

ASX MARKET RELEASE

Nuheara investor presentation and sales update

9 September 2020 – Perth Australia

Nuheara Limited (**ASX: NUH**) (**Company** or **Nuheara**), transforming the way people hear by creating smart hearing solutions that are accessible and affordable, is pleased to provide the attached Investor Presentation, which is scheduled to be presented by Nuheara Managing Director Justin Miller via webinar at 9.00am AWST today.

This presentation includes a sales update, which details the following sales highlights:

- Total invoiced sales for the FY2021 YTD (July to August 2020) of \$1.85 million which exceeds total sales for FY2020:
 - \$990K Nuheara branded product
 - \$859K OEM works
- Nuheara has a committed backorder of a further \$2.5 million:
 - \$1.7m Nuheara Branded Product (70% DTC, 30% Online Retail Partners)
 - 830K OEM works
- Current Nuheara branded product backorder expected to clear (invoiced) by early October

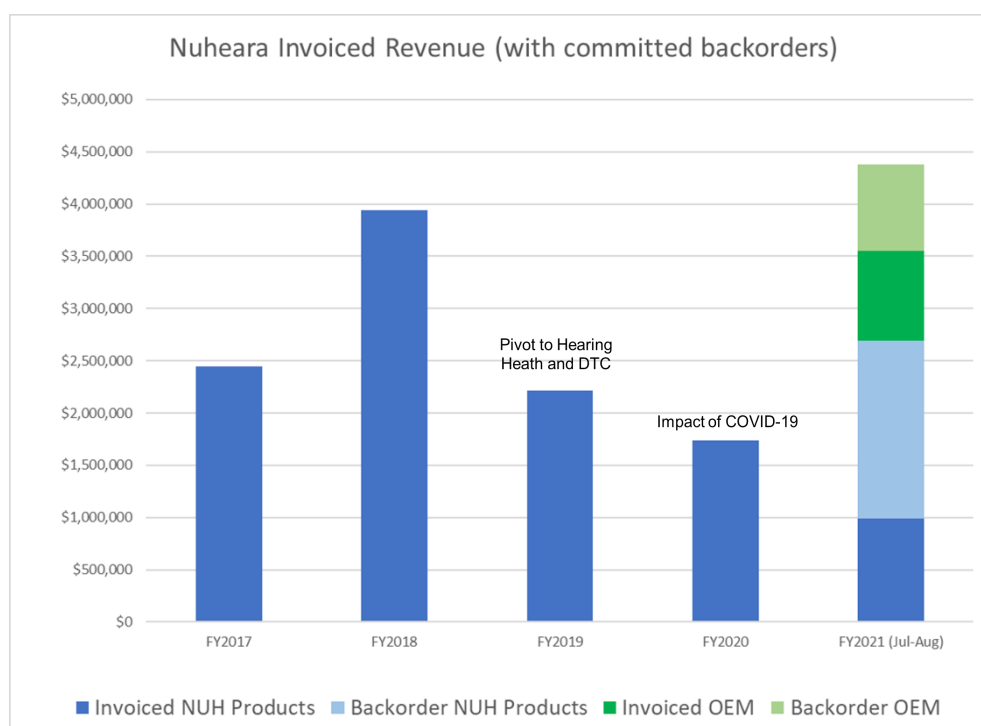


Figure 1: Nuheara Invoiced Sales Revenue with current backorders

This announcement has been approved for release by Nuheara Managing Director Mr Justin Miller.

-ENDS-

ABOUT NUHEARA

Nuheara is a global leader in smart personal hearing devices which change people's lives by enhancing the power to hear. Nuheara has developed proprietary and multi-functional intelligent hearing technology that augments a person's hearing and facilitates cable free connection to smart devices. Nuheara is headquartered in Perth, Australia and was the first consumer wearables technology company to be listed on the Australian Stock Exchange (ASX).

In 2016, the Company released its revolutionary wireless earbuds, IQbuds, which allow consumers to augment their hearing according to their personal hearing preferences and connect hands free with their voice-enabled smart devices. In 2020 Nuheara released its third generation IQbuds² MAX. Nuheara products are now sold Direct To Consumer (DTC) and in major consumer electronics retailers, professional hearing clinics, pharmacies and optical chains around the world.

The Company's mission is to transform the way people hear by creating smart hearing solutions that are both accessible and affordable.

Learn more about Nuheara: www.nuheara.com

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INUHEARA

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INVESTOR PRESENTATION
SEPTEMBER 2020

JUSTIN MILLER
CEO & CO-FOUNDER



WEARABLES



HOME AUDIO/VIDEO
COMPONENTS &
ACCESSORIES



HEALTH &
WELLNESS

DISCLAIMER

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All amounts in Australian dollars unless stated otherwise.



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01

OVERVIEW



Nuheara (ASX: NUH) was founded in 2015 and listed on the ASX in 2016 with the mission of providing smart, affordable & **MULTI-PURPOSE** hearing solutions to a growing global marketplace of people who are not being serviced with traditional hearing solutions today.



Leading Products prototype to \$millions revenue

- First wearable prototype deployed January 2016.
- Shipped first product IQbuds in January 2017.
- Third generation product IQbuds² MAX launched in January 2020 commenced shipping June 2020.



The Market Opportunity

- \$10+ billion new category of hearing health products.
- Disrupting the established \$8 billion p.a. hearing aid/clinic market that ignores Mild to Moderate hearing challenges.
- Extending reach and scale through government contracts and OEM opportunities.

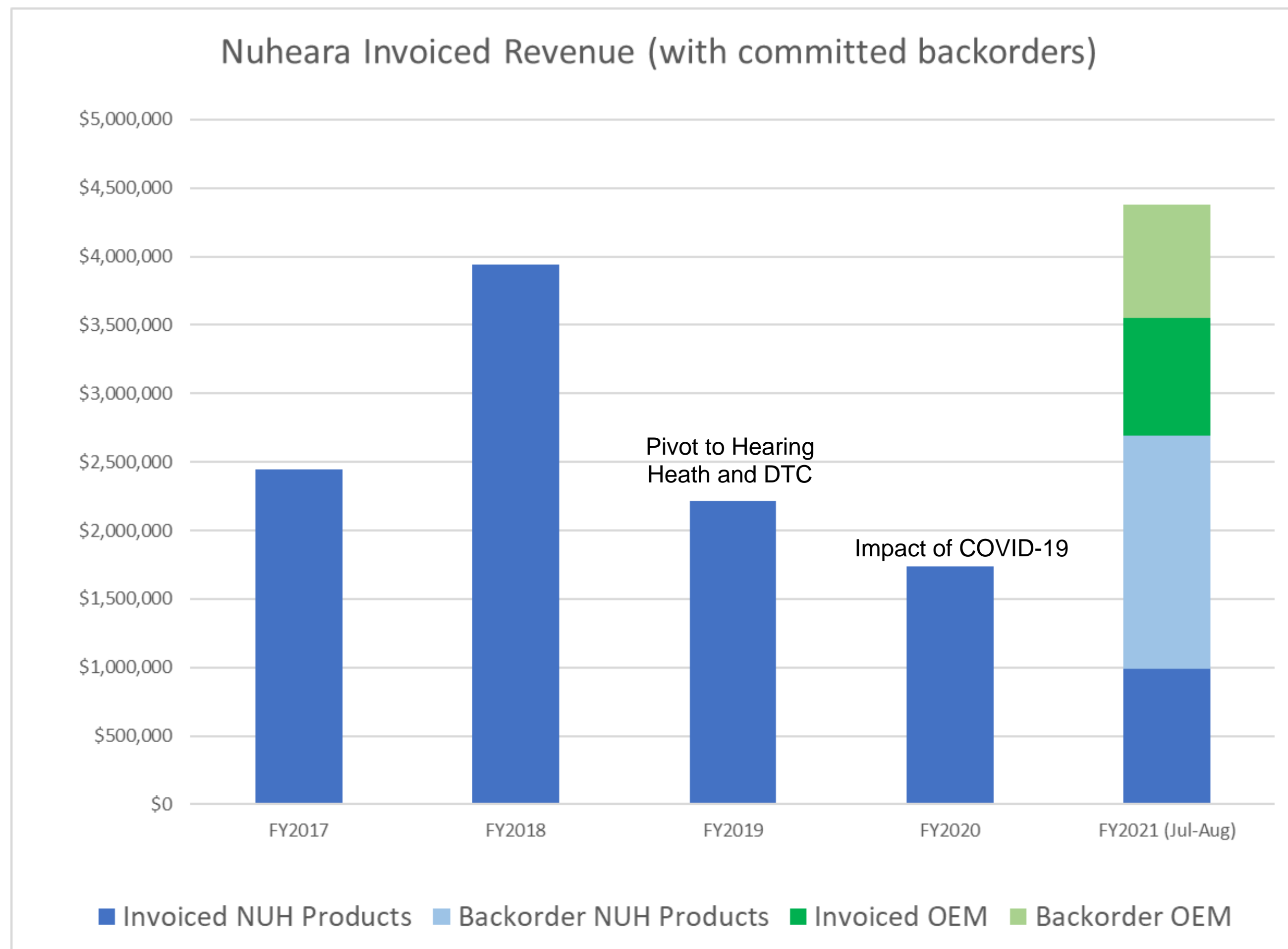
Competitive Strengths

- \$40+ million invested in research, development and manufacturing.
- World first hearing products that allow self fit, self assessment and auto-configuration .
- Generated millions of hours of user hearing data
- Implemented scalable online sales strategy to “mine” Mild to Moderate hearing challenged customers.

Gaining Sales Traction

- 4+ years of globally diverse hearing retail experience.
- New products and Direct To Consumer (DTC) sales channel is providing significant global growth.
- 84% of all news sales are international (non-Australian)
- Proven technology, products and customer base to support aggressive scaling.

GROWTH – REBOUND FROM COVID DELAYS








- Total invoiced sales for FY2021 YTD (July & August 2020) of \$1.85 million exceeds total invoiced sales for FY2020
 - \$990K Nuheara Product
 - \$859K OEM works
- Committed backorder of further \$2.5 million
 - \$1.7m Nuheara Product
 - \$1.2m Direct to Consumer (DTC)
 - 500k Online Retail Partners
 - \$830K OEM works
- Current Nuheara product backorder expected to be clear (invoiced) by early October 2020
- New orders will continue to add to backorder

Figure 1: Nuheara Invoiced Sales Revenue with current backorders




Note: Invoiced Revenue does NOT include government rebates and grants

BOARD OF DIRECTORS

	The Hon. Cheryl Edwardes AM Non-Exec Chairman	<ul style="list-style-type: none"> Company director and Chair of multiple ASX Boards, private companies and not-for-profits Former Attorney General for Western Australia
	Mr Justin Miller Managing Director	<ul style="list-style-type: none"> Co-founder, Managing Director and CEO Co-founder & CEO Empired (ASX:EPD) & Sensear
	Mr David Cannington Executive Director	<ul style="list-style-type: none"> Co-founder, Executive Director and CMO 25+ years global sales and marketing experience
	Ms Kathryn Foster Non-Exec Director	<ul style="list-style-type: none"> Non-Executive Director 20+ years experience Senior Director of Microsoft managed 232 geographies for xBox
	Mr David Buckingham Non-Exec Director	<ul style="list-style-type: none"> Non-Executive Director Former CEO of ASX200 companies iiNet and Navitas

Advisory Board: Nuheara has an advisory board, comprising **Mr Joel Beilen** (Chief Advisor – Audiology, Ex-Sivantos, Siemens) and **Mr Brian Hall**, VP Marketing Google Cloud (Ex Amazon Web Services, Microsoft, Doppler Labs)

EXECUTIVE TEAM

	
Chief Executive Officer Mr Justin Miller	Chief Financial Officer Ms Jean-Marie Rudd
	
Chief Product Officer Dr. Alan Davis	Chief Operations Officer Ms Michelle Halle
	Chief Marketing Officer Mr David Cannington

COMPANY DETAILS

ASX Ticker	NUH
Ordinary Shares on issue (m)*	1,391
Unlisted Options (m)	66.7
Share Price \$ (AUD) 31 Aug 2020	0.055
Market Capitalisation \$m (AUD)	76.5
Cash \$m (AUD) 30 Jun 2020	4.4

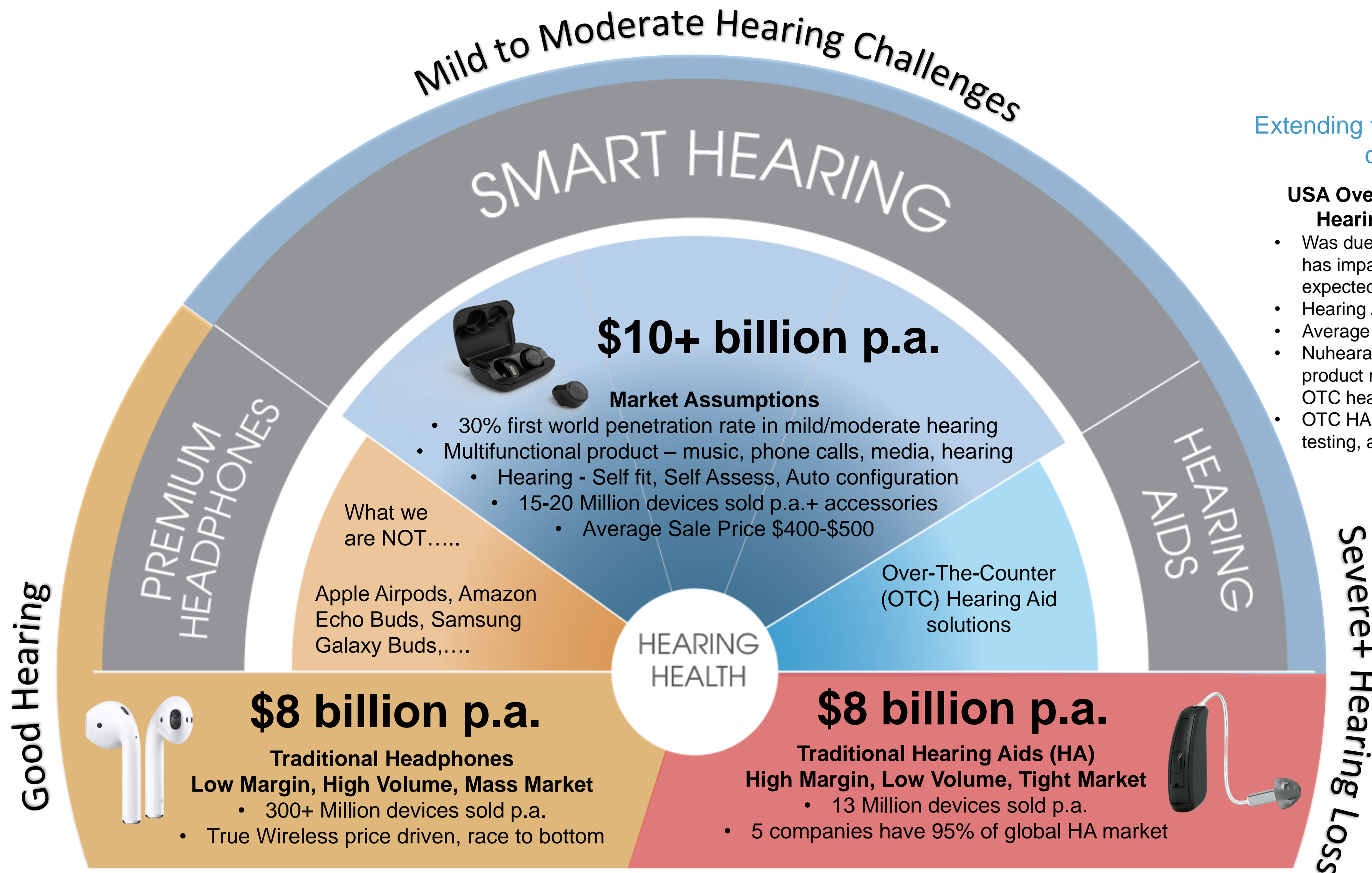


02

THE GLOBAL
MARKET OPPORTUNITY



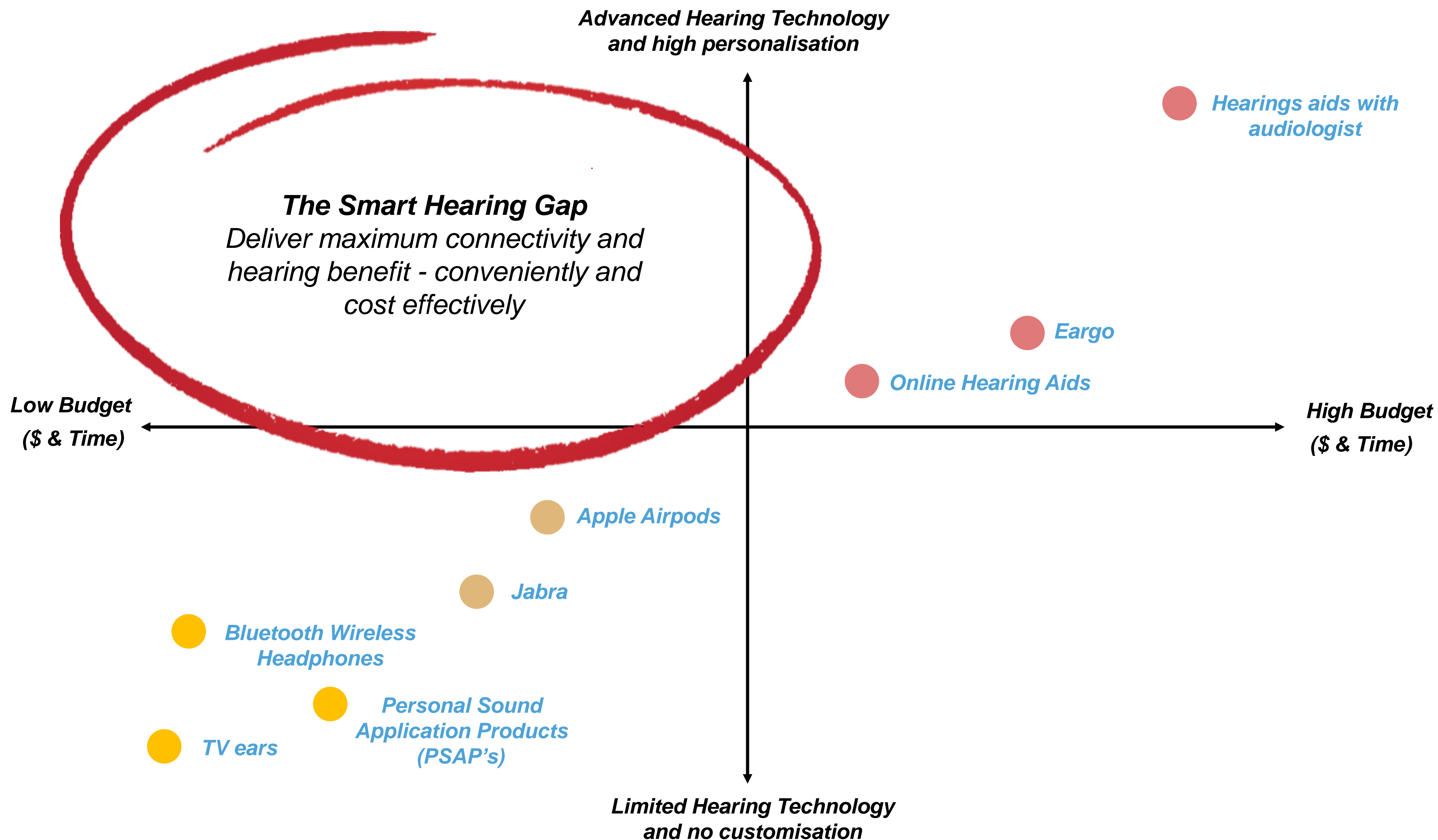
NUHEARA SOLUTION – BUILD A NEW \$10B+ MARKET CATEGORY



Extending the Smart Hearing category

USA Over-The-Counter (OTC) Hearing Aid Legislation

- Was due August 2020 (COVID-19 has impacted release – now expected early 2021)
- Hearing Aids (HA) to be sold OTC
- Average Sale Price \$500-\$1000
- Nuheara is well placed to extend product range and upsell with OTC hearing aid
- OTC HA must be self fitting, self testing, auto-configuring device





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03

BUSINESS UPDATE



Hearing Healthcare

Nuheara branded products

Direct To Consumer (DTC)

7 Global online Nuheara sites/shops.

Expansion: Additional marketing spend
as/when MAX backorder removed

Online Retail Partners (USA)



Walgreens
CRUTCHFIELD

Expansion: Additional online retail partners in other
geographies will be added when MAX available

Government Contracts



Australian Government
Hearing Services Program
ndis National Disability
Insurance Scheme



Original Equipment Manufacture

Nuheara developed Technology, IP and products
marketed by other companies

Contracted OEM Partners



Nuheara developing technology and
products that create new audio
experiences for HP and it's customers.

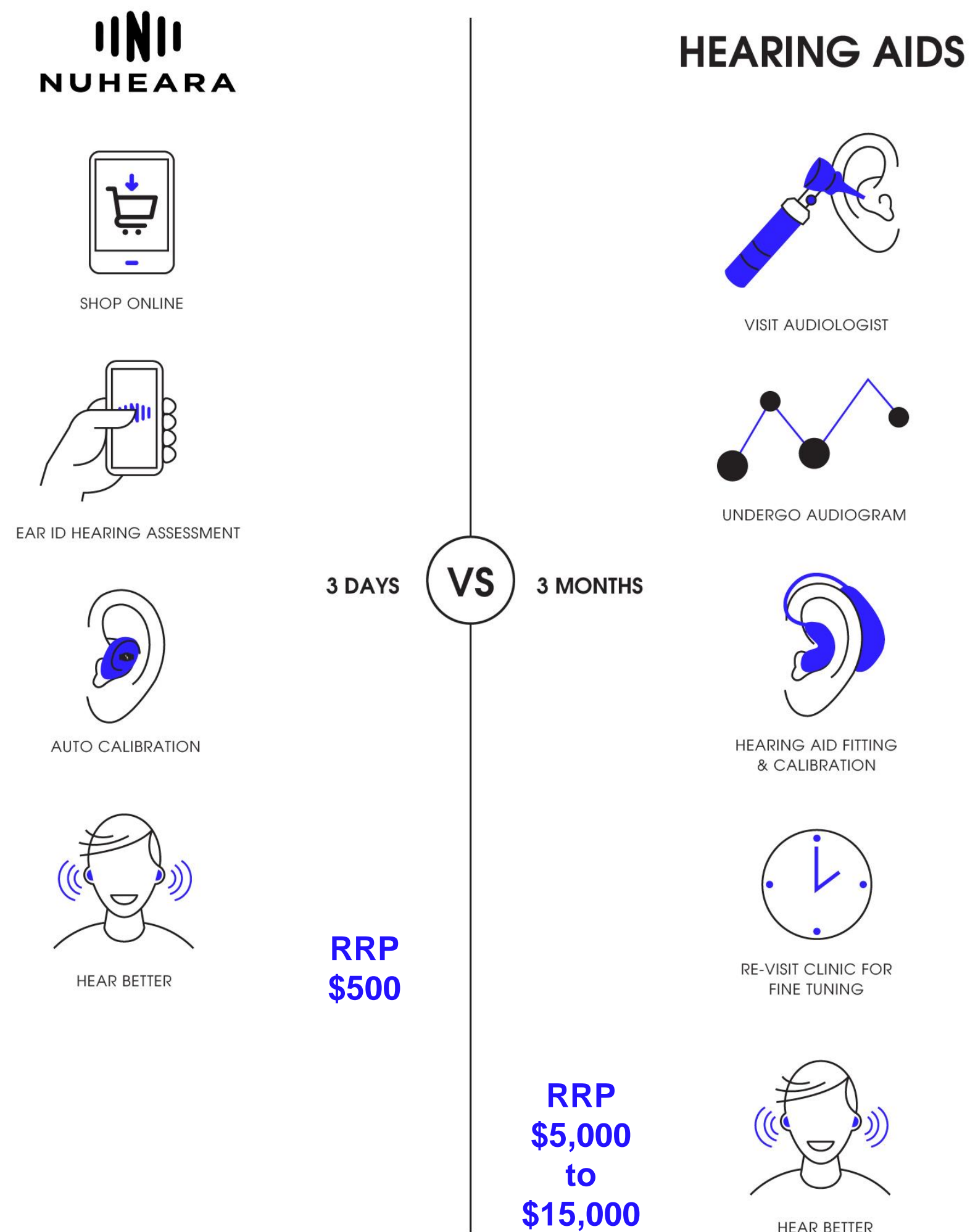
Expansion: Potential of further development
and manufacturing supply agreements.

Additional OEM Partners

Expansion: Further OEM partners are being
pursued that provide scale to the business
without cannibalising Nuheara's existing
Hearing Healthcare market.



DEFINING NUHEARA'S DTC SALES SUCCESS



Why is there so little penetration with the mild to moderate hearing customer?

- Historically people have put off the purchase of any hearing device to beyond 70 years of age
- By this stage, their hearing loss is so severe that their only option is expensive and time-consuming clinical help.
- Mild to Moderate hearing customers are generally not looking for hearing solutions in any form of retail, if at all.....so there is no retail foot traffic!

So how is Nuheara winning the mild to moderate hearing customer?

- With the right hearing products and the right DTC approach
- Most importantly, we know who the hearing customer is and how to find them
- Global need with 85% of all IQbuds² Max customers are international (non-Australian)
- Over many years, we have tested thousands of hearing avatars or profiles of potential hearing customers
- We have refined these into 8 distinct avatars that we advertise to globally
- These 8 avatars provide us with the best conversion to a sale, via scalable full funnel digital marketing

Test, Fail, Tweak, Success

NUHEARA - ALLOWING THE HEARING HEALTHCARE JOURNEY TO START AT HOME

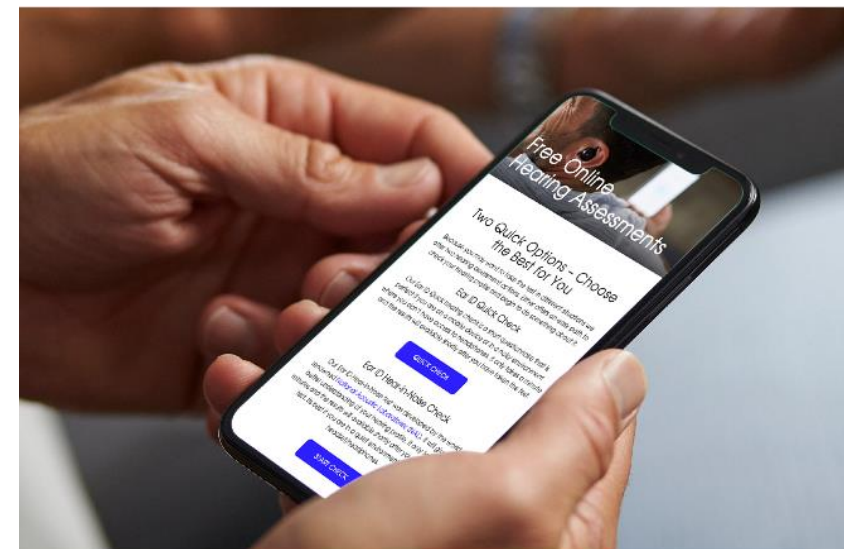
STEP ONE

Educate yourself about hearing loss and determine if you are ready to start your hearing health journey. Understand your options and the products that can help you.



STEP TWO

Do an online hearing check – Nuheara has two types of simple and convenient hearing checks on its website. This will help you get a quick early read on your hearing health.



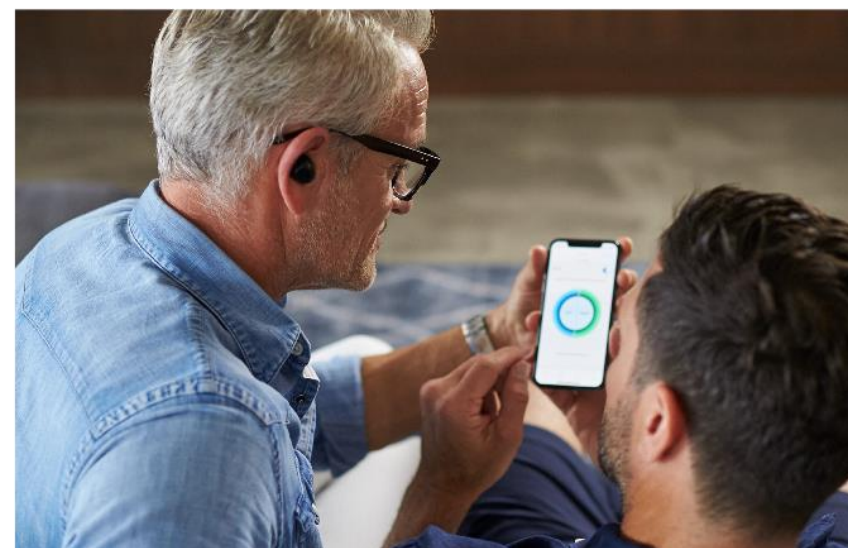
STEP THREE

Try Nuheara IQbuds² MAX (in-home 30-day trial). IQbuds² MAX or IQbuds BOOST are the perfect in-home hearing bud. Connect to your TV via IQstream TV, take your wire free video call, block noises in the house or elevate conversations. You're in control of your in-home sound environment.



STEP FOUR

Assess Your Ear ID Hearing Profile – Nuheara's in-app Hearing Personalization System Ear ID is the most advanced, clinically validated in-home hearing assessment available today.



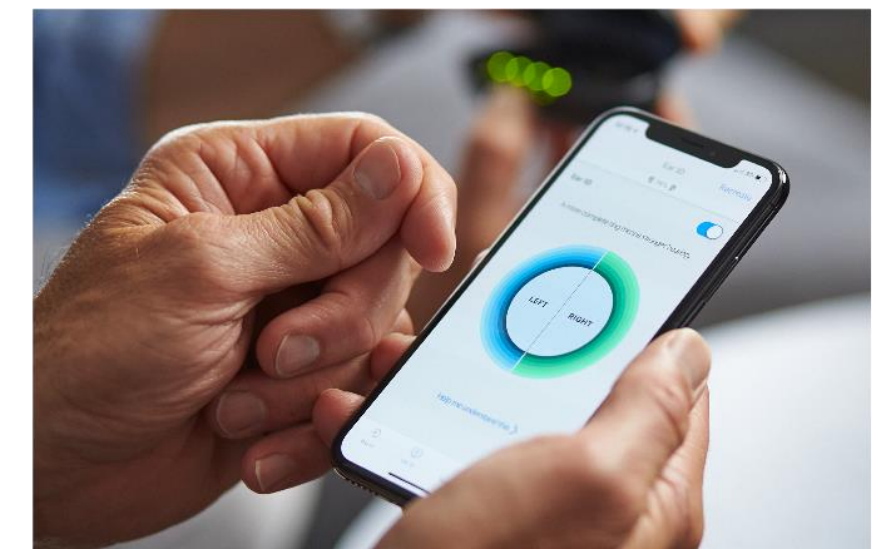
STEP FIVE

Hear better and start controlling your sound environment. Once your hearing profile is calculated via Ear ID, it auto-calibrates your IQbuds to your own personal hearing profile.



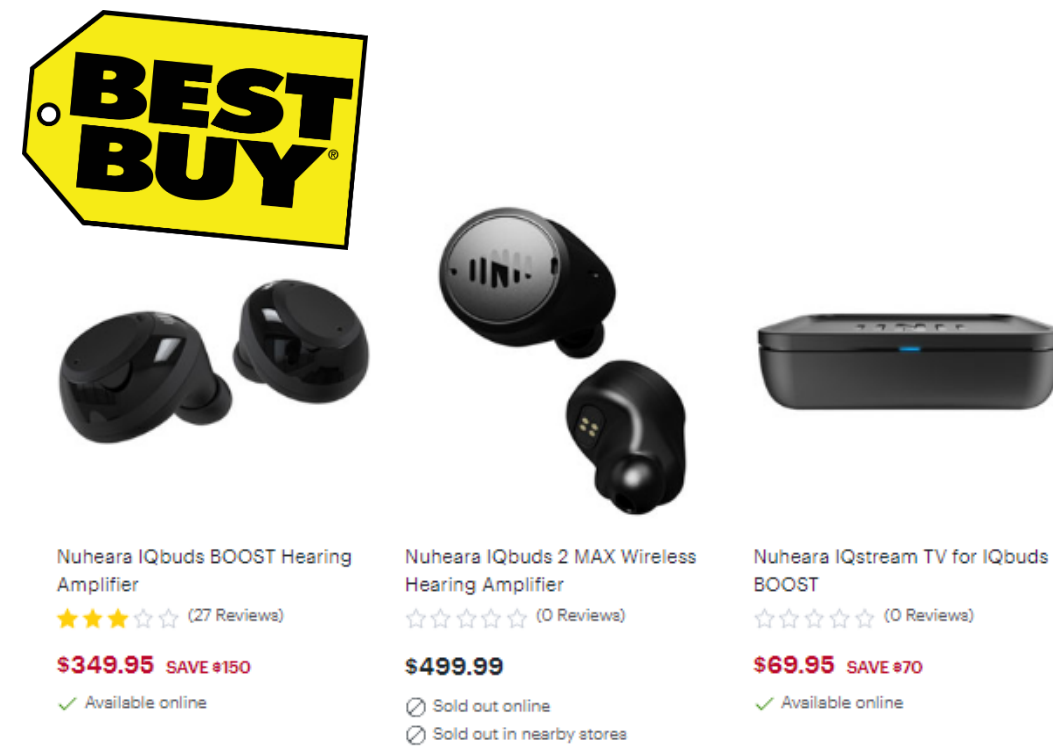
STEP SIX

Do your EarID assessment every six months. EarID is always available for you to do your hearing assessment, but Nuheara recommends you do it every six months.

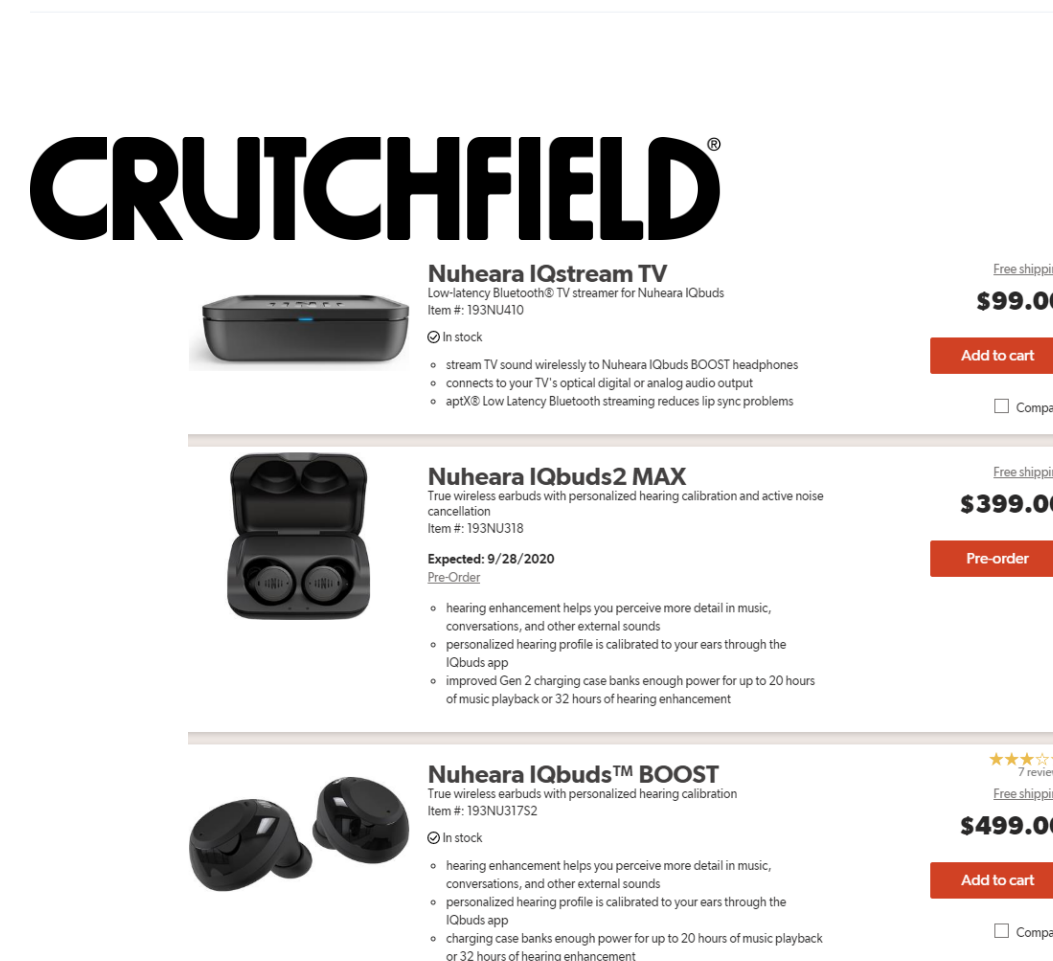
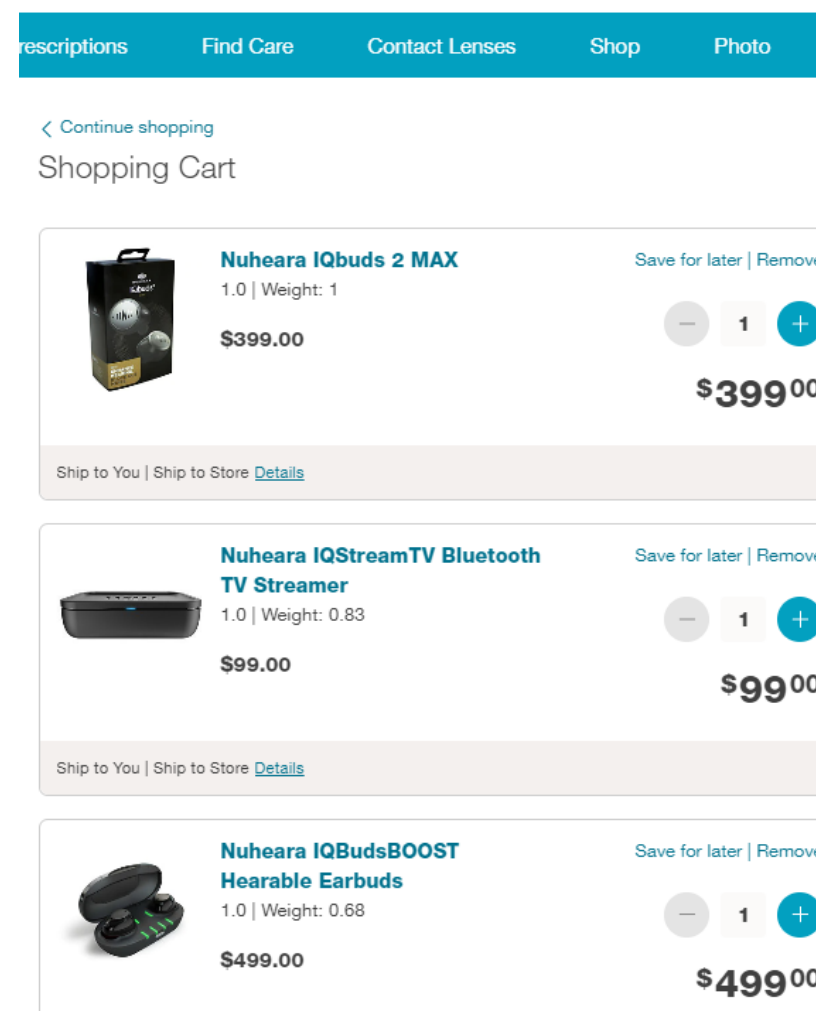


Nuheara has been retailing Smart Hearing Bud products (IQbuds) with major global retailers since 2017, providing us with a unique global leadership position in non-clinic hearing sales experience.

There was no blueprint for smart hearing products, category or retail



Walgreens



Traditional retail learnings:

- Hearing devices should not be sold on a peg or retail shelf alone – they need to be supported.
- Assisted sales environments work – screen/test, demonstrate and educate.
- Price doesn't drive sales – device must solve real problems.

Moving hearing retail online:

- All of traditional retail learnings are being applied to online Direct To Consumer (DTC) sales by Nuheara, generating GREATER sales success.
- Online DTC sales model (with Nuheara supporting logistical back end) is now working with large retailers who have traditionally sold in brick and mortar retail stores.
- Nuheara drove change in the hearing sales model, COVID-19 has now hastened it
- Moving to online retail (vs brick and mortar retail) has now halved the margin Nuheara sacrifices to third party retailers.
- Nuheara now working with more global retailers to implement online retail sales – utilises retailers extensive customer membership bases to drive online sales.



- + Launched as a first mover in consumer hearing healthcare space**
 - An identified \$10billion market opportunity
 - Developing a new market segment with a clear unmet need
 - Validated by extensive customer data and scalable DTC sales model

- + Pioneer in smart hearing with proven track record in delivery of leading edge products**
 - Focused on mild to moderate hearing product suite and expanding pipeline of products
 - Industry leading IQbuds² MAX launched in January 2020 with manufacturing underway for shipping

- + Achieving growth in multiple scalable global sales channels**

= *Significant global growth opportunity as the first mover in Smart Hearing category with proven technology, products and sales model*

THANK YOU!



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04

APPENDICES



KEY FEATURES OF IQBUDS² MAX

EAR ID personalization
Allows you to assess your hearing and calibrate the buds to your personal hearing profile.






Active noise cancellation (ANC)
Delivers unrivalled level of noise cancellation with both passive and hybrid active noise cancellation.

Speech in noise control (SINC)
SINC feature helps you to hear conversations better by turning down noise in a noisy environment.

Directional focus
Focus uses audio beam forming technology to isolate and enhance sounds directly in front of you.

World blend
Blend the perfect amount of world noise with the dynamic world control feature.

Hear tv better
Iqbuds² MAX with iqstream TV allows you to control your own personal TV audio volume.

FEATURES					
	IQbuds ² MAX	IQbuds BOOST	High End EAR BUDS*	PSAP**	HEARING AID†
Bluetooth Connectivity	✓	✓	✓	✗	✗ PO
Take Calls & Stream Music	✓	✓	✓	✗	✗ PO
Rechargeable	✓	✓	✓	Some (\$300+)	✗ PO
Sound Amplification	✓	✓	✗	✓	✓
Conversation Enhancement	✓	✓	✗	✗	✓
External Noise Supression	✓	✓	✗	✗	✗
Directional Microphone	✓	✓	✗	✗	✓
Personalization / Calibration	✓ IH	✓ IH	✗	✗	✓ IC
Tap Touch Controls	✓	✓	✗	✗	✗
ANC (Active Noise Cancellation)	✓	✗	✗	✗	✗
Usage	Situational	Situational	Leisure	All Day	All Day
Pricing[°]	USD \$399	USD \$299	USD \$150+	USD \$50-299	USD \$4000+

IH – In Home IC – In Clinic PO – Premium Option
 *We refer to premium true wireless Bluetooth earbuds
 **A Personal Sound Amplification Product (PSAP) is a non-medical regulated hearing device.
 †Hearing aid features range vastly over \$4000. The average cost of a hearing aid with some intelligent features is \$4300 USD; however, these features will depend upon the choices on offer by your chosen clinic/reseller.
 ° Comparative pricing in US dollars.



With US representing ~ 40% of total global market:

Total Global Market Potential Opportunity p.a.	\$3,430,000,000	\$10,290,000,000	\$17,150,000,000
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CONSUMER AFFAIRS

“IQbuds MAX, a product that can enhance a consumer’s basic hearing experience, if not replace the need for hearing aids altogether.”

Technology in audio wearables creates a blur between earbuds and hearing aids – Consumer Affairs

THE VERGE

“Nuheara’s secret sauce with its IQbuds² MAX is its EarID technology... is able to analyze your hearing and tailor its sound appropriately”

At CES 2020, the AirPods Pro competitors arrived in droves – [The Verge](#)



“The Nuheara IQbuds² Max also tune themselves to your ears using an app-based version of the NAL-NL2 test procedure used by audiologists ”

The future of augmented reality might be in your ear – CNET



“In-ear headphones like AirPods Pro play music, and use active noise cancellation to block ambient sound. Nuheara’s offerings can do that too, but that’s just the start.”

Nuheara assistive earbuds get active noise cancellation, lower cost – Cult of Mac



“In addition to offering active noise cancellation, the trio of microphones on each earbud can focus on sound in front of the wearer while reducing the surrounding noise.”

How these AirPods competitors are plotting to take on Apple in 2020 – [Fast Company](#)

FINANCIAL REVIEW

“And without hesitation, we can say the noise-cancelling betters any earbuds or headphones we’ve ever reviewed.”

Turn off the world with Nuheara’s IQbuds² MAX – Financial Review

THE MARKET OPPORTUNITY – THE UNMET GLOBAL NEED IN HEARING HEALTH

3rd 

Hearing Loss is **3rd most common** health condition after arthritis and heart disease.

15% 

15% of all adults worldwide have some degree of hearing loss.

1 in 5 

20% of American teenagers now suffer some form of hearing loss.

7 years 

People with hearing loss wait an average of 7 years before seeking help.

37 years 

The time between the average age we start to lose our hearing 35 years (age related) and the median age of a hearing aid user which is 72 years.

65% 

65% of people with hearing loss are under 65 years of age while the median age of hearing aid wearer is 72 years.

\$1 trillion 

Unaddressed hearing loss poses annual global cost in excess of AUD \$1 trillion

75% 

75% of all people with hearing loss can be classified as mild to moderate, less than 10% of these have hearing devices.

5X 

Mild hearing loss doubled dementia risk. Moderate loss tripled risk of developing dementia.

86% 

86% of people with hearing loss that could benefit from a hearing device do not get them, primarily due to cost and inconvenience

\$7k 

Average cost of mid range digital hearing aid is \$7000 (up to \$14000 for top of line).

#1 

Hearing loss is the #1 modifiable risk factor for dementia.



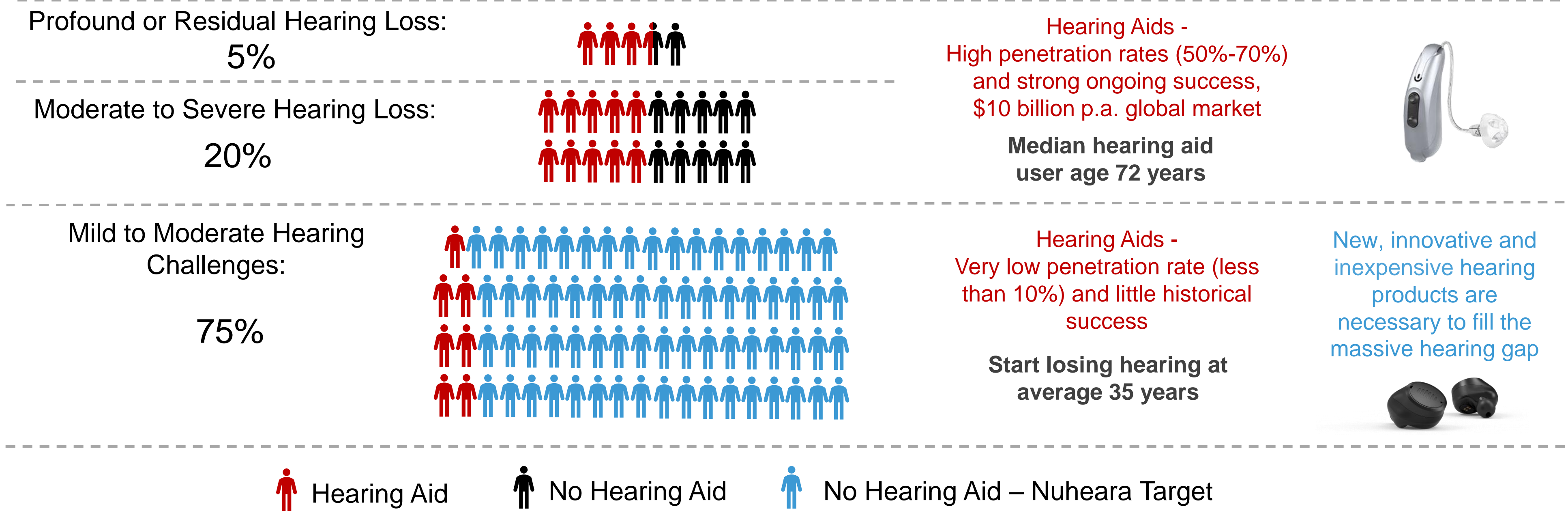
HEARING LOSS IS ON THE RISE WITH THE PREVALENCE EXPECTED TO
ALMOST DOUBLE BY YEAR 2050 – WORLD HEALTH ORGANISATION

THE MARKET OPPORTUNITY – THE SWEET SPOT

MEETING CUSTOMERS HEARING NEEDS

Hearing Aids are very successful at higher levels of hearing loss - where the customer is older (**median age 72 years**) and more likely to require professional service expertise and judgement. However 75% of all hearing loss is categorised as mild to moderate and 90% of these people have not purchased a hearing device – this represents more than **30 million people in the US** alone that are currently not having their hearing needs serviced.

Total hearing loss market - segmented by degree



DRIVING CHANGE TO REACH NEW CUSTOMERS AND BUILD NEW HEARING MARKET



Few Challenges Mild Challenges Moderate Challenges Severe Challenges Profound & Deafness

NEW: Over-The-Counter/Direct (Cost: \$400-\$1000)

Situational wear devices

Personalised Hearing Amplification (Ear ID)
Entertainment & communication functions
Convenience & Self service hearing
Normal form factor (non prosthetic)
Appeal to younger audience



Audiologist (\$4,000-\$15,000)

All-day-wear devices
Hearing Amplification



Surgery (\$30K+)

Implanted Devices
Cochlear Implant

