover, the level of any profitability cannot be predicted.</p> <p>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.</p>	
	<p>(e) Dependence on key personnel</p> <p>The success of the Company depends on the ability, performance and experience of its key personnel, particularly sector-specialists and employees with significant involvement in the development and delivery of the Company's technology and products. 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.</p> <p>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.</p>	

Topic	Summary	Further Information
	<p>(f) Competition from new entrants</p> <p>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.</p> <p>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.</p> <p>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.</p>	
	<p>(g) Risk of superseding technology</p> <p>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.</p>	
	<p>(h) Loss of key customers</p> <p>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.</p> <p>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.</p>	
	<p>(i) Customer concentration</p> <p>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</p>	

Topic	Summary	Further Information
	customer base, loss of any such key customer may be materially adverse to the Company.	
(j)	<p>Regulatory and accreditation risk</p> <p>The Company has to comply with certain US FDA OTC requirements to remain eligible to supply its products to resellers for sale, including sector specific regulation over medical hearing device standards.</p> <p>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.</p> <p>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.</p>	
(k)	<p>Intellectual property risk</p> <p>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.</p> <p>There can be no assurance that any patents the Company may own or control or licence 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.</p> <p>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.</p>	
(l)	<p>Research and Development Tax risk</p> <p>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</p>	

Topic	Summary	Further Information
	<p>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.</p>	
(m)	<p>Australian Government R&D incentives may change</p> <p>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.</p> <p>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.</p>	
(n)	<p>Information systems and cyber risk</p> <p>The Company is reliant on information technology to operate its business, including in relation to its core systems and networks. Unauthorised third party access or data breaches arising from cyber security threats 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.</p>	
(o)	<p>Product liability risk</p> <p>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.</p> <p>It is possible that product warranty or product liability claims against the Company could arise from defects in products supplied by the Company.</p>	

Topic	Summary	Further Information
	<p>Claims could be made including for product liability or damage or loss arising from defective products.</p> <p>(p) Supplier risk</p> <p>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 supply chain disruption or termination of key agreements with the Company's manufacturers, may have a material adverse effect on the Company (such as the Company's ability to sell provide and drive revenues).</p> <p>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.</p> <p>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.</p> <p>(q) Product price variation</p> <p>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.</p> <p>(r) Disruption of business operations</p> <p>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.</p>	
Further Information		
How can I obtain further information?	Shareholders with registered addresses in Australia or New Zealand can obtain a copy of this Prospectus during the period of the Retail Entitlement Offer on the Company's website at https://www.nuheara.com/ or by calling Nuheara	Section 2.25

Topic	Summary	Further Information
	<p>on (08) 6555 9999 from 9.00am to 5.00pm (AWST), Monday to Friday during the period of the Retail Entitlement Offer.</p> <p>If you access the electronic version of this Prospectus, you should ensure that you download and read the entire Prospectus and that you have received the entire Prospectus accompanied by the relevant Entitlement and Acceptance Form.</p>	

2 Details of the Entitlement Offer

2.1 Entitlement Offer

The entitlement offer is an accelerated non-renounceable pro rata offer of 1 New Share for every 2.64 Shares held by Eligible Shareholders at 4.00pm (AWST) on the Record Date at an issue price of \$0.13 per New Share to raise approximately \$10 million (before costs) (**Entitlement Offer**).

The Entitlement Offer comprises the:

- (a) **Institutional Entitlement Offer** – being an offer to Eligible Institutional Shareholders – refer to Section 2.2 below for further details; and
- (b) **Retail Entitlement Offer** – whereby Eligible Retail Shareholders will be allotted Entitlements under the Retail Entitlement Offer which can be taken up in whole or in part – refer to Section 2.3 below for further details.

Both the Institutional Entitlement Offer and the Retail Entitlement Offer are non-renounceable, meaning that Entitlements cannot be traded on ASX, nor can they be sold, transferred or otherwise disposed of.

All New Shares under the Entitlement Offer will rank equally with the Shares on issue as at the date of this Prospectus. For further information regarding the rights and liabilities attaching to Shares, please see Section 7.1.

2.2 Institutional Entitlement Offer

The Company will conduct the Institutional Entitlement Offer during the period detailed in the Indicative Timetable. Entitlements under the Institutional Entitlement Offer are non-renounceable. The Lead Manager will provide Eligible Institutional Shareholders with the details of their Entitlements and how to apply under the Institutional Entitlement Offer at the commencement of the Institutional Entitlement Offer.

The announcement of the results of the Institutional Entitlement Offer will be made on 12 October 2023. The New Shares offered under the Institutional Entitlement Offer are expected to be issued on 18 October 2023.

2.3 Retail Entitlement Offer

Eligible Retail Shareholders are being invited to subscribe, at the offer price of \$0.13 per New Share, for 1 New Share for every 2.64 existing Shares held as at 4.00pm (AWST) on the Record Date. Retail Entitlements are also non-renounceable. Eligible Retail Shareholders can also apply for Shortfall Shares in excess of their Entitlement under the Shortfall Offer (refer to Section 2.9). There is no guarantee that Eligible Retail Shareholders will be allocated any Shortfall Shares under the Shortfall Offer.

You should note that not all Shareholders will be eligible to participate in the offer of New Shares.

The offer ratio and Offer Price under the Retail Entitlement Offer are the same as the Institutional Entitlement Offer.

The Retail Entitlement Offer opens on the Opening Date and closes at 5.00pm (AWST) on the Closing Date (unless extended or otherwise varied by the Company in its sole discretion).

Please consider the Retail Entitlement Offer in the light of your particular investment objectives and circumstances.

Please consult with your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser if you have any queries or are uncertain about any aspects of the Retail Entitlement Offer.

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Company, including possible delays in repayment and loss of

principal invested. The Company does not guarantee any particular rate of return or the performance of the Company, nor does it guarantee the repayment of capital from the Company or any particular tax treatment.

2.4 Removal of Secondary Trading Restrictions

Generally, section 707(3) of the Corporations Act requires that a prospectus be issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months after the date of their issue.

Section 708A(5) of the Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing' notice under section 708A(5). However, the Company has been suspended from trading on the ASX for more than 5 days in the last 12 months and as a result is precluded from issuing a 'cleansing' notice in accordance with section 708A(5) of the Corporations Act.

Section 708A(11) of the Corporations Act provides another exemption from this general requirement where:

- (a) the relevant securities are in a class of securities of the company that are already quoted on ASX;
- (b) a prospectus is lodged with ASIC either:
 - (i) on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

2.5 Purpose of this Prospectus

The purpose of this Prospectus is to:

- (a) make the Entitlement Offer; and
- (b) facilitate the on-sale of any New Shares issued to Eligible Institutional Shareholders under the Institutional Entitlement Offer or not subscribed for by Eligible Institutional Shareholders but which are subsequently issued by the Company to investors following the close of the Institutional Entitlement Offer.

2.6 No rights trading

The rights to New Shares under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your rights to subscribe for New Shares under the Entitlement Offer to any other party. If you do not take up your Entitlement to New Shares under the Entitlement Offer by 5.00pm (AWST) on the Closing Date, your Entitlement will lapse.

2.7 Minimum subscription

There is no minimum subscription under the Entitlement Offer.

2.8 Opening and closing dates

The Company will accept payment in respect of the Retail Entitlement Offer from Eligible Retail Shareholders from the Opening Date until 5.00pm (AWST) on the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the Listing Rules.

Please note that payment made by BPAY® or EFT must be received no later than 5.00pm (AWST) on the Closing Date. It is the responsibility of all Eligible Retail Shareholders to ensure that their

BPAY® or EFT payments are received by the Company on or before 5.00pm (AWST) on the Closing Date.

The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the closing dates of the Entitlement Offer without prior notice. If a closing date is varied, subsequent dates may also be varied accordingly.

2.9 **Shortfall Offer and Allocation Policy**

Any New Shares under the Retail Entitlement Offer that are not applied for will form Shortfall Shares. The offer to issue Shortfall Shares is a separate offer under this Prospectus (**Shortfall Offer**).

Under this Prospectus, the Company offers to issue the Shortfall Shares to investors at the same price of \$0.13 per New Share as that offered under the Entitlement Offer. The Shortfall Shares will have the same rights as the New Shares (as detailed in Section 7.1). Eligible Retail Shareholders may apply for Shortfall Shares (refer to Section 3 for further details).

Unless otherwise agreed between the Company and the Lead Manager, the Company will allocate Shortfall Shares according to the following priority:

- (a) to each Eligible Retail Shareholder who has applied for Shortfall Shares through the Shortfall Offer to the extent that Nuheara so determines; and
- (b) if following the allocation in paragraph (a) there remains a Shortfall, those unallocated Shortfall Shares will then be allocated to other investors who have applied for Shortfall Shares under the Shortfall Offer.

The Company reserves the right to issue, at its sole discretion, to an Eligible Retail Shareholder who has applied for Shortfall Shares a lesser number of Shortfall Shares than the number applied for (or no Shortfall Shares), reject an application or not proceed with the issuing of the Shortfall Shares or part thereof.

Subject to compliance with the Corporations Act and the Listing Rules, the Company reserves the right to place Shortfall Shares within three months of 5.00pm (AWST) on the Closing Date at a price not less than the offer price of \$0.13.

2.10 **Fractional Entitlements**

Fractional Entitlements will be rounded up to the nearest whole number of New Shares. For this purpose, holdings in the same name are aggregated for calculation of Entitlements, to the extent permitted by the Listing Rules. If the Company considers that holdings have been split to take advantage of rounding, the Company reserves the right to aggregate holdings held by associated Shareholders for the purpose of calculating Entitlements, to the extent permitted by the Listing Rules.

2.11 **Underwriting**

The Entitlement Offer is not underwritten. The Company and Lead Manager reserve the right to enter into underwriting arrangements in respect of the Entitlement Offer and will update Shareholders in this regard as applicable.

2.12 **Risks of the Entitlement Offer**

As with any securities investment, there are risks associated with investing in the Company. Having regard to the risks applicable to the Company and its business detailed in Section 6, Eligible Shareholders should be aware that an investment in the New Shares should be considered highly speculative and there exists a risk that you may, in the future, lose some or all of the value of your investment.

Before deciding to invest in the Company, investors should read this Prospectus in its entirety, in particular the specific risks associated with an investment in the Company (detailed in Section 6), and should consider all factors in light of their personal circumstances and seek appropriate professional advice.

2.13 **Application Forms and BPAY® or EFT payments**

Acceptance of a BPAY® or EFT payment by the Company creates a legally binding contract between the Applicant and the Company for the number of New Shares accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of New Shares.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision whether to treat a completed Application Form as valid and how to construe, amend or complete the Application Form is final.

2.14 **Issue and Dispatch**

All New Shares under the Entitlement Offer are expected to be issued on or before the dates specified in the Indicative Timetable.

It is the responsibility of Applicants to determine their allocation prior to trading in New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

Shortfall Shares may be issued within three months after 5.00pm (AWST) on the Closing Date.

2.15 **ASX quotation and trading**

Application for Official Quotation of the New Shares offered pursuant to this Prospectus will be made in accordance with the Listing Rules requirements. Application money will be held on trust in a subscription account until allotment (or repayment).

If ASX does not grant Official Quotation of the New Shares offered pursuant to this Prospectus before the expiration of three (3) months after the date of issue of the Prospectus (or such period as varied by the ASIC), the Company will not issue any New Shares and will repay all application monies for the New Shares within the time prescribed under the Corporations Act, without interest.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Shares.

2.16 **Withdrawal and Cooling-Off Rights**

Cooling off rights do not apply to an investment in New Shares under the Retail Entitlement Offer. You cannot withdraw your payment once it has been accepted unless permitted to do so in accordance with the Corporations Act.

The Directors may at any time decide to withdraw this Prospectus and the Entitlement Offer, in which case, the Company will return all Application Monies (without interest) in accordance with the Corporations Act.

2.17 **Eligible Retail Shareholders**

Eligible Retail Shareholders are those Shareholders who:

- as at 4.00pm (AWST) on the Record Date, have a registered address in Australia or New Zealand;
- are not in the United States and are not, and are not acting for the account or benefit of, a person in the United States;
- are not an Institutional Shareholder or an Ineligible Institutional Shareholder; and
- are eligible under all applicable laws to receive an offer under the Entitlement Offer,

(an **Eligible Retail Shareholder**).

Where this Prospectus has been despatched to Ineligible Retail Shareholders, this Prospectus is provided for information purposes only. Nuheara reserves the right to determine whether a Shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

By making a payment by BPAY® or EFT (for Eligible Retail Shareholders with a registered address in New Zealand only), you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Retail Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

The Company may (in its absolute discretion) extend the Retail Entitlement Offer to any Institutional Shareholder that was eligible to participate in the Institutional Entitlement Offer but was not invited to participate in the Institutional Entitlement Offer (subject to compliance with relevant laws).

By receiving this Prospectus, you will be taken to have acknowledged and agreed that determination of eligibility of investors for the purposes of the institutional or retail components 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 the Company and the Company and its affiliates 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 Company has decided that it is unreasonable to make offers under the Retail Entitlement Offer to Shareholders who have registered addresses outside Australia or New Zealand, having regard to the number of such holders in those places and the number and value of the New Shares that they would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places. Nuheara may (in its absolute discretion) extend the Retail Entitlement Offer to Shareholders who have registered addresses outside Australia or New Zealand in accordance with applicable law.

2.18 Eligible Institutional Shareholders

Eligible Institutional Shareholders are anyone who the Lead Manager determines have successfully received an offer to subscribe for New Shares under the Institutional Entitlement Offer on the basis that they are Institutional Investors.

Determination of eligibility of investors for the purposes of the Entitlement Offer, and in particular, the question as to whether an eligible shareholder is an Eligible Institutional Shareholder, is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Nuheara and the Lead Manager. Nuheara and the Lead Manager disclaim any liability in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law. If you are an Eligible Institutional Shareholder, you are eligible to participate in the Institutional Entitlement Offer being conducted by the Company.

2.19 Nominees

The Retail Entitlement Offer is only being made to Eligible Retail Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares (e.g. for the purposes of determining whether any such persons may participate in the Retail Entitlement Offer).

Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. Any person that is in the United States with a holding through a nominee may not participate in the Retail Entitlement Offer and the nominee must not take up any Entitlement on behalf of such person or send any materials into the United States or any other jurisdiction outside Australia or New Zealand, except to beneficial shareholders who are institutional or professional investors in certain foreign countries as the Company may permit in compliance with applicable law.

2.20 Foreign Jurisdiction

This Prospectus and the accompanying Entitlement and Acceptance Form does not constitute an offer of New Shares in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer. In particular, this Prospectus may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside of Australia except to the extent permitted below:

(a) Retail Entitlement Offer

New Zealand

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.

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

(b) Institutional Entitlement Offer

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 Prospectus 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 Prospectus 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 Prospectus, you should obtain independent professional advice.

New Zealand

This Prospectus 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.

2.21 **CHESS**

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are broker sponsored, ASX Settlement will send you a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the New Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by the Share Registry and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

2.22 **Taxation implications**

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for New Shares.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. Applicants should consult their own professional tax adviser to obtain advice in relation to the taxation laws, regulations and implications applicable to their personal circumstances.

2.23 **Major activities and financial information**

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2023 is provided in the Annual Report which is available on the Company's website at <https://www.nuheara.com/>.

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of the Annual Report for the year ended 30 June 2023 with ASX on 29 September 2023 are detailed in Section 7.4.

Copies of these documents are available free of charge from the Company or the Company's website: <https://www.nuheara.com/>. Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Entitlement Offer.

2.24 **Privacy**

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes detailed in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related

bodies corporate, agents, contractors and third-party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on Application Form, the Company may not accept or process your Application.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

2.25 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to Nuheara on (08) 6555 9999 from 9.00am to 5.00pm (AWST), Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

3 Actions required by Applicants

3.1 How to apply

Your Entitlement is detailed on the accompanying personalised entitlement and acceptance form (**Entitlement and Acceptance Form**) and has been calculated as 1 New Share for every 2.64 Shares you held as at 4.00pm (AWST) on the Record Date. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number of New Shares.

If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

If you are an Eligible Retail Shareholder, you may do any one of the following:

- (a) take up all of your Entitlement and also apply for additional New Shares under the Shortfall Offer;
- (b) take up all of your Entitlement but not apply for additional New Shares under the Shortfall Offer;
- (c) take up part of your Entitlement, but the part not taken up will lapse; or
- (d) do nothing, in which case all of your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

1. **If you wish to take up all of your Entitlement and also apply for additional New Shares in the Shortfall Offer or if you wish to take up all of your Entitlement only**

If you decide to take up all of your Entitlement, or take up all of your Entitlement and apply for additional New Shares, please pay your Application Monies via BPAY® or EFT (for Eligible Retail Shareholders with a registered address in New Zealand only) by following the instructions set out on the personalised Entitlement and Acceptance Form, so that they are received by the Share Registry by no later than 5.00pm (AWST) on the Closing Date.

If you apply to take up all of your Entitlement, you may also apply for additional New Shares under the Shortfall Offer. Amounts received by Nuheara in excess of the offer price of \$0.13 multiplied by your Entitlement may be treated as an Application to apply for as many additional Shortfall Shares as your Application Monies will pay for in full.

Please make sure to use the specific Biller Code and unique Customer Reference Number on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the Customer Reference Number specific to the Entitlement on that Entitlement and Acceptance Form.

If you take up all of your Entitlement and apply for additional New Shares under the Shortfall Offer and if your application is successful (in whole or in part) you will be issued your New Shares on or about 6 November 2023. Nuheara's decision on the number of New Shares to be issued to you will be final. Additional New Shares under the Shortfall Offer will only be allocated first to Eligible Retail Shareholders to the extent that Nuheara so determines, in its absolute discretion (refer to Section 2.9 for details in respect to the Shortfall Offer allocation policy). If you apply for additional New Shares, there is no guarantee that you will be allocated any additional New Shares.

Any New Shares not taken up by 5.00pm (AWST) on the Closing Date may be made available to those Eligible Retail Shareholders who took up their full Entitlement and applied for additional New Shares under the Shortfall Offer. There is no guarantee that such Shareholders will receive the number of New Shares applied for under the Shortfall Offer, or any. Additional New Shares under the Shortfall Offer will only be allocated to Eligible Retail Shareholders if available and to the extent that Nuheara so determines, in its absolute discretion.

Nuheara also reserves the right (in its absolute discretion) to reduce the number of New Shares issued to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if Nuheara believes their claims to be overstated or if they or their nominees fail to provide information to substantiate their claims to Nuheara's satisfaction.

2. If you wish to take up part of your Entitlement

If you decide to take up part of your Entitlement, and allow the balance to lapse, please pay your Application Monies via BPAY® or EFT (for Eligible Retail Shareholders with a registered address in New Zealand only) by following the instructions set out on the personalised Entitlement and Acceptance Form, such that they are received by the Share Registry by no later than 5.00pm (AWST) on the Closing Date.

Nuheara will treat you as applying for as many New Shares as your payment will pay for in full. Please make sure to use the specific Biller Code and unique Customer Reference Number on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the Customer Reference Number specific to the Entitlement on that Entitlement and Acceptance Form.

If you take up and pay part of your Entitlement before the close of the Retail Entitlement Offer you will be issued your New Shares on or about 6 November 2023. Nuheara's decision on the number of New Shares to be issued to you will be final.

Nuheara also reserves the right (in its absolute discretion) to reduce the number of New Shares issued to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if Nuheara believes their claims to be overstated or if they or their nominees fail to provide information to substantiate their claims to Nuheara's satisfaction.

You will not receive any value for the Entitlements you choose not to take up and they will lapse worthless.

3. If you take no action

If you take no action you will not be allocated New Shares and your Entitlement will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable and will not be tradeable or otherwise transferable. Eligible Retail Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

3.2 Payment

Payments by cash, cheque, bank draft or money order will not be accepted. Nuheara will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement.

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

Please follow the instructions on the personalised Entitlement and Acceptance Form (which includes the Biller Code and your unique Customer Reference Number). You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

(a) Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form, which includes the Biller Code and Customer Reference Number. Eligible Shareholders who have multiple holdings will have multiple Customer Reference Numbers. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

(b) Payment by EFT – New Zealand only

For payment by EFT, please follow the instructions on the Entitlement and Acceptance Form, which includes your Unique Reference Number. The Unique Reference Number is used to identify your holding. Eligible Shareholders who have multiple holdings will have multiple Unique Reference Numbers. You must use the Unique Reference Number shown on each Entitlement and Acceptance Form to pay for each holding separately.

If you are a Shareholder with a registered address in New Zealand and do not have access to BPAY® please contact Nuheara on (08) 6555 9999 from 9.00am to 5.00pm (AWST), Monday to Friday.

Please note that if paying by BPAY® or EFT:

- you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations, representations and warranties on that personalised Entitlement and Acceptance Form and under this Prospectus; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your payment is received by the Share Registry by no later than 5.00pm (AWST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should, therefore, take this into consideration when making payment.

Please make sure you use the specific Biller Code and your unique Customer Reference Number on your personalised Entitlement and Acceptance Form. If you have more than one holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. If you receive more than one personalised Entitlement and Acceptance Form, please only use the Customer Reference Number specific to the Entitlement on that Entitlement and Acceptance Form.

Any Application Monies received for more than your final allocation of New Shares will be refunded to you. No interest will be paid on any Application Monies received or refunded.

3.3 Representations by Applicants

By making payment to acquire New Shares, you will be deemed to have represented to Nuheara that you are an Eligible Retail Shareholder and:

- (a) acknowledge that you have received a copy of this Prospectus and an accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Prospectus and the Constitution;
- (c) authorise the Company to register you as the holder(s) of the New Shares allotted to you;
- (d) declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- (e) declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- (f) acknowledge that once any payment of Application Monies via BPAY® or EFT is made, you may not withdraw your application or funds provided except as allowed by law;
- (g) agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY® or EFT, at the offer price of \$0.13 per New Share;
- (h) authorise Nuheara, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions

of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;

- (i) acknowledge and agree that:
 - (i) determination of eligibility of investors for the purposes of the institutional or retail components 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
 - (ii) Nuheara and its respective affiliates, 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;
- (j) declare that you were the registered holder(s) at 4.00pm (AWST) on the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you at 4.00pm (AWST) on the Record Date;
- (k) acknowledge that the information contained in this Prospectus and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (l) acknowledge that this Prospectus does not contain all of the information that you may require in order to assess an investment in Nuheara and is given in the context of Nuheara's past and ongoing continuous disclosure announcements to ASX;
- (m) acknowledge the statement of risks in Section 6 and that investments in Nuheara are subject to risk;
- (n) acknowledge that none of Nuheara, nor its related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of Nuheara, nor do they guarantee the repayment of capital;
- (o) agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares at 4.00pm (AWST) on the Record Date;
- (p) you and each person on whose account you are acting understand and acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States and accordingly that the New Shares may not be offered or, sold to, persons in the United States or to persons who are acting for the account or benefit of a person in the United States except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- (q) represent and warrant:
 - (i) that the law of any place does not prohibit you from being given this Prospectus and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
 - (ii) (for the benefit of Nuheara, and its respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Institutional Shareholder under the Institutional Entitlement Offer and are otherwise eligible to participate in the Retail Entitlement Offer;
 - (iii) that you and each person on whose account you are acting are not in the United States;

- (iv) that you have not and will not send this Prospectus, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand;
- (v) that if you (or any person for whom you are acquiring or procuring the New Shares) are in New Zealand, you (and any such person):
 - (A) are a person who (i) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act, (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act, (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act, (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act or (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act (and, if an eligible investor, have provided the necessary certification);
 - (B) acknowledge that: (i) Part 3 of the FMC Act shall not apply in respect of the offer of New Shares to you, (ii) no product disclosure statement or other disclosure document under the FMC Act may be prepared in respect of the offer of New Shares and (iii) any information provided to you in respect of the offer is not required to, and may not, contain all of the information that a product disclosure statement or other disclosure document under New Zealand law is required to contain;
 - (C) warrant that if in the future you elect to directly or indirectly offer or sell any of the New Shares allotted to you, you undertake not to do so in a manner that could result in (i) such offer or sale being viewed as requiring a product disclosure statement or other similar disclosure document or any registration or filing in New Zealand, (ii) any contravention of the FMC Act or (iii) the Company or its directors incurring any liability; and
 - (D) warrant that (i) any person for whom you are acquiring or procuring New Shares meets one or more of the criteria specified in subclause (a) above and (ii) you have received, where required, a safe harbour certificate in accordance with clause 44 of Schedule 1 of the FMC Act;
- (vi) that if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in transactions exempt from, or not subject to, the registration requirements of the US Securities Act; notwithstanding the foregoing, after the quotation of the New Shares commences, you may sell such New Shares in regular way transactions on the ASX or otherwise where neither you nor any person acting on your behalf know, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or a person acting for the account or benefit of a person in the United States; and
- (vii) that if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are applying for New Shares is resident in Australia or New Zealand and is not acting for the account or benefit of a person in the United States, and you have not sent this Prospectus, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person.

3.4 Brokerage

No brokerage or stamp duty is payable by Eligible Retail Shareholders who accept their Entitlement.

4 Purpose and Effect of the Entitlement Offer

4.1 Purpose of the Entitlement Offer

The purpose of the Entitlement Offer is to raise approximately \$10 million (before costs).

The aggregate funds raised from the Entitlement Offer is expected to be used in accordance with the table below, which reflects: (i) a 50% take-up under the Entitlement Offer; and (ii) full subscription under the Entitlement Offer.

Description	50% Take-up Entitlement \$	Full Subscription \$
Working Capital to support increased inventory sales ramp	2,515,000	4,480,000
Sales & Marketing for US Retail Distribution Expansion	750,000	2,200,000
Next Generation Product Pre-launch costs	1,400,000	2,800,000
Costs of the Entitlement Offer	335,000	520,000
TOTAL	5,000,000	10,000,000

The above table is a statement of the Board's current intentions as at the date of this Prospectus. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of sales performance, operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

4.2 Effect of the Entitlement Offer

Assuming full subscription under the Entitlement Offer, the principal effect of the Entitlement Offer will be to:

- (a) increase the cash reserves of the Company by approximately \$10 million (before costs); and
- (b) increase the number of Shares on issue from 203,450,494 as at the date of this Prospectus to up to approximately 280,515,076 following completion of the Entitlement Offer.

If any of the Options or Convertible Notes are exercised or converted before 4.00pm (AWST) on the Record Date, the Shares issued on such exercise will be eligible to participate in the Entitlement Offer.

4.3 Capital Structure

Assuming full subscription under the Entitlement Offer (and assuming no Options or Convertible Notes are exercised or converted prior to 4.00pm (AWST) on the Record Date), the Company's capital structure following completion of the Entitlement Offer will be as follows:

	No. Shares	No. Options	No. Convertible Notes
Balance as at the date of this Prospectus	203,450,494	7,158,185 ¹	2,500,000
Entitlement Offer	77,064,582	-	-
TOTAL	280,515,076	7,158,185	2,500,000

Note:

1. Comprises:
 - a. 50,000 Options exercisable at \$0.366 each, expiring 4 January 2025;
 - b. 425,000 Options exercisable at \$0.682 each, expiring 31 August 2024;
 - c. 1,213,236 Options exercisable at \$1.00 and expiring 3 February 2024;
 - d. 2,004,459 Options exercisable at \$0.255, expiring 12 June 2026;
 - e. 2,118,612 Options exercisable at \$0.27, expiring 12 June 2026;
 - f. 375,000 Options exercisable at \$0.182, expiring 12 June 2026;
 - g. 250,000 Options exercisable at \$0.48, expiring 28 April 2025;
 - h. 546,878 Options exercisable at \$0.56, expiring 28 October 2023;
 - i. 50,000 Options exercisable at \$0.153, expiring 3 June 2025; and
 - j. 125,000 Options exercisable at \$0.87, expiring 2 March 2024.

4.4 Substantial Shareholders

As at the date of this Prospectus, the Company had the following substantial shareholders (being Shareholders with a Voting Power in 5% or more of the Shares on issue):

Shareholder	Date of last notice	Shares	Voting Power as at date of last notice
Salter Brothers Emerging Companies Limited	15/06/2023	19,860,641	10.08%
Farjoy Pty Ltd	13/06/2023	21,201,775	10.76%
Realtek Semiconductor Corporation*	10/08/2023	32,924,696	16.18%

Note: Other than the information in respect of Realtek, the above information has been provided to the Company and is set out on a Form 604. The Company takes no responsibility for the accuracy of the above information.

4.5 Dilution

Shareholders should also be aware that if they do not participate in the Entitlement Offer, their holdings will be diluted by approximately 37.9% (as compared to their holdings on issue as at the date of this Prospectus). Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding at Record Date	% at Record Date	Entitlements	Holdings if Entitlement not taken up	% post Entitlement Offer
Shareholder 1	2,034,505	1.00%	770,664	2,034,505	0.73%
Shareholder 2	4,069,010	2.00%	1,541,292	4,069,010	1.45%
Shareholder 3	6,103,515	3.00%	2,311,938	6,103,515	2.18%
Shareholder 4	8,138,020	4.00%	3,082,583	8,138,020	2.90%
Shareholder 5	10,172,525	5.00%	3,853,229	10,172,525	3.63%

4.6 Effect on Control

The Company has not appointed a nominee in respect of the Entitlements of Ineligible Shareholders pursuant to section 615 of the Corporations Act. Accordingly, the exemption to the 20% takeovers threshold under item 10 of section 611 of the Corporations Act is not available to Shareholders taking up their Entitlement under the Entitlement Offer.

No New Shares will be issued to any Shareholder pursuant to this Prospectus if, in the view of the Directors, to do so would increase that Shareholder's Voting Power in the Company above 20% or otherwise result in a breach of the Listing Rules, the Corporations Act or any other applicable law.

5 Financial Information

5.1 Introduction

The Financial Information set out in this Section 5 comprises the Historical Statement of Financial Position and the Pro Forma Statement of Financial Position of Nuheara as at 30 June 2023 and selected notes.

The Financial Information should be read in conjunction with the risk factors set out in Section 6 and other information contained within or referred to in this Prospectus, including the Company's other periodic and continuous disclosure announcements referred to in Section 7.4.

5.2 Pro Forma Statement of Financial Position

Detailed below, to demonstrate the indicative impact of the Entitlement Offer on the financial position of the Company, is an unaudited Pro Forma Statement of Financial Position. The Company's audited Statement of Financial Position as at 30 June 2023 has been used for the purposes of preparing the unaudited Pro Forma Statement of Financial Position and adjusted to reflect pro forma assets and liabilities of the Company as if completion of the Entitlement Offer had occurred by 30 June 2023.

The unaudited Pro Forma Statement of Financial Position is presented in an abbreviated form. It does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

The key assumptions on which the unaudited Pro Forma Statement of Financial Position below are based are as follows:

- (a) the Pro Forma Statement of Financial Position has not been audited or reviewed and does not include any other expenditure of the proceeds of the Entitlement Offer other than costs of the Entitlement Offer of approximately \$520,000 (on a full subscription basis) (refer to Section 7.12); and
- (b) the unaudited effects of the Entitlement Offer, being at full subscription of the Entitlement Offer, the issue of approximately 77,064,582 New Shares at \$0.13 each (subject to rounding and assuming that no Options or Convertible Notes are exercised or converted before 4.00pm (AWST) on the Record Date) to raise up to approximately \$10 million.

Other than the indicative impact of the Entitlement Offer outlined above, the only adjustment to the audited Statement of Financial Position is an adjustment to reflect the issue of 6,068,966 Shares to Realtek Semiconductor Corporation on 10 August 2023, with the receipt of \$880,000. As disclosed in the "Events Occurring After Balance Date" note to the audited financial statement, this equity issue related to the portion of the placement announced to ASX on 6 June 2023 that required shareholder approval which was granted at the general meeting of Shareholders held on 20 July 2023.

5.3 Pro Forma Historical Statement of Financial Position

	Reported 30 June 2023 Audited \$	Issue of Shares approved by July General Meeting Unaudited \$	50% Take-up Entitlement Unaudited \$	Full Subscription Unaudited \$	Pro forma 30 June 2023 (50% Take-up Entitlement) Unaudited \$	Pro forma 30 June 2023 (Full Subscription) Unaudited \$
CURRENT ASSETS						
Cash and cash equivalents	2,320,101	880,000	4,665,000	9,480,000	7,865,101	12,680,101
Trade and other receivables	3,257,626	-	-	-	3,257,626	3,257,626
Inventory	2,130,112	-	-	-	2,130,112	2,130,112
Other current assets	321,558	-	-	-	321,558	321,558
TOTAL CURRENT ASSETS	8,029,397	880,000	4,665,000	9,480,000	13,574,397	18,389,397
NON-CURRENT ASSETS						
Plant and equipment	102,579	-	-	-	102,579	102,579
Right of use asset	212,560	-	-	-	212,560	212,560
Intangible assets	4,673,007	-	-	-	4,673,007	4,673,007
TOTAL NON-CURRENT ASSETS	4,988,146	-	-	-	4,988,146	4,988,146
TOTAL ASSETS	13,017,543	880,000	4,665,000	9,480,000	18,562,543	23,377,543
CURRENT LIABILITIES						
Trade and other payables	2,150,959	-	-	-	2,150,959	2,150,959
Financial liabilities	303,013	-	-	-	303,013	303,013
Provisions	648,409	-	-	-	648,409	648,409
TOTAL CURRENT LIABILITIES	3,102,381	-	-	-	3,102,381	3,102,381
NON-CURRENT LIABILITIES						
Financial liabilities	2,443,154	-	-	-	2,443,154	2,443,154
Deferred income	1,766,265	-	-	-	1,766,265	1,766,265
Provisions	55,205	-	-	-	55,205	55,205
Deferred tax	539,874	-	-	-	539,874	539,874
TOTAL NON-CURRENT LIABILITIES	4,804,498	-	0	0	4,804,498	4,804,498
TOTAL LIABILITIES	7,906,879	-	0	0	7,906,879	7,906,879
NET ASSETS	5,110,664	880,000	4,665,000	9,480,000	10,655,664	15,470,664
EQUITY						
Issued capital	79,295,192	880,000	4,665,000	9,480,000	84,840,192	89,655,192
Share option reserve	4,847,403	-	-	-	4,847,403	4,847,403
Option premium on convertible note	205,198	-	-	-	205,198	205,198
Foreign currency translation reserve	(7,458)	-	-	-	(7,458)	(7,458)
Accumulated losses	(79,234,966)	-	-	-	(79,234,966)	(79,234,966)
Non-controlling interests	5,295	-	-	-	5,295	5,295
TOTAL EQUITY	5,110,664	880,000	4,665,000	9,480,000	10,655,664	15,470,664

6 Risks

New Shares are considered highly speculative. An investment in the Company is not risk free. The proposed future activities of the Company are subject to a number of risks and other factors that may affect its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Directors and management of the Company and cannot be mitigated.

The risks described in this Section are not an exhaustive list of the risks faced by the Company or by investors in the Company. It should be considered in conjunction with other information in this Prospectus. The risks described in, and others not specifically referred to, in this Section 6 may in the future materially affect the financial performance and position of the Company and the value of New Shares offered under this Prospectus. The New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or the market value of those securities. The risks described in this Section 6 also necessarily include forward looking statements. Actual events may be materially different to those described and may therefore affect the Company in a different way.

Investors should be aware that the performance of the Company may be affected and the value of its Shares may rise or fall over any given period. None of the Directors or any person associated with the Company guarantees the Company's performance, the performance of the New Shares the subject of the Entitlement Offer or the market price at which the New Shares will trade. The Directors strongly recommend that potential investors consider the risks detailed in this Section 6, together with information contained elsewhere in this Prospectus, and consult their professional advisers, before they decide whether to apply for New Shares.

6.1 Company specific and industry specific risks

(a) Loss making operation, future capital needs and additional funding

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. The Company's ability to borrow money will be subject to the availability of debt at the time the Company wishes to borrow money and the cost of borrowing.

Among other adverse outcomes, the risks and uncertainties faced by the Company could result in the Company not achieving its plans or in such plans generating less revenue than expected, costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on the Company's financial and operational performance, including the potential insolvency of the Group.

(b) Material uncertainty relating to going concern

For the year ended 30 June 2023 the Group has incurred a loss of \$12,619,733 and incurred net operating cash outflows of \$7,480,364. Whilst the Directors believe there are reasonable grounds to believe that the Group will be able to continue as a going concern due to intended strategic plans (refer to the Annual Report for further details), which include completing the Entitlement Offer, due to the risks inherent in executing on these plans there is a material

uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and whether it will be able to pay its debts as and when they fall due, and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the Annual Report.

(c) Potential for dilution

Upon completion of the Entitlement Offer, assuming no Options or Convertible Notes are exercised or converted prior to 4.00pm (AWST) on 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 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 \$0.135 on 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 by approximately 37.9% (assuming a full subscription under the Entitlement Offer and no Options or Convertible Notes are exercised or converted prior to 4.00pm (AWST) on the Record Date) as compared to their holdings and number of Shares on issue at the date of this Prospectus.

(d) 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 penetrate its target markets and the growth of the new and nascent OTC hearing aid market in the United States. If the Company fails to increase its market share in its key markets or the hearing aid market does not grow as the Company expects, the Company may never become profitable. Moreover, the level of any profitability cannot be predicted.

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.

(e) Dependence on key personnel

The success of the Company depends on the ability, performance and experience of its key personnel, particularly sector-specialists and employees with significant involvement in the development and delivery of the Company's technology and products. 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.

(f) Competition from new entrants

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.

(g) 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.

(h) Loss of key customers

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.

(i) Customer concentration

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.

(j) Regulatory and accreditation risk

The Company has to comply with certain US FDA OTC requirements to remain eligible to supply its products to resellers for sale, including sector specific regulation over medical hearing device standards.

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.

(k) 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 licence 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.

(l) 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.

(m) 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.

(n) Information systems and cyber risk

The Company is reliant on information technology to operate its business, including in relation to its core systems and networks. Unauthorised third party access or data breaches arising from cyber security threats 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.

(o) 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.

(p) 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 supply chain disruption or termination of key agreements with the Company's manufacturers, may have a material adverse effect on the Company (such as the Company's ability to sell provide and drive revenues).

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.

(q) **Product price variation**

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.

(r) **Disruption of business operations**

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.

(s) **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.

(t) **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.

(u) **COVID-19**

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.

6.2 **General Risks**

(a) **Securities investments**

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.

(b) 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.

(c) Dilution

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.

(d) Share market

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 Shares 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.

(e) Legal proceedings

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, threatened against or affecting the Company.

(f) Unforeseen expenses

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.

(g) Macro-economic risks

Changes in the general economic outlook in Australia and globally may affect the performance of the Company and its business. 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.

(h) 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.

(i) 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.

(j) 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.

(k) Accounting standards

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.

6.3 **Speculative Nature of Investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of its New Shares.

The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Prospectus. Therefore, the New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for New Shares pursuant to this Prospectus.

7 Additional information

7.1 Rights attaching to New Shares

A summary of the rights attaching to Shares is set out below. The New Shares issued will rank *pari passu* in all respects with existing Shares. This summary is qualified by the full terms of Company's Constitution (a full copy of the Constitution is available from Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to shares in any specific circumstances, the Shareholder should seek legal advice.

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition or (as applicable) convene meetings, including in accordance with sections 249D, 249E or 249F of the Corporations Act.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by them, or in respect of which they are appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes being equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those Shares (excluding amounts credited).

(c) Dividend rights

Subject to and in accordance with the Corporations Act, the Listing Rules, the rights of persons (if any) entitled of shares with special rights to dividend, the Directors may from time to time decide to pay a dividend to the Shareholders entitled to the dividend. The dividend shall be payable on all shares in proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders such interim dividends as they may determine. No dividend shall be payable except out of profits. No dividend shall carry interest against the Company.

The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the Listing Rules and the Corporations Act, the Director may in their absolute discretion establish a “dividend reinvestment plan on such terms and conditions as they think fit.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as they consider fair upon any property to be so decided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

The issue of any Shares is under the control of the Directors. Subject to the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may in their absolute discretion at any time issue such number of securities on such terms as they determine.

(f) **Transfer of Shares**

Generally, shares in the Company are freely transferable. The Directors may refuse to register a transfer of Shares (other than an ASX settlement transfer) where the Listing Rules require or permit the Company to do so or the transfer is a transfer of restricted securities.

(g) **Future increase in capital**

The issue of any Shares is under the control of the Directors. Subject to the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may in their absolute discretion at any time issue such number of securities on such terms as they determine.

(h) **Variation of rights**

If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), may be varied, whether or not the Company is being wound up, with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

Any variation shall be subject to sections 246B and 246E of the Corporations Act.

(i) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least 75% of the votes cast by members entitled to vote on the resolution at the general meeting. In addition, at least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

7.2 **Dividend policy**

The Company does not intend to declare or pay any dividends in the immediately foreseeable future.

Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of distributable earnings and operating results and

financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

7.3 **Lead Manager Mandate**

The Company has entered into a mandate letter with Bell Potter Securities Limited to act on an exclusive basis as lead manager and bookrunner to the Entitlement Offer (**Lead Manager Mandate**).

The Lead Manager Mandate provides that, in consideration for services provided by the Lead Manager, the Company will pay the Lead Manager a cash fee comprising:

- (a) 3% of the gross amount raised under the Entitlement Offer (**Proceeds**); and
- (b) 2% of the Proceeds which are underwritten (the Entitlement Offer is not underwritten at this stage).

In addition to the fees detailed above, the Company will reimburse the Lead Manager for all reasonable out of pocket-expenses incurred by the Lead Manager in connection with the Entitlement Offer. Legal fees incurred by the Lead Manager are capped at \$50,000.

The Lead Manager Mandate may be terminated by the Lead Manager or the Company by 14 days' written notice to the other party. Unless otherwise terminated by the Lead Manager or the Company, the Lead Manager Mandate will terminate on the earlier of completion of the Entitlement Offer and 22 March 2024 (unless otherwise extended by the parties). Notwithstanding termination of the Lead Manager Mandate by the Company or the Lead Manager, the Company must pay the Lead Manager the fees and reimbursements detailed in this Section.

The Lead Manager Mandate otherwise contains terms and conditions considered standard for an agreement of this nature.

7.4 **Continuous disclosure obligations**

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act, and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares are in the same class as Shares that have been quoted on the official list of the ASX during the three months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities, or operation to acquire securities, in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, the financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should, therefore, have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the closing date of the Entitlement Offer:
 - (i) the annual financial report of the Company for the financial year ended 30 June 2023 being the most recent annual financial report of the Company lodged with the ASIC before the issue of this Prospectus; and
 - (ii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to in paragraph (i) above until the issue of this Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of the Annual Report.

Date	Description of Announcement
10 October 2023	NUH Capital Raising to Support Expansion with US Retailers
10 October 2023	Proposed issue of securities - NUH
10 October 2023	Entitlement Offer Presentation - October 2023

7.5 Corporate Governance

To the extent that they are applicable to the Company, the Board has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition) where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has disclosed the reasons for the departure in its Corporate Governance Statement. This can be found at <https://www.nuheara.com/corporate-governance/>.

A summary of the Company's corporate governance policies and procedures is available from the Company's website at <https://www.nuheara.com/corporate-governance/>.

7.6 Market Prices of Existing Shares on ASX

The highest and lowest market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest:	\$0.20 (10 July 2023)
Lowest:	\$0.13 (5 October 2023)

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.135 per Share 9 October 2023.

7.7 Interests of Directors

Except as disclosed in this Prospectus, no Director (or entity in which they are a partner or director) has, or has had in the two years before the date of this Prospectus, any interests in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Entitlement Offer; or
- (c) the Entitlement Offer,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- (d) any Director to induce him or her to become, or to qualify as, a Director; or
- (e) any Director for services which he or she (or entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Entitlement Offer.

7.8 Directors' Interests

As at the date of this Prospectus, the relevant interests of the Directors and their related entities in securities in the Company, are detailed in the table below.

Director	Shares	Options	Convertible Notes
The Hon Cheryl Edwardes AM	99,964	150,000	-
Mr Justin Miller	3,694,461 ¹	150,000	-
Mr David Cannington	3,287,752	150,000	-
Ms Kathryn Giudes	111,724 ²	-	-
Mr David Buckingham	141,912 ³	100,000	-
Mr Yean-Shao Liu (Leroy Liu)	-	-	-

Notes:

- 3,619,093 Shares are held by Wasagi Corporation Pty Ltd as trustee for the Wasagi Family Trust and 75,368 Shares are held by Mr Justin Miller and Mrs Kym Miller as trustee for the BBFC Super Fund, both of which Mr Miller is a beneficiary.
- 32,000 Shares are held by Aylesham Pty Ltd as trustee for the Norval Court Super Fund of which Mrs Kathryn Giudes is a beneficiary, 47,711 Shares are held by Kathryn Foster Pty Ltd of which Mrs Giudes is a director and shareholder, and 32,013 Shares are held by Wayne Giudes, Mrs Giudes' spouse.
- 141,912 Shares are held by Asgard Capital Management Ltd as trustee for The Buckingham Family Trust of which Mr David Buckingham is a beneficiary.

7.9 Directors' Remuneration

The remuneration (including superannuation) of existing Directors for the past two financial years (30 June year-end) are as follows:

Director	Year	Short (\$)	Term	Benefits	Post Employment Benefits	Long Term Employee Benefits	Share Based Payments	Total
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			Salary & Fees (\$)	Non- Monetary (\$)	Annual Leave (\$)	Superannuation (\$)	Long Service Leave	Options	
The Hon Cheryl Edwardes AM	2023	90,000	-	-	9,450	-	-	99,450	
	2022	90,000	-	-	9,000	-	7,516	106,516	
Mr Justin Miller	2023	407,200	2,077	22,108	42,756	30,756	982	505,879	
	2022	407,200	15,425	9,314	40,720	9,499	8,759	490,917	
Mr David Cannington ¹	2023	110,440			11,596		982	123,018	
	2022	242,284	1,702		24,163	(15,960)	8,759	259,246	
Ms Kathryn Giudes	2023	65,000			6,825			71,825	
	2022	65,000			6,500	-	-	71,500	
Mr David Buckingham	2023	65,000			6,825		-	71,825	
	2022	65,000			6,500	-	5,741	77,241	
Mr Yean-Shao Liu (Leroy Liu) ²	2023	-	-	-	-	-	-	-	
	2022	-	-	-	-	-	-	-	

Notes:

1. David Cannington retired as Executive Director/Chief Marketing Officer on 15 March 2022. when he became a Non-Executive Director. In addition to being a Non-Executive Director, during 2023 David Cannington was temporarily employed on fixed term executive basis to support the marketing initiatives of the business.
2. Mr Yean-Shao Liu (Leroy Liu) was appointed as a non-executive director on 14 March 2023.

7.10 Interests of Other Persons

No promoter or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director) do not hold, have, and have not had in the two years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Entitlement Offer; or
- (c) the Entitlement Offer,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to a promoter or any person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director), provided in connection with the formation or promotion of the Company or the Entitlement Offer, except as disclosed in this Prospectus and as follows:

- (a) Thomson Geer has acted as the Australian lawyers to the Company for the Entitlement Offer. In respect of this work the Company will pay Thomson Geer approximately \$45,000 (exclusive of GST). During the two years before the date of this Prospectus, Thomson Geer has provided the Company with legal services and was paid approximately \$165,000 for these services;
- (b) Bell Potter Securities Limited has acted as Lead Manager to the Entitlement Offer. In respect of this work the Company will pay the Lead Manager approximately \$300,000 (assuming full subscription under the Entitlement Offer) (exclusive of GST). During the two years before

the date of this Prospectus, the Lead Manager has not been paid any fees during the two years preceding the date of this Prospectus; and

- (c) Computershare Investor Services Pty Limited conducts the Company's share registry functions and will provide administrative services in respect to the proposed Share applications pursuant to this Prospectus. Computershare Investor Services Pty Limited will be paid for these services on standard industry terms and conditions.

7.11 Related party transactions

As at the date of this Prospectus, no material transactions with related parties and Directors interests exist that the Directors are aware of, other than those disclosed in this Prospectus or in the Company's ASX announcements.

7.12 Costs of the Entitlement Offer

The approximate costs of the Entitlement Offer payable by the Company (exclusive of GST) are as follows:

	50% Take-up Entitlement \$	Full Subscription \$
Lead Manager Fees	175,000	325,000
Corporate adviser fees	43,000	68,000
ASX quotation fee	15,000	25,000
Legal expenses	45,000	45,000
ASIC lodgement fee	3,200	3,200
Printing and other expenses	53,800	53,800
TOTAL	\$335,000	\$520,000

7.13 Taxation Implications

The acquisition and disposal of Shares will have taxation consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in Company are urged to take independent financial advice about the taxation and any other consequences of acquiring and selling the 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 the taxation consequences of subscribing for New Shares.

7.14 Litigation and Claims

So far as the Directors are aware, other than as disclosed by the Company to ASX, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company (or any other member of the Group) is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company or the Group.

7.15 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the New Shares), the Directors, persons named in this Prospectus with their consent as proposed

Directors of the Company, persons named in this Prospectus with their consent as having made a statement in this Prospectus and persons involved in a contravention in relation to this Prospectus, with regard to misleading or deceptive statements made in this Prospectus. Although the Company bears primary responsibility for this Prospectus, other parties involved in the preparation of this Prospectus can also be responsible for certain statements made in it.

Each of the following parties:

Name	Role
Thomson Geer	Lawyer
Computershare Investor Services Pty Limited	Share Registry
Bell Potter Securities Limited	Lead Manager

- (a) has given its consent to be named in this Prospectus as set out above and has not withdrawn its consent at the date of lodgement of this Prospectus with ASIC;
- (b) makes no express or implied representation or warranty in relation to the Company, this Prospectus or the Entitlement Offer;
- (c) has not made or purported to have made any statement in this Prospectus or statement on which a statement in this Prospectus is based, except as described in this Section; and
- (d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for this Prospectus other than a reference to its name and any statement or report included in this Prospectus with the consent of that party as described in this Section.

None of the parties referred to in this Section 7.15 has authorised or caused the issue of this Prospectus or the making of the Entitlement Offer.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement of this Prospectus with ASIC.

7.16 Documents available for inspection

The following documents are available for inspection during normal business hours at the registered office of the Company:

- (a) this Prospectus; and
- (b) the Constitution.

7.17 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be detailed in this Prospectus.

7.18 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the New Shares.

7.19 Electronic Prospectus

Pursuant to Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic copy of this Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of New Shares in response to an electronic Application Form, subject to compliance with certain provisions. If you have received an electronic copy of this Prospectus, please ensure that you have received the entire Prospectus accompanied by the

Application Forms. If you have not, please contact the Company and the Company will send to you, free of charge to you, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from an Applicant if it has reason to believe that when that Applicant was given access to the electronic Application Form, it was not provided together with an electronic copy of this Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies shall be held by the Company on trust and returned (without interest) to the Applicant as soon as practicable.

8 Authorisation

This Prospectus is authorised by each of the Directors.

This Prospectus is signed for and on behalf of the Company, pursuant to a resolution of the Board, by:

A handwritten signature in black ink, appearing to read 'CJ Edwards'.

The Hon Cheryl Edwardes AM

Chairperson

Dated: 10 October 2023

9 Glossary

In this Prospectus, unless the context otherwise requires:

Annual Report means the financial report lodged by the Company with ASIC in respect to the year ended 30 June 2023 and includes the corporate directory, review of activities, Shareholder information, financial report of the Company and its controlled entities for the year ended 30 June 2023, together with a Directors' report in relation to that financial year and the auditor's report for the period to 30 June 2023.

Applicant means a person who applies for New Shares pursuant to the Retail Entitlement Offer.

Application means a valid application for New Shares under the Retail Entitlement Offer made pursuant to an Entitlement and Acceptance Form.

Application Form means an Entitlement and Acceptance Form.

Application Monies means Application Monies for New Shares received by the Company from an Applicant.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 and where the context permits, the market operated by it.

AWST means Australian Western Standard Time.

Board means the board of Directors.

CHESS means ASX Clearing House Electronic Subregistry System.

Closing Date means the closing date of the Retail Entitlement Offer, as outlined in the Indicative Timetable.

Company or **Nuheara** means Nuheara Limited ACN 125 167 133.

Constitution means the constitution of the Company as at the date of this Prospectus.

Convertible Note means the convertible notes issued to Realtek Semiconductor Corporation on 8 September 2022 and on the terms detailed in the Annual Report.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

EFT means an electronic fund transfer.

Eligible Institutional Shareholder means anyone who the Lead Manager determines have successfully received an offer to subscribe for New Shares under the Institutional Entitlement Offer on the basis that they are Institutional Investors.

Eligible Retail Shareholder has the meaning given in Section 2.17.

Eligible Shareholder means an Eligible Institutional Shareholder and an Eligible Retail Shareholder.

Entitlement means a Shareholder's entitlement to subscribe for New Shares under the Entitlement Offer.

Entitlement Offer has the meaning given in Section 2.1.

Entitlement and Acceptance Form means the entitlement and acceptance form attached to, or accompanying this Prospectus, that sets out the entitlement of an Eligible Shareholder to subscribe for New Shares pursuant to the Retail Entitlement Offer.

FMC Act has the meaning given in Section 2.20.

Government Agency means any government or any government department, governmental, semi-governmental, administrative, fiscal, judicial, investigative, review or regulatory body, department, commission, authority, tribunal, agency, stock exchange or entity in any jurisdiction relevant to the Company or the Entitlement Offer, including ASX, ASIC, ATO and Takeovers Panel.

Group means the Company and each of its subsidiaries.

Indicative Timetable means the timetable on page 5.

Ineligible Institutional Shareholder means a Shareholder that:

- (a) is, or the person for whom it holds securities is, outside Australia, Hong Kong, New Zealand and Taiwan and who is an Institutional Investor (or who, if in Australia, would, in the opinion of the Lead Manager, be likely to be an Institutional Investor); or
- (b) is in the United States, or is, or is acting for the account or benefit of, a person in the United States; or
- (c) the Lead Manager and the Company agree will be an Ineligible Institutional Shareholder for the purposes of the Institutional Entitlement Offer.

Ineligible Retail Shareholder means a Shareholder that is not:

- (a) an Eligible Retail Shareholder;
- (b) an Institutional Shareholder; or
- (c) an Ineligible Institutional Shareholder.

Ineligible Shareholder means Ineligible Institutional Shareholder and Ineligible Retail Shareholder.

Institutional Entitlement Offer has the meaning given in Section 2.1.

Institutional Investor means:

- (a) if in Australia, a sophisticated investor or a professional investor in accordance with sections 708(8) or section 708(11) of the Corporations Act respectively; or
- (b) if outside Australia, an institutional or professional investor in New Zealand, Hong Kong and Taiwan to whom the Lead Manager has reasonable grounds to believe that offers for the issue or sale of new Shares under the Entitlement Offer can be made without any prospectus, lodgement, approval with or by any Government Agency or any other formality, in each case as contemplated by the “Foreign Jurisdiction” section of this Prospectus (refer to Section 2.20).

Institutional Shareholder means anyone who the Lead Manager determines have successfully received an offer to subscribe for New Shares under the Institutional Entitlement Offer on the basis that they are Institutional Investors.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Lead Manager means Bell Potter Securities Limited ACN 006 390 772.

Listing Rules means the official listing rules of ASX.

New Share means a Share offered pursuant to this Prospectus.

Offer Price means \$0.13 per New Share.

Official Quotation means quotation of Shares on the official list of ASX.

Opening Date means the opening date of the Retail Entitlement Offer, as detailed in the Indicative Timetable.

Option means an option to acquire a Share.

Prospectus means this prospectus dated 10 October 2023.

Record Date means the date referred to as such in the Indicative Timetable.

Retail Entitlement Offer has the meaning given in Section 2.1.

Section means a section of this Prospectus.

SFO has the meaning given in Section 2.20.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of one or more Shares.

Share Registry means Computershare Investor Services Pty Limited ACN 078 279 277.

Shortfall means the New Shares not applied for under the Retail Entitlement Offer before the Closing Date.

Shortfall Offer has the meaning given to that term in Section 2.9.

Shortfall Shares means the New Shares constituting the Shortfall.

Trading Halt means a trading halt of Shares on ASX, granted by ASX under Listing Rule 17.1 commencing by and ending at the times indicated in the Timetable.

US Securities Act means the United States Securities Act of 1933.

Voting Power has the meaning given in section 610 of the Corporations Act.

