

## Audientes' Annual Report 2021: Ven™ ready for sale in India

*Today, Audientes A/S releases its financial results for 2021. Both the financial and operational results are in line with the management's expectations, and a strong foundation has been established for the sales of the company's self-fitting hearing aid in 2022.*

Audientes' financial results for the period January 01 – December 31, 2021 have been approved by the Board of Directors, and the company has now published its Annual Report 2021.

Audientes entered the production phase in November and has been ramping up to mass production from January (Company announcement no. 10, 2021). Initial sales revenue is expected to commence in March (Company announcement no. 1, 2022) as ramp up to mass production continues in Q1, albeit slightly delayed due to COVID-19 lockdowns.

### Steen Thygesen, CEO Audientes A/S, comments:

*"In 2021 we realized the goal of fully commercializing our self-fitting hearing aid, Ven, where we went from a functioning prototype to the final product. We began mass production and received final market approval in early 2022. Therefore, 2022 bodes very well for Audientes with sales expectations at the level of DKK 23-27 million based primarily on the distribution setup in India. In relation to the investment in research and development for future products, we are focusing on new FDA and CE/MDR versions for the US and European markets. Accordingly, in 2022 we expect an EBITDA result in the range of DKK -13 to -15 million."*

### Performance highlights for 2021

TDKK	2021	2020	2019
Revenue	0	0	0
Other operating income	214	0	0
EBITDA	-12,893	-5,548	-110
Profit/loss for the year	-12,901	-5,138	-315
Cash and cash equivalents	10,554	30,364	78
Equity	25,483	38,372	3,931
Equity ratio (%)	81	91	51
Earnings per share (DKK)	-1.38	-0.79	-0.09
No of shares beginning of the period (pcs.)	9,349,010	3,687,300	3,687,300
No of shares end of period (pcs.)	9,349,010	9,349,010	3,687,300

## Financial Highlights 2021

- **Financial development in 2021:** sizable investments were made in the completion of our self-fitting hearing aid, production of prototypes and commercial units, as well as the local subsidiary, marketing and sales activities in India. The organization was strengthened in Denmark and in India in key functions across R&D, operations, marketing and sales.
- **Revenue:** Sales of the first hearing aid devices are scheduled for 2022. Thus, Audientes recorded no revenue in 2021 which is within the updated range published (Company announcement no. 10-2021).
- **Other income:** Support from the Danish Market Development Fund will be recognized as other operating income over the next 4 years, beginning in 2021 with TDKK 214.
- **Operating profit (EBITDA):** Operating loss was TDKK -12,893 in 2021 (2020: TDKK -5,548) which was in line with expectations (Company announcement no. 10-2021).
- **Cash and cash equivalents:** As of December 31, 2021, cash and cash equivalent assets amounted to TDKK 10,554 (2020: TDKK 30,364).
- **Equity:** as of December 31, 2021, was TDKK 25,483 (2020: TDKK 38,372), corresponding to an equity ratio of 81% (2020: 91%).

## Operational Highlights 2021

- **Product:** We successfully commercialized our product in 2021, following several test rounds early in the year involving end users and channel partners, leading to significant improvements in both product design, technology specifications, and the smartphone application.
- **Mass production:** Audientes entered the production phase in Q4 2021 and completed comprehensive product testing and certification of Ven and its Bluetooth technology. In January, Ven entered the first phase of mass production, with commercially saleable devices in transit to the Indian market in branded retail-ready packaging. Having secured Equipment Type approval from the Indian Ministry of Telecommunications in early 2022, the production of Ven has, in line with our previously communicated rollout strategy, been further ramping up to full mass production in Q1 2022.
- **Go-to-market - retail (B2B) and ecommerce (B2C) network:** We exceeded our targets in 2021 for points of sale as we partnered with five professional hearing clinics across India with well over 150 points of sale - and we have already signed up three additional retail partners in Q1 2022. Additionally, we have established the platform for online sales via Audientes' own web sites, as well as sales via retailers, such as Amazon, Flipkart and Alibaba.com. In late Q3 we launched pre-ordering online for both B2C and B2B customers at our Indian webshop, audientes.in.
- **Presence in India:** Having engaged a country manager for the Indian market already in 2020, we established in 2021 our Indian subsidiary, Audientes India Pvt. Ltd., which is employing local staff in the HITEC City (Hyderabad Information Technology and Engineering Consultancy City) in the southern Indian city of Hyderabad.

- **Organization:** In connection with the expanded market presence in India, we increased our staff. In total, six new full-time employees were hired in 2021. By the close of 2021, Audientes had nine full-time employees in Denmark and five full-time employees in the Indian enterprise.
- **Corona-affected schedule delays:** Audientes was not immune to the impact of the COVID-19 pandemic and the resulting lockdowns in locations that are key to Audientes, such as India and China. While we had expected to be in mass production in Q4 2021, with initial sales in India and other select markets beginning shortly thereafter, lockdowns have had a delaying effect on our go-to-market plans. Mass production is now happening in Q1 2022, one quarter later than expected.

## 2022 Outlook

- **Revenue & other income:** range from DKK 23 million to 27 million.
- **Operating profit (EBITDA):** range from DKK -13 million to -15 million.
- **Investments to be made:** Operating losses for 2022 should be viewed in the light of the ongoing investment in product development activities including products for USA and achieving FDA-approval for entering the coming OTC market, and intensified marketing and sales focus in India.
- **Capital raise:** To realize the true potential of the product we have developed and started to manufacture and market, additional capital raise in 2022 will be required to invest adequately in our growth phase as well as in the future products we are planning to develop and market the coming years.

## Financial calendar

Date	Event
April 21, 2022	Annual General Meeting 2022
May 19, 2022	Q1 2022 reporting
August 25, 2022	Q2 and Half-year 2022 reporting
November 17, 2022	Q3 2022 reporting

## Link to Annual report 2021

Audientes annual report for 2021 can be found here:

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

## Annual report presentation: March 24, 2021 2:00 PM (CET)

Audientes CEO Steen Thygesen will present the annual report for 2021 and latest news at 2pm / 14:00 (CET), followed by a Q&A session.

[Link to registration at HC Andersen Capital.](#)

## **For further information, please contact:**

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## **About Audientes A/S**

Audientes A/S is a Danish technology company specializing in smart, self-fitting and affordable hearing aids. Audientes' unique hearing aid solution, Ven™, is in the process of being rolled out in the Indian market, before being introduced to the US OTC market and other markets thereafter. Audientes' mission is to help the 400+ million people globally suffering from disabling hearing loss who either do not have access to a hearing aid or who cannot afford one. Audientes is headquartered in Copenhagen and has a subsidiary in Hyderabad, India. In 2020 the company was listed on Nasdaq First North Growth Market Denmark (Ticker: AUDNTS).

For additional information please refer to the company's websites,

[www.audientes.com](http://www.audientes.com)