

AUDIENTESTM

Successful IPO enables further product & market development of Audientes' self-fitting hearing aid for planned market availability medio 2021.

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Audientes Financial Report Q3 2020 (July 1st – September 30th).
Announcement no. 3-2020

October 22, 2020

FINANCIAL REPORT Q3 2020 (JULY 1ST – SEPTEMBER 30TH)

Audientes A/S, the Danish developer of affordable, high-quality self-fitting hearing aids aimed at the nearly 500 million people with disabling hearing loss who are unable to get proper help they can afford, today publishes the results of the third quarter during which it successfully conducted an oversubscribed IPO on Nasdaq First North Growth Market Denmark, as set out in Company Announcement No. 2-2020 of September 15, 2020.

Management has chosen to disclose full-year figures for 2019 as comparatives regarding the profit and loss account as well as the cash flow statement because the expenditures and commercial activity in Audientes was limited in the same period last year and as such, detailed information for neither Q3 nor the 9 months ended 30 September 2019, are considered to contribute as reasonable comparatives. Numbers within parentheses refer to the full preceding year, 2019.

This interim report has not been reviewed by the Company's auditors.

Highlights of the Interim report:

- Audientes has a robust financial position with cash and cash equivalents amounting to KDKK 34,731 (KDKK 0.077) as of September 30, 2020.
- The result for the third quarter of 2020 amounted to KDKK -3,386 (KDKK -0.314).
- Sales of Audientes products have not yet begun, thus net sales for the third quarter of 2020 amounted to KDKK 0.00 (KDKK 0.00).
- Other operating income for the first quarter amounted to KDKK 0 (KDKK 0.05).
- Cash flow amounted to KDKK 34,671 (KDKK 0.0067). Cash flow from operating activities in the third quarter of 2020 amounted to KDKK 0 (KDKK 0).
- Expenditures and losses in the third quarter of 2020 are overall in line with plans and expectations set out ahead of the IPO. Main expenditures this quarter were investments in product development, IPO-related brand-building and other marketing activities plus the financial and transaction costs.
- Excluding IPO-related costs, the monthly burn rate is approximately KDKK 300, which is in line with the expectations for the period but will increase in the coming months due to increases in personnel, product development and marketing activities.
- During Q3 Audientes hired four new employees. Audientes now has six full-time employees as of September 30, 2020.
- Audientes equity ratio as of September 30th, 2020 amounted to 90.5 percent (51.2 percent)
- Audientes earnings per share in Q3 was DKK -0.70.
- We entered a collaboration with students at the Technical University of Denmark on the design and development of an Audientes tinnitus application.
- Our ongoing trademarking effort continues to ensure further protection in our priority markets.

Management Review

Audientes continues to execute on the business objectives necessary for a successful launch of our self-fitting hearing aid in medio 2021. Product development, go-to-market planning and the recruitment of key personnel to pivotal positions are proceeding as outlined in our Company Description published on 31 August 2020. We have met our product development targets, both in terms of software and hardware enhancements, but also in terms of product design and user experience.

Key components of our launch strategy are commercial partnerships with regional distributors and retailers. As part of this strategy, we have signed a Letter of Intent (LOI) extension with an Indian retail partner with whom we have been working

with for end-user testing for several years as part of a project co-funded by the Danish Market Development Fund (Markedsmodningsfonden).

Additionally, this quarter we began building the organization that will drive the marketing, sales and delivery of our products to market, as well as establishing our presence in our target market, India. Audientes is also laying the foundation for online sales of our hearing aid via our website and e-tailers like Amazon, Flipkart and [Alibaba.com](https://www.alibaba.com).

CEO Steen Thygesen, Audientes: *"Following our successful IPO on September 18th we have made big strides in our product development and being able to commence the final market testing in Q4. With our extended organization, we are well on track to enter the market medio 2021 with initial product availability in India and online."*

Financial Calendar

Date	Event
October 22, 2020	Q3 2020 reporting
March 18, 2021	Q4 2020 and Annual Report 2020
April 13, 2021	Annual General Meeting 2021
May 20, 2021	Q1 2021 reporting
August 19, 2021	Q2 2021 reporting
November 18, 2021	Q3 2021 reporting

Link to the Q3 interim report:

<https://www.audientes.com/investor-relations/#financial-reports>

Additional information

Audientes A/S is traded on Nasdaq First North Growth Market Denmark under the symbol "AUDNTS" and ISIN DK0061406618.

For additional information about Audientes financial position and development, please refer to the Company's website (www.audientes.com).

For more information:

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About Audientes A/S

Audientes is a Denmark-based innovator of affordable hearing solutions. Our goal is to make smart, high-quality hearing aids accessible and affordable to everyone who needs them. We achieve this by designing, developing and bringing to market innovative, assisted-hearing solutions.

Attachments

- [Download announcement as PDF.pdf](#)
- [Audientes Q3 2020 Report.pdf](#)