

# INNOVATION PERSONAL AUDIO NUHEARA

## Hear's to Life

### INVESTOR SUMMIT NEW YORK CITY, USA SEPTEMBER 2019

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CEO & CO-FOUNDER



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All amounts in Australian dollars unless stated otherwise.



# CORPORATE SUMMARY

## COMPANY DETAILS

<b>ASX Ticker</b>	NUH
Ordinary Shares on issue (m)*	1,062
Unlisted Options (m)	56
Share Price \$ (AUD) 15 Sep 2019	0.03
<b>Market Capitalisation \$m (AUD)</b>	<b>31.9</b>
Debt \$m (AUD) 15 Jul 2019	-
Cash \$m (AUD) 15 Jul 2019	7.2
Shareholders & Groups	
Total Shareholders	3,915
Top 20 Shareholders	44.4%

- Listed on ASX March 2, 2016 @ \$13.8m Market Cap
- Headquartered in Perth, Australia with sales Offices USA, UK & Singapore
- Total investment \$37m + \$3.5m government R&D grants
- Last capital round: \$4m raised @ \$0.05 on 15 July 2019
- Revenues (inc grants) 2017FY \$2.5m, 2018FY \$5.2m, 2019FY \$4.5m

## BOARD OF DIRECTORS

	<b>Mr Justin Miller</b> Executive Chairman 68.1m shares
	<b>Mr David Cannington</b> Executive Director 68.1m shares
	<b>Ms Kathryn Foster</b> Non-Exec Director 0.64m shares

- Co-founder, Managing Director and CEO
- Co-founder & CEO Empired (ASX:EPD) & Sensear
- Co-founder, Executive Director and CMO
- 25+ years global sales and marketing experience
- Non-Executive Director
- 20+ years experience Senior Director of Microsoft managed 232 geographies for xBox

## Nuheara Advisory Board

- Mr Joel Beilin (Chief Advisor – Audiology, Ex Sivantos, Siemens)
- Mr Brian Hall (Ex Microsoft, Doppler Labs)



# OUR OPPORTUNITY

Provide smart,  
affordable & MULTI-  
PURPOSE hearing  
solutions to the  
people who are not  
being serviced with  
traditional hearing  
solutions today.

For professionals only



# MEETING A GLOBAL HEARING NEED

## NUHEARA REACHING THE UNDER-SERVICED

For persons with hearing loss only

### High Penetration Rates with Older Age

Hearing Aids are very successful at high levels of hearing loss and where the customer requires professional service expertise and judgement. However, they are unsuccessful everywhere else, despite there being many more people who could benefit.



Average user age 72 years

### Very Low Penetration Rates with younger age

Hearing Aids (or hearing devices) can offer benefits for users in the Mild to Moderate segment but many don't take them up.

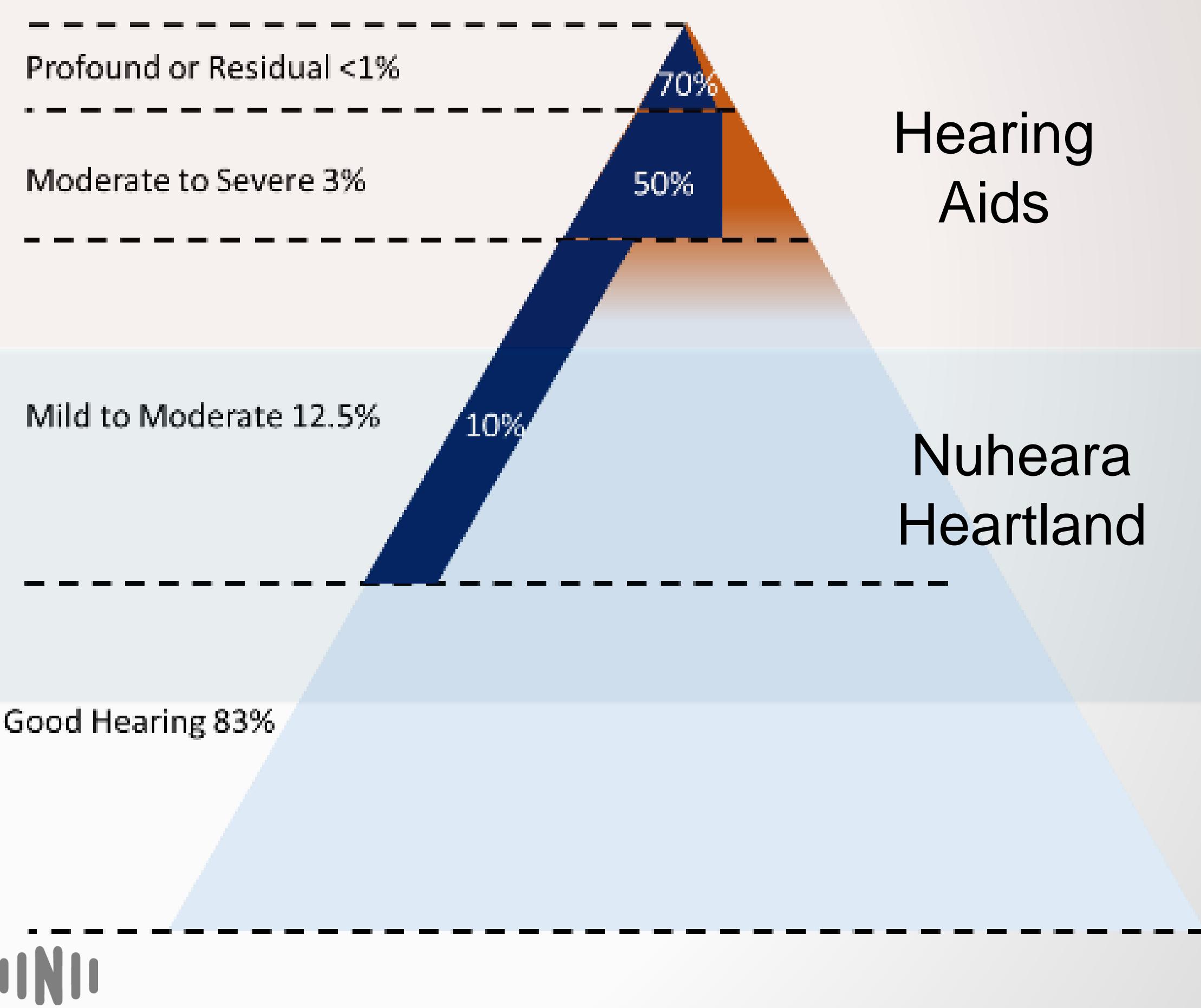
**New & innovative hearing products are necessary**

Start losing hearing at 35 years (average)

*"90% of people with mild to moderate loss are not being catered for, representing more than 30 million people in the US alone."*

### Hearing Aid Usage Rates (Not to Scale)

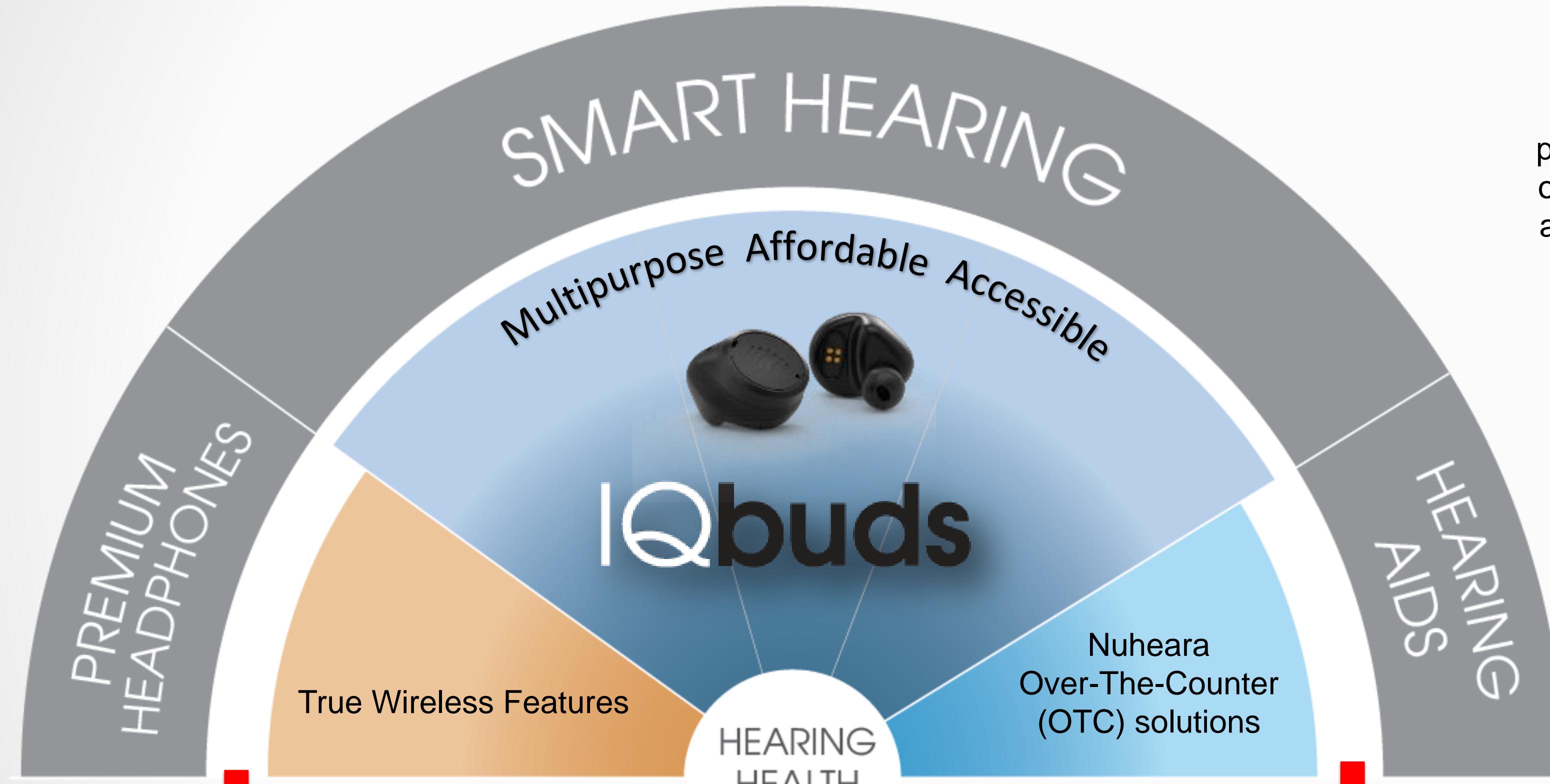
% with Hearing Aid



# MARKET OPPORTUNITY – FILL THE VOID

## NUHEARA CREATING A NEW CATEGORY OF HEARING DEVICES

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### Traditional Headphones Low Margin, High Volume, Mass Market

- 300+ Million devices sold p.a.
  - \$8billion p.a. market
- Price driven, race to bottom

### Traditional Hearing Aids (HA) High Margin, Low Volume, Tight Market

- 13 Million devices sold p.a.
  - \$10billion p.a. market
- 5 companies have 95% of global HA market

In August of 2017, the US president officially signed a new over-the-counter (OTC) hearing aid legislation into law, with it to be in effect by 2020.

**OTC will create new product possibilities for Nuheara**

Nuheara's current hearing products have first mover advantage to support OTC:

- Self-Assessing
- Self-Fitting
- Auto configurable
- Already sold in broader retail



# MARKET OPPORTUNITY - OUR CUSTOMER SALES ARE CONSISTENT WITH OUR TARGET MARKET

With 35,000+ pairs of IQbuds sold today, our BOOST customers are showing they are not “quite ready” for a hearing aid:

- Male 85%
- 45 -75 yrs. 65%, average age 54 yrs
- 71% of BOOST customers have had a hearing test and visited an audiologist
- 22% of BOOST customers have purchased hearing aids and switched to BOOST
- 70% have normal to moderate hearing loss

*“Nuheara is now reaching its hearing customers, on average, 18 years in advance of hearing aid users”*



# MARKET OPPORTUNITY – HOW IT HAS DEVELOPED

## THE EVOLUTION OF PRODUCT AND SALES CHANNELS

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# OUR STRATEGY - PATH TO MARKET

## COMMERCIALISATION SEQUENCE AND WHERE WE ARE NOW



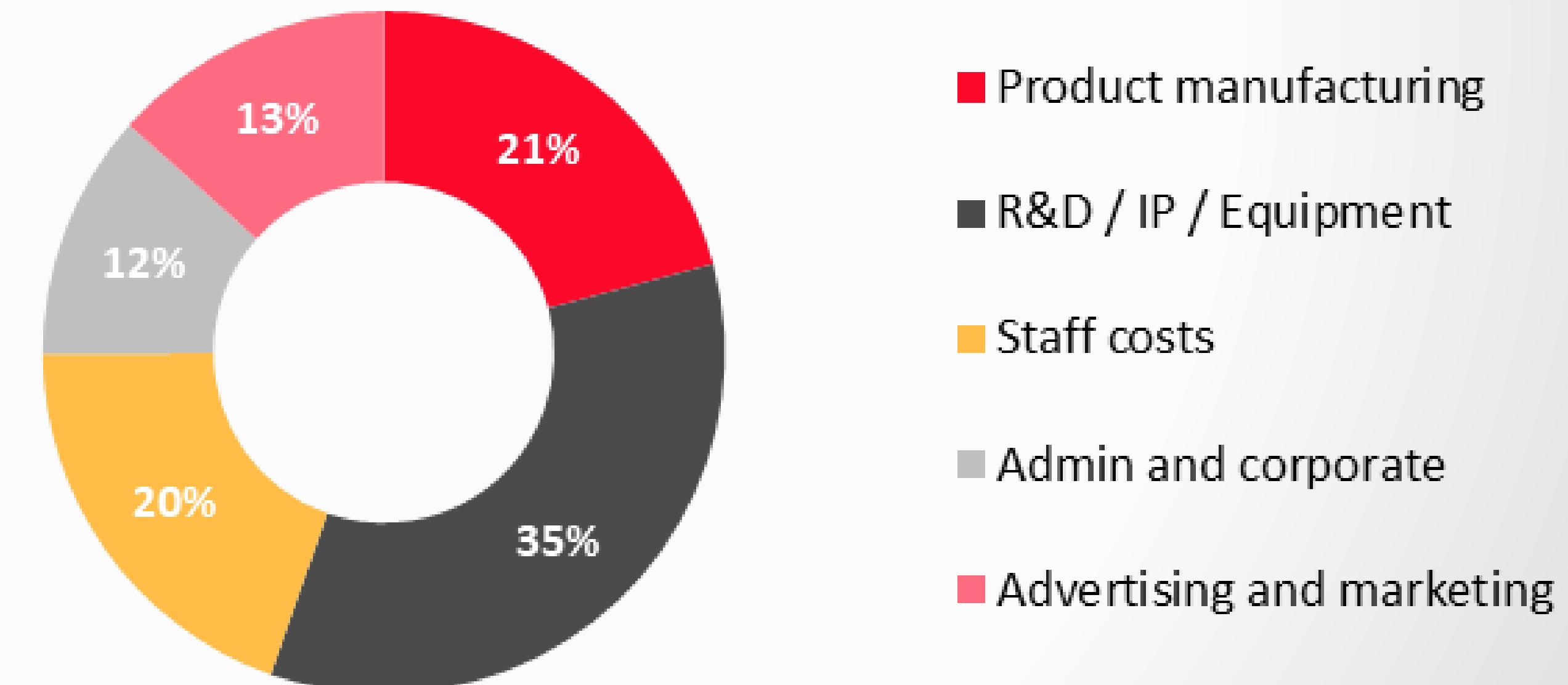
# OUR STRATEGY – INVESTMENT TO DATE

## NUHEARA'S EFFICIENT USE OF CAPITAL

The Company has maintained a modest sales and marketing budget, with staff and research and development related costs comprising the key overheads.

- Approx. \$22M invested in product and manufacturing.
- \$6M invested in sales and marketing.
- Measured investment approach to sales and marketing
  - necessary as products and accessories were developed and deployed.
- Hearing Bud/Smart Hearing category created
  - understanding of who the customer is, and how best to reach them.
- Solid Product Development Roadmap
  - Third Generation platform (IQbuds MAX), Accessories (IQstream TV) and other development to continue
  - investment now slanted to sales/marketing (Awareness).

Cash Expenditure Breakdown (%)



# OUR SALES STRATEGY

## HEARING HEALTHCARE FOCUS

Nuheara's consolidated customer hearing offering aims to specifically target the underpenetrated mild-to-moderate hearing loss market, addressing the issues faced by traditional hearing aid products.

Our personal hearing healthcare focus

Wellness	Personalisation	OTC	Government Endorsed Channels
<ul style="list-style-type: none"><li>Increased focus on wellness within retail</li><li>Big consumer electronic partners are creating wellness sections within stores</li><li>Best Buy introducing Nuheara Hearing Kiosks in North America</li><li>Optical chain hearing penetration in Europe</li></ul>	<ul style="list-style-type: none"><li>Moving away from stand alone clinics</li><li>Hearing clinics positioned within stores, including big-box retailers (Costco – largest provider of hearing aids in USA), Pharmacy (Walgreens), Optical (Specsavers – largest provider of hearing aids in UK)</li><li>Direct-To-Consumer (DTC)</li></ul>	<ul style="list-style-type: none"><li>OTC represents further broadening of retail opportunities with self serve hearing solutions</li><li>OTC Hearing Aid Spec. due late 2019 – early 2020</li><li>Nuheara positioned well (in comparison to hearing aid manufacturers) to push further up valuation chain with an OTC offering</li></ul>	<ul style="list-style-type: none"><li>Nuheara contracted as an approved supplier to the Australian Government's HSP and NDIS contracts for hearing</li><li>IQbuds BOOST &amp; IQstream TV now (from July 1, 2019) bundled offering on HSP</li><li>IQbuds BOOST selected as a hearable solution in UK's NHS hearing program for Scotland and Northern Ireland</li></ul>

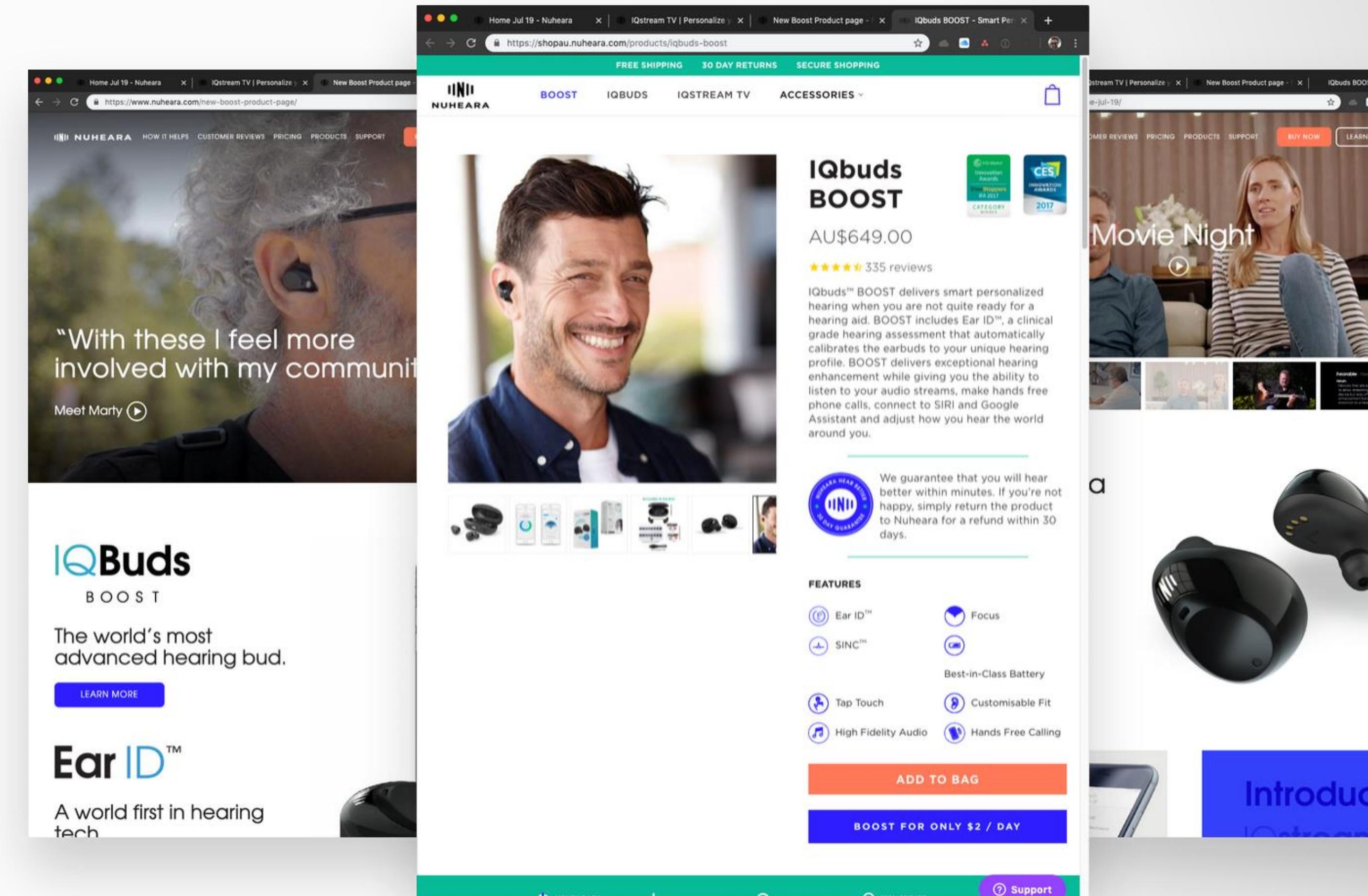


# OUR STRATEGY - DIRECT TO CONSUMER

## NUHEARA WEBSITE DRIVES HIGH MARGIN SALES

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- Metric driven approach to DTC ecommerce
- 7 Shopify sites globally all driving online revenue with focus on USA and Australia
- Growing database of engaged potential customers
- Test, fine-tune, optimize
- Have engaged leading marketing automation agency to assist with optimizing online customer journey



# OUR FOCUS - SMART HEARING/HEARABLES

## HOW NUHEARA IS EFFECTING GLOBAL HEARING HEALTHCARE CHANGE

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### Accessibility

#### From back street clinics to main street retail

Optical, online, pharmacy, specialty & big box retail are now selling hearing devices. Sales are no longer exclusive to manufacturer owned & operated hearing clinics. Nuheara now sold **35,000+ pairs** of IQbuds range plus accessories.

### Affordability

#### IQbuds - 10% cost of average pair hearing aids

Unbundling of services, online sales competition, new technology and retail diversity allows us to drive down the cost of hearing devices

### Multipurpose

#### Stream media, make phone calls & provide hearing assistance

Nuheara's innovation and new technologies are creating more variety & multi-functionality for **situational** hearing products

### Research & Technology

#### World leading hearing research

Focus research attention to large population bases that are not adequately serviced by current technology and products.

### Government Support

#### Contracts for fully subsidized Nuheara products

Nuheara products secured on Australian Government Hearing Services Program (HSP) for hearing challenged and National Disability Insurance Scheme (NDIS) for Autism sufferers. Also National Health Service (NHS) in Scotland and Northern Ireland for hearing challenged.

### Legislation Changes

#### Regulators supporting Nuheara model

Over-The-Counter (OTC) hearing devices in USA will provide accessible and affordable hearing healthcare to millions of people who might not otherwise seek or afford hearing assistance. Lays foundation for global change.

### Patient-centered Care

#### Nuheara places hearing decision making in hands of consumer

Away from clinics, Nuheara allows people to take control of their own hearing healthcare journey with Self Assessment, Self-fitting and Auto-configuration tools.

### Form Factor

#### Looks like an ear bud NOT a hearing aid

The proliferation of wireless earbuds has made earware fashionable and the prospect of hearing buds, rather than prosthetic hearing aids, very real.

# WHY NUHEARA

## SUMMARY

- **Strong management team with significant experience**
- **Significant investment and development of technology**
- **Launched as a first-mover in consumer hearing healthcare space**
- **Now focussed on mild-to-moderate hearing loss product suite and expanding pipeline**
- **Significant growth opportunity for mild-to-moderate hearing loss segment**



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THANK YOU



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