



Making high-quality, self-fitting hearing aids accessible and affordable for everyone who needs them

Invitation to subscribe for units in Audientes A/S

Subscription period: 1 - 15 December 2022

IMPORTANT INFORMATION

The following summary is not a complete offer but should be seen as an introduction to Audientes A/S ("Audientes" or the "Company") and the prospectus that describes the offer in its entirety. Thus, this document does not necessarily contain all the information that may be needed for an investment decision. All investors are advised to consult the prospectus, which is available on the Company's website (www.audientes.com), before making an investment decision to take note of the potential risks associated with the decision to invest in the securities. Audientes A/S, corp. reg. no. (CVR) 36047631.



Investment Highlights

Audientes is a Danish technology company specializing in self-fitting hearing aids and advanced hearables for the millions of people who suffer from disabling hearing loss. Ven™ by Audientes has been for sale in India since March 2022 and has generated DKK 3.2 million in revenue in the first nine months of 2022, and the follow up product, Companion by Audientes, will be launched in late 2022, and commercially available in 2023.

Commercial breakthrough

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.

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

Ven is the first of Audientes' products to have entered the market. Audientes aims to make affordable hearing loss solutions in attractive designs and across a broad spectrum of form factors and technical specifications. Audientes has commenced the development of its future products, where Audientes Companion, will be the Company's second product to be launched in Europe and the USA and other markets later in 2022 and commercially available in early 2023. 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, Brazil and Japan. In the coming years, Audientes will invest in aftermarket services, that will ensure customer satisfaction as well as additional revenue streams.



Audientes – the global hearing loss challenge

Today, 1.5 billion live with some degree of hearing loss globally, a number that is expected to grow to 2.5 billion by 2050. 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 severe 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.

Audientes began selling Ven in India in March 2022 and surpassed DKK 3 million in revenue in the beginning of October.

1.5 billion

Live with some degree of hearing loss globally



Objectives

Below is a summary of the Company's key operational objectives between 2023 and 2025, as well as a description of the Company's financial objectives.

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.
- 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.
- Introducing the advanced hearable "Companion by Audientes", a consumer electronics product expectedly commercially available from Q1 2023, in key markets with emphasis on USA, Europe, and Asian countries, such as India and Japan, strengthening Audientes growth potential and broadening its product portfolio and offerings.

2024

- Further scaling the business in India, USA, Japan and in further European countries, growing the Company's B2B channels to over 1,600 points of sale.
- Introduce a new hearing aid product in the USA market for B2C and B2B channels to capitalise on the new regulation from the FDA enabling over-the-counter (OTC) sales of self-fitting hearing aids such as Audientes'.
- Expand B2C and B2B channel presence to other countries in Southeast Asia and Latin America subject to verified market potential and operational conditions such as local distribution partners.
- Commence development of future products to be introduced to markets worldwide in the 2026 timeframe.

2025

- Develop primary markets in Asia, USA, and Europe further by replicating the B2B channel model in further states and channels to over 2,400 points of sale.
- Achieve EU/MDR (Medical Device Regulation) certification for a hearing aid product and begin marketing and selling it in select European markets.
- Assess China market potential and develop entry strategy for the Company's medical grade hearing aid products in 2025/26 horizon.
- Assess market penetration potential in further middle income countries (MICs) in Middle East and Africa to establish a presence in these people-rich countries with substantial potential for the Company.

Financial objectives

Audientes aims to have revenues of approximately DKK 3.5-5 million during the financial year 2022. Furthermore, the Company's objective is to have a sales growth in the medium to long term in the range of 50-60 percent annually.

DKK 3.5-5 million

In revenues during 2022.

50-60 percent

Sales growth annually in the medium to long term.



The offer in brief

Subscription period: 1 – 15 December 2022.

Subscription price:

DKK 1.50 per unit, corresponding to DKK 0.75 per share.

Issue volume:

The Company can initially be provided approx. DKK 14 million before deduction of transaction related costs. Through the exercise of warrants of series TO 1, the Company can be provided an additional maximum approx. DKK 10.3 million before deduction of transaction related costs during March/April 2023.

Pre-emptive rights for subscription:

Those who on the record date 28 November 2022, were registered as shareholders in the Company own pre-emptive right to subscribe for units in the rights issue in relation to previous holdings, whereby one (1) existing share, gives one (1) unit right. One (1) unit right entitles to subscribe for one (1) unit. Each unit consists of two (2) new shares and one (1) warrant of series TO 1. The warrants of series TO 1 are issued free of payment.

Trading in unit rights:

Trading in unit rights will take place on Spotlight Stock Market during the period 1 – 13 December 2022.

Trading in BTU:

Trading in BTU (paid subscribed unit) will take place on Spotlight Stock Market starting from 1 December 2022 until the Danish Companies Registration Office has registered the rights issue. The last day of trading in BTU will be announced through a separate press release.

Commitments in the rights issue:

In total, approx. 45.2 percent of the initial part of the rights issue, corresponding to approx. DKK 6.3 million, is agreed upon in writing by pre-subscription and guarantee commitments. Out of the total guarantee commitments, approx. DKK 3.5 million (approx. 25 percent of the initial issue amount) are so called “top down” guarantee commitments which will be added to any final subscription level of the rights issue up to maximum 100 percent of the initial issue amount. Audientes largest shareholder, Jelveh Holding Aps (holding approx. 24 percent of the capital), has agreed not sell any subscription rights and to make these subscription rights available for the Company, free of charge, to place in accordance with potential interest from professional investors in connection with the rights issue.

Warrants of series TO 1:

The exercise price in the following warrant exercise of series TO 1 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 a period of ten (10) trading days ending two (2) banking days before the exercise period begins. Audientes will at latest publish the exercise price the day before the first day of the exercise period. The exercise price shall be rounded to the nearest whole Danish øre. The exercise price may not exceed DKK 1.10 per new share and shall not be less than the share’s quota value of DKK 0.10 per new share.

Letter from the CEO

Surpassing DKK 3 million in revenue in first nine months of 2022

We continued our growth in Q2 and Q3 2022, our two first quarters of sales, with revenue surpassing DKK 3 million as we continue to ramp up. The interest for Ven in India is growing and we have established a strong footing there. Overall operations are progressing very well and market acceptance for Ven has been in line with expectations from previous market trials and partner discussions. We have moved beyond the supply chain challenges experienced earlier in the year, mass producing Ven and importing it to India, where we are now building inventory, so we can meet the expected sales increase in 2023.

Further developing retail partnerships

In June, we also introduced a manual feed pure-tone audiogram for hearing dispensers to the Audientes app. On the advice of our audiologist network in India, this new feature allows dispensers to fit Ven based on the values of the pure-tone audiogram as measured by in-clinic puretone audiometers. We also began the next phase of our partnerships with the launch of in-store Ven point-of-sale campaigns with Hearing Wellness Clinic. The goal of these campaigns is to raise the conversion ratio of total traffic of clients to hearing clinics, allowing for maximum exposure of Ven to potential customers. We will continue to roll these campaigns out to key partners in India in the coming months.

Companion by Audientes

We announced in July the addition of a new product to our portfolio with Companion by Audientes – a situational hearing solution to be launched in Q4 2022, and commercially available in Q1 2023, with a focus on the US and thereafter in additional markets globally. Companion is in the advanced hearables category and will extend Audientes’ reach to the consumer electronics market where advanced hearables is one of the fastest growing segments globally. We believe that Companion will provide a valid alternative for those who are not quite ready for the cost and stigma associated with a traditional hearing aid. Companion is built on the existing platform utilized in Ven and will enable Audientes to rapidly enter the US with a smart non-medical consumer electronics device, while we continue to work on products to be registered or approved by the United States FDA.



Steen Thygesen - CEO, Audientes A/S



Summary of terms and conditions

Offering and proceeds

The Offering comprises of up to 9,349,010 New Units. Upon full subscription of the Offering, the gross proceeds will be DKK 14,023,515.00 and the net proceeds (gross proceeds less the Company's estimated costs related to the Offering, and after amortization of interest and loan) are expected to amount to a total of DKK 10 million, assuming all New Units are subscribed for.

Subscription ratio, Subscription Price and allocation of Pre-emptive Rights including action required to apply for the Offering, etc.

The Offering consists of a rights issue of units in Denmark. The Company is offering 9,349,010 New Units with a nominal value of DKK 0.20 at the Subscription Price 1.50 and with Pre-emptive Rights for the Existing Shareholders. Each unit comprises of two (2) New Shares and one (1) Warrant of series TO 1. A total of 9,349,010 units will be issued, hence 18,698,020 New Shares will be issued, and 9,349,010 Warrants will be issued if the unit rights issue is fully subscribed. Each holder of Existing Shares registered with Euronext Securities on 28 November 2022 at 5:59 p.m. CET as a shareholder in the Company will be allocated one (1) Pre-emptive Right for each Existing Share. For one (1) Pre-emptive Right, the holder is entitled to subscribe for one (1) New Unit of a nominal value of DKK 0.20 at a Subscription Price of DKK 1.50 per New Unit. The Rights Trading Period commences on 1 December 2022 at 9:00 a.m. CET and closes on 13 December 2022 at 5:00 p.m. CET. The Subscription Period for New Units commences 1 December 2022 at 9:00 a.m. CET and closes on 15 December 2022 at 5:00 p.m. CET. Any Pre-emptive Rights not exercised during the Subscription Period will lapse with no value, and the holder of such Pre-emptive Rights will not be entitled to compensation. Once a holder of Pre-emptive Rights has exercised such rights and subscribed for New Units, such subscription cannot be withdrawn or modified by the holder.

The Pre-emptive Rights have been approved for trading and official listing on Spotlight Stock Market Denmark to the effect that they can be traded on Spotlight during the Rights Trading Period in the temporary ISIN code DK0061928157. The Pre-emptive Rights, the temporary Units and the New Units, following automatic conversion from temporary units, will be delivered in book-entry form through allocation to accounts with Euronext Securities.

Completion of the Offering and registration of the New Units with the Danish Business Authority is expected to take place on 22 December 2022. The Company's register of shareholders is kept by Euronext Securities.

Existing Shares traded from 25 November 2022 at 9:00 a.m. CET will be traded without Pre-emptive Rights, provided that the Existing Shares are traded with customary two-day settlement.

The temporary Units have been approved for trading and official listing on Spotlight Stock Market Denmark to the effect that they can be traded on Spotlight Stock Market during the Period 1 December 2022 to 29 December 2022. The temporary Units will be issued under the temporary ISIN code DK0061927936. Registration of the New Units with the Danish Business Authority will take place following completion of the Offering, expected to take place on 22 December 2022.

As soon as possible after registration of the New Units, the temporary ISIN code of the temporary Units, DK0061927936, will be merged with the ISIN code of the Existing Shares DK0061406618, and the temporary

Units will automatically be converted into New Shares and Warrants, expected to take place on 2 January 2023.

Payments and delivery of the Pre-emptive Rights

Upon exercise of the Pre-emptive Rights, the holder must pay an amount equal to the Subscription Price multiplied by the number of New Units subscribed for. Payment for the New Units shall be made in DKK and shall be made upon subscription against registration of the New Units in the transferee's account with Euronext Securities not later than 15 December 2022 at 5:00 p.m. Holders of Pre-emptive Rights shall adhere to the account agreement with their own Danish custodian institution or other financial intermediary, through which they hold Existing Shares. Financial intermediaries through which a holder holds Pre-emptive Rights may require payment on an earlier date.

Warrants of series TO 1

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. The Company will publish the exercise price the day before the first day of the exercise period. The exercise price must be rounded to the nearest whole Danish øre. The exercise price may not exceed DKK 1.10 per share. The subscription price shall not be less than the share's quota value (DKK 0.10).

Subscription Period

The Subscription Period of the New Units will commence on 1 December 2022 at 9:00 a.m. CET and will close on 15 December 2022 at 5:00 p.m. CET.

Reduction of subscription

Reduction of subscription is not applicable in connection with the Offering. The subscription is binding.

Minimum and maximum subscription amounts

In connection with the Offering, the minimum number of New Units that a holder of Pre-emptive Rights may subscribe for will be one (1) New Unit, requiring the exercise of one (1) Pre-emptive Right and the payment of the Subscription Price. The number of New Units that a holder of Pre-emptive Rights may subscribe for is not capped. However, the number is limited to the number of New Units that may be subscribed for through the exercise of the Pre-emptive Rights held or acquired.

Subscription for Remaining Units

The general public and existing shareholders can subscribe for any Remaining Units. Existing shareholders have preferential rights to subscribe for Remaining Units. The general public will not subscribe for Remaining Units by exercising unexercised Pre-emptive Rights (which will have lapsed). Such Remaining Units will be subscribed for at the Subscription Price. Subscription shall be made on a subscription form, which is available on the Company's website (www.audientes.com) and Sedermera's website (www.sedermera.se). The subscription shall be filled out and submitted to the account holders own bank according to their respective instructions.

In case of oversubscription of Remaining Units in connection with the Offering, such Remaining Units will be allocated according to apportionment keys determined by the Board of Directors.



Terms and conditions of the offering

If the subscriptions for Remaining Units do not exceed the number of Remaining Units, the Company will issue the number of Remaining Units subscribed for.

Payments and delivery for Remaining Units

Upon subscription of the Remaining Units, the holder must pay an amount equal to the Subscription Price multiplied by the number of New Units allocated. Payment for Remaining Units will be made via a delivery versus payment transfer through the subscribers own bank and will be withdrawn from the account by the subscribers own account holding bank or broker.

Withdrawal or suspension of the Offering

The Offering may be withdrawn by the Company subject to certain conditions before registration of the capital increase relating to the New Units with the Danish Business Authority. If the Offering is withdrawn, any exercise of Pre-emptive Rights that has already taken place will be cancelled automatically. The subscription amount for the New Units will be refunded (less any transaction costs) to the last registered owner of the temporary Units as at the date of such withdrawal. All Pre-emptive Rights will lapse, and no New Units will be issued. Trades of Pre-emptive Rights executed during the Rights Trading Period will, however, not be affected. Consequently, investors who have acquired Pre-emptive Rights will incur a loss corresponding to the purchase price of the Pre-emptive Rights and any transaction costs. Trades in Existing Shares and temporary Units will also not be affected if the Offering does not complete, and Shareholders and investors that have acquired temporary Units will receive a refund of the subscription amount for the New Units (less any transaction costs). As a result, Shareholders and investors that have acquired temporary Units will incur a loss corresponding to the difference between the purchase price of the temporary Units and the Subscription Price paid for the New Units and any transaction costs.

The Company is entitled to withdraw the Offer (a) if the Company decides not to pursue with the Offering, (b) the Admission is withdrawn by Spotlight Stock Market, (c) the registration of the New Shares is refused by the Danish Business Authority.

The Company is not liable for any losses that investors may suffer as a result of withdrawal of the Offering including but not limited to, any transaction costs or lost interest. A withdrawal of the Offering will be announced as a company announcement through a press release.

The Company is not authorized to close the Offer on an earlier date than the last subscription date.

Procedure for the exercise of and trading in Pre-emptive Rights

The Pre-emptive Rights have been approved for trading and official listing on Spotlight under the ISIN code DK0061928157 and will be traded in the ISIN code under the symbol "AUDNTS TR". Holders of Pre-emptive Rights wishing to subscribe for New Units must do so through their own custodian institution, in accordance with the rules of such institution. The deadline for notification of exercise depends on the holder's agreement with, and the rules and procedures of, the relevant custodian institution or other financial intermediary and may be earlier

than the end of the Subscription Period. Once a holder has exercised its Pre-emptive Rights, the exercise may not be revoked or modified. During the Rights Trading Period, holders of Pre-emptive Rights who do not wish to exercise their Pre-emptive Rights to subscribe for New Units may sell their Pre-emptive Rights on Spotlight Stock Market and a purchaser may use the acquired Pre-emptive Rights to subscribe for New Units. Holders wishing to sell their Pre-emptive Rights should instruct their custodian institution or other financial intermediary accordingly. Any holders of Pre-emptive Rights that exercise any of their Pre-emptive Rights shall be deemed to have represented that they have complied with all applicable laws. Custodian banks exercising Pre-emptive Rights on behalf of beneficial holders shall be deemed to have represented that they have complied with the offering procedures set forth in this Prospectus.

Upon exercise of Pre-emptive Rights and payment of the Subscription Price, the temporary Units will be delivered through Euronext Securities by being recorded on subscribers for New Units accounts with Euronext Securities. The temporary Units will be issued under a temporary ISIN code DK0061927936. The temporary Units will be admitted to trading and official listing on Spotlight Stock Market. The temporary Units are registered in Euronext Securities for the subscription of the New Units. Upon expiry of the Subscription Period, any Pre-emptive Rights not exercised will lapse without value, and the holders of lapsed Pre-emptive Rights will not be entitled to any compensation.

Jurisdictions in which the Offering will be announced and restrictions applicable to the Offering

The distribution of this Prospectus and the Offering is restricted by law in certain jurisdictions, and this Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

Withdrawal of applications of subscription

Instructions to exercise Pre-emptive Rights or subscriptions of Remaining Units related to the New Units are irrevocable.

Subscription Price and amount of any expenses and taxes charged

The New Shares are offered at the Subscription Price of DKK 1.50 per New Unit (excluding fees, if any, from the investor's own custodian bank or brokers). The amount of any expenses and taxes the investor can be charged shall be governed by and constructed in accordance with applicable law of Denmark, including any double taxation agreements.

Completion of the Offering

The Offering will only be completed if and when the New Units subscribed for are issued by the Company upon registration with the Danish Business Authority, which is expected to take place no later than on 22 December 2022. A company announcement concerning the results of the Offering is expected to be disclosed no later than on 20 December 2022.

For full terms and conditions of the offering, please read the Prospectus in full at [Audientes.com/pages/investors](https://audientes.com/pages/investors).

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