

Information on strategic direction for the future capitalization of Audientes A/S

Audientes A/S is today updating the market on the Company's strategy towards securing the capital needs for the further development, manufacturing, marketing and sale of its existing and future products. Consequently, the Company intends to evaluate different alternatives to bring in the required financing for the short-, medium- and long-term which include the exploration of structures such as partnerships, mergers, sale of the business or its assets, or a strategic investment.

Background

Audientes A/S ("Audientes", the "Company"), CVR 36047631, the Danish innovator of affordable hearing health solutions, has during 2022 entered its initial market in India and commenced the marketing and sale of the self-fitting hearing aid Ven™ by Audientes.

According to the Company's assessment, the initial presence in India in professional hearing aid clinics, pharmacies and NGO's serve as a solid platform to grow its retail presence and drive sell-through to end-users. However, progress to date in developing the hearing aid channel in India and scaling sales to end-users has, in a difficult climate, been relatively modest. B2B customers are prolonging their credit periods, which results in delayed cash collection, impacting the Company's liquidity situation negatively, and potentially leading to losses on debtors.

A key lesson from the Indian market is that the bulk of potential Ven customers have more profound hearing loss than originally expected, needing higher gain than Ven can provide in its initial version. Therefore, action was taken in Q4 to develop a new software platform upgrade to be introduced to the Indian market in Q1 to existing and new customers, resulting in a substantial sound experience improvement and increased gain to support up to profound hearing loss.

This new platform release will power Ven devices shortly and in the coming years and is expected to enable Audientes to obtain the necessary scale in the business to become cash-flow positive within the coming 2-3 years.

More recently, Audientes has also expanded into new markets in Europe, continued the development of its technical product platform and launched a second product, Companion by Audientes.

The Company has commenced expansion into Europe with product availability now in Denmark and Sweden. As recently as February 3rd, 2023, Audientes announced that it entered into a collaboration agreement with [EarStore.se](https://www.earstore.se), which will market the Company's advanced hearable, Companion by Audientes, in Sweden. Similarly, on February 7th, 2023, Audientes announced that it had entered into a collaboration agreement with [Seniorland.dk](https://www.seniorland.dk) for the marketing and sale of Companion in Denmark.

Companion will become available across the EU via online and retail sales in 2023, as distribution and retail agreements are made. Audientes is also working on introducing Companion in USA and Japan, among other countries, and aims to introduce medical grade hearing aid products in these markets (incl. the EU) in the coming years.

The current capitalization situation

To fund the required marketing, sales, product development and manufacturing activities, Audientes carried out a fully subscribed Rights Issue of Units in December 2022, yielding DKK 14 mio. in gross proceeds. With a partial repayment of existing bridge loans, as well as the associated costs of the transaction, approx. DKK 8 mio. was yielded to the Company.

Additionally, the associated warrants series TO1 with an exercise window from 27 March – 13 April may potentially yield up to DKK 10 mio. in maximum gross proceeds to the Company, of which a major part is expected to be used for the repayment of existing bridge loans. However, due to the current financial climate and Audientes current share price level, the gross proceeds due from the warrants exercise could be significantly lower.

As communicated in the [Rights Issue Prospectus](#) on November 23, 2022, beyond the Rights Issue of Units, the Company will require additional capital injection to realize its strategic objectives and reach breakeven within the coming 2-3 years.

Strategic direction

Consequently, Audientes is in a position where, according to the Company's assessment, there will be a significant need for capital going forward to cover the needed investments in market development activities, new product development, medical device approvals, supply chain and product manufacturing, to meet its longer-term objectives.

The company now intends to evaluate different alternatives to bring in the required substantial financing in the short-medium term as well as exploring more longer-term structures such as partnerships, merger, sale of the business or its assets, or a strategic investment.

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About Audientes A/S

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 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 electronic product that is commercially available in Europe and later in 2023 also in other markets.

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, <https://audientes.com>.

This disclosure contains information that Audientes A/S is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 15-02-2023 16:20 CET.

