



audientes

Invitation to exercise warrants of series TO 1 in Audientes A/S

Exercise period: 27 March – 13 April 2023

IMPORTANT INFORMATION

This information brochure constitutes marketing and is not a prospectus according to Regulation (EU) 2017/1129 of the European Parliament and of the Council. The invitation to subscribe for securities in Audientes A/S ("Audientes" or the "Company") only occurs through the prospectus, which was published on 23 November 2022 (the "Prospectus") and is available on Audientes' website (audientes.com) among others. Investors are advised to consult the Prospectus before making an investment decision. The Prospectus has been approved and registered by the Danish Financial Supervisory Authority (the "DFSA"). The approval should not be considered as an endorsement of Audientes or of the quality of the securities offered and does not constitute a guarantee by the DFSA that the information in the Prospectus (or the information brochure) is accurate and complete.

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Audientes – overcoming the global hearing loss challenge

Audientes is a Danish hearing health company specializing in self-fitting hearing aid solutions and advanced hearables for the millions of people globally who suffer from mild to profound hearing loss. Ven™ by Audientes has been for sale in India since 2022 and the follow up product, Companion by Audientes, has been commercially available since early 2023.

Approximately 1.5 billion people globally live with some degree of hearing loss. Most reside in low- and middle-income countries with a low number of hearing clinics and audiologists per capita. Audientes' hearing aid solution, Ven, is a self-fitting, binaural (both ears) hearing aid intended for people with mild to profound hearing loss in one or both ears. With a built-in, industry gold-standard hearing test and Bluetooth capabilities, Ven combines the sound quality of a high-end digital hearing aid with the next-generation features of a modern Bluetooth headset.

Ven disrupts the industry by offering hearing aids with no need for repeated visits to an audiologist or hearing clinic for adjustments and fine-tuning. Additionally, Ven offers a product at a competitive price – without sacrificing supreme quality and media consumption features such as audio streaming.

Together with the Company's second product, the advanced hearable Companion by Audientes, Audientes offers a strong product portfolio that addresses a large and unmet need in the market. The Company has commenced its expansion into Europe with product availability in both Denmark and Sweden during 2023 and Companion will be available across the EU via online and retail sales as distribution and retail agreements are made in 2023.

Use of proceeds

During the exercise period, holders of warrants of series TO 1 have the right to subscribe for new shares in Audientes. The exercise price shall amount to seventy (70) percent of the average volume-weighted price for the share according to Spotlight Stock Market's official price statistics during the period of 10 trading days ending two (2) banking days before the exercise period begins. With the proceeds, the Company intends to finance the following activities:

- Sales, marketing, and operations of Ven in India and surrounding countries.
- Sales, marketing, and operations of Companion in the EU.
- Sales, marketing, and operations of Companion in USA.
- New product development and certifications for USA, EU, and other regulated markets with medical device rules.
- General and administrative costs (incl. financial compliance).

Due to the current financial climate and Audientes current share price level, the gross proceeds due from the warrants exercise are expected to be significantly lower than initially anticipated. Audientes will adjust its plans accordingly to deliver on the above activities.

Investment highlights

Vast distribution network

Through more than 80 wholesale collaboration partners, Audientes has established a vast distribution network in India, making products available at more than 500 points of sale across the country. Audientes' Indian subsidiary can access and manage the Indian market and scale up operations to match the market demand. Audientes has a global target of over 1,600 points of sale by end 2024. In the beginning of 2023, Audientes commenced its expansion in Europe, with product availability of Companion by Audientes in Denmark and Sweden.

Competitive price

So far, Audientes' primary focus has been on the Indian market, where approx. 75 million people suffer from disabling hearing loss and lack access to high quality hearing aids. Ven has a similar architecture as other certified quality hearing aids and meets the same industry standards. High quality, combined with a relatively low retail price, is an integral part of Audientes' DNA. The maximum recommended retail price for Ven is approx. USD 400 which is 15-20% of the retail price of a set of the classic quality hearing aids (intermediate category of classic quality hearing aids cost up to approx. USD 3,000 for a set).

Solid growth strategy

Audientes' growth strategy is based on three focus areas: product, distribution, and internationalization. In the product area, Audientes' current products will be further developed and enhanced, and new products will be developed – culminating in a broad product portfolio of hearing health solutions. In the area of distribution, Audientes aims to combine a strong presence in the traditional retail market with online sales, which is the fastest growing channel for literally all consumer goods today. Following a planned FDA approval in USA, Audientes will gain access to other markets (the FDA-approval model is similar to how other markets are structuring their approval process), creating a solid base for further sales expansion in line with the internationalization strategy.

Untapped market potential

1.5 billion people globally live with some degree of hearing loss. This number is expected to increase to 2.5 billion by 2050. Of the 1.5 billion people living with hearing loss, approximately 430 million suffer from disabling hearing loss. Most of these people reside in low- and middle-income countries with a low number of hearing clinics and audiologists per capita. It is estimated that 60 percent of people with disabling hearing loss live in Asia. Audientes estimates that over 75 million people in India suffer from disabling hearing loss, and that the Indian market amounts to at least 25 million potential Ven consumers.

Product portfolio

Audientes has two products in its portfolio – Ven and Companion. In 2024, the Company will launch an additional product aimed for over the counter (OTC) sales in USA which will increase income sources for Audientes and pave the way for future expansion plans in, for example, China, Brazil and Japan. In the coming years, Audientes will invest in aftermarket services, that will ensure customer satisfaction as well as additional revenue streams.

CEO Comments

In late 2022, Audientes completed its new 'advanced hearable' product, Companion by Audientes, which entered retail in Sweden and Denmark as part of its initial European roll-out, which reduces the risk of the company being dependent on a sole market. Companion and the Audientes App were also enhanced with six different languages incl. German, Spanish and Japanese, supporting the expansion into many more markets.

Towards the end of 2022, we became aware that payment patterns in India were slow, as many partners chose to delay their payments while they awaited an update with enhancements to the software platform. This update includes increasing gain in Ven to now meet customer segments with severe to profound hearing loss. It will be rolled out as an over-the-Internet upgrade out to our partners in India for Ven, as well as for Companion in other relevant markets.

Through the proceeds that can potentially be received in the warrant exercise, we will increase investments in sales and marketing in Asia and Europe, and to progress our journey to entering the USA market later in 2023.

As previously communicated, we have been evaluating different options for financing our activities in the medium to long term, and are also exploring attractive long term-structures, such as partnerships, merger, or a strategic investment. We hope that you will be a part of our way ahead and continue your journey with Audientes!

Steen Thygesen, CEO of Audientes



Objectives for 2023



Further develop the collaboration with distributors & retail partners in India and increase Audientes' B2B go-to-market model to over 800 retail points of sale.



Introduce the advanced hearable "Companion by Audientes" – a consumer electronics product – in additional key markets with emphasis on Europe, Asian countries (such as India, Japan and China) and the USA, strengthening Audientes growth potential and broadening its product portfolio and offerings.



Secure ISO 13485 approval (quality management system), which will enable Audientes to attain medical device approvals in Europe and in a variety of other markets worldwide for its coming products.

The offer in brief

Exercise period:	27 March – 13 April 2023.
Exercise price:	Each warrant of series TO 1 entitles the holder to subscribe for one (1) new share in Audientes at a price of 0.13 DKK.
Last day of trading in TO 1:	4 April 2023.
Number of outstanding shares in Audientes before the warrant exercise:	28,747,024.
Valuation in the current offer:	3,737,113.12 DKK.
Issue volume:	Upon full exercise of warrants of series TO 1, the Company will receive approx. DKK 1.3 million before deduction of transaction related costs.

Terms and conditions for warrants of series TO 1 in summary

In order for your warrants not to expire and lose their value, your action is required. You must apply for subscription of new shares, by exercise of warrants, no later than 5 p.m. CEST 13 April 2023, alternatively sell your warrants no later than 11 April 2023.

Subscription and payment of new shares, by exercise of warrants, shall be made to the account-holding bank/nominee with which the warrants are registered. The subscription and payment shall be made in accordance with instructions from each such account holding bank/nominee. Usually, the account holding bank/nominee sends out a digital notice to the account holder, otherwise it is enough to log into the securities custody account from the first day in the exercise period in order to get instructions on how to exercise warrants for subscription of new shares. If you do not find these instructions, please contact your account holding bank/nominee. Please note that banks and other nominees may set different time limits for the last day for subscription, hence it is recommended to contact the account-holding bank/nominee early in the exercise period.

The account-holding bank/nominee with which the warrants are registered may request a submitted subscription form for the subscription to be accepted. Such a subscription form must be submitted to the account-holding bank/nominee in a complete and executed form in due time to allow the account-holding bank/nominee to process and forward the subscription form to ensure it is in the possession of Danske Bank A/S no later than 17.00 CEST on 13 April, 2023. The subscription form can be found on Audientes' website (audientes.com).

The number of warrants to be exercised will be transferred to Danske Bank A/S by your account-holding bank/nominee after the end of the subscription period. Payment for the exercised warrants will be made against delivery of temporary shares to your custody account, which afterwards will be replaced with the permanent shares. The new shares are expected to be listed for trading on Spotlight Stock Market on 26 April, 2023.

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