

audientes

# Annual Report 2020

*Smart, self-fitting hearing aids for the millions of people globally who suffer from disabling hearing loss.*



*»Our mission is to make smart, self-fitting and high-quality hearing aids accessible to anyone who needs them.«*



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# Audientes at a glance

Audientes is one of the new players in the hearing aid market. The company has developed a new self-fitting hearing aid, targeted at the many millions who suffer from disabling hearing loss but cannot afford to buy one of the very expensive conventional hearing aids on the market. Today, nearly 500 million people globally suffer from disabling hearing loss, of whom 400 million do not have a quality solution to address their hearing loss. The WHO estimates that, by 2050, the number of people with disabling hearing loss will reach 900 million. This is nothing short of a global health issue. Audientes wants to be part of the solution to this issue by offering affordable, self-fitting, binaural hearing aids for the benefit of all.

Audientes A/S went public on September 18, 2020 on Nasdaq First North Growth Market Denmark. We welcomed 2,800 new shareholders and received a capital injection of DKK 40 million ensuring the successful launch of Audientes' self-fitting hearing aid in 2021.

At the close of 2020, the market value of Audientes A/S was DKK 60 million.

Ticker: AUDNTS



Founded  
**2014**



IPO  
**2020**

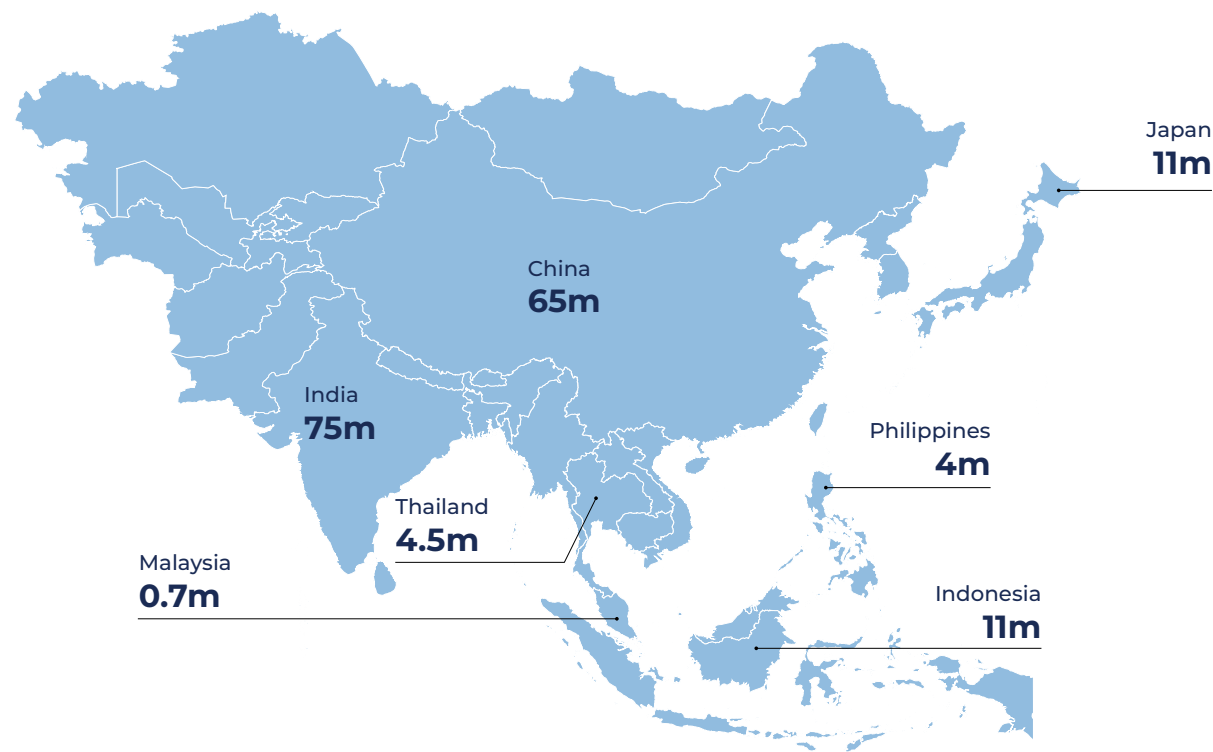


Product launch  
**Q2 2021**



Global number of people with  
disabling hearing  
**approx. 500m**

## Number of people with disabling hearing loss in Asia, 2018



Source: WHO



# The UN's SDGs

Audientes has identified three of the SDGs where we believe we can make a difference to millions of people around the world.

## GOAL 10 Reduce exclusion from the labor market and society

Treatment of hearing loss should not depend on where you live or whether you have access to an audiologist. Better hearing leads to reduced exclusion from both the labor market and society as a whole.



## GOAL 1 Alleviate hearing loss and financial distress

Treatment for hearing loss opens the door to opportunities in the form of employment, financial independence, personal relationships, education etc.

## GOAL 3 Mitigate mental and physical challenges

The health benefits of addressing hearing loss are extensive: reduced risk of dementia, depression and anxiety plus improved situational awareness.

**SUSTAINABLE  
DEVELOPMENT  
GOALS**

# Hearing aids for the benefit of all

Worldwide, over 466 million people have disabling hearing loss. In India and the US alone, 75 million and 30 million people, respectively, have this kind of hearing loss. The majority of these people do not have access to a well-functioning hearing aid. Audientes wants to address this global health issue with a new self-fitting, quality hearing aid for the benefit of everyone who needs it.

The conventional quality hearing aids available today, while technically advanced, are very expensive and also require assistance by hearing specialists in order to fit the aid to each user's unique hearing profile, further increasing the total cost. And what is more, hearing clinics often become bottlenecks, particularly in low- and middle-income countries where there is a shortage of both hearing clinics and hearing experts.

Audientes is challenging the status quo. We believe that quality hearing aids need not be expensive, and that fitting and adaptation can be handled via a built-in hearing test. The hearing aid purchasing process can also be simplified to the level of other consumer electronics by making the device available via various sales channels for the benefit of everyone with a hearing loss.

## Product launch in 2021

In 2021, Audientes will launch our first self-fitting hearing aid in a number of markets around the globe. Our distribution strategy is currently being implemented with a focus on various e-commerce opportunities as well as sales via conventional hearing specialists. Our initial focus is India, which is a market that has shown great interest in our hearing aids.

2021 will be an incredibly exciting year, where we lay the foundation for accelerating future growth with multiple product launches, new markets and new partnerships.

## Disruption for the sake of the customer

Audientes' goal is not to replace the expensive, high-quality hearing aids from major medtech companies in the hearing aid industry. Rather, our goal is to expand the market for the benefit of our target group – people with disabling hearing loss who do not have a solution today.

Instead of high price and low volume, our focus is on low price and high volume, reflecting the “high-quality, low-cost” paradigm. Accessibility can be compared to the mobile phone market, where price-appropriate, high-quality products have mass penetration in middle- and even low-income markets.

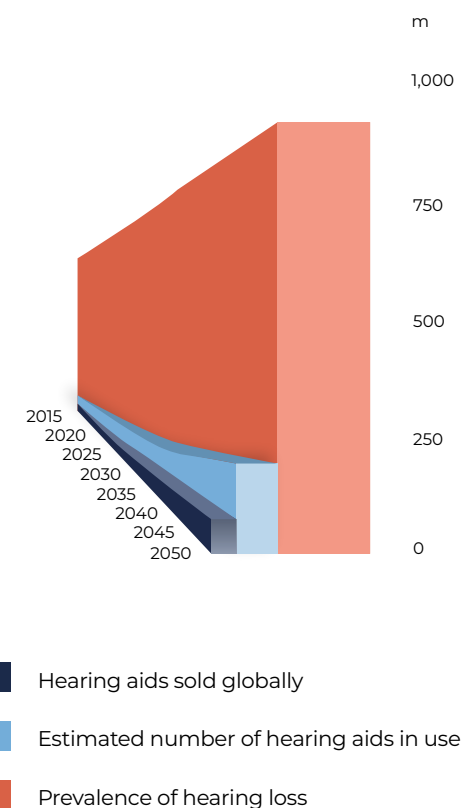
Whereas many hearing aid manufacturers focus on vertical integration and costly sales channels, Audientes works with a more agile and asset-light approach. This is partly through distribution channels accustomed to selling many products directly to the consumer (both online and in brick-and-mortar retail stores where personal service is often a defining factor for many consumers) and partly through a concentrated e-commerce sales strategy.

## Nearly half a billion people need a hearing aid

According to the WHO, half a billion people in the world today suffer from disabling hearing loss. Yet, the hearing aid industry reports that only approximately 17 million quality hearing aids are sold annually. This clearly shows that millions of people have an unaddressed need for a quality hearing aid at an affordable price.

It is these millions of people that Audientes plans to help. We have ensured that acquiring and fitting a binaural (for both ears) hearing aid is not only easy but also affordable.

## An unaddressed need



Source: WHO and Audientes

### An expandable business model

Our products are developed and manufactured in a Swedish-owned, China-based factory specializing in audio products and providing scalable supply chains at competitive prices. This ensures a healthy profit margin in our business model, allowing us the opportunity to motivate collaboration and channel partners to market and sell our products.

Sales of our products will be via our own online stores as well as via e-tailers such as Amazon, Alibaba and Flipkart. We also collaborate with skilled players in the retail trade, used to dealing with people with hearing loss and therefore ideal sales partners for our self-fitting hearing aid.

Our sales strategy also includes a number of additional customer offerings, such as the sale of accessories and options for subscription and installment payments in order to remove any potential financial barriers to purchase. We will also offer customer service and maintenance programs, thus increasing device lifetime value.

### Sales channels

In addition to traditional distribution channels, such as retail chains, independent retail outlets, direct sales and online sales, Audientes sees both the healthcare authorities and healthcare service providers as a channel with sizable potential.

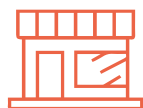
We will reach our customer segments in Asia, and in particular India, through local and regional retail chains, pharmacists, hearing clinics and via Indian online market spaces. In high-income markets, customers will be reached through retail chains and online sales.

Sales through Audientes' own online store and via drop shipping (sales via Amazon, Flipkart, IndiaMART, etc.) are expected to commence in 2021.

### Audientes' sales channels



Wholesalers



Retail



Online



From a design perspective, the device has been enhanced with ergonomic earplugs, while the main unit has become lighter and slimmer with a more intuitive operation through easily accessible buttons.

Letter from the CEO

# We are ready for commercialization

In 2020, we reached many significant milestones, both in relation to preparing our product, planning its upcoming commercialization and strengthening our capital base. By Q3 2021, we will launch our quality hearing aid at a reasonable price, thus starting the concrete process of helping millions of people worldwide suffering from disabling hearing loss.

## Experience from Denmark gives us a head start

Denmark is a world leader within the field of quality hearing aid development. Well-known brands, such as Demant, GN Hearing and WS Audiology, have strong market positions with highly advanced hearing aids.

However, hundreds of millions of people, especially in low- to middle-income countries, but also in wealthy countries, such as Japan, the US and Europe, cannot afford to buy these products.

That is why Audientes has developed a smart, self-fitting, quality hearing aid that incorporates the latest advancements in technology but is offered at a price far below that of conventional hearing aids. Audientes' hearing aid also offers full smartphone integration via a user-friendly app and also allows users to listen to music and take calls, all through one headset.

We have identified a large, unmet need globally, and we address markets that are fragmented and without market-leading products. This creates a world of possibilities for a disruptor like Audientes.



Steen Thygesen, CEO, Audientes A/S



### Strengthened capital base

We decided to take Audientes public on the First North Growth Market in Denmark at the beginning of 2020, and on September 18, 2020, we rang the bell and welcomed almost 2,800 shareholders as owners. Audientes received considerable attention during the subscription period although the stock market was very volatile that year and it was a non-pre-emptive rights issue.

We have earmarked the net proceeds from the DKK 40 million raised for the upcoming product launch in 2021 and the subsequent marketing and sales effort. It is incredibly important that we get off to a good start in the initial commercial phase, which requires a robust marketing and sales organization specialized in marketing, communication, sales and distribution in India. We have also added competences to help us build a strong, international e-commerce setup.

It was therefore extremely satisfying that we were able to attract so many talented, experienced key employees in the second half of 2020 to finalize product development and go-to-market planning as outlined in our company description from our IPO.

### High technical quality – and an attractive design

We are incredibly proud of our product, both for its high technical standard, and for its attractive design. We reached the product development goals we set for 2020, both in terms of software and hardware improvements, product design and user experience.

We have also been able to significantly improve our smartphone app for Android and iOS devices thanks to the valuable input from our business partners and user feedback.

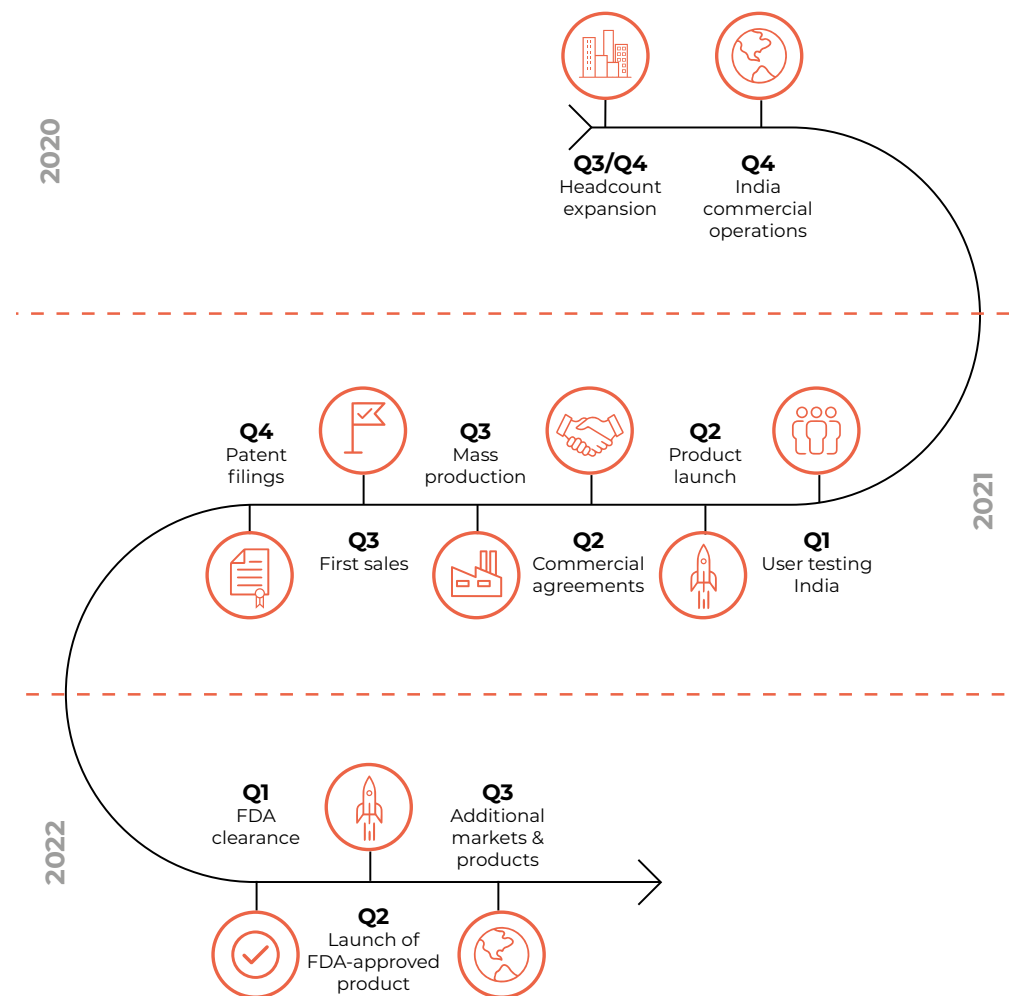
### Technical specifications significantly upgraded

We have just presented the specifications for the final design and the response has been positive when speaking with potential customers.

The prototype has come a long way since we presented it in connection with our IPO. Since then, we have had several rounds of prototype testing and significantly improved the product design and smartphone app – all so that we could elevate the user experience with additional functionality.

We have significantly upgraded the technical specifications. Our hearing aid now supports Active Noise Cancellation. This, together with our built-in hearing test, which uses Pure Tone Audiometry, secures an even better hearing aid fitting for the user. This also improves sound reproduction in connection with playing music, where the hearing aid functions as a high-quality headset. The fitting process itself is supported by the leading standard, the NAL NL-2 algorithm. National Acoustics Laboratories (NAL) in Australia developed this algorithm, which is used by audiologists and quality hearing aids around the world.

## Value creation outlook



*»This year, we are launching a revolutionary product equipped with a number of features and technical specifications usually reserved for conventional – and much more expensive – hearing aids. We are very confident that we can cultivate new areas of the hearing aid market that other players have failed to address.«*

*Steen Thygesen,  
CEO*



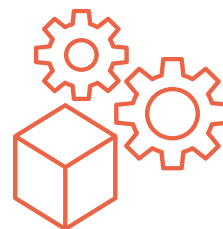
### Commercialization

We are also exploring the possibilities of patenting all or portions of our design and functionality, both in Europe, the US and the rest of the world.

All of this means that this year, we will launch a revolutionary product that distinguishes itself with a wide range of characteristics and technical specifications normally reserved for conventional and very expensive hearing aids. We strongly believe that we can cultivate new areas of the hearing aid market, which other players are unable to address.

At the moment, we are working on implementing a quality management system based on the ISO 13485 standard, which is part of the FDA clearance that we will apply for later this year. We are expecting the introduction of

### Logistics



new legislation in the US, which will open up an exciting opportunity for us to market our hearing aid as an OTC Hearing Aid (or similar classification) there.

#### **E-commerce is our highway to success**

Our go-to-market plan is finalized and focuses on two areas: our presence in the traditional retail market where many customers go when they are looking for a hearing aid; and on e-commerce, which is growing rapidly in all of Audientes' key markets due to the COVID-19 pandemic. Audientes has the perfect product for marketing and online sales and is well-positioned to capitalize on the e-commerce trend.



### Go-to-market planning

With the exception of India and the US (where we will begin with both traditional retail sale and e-commerce from day one), our plan is to use e-commerce as a way to familiarize ourselves with each market. Then, once we have increased our understanding of the local market mechanisms and consumer interest in our products, we will move further into these markets with distributors and retail outlets.

The key component in our launch strategy for the retail segment is commercial partnerships with regional distributors. This will ensure our presence at a number of sales outlets and enable us to educate staff in our hearing aids, so they can better sell and service our products, before and after the sale.

## Technically advanced and elegant design



NAL-NL2 algorithm

## Innovative smartphone app



Our dialog with potential channel partners, both in India and elsewhere, is progressing well. This is driven in no small part by the user tests we have been conducting in India, coupled with our in-country presence due to the hiring in Q4 2020 of a country manager there.

We expect to enter into important formal agreements with channel partners in the coming months. These agreements are essential to our commercial strategy and can be categorized as follows:

1. Specialized dealers with hearing aid experience.
2. Related health retailers, such as pharmacies and opticians.
3. Consumer electronics dealers.

In 2021, we expect e-commerce to account for approximately half of our sales. This channel will be incredibly important going forward. We are therefore investing considerably in e-commerce right from the outset, building a scalable, multi-currency, -country and -lingual omni-channel platform to handle outbound (paid) and inbound (organic) marketing, as well as channel partner interest and e-commerce transactions. These transactions will be made through our own webshop and other e-tailers, such as Amazon.

### COVID-19 impact

The COVID-19 pandemic and the subsequent lockdown of important Audientes markets, such as Denmark, Germany, India and China, has required us, like many others, to take a different approach to how we

work. While this has meant that we have had to postpone certain activities from 2020 to 2021, we have not experienced a negative impact on the company's financial or operational goals for 2020. On the other hand, the COVID-19 pandemic has highlighted the tremendous need for a do-it-yourself solution, as many of the people who are in need of a hearing aid simply have not been able to visit a hearing clinic due to the potential risks to their health. It is situations like this that further solidify Audientes' compelling advantage and give us the impetus to further investigate the market opportunity in Western markets in 2021.

### 2021 – the year when the growth journey begins in earnest

There is no doubt that Audientes and our shareholders stand at the threshold of an exciting year where our shared growth journey begins in earnest. Audientes is poised for the launch and start of our first product sales within the next six months. We have many important milestones to reach, and we are well on our way.

Steen Thygesen, CEO

# An immense and unmet global need

**500m**

people in the world today suffer from disabling hearing loss

**900m**

is the expected number of people in the world who will suffer from disabling hearing loss by 2050

**17m**

is the number of hearing aids sold annually around the world





# Our market: an immense and unmet global need

The hearing aid market is characterized by an immense and largely unmet need. Today, less than 10% of the people who need a solution to address their hearing loss are getting the help they require. And what is more, the number of people with disabling hearing loss is expected to increase from almost 500 million people today to 900 million by 2050.

In 2018, the World Health Organization (WHO) estimated that more than 466 million people in the world suffer from disabling hearing loss. Sales figures from the European Hearing Instrument Manufacturers Association (EHIMA) show that only approximately 17 million hearing aids are sold annually. Moreover, the average lifetime of conventional hearing aids is approximately three years, meaning that today only 45-50 million hearing aids are in use worldwide. This leaves a staggering 400 million people without a solution for their hearing loss.

The reasons for this include:

- High cost of acquisition.
- Lack of audiologists and hearing clinics in selected markets.
- High cost of maintenance (replacement batteries).
- Costly fitting process.

In the US and other Western markets, only about 10% of people who need a hearing aid have one. And in low- and middle-income markets, that percentage plummets to 3%. In India alone, 75 million people lack a hearing aid today.

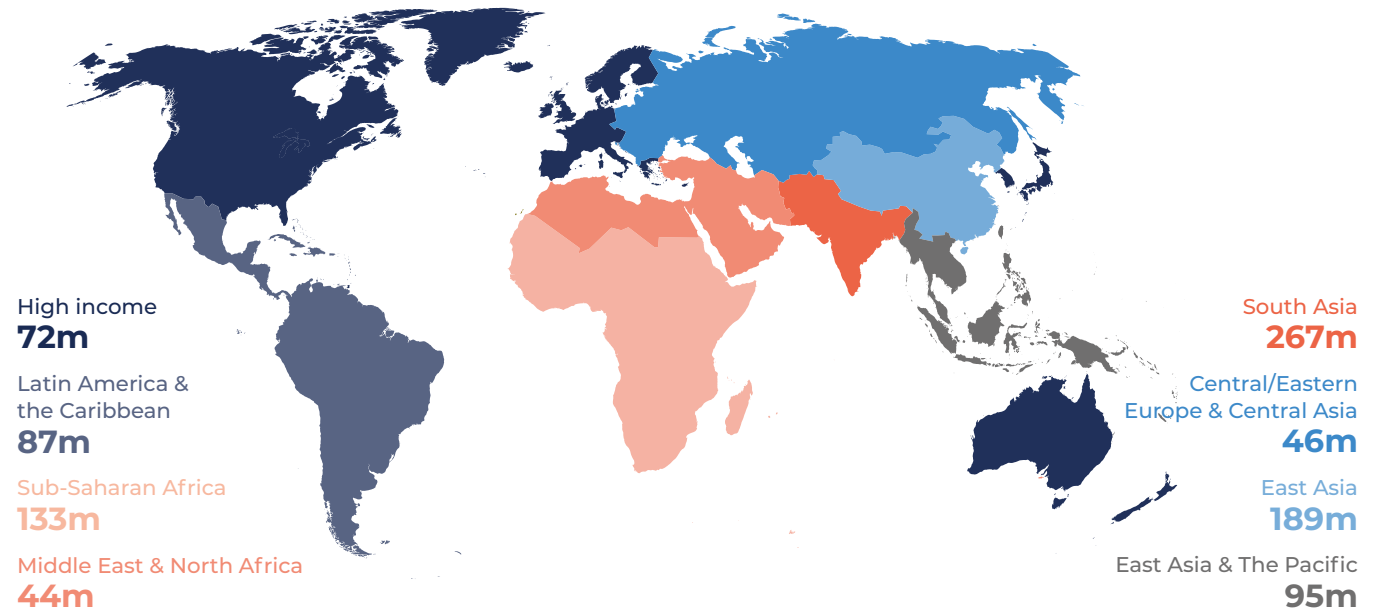
## The need is growing rapidly

Demographics show that the number of elderly people globally is increasing. As hearing loss is often age-related, the need for hearing aids is expected to grow rapidly towards 2050.

Based on WHO analyses, Audientes estimates that by 2050, 900 million people globally will need help with their hearing loss.

This, coupled with the rapid increase in lifestyle diseases, such as diabetes, a fast-growing population in low-income countries and inadequate care for hearing disorders, all serve to solidify Audientes' growth potential.

## Expected number of people with disabling hearing loss by 2050



Source: WHO, 2018

# Our product: more than just a smart hearing aid

Audientes' hearing aid is a complete concept, underpinning our vision of alleviating disabling hearing loss for people all over the world. Our smart, self-fitting hearing aid is calling a halt to the traditional hearing aid dogmas of high price, high maintenance cost, the need for an audiologist and the need for repeated adjustments at a hearing clinic.

## Innovative hearing solution

Audientes has developed a software and hardware platform providing an innovative hearing aid solution to help the millions of people globally who suffer from disabling hearing loss. Our hearing aid builds on the unique self-fitting technology developed by Audientes.

Audientes' hearing aid targets low retail prices and operating costs and supports both ears by as standard, which lowers costs further for the many with binaural (both ears) hearing loss.

The hearing aid is designed to help people with mild-to-severe hearing loss who cannot afford a conventional, more costly hearing aid. With this, we are calling a halt to the traditional hearing aid dogmas of high price, high maintenance cost, the need for an audiologist and the need for repeated adjustments at a hearing clinic.



The Audientes hearing aid has been developed to help people with mild-to-severe hearing loss, but who cannot afford to purchase a conventional hearing aid.



### A quality hearing device for both ears

Audientes' hearing aid is digital and self-fitting via either the built-in controls on the device or via the accompanying smartphone app. Users can therefore customize the hearing aid without the assistance of a hearing expert or hearing clinic, making setup and maintenance of the device significantly easier to fit and operate than conventional hearing aids.

Audientes' hearing aid supports our vision to mitigate hearing loss worldwide and our mission to design, build and market solutions that are accessible and affordable for anyone with disabling hearing loss.

### Intuitive and user-friendly design

The hearing aid is designed to look like a headset with discreet earbuds that meet a number of user requirements for a robust and easy-to-use device, while at the same time addressing the stigma that often comes with wearing a hearing aid.

The hearing aid consists of two earbuds with microphones to collect sounds that speakers then reproduce. Collected sounds are digitally processed via the electronics contained in one side of the main neckband unit, which then sends the amplified signal to the earbud speakers. The neckband is balanced by the battery, which is housed on the other side of the band. The neckband is designed to be hidden under the user's clothing so that the part of the aid visible is only the headset, which resembles a consumer electronics headset usually used for music listening, for sports activities, in office environments, etc.

## Product strengths



Treatment of disabling hearing loss



Binaural (both ears) as standard



Self-fitting without the need for a hearing clinic



Industry-leading fitting algorithm for individual hearing profile (NAL-NL2)



Pure Tone Audiometry (PTA)



Active Noise Cancellation (ANC)



Up to 5 user-defined hearing programs



Music/sound streaming – the device also functions as a quality headset



Low purchase price and low maintenance costs

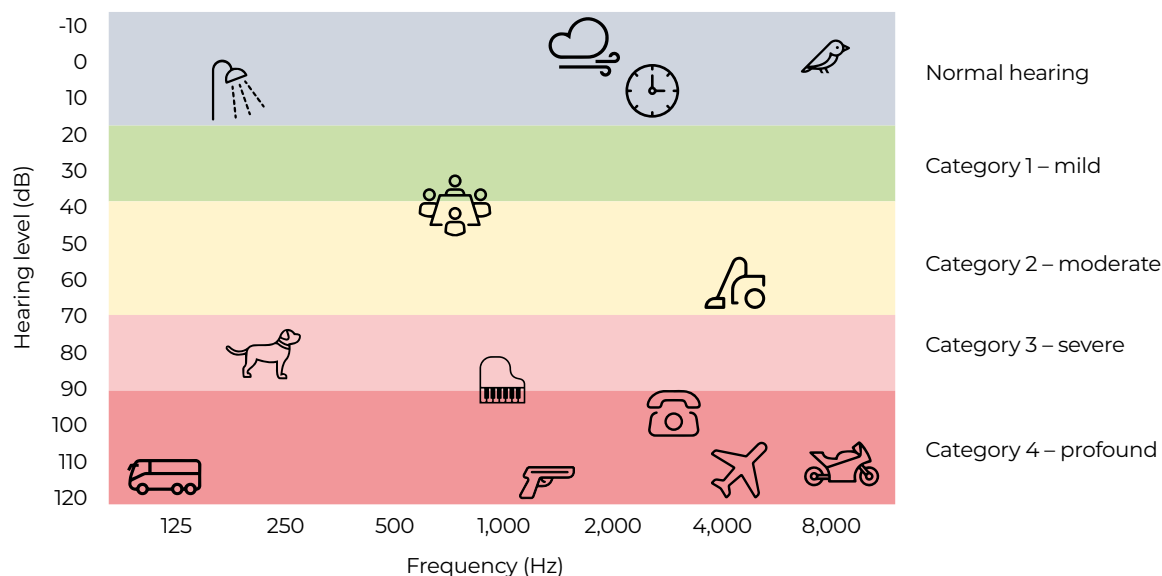


Attractive design to minimize stigma (looks like ordinary earbuds)



Rechargeable battery

## Hearing loss categories



### Alleviating mild-to-severe hearing loss

Disabling hearing loss is defined as hearing loss greater than 35 decibels (dB) in the better hearing ear. Audientes' hearing aid is designed to help people with mild-to-severe hearing loss and can therefore help people with hearing loss ranging from 26 dB to 80 dB. In layman's terms, this means that the aid can help people who, for example, have difficulty hearing what is being said in groups of people or who cannot hear a vacuum cleaner, as well as people who cannot hear a barking dog, or who can only grasp what is being said if it is shouted in their ear.

### Focus on FDA clearance in the US

Audientes' hearing aid is based on digital sound processing with 16 channels and the same build and industry standards as other quality hearing aids.

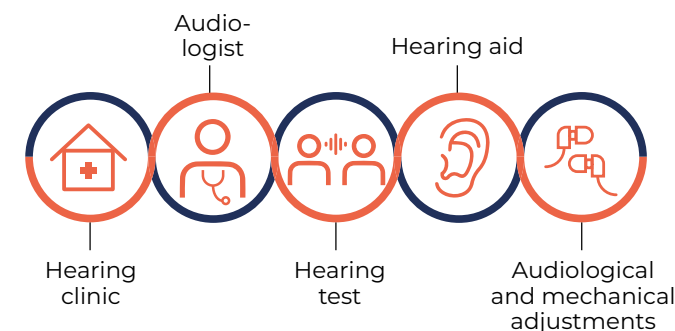
Audientes' product can, in principle, be sold worldwide without medical device certification. Some local markets, however, will

require minor adjustments in order to meet certain requirements.

In India, for example, we can market our device as a "hearing aid", whereas US and European requirements dictate that the device must have FDA clearance and CE/MDR mark certification, respectively, in order to be marketed under the hearing aid designation.

In order to market and sell our device as an "OTC hearing aid" – or, Class 2 hearing aid – in the US, we must comply with a number of product standards so as to gain FDA clearance. Once approvals have been secured (expected in 2022), the product can be marketed as a hearing aid, i.e., a medical device. Until these approvals are in place – or in the event that they are not obtained or considered relevant – Audientes will continue to focus on other channels and markets relevant to our product.

## Traditional way to purchase and fit a hearing aid



### Self-fitting technology to enhance the user experience

Conventional hearing aids require individual fitting and continuous adjustment at a hearing clinic. Typically, users need several on-site consultations with their hearing specialist. In countries where hearing clinics are abundant, this is not usually a problem. But in countries, such as India, where there is only one hearing specialist per approximately 500,000 people, coupled with great geographical distances between clinics, repeated visits to the hearing clinic are often a barrier to acquiring and using a hearing aid.

Our self-fitting technology is pivotal to our offering, improving the user experience and enabling meaningful cost savings. The smart software-assisted setup takes only a few minutes and can be performed by the user via the built-in controls on the device neckband or via the accompanying smartphone app. The subsequent automatic calibration means that the Audientes hearing aid is ready to use in just a few minutes,



thus eliminating the need for an audiologist for either setup or fine-tuning.

Audientes' self-fitting hearing aid can therefore be sold at retail level "over-the-counter", as users can calibrate the aid themselves without the help of a hearing professional or hearing aid specialist, making setup and maintenance significantly easier than is the case with conventional hearing aids.

### PTA test via the device or via the accompanying app

Pure Tone Audiometry (PTA) or the pure-tone test is the most important quality standard in hearing testing methodology, and the key component in all professional hearing test equipment. PTA is used to determine hearing threshold levels and therefore the degree, type and configuration of hearing loss in the individual. Output from the PTA test – an audiogram – shows hearing ability at standardized frequencies and is used to program hearing aids.

For the Audientes hearing aid, the PTA test is made within the device as a standalone solution, or within the device when connected to a smartphone or tablet with the Audientes smartphone app installed. For the latter, the hearing aid connects via Bluetooth to the phone or tablet, and the app then guides the user through the hearing test, just as an audiologist does during a conventional hearing test.

Once the hearing test is complete, the hearing aid is fitted with the required amplification, after which the user can easily fine-tune it by regulating individual frequencies. Testing and fine-tuning take about 7 minutes. Data from the hearing test is then uploaded and stored in the Audientes cloud platform to facilitate subsequent hearing health analysis and user recommendations.

The app provides the user with enhanced capabilities for improved usage, including the continuous ability to fine-tune the audio experience, adjust for different situations (parties, TV and concerts) and multiple audiogram storage.

## Audientes' accompanying app for iOS and Android



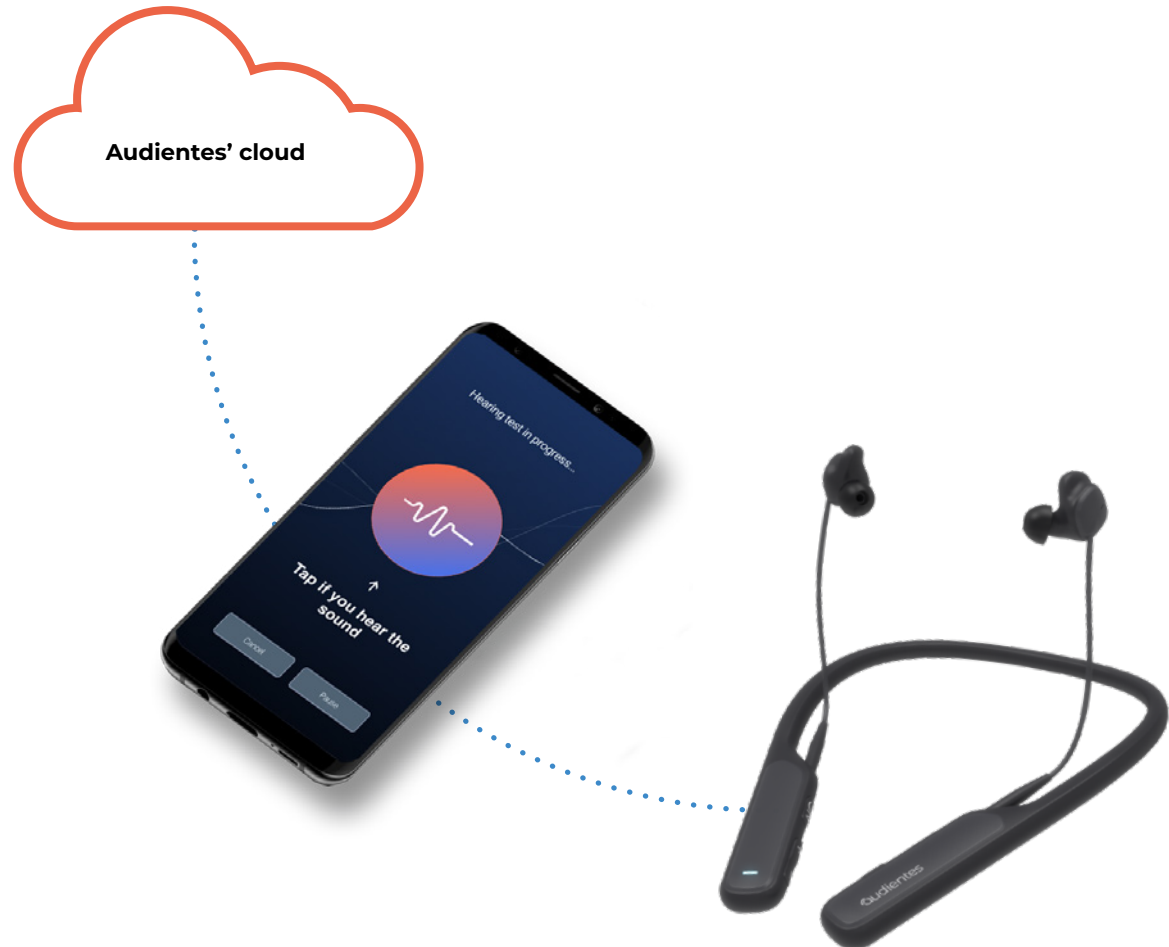
### Big data-based optimization

The Audientes cloud platform facilitates the storage of hearing test data (audiograms) and analytics, as well as extended customer relationship management, sales and support.

The platform also collects valuable consumer hearing data, such as settings and usage patterns, thus providing Audientes with objective information on how our hearing aids are used, as well as the different listening situations users are exposed to on a daily basis. This data also provides us with an excellent opportunity to identify certain customer support topics, areas for product improvements as well as ways to adapt our hearing aid programming in order to best meet all lifestyle needs.

Thus, the platform will be able to generate and deliver tips and suggestions to users on how to get the best out of the Audientes hearing aid, for example tips on how to use the hearing aid for music streaming, how to fine-tune, etc. Future product releases will have the ability to perform software updates “over-the-air” (OTA). All data is managed by Audientes in accordance with applicable GDPR legislation.

### Audientes' cloud platform



## Our target group

# The family member

Dev recently emigrated to Seattle to work for a large tech company. He has close ties to his family at home in Jaipur, India – especially his grandmother. They chat regularly on WhatsApp, but conversation is becoming increasingly more difficult due to his grandmother's age-related hearing loss. She does not want to use a PSAP (low-cost sound amplifier), because it amplifies everything, making it a very unpleasant experience for her. Dev wants to find a quality solution that can help her and begins his search online.

How can our hearing aid help?

- ✓ Addresses age-related hearing loss
- ✓ Does not require an audiologist
- ✓ Easy to use
- ✓ Self-fitting
- ✓ Accompanying app
- ✓ Binaural (both ears)
- ✓ Speech enhancement
- ✓ Streaming of music/audio/TV/phone calls
- ✓ Available for online purchase



# Our strategy: focusing on middle-income markets in India and the US

We have developed a priority market strategy in order to best harness our product strengths and the current massive unmet market need. Within the identified markets, an estimated 45 million people are currently living with unaddressed hearing loss, equaling a retail market value of approximately DKK 60 billion.

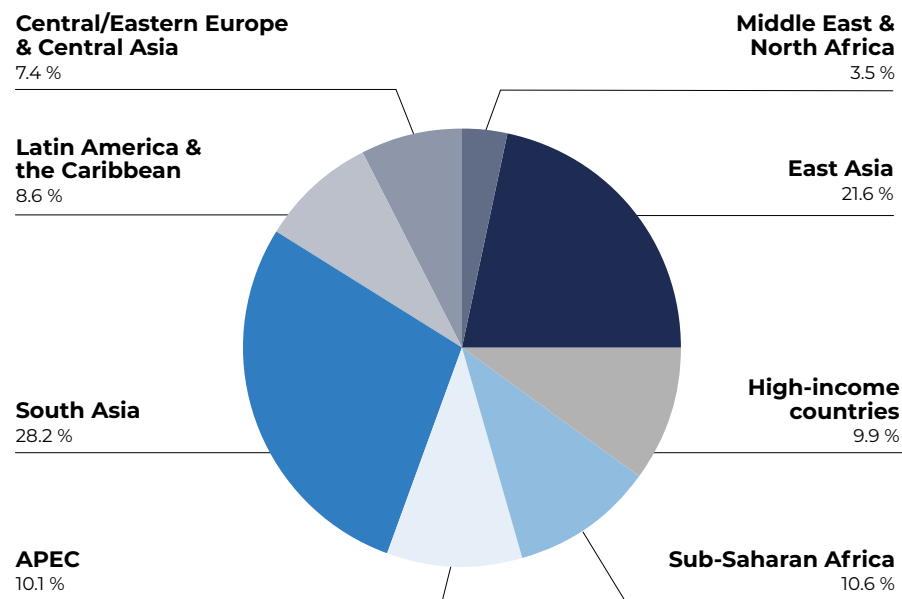
Of the 466 million people globally (2018) with a disabling hearing loss, most are elderly and reside in low- and middle-income countries. These demographics contribute largely to the expected increase to more than 900 million people with disabling hearing loss by 2050. A breakdown of the 466 million total shows that barely 10% stem from high-income countries (North America, Europe, Japan, Australia and New Zealand), about 14% from Africa, 9% from Latin America, 7% from Central and Eastern Europe with the remaining – approximately 232 million or 60% – stemming from Asia, with China and India holding the dominant share.

## Market potential is highest in Asia and the US

While disabling hearing loss affects people of all ages, the elderly and people with diabetes are most vulnerable.

Globally, one in three people over the age of 65 have disabling hearing loss. However, age-related hearing loss varies greatly by region. In high-income countries, for example, less than 20% of

## Global distribution of people with disabling hearing loss



Source: WHO 2018



the over-65s have disabling hearing loss while just under 50% of the over-65s in South Asia (including India) suffer from the same. In India alone – a key market for Audientes – we estimate that there are at least 25 million people with disabling hearing loss who need (and can afford) an Audientes hearing aid.

According to FDA estimates, there are over 30 million people with disabling hearing loss in the US. For the most part, government subsidies for hearing aids are non-existent and private health insurance does not typically cover hearing loss as it is considered a chronic disease.

The target group in our selected markets is comprised predominantly of people in the middle-income bracket in non-high-income markets, particularly countries in Asia. It is also comprised of those living in low-income brackets in high-income countries, where subsidies are limited or non-existent.

Of the approximately 466 million people globally living with disabling hearing loss, Audientes estimates the total addressable market worldwide to be approximately 350 million. This market is comprised of adults with moderate-to-severe hearing loss (residing in both low-, middle- and high-income countries) who do not currently own a hearing aid, either because they cannot afford a conventional hearing aid or because they do not have access to an audiologist.

### Audientes' market strategy

Audientes has developed a target market strategy that encompasses the markets and segments that we expect to be our primary focus until 2025. An estimated 45 million people with hearing loss currently reside in these markets, with an estimated market potential of DKK 60 billion.

This target market includes the collective markets and demographic groups that Audientes will address over the next five years and includes 20 million people in Asia (India, China, Japan, Oceania and the rest of Asia), 15 million in the Americas and 10 million in Europe, the Middle East and Africa (EMEA). Notwithstanding people in high-income countries who are not in a financial position to acquire a high-quality hearing aid.

## A three-stage rollout plan



### Channel strategy – many pathways to market ensure a scalable sales platform

Audientes' go-to-market strategy is primarily centered on distribution via major wholesalers, retail outlets and chains, and through online retail.

The self-fitting technology in the Audientes' hearing aid paves the way for "over-the-counter" sales in a wide range of retail outlets, as well as sales to healthcare authorities and varying online health platforms.

The sale of the hearing aid is expected to take place via two major distribution channels:

- Retail chains and retailers
- Direct/online

Healthcare authorities and healthcare service providers are an additional independent sales channel.

#### Retail chains

In Audientes' focus markets, there are a number of potential retail chain sellers for our hearing aid. In many cases, these are retail outlets that already sell hearing aid products. These retail outlets are both general retail chains, such as Walmart, and independent stores, optician chains, pharmacies and online stores.

Audientes' sales to retail chains will, for the most part, be via wholesalers, who typically have access to multiple chains and thus many thousands of outlets. Moreover, Audientes is already in discussions with retail chains both in Asia and Europe, some of whom we will sell directly to in order to maintain contact with retailers.

We also expect to see an expansion of potential distribution channels in the US in the light of the approaching opening up of the OTC market for certified hearing aids there. We consider US pharmacies, in particular, as a channel with significant distribution power as well as consumer electronics and optician chains, both in the US and other countries, who are

now beginning to add hearing aids to their product range and are therefore likely to have an interest in selling the Audientes hearing aid.

#### Direct/online shopping

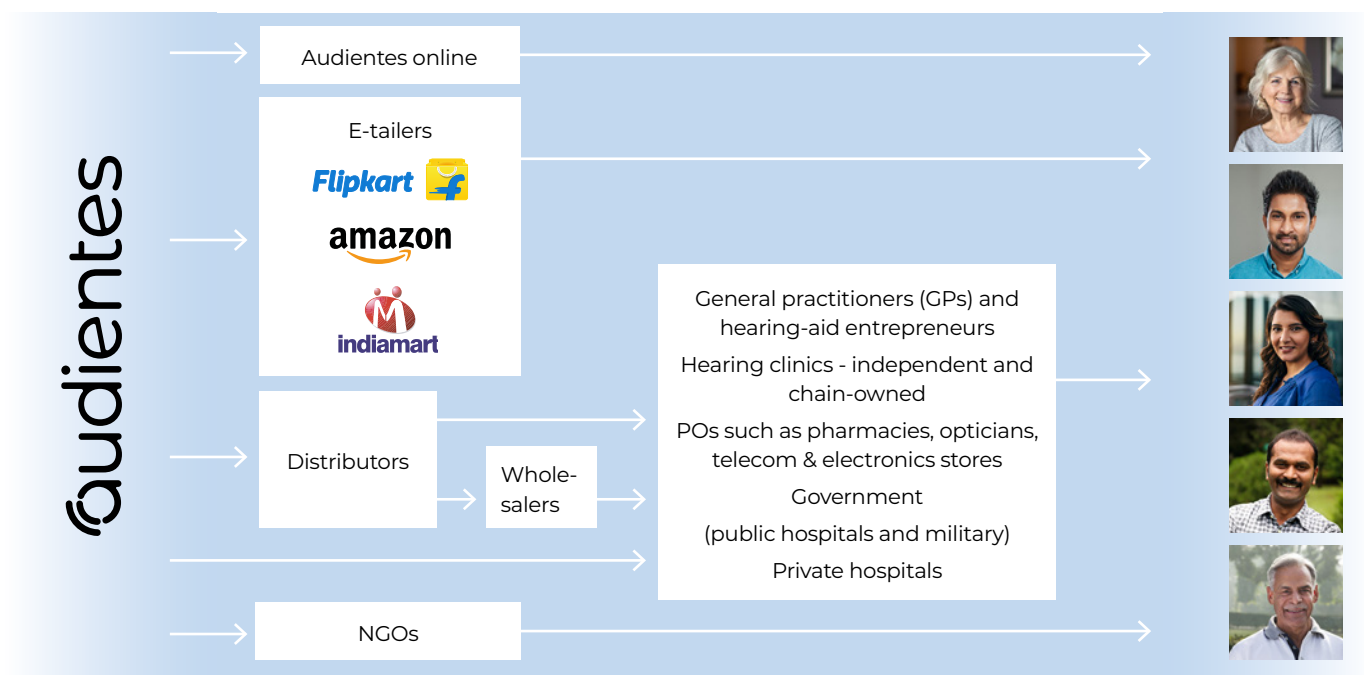
For online shopping, Audientes also plans to sell our hearing aid via our own online store, either directly or via drop shipping/online stores, such as Amazon (global/Western markets), Lazada (Asia), Flipkart (India) and IndiaMART (India). This affords us both a global and local presence in our target markets, thus enabling direct customer contact to further improve our understanding of customer needs and product performance.

#### Other channels

In countries such as India, there is a chronic lack of audiologists and speech specialists. According to the ISHA (India Speech and Hearing Association), there are only 2,500 registered audiologists in India to serve the approximately 75 million people there with mild-to-severe hearing loss – Audientes' target group. There are, however, many hundreds of thousands of GPs in India advising and treating peoples' healthcare needs, including their hearing health. These GPs therefore represent a further potential dispenser for our devices.

In several countries, including India, military veterans are issued with hearing aids. Participation – either directly or via agents – in state tenders for the supply of hearing aids for veterans is therefore also part of our market strategy.

### Several go-to-market channels



### Disrupting the conventional hearing aid market

Audientes will disrupt the traditional hearing aid market by addressing the fundamental reasons why millions of people around the world do not get treatment for their hearing loss.

Our primary customer segment is people with moderate-to-severe hearing loss in need of an affordable quality product. In this product category, there are very few competitors as it is a very different segment to that in which traditional hearing aid companies and PSAP manufacturers operate.

Overall, the hearing aid market is fragmented and consists of a relatively large number of actors who provide a variety of hearing aid solutions for different hearing loss categories and at varying price points.

Generally speaking, the products available to consumers today fall into three categories:

- 1) **Expensive high-quality products** addressing profound hearing loss and manufactured by the five largest hearing aid companies.
- 2) **Cheap audio amplifiers/PSAPs** primarily addressing mild hearing loss – although some may deliver a high level of sound amplification – brought to market by an array of manufacturers.

- 3) **New advanced consumer electronics products** – also called “advanced hearables” – addressing mild-to-moderate hearing loss and at a price point nestled between that of PSAPs and conventional hearing aids.

The large product and price difference between the above categories mean that there is currently very little competition between the three types of manufacturers. Audientes falls into the third category, which is why Audientes considers manufacturers in this group to be our main competitors.

The major players in the market are classified as the Big 5 and include known Danish brands, such as WS Audiology (Widex/Sivantos), GN Hearing (ReSound) and Demant, as well as American Starkey and European Sonova. These companies primarily provide solutions for people with hearing loss in categories 3-4, at a price ranging from DKK 5,000 to 25-30,000 per product/ear. As a rule, these products are miniaturized, of high quality and approved as medical devices and they require setup and customization at an audiologist/hearing clinic. Their market model is uniformly based on the necessity of a professional audiologist for selection, adaptation and fine-tuning of the quality hearing aids they manufacture and market.

In many cases, the manufacturers also own the sales outlet – so-called vertical integration – typically leading to good but costly service. Also, all players in the market have developed their own smartphone apps, allowing them to connect and

integrate with the hearing aid as well as perform a degree of maintenance and adjustments. This kind of capability is usually reserved for the higher, and more costly, end of the product range. Moreover, Demant, WS Audiology and GN Resound have all introduced a remote care service enabling audiologists to remotely fine tune devices.

The low-cost PSAPs with prices ranging from less than DKK 100 to several thousand kroner are produced by a wide range of manufacturers and come in many different forms. Common to all is that they amplify different frequencies in a predefined way, regardless of the real needs of the individual user. These are, therefore, addressing consumers for whom price is a defining factor. While these types of low-cost devices are designed for people with mild hearing loss, they can often strongly amplify and are therefore, according to the FDA, often used by people with more pronounced hearing loss which can actually damage hearing further.

Audientes' customer segment is people with significant hearing loss – typically moderate-to-severe – who need a product at a lower price point than that of the more conventional hearing aids. We therefore consider new players on the market, such as Eargo, iHear and Nuheara as well as the large consumer electronics manufacturer, Bose, to be our main competitors. All of the above have products that do not need consultation at a hearing clinic.

However, products from these manufacturers are technically very different to that of Audientes and alleviate hearing loss in different ways. It is our opinion that few of these new players actually perform a proper adaptation (or fitting) of the amplification to the individual's hearing. Some competing products allow for a certain degree of "self-adaptation" for the individual user, but their approach can also be wrongly adjusted by the user in a way that can actually damage hearing in the same way as PSAPs.

## Audientes' hearing aid with the accompanying iOS or Android smartphone app

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## Our target group

# The pensioner

Ingrid lives in Berlin and suffers from age-related hearing loss, which has begun to limit her everyday life. She needs a hearing aid solution that can address her hearing loss in an easy and effective way. Despite the funding options from the NHS, she does not want a traditional hearing aid. The waiting list for an appointment with the audiologist is also very long.

How can our hearing aid help?

- ✓ Addresses sensorineural age-related hearing loss
- ✓ Does not require an audiologist
- ✓ Self-fitting
- ✓ Binaural (both ears)
- ✓ Speech enhancement
- ✓ Streaming of music/audio/TV
- ✓ Can be used with the phone, for example for calls
- ✓ Affordable price



# 2021 outlook

In 2021, we expect to finalize our first agreements with distributors and retail chains. As awareness of the Audientes hearing aid grows, we expect the number of distributors and retail chains as well as the number of their local stores/outlets to increase.

Our initial focus market is India, followed by other Asian markets with a total of over 20 million potential customers. With FDA clearance expected in the first half of 2022, sales efforts in the US and then in the rest of the Americas are expected to intensify with an estimated 15 million potential customers in that region. Audientes will also establish and expand local markets in Europe in collaboration with distributors and retail chains, as well as in the Middle East and Africa (with an estimated 10 million potential customers) over the next five years.

The number of hearing aids sold through distributors and retail chains is expected to increase from approximately 3,000 units in 2021 to 145,000 in 2024.

Sales through Audientes' own online shop, drop shipping (sales via Amazon, Flipkart, IndiaMART, etc.) and other e-commerce channels are expected to increase from 4,000 units in 2021 to 120,000 in 2024.

Overall, sales of 7,000 units are expected in 2021, accelerating to 265,000 in 2024.

## Financial targets for 2021

Revenue in 2021 is expected to be in the region of DKK 3.5-5.0 million, and operating profit (EBITDA) is expected to be in the region of DKK -12 to -14 million in 2021.

The expected revenue is calculated on the basis of a channel-differentiated price for wholesalers, chains and via Amazon and other online marketplaces in Audientes' target markets. 2021 will be the first year in the company's history that we will generate revenue from the sale of our products.

The operating loss in 2021 should be seen in the light of ongoing development activities as well as the intensifying marketing focus in the second half of 2021. In 2020, EBITDA was DKK -5.5 million.

The level of costs in 2021, after recognition of capitalized development costs, is at the same level as described in the September 2020 Company Description. Investments in sales and distribution are expected at the same level as previously stated.

# Financial highlights

DKK '000	2020	2019	2018
<b>Income statement</b>			
Revenue	0,00	0,00	0,00
Earnings before interest, tax, depreciation and amortization (EBITDA)	-5,548	-110	-686
Earnings before interest and tax (EBIT)	-5,561	-110	-686
Profit/loss for the year	-5,138	-315	-446
<b>Balance sheet</b>			
Intangible assets	9,398	7,549	6,998
Cash and cash equivalents	30,364	78	71
Total assets	42,195	7,699	7,537
Equity	38,372	3,931	4,246
<b>Cash Flow</b>			
Cash flow from operating activities	-7,079	557	359
Cash flow from investing activities	-2,214	-551	-1,339
Cash flow from financing activities	39,579	0	800
Net cash flow for the year	30,286	7	-179
<b>Other key figures and ratios</b>			
Equity ratio	90,94	51,06	56,34
Number of employees (avg.)	4	1	1
Earnings per share (in DKK)	-0.79	-0.09	-0.12
Earnings per share, diluted (in DKK)	-0.79	-0.09	-0.12
No. of shares beg. of period	3,687,300	3,687,300	3,518,720
No. of shares end of period	9,349,010	3,687,300	3,687,300
<b>Earnings per share (in DKK)</b>	<b>6,518,155</b>	<b>3,687,300</b>	<b>3,603,010</b>



# Financial review 2020

**Operating profit (EBITDA) was DKK -5,548,000 in 2020 which is better than the expected DKK -7,000,000 before IPO-related costs. The figure masks a transfer of travel costs and development activities to 2021. The remaining costs are in line with Management's expectations. Net profit/loss for the year was DKK -5,138,000, with cash and cash equivalents amounting to DKK 30,364,000.**

Financial development in 2020 was characterized by sizable investments in the completion of our self-fitting hearing aid, as well as the implementation of our go-to-market strategy. Audientes can therefore be categorized as a development company with company operations being financed by capital injections from investors, as well as capital gained from government support schemes, including the Danish Market Development Fund. Audientes' IPO strengthened Audientes' capital base significantly.

## **Gross profit in line with expectations**

Sales of the first hearing aid devices are scheduled for 2021. Thus, Audientes recorded no revenue in 2020.

Gross profit for 2020 is calculated at DKK -3,852,000, up from DKK -59,000 in 2019.

Gross profit covers costs of raw materials, direct labor, direct materials, and external costs.

## **Six new hires**

In connection with Audientes' IPO on Nasdaq First North Growth Market Denmark in September 2020, we increased our staff. In total, six new full-time employees were hired in Q3 and Q4 2020. By the close of 2020, Audientes had eight full-time employees.

Staff costs are calculated at DKK 1,696,000, up from DKK 51,000 in 2019.

## **Operating profit ahead of expectations**

Operating profit (EBITDA) was DKK -5,548,000 in 2020 compared with DKK 110,000 in 2019.

Investments in the completion of our self-fitting hearing aids as well as the go-to-market strategy were lower than the estimated DKK 7,000,000 before IPO-related costs; a factor that should be viewed in the light of the COVID-19 pandemic. Audientes had significantly less travel activity in 2020 than expected. Additionally, Management elected to postpone certain development activities from 2020 to 2021. Earnings before interest and tax (EBIT) were DKK -5,561,000 compared to DKK 110,000 in 2019.



Steen Thygesen, CEO, Audientes A/S



### Financial items affected by IPO-related costs

In 2020, net financial income and expenses amounted to DKK -1,183,000 and primarily cover IPO-related transaction costs. In 2019, the company was not burdened by any substantial financial expenses.

### Profit/loss for the year

Tax for the year, consisting of tax for the current year as well as changes in deferred tax, is calculated at DKK 1,605,000 relating to expected disbursements under the Danish Tax Prepayment Scheme compared to a total expense of DKK -205,000 in 2019.

The loss for the year thus amounts to DKK -5,138,000 compared to DKK -315,000 in 2021.

### Capitalization of development projects

During 2020, Audientes continued the development of its hearing aid concept consisting of software and hardware technology that together create an innovative hearing aid solution.

In 2020, DKK 9,398,000 was capitalized under intangible assets /development projects in progress. Likewise, intangible assets amounted to DKK 7,549,000 in 2019. Additions thus totalled DKK 1,849,000 in 2020.

The company's ongoing investments in development projects are expected to provide significant competitive advantages going forward.

### Receivables increased

At end-2020, Audientes had a VAT receivable of DKK 1,428,000 compared to DKK 17,000 in 2019. The VAT receivable is impacted by higher expenses for services, including fees related to the capital increase, and consumables for product development.

At end-2020, Audientes had a tax receivable of DKK 407,000 compared to DKK 34,000 in 2019.

### Strong liquidity

At end-2020, cash and cash equivalents amounted to DKK 30,364,000 compared to DKK 78,000 in 2019. Audientes has ample liquidity for the completion of its self-fitting hearing aid and the market launch from mid-2021.

### Solid capital structure

Equity totalled DKK 38,372,000 compared to DKK 3,931,000 in 2019.

The capital increase in 2020 amounted to DKK 41,376,000 and costs related to equity transactions amounted to DKK 1,797,000.

At the end of the financial year, the solvency ratio was 91% compared to 51% in 2019.

### Current liabilities other than provisions

Current liabilities other than provisions totalled DKK 3,799,000 and mainly consist of payables such as payroll costs, income tax and subsidies from the Danish Market Development Fund not yet recognised as income.

### Cash flow affected by development activities

Audientes generated a negative cash flow from operations of DKK 7,079,000 in 2020 compared to a positive cash flow of DKK 557,000 in 2019.

Investments totalled DKK 2,214,000 in 2020, consisting mainly of investments in development projects of DKK 1,849,000.

### Events after the balance sheet date

No events that might significantly affect the assessment of the company's financial position have occurred after the balance sheet date.

# Risk management

**Risk management is a priority focus area for Audientes and an integral part of daily operations to ensure rapid response in the face of changing conditions.**

The overall responsibility for risk management lies with the Board of Directors in close collaboration with the Executive Board. Audientes has identified a number of risk factors. These are outlined below in order of priority as regards significance and probability.

## A saleable product

Audientes' hearing aid is still under development. There is therefore a risk that the product will not be fully developed and ready for mass production and sale. Failure here will have serious consequences for the company, including its ability to continue operating. Similarly, a delay in development and product readiness could have a serious impact on Audientes' ability to generate timely cash flow from the sale of its hearing aids.

To mitigate this risk, Audientes has secured a robust team with extensive experience in design, development and market introduction of new products.

## Medical device approval

In order to be marketed and sold as a medical device, Audientes' hearing aid will need to be approved as a medical device/hearing aid in several markets. This approval is to ensure that the Audientes device will not be categorized and sold as a basic sound amplifier product, such as Personal Sound Amplification Products (PSAPs) and Assistive Listening Devices (ALDs.) Should Audientes not obtain these approvals, or if approvals are only obtained after a longer period than anticipated, then the impact on Audientes could be significant in the markets in question.

In order to address the potential risks of the approval processes of FDA, CE/MDR, etc., the company has assembled a robust team of experts and consultants with experience in certification and approval processes in both the US and Europe. The company's approach to this spans the next couple of years, beginning with the introduction of a quality management system in 2021, as well as the preparation of the necessary documentation for submission of applications to the regulatory authorities. Audientes' sales strategy is tailored in such a way that our initial launch markets are markets (such as India) where Audientes' product will comply with current legislation from the very start.

## Organization

Currently, Audientes is a small-sized company. Therefore, a change in the Executive Board (CEO and CTO) could have significant consequences for the development, production and sale of the company's hearing aid, such as delays, increased costs and lack of sales.

In order to address this staff-related risk, an incentive scheme for the CEO has been implemented, while the company's CTO has a significant stake in the company.

## Revenue

Sales of the Audientes hearing aid have not yet commenced. There is therefore a risk that, at the time of sales launch, there will not be a sufficiently high demand in the market for the Audientes hearing aid to sustain company operations.

At an early stage of the go-to-market process, Audientes has employed a number of people with deep experience in building and driving consumer electronics and hearing aid sales both online and in retail to minimize this risk.

## High production costs

Production of the Audientes hearing aid has not yet begun. There is therefore a risk that the cost of production will be higher than expected, resulting in an increased retail price for the hearing aid. Such a price increase could have a negative impact on sales and, consequently, on company revenue and eventually on company earnings.

Over a number of years, Audientes has established a strong collaboration with our preferred production partner, OSM Group, in order to optimize product design and to ensure favorable component prices from our suppliers.

Every year, OSM Group purchases components in very large quantities for the production of several million products and can therefore secure volume discounts for the benefit of Audientes.

## Production and development

Audientes has been working with OSM Group since 2017 on both the development and production of the market-ready hearing aids. This agreement is based on a number of sub-agreements for each step of product development and production. In the case that OSM Group terminates the current agreement including the production agreement, Audientes will be forced to find another supplier of these services. This may result in 1-2 quarters' delay in both the development and production of the hearing aid.

In order to deal with this risk of delay, Audientes has a sharp focus on weekly milestones and priorities, coupled with a close dialog with OSM at all stages of product development, and going forward there will be a close daily dialog on the production situation.

# Corporate governance

## COVID-19

As a development company, Audientes has not (to date) been significantly affected by the COVID-19 pandemic, nor do we expect COVID-19 to have a considerable impact on the production start of our hearing aid. However, COVID-19 may have a negative impact on our ability to enter into distribution agreements in Asia and, in particular, India.

The company is very watchful of the COVID-19 situation with a focus on acting responsibly while simultaneously utilizing the potential allowed in target markets. Due to local restrictions, travel has not been possible for most of 2020 and early 2021, which is why we have instead focused on harnessing local resources in our defined markets for deployment of the go-to-market strategy, and for user testing with local partners and their customers.

**Audientes' Board of Directors and Executive Board have a strong focus on good corporate governance as an essential prerequisite for creating value for our shareholders and for building credibility among customers, employees and other stakeholders. A good and open dialog is key.**

Members of Audientes' Executive Board and Board of Directors come from varying backgrounds with deep-seated experience in the IT, mobile telephony and life science sectors.

## Role of the Board of Directors

The Board of Directors consists of Povl-André Bang Bendz (Chairman), Gitte Jürgens and Elsebeth Finnick, all elected at the Annual General Meeting.

The Board of Directors is responsible for Audientes' overall management and oversees all matters concerning Audientes' general development, including objectives, strategies, organization, budgets and risk management.

The role of the Board of Directors includes, among other things:

- Ensure correct bookkeeping and financial reporting.
- Establish the necessary risk management and internal control procedures.
- Ensure proper and timely financial oversight and reporting.
- Ensure the Executive Board's correct and appropriate performance of duties and adherence to guidelines as determined by the Board of Directors.

- Ensure the organization has adequate resources to meet the company's current and future obligations as they fall due. The Board is therefore at all times obliged to assess the financial position and ensure sufficient financial resources.

The general guidelines on the responsibilities of the Board of Directors are laid down in the Board's rules of procedure, which are reviewed annually and adapted as necessary.

Due to the company size, the Audientes Board of Directors has not established independent committees.

# Board of Directors

*»2021 will be an exciting year when months of planning will be converted to revenue. I have no doubt that we have the right product and the right competencies for the forthcoming commercialization of Audientes' self-fitting hearing aid.«*

*Povl-André Bendz,  
Chairman*



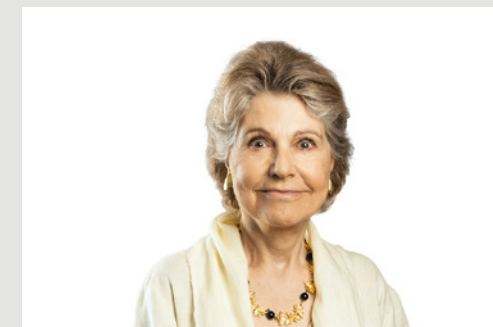
**Povl-André Bendz,  
Chairman**

Povl-André has been Chairman of the Board of Directors since June 3, 2020. He has a Master of Science from CBS, extensive commercial and financial leadership experience and has also started a number of companies. He holds several board positions, including serving as chairman of the board of 2cureX AB since 2017. Through his board and director positions in several companies, including Upfront Chromatography and DELTA, Povl-André has developed solid knowledge of a wide range of industries and sectors, with particular emphasis on life sciences.



**Gitte Jürgens,  
Board member**

Gitte has been a board member since June 3, 2020. She holds a degree in market economics and completed the CBS Executive Board Leadership & Executive Management program in 2019. She has more than 20 years of leadership experience from the life sciences sector, including positions as Chief Financial Officer, Chief Operations Officer and Supply Chain Manager in the Meda and Mylan pharmaceutical companies. In that connection, she has participated in several international M&A transactions, worked with B2B and B2C and strategic and commercial business development.



**Elsebeth Finnicks,  
Board member**

Elsebeth has been a board member since June 3, 2020. She has a Master of Science degree in economics from Aarhus University and has had a number of positions in the life sciences industry. Elsebeth has been international manager at GN Danavox (now GN Resound), where she was responsible for establishing companies in Brazil, Australia and Canada. She has also been the director of the Wound & Skin Care division at Coloplast, Managing Director of Danish Health Consult and the Dean of the bioanalyst faculty in Copenhagen. Since 2014, Elsebeth has worked as a mentor at DTU Science Park.



# Management

*»Strengthening our organization in 2020 has made a considerable difference in the finalization of our self-fitting hearing aid and the detailed planning of our market launch in India. We have only just started our growth journey. The confidence our investors have shown in us, coupled with the pleasure of working with our talented partners, is very gratifying.«*

*Steen Thygesen,  
CEO*



**Steen Thygesen,  
CEO**

Steen holds a Bachelor of Science in Electrical Engineering from Copenhagen University College and an MBA from London Business School. Throughout his career, Steen has had weighty responsibilities within IT development, strategy, sales and management in companies such as Star, Nokia Denmark, Microsoft Inc, Symbian and TDC. Additionally, he spent four years as CEO of the non-profit organization Specialisterne Foundation. Steen was a member of Audientes' Board until 2018. Since 2016, Steen has been a mentor at DTU Science Park.



**Hossein Jelveh,  
CTO and founder**

Hossein has a Master of Science in Electrical Engineering from Denmark's Technical University (DTU). He started his career at Nokia in 1997, where he worked as a software engineer and test manager. In 2012, he started his own company, Jelveh Medical Device, working on the research and development of hearing aids, and in 2014, he established Audientes. Until 2020, Hossein was a member of Audientes' Board of Directors. He is director and owner of Jelveh Holding ApS, the sole purpose of which is to function as a holding company for Audientes A/S.



**Catherine Conlon,  
CMO**

Catherine has a Bachelor of Arts (HONS) degree from Trinity College, Dublin University in Ireland, and has more than 25 years of experience in branding, communication, marketing and digital media. Her experience includes positions as Senior Brand Communications and Marketing Manager at Nokia Denmark, Navision and Cobham SATCOM. She has also worked as Marketing and Communications Director at Star and the non-profit organization Specialisterne (The Specialists) Foundation.

# Management



## Henrik Christiansen, Head of Wholesale

Henrik has many years of experience in market development; international-, direct-, distribution- and retail-based sales as well as key accounts. He has an extensive background in the hearing aid industry, including experience developing regional and global sales and distribution networks for WS Audiology (Widex). Henrik's experience also includes several years in Turkey, where he established WS Audiology's sales organization and oversaw direct sales to distributors and retail outlets.



## Kenneth Boye, Head of e-Commerce

Kenneth has over 20 years' experience leading high-growth IT and tech startups, including Telmore, OiSTER, IKEA Mobile UK and Virgin Mobile Chile. He is a specialist in online business development, customer journeys and digital marketing and has extensive international experience in GTM strategies in the Netherlands, UAE, the UK and Chile.



## Christian Kraft, Head of UX

Christian has 30 years' experience as a UX manager. He started as a UI developer at Cetelco, and later became software manager at Sony Mobile. He went on to hold a number of senior positions at Nokia in Copenhagen and Beijing as well as at Nilfisk. In addition, Christian has almost 60 approved patents and was a part of the development of the original product concept and user experience for our hearing aid.



## Jesper Betzer, Head of Operations

Jesper has over 20 years of experience in operations, business development, global supply chains and the humanitarian sector. He has work experience from 22 countries, including India, and 14 years' experience from different UN organizations. Jesper has held several senior positions within operations and supply chains, including as Global Supply Chain Director at Bluetown, where he established and led an agile, effective and scalable global supply chain organization with offices and operations in EMEA and Asia.



## Raman Rao, Country Head, India

Based in Hyderabad, India, which is an important center for the technology industry, Raman has previously developed business operations in India for large, international hearing aid companies. He has several decades of experience in sales and business development. Raman has also played a key role in setting up and coordinating the user tests for Audientes' self-fitting hearing aid in India.

## Our target group

# The business woman

Diya is a professional businesswoman in Mumbai. She suffered from meningitis as a child, which spread to her cochlea and left her with mild sensorineural hearing loss in both ears. Diya is technologically savvy and wants a solution that is trendy and at the same time helps her to overcome the stigma that is often attached to the traditional hearing aid's appearance. She only looks for solutions online and is prepared to purchase online as well, which will save her from having to make an appointment with an audiologist. Diya is very much aware of the stigma related to hearing loss in her country. Therefore, she wants a solution that does not look like a conventional hearing aid.

### How can our hearing aid help?

- ✓ Addresses sensorineural hearing loss
- ✓ No audiologist required
- ✓ Self-fitting
- ✓ Offers added functionality with a smartphone application
- ✓ Binaural (both ears)
- ✓ Speech enhancement
- ✓ Streaming of music/audio/tv/phone conversations
- ✓ Works with the telephone, for example for calls
- ✓ Reasonable price
- ✓ Available for purchase online



# Shareholder information

An investment in Audientes is an investment in demographic development. Audientes aims to disrupt the global hearing aid market. Hearing loss can now be addressed with a self-fitting hearing aid, at a reasonable price, making it accessible to all.

## Audientes shares

Audientes went public on September 18, 2020 with a subscription price of DKK 8.00. The closing price for 2020 was DKK 6.40, corresponding to a market value of approximately DKK 60 million.

In 2020, a total of 3,890,448 shares were traded – 42% of the total number of shares.

Audientes is a development company with an expectation of a strong newsfeed in 2021.

## Share capital

Audientes' share capital at the end of 2020 was nominal DKK 934,901 divided into 9,349,010 shares of DKK 0.1 each. The

### Share data

Market:	First North Growth Market Denmark
Industry:	Healthcare
ISIN code:	DK0061406618
Ticker:	AUDNTS
Share capital:	DKK 934,901
Nom. value per share:	DKK 0.1
No. of shares:	9,349,010
Votes:	one share carries one vote

company has one class of shares and all shares carry the same voting rights, i.e. one vote. The shareholders must be registered in the company's register of shareholders in order to be allowed to vote at the company's annual general meeting.

For the development of the company's share capital in 2020, please refer to note 8 on page 47.

## Ownership

As at December 31, 2020, Audientes A/S had 2,216 registered shareholders, holding 95.62% of the company's share capital.

At the close of 2020, two shareholders had declared a shareholding of more than 5%.

Shareholder	No. of shares	Holding, %
Jelveh Holding ApS*	2,255,010	24.12
Stig Due	843,650	9.02

As at December 31, 2020, the members of the company's Board of Directors and the Executive Board held a total of 25.63% of the share capital.

Shareholder	No. of shares	Holding, %
Jelveh Holding ApS*	2,255,010	24.12
Steen Thygesen	112,790	1.21
Gitte Jürgens	2,777	0.03
Povl-André Bendz	25,650	0.27
<b>Total</b>	<b>2,396,227</b>	<b>25.63</b>

\*Jelveh Holding ApS is owned by Hossein Sandfeld Jelveh, CTO and founder of Audientes.

## Warrants

Audientes has an incentive program consisting of warrants awarded to members of the Board of Directors and the Executive Board as well as to employees of the company.

The main terms of the warrant programs are laid out in the company's Articles of Association, which can be found on Audientes' website at [www.audientes.com](http://www.audientes.com).

In 2020, the Company issued warrants entitling the holder to subscribe for 1,370,000 shares with a nominal value of DKK 137,000. Warrants were issued in August and December 2020.

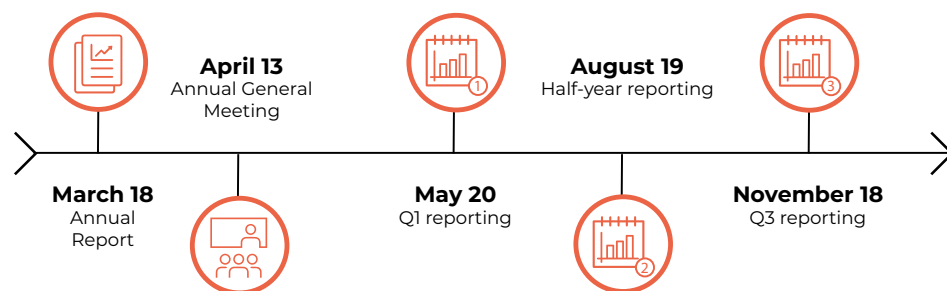
In August, 140,000 warrants were issued to board members Povl-André Bang Bendz, Gitte Jürgens and Elsebeth Finnick with an exercise price of DKK 3.9 per share.

The remaining 1,230,000 warrants were issued to members of Audientes' Executive Board, to partners and to a number of employees with an exercise price of between DKK 0.1 and DKK 6.164 per share. This was completed by December 23, 2020, when Audientes carried out a new incentive and retention program for Management and senior full-time employees.

The Board of Directors is authorized to issue additional warrants at a nominal value of DKK 92,720.



## Financial calendar



### Investor Relations

Audientes desires an open and continuous dialogue with shareholders, potential investors and the public. Therefore, all shareholders are encouraged to register in the company's register of shareholders according to the company's Articles of Association. Additionally, all shareholders are invited to sign up for the company's news service through the company's website at [www.audientes.com](http://www.audientes.com).

### Annual General Meeting

The company's 2021 Annual General Meeting will be held electronically on April 13, 2021 at 3.00 pm

The Board of Directors recommends to the Annual General Meeting that no dividend be paid for the financial year 2020 and that the loss for the year of DKK -5,138,000 be transferred to next year.

### Further information

Questions and comments from shareholders, analysts and other stakeholders should be addressed to:

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 Tel.: +45 53 17 26 10  
 Email: [steen.thygesen@audientes.com](mailto:steen.thygesen@audientes.com)

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# Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today considered and approved the Annual Report of Audientes A/S for the financial year January 1-December 31, 2020.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at December 31, 2020 and of the results of its operations and cash flows for the financial year January 1-December 31, 2020.

We believe that the Management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the Annual Report for adoption at the Annual General Meeting.

Virum, March 19, 2021

## Executive Board

Steen Thygesen

Hossein Sandfeld Jelveh

## Board of Directors

Povl André Bang Bendz

Gitte Jürgens

Elsebeth Finnick

# Independent auditor's report

## To the shareholders of Audientes A/S

### Opinion

We have audited the financial statements of Audientes A/S for the financial year 01.01.2020 – 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 – 31.12.2020 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 19.03.2021

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

#### **Henrik Wolff Mikkelsen**

State Authorised Public Accountant  
Identification No (MNE) mne33747



# Financial statements 2020

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# Income statement for 2020

DKK	Note	2020	2019
<b>Gross profit/loss</b>		<b>(3,852,131)</b>	<b>(59,254)</b>
Staff costs	1	(1,695,616)	(50,500)
Depreciation, amortisation and impairment losses		(12,781)	0
<b>Operating profit/loss</b>		<b>(5,560,528)</b>	<b>(109,754)</b>
Other financial income	2	851	1,540
Other financial expenses	3	(1,183,433)	(1,737)
<b>Profit/loss before tax</b>		<b>(6,743,110)</b>	<b>(109,951)</b>
Tax on profit/loss for the year		1,604,655	(205,045)
<b>Profit/loss for the year</b>		<b>(5,138,455)</b>	<b>(314,996)</b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		(5,138,455)	(314,996)
<b>Proposed distribution of profit/loss</b>		<b>(5,138,455)</b>	<b>(314,996)</b>

## Balance sheet, assets

DKK	Note	2020	2019
Development projects in progress	5	9,398,029	7,548,641
<b>Intangible assets</b>	4	<b>9,398,029</b>	<b>7,548,641</b>
Other fixtures and fittings, tools and equipment		308,676	0
<b>Property, plant and equipment</b>	6	<b>308,676</b>	<b>0</b>
Deposits		65,394	21,832
<b>Other financial assets</b>	7	<b>65,394</b>	<b>21,832</b>
<b>Fixed assets</b>		<b>9,772,099</b>	<b>7,570,473</b>
Other receivables		1,427,848	16,862
Income tax receivable		406,865	33,923
Prepayments		224,020	0
<b>Receivables</b>		<b>2,058,733</b>	<b>50,785</b>
<b>Cash</b>		<b>30,363,815</b>	<b>77,976</b>
<b>Current assets</b>		<b>32,422,548</b>	<b>128,761</b>
<b>Assets</b>		<b>42,194,647</b>	<b>7,699,234</b>

## Balance sheet, equity and liabilities

DKK	Note	2020	2019
Contributed capital	8	934,901	368,730
Reserve for development expenditure		6,035,078	4,592,555
Retained earnings		31,401,712	(1,030,079)
<b>Equity</b>		<b>38,371,691</b>	<b>3,931,206</b>
Deferred tax		0	1,193,764
<b>Provisions</b>		<b>0</b>	<b>1,193,764</b>
Other payables		24,125	12,625
<b>Non-current liabilities other than provisions</b>	9	<b>24,125</b>	<b>12,625</b>
Bank loans		23,658	0
Trade payables		486,502	132,916
Other payables	10	939,418	79,470
Deferred income		2,349,253	2,349,253
<b>Current liabilities other than provisions</b>		<b>3,798,831</b>	<b>2,561,639</b>
<b>Liabilities other than provisions</b>		<b>3,822,956</b>	<b>2,574,264</b>
<b>Equity and liabilities</b>		<b>42,194,647</b>	<b>7,699,234</b>
Unrecognised rental and lease commitments	12		

## Statement of changes in equity for 2020

DKK	Contributed capital	Share premium	Reserve for development expenditure	Retained earnings	Total
Equity beginning of year	368,730	0	4,592,555	(1,030,079)	3,931,206
Increase of capital	566,171	40,810,179	0	0	41,376,350
Transferred from share premium	0	(40,810,179)	0	40,810,179	0
Costs related to equity transactions	0	0	0	(1,797,410)	(1,797,410)
Transfer to reserves	0	0	1,442,523	(1,442,523)	0
Profit/loss for the year	0	0	0	(5,138,455)	(5,138,455)
<b>Equity end of year</b>	<b>934,901</b>	<b>0</b>	<b>6,035,078</b>	<b>31,401,712</b>	<b>38,371,691</b>



# Cash flow statement

DKK	Note	2020	2019
Operating profit/loss		(5,560,528)	(109,754)
Amortisation, depreciation and impairment losses		12,781	0
Working capital changes	11	(386,314)	290,705
<b>Cash flow from ordinary operating activities</b>		<b>(5,934,061)</b>	<b>180,951</b>
Financial income received		851	1,540
Financial expenses paid		(1,183,433)	(1,735)
Taxes refunded/(paid)		37,948	376,671
<b>Cash flows from operating activities</b>		<b>(7,078,695)</b>	<b>557,427</b>
Acquisition etc of intangible assets		(1,849,388)	(550,325)
Acquisition etc of property, plant and equipment		(321,457)	0
Changes in other fixed assets		(43,561)	(500)
<b>Cash flows from investing activities</b>		<b>(2,214,406)</b>	<b>(550,825)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>(9,293,101)</b>	<b>6,602</b>
Cash increase of capital		41,376,350	0
Costs incurred during change of contributed capital		(1,797,410)	0
Cash flows from financing activities		39,578,940	0
Increase/decrease in cash and cash equivalents		30,285,839	6,602
Cash and cash equivalents beginning of year		77,976	71,374
<b>Cash and cash equivalents end of year</b>		<b>30,363,815</b>	<b>77,976</b>
Cash and cash equivalents at year-end are composed of:			
Cash		30,363,815	77,976
<b>Cash and cash equivalents end of year</b>		<b>30,363,815</b>	<b>77,976</b>

# Notes

<b>1 Staff costs</b>		
<b>DKK</b>	<b>2020</b>	<b>2019</b>
Wages and salaries	2,441,137	110,823
Pension costs	77,901	0
Other social security costs	8,863	12,562
Other staff costs	80,771	18,272
	<b>2,608,672</b>	<b>141,657</b>
Staff costs classified as assets	(913,056)	(91,157)
	<b>1,695,616</b>	<b>50,500</b>
<b>Average number of full-time employees</b>	<b>4</b>	<b>1</b>
<b>2 Other financial income</b>		
<b>DKK</b>	<b>2020</b>	<b>2019</b>
Exchange rate adjustments	851	1,540
	<b>851</b>	<b>1,540</b>
<b>3 Other financial expenses</b>		
<b>DKK</b>	<b>2020</b>	<b>2019</b>
Other interest expenses	1,179,621	912
Exchange rate adjustments	3,812	825
	<b>1,183,433</b>	<b>1,737</b>

<b>4 Intangible assets</b>	
<b>DKK</b>	<b>Development projects in progress</b>
Cost beginning of year	7,548,641
Additions	1,849,388
<b>Cost end of year</b>	<b>9,398,029</b>
<b>Carrying amount end of year</b>	<b>9,398,029</b>

## 5 Development projects

Audientes A/S has developed a platform of software and hardware technology that together creates an innovative hearing aid solution that can help millions of people around the world with hearing loss. For further description, please refer to the Management review.

## 6 Property, plant and equipment

<b>DKK</b>	<b>Other fixtures and fittings, tools and equipment</b>
Additions	321,457
<b>Cost end of year</b>	<b>321,457</b>
Depreciation for the year	(12,781)
<b>Depreciation and impairment losses end of year</b>	<b>(12,781)</b>
<b>Carrying amount end of year</b>	<b>308,676</b>

## 7 Financial assets

<b>DKK</b>	<b>Deposits</b>
Cost beginning of year	21,832
Additions	43,562
<b>Cost end of year</b>	<b>65,394</b>
<b>Carrying amount end of year</b>	<b>65,394</b>

# Notes

## 8 Share capital

DKK	Nominal value
Share Capital, 15.07.2014	222,222
Addition, 16.09.2015	63,200
Addition, 11.05.2016	4,262
Addition, 11.05.2016 (debt conversion)	26,369
Addition, 16.05.2017	35,819
Addition, 27.08.2018	16,858
Addition, 03.08.2020	25,030
Addition, 19.08.2020	38,276
Addition, 19.08.2020 (debt conversion)	2,865
Addition, 17.09.2020	500,000
	<b>934,901</b>

## 9 Non-current liabilities other than provisions

DKK	Falling due after 12 months, 2020
Other payables	24,125
	<b>24,125</b>

## 10 Other payables

DKK	2020	2019
Wages and salaries, A tax, social security costs, etc., payable	544,314	26,670
Holiday pay obligation	234,736	24,240
Other costs payable	160,368	28,560
	<b>939,418</b>	<b>79,470</b>

## 11 Changes in working capital

DKK	2020	2019
Increase/decrease in receivables	(1,635,006)	0
Increase/decrease in trade payables etc.	1,248,692	290,705
	<b>(386,314)</b>	<b>290,705</b>

## 12 Unrecognised rental and lease commitments

DKK	2020	2019
Liabilities under rental or lease agreements until maturity, total	<b>74,094</b>	0

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C. The accounting policies applied to these financial statements are consistent with those applied last year.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the company, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Income statement

### Gross profit or loss

Gross profit or loss comprises other operating income, cost of raw materials and consumables and external expenses.

### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and the risk has passed to the buyer.

### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

### Other external expenses

Other external expenses include expenses relating to the company's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

### Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc. for company staff.

### Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of property, plant and equipment.

### Other financial income

Other financial income comprises net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial

liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

### Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

### Balance sheet

#### Intellectual property rights etc.

Intellectual property rights etc. comprise development projects in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects. Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project. Intellectual property



rights etc. are written down to the lower of recoverable amount and carrying amount.

#### **Property, plant and equipment**

Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment 3 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

#### **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

#### **Tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

#### **Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

#### **Cash**

Cash comprises cash in hand and bank deposits.

#### **Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

#### **Deferred income**

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

#### **Cash flow statement**

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital, and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.

Our target group

# The veteran

Sami has serious damage to the middle ear as well as tinnitus because of repeated exposure to explosions during his military service. He sees PSAPs more as a hindrance than a help and needs a quality solution to assist him in his daily life. He also wants to alleviate his tinnitus. He trusts his son to help him decide what is the best option for him.

How can our hearing aid help?

- ✓ Addresses mild-to-severe hearing loss
- ✓ Audientes' tinnitus app available for download
- ✓ Does not require an audiologist
- ✓ Self-fitting
- ✓ Binaural (both ears)
- ✓ Speech enhancement
- ✓ Streaming of music/audio/TV
- ✓ Affordable price



**AUDIENTES A/S**

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**FOUNDED**

August 2014

**AUDITOR**

Deloitte  
Statsautoriseret Revisionspartnerselskab  
CVR No.: 33 96 35 56

**CERTIFIED ADVISOR**

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This report is also published in Danish. In case of any discrepancy between the original Danish version and the English translation, the Danish version prevails.



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