



audientes



Q3 2023
FINANCIAL REPORT

JULY 1 – SEPTEMBER 30, 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, www.audientes.eu or 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 Q3 2023

Performance highlights for Q3 2023

TDKK	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	2022
Revenue	8	2,224	1,261	3,232	79
Other operating income	214	214	1,180	642	856
EBITDA	-2,246	-1,804	-6,580	-8,490	-14,026
Profit/loss for the period	-3,716	-3,713	-11,041	-12,343	-24,362
Cash and cash equivalents	342	114	342	114	6,948
Equity	4,315	13,141	4,315	13,141	13,049
Equity ratio (%)	25.0%	46.6%	25.0%	46.6%	49.1%
Earnings per share (DKK)	-0.09	-0.40	-0.31	-1.32	-1.28
No. of shares beginning of the period	39,150,472	9,349,010	28,747,024	9,349,010	9,349,010
No. of shares end of period	43,050,846	9,349,010	43,050,846	9,349,010	28,747,024
Average number of shares	41,100,659	9,349,010	35,898,935	9,349,010	19,048,017

Highlights Q3 2023

- Due to a later market introduction and rollout in India with Ven V2 through Earkart and their channels compared to earlier expectations, follow-on orders did not materialize in Q3. Coupled with the ongoing effort to localize and prepare products for introduction in Japan and China later in the year, sales revenue recognized in Q3 was only TDKK 8.
- Dialogue ensuing with Earkart on revising commercial agreement terms and the remaining part of Audientes receivables, aiming at addressing an acceleration of the Indian market development.
- The Chinese distributor and investor Shenzhen Hengtong Partner Company Ltd placed an initial pre-paid product order for TDKK 562 for Companion products to be delivered in late 2023, subject to local GTM readiness.
- Our advanced hearable product, Companion by Audientes, was launched in Japan today on November 9, 2023 in Tokyo, and will initially be available in distribution with TD SYNEX retailers later in 2023 and subsequently also in online distribution channels.
- Cost saving initiatives executed earlier in the year around staff cost and external costs in general have started to have a positive impact on EBITDA.
- Agreement with existing bridge-lenders to refinance existing bridge loans with convertible loans of DKK 5.85 million with no interest and no installments due until the loans are maturing end of September 2024; loans may be partially or fully converted at certain times in the year.
- An interest-bearing short-term bridge loan of TDKK 780 including accrued interest and a debt of TDKK 50, in total TDKK 830 were converted into equity and new shares issued.

Highlights after Q3 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.

Letter from the CEO

Business status and progress

During the third quarter we focused on structuring and planning the collaboration with Earkart in India and beginning the initial joint go to market activities. We implemented over the summer some further requested product enhancements to meet Earkarts needs, in areas of amplification, listening programs and user experience.

We began jointly and individually to execute on sales activities related to Earkarts focus channels, which we aim to support as much as possible in the areas we are located with own staff.

Due to the later market introduction and a more challenging initial rollout than expected of Ven V2 in our new partnership with Earkart in India, products delivered under the initial order received in Q2 are not yet sold into the channels, not fully paid, and follow-on orders not received. Coupled with the ongoing effort to localize and prepare products for the market introductions in Japan and China, we did not record significant further revenue in Q3. Our business in the EU is still at a very small level, with existing retailers selling from existing stock, and we currently prioritize our effort on the other markets.

The localization of our Companion product for the Japanese and Chinese markets is progressing according to plan, and our R&D team have in collaboration with our local partners developed the Japanese and Chinese versions of the App and the voice prompts in the product. We expect the initial shipments into these countries to commence in December 2023, with market introduction and sales start shortly thereafter.

Audientes secured during Q3 new working capital from a further directed issue of new shares of total DKK 1 million, including a conversion of recent minor debt of TDKK 100; the transaction completed in October. We also strengthened our balance sheet with conversion of debt of approx. TDKK 830 to equity and refinancing of its existing bridge loans of DKK 5.85 million to new convertible loans with no interest and no instalments due for the coming 12 months, based on a very constructive dialogue with its existing lenders.

Market development activities in India

The collaboration with Earkart in the Indian market on their distribution and retailer approach is progressing albeit at a more moderate pace than originally anticipated for various reasons. Follow-on sales orders (i.e. in addition to the initial order in Q2) were not received in Q3 for the Indian market. A later roll-out and ramp up in the market than originally anticipated is expected to delay follow-on sales orders of our product Ven V2 further into 2024. As a consequence, the previously announced expected sales revenue from Earkart for the 12 months period from May 2023 is now



Steen Thygesen - CEO, Audientes A/S

expected to be achieved over a longer period. Efforts have begun to introduce and sell the Ven V2 product in various priority channels with Earkart, which is exciting. We expect developments in particular the optician and ecommerce channels to provide a good base for what can be expected going forward, as further scaling takes place and leads being converted to customers.

As previously reported for Q2 2023, Audientes entered into an exclusive distribution agreement with Earkart in May 2023, and agreed to transfer distribution rights from existing distributors to Earkart. In this process, we took back unpaid and overdue stock from these (if not immediately paid then) as existing supply agreements were to be terminated, and relationships transferred to Earkart as part of the new setup. By the beginning of Q3, this exercise was largely completed.

As agreed at the outset of the collaboration, Audientes will continue to sell directly to specific partners or organizations and remain responsible for virtual and in-store dealer training and education, end-user support, and product warranty matters. We are in discussions with Earkart to amend the agreement concerning the commercial model, payment terms, and the remaining part of Audientes receivables. To address a general uncertainty for bad debt, a provision for bad debt of TDKK 365 have been expensed in Q3.

Launching Companion in Japan

Having received the needed approval from the Japanese Ministry of Telecommunications (MIC) for the type approvals related to Bluetooth radio functionality, our advanced hearable product Companion by Audientes is now ready to be introduced in the Japanese market.

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. This agreement means that Audientes will collaborate with TD SYNEX to bring Audientes' hearing healthcare products to Consumer Electronic channels in Japan. The collaboration agreement between Audientes A/S and TD SYNEX is the first of its kind for Audientes in the Japanese market and ensures that Companion by Audientes will become available to Japanese consumers via TD SYNEX' distribution network later in 2023.

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

The launch of Companion in Tokyo on November 9th, 2023 is Audientes' first step into the Japanese market, a country with the world's second highest proportion of people aged over 65 and has approximately 14 million people suffering from some degree of hearing impairment. Of these, only 14% have a solution to their hearing impairment, and products like Companion will help fill that gap.

Preparing to launch in China

In late Q2, Audientes secured an accelerated market entry into China through a strategic distribution partnership with Shenzhen Hengtong Partner Company Ltd. who completed a strategic investment of DKK 1 million during July by subscribing to a directed issue of new shares in Audientes and placed an initial prepaid product sales order totaling TDKK 562.

This partnership is enabling Audientes to access the Chinese market years ahead of the original plan with Companion by Audientes, expectedly from late 2023 and onwards. Additionally, once medical device approvals are obtained in China, Audientes will introduce our self-fitting hearing aid, Ven™ by Audientes, into the Chinese market, expectedly in 2024.

During Q3, we have been collaborating closely with Hengtong to facilitate the necessary approvals for the Chinese market for Companion and the localization of the entire product giftbox, user guides etc. Hengtong's distribution focus is on various retail channels, including pharmacies, opticians, and electronics stores initially in mainland China, as well as online merchants also for cross-border sales.

Audientes focus is now on completing the localization and market introduction of the products once the Chinese SRRC approval (required for equipment and appliances that have a radio transmitting function such as Bluetooth) are secured, expectedly later in 2023.

In China in 2023, we anticipate that approximately 60-80 million people, comprising roughly 25% of individuals aged 60 and above, may experience hearing disorders and impairment, resulting in an estimated range of 50-70 million individuals. Additionally, there will be an estimated 10 million individuals in other age groups, predominantly characterized by congenital and acquired injuries, who also require hearing assistance.

Furthermore, the number of individuals in need of hearing solutions is expected to grow by 8% to 10% annually. However, despite this substantial trend, only a relatively small fraction of the population, approximately 10%, currently utilizes hearing aid products, primarily due to economic and cognitive constraints. A consumer electronics product like Companion has the opportunity to help many such people with an affordable and accessible solution that is 'ready to wear'.

Funding the next growth phase

To provide the company with working capital in between periods of securing funding from the stock market, Audientes has secured bridge loans from reputed investors since 2022.

An interest-bearing short-term bridge loan of TDKK 750 was secured most recently on May 31, 2023, from the existing lenders. During September, rather than repaying the loan with interest (total TDKK 780), it was agreed to convert it into shares to allow the Company to use its liquidity to operate and further develop the business.

In addition, an agreement was reached with the existing bridge lenders to refinance the existing bridge loans originally secured in 2022, which then amounted to DKK 5.85 million incl. accrued interest. The lenders may elect to convert the loans partly or wholly to shares at market price at certain points during the coming year (the publishing of Audientes' quarterly and annual reports, with emissions of shares), but with no interest and no instalments due until the loans are maturing by the end of September 2024.

While this has improved Audientes balance sheet and created a clear platform for the coming 12 months, new funding is also required to execute on the business plan. In addition to the investment by Hengtong, Audientes has in October completed a directed issue via a cash capital increase combined with conversion of some recent debt, for a total of DKK 1 million, to six new European investors (one professional investment fund and five individuals) without pre-emptive rights for the existing shareholders of Audientes; a grant of warrants to be exercised in March 2024 was also included.

The reason for adopting this approach was to secure a smaller amount of working capital in a cost effective and expedient manner ahead of a more substantial future rights issue with preemptive rights for the existing shareholders.

Securing additional growth capital represents a paramount imperative for the Company, aimed at satisfying the essential financial requirements for Audientes market development, new product development initiatives, and the requisite medical device approvals, among other essential undertakings. Consequently, in accordance with our repeated references throughout the 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.

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 Q3 2023

Auditors' audit/review

The Financial Report for Q3 2023 and Q1-Q3 2023 has not been audited or reviewed by auditor.

Revenue

Revenue amounted in Q3 2023 to TDKK 8 compared to TDKK 2,224 in Q3 2022, which however more or less all was reversed in Q4 2022 related to taken back products not been paid for in connection with entering the new exclusive distributor agreement with Earkart in India.

In Q1-Q3 2023, revenue amounted to TDKK 1,261 and related primarily to sales in Q2 2023 to the exclusive distributor for the Indian market, Earkart. In Q1-Q3 last year, revenue amounted to TDKK 3,232, which however was reversed in Q4 2022.

Operating profit/loss

Operating profit/loss amounted to TDKK -3,407 in Q3 2023 compared to TDKK -3,087 in Q3 2022. The lower Gross profit/loss due to lower revenue were compensated by lower Staff costs driven by downsizing of the Danish organization and savings in Other external costs in general including development costs. A provision for bad debt of TDKK 365 was expensed in Q3 2023.

For Q1-Q3 2023, "Operating profit/loss" amounted to TDKK -10,011 compared to TDKK -12,059 in same period 2022. The improvement was driven by lower Staff costs and cost savings in general, only partly compensated by lower Gross profit/loss driven by lower sales.

Loss for the period

Financial expenses, net amounted to TDKK -373 in Q3 2023, which corresponded to a drop of TDKK 481 compared to Q3 2022, primarily related to loan fees. In Q1-Q3 2023 financial expenses, net amounted to TDKK -1,514 or almost unchanged from same period in 2022. The impact from lower loan fees in Q3 2023 were compensated by higher interests due to an interest-bearing loan taken out in April 2022.

Due to lower development costs, the tax related to expected disbursement under the Danish Tax Prepayment Scheme regarding development cost was TDKK 64 in Q3 2023 compared to TDKK 228 in same quarter last year and TDKK 484 in Q1-Q3 2023 compared to TDKK 1,254 in Q1-Q3 2022.

Loss in Q3 2023 amounted to TDKK -3,716 compared to TDKK -3,713 in Q3 2022. In Q1-Q3 2023, the loss was TDKK -11,041 compared to TDKK -12,343 in Q1-Q3 2022.

Balance sheet

End of Q3 2023 total assets amounted to TDKK 17,265

compared to TDKK 26,601 at the end of 2022. Equity ratio end of Q3 2023 was 25.0% compared to 49.1% end of 2022.

Capitalization of development projects

After the launch in April 2023 of Ven and Companion version 2.0 including the new software platform, the capitalized development cost amounted to TDKK 145 in Q3 2023 compared to TDKK 750 in Q3 2022. In Q1-Q3 2023 capitalized development costs amounted to TDKK 1,545 compared to TDKK 4,386 in same period 2022.

After amortizations of TDKK 2,980 in Q1-Q3 2023, Audientes has capitalized net TDKK 9,574 in development projects end of September 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 Q3 2023, Trade receivables amounted to TDKK 368 and relate 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 above mentioned taken back products not been paid for in connection with entering the exclusive distributor agreement with Earkart in India.

Equity

In Q3 2023, the capital was increased by net TDKK 766 related to conversion of a bridge-loan and other debt of total TDKK 830 before advisory costs.

In Q1-Q3 2023, the capital was increased by net TDKK 2,315, which beside the conversion of a bridge-loan and debt in Q3 related to the outcome of the exercise of warrants of series TO1 and a Directed Issue regarding strategic investment from Shenzhen Hengtong Partner Company Ltd.

The no. of shares was in Q3 increased by 3,900,374 shares to 43,050,846 shares at the end of September 2023.

Other short-term loans

Other short-term loans amounted end of September 2023 to TDKK 100 compared to TDKK 4,847 end of 2022. 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.

The remaining loan of TDKK 100 relate to a part of the directed issue executed finally in October 2023. In October, the loan of TDKK 100 was converted to shares.



Cash flow

Cash and cash equivalents amounted to TDKK 342 on September 30, 2023, compared to TDKK 6,948 end of 2022, which corresponded to a drop of TDKK -6,606.

Cash flow from operating activities amounted to TDKK -8,478 in Q1-Q3 2023 compared to TDKK -14,225 in same period last year.

In Q1-Q3 2023, the free cash flow amounted to TDKK -9,966 compared to TDKK -18,639 in same Q1-Q3 2022.

Cash flow from financing activities was TDKK 3,360 in Q1-Q3 2023 driven primarily by capital increase net of TDKK 1,485 and short-term loan and convertible loans taken including accrued interests of TDKK 1,928 compared to TDKK 8,189 in Q1-Q3 2022 fully related to short term loans taken in April 2022.

Events after the balance sheet date

In October 2023, Audientes has executed on a capital increase in cash of TDKK 901 by a directed issue to six European investors without pre-emptive rights for existing shareholders of Audientes. Transactions and advisory cost are estimated to around TDKK 100.

Furthermore, in October 2023 Audientes has increased the share capital by conversion of debt of TDKK 100 to shares related to one of the above mentioned six investors.

The number of shares and votes in Audientes amounts hereafter to 48,345,769 shares.

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 and Chinese market by two 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 Q3 2023 and Q1-Q3 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 28, 2024	Annual Report 2023
May 23, 2024	Q1 2024 reporting
August 29, 2024	Q2 / half-year 2024 reporting
November 21, 2024	Q3 2024 reporting

Sign up for our Investor Newsletter at audientes.com/investor-relations

Further information

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Hiroshi Maeda, Board member
Jesper Rhode Andersen, Board member
Steen Thygesen, Board member

Executive Management

Steen Thygesen, CEO

Auditors

Christensen Kjærulff
Statsautoriseret revisionsaktieselskab
CVR No.: 15915641

Financial statements

Income statement

TDKK	Note	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	2022
Revenue		8	2,224	1,261	3,232	79
Own work capitalized		145	617	1,034	1,678	2,377
Other operating income		214	214	1,180	642	856
Cost of goods sold		-33	-910	-1,086	-1,441	-473
Other external costs		-1,522	-1,567	-4,322	-5,744	-7,276
Gross profit/loss		-1,188	578	-1,933	-1,633	-4,437
Staff costs	1	-1,058	-2,382	-4,647	-6,857	-9,589
Depreciation, amortization, and impairment losses		-1,161	-1,283	-3,431	-3,569	-9,759
Operating profit/loss		-3,407	-3,087	-10,011	-12,059	-23,785
Other financial income		21	3	59	18	205
Other financial expenses		-394	-857	-1,573	-1,556	-2,633
Profit/loss before tax		-3,780	-3,941	-11,525	-13,597	-26,213
Tax on profit/loss for the period		64	228	484	1,254	1,851
Loss for the period		-3,716	-3,713	-11,041	-12,343	-24,362

Balance sheet — assets

TDKK	Note	30.09.2023	30.09.2022	31.12.2022
Development projects in progress		0	4,386	1,184
Completed development projects		9,574	11,530	9,825
Intangible assets	2	9,574	15,916	11,009
Other fixtures and fittings, tools, and equipment		551	1,074	1,002
Equipment		551	1,074	1,002
Deposits		103	140	196
Other financial assets		103	140	196
Non-current assets		10,228	17,130	12,207
Manufactured goods and goods for resale		3,581	4,298	4,647
Inventories		3,581	4,298	4,647
Trade receivables		368	3,098	-
Other receivables		241	342	621
Income tax receivable		2,356	3,096	1,865
Prepayments		149	109	313
Receivables		3,114	6,645	2,799
Cash		342	114	6,948
Current assets		7,037	11,057	14,394
Assets		17,265	28,187	26,601

Balance sheet — equity and liabilities

TDKK	Note	30.09.2023	30.09.2022	31.12.2022
Contributed capital		4,305	935	2,875
Reserve for development expenditure		6,139	10,264	7,915
Retained earnings		-6,129	1,942	2,259
Equity		4,315	13,141	13,049
Warranties		66	-	65
Provisions		66	0	65
Bank loans		9	23	62
Other short-term loans		100	8,213	4,847
Convertible loans	4	5,845	-	-
Trade payables		3,198	3,686	4,752
Other payables		1,454	555	1,471
Deferred income		2,278	2,569	2,355
Current liabilities other than provisions		12,884	15,046	13,487
Liabilities other than provisions		12,884	15,046	13,487
Equity and liabilities		17,265	28,187	26,601

Statement of changes in equity for Q3 2023

TDKK	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity beginning of period	3,915	7,345	-3,985	7,275
Capital increase in period, net	390	-	376	766
Transfer	-	-1,206	1,206	0
Currency adjustments	-	-	-10	-10
Loss for the period	-	-	-3,716	-3,716
Equity end of the period	4,305	6,139	-6,129	4,315

Statement of changes in equity for Q3 2022

TDKK	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity beginning of period	935	10,264	5,655	16,854
Loss for the period	-	-	-3,713	-3,713
Equity end of the period	935	10,264	1,942	13,141

Statement of changes in equity for Q1-Q3 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	1,430	-	885	2,315
Transfer	-	-1,776	1,776	0
Currency adjustments	-	-	-8	-8
Loss for the period	-	-	-11,041	-11,041
Equity end of the period	4,305	6,139	-6,129	4,315

Statement of changes in equity for Q1-Q3 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
Equity end of the period	935	10,264	1,942	13,141

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
Equity end of the period	2,875	7,915	2,259	13,049

Cash flow statement

TDKK	Note	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	2022
Operating profit/loss		-3,407	-3,087	-10,011	-12,059	-23,785
Amortization, depreciation, and impairment losses		1,161	1,283	3,431	3,569	9,759
Other adjustments for non-liquidity items		355	-	348	-	126
Working capital changes	3	542	-555	-732	-4,200	-159
Cash flow from ordinary operating activities		-1,349	-2,359	-6,964	-12,690	-14,059
Financial income received		21	3	59	18	205
Financial expenses paid		-394	-854	-1,573	-1,553	-2,633
Taxes refunded/(paid)		-	-	-	-	1,843
Cash flow from operating activities		-1,722	-3,210	-8,478	-14,225	-14,644
Acquisition etc. of intangible assets		-145	-750	-1,545	-4,386	-5,592
Acquisition etc. of property, plant and equipment		-	-20	-36	-39	-43
Changes in other financial assets		62	-	93	11	-45
Cash flow from investing activities		-83	-770	-1,488	-4,414	-5,680
Bank loan taken/(paid)		-59	-	-53	-	-
Short term loan and convertible loans taken/(paid)		-242	414	1,098	8,199	4,884
Capital increase, proceeds		-	-	1,889	-	11,865
Cash from bridge loan, converted to equity		830	-	830	-	2,144
Transactions costs and advisory costs		-64	-	-404	-	-2,175
Cash flow from financing activities		465	414	3,360	8,199	16,718
Increase/decrease in cash and cash equivalents		-1,340	-3,566	-6,606	-10,440	-3,606
Cash and cash equivalents beginning of period		1,682	3,680	6,948	10,554	10,554
Cash and cash equivalents end of period		342	114	342	114	6,948
Cash and cash equivalents at period-end are composed of:						
Cash		342	114	342	114	6,948
Cash and cash equivalents end of period		342	114	342	114	6,948

Notes

TDKK	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	2022
1. Staff costs					
Wages and salaries	977	2,053	4,195	6,043	8,661
Pension costs	39	182	320	530	693
Other social security costs	29	19	74	61	76
Other staff costs	13	128	58	223	159
	1,058	2,382	4,647	6,857	9,589
Own work capitalized	-145	-617	-1,034	-1,678	-2,377
	913	1,765	3,613	5,179	7,212
Average number of full-time employees	8	16	12	16	16
2. Intangible assets					
Cost beginning of period	15,464	19,106	14,064	15,470	15,470
Additions	145	750	1,545	4,386	5,592
Disposals	-	-	-	-	-6,998
Cost end of period	15,609	19,856	15,609	19,856	14,064
Amortization beginning of period	-5,025	-2,832	-3,055	-898	-898
Amortization for the period	-1,010	-1,108	-2,980	-3,042	-9,155
Accumulated amortizations on disposals	-	-	-	-	6,998
Amortization end of period	-6,035	-3,940	-6,035	-3,940	-3,055
Carrying amount end of period	9,574	15,916	9,574	15,916	11,009
3. Changes in working capital					
Change in inventory	-114	-1,299	1,066	-2,932	-3,281
Increase/decrease in receivables	237	-958	-150	-2,126	489
Increase/decrease in trade payables etc.	419	1,702	-1,648	858	2,633
Total	542	-555	-732	-4,200	-159
4. Convertible loans					

Convertible loans of TDKK 5,845 as per end of September 2023 relate to loans from the previous bridge lenders Selandia Alpha Invest A/S, Renewable Ventures Nordic AB and Mr. Gerhard Dal of TDKK 2,923, TDKK 1,461 and TDKK 1,461.

The loans are maturing by the end of September 2024 with no interest and no installments due until then. 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:

- 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.
- with emissions 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.



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