

# ASX MARKET RELEASE

## Response to Media Speculation

**Date – 4 July 2019 – Perth, Australia**

Further to its 25 June and 3 July 2019 announcements and in response to media speculation, Nuheara Limited (**ASX: NUH**) ("**Nuheara**") confirms that the party from which Nuheara received an indicative non-binding letter of intent ("**LOI**") was Harman International Industries, Incorporated ("**Harman**"), a subsidiary of Samsung.

As previously announced, Harman withdrew the LOI and discussions with Harman have ceased.

The Board notes that it has had no indication that Harman or any other party will present any offer for Nuheara in the future.

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

## Response to ASX

Nuheara is pleased to respond as follows to the questions set out in ASX's letter to Nuheara dated 4 July 2019:

1. *Please confirm the accuracy of the information contained within the Australian Financial Review ("AFR") article dated 4 July 2019 under the headline "Samsung pulls bid for Perth start-up" ("Article"), in particular the identity of the counterparty to the offer.*

The Article was accurate to the extent that it repeats information from Nuheara's announcement dated 3 July. However, the identity of the counterparty was not accurate. Harman was the counterparty and not, Samsung. Harman is a subsidiary of Samsung, but Nuheara understands that Harman operates separately from Samsung and conducts its own business.

2. *Please confirm the status of the proposed offer.*

As previously disclosed in Nuheara's 25 June and 3 July 2019 announcements:

- Harman withdrew its LOI and discussions with Harman have ceased.
  - The Board notes that it has no indication that Harman or any other party will present any offer for Nuheara in the future.
3. *Please explain why NUH did not disclose details of the offer, in particular the indicative offer price, at the time NUH released its update to the market on 25 June 2019. In answering this question please address why NUH considered it appropriate to disclose the indicative offer price in the 3 July 2019 Announcement and not include it in the 25 June 2019 Announcement.*

Ahead of its proposed capital raising process, Nuheara needed to conduct limited confidential soundings with potential investors. Nuheara considered it important to mention the non-binding LOI in those soundings and that it was prudent to release limited details of the approach in its 25 June 2019 announcement so that Nuheara could refer to those limited details in soundings, on the basis that further details would be included in a later cleansing announcement to cleanse the market.

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Nuheara disclosed additional details in the 3 July 2019 announcement in order to cleanse the market in connection with the capital raising.

4. *Is NUH able to explain how the AFR became aware of the identity of the counterparty to the offer?*

No, Nuheara is not aware of how AFR formed a view as to the identity of the counterparty and the AFR Article was incorrect in naming Samsung as the counterparty.

5. *Has NUH disclosed to any party participating in the proposed capital raising the identity of the counterparty?*

No. However, given these questions from ASX, Nuheara will now disclose this announcement to the investors involved in the capital raising.

6. *Please confirm that NUH is in compliance with the listing rules and in particular listing rule 3.1.*

Yes, we confirm that Nuheara is in compliance with the listing rules and in particular listing rule 3.1.

7. *Please confirm that NUH's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of NUH with delegated authority from the board to respond to ASX on disclosure matters.*

Yes, we confirm that NUH's responses to the questions above have been authorised and approved.

**-ENDS-**

#### **CONTACTS**

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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](http://www.nuheara.com)

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4 July 2019

Reference: ODIN03898

Ms Jean-Marie Rudd  
Joint Company Secretary  
Nuheara Limited  
190 Aberdeen Street  
Northbridge Western Australia 6003

By email: [jean-marie.rudd@nuheara.com](mailto:jean-marie.rudd@nuheara.com)

Dear Ms Rudd

**Nuheara Limited ('NUH'): Query in relation to article in The Australian Financial Review**

ASX refers to the following:

- A. NUH's announcement entitled 'Nuheara update to market' lodged with ASX on 25 June 2019 in which NUH disclosed that it had received a confidential indicative non-binding letter of intent (the 'LOI') in April 2019 from a large multinational company (the 'Counterparty') with respect to the potential acquisition of all of the issued shares in NUH, and that the LOI did not proceed (the '25 June 2019 Announcement').
- B. NUH's request for a trading halt pending an announcement regarding a capital raising lodged with ASX on 3 July 2019.
- C. NUH's announcement entitled 'Capital Raising Process' lodged with ASX on 3 July 2019 which (amongst other things) repeated the substance of the 25 June 2019 Announcement regarding its receipt of the Counterparty's LOI and further disclosed that:
  - (a) the indicative offer price under the proposal was up to A\$0.084 per share in cash (based on 982,210,292 shares then on issue) by way of a scheme of arrangement;
  - (b) the LOI was subject to a number of conditions, including (without limitation); satisfactory completion of due diligence, NUH divesting all of its mining interests, a unanimous recommendation from the NUH board; and entry into a mutually acceptable scheme implementation agreement;
  - (c) that subsequently the Counterparty had withdrawn the LOI; and
  - (d) discussions with the Counterparty have ceased and it has no indication that the Counterparty will present any offer for NUH in the future.(the '3 July Announcement').
- D. The article appearing on page 15 of today's Australian Financial Review ('AFR') under the headline "Samsung pulls bid for Perth start-up" (the 'Article'), which stated, amongst other things that:
  - (a) Samsung was the counterparty that had approached NUH with an acquisition offer but had subsequently withdrawn that offer; and
  - (b) that the NUH board told shareholders it could not indicate if Samsung would launch another bid.
- E. Section 4.22 of Guidance Note 8, which states that:

*'An entity must comply with its disclosure obligations under Listing Rule 3.1 and section 674, even where it is party to a confidentiality or non-disclosure agreement that might otherwise require it to keep information confidential.'*

F. Section 6.1 and 6.2 of Guidance Note 8, which state that:

*'The term "false market" refers to a situation where there is material misinformation or materially incomplete information in the market which is compromising proper price discovery. This may arise, for example, where:*

- *an entity has made a false or misleading announcement;*
- *there is other false or misleading information, including a false rumour, circulating in the market; or*
- *a segment of the market is trading on the basis of market sensitive information that is not available to the market as a whole.*

*Under Listing Rule 3.1B, if ASX considers that there is or is likely to be a false market in an entity's securities, it may require the entity to give ASX any information it asks for to correct or prevent the false market.'*

*'To correct or prevent a false market, ASX may require an entity to disclose market sensitive information, even if the entity considers that the information falls within Listing Rule 3.1A and therefore does not require immediate disclosure under Listing Rule 3.1. It may also require an entity to disclose information that of itself is not market sensitive and therefore not required to be disclosed under Listing Rule 3.1 (eg, to correct a false rumour that the entity is about to enter into a market sensitive transaction when it is not).'*

#### **Request for Information**

Having regard to the above, ASX asks NUH to respond separately to each of the following questions and requests for information:

1. Please confirm the accuracy of the information contained within the Article, in particular the identity of the counterparty to the offer.
2. Please confirm the status of the proposed offer.
3. Please explain why NUH did not disclose details of the offer, in particular the indicative offer price, at the time NUH released its update to the market on 25 June 2019. In answering this question please address why NUH considered it appropriate to disclose the indicative offer price in the 3 July 2019 Announcement and not include it in the 25 June 2019 Announcement.
4. Is NUH able to explain how the AFR became aware of the identity of the counterparty to the offer?
5. Has NUH disclosed to any party participating in the proposed capital raising the identity of the counterparty?
6. Please confirm that NUH is in compliance with the listing rules and in particular listing rule 3.1.
7. Please confirm that NUH's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of NUH with delegated authority from the board to respond to ASX on disclosure matters.

#### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than 07:00 AM **AWST Friday, 5 July 2019**

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ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at [ListingsCompliancePerth@asx.com.au](mailto:ListingsCompliancePerth@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

If you have any questions in relation to any of the above, please contact me.

Yours sincerely

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**Isabelle Andrews**  
Senior Adviser, Listings Compliance (Perth)