

ASX MARKET RELEASE

Nuheara update to market

25 June 2019 – 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 an update on a number of developments.

IQstream TV™

IQstream TV™ commenced shipping the first week of June, ahead of its scheduled shipping date. The Company has seen a significant up-take from existing IQbuds BOOST™ customers. In addition, many original IQbuds™ customers used the launch promotion to upgrade to IQbuds BOOST™ and IQstream TV™. Due to the successful launch, a 2nd production run has been scheduled.

IQbuds MAX™

With IQstream TV™ successfully entering mass production, the technical team is now focusing on bringing IQbuds MAX™ into mass production.

Further pre-production builds of IQbuds MAX™ on the production line are planned for Q3 2019 and to enter the later stages of mass production in Q4 2019.

OEM

As announced in February 2019, the Company had flagged interest by OEM's (third party manufacturers who resell another Company's product under their own name and branding) in Nuheara's products including LiveIQ™.

Concurrent with the OEM discussions, in April, 2019, following a period of technical and product related discussions, Nuheara received a confidential indicative non-binding letter of intent ("LOI") from a large multinational company with respect to the potential acquisition of all issued shares in the Company. This placed a number of OEM and other partnership discussions on hold pending the outcome of these discussions. The LOI did not proceed and Nuheara has recommenced previous OEM discussions.

Furthermore, Nuheara had previously announced its move to concentrate on high end, high value hearing products and related retail channels. This became a strategic decision, and as such, Nuheara was not going to develop, manufacture or sell LiveIQ™ unless it was through an OEM. Nuheara has refined its strategy and determined that any further OEM discussions will be focused only on its high value products. As a consequence, the Company will discontinue LiveIQ™ as a product under development for any channel, with all LiveIQ™ technology developments transferred to IQbuds MAX™.

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Australian Government Hearing Services Program (HSP)

Nuheara's contract with the Australian Government Hearing Services Program (HSP) has now been extended to June 30, 2020. To date, only IQbuds™ have been included on the HSP and only achieved limited success. Nuheara is now working actively with the Australian Government to include IQbuds BOOST™ and IQstream TV™ as a bundle for inclusion on the HSP for the next financial year. This is expected to coincide with a new Nuheara program to work with Australian Independent Audiologists to promote and support the new bundle HSP offering.

Direct-to-Consumer (DTC) Retail

Nuheara's Direct-to-Consumer initiative was launched in April with a focus on the customers online purchasing journey and improving our conversion rates from the Nuheara website. To this end, Nuheara has engaged a marketing automation agency to assist in developing and executing the customer journey strategy. This initiative will require ongoing refinement to deliver the metrics required to scale this highly profitable sales channel for Nuheara.

Europe Hearing Retail

Since the announcement of the first store entry in December 2018, a major retail focus for the Company in Europe has been driven by developments with Specsavers. Nuheara's products have now been trialed in a growing number of stores across England, Scotland and Ireland with Specsavers. This has also included varied Point of Sale displays and sales approaches. Trials are expected to continue for a further period of up to six months in determination of an appropriate and considered sales solution that could then fit and scale to all stores.

North American Hearing Retail

Outside of DTC retail, Nuheara's North American sales retail attention has largely lay with Best Buy. Some success has been achieved with Nuheara's in-store product promotions, which included placement into audio product sections and senior technology categorisation. Best Buy continue to support the market potential of Nuheara's products with the soon to be launched experiential store concept, which will provide dedicated Nuheara in-store consultative sales representatives. This new program is expected to be launched within the next month.

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CONTACTS

Australia
Justin Miller
CEO and Managing Director
+61 8 6555 9999
justin.miller@nuheara.com

MEDIA

Ranya Alkadamani
ranya@impactgroupinternational.com

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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 based in Perth, Australia and has an office in New York, USA. Nuheara 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. Nuheara products are now sold in major consumer electronics retailers, professional hearing clinics 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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