

The logo for Audientes, featuring a stylized circular icon to the left of the word "audientes" in a lowercase, sans-serif font. The background of the entire page is a photograph of two women sitting on a light-colored sofa against a brick wall. One woman, with grey hair and wearing a blue and white striped shirt, is looking towards the other woman. The second woman, with dark hair and wearing a light blue button-down shirt, is smiling and looking at a smartphone she is holding in her hands. The lighting is warm and natural, suggesting an indoor setting with large windows.

# Q4 / YEAR-END 2023 FINANCIAL REPORT

OCTOBER 1 – DECEMBER 31, 2023

CVR No. 36 04 76 31

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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 and advanced hearables. Audientes' unique hearing aid solution, Ven™ by Audientes, is available for purchase in the Indian and Nepalese markets. Companion by Audientes is an advanced hearable consumer electronics product, marketed in Japan, China, EU and other select markets worldwide.

Audientes' mission is to develop hearing aids and hearables for hearing improvement or enhancement for everyone who needs them globally. 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), [www.audientes.eu](http://www.audientes.eu) or [www.audientes.in](http://www.audientes.in).

**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 Q4 2023 and 2023

## Financial highlights for Q4 2023 and 2023

TDKK	Q4 2023	Q4 2022	2023	2022
Revenue	5	-3,153	1,266	79
Other operating income	215	214	1,395	856
EBITDA	-670	-5,536	-7,250	-14,026
Profit/loss for the period	-2,320	-12,019	-13,361	-24,362
Cash and cash equivalents	434	6,948	434	6,948
Equity	4,031	13,049	4,031	13,049
Equity ratio (%)	28.0%	49.1%	28.0%	49.1%
Earnings per share (DKK)	-0.05	-0.63	-0.30	-1.28
No. of shares beginning of the period	43,050,846	9,349,010	28,747,024	9,349,010
No. of shares end of period	59,384,322	28,747,024	59,384,322	28,747,024
Average number of shares	51,217,584	19,048,017	44,065,673	19,048,017

## Highlights Q4 2023

- Completion of a directed issue of DKK 0.9 million and a conversion of debt of DKK 0.1 million, a total of DKK 1 million.
- Part of existing convertible loans total DKK 1.2 million were converted into equity and new shares issued.
- Our advanced hearable product, Companion by Audientes, was launched in Japan on November 9, 2023 in Tokyo, and will initially be available in distribution with TD SYNEX' and their retail partners as well as in online distribution channels.
- As expected, Q4 2023 materialized as a stepping-stone quarter to 2024 due to a later market introduction and rollout in India with Ven V2 compared to earlier expectations, and contrary to the agreed quota stipulated in contract, follow-on orders from Earkart did not materialize.
- The SRRC (State Radio Regulation of China) equipment type approval was received in December 2023, allowing the localized Chinese version of the Companion by Audientes product to be introduced in China, which in practical terms will happen in the first half of 2024.
- Due to the late-2023 receipt of the SRRC equipment type approval, the pre-paid products for Hengtong can first be delivered in 2024. Expected revenue of the DKK 0.6 million pre-paid was pushed out from Q4 2023 to 2024, with the consequence that sales revenue recognized in Q4 amounted to only TDKK 5.

## Highlights after 2023

- Audientes announced on January 12, 2024, that will include an additional area in its business, namely *software platform-licensing for OEMs and brands* on creating excellent and affordable offerings that in turn will help people around the world hear better, which is Audientes core mission. Over time, software platform licensing is expected to become a significant part of the Company's business.
- The Company announced also on January 12, 2024, that it is aiming at introducing a new hearing aid product in the more classic type called "Behind-the Ear" (BTE) in the "Receiver in Canal" style (RIC), using the Audientes app and software platform, co-developed and manufactured with a partner.
- Audientes has been preparing to establish a subsidiary in Japan, in which it will have a majority shareholding. Today, February 22, 2024, is recorded as the official establishment date, with official registration to be completed in the coming weeks for operations to commence.

# Letter from the CEO

## Business status and progress

During the fourth quarter of 2024 we focused on structuring and commencing the initial joint go to market activities for the new market entries in Japan and China, with local meetings and other promotional activities in Tokyo and Shenzhen. We also met with Earkart and other partners in India in relation to the Indian market activities and collaboration opportunities.

The market situation for Audientes reported as part of the Q3 financial report on November 9, 2023, did not change in any material way during the remainder of Q4. The quarter was a stepping-stone to 2024, where Audientes is expanding its market access to several new markets to complement but also to compensate for the missing sales performance in the Indian market.

Due to the apparent business practices in the developing country of India when it comes to payment of goods purchased, we have applied the principle that revenue stemming from India (other than Earkart's) is only recognized when money is received i.e. products paid. Revenue recognized in Q4 2023 amounted to only DKK 5, noting that our new markets in Japan and China were not yet in operational mode. The provisions for bad debt, which we expensed in Q3 with DKK 0.4 million, are maintained and currently unchanged as we expect the unpaid revenue to be collected, possibly as part of an arbitration process or court proceeding.

Subject to the substantial cost cutting measures made earlier in 2023, we have during the year been able to reduce the cash burn rate substantially while ramping up our preparatory activities in both Japan and China. Staff cost and other external costs were in Q4 DKK 1.2 million compared to DKK 4.3 million in same quarter last year and for the year, Fixed cost have dropped by DKK 6.7 million to DKK 10.2 million.

The EBITDA result for 2023 amounts to a loss of DKK -7.3 million, almost half of the EBITDA-loss in 2022 of DKK -14.0 million. The real effect of the cost-cutting initiatives executed in 1. half year 2023 are witnessed in Q4 2023 where EBITDA of DKK -0.7 million is realized DKK 3.2 million better than in Q4 2022 adjusted for the effect of unpaid products taken back.

As we expect sales to ramp up substantially in 2024 borne out of a presence with a quite mature product offering in new markets with more buying power, the lean base we have established signals a credible path to profitability. More details on the financial performance in the Financial Statements section.



Steen Thygesen - CEO, Audientes A/S

## India

The initial reception of Audientes' products in the Indian market has been an invaluable source of insights for the company, even if the sales in 2023 have been rather modest.

The early stages of product marketing and sales provided a real-world testing ground, with praise received for the sound quality of the Ven hearing aid, while also revealing key areas for improvement and refinement.

The upgraded Ven V2 product was introduced on the Indian market in Q2 2023, coinciding with the new distribution partnership with Earkart India. Unfortunately, contrary to our expectations, the sales performance in India during the remainder of the year has been disappointing.

To further help Earkarts distribution of the Ven products purchased, Audientes supported its sales activities directly in channels such as optical stores and in parts of the classic hearing clinics segment in predominantly Tier 1 cities. To further this aim, we agreed in Q4 also to develop additional distribution and retail partnerships in India. We anticipate the exclusivity-arrangement with Earkart for the distribution of Ven will end quite soon, meaning we will take back the full responsibility for the distribution of Audientes' products in India, which is where we started. Based on the past 6 months or so learnings gained, this is a better operating mode for Audientes in India, giving us renewed full control of the focus and effort put into marketing and sales of our products.

Professional feedback from hearing health players as well as end user feedback received in India has prompted Audientes to commence the design and development of a new hearing aid product in the classic, miniaturized formfactor of a Behind the Ear, Received in Canal (BTE/RIC) product to complement our neckband-product design, and expand our addressable market into the mainstream segment for hearing aids, particular in Tier 2 and tier 3 cities.

## Japan

During the latter part of 2023 we have completed the Japanese version of our advanced hearable product Companion by Audientes, which received the needed approval from the Japanese Ministry of Telecommunications (MIC) for the equipment type approvals related to Bluetooth radio functionality.

In October 2023 we entered into a distribution agreement in Japan with TD SYNEX, a leading distributor and solutions aggregator in Japan, part of the global TD SYNEX group, with a large reach in consumer electronics channels. Audientes is now actively working with TD SYNEX to introduce Audientes' hearing healthcare products in several consumer electronics channels in Japan. To assess the market reaction in Japan, we are planning a crowdfunding program together with TD SYNEX from the end of March, followed by introduction in quick succession at online sales channels such as Rakuten, Yahoo and Amazon and in TV Shopping networks that are popular with senior citizens in Japan.

In aging societies such as Japan, the advice customers and users can get from trained retail personnel at points of sale from mobile operators, opticians, electronics stores, healthcare providers and by senior citizen-focused organizations and on TV will be instrumental in ensuring that the products are not only accessible at retail but also recommended by known and trusted professionals.

The launch of the Companion product in Tokyo at the Danish Embassy on November 9th, 2023, signals Audientes' entry in the Japanese market. A local subsidiary of Audientes is being established in Japan, which will spearhead the market development in a country with the world's second highest proportion of people aged over 65 and approximately 14 million people suffering from some degree of hearing impairment.

To support the collaboration and the introduction of the Companion product in Japan, Audientes has begun to assemble the initial local team who will manage the key business relationships in Japan.

## China

In order to secure an accelerated market entry into China, Audientes entered a strategic distribution partnership with Shenzhen Hengtong Partner Company Ltd. in 2023. To show their commitment to Audientes and the Chinese market, Hengtong completed a strategic investment of DKK 1 million during Q3 2023 by subscribing to a directed issue of new shares in Audientes.

Together with Hengtong, Audientes is working on localizing its Companion V2.0 product for the Chinese markets. As announced on December 22, 2023, the expected equipment type approval SRRC (State Radio Regulation of China) is now in place and the creation of fully localized products is in progress, including a software

release containing support for Simplified Chinese and local product naming reflected in the packaging and user guides.

Hengtong has previously placed an initial, fully prepaid product sales order totaling DKK 0.6 million, which will be delivered in 2024, when the sales revenue will be recognized.

This partnership is enabling Audientes to access the Chinese market years ahead of the original plan with Companion by Audientes. Additionally, once medical device approvals are obtained in China in collaboration with Hengtong, our hearing aid, Ven™ by Audientes, will also be introduced on the Chinese market, just like future products such as our BTE/RIC product will be.

## Europe

Audientes started marketing and selling Companion in Europe in Q2 2023 with product availability through local partners in Denmark and Sweden. Companion has also been made available in Europe via Audientes.eu online store and sold in modest numbers due to no major investment in marketing yet but has even reached customers in the Faroe Islands. We will in 2024 expand our e-commerce footprint in Europe through cooperation with Nordic experts, starting with the Nordics and Germany.

We have recently begun to focus further on the "consumer electronics" business initially in the Nordics through more business development of the retail segment. With a view to other opportunities across Europe with the Companion hearable, we will continuously evaluate other markets in Europe and monitor local conditions with a view to enter these when opportunities are verified, and conditions are right.

## New product development

Audientes announced on January 12, 2024, that it is aiming at introducing a new hearing aid product in the more classic type called "Behind-the Ear" (BTE) in the "Receiver in Canal" style (RIC), using the Audientes app and software platform, co-developed and manufactured with a partner.

This will expand the portfolio of offerings from Audientes and reach a broader target group initially in India and China with a product form-factor currently representing most of the hearing aid market.

The "RIC project" covers the development of a new product in the Behind the Ear type (BTE) / Receiver in Canal style (RIC). It is intended to be developed with partners for their respective markets. This project involves Audientes pursuing the medical device development ISO 13485 certification in 2024.

## Software Platform licensing

Announced on January 12, 2024, Audientes is from the very start of 2024 embarking on a transformative journey with the introduction of a software platform licensing initiative, targeting OEMs and brand partners.

Audientes is adjusting its strategy and execution to include software platform licensing for OEMs and brands, leveraging its existing software and hardware platform and product creation skills. This strategic pivot is designed to accelerate revenue growth, diversify its business, and solidify its market presence. Audientes is aiming to capitalize on its extensive expertise in software development, production, regulatory navigation, marketing, and sales.

The company is now actively engaging in dialogues with potential partners to foster new product development by harnessing the capabilities of Audientes' proprietary software platform and product design. Target customers are those with a robust brand presence and distribution networks, aiming to deliver compelling consumer focused products through a swift market entry with sophisticated hearing technology.

The software licensing model will commence with a selective partnership approach to craft accessible and quality audio solutions that resonate with Audientes' mission to address hearing loss globally. It is anticipated that the licensing business will evolve into a significant component of its business model, aiding in the attainment of its long-term aspirations.

Products in scope for the Audientes platform may come in a variety of form factors, like neck-band designs (which Audientes have made), classic hearing aids of the 'Behind the Ear' (BTE) type (typically in the 'Receiver in Canal' style - RIC), "True Wireless" earbud designs, smart glasses with hearing enhancement functionality, and other innovative offerings. Audientes will continue to pursue its product business and market products under its own brand.

## Capitalization plans for 2024

Audientes completed in October a directed issue of new shares via a cash capital increase combined with conversion of some debt, for a total of DKK 1 million; a grant of 3,159,048 warrants to be exercised in March 2024 was also included.

Securing additional growth capital represents a paramount imperative for the Company, aimed at satisfying the essential financial requirements for Audientes' basic operations, market development, new product development initiatives, and the requisite medical device approvals, among other essential undertakings. Consequently, in accordance with our repeated references throughout last year, we persistently assess an array of diverse alternatives for procuring the necessary financing within the near-to-intermediate timeframe, while also working towards a sustainable business operation for the longer term.

The current capitalization plan for 2024 include a convertible bridge loan in Q1 (on terms similar to previous loans obtained by the Company) combined with the warrants issued in October which may be exercised in March 2024, leading up to a rights issue aimed at existing shareholders in the April/May timeframe. This rights issue may be complemented by a further directed issue of shares and/or another rights issue later in the year. Audientes aim to secure at least DKK 10 million in financing of its operations in 2024, in sensible steps depending on its share price and need for additional financing.

In addition, remaining convertible loans (originally secured in 2022) amounts to DKK 4.7 million with no interest and no instalments due until the loans are maturing by the end of September 2024. The lenders may elect to convert the loans partly or wholly to shares at market price at certain points during the coming year, coinciding with the release of Audientes' quarterly and annual reports or with the issue of new shares.

If the forthcoming critical funding round(s) and/or the potential financing avenues fail to materialize as anticipated, the current corporate development strategies will be subject to adaptation in accordance with the company's financial constraints and resources.

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

Steen Thygesen, CEO,  
Audientes A/S

# Financial performance in Q4 & full-year 2023

## Auditors' audit/review

The Financial Report for Q4 2023 and for 2023 has not been audited or reviewed by auditor.

## Revenue

Revenue amounted in Q4 2023 to TDKK 5 compared to TDKK -3,153 in Q4 2022, which however more or less all related to taken back products not been paid for in connection with entering the new exclusive distributor agreement with Earkart in India.

In 2023, revenue amounted to TDKK 1,266 and related primarily to sales in Q2 2023 to the exclusive distributor for the Indian market, Earkart, and to sales paid for to the Nepalese distributor. Due to prudence related to the business culture and local customs in India as a developing country, sales to Indian customers except for Earkart were recognized when payment from customers were received. Invoiced sales of TDKK 115 were not recognized. In 2022 sales amounted to TDKK 79.

## Operating profit/loss

Operating profit/loss amounted to TDKK -2,153 in Q4 2023 compared to TDKK -11,726 in Q4 2022.

The general downsizing of especially the Danish organization and lower sales and marketing and project development activities drive especially the staff cost and other external cost down with TDKK 3,078 compared to Q4 2022, while the depreciation, amortization and impairment losses dropped by TDKK 4,707 more or less all related to the extra impairment of Development cost in Q4 2022.

The organizational downsizing in Denmark only impacted from around early Summer 2023 leading to a drop in Staff costs, other external and depreciation, amortization, and impairment losses of TDKK 11,555 in 2023 compared to 2022.

## Loss for the period

Financial expenses, net amounted to TDKK -349 in Q4 2023, which corresponded to a drop of TDKK 541 compared to Q4 2022, especially impacted by the transformation from interest-bearing loans to non-interest-bearing convertible loans end Q3 2023 and to lower loan fees etc. In 2023 financial expenses, net amounted to TDKK -1,863 or TDKK 565 lower than in 2022.

Due to lower development costs, the tax related to expected disbursement under the Danish Tax Prepayment Scheme regarding development cost was TDKK 182 in Q4 2023 compared to TDKK 597 in same quarter last year and TDKK 666 in 2023 compared to TDKK 1,851 in 2022.

Loss in Q4 2023 amounted to TDKK -2,320 compared to TDKK -12,019 in Q4 2022. In 2023, the loss was TDKK -13,361 compared to TDKK -24,362 in 2022.

## Balance sheet

End of 2023 total assets amounted to TDKK 14,394 compared to TDKK 26,601 at the end of 2022, which corresponded a drop of TDKK 12,207 or 45.9%. Equity ratio end of 2023 was 28.0% compared to 49.1% end of 2022.

## Capitalization of development projects

After the launch in April 2023 of Ven and Companion V2 including the new software platform, the capitalized development cost amounted to TDKK 509 in Q4 2023 compared to TDKK 1,206 in Q4 2022. In 2023 capitalized development costs amounted to TDKK 2,054 compared to TDKK 5,592 in 2022.

After amortizations of TDKK 4,313 in 2023, Audientes has capitalized net TDKK 8,750 in development projects end of 2023 compared to TDKK 11,009 end of 2022.

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

## Trade receivables

End of 2023, Trade receivables amounted to TDKK 355 and relate primarily to overdue receivables from sales in Q2 2023. The trade receivables have been reduced by a provision for bad debt of TDKK 365 expensed in Q3 2023. Trade receivables amounted to TDKK 0 end of 2022 impacted by the abovementioned not been paid for products taken back in connection with entering the exclusive distributor agreement with Earkart in India.

## Equity

In Q4 2023, the capital was increased by net TDKK 2,039 related to cash from Direct Issues TDKK 900 and conversion of convertible loans and other debt of total TDKK 1,269 before advisory costs.

In 2023, the capital was increased by net TDKK 4,354, which beside the conversion of loans and debt in Q4 2023 related to the outcome of the exercise of warrants of series TO1, to a directed issue regarding strategic investment from Shenzhen Hengtong Partner Company Ltd. and to direct issues from 6 new European investors.

The no. of shares were in Q4 increased by 16,333,476 shares to 59,384,322 shares at the end of 2023.

## Other short-term loans

End of September 2023, the previous short-term loans from 3 bridge-lenders were changed to convertible loans of TDKK 5,845 maturing by the end of September 2024 with no interest and no installments due until then. Reference is made to note 4. In Q4 2023 TDKK 1,169 were converted to shares together with a conversion of a loan of TDKK 100.

## Cash flow

Cash and cash equivalents amounted to TDKK 434 end of 2023 compared to TDKK 6,948 end of 2022, which corresponded to a drop of TDKK -6,514.

Cash flow from operating activities amounted to TDKK -8,731 in 2023 compared to TDKK -14,644 in 2022.

In 2023, the free cash flow dropped by TDKK 9,640 to TDKK -10,684 compared to TDKK -20,324 in 2022. The reduction in cash-burn related to a lower Operating loss driven by both lower fixed costs and lower investments in Development projects.

Cash flow from financing activities was TDKK 4,170 in 2023 driven primarily by capital increase net of TDKK 2,254 and short-term loan and convertible loans taken including accrued interests of TDKK 1,928 compared to TDKK 16,718 in 2022.

## Events after the balance sheet date

Audientes is in the process of establishing a subsidiary in Japan, in which it will have a majority shareholding.

There have not been other material events since the balance sheet date.

## Going concern

The execution of Audientes' business activities is dependent on further capital injection.

As already announced, Audientes has started to evaluate different alternatives to bring in the required substantial financing as well as exploring more longer-term structure such as partnerships, merger, or a strategic investment. This process is still ongoing.

The Management of Audientes still acknowledge the commercial uncertainties around the recently updated products to be sold on the Indian, Chinese, and Japanese market by new distributors as well as the uncertainty for achieving sufficient funding on relevant conditions in a somehow low-activity funding environment.

However, despite the uncertainties the Management feel confident that the needed funding will be achieved and based on this, the Management have prepared the Financial Report for Q4 2023 and 2023 as going concern.



# Financial calendar

The company prepares and publishes a financial report for each quarter. Upcoming reports and events are scheduled as follows.

Date	Event
February 22, 2024	Q4 / end of year 2023 reporting
March 27, 2024	Annual Report 2023
April 12, 2024	Annual General Meeting 2024
May 23, 2024	Q1 2024 reporting
August 29, 2024	Q2 / half-year 2024 reporting
November 21, 2024	Q3 2024 reporting

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## Executive Management

Steen Thygesen, CEO  
Email: [st@audientes.com](mailto:st@audientes.com)

## Company

Audientes A/S  
Teknikerbyen 5  
2830 Virum  
Denmark  
Phone: +45 77 34 16 80  
[www.audientes.com](https://www.audientes.com)

## Board of Directors

Hossein Sandfeld Jelveh, Chairman  
Hiroshi Maeda, Board member  
Wendi Ma, Board member  
Steen Thygesen, Board member

## Auditors

Christensen Kjærulff  
Statsautoriseret revisionsaktieselskab  
CVR No.: 15915641

# Financial statements

## Income statement

TDKK	Note	Q4 2023	Q4 2022	Year 2023	Year 2022
Revenue		5	-3,153	1,266	79
Own work capitalized		316	699	1,350	2,377
Other operating income		215	214	1,395	856
Cost of goods sold		-20	968	-1,106	-473
Other external costs		-416	-1,532	-4,738	-7,276
<b>Gross profit/loss</b>		<b>100</b>	<b>-2,804</b>	<b>-1,833</b>	<b>-4,437</b>
Staff costs	1	-770	-2,732	-5,417	-9,589
Depreciation, amortization, and impairment losses		-1,483	-6,190	-4,914	-9,759
<b>Operating profit/loss</b>		<b>-2,153</b>	<b>-11,726</b>	<b>-12,164</b>	<b>-23,785</b>
Other financial income		39	189	98	207
Other financial expenses		-388	-1,079	-1,961	-2,635
<b>Profit/loss before tax</b>		<b>-2,502</b>	<b>-12,616</b>	<b>-14,027</b>	<b>-26,213</b>
Tax on profit/loss for the period		182	597	666	1,851
<b>Loss for the period</b>		<b>-2,320</b>	<b>-12,019</b>	<b>-13,361</b>	<b>-24,362</b>

## Balance sheet — assets

TDKK	Note	31.12.2023	31.12.2022
Development projects in progress		177	1,184
Completed development projects		8,573	9,825
<b>Intangible assets</b>	<b>2</b>	<b>8,750</b>	<b>11,009</b>
Other fixtures and fittings, tools, and equipment		393	1,002
<b>Equipment</b>		<b>393</b>	<b>1,002</b>
Deposits		59	196
<b>Other financial assets</b>		<b>59</b>	<b>196</b>
<b>Non-current assets</b>		<b>9,202</b>	<b>12,207</b>
Raw materials and consumables		873	941
Manufactured goods and goods for resale		2,556	3,706
<b>Inventories</b>		<b>3,429</b>	<b>4,647</b>
Trade receivables		355	-
Other receivables		160	621
Income tax receivable		674	1,865
Prepayments		140	313
<b>Receivables</b>		<b>1,329</b>	<b>2,799</b>
<b>Cash</b>		<b>434</b>	<b>6,948</b>
<b>Current assets</b>		<b>5,192</b>	<b>14,394</b>
<b>Assets</b>		<b>14,394</b>	<b>26,601</b>

## Balance sheet — equity and liabilities

TDKK	Note	31.12.2023	31.12.2022
Contributed capital		5,939	2,875
Reserve for development expenditure		6,825	7,915
Retained earnings		-8,733	2,259
<b>Equity</b>		<b>4,031</b>	<b>13,049</b>
Warranties		63	65
<b>Provisions</b>		<b>63</b>	<b>65</b>
Bank loans		50	62
Other short-term loans		0	4,847
Convertible loans	<b>3</b>	4,676	0
Trade payables		2,329	4,752
Other payables		1,184	1,471
Deferred income		2,061	2,355
<b>Current liabilities other than provisions</b>		<b>10,300</b>	<b>13,487</b>
<b>Liabilities other than provisions</b>		<b>10,300</b>	<b>13,487</b>
<b>Equity and liabilities</b>		<b>14,394</b>	<b>26,601</b>
Contingent liabilities	<b>5</b>		

## Statement of changes in equity for Q4 2023

TDKK	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity beginning of period	4,305	6,139	-6,129	4,315
Capital increase in period, net	1,634		405	2,039
Transfer	-	686	-686	0
Currency adjustments	-		-3	-3
Loss for the period	-		-2,320	-2,320
<b>Equity end of the period</b>	<b>5,939</b>	<b>6,825</b>	<b>-8,733</b>	<b>4,031</b>

## Statement of changes in equity for Q4 2022

TDKK	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity beginning of period	935	10,264	1,942	13,141
Capital increase in period, net	1,940	-	9,908	11,848
Transfer		-2,349	2,349	0
Currency adjustments	-	-	79	79
Loss for the period	-	-	-12,019	-12,019
<b>Equity end of the period</b>	<b>2,875</b>	<b>7,915</b>	<b>2,259</b>	<b>13,049</b>

## Statement of changes in equity for 2023

TDKK	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity beginning of period	2,875	7,915	2,259	13,049
Capital increase in period, net	3,064	-	1,290	4,354
Transfer	-	-1,090	1,090	0
Currency adjustments	-	-	-11	-11
Loss for the period	-	-	-13,361	-13,361
<b>Equity end of the period</b>	<b>5,939</b>	<b>6,825</b>	<b>-8,733</b>	<b>4,031</b>

## Statement of changes in equity for 2022

TDKK	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity beginning of period	935	10,264	14,285	25,484
Capital increase in period, net	1,940	-	9,908	11,848
Transfer	-	-2,349	2,349	0
Currency adjustments	-	-	79	79
Loss for the period	-	-	-24,362	-24,362
<b>Equity end of the period</b>	<b>2,875</b>	<b>7,915</b>	<b>2,259</b>	<b>13,049</b>

## Cash flow statement

TDKK	Note	Q4 2023	Q4 2022	Year 2023	Year 2022
Operating profit/loss		-2,153	-11,726	-12,164	-23,785
Amortization, depreciation, and impairment losses		1,483	6,190	4,914	9,759
Other adjustments for non-liquidity items		2	126	350	126
Working capital changes	4	-1,101	4,041	-1,833	-159
<b>Cash flow from ordinary operating activities</b>		<b>-1,769</b>	<b>-1,369</b>	<b>-8,733</b>	<b>-14,059</b>
Financial income received		39	187	98	205
Financial expenses paid		-388	-1,080	-1,961	-2,633
Taxes refunded/(paid)		1,865	1,843	1,865	1,843
<b>Cash flow from operating activities</b>		<b>-253</b>	<b>-419</b>	<b>-8,731</b>	<b>-14,644</b>
Acquisition etc. of intangible assets		-509	-1,206	-2,054	-5,592
Acquisition etc. of property, plant and equipment		-	-4	-36	-43
Changes in other financial assets		44	-56	137	-45
<b>Cash flow from investing activities</b>		<b>-465</b>	<b>-1,266</b>	<b>-1,953</b>	<b>-5,680</b>
Bank loan taken/(paid)		41	-	-12	-
Short term loan and convertible loans taken/(paid)		-1,269	-3,315	-171	4,884
Capital increase, proceeds		900	11,865	2,789	11,865
Cash from bridge loan, converted to equity		1,269	2,144	2,099	2,144
Transactions costs and advisory costs		-131	-2,175	-535	-2,175
<b>Cash flow from financing activities</b>		<b>810</b>	<b>8,519</b>	<b>4,170</b>	<b>16,718</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>92</b>	<b>6,834</b>	<b>-6,514</b>	<b>-3,606</b>
Cash and cash equivalents beginning of period		342	114	6,948	10,554
<b>Cash and cash equivalents end of period</b>		<b>434</b>	<b>6,948</b>	<b>434</b>	<b>6,948</b>
Cash and cash equivalents at period-end are composed of:					
Cash		434	6,948	434	6,948
<b>Cash and cash equivalents end of period</b>		<b>434</b>	<b>6,948</b>	<b>434</b>	<b>6,948</b>

## Notes

TDKK	Q4 2023	Q4 2022	Year 2023	Year 2022
<b>1. Staff costs</b>				
Wages and salaries	699	2,618	4,894	8,661
Pension costs	37	163	357	693
Other social security costs	15	15	89	76
Other staff costs	19	-64	77	159
	<b>770</b>	<b>2,732</b>	<b>5,417</b>	<b>9,589</b>
Own work capitalized	-316	-699	-1,350	-2,377
	<b>454</b>	<b>2,033</b>	<b>4,067</b>	<b>7,212</b>
Average number of full-time employees	7	16	11	16
<b>2. Intangible assets</b>				
	<b>Q4 2023</b>	<b>Q4 2022</b>	<b>Year 2023</b>	<b>Year 2022</b>
Cost beginning of period	15,609	19,856	14,064	15,470
Additions	509	1,206	2,054	5,592
Disposals	-	-6,998	-	-6,998
<b>Cost end of period</b>	<b>16,118</b>	<b>14,064</b>	<b>16,118</b>	<b>14,064</b>
Amortization beginning of period	-6,035	-3,940	-3,055	-898
Amortization for the period	-1,333	-6,113	-4,313	-9,155
Accumulated amortizations on disposals	-	6,998	-	6,998
<b>Amortization end of period</b>	<b>-7,368</b>	<b>-3,055</b>	<b>-7,368</b>	<b>-3,055</b>
<b>Carrying amount end of period</b>	<b>8,750</b>	<b>11,009</b>	<b>8,750</b>	<b>11,009</b>
<b>3. Convertible loans</b>				
<p>Convertible loans of TDKK 4,676 relate to loans from the previous bridge lenders Selandia Alpha Invest A/S, Renewable Ventures Nordic AB and Mr. Gerhard Dal of TDKK 2,338, TDKK 1,169 and TDKK 1,169 respectively.</p> <p>The loans are maturing by the end of September 2024 with no interest and no installments due until then.</p> <p>Loan givers may elect to convert the loan partly or wholly. The lenders can convert the loan partly or wholly to equity in conjunction with:</p> <ul style="list-style-type: none"> <li>the publishing of Audientes' quarterly and annual reports. The conversion rate will be calculated using the Volume-Weighted Average Price method (VWAP) over 10 trading days starting from the day following publication.</li> <li>with issue of shares (directed and right issues) to others with a market value of at least TDKK 500, whether with or without pre-emptive for the Company's shareholders. In this situation, conversion will be made at the same price as the issue.</li> </ul>				
<b>4. Changes in working capital</b>				
	<b>Q4 2023</b>	<b>Q4 2022</b>	<b>Year 2023</b>	<b>Year 2022</b>
Change in inventory	152	-349	1,218	-3,281
Increase/decrease in receivables	103	2,615	-47	489
Increase/decrease in trade payables etc.	-1,356	1,775	-3,004	2,633
<b>Total</b>	<b>-1,101</b>	<b>4,041</b>	<b>-1,833</b>	<b>-159</b>
<b>5. Contingent liabilities</b>				
<p>Audientes A/S has concluded a lease agreement of TDKK 53 and has a contingent liability around purchase of products from supplier of TDKK 1,050.</p>				



**AUDIENTES A/S**

Teknikerbyen 5  
2830 Virum  
Denmark

CVR No.: 36 04 76 31  
Tel: +45 77 34 16 80

[contact@audientes.com](mailto:contact@audientes.com)  
[www.audientes.com](http://www.audientes.com)