

# Archangels

investing in innovation

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## **Revolutionary hearing test set to turn heads with Archangels' investment**

An innovative new system that has the potential to revolutionise hearing tests globally has received financial backing from Scottish business angel investment syndicate, Archangels.

Edinburgh-based Hearing Diagnostics Limited has received £715,000 of investment which will enable its hearing test system to undergo trials with universities and hearing aid retailers in the UK with a view to full market launch in 2021.

The World Health Organization estimates that there are 466 million people worldwide who experience hearing loss and that two thirds of all adults over the age of 70 experience this condition. However, an estimated 86% of hearing loss in the UK goes unmanaged. People with untreated hearing loss may also experience social isolation, depression and cognitive decline as a consequence.

The worldwide hearing aid market was estimated in 2018 to be worth £14 billion, growing at 5% per annum. With non-prescription or “over the counter” hearing aids expected to be approved by the US Food and Drug Administration (FDA) later this year, this market is expected to grow significantly.

Hearing Diagnostics' hearing test is based on the patient wearing headphones fitted with a motion sensor and turning their head in response to random, multi-direction sounds. This test, when assessed using computational algorithms, has proved to be

more accurate than existing test systems during pilot trials, and is also deemed to be more resilient to imagined sounds and background noise.

The Hearing Diagnostics test can also be administered successfully without a soundproof booth and by a shop assistant rather than a more highly paid audiologist, thereby increasing accessibility and reducing cost. Furthermore, the Hearing Diagnostics test takes three minutes compared to the 25-30 minutes it takes to carry out a conventional hearing test.

Hearing Diagnostics co-founder and Chief Executive is Claudia Freigang, PhD, who said:

*“Our vision is for hearing tests to become as accessible and commonplace as eye tests to ensure that everyone with hearing loss receives care at the earliest possible opportunity. Investment by Archangels brings us a huge step towards achieving our vision and we are excited to work with such a highly experienced and supportive group of investors.”*

Colin Horne, PhD, co-founder and Chief Technology Officer of Hearing Diagnostics, said:

*“As humans, we have the remarkable ability to pinpoint with precision accuracy the exact location of heard sounds, something which should make testing whether a sound was heard a trivially easy task. However, to date, there has never been a testing technology that can deliver highly accurate screening at low cost. I'm thrilled that with this investment from Archangels, we're now in a position to change this and realise a paradigm-shifting new product.”*

Archangels is the oldest continuously operating business angel syndicate in the world and is at the forefront of investing in IP-rich tech & life sciences businesses in Scotland.

Niki McKenzie, Joint Managing Director at Archangels, said:

*“Hearing loss is a condition that is experienced across the world and yet the technology around hearing tests has barely changed in recent years. Hearing Diagnostics appears to have invented a low cost, accurate and accessible test that will help hearing aid*

*retailers to identify customers who need support with their hearing quickly and cost effectively.”*

Alongside the Archangels investment, Hearing Diagnostics is proposing a number of board appointments. Charles Sweeney, formerly CEO of Bloxx and Document Outsourcing Group and a non-executive director of a number of tech businesses, will join Hearing Diagnostics as chairman. Jacqui McLaughlin, CEO of Archangels portfolio company, Reactec, and Phil Harris PhD, CEO of Vert Rotors, will join the board as non-executive directors.

20<sup>th</sup> October, 2020

### **Picture Captions:**

Hearing Diagnostics Pics 1, 2 & 3 feature: Claudia Freigang, Chief Executive; and Colin Horne, Chief Technology Officer of Hearing Diagnostics (N.B. Claudia and Colin are a married couple so social distancing was not required for these pics. Please credit Peter Devlin.)

Archangels Pic 1 features: Niki McKenzie, Joint Managing Director at Archangels

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### **About Archangels**

[Archangels](#) is a prominent business angel syndicate which has been at the forefront of early stage investing in Scotland for more than a quarter of a century.

Originally formed in 1992 and based in Edinburgh, the syndicate now comprises around 100 investor members and leads investment of around £15m per year in early stage Scottish companies, including leverage from partners, the largest being the Scottish Investment Bank.

Archangels is interested in Scottish technology companies that are looking for initial funding of £50,000 to £2m. In addition, Archangels is keen to welcome new investors to its syndicate.