



audientes

Making high-quality, self-fitting hearing aids accessible and affordable for everyone who needs them.

# Q3 FINANCIAL REPORT

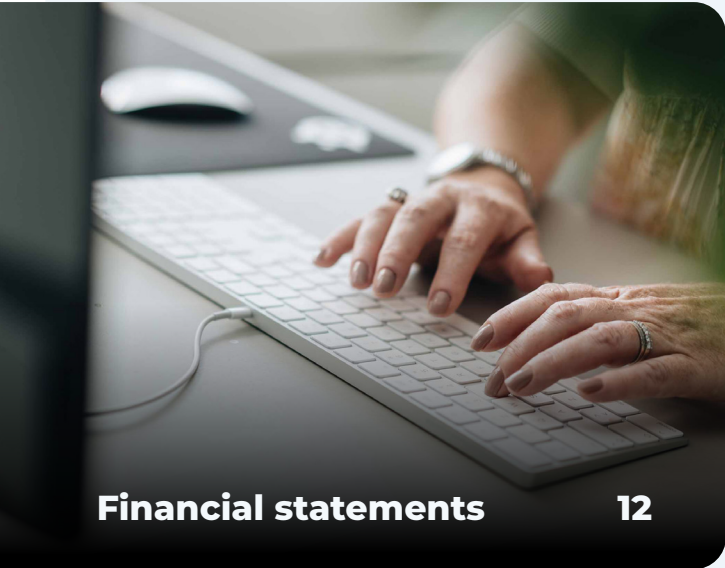
July 1 – September 30, 2022

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# Audientes in brief

Audientes A/S is a Danish hearing health company specializing in smart, self-fitting and affordable hearing aids. Audientes’ unique hearing aid solution, Ven™ by Audientes, is available for purchase in the Indian market, online and in retail, and will be introduced to the US over-the-counter market and other markets in the coming years. Companion by Audientes is an advanced hearable consumer electronics product for markets in Europe, Asia and USA and will be commercially available in early 2023.

Audientes’ mission is to help the approximately 500 million people globally suffering from disabling hearing loss who either cannot afford to buy one of the very expensive hearing aids on the market, or who do not currently have access to a solution to their hearing loss.

Audientes is listed on Spotlight Stock Market Denmark (AUDNTS) and headquartered in Copenhagen, Denmark with a subsidiary in Hyderabad, India.

For additional information please refer to the company’s website, [www.audientes.com](http://www.audientes.com).

# Highlights Q3 2022

## Sales growth in a challenging Q3, expectations revised for Q4

In its second quarter of sales, the company secured DKK 2.2 million in revenue from its business in India, surpassing a total of DKK 3.2 million in revenue during the first nine months of 2022.

In Q4 2022, Audientes has experienced a continued interest but on a lower level compared to earlier expectations. Ramp up of collaborations with a number of new partners has been postponed to Q1 2023 and that is also the case for Audientes new product, Companion by Audientes, which is now expected to be commercially available in Q1 2023. On November 14, 2022 we therefore announced revised financial guidance for the full-year of 2022 and we have implemented cost saving measures to improve profitability.

Securing further growth capital remains a key priority for the company. Audientes announced on November 16, 2022 that it has secured a bridge loan of DKK 1.1 million prior to executing on an upcoming funding round before the close of 2022. Furthermore, a tax receivable of DKK 1.9 million will be received in November 2022. If the upcoming critical funding round should not be completed as expected, the present plans for the development of the company will be adjusted accordingly to its financial capabilities.

### Steen Thygesen, CEO Audientes A/S, comments:

"In Q3 2022, we generated DKK 2.2 million in revenue in our Indian business across hearing health retail channels, and surpassed DKK 3.2 million in total for the first nine months of 2022. We are very focused on working with our numerous collaboration partners, helping them grow their sales to end-users through their hundreds of active retail outlets and we strongly believe that we have a fantastic product that can remedy the many millions with a hearing disability.

In a complex and uncertain operating environment, we have, in Q4 2022, experienced some delays to the growth of our business. The timing of certain new customer engagements will first take effect from Q1 2023 and the commercial availability of Companion has moved to early 2023. We have therefore lowered our sales expectations for 2022 and implemented a range of cost-savings. We are aware of the importance of securing further funding to support our current business plans, which of course will be adjusted to the capital secured."

## Q3 2022 and YTD 2022 reporting performance highlights

### Financial highlights

TDKK	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Revenue	2,224	-	3,232	-	-
Other operating income	214	-	642	-	214
EBITDA	-1,804	-3,177	-8,490	-8,828	-13,217
Profit/loss for the period	-3,713	-2,933	-12,343	-8,441	-12,901
Cash and cash equivalents	114	17,219	114	17,219	10,554
Equity	13,141	29,931	13,141	29,931	25,484
Equity ratio (%)	46.6%	85.4%	46.6%	85.4%	81.0%
Earnings per share (DKK)	-0.40	-0.31	-1.32	-0.90	-1.38
No. of shares beginning of the period	9,349,010	9,349,010	9,349,010	9,349,010	9,349,010
No. of shares end of period	9,349,010	9,349,010	9,349,010	9,349,010	9,349,010
Average number of shares	9,349,010	9,349,010	9,349,010	9,349,010	9,349,010

### Disclaimer

Forward-looking statements, especially such relating to future sales and operating profit, are subject to risks and uncertainties. Various factors, many of which are outside Audientes' control, may cause the actual development of the company to differ materially from the expectations contained in this financial report.



## Highlights Q3 2022

- At the end of Q3 2022, revenue for 2022 had surpassed DKK 3.2 million.
- The number of sales outlets in India increased to over 500 individual stores, across 80 collaboration partners in Q3 2022. Roughly half of these retail outlets were active by the end of Q3.
- By the end of Q3 2022, cash and cash equivalents was DKK 0.1 million, while a new bridge loan of DKK 1.1 million has been secured. Receipt of a tax receivable of DKK 1.9 million is expected in November 2022.
- Investments in product development have been in line with expectations, with investments totaling DKK 0.7 million for Q3 2022 and DKK 4.4 million YTD.
- Audientes has changed listing venue to Spotlight Stock Market Denmark with its first day of trading on September 19th, 2022.

## Outlook for the remainder of 2022

- The outlook for 2022 is lowered from DKK 9-12 million to DKK 3.5-5.0 million
- The outlook for EBITDA for 2022 is maintained at a loss of DKK (10)-(12) million

# Letter from the CEO

In Q3, 2022, we surpassed DKK 2 million in revenue, corresponding to a total revenue of more than DKK 3.2 million for the first nine months of the year. We continued working on product enhancements for Ven, as well as the introduction of our new product, Companion by Audientes. All our operational and financial targets were satisfactorily achieved during the period, but in Q4 2022 we have noticed a postponement of expected sales, thus expectations for the full year 2022 have been revised accordingly. The underlying interest remains high in Audientes' hearing aids and we are focused on finalizing the preparations for the upcoming critical funding round to unfold this growth potential.

Building on the foundation laid in H1 2022, we continued the focused commercialization in India in Q3 2022 and realized sales revenue of more than DKK 2.2 million. For the first nine months in 2022, we generated sales revenue of DKK 3.2 million and a negative EBITDA of DKK (8.5) million. In Q3 2022, we also expanded our network of collaboration partners and exceeded 80 different partners of varying size and reach in the professional hearing clinics channel.

The distribution network has now more than 500 accessible points of sale, with roughly half currently active. We believe this is the most direct and cost-efficient way to grow our business presently in India, and we will continue to invest in strengthening the distribution network.

## Change in market sentiment

We are part of a very turbulent and changeable world, now also burdened by high inflation, which has led to a change in market sentiment. We expect this to be a temporary situation, as we simultaneously experience a great interest in our hearing aids. However, some partner deals will not be ramping up until Q1 2023. Furthermore, our new product Companion – aimed at new markets and consumer electronics channels in the US and Europe – is not expected to be commercially available until Q1 2023. Taken together with a range of cost savings implemented, we have revised our revenue expectations for the full year 2022 to DKK 3.5-5 million while maintaining the existing EBITDA guidance of (10)-(12) million.

## Expanding channels to pharmacies

In line with our long-term distribution strategy, we have advanced into the pharmacy and healthcare service provider markets with agreements with Thulasi Pharmacy Private Limited and with Medtronic LABS' ear care program, Shruti. These agreements mean that more consumers in India can be presented with Ven as a potential solution to their hearing loss. Overall, the market acceptance of Ven is growing month for month in India and is being fueled by the continued enhancements that are further improving the products' value proposition and its growing market acceptance. We are working diligently to train and support these partners, so more retailers will focus on selling and supporting Audientes' products in their markets.



Steen Thygesen - CEO, Audientes A/S

## Ven – continuously enhancing the product

We continued during Q3 to act on key learnings from the market with additional product enhancements for Ven, which will improve our ability to address the unique requirements of the Indian market. Following on from the Q2 2022 release of the manual audiogram for professional dispenser fit, upcoming product enhancements will enable our partners and Ven dispensers to serve a broader group of clients with severe-profound hearing loss and therefore support increased device sales with an extended fitting range (increased gain) for Ven, to better serve the type of clients (and type of hearing loss) they deal with daily. This enhancement will be rolled out to our partners over the air in early Q1 2023.

### Companion – our new product offering

We progressed with the development of our new product, Companion by Audientes, a situational hearing solution, which will be commercially available in the US and Europe in early 2023. Companion is in the advanced hearables category and will extend Audientes' reach to the consumer electronics market where advanced hearables is one of the fastest growing segments globally. Companion is built on the existing platform utilized in Ven and will enable us to rapidly enter new markets e.g., in the US and Europe, with a non-medical consumer electronics device, while we continue to work on products to be registered or approved as medical devices by the US FDA.

### Expanding the leadership team with new CFO Troels Torp

In early November, we welcomed Troels Torp as Audientes' new Chief Financial Officer. Troels Torp is a financial executive with over 25 years of experience in financial management. Troels, who has industry expertise from the hearing aid sector, has held several executive positions, including SVP CFO at Vækstfonden and SVP Corporate Finance at GN Store Nord. Troels will be responsible for our Capital market strategy, securing capital for our future growth journey.

### Changing marketplace to Spotlight

On September 19th Audientes' shares began trading on Spotlight Stock Market Denmark, having been

previously traded on Nasdaq First North Growth Market Denmark. Audientes' ticker – AUDNTS – and ISIN code – DK0061406618 – remain the same. Audientes believes the change to Spotlight is a better fit for the company as the pan-Nordic trading platform appears as a dynamic and cost-effective alternative to First North Growth Market Copenhagen.

### Entering the next growth phase

Since our IPO in September 2020, Audientes has gone from being a development company to making our commercial breakthrough in India with one product in the market and another one on the way for other international markets.

We have invested significantly in production, inventory, marketing, and sales and have built up a robust distribution network in India that is now primed to ramp up sales of Ven. We are now at an inflection point in our journey.

Securing further growth capital remains a key priority for Audientes and we will be executing on an upcoming funding round before the close of 2022.

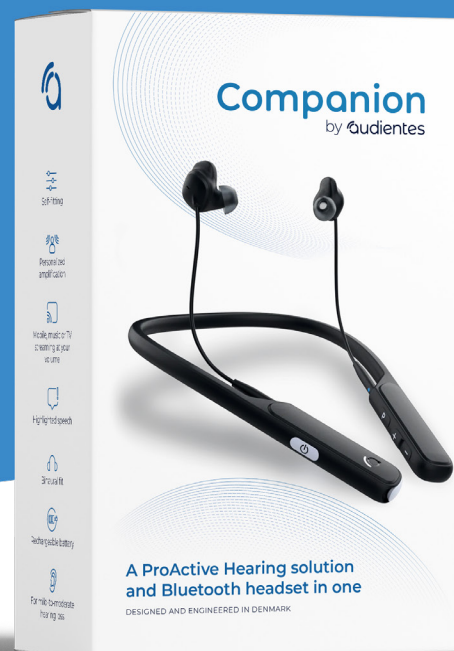
I thank our shareholders for your continued support and trust in Audientes.

Steen Thygesen, CEO, Audientes A/S

# Companion

by Audientes

## Extending reach to the consumer electronics market with Companion by Audientes

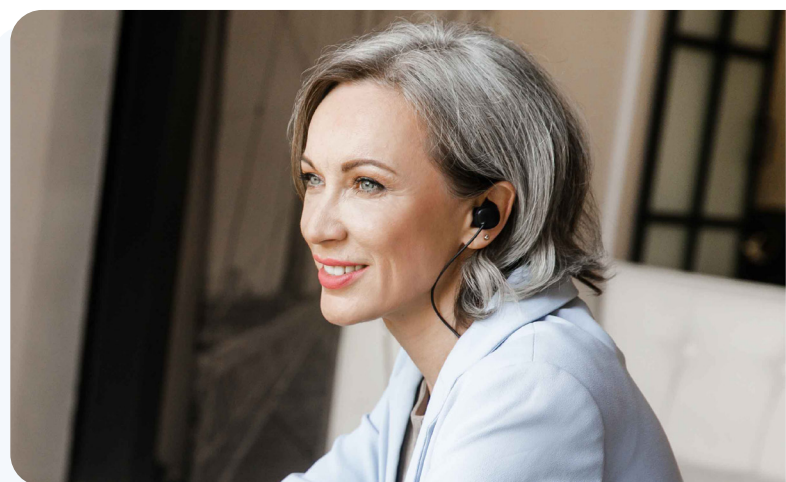


This quarter, Audientes announced the addition of a new product to its portfolio with Companion by Audientes - a situational hearing solution in the advanced hearables category - to be launched in Q4 2022, with commercial availability in Q1 2023, with focus on Europe and the US initially, and thereafter in additional prioritized markets globally.

Built on the existing software and hardware utilized in Ven, Companion will extend Audientes' reach to the consumer electronics market where advanced hearables is one of the fastest growing segments globally. Hearables are technically advanced, electronic in-ear devices designed for multiple purposes, ranging from medical monitoring and fitness tracking to communication objectives and hearing enhancement.

### Utilizing Crowdfunding as a means to accelerate market entry

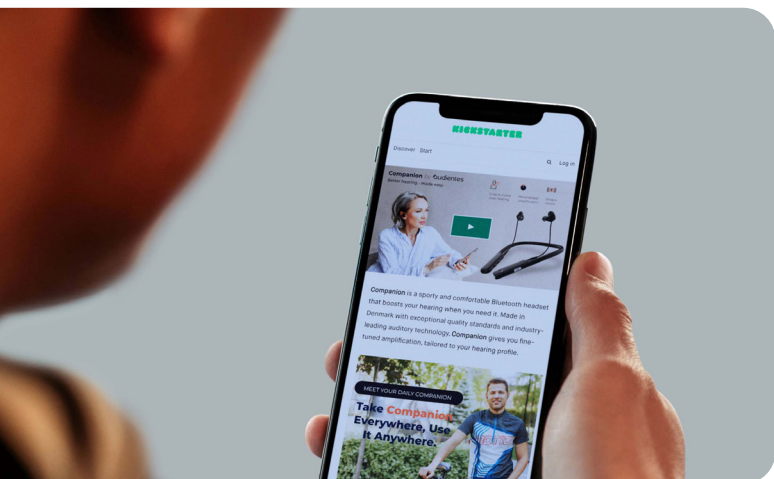
As part of the market launch for Companion, on November 3, 2022, Audientes launched a crowdfunding campaign to ensure an accelerated market entry and brand awareness in the US and Europe. The campaign is ongoing on leading platform [Kickstarter](#) as a precursor for Companion's upcoming rollout in the US and Europe across ecommerce and retail channels. The purpose of the campaign is to build awareness, kickstart marketing for the product in new geographies and thus advance the market entry of Companion, initially in the key regions of the US and Europe, by connecting directly with campaign backers and end-users.



### Rapidly enter the US and other markets

Audientes CEO Steen Thygesen comments: "We have received a lot of interest from people in other markets – the US included – who do not fall into the disabling hearing loss category but simply want to hear better in certain situations. We are excited about this new consumer electronics device, which also includes Bluetooth streaming functionality. It will enable us to rapidly enter the US market with a smart offering that will help people hear better in conversations, at work, in the movie theatre and more, while also enjoying the benefits of streaming audio. Moreover, it will enable us to accelerate our US market entry with a non-medical consumer electronics device, while we continue to work on FDA approval for our hearing aids."

The global hearables market size is predicted to reach \$93.90 billion by 2026. Companion will be available in Q1 2023.



# துளசி பார்மசி THULASI PHARMACY

## Many pathways to market – expanding the channels in India

This quarter, Audientes has worked to expand its distribution channels in India, and is now advancing into the pharmacy and healthcare service spaces.

Commercial partnerships with regional distributors in India have, from the outset, been the key component in our launch strategy for the retail segment in India. Having now established a robust distribution network there with more than 80 retail and wholesale collaboration partners, with over 500 points of sale combined, one of the focus areas in Q3 2022 has been to expand our partnerships into pharmacies and healthcare service providers.

In September, we announced a new collaboration agreement with pharmacy chain, Thulasi Pharmacy Private Limited, India, for the sale of Ven™ by Audientes, in Thulasi's pharmacies located in 23 cities across the southern states of Karnataka, Kerala and Tamil Nadu. With considerable distribution power, the agreement with Thulasi means that more end users can be presented with Ven as a potential solution to their hearing loss.

### Distributing Ven in densely populated, urban settlements

We also announced another collaboration agreement with Medtronic LABS' ear care program, Shruti. Medtronic LABS' Shruti is one of India's largest outreach programs in ear care and with communities in cities covered by the Shruti program, such as Delhi, Gurgaon, Faridabad, Hyderabad, Aurangabad, Jaipur, Raipur, Amritsar, Chennai and Dhaka (Bangladesh). The partnership will help distribute and sell Ven to deserving clients in densely populated, urban settlements as well as rural areas throughout India.

Both Thulasi and Medtronic LABS' Shruti will commence sales of Ven in Q4 2022.

“

*“Expanding our channels in India is a key factor in our distribution strategy and we are excited to see how this develops. The normal path to attaining a hearing aid in India is either through the traditional hearing aid dispensers or through hospitals and ENTs. Now, consumers will be introduced to Ven in an entirely new arena. In doing this, we are again taking the complexity out of the traditional path to acquiring a hearing aid.”*

**Raman Rao - Country Head, India**



Raman Rao - Country Head, India

# Financial performance in Q3

## Revenue

In Q3 2022, a revenue of TDKK 2,224 was realized corresponding to a growth of 225% from Q2. For the first nine months of 2022, revenue amounts to TDKK 3,232.

In Q3, Audientes continued expanding the network of collaboration partners and exceeded 80 different partners of varying size and reach in the hearing clinics channel.

The distribution network has overall thus been further strengthened and amounts now to more than 500 accessible points of sale, which will become active over time as they are trained and carry stock.

## Gross profit/loss

Gross profit/loss - which covers revenue and other income less costs of goods sold and external costs - was in Q3 2022 TDKK -39 compared to TDKK -1,910 in Q3 2021.

The improvement stems from realization of sales activities in Q3 2022 and from cost reductions in operation expenses in general.

Gross profit/loss amounts to TDKK -3,311 YTD 2022 compared to TDKK -4,944 YTD 2021.

## Operating profit/loss

At the end of Q3 2022, Audientes' staff comprised 16 FTE's compared to 11 FTE's end of Q3 2021. Additionally, Audientes collaborated with several external consultants and outsourcing vendors.

In Q3 2022, staff costs totaled TDKK 1,765 up from TDKK 1,267 in Q3 2021. YTD 2022, staff costs amounted to TDKK 5,179 compared to TDKK 3,884 in the same period 2021.

EBITDA is in Q3 2022 realized with TDKK -1,804 or TDKK 1,373 higher than in Q3 2021 and TDKK 1,524 higher than realized in Q2 2022. YTD 2022 EBITDA amounts to TDKK -8,490 compared to TDKK -8,828 in same period 2021.

As utilization of completed development projects and equipment etc. primarily took place end of 2021, depreciation and amortizations has increased from TDKK 71 in Q3 2021 to TDKK 1,283 in Q3 2022 and from TDKK 175 YTD 2021 to TDKK 3,569 in same period 2022.

Operating profit/loss (EBIT) for Q3 2022 amounted to TDKK -3,087 compared to TDKK -3,248 in same quarter last year.

Operating profit/loss (EBIT) amounted to TDKK -12,059 YTD 2022 compared to TDKK -9,004 in same period 2021.

The operating loss for this period is in line with expectations.

## Profit/loss

Interests on the short-term loan received in May 2022 drove the increase in Other financial expenses, net from TDKK -81 in Q3 last year to TDKK -854 in Q3 this year and from TDKK -304 YTD 2021 to TDKK -1,538 YTD 2022.

Due to lower R&D activities, the tax income related to expected disbursements under the Danish Tax Prepayment Scheme regarding development costs amounted to TDKK 228 in Q3 2022 corresponding a drop of TDKK 167 from Q3 2021. For YTD 2022 tax is calculated to TDKK 1,254 compared to TDKK 868 YTD 2021.

The loss for Q3 2022 thus amounts to TDKK -3,713 compared to TDKK -2,933 in Q3 2021. YTD 2022 the loss amounts to TDKK -12,343 compared to TDKK -8,441 in same period 2021.

## Capitalization of development projects

During Q3 2022, Audientes continued – however at a lower level - the development and maintenance of its hearing aid concept consisting of software and hardware technology that together create an innovative hearing aid solution.

Additions to intangible assets thus totaled TDKK 750 in Q3 2022, down from TDKK 1,797 in Q3 2021. YTD 2022 additions amounted to TDKK 4,386 corresponding to an increase from same period 2021 of TDKK 443.

After reduction of TDKK 3,042 in amortization YTD 2022, Audientes has, in total capitalized TDKK 15,916 in development projects as intangible assets end of 2022 compared to TDKK 14,572 end of 2021.

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

## Inventory

During 2022 inventory including electrical components has been build further up to be able to meet the expected demand. Inventory thus totaled TDKK 4,298 up from TDKK 1,366 at end of 2021.

### Receivables

At end Q3 2022, receivables totaled TDKK 6,645 up from TDKK 3,266 end of 2021.

The increase is primarily driven by trade receivables, which at end Q3 2022 totaled TDKK 3,098 up from TDKK 0 end of 2021, the increase fully related to realization of sales in especially September 2022, and to an experienced slower payment pattern among the customers.

Other receivables of TDKK 342 at end Q3 2022 has dropped from TDKK 1,325 at end 2021 primarily due to receipt of receivable VAT.

The tax receivable amounts to TDKK 3,096 at end Q3 2022 compared to TDKK 1,843 end of 2021 related to tax receivable for 2021, which is expected to be received in Q4 2022. The tax receivable is impacted by higher development activities, as this only includes expected disbursements under the Danish Tax Prepayment Scheme related to development costs.

### Equity

At end Q3 2022, equity totaled TDKK 13,141 compared to TDKK 25,484 end of 2021. The reduction is fully related to the loss for the period January to September 2022.

The solvency ratio was 47% end Q3 2022 compared to 81% end of 2021.

### Current liabilities other than provisions

At end Q3 2022, current liabilities other than provisions totaled TDKK 15,046 up from TDKK 5,970 end of 2021.

Current liabilities other than provisions mainly consist of short-term loans, payables such as trade payables, personal income taxes, holiday pay obligation and subsidies from the Danish Market Development Fund not yet recognized as income.

The increase from end 2021 of TDKK 9,076 is primarily driven by the new short-term loan of TDKK 8,213 including accrued interest and to increase in trade payables of TDKK 2,080 related to higher inventories and higher activity in general.

### Cash flow

At end Q3 2022, cash and cash equivalents amounted to TDKK 114 compared to TDKK 10,554 end of 2021.

In Q3 2022 Audientes generated a cash flow from operations of TDKK -3,210 compared to TDKK -3,242 in Q3 2021 and YTD 2022 of TDKK -14,225 compared to TDKK -7,292 in same period 2021.

Change in working capital net amounts in Q3 2022 to TDKK -555 compared to TDKK 16 in same quarter last year and to TDKK -4,200 YTD 2022 compared to TDKK 1,842 same period 2021. Building up inventories and sales related increase in trade receivables have a negative impact on working capital YTD 2022 of TDKK -2,932 and TDKK -3,098 respectively, only partly compensated by increase in trade payables etc. of TDKK 858 and lower Other receivable, primarily VAT of TDKK 983.

Cash flow from investing activities amounts in Q3 2022 to TDKK -770 compared to TDKK -3,579 in Q3 2021 and to TDKK -4,414 YTD 2022 compared to TDKK 5,853 same period 2021. The investments primarily relate to development projects.

Free cash flow amounted in Q3 2022 to TDKK -3,980 compared to TDKK -6,821 in Q3 2021 and to TDKK -18,639 YTD 2022, down from TDKK -13,145 YTD 2021.

Cash flow from financing activities amounts in Q3 2022 to TDKK 414 compared to TDKK 0 in same quarter last year and to TDKK 8,199 YTD 2022 up from TDKK 0 YTD 2021. – and relates primarily to bridge loan including interests accrued.

Decrease in cash and cash equivalents amounted in Q3 2022 to TDKK -3,566 and YTD 2022 to TDKK -10,440 compared to TDKK -6,821 and TDKK -13,145 for Q3 and YTD last year respectively.

### Events after the balance sheet date

Securing further growth capital remains a key priority for the company. Audientes announced recently that it has secured a bridge loan of DKK 1.1 million prior to executing on an upcoming funding round in late 2022. Furthermore, a tax receivable of DKK 1.9 million is foreseen received in November 2022. If the upcoming critical funding round should not be completed as expected, the present plans for the development of the company will be adjusted accordingly to its financial capabilities.

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

The Q3 2022 Financial Report has not been audited.

# Financial calendar

The company prepares and publishes a financial report at the end of each quarter. Upcoming reports are planned to be released as follows:

Date	Event
February 28, 2023	2022 Year-end report
March 23, 2023	2022 Annual report
April 18, 2023	Annual General Meeting 2023
May 16, 2023	Q1 2023 reporting
August 24, 2023	Q2 2023 reporting
November 9, 2023	Q3 2023 reporting

## Further information

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## Board of Directors

Povl-André Bang Bendz, Chairman  
Gitte Jürgens, Board member  
Peter Røpke, Board member  
Frank Vium, Board member

## Management

Steen Thygesen, CEO  
Hossein Sandfeld Jelveh, CTO  
Troels Torp, CFO

## Auditors

Deloitte  
Statsautoriseret Revisionspartnerselskab  
CVR No.: 33 96 35 56

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# Financial statements

## Income statement

TDKK	Note	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Revenue		2,224	-	3,232	-	-
Other operating income		214	-	642	-	214
<b>Gross profit/loss</b>		<b>-39</b>	<b>-1,910</b>	<b>-3,311</b>	<b>-4,944</b>	<b>-7,357</b>
Staff costs	1	-1,765	-1,267	-5,179	-3,884	-5,860
Depreciation, amortisation and impairment losses		-1,283	-71	-3,569	-175	-1,143
<b>Operating profit/loss (EBIT)</b>		<b>-3,087</b>	<b>-3,248</b>	<b>-12,059</b>	<b>-9,004</b>	<b>-14,360</b>
Other financial income		3	3	18	11	50
Other financial expenses		-857	-84	-1,556	-315	-473
<b>Profit/loss before tax</b>		<b>-3,941</b>	<b>-3,328</b>	<b>-13,597</b>	<b>-9,309</b>	<b>-14,783</b>
Tax on profit/loss for the period		228	395	1,254	868	1,882
<b>Loss for the period</b>		<b>-3,713</b>	<b>-2,933</b>	<b>-12,343</b>	<b>-8,441</b>	<b>-12,901</b>

## Balance sheet — assets

TDKK	Note	30.09.2022	30.09.2021	31.12.2021
Development projects in progress		4,386	13,341	-
Completed development projects		11,530	-	14,572
<b>Intangible assets</b>	<b>2</b>	<b>15,916</b>	<b>13,341</b>	<b>14,572</b>
Other fixtures and fittings, tools and equipment		1,074	1,522	1,545
<b>Equipment</b>		<b>1,074</b>	<b>1,522</b>	<b>1,545</b>
Deposits		140	151	151
<b>Other financial assets</b>		<b>140</b>	<b>151</b>	<b>151</b>
<b>Fixed assets</b>		<b>17,130</b>	<b>15,014</b>	<b>16,268</b>
Inventories		4,298	292	1,366
<b>Inventories</b>		<b>4,298</b>	<b>292</b>	<b>1,366</b>
Trade receivables		3,098	-	-
Other receivables		342	935	1,325
Income tax receivable		3,096	1,274	1,843
Prepayments		109	301	98
<b>Receivables</b>		<b>6,645</b>	<b>2,510</b>	<b>3,266</b>
<b>Cash</b>		<b>114</b>	<b>17,219</b>	<b>10,554</b>
<b>Current assets</b>		<b>11,057</b>	<b>20,021</b>	<b>15,186</b>
<b>Assets</b>		<b>28,187</b>	<b>35,035</b>	<b>31,454</b>

## Balance sheet — equity and liabilities

TDKK	Note	30.09.2022	30.09.2021	31.12.2021
Contributed capital		935	935	935
Reserve for development expenditure		10,264	9,111	10,264
Retained earnings		1,942	19,885	14,285
<b>Equity</b>		<b>13,141</b>	<b>29,931</b>	<b>25,484</b>
Other payables		-	24	-
<b>Non-current liabilities other than provisions</b>		<b>-</b>	<b>24</b>	<b>-</b>
Bank loans		23	49	25
Other short-term loans		8,213	-	-
Trade payables		3,686	792	1,606
Other payables		555	814	1,128
Deferred income		2,569	3,426	3,211
<b>Current liabilities other than provisions</b>		<b>15,046</b>	<b>5,080</b>	<b>5,970</b>
<b>Liabilities other than provisions</b>		<b>15,046</b>	<b>5,104</b>	<b>5,970</b>
<b>Equity and liabilities</b>		<b>28,187</b>	<b>35,035</b>	<b>31,454</b>

## Statement of changes in equity for YTD September 2022

TDKK	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity beginning of period	935	10,264	14,285	25,484
Loss for the period			-12,343	-12,343
<b>Equity end of the period</b>	<b>935</b>	<b>10,264</b>	<b>1,942</b>	<b>13,141</b>

## Cash flow statement

<b>TDKK</b>	<b>Note</b>	<b>Q3 2022</b>	<b>Q3 2021</b>	<b>YTD 2022</b>	<b>YTD 2021</b>	<b>2021</b>
Operating profit/loss		-3,087	-3,248	-12,059	-9,004	-14,360
Amortisation, depreciation and impairment losses		1,283	71	3,569	175	1,143
Working capital changes	3	-555	16	-4,200	1,842	1,023
<b>Cash flow from ordinary operating activities</b>		<b>-2,359</b>	<b>-3,161</b>	<b>-12,690</b>	<b>-6,987</b>	<b>-12,194</b>
Financial income received		3	3	18	11	50
Financial expenses paid		-854	-84	-1,553	-315	-473
Taxes refunded/(paid)		-	-	-	-	446
<b>Cash flows from operating activities</b>		<b>-3,210</b>	<b>-3,242</b>	<b>-14,225</b>	<b>-7,292</b>	<b>-12,171</b>
Acquisition etc of intangible assets		-750	-1,797	-4,386	-3,943	-6,072
Acquisition etc of property, plant and equipment		-20	-1,302	-39	-1,388	-1,481
Investment in affiliated companies			-436		-436	
Changes in other financial assets		-	-44	11	-86	-86
<b>Cash flows from investing activities</b>		<b>-770</b>	<b>-3,579</b>	<b>-4,414</b>	<b>-5,853</b>	<b>-7,639</b>
<b>Free cash flows generated from operations and Investments before financing</b>		<b>-3,980</b>	<b>-6,821</b>	<b>-18,639</b>	<b>-13,145</b>	<b>-19,810</b>
Short term loan received, net		414	-	8,199	-	-
<b>Cash flows from financing activities</b>		<b>414</b>	<b>-</b>	<b>8,199</b>	<b>-</b>	<b>-</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>-3,566</b>	<b>-6,821</b>	<b>-10,440</b>	<b>-13,145</b>	<b>-19,810</b>
Cash and cash equivalents beginning of period		3,680	24,040	10,554	30,364	30,364
<b>Cash and cash equivalents end of period</b>		<b>114</b>	<b>17,219</b>	<b>114</b>	<b>17,219</b>	<b>10,554</b>
Cash and cash equivalents at period-end are composed of:						
Cash		114	17,219	114	17,219	10,554
<b>Cash and cash equivalents end of period</b>		<b>114</b>	<b>17,219</b>	<b>114</b>	<b>17,219</b>	<b>10,554</b>

## Notes

TDKK	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
<b>1. Staff costs</b>					
Wages and salaries	2,053	1,598	6,043	4,701	6,879
Pension costs	182	122	530	347	469
Other social security costs	19	20	61	48	62
Other staff costs	128	66	223	170	256
	<b>2,382</b>	<b>1,806</b>	<b>6,857</b>	<b>5,266</b>	<b>7,666</b>
Staff costs classified as assets	-617	-539	-1,678	-1,382	-1,806
	<b>1,765</b>	<b>1,267</b>	<b>5,179</b>	<b>3,884</b>	<b>5,860</b>
Average number of full-time employees	16	8	16	8	8
<b>2. Intangible assets</b>					
Cost beginning of period	19,106	11,545	15,470	9,398	9,398
Additions	750	1,797	4,386	3,943	6,072
<b>Cost end of period</b>	<b>19,856</b>	<b>13,341</b>	<b>19,856</b>	<b>13,341</b>	<b>15,470</b>
Amortisation beginning of period	-2,832	-	-898	-	-
Amortisation for the period	-1,108	-	-3,042	-	-898
<b>Amortisation end of period</b>	<b>-3,940</b>	<b>-</b>	<b>-3,940</b>	<b>-</b>	<b>-898</b>
<b>Carrying amount end of period</b>	<b>15,916</b>	<b>13,341</b>	<b>15,916</b>	<b>13,341</b>	<b>14,572</b>
<b>3. Changes in working capital</b>					
Change in inventories	-1,299	-	-2,932	-	-1,366
Increase/decrease in receivables	-958	-499	-2,126	560	241
Increase/decrease in trade payables etc	1,702	515	858	1,282	2,148
<b>Total</b>	<b>-555</b>	<b>16</b>	<b>-4,200</b>	<b>1,842</b>	<b>1,023</b>



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