

ASX MARKET RELEASE

CAPITAL RAISING PROCESS

3 July 2019 - Perth, Australia

Nuheara Limited ([ASX: NUH](#)) ("**Company**" or "**Nuheara**"), announces that it is in the process of conducting a bookbuild for a placement of ordinary shares to institutional, sophisticated and professional investors.

In that context, Nuheara provided the market update below:

Indicative non-binding proposal received but not proceeding

In April 2019 Nuheara received an indicative non-binding letter of intent from a large multinational consumer electronics company ("Counterparty") to acquire all of the shares in Nuheara at a price up to A\$0.084 per share in cash, based on 982,210,292 shares then on issue, proposed to be implemented by way of a scheme of arrangement (the "**Indicative Proposal**").

The Indicative Proposal was subject to a number of conditions, including (without limitation); satisfactory completion of due diligence, Nuheara divesting all of the Company's mining interests, a unanimous recommendation from the Nuheara Board; and entry into a mutually acceptable scheme implementation agreement. Any scheme implementation agreement would also have been subject to a number of further conditions, including shareholder, court and regulatory approvals.

Nuheara disclosed to the Counterparty that it needed to conduct a capital raising to meet Nuheara's ongoing funding requirements and would be required to provide a cleansing notice which would disclose the LOI and name of the Counterparty. The Counterparty withdrew the LOI citing its concern regarding that disclosure, and discussions with the Counterparty have ceased.

The Board notes that it has had no indication that the Counterparty or any other party will present any offer for the Company in the future. The LOI negotiation required intensive management effort and, once agreed, there was a period of exclusivity. As a result of the Counterparty's withdrawal, exclusivity has been terminated and Nuheara has been able to recommence and apply management time to previous discussions relating to OEM opportunities and other partnerships that had been placed on hold. Nuheara continues to be focused on the development of its technology and products and pursuing Nuheara's aspiration to be the global hearing leader by providing more functional, affordable and accessible hearable products.

Nuheara will update shareholders of any further developments in accordance with its continuous disclosure obligations.

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Nuheara appointed Azure Capital Limited as its financial adviser and Herbert Smith Freehills as its legal adviser for the Indicative Proposal and Rawson Lewis Pty Ltd as its lead manager for the capital raise.

-ENDS-

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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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