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Corti ApS

Kuglegårdsvej 2, 2.
1434 Copenhagen K
CVR No. 35669825

Annual report 2024

The Annual General Meeting adopted the annual report on 03.07.2025

Andreas Cleve
Chairman of the General Meeting

Contents

Entity details

Entity

Corti ApS
Kuglegårdsvej 2, 2.
1434 Copenhagen K

Business Registration No.: 35669825
Registered office: Copenhagen
Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Lars Maaløe
Andreas Cleve
Mads Lacoppidan
Laura Elizabeth Connell
Sandeep Singh Bakshi
Sara Maria Liliane Rywe

Executive Board

Andreas Cleve

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Corti ApS for the financial year 01.01.2024 - 31.12.2024.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 03.07.2025

Executive Board

Andreas Cleve

Board of Directors

Lars Maaløe

Andreas Cleve

Mads Lacoppidan

Laura Elizabeth Connell

Sandeep Singh Bakshi

Sara Maria Liliane Rywe

Independent auditor's report

To the shareholders of Corti ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Corti ApS for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in

Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 03.07.2025

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Claus Jorch Andersen
State Authorised Public Accountant
Identification No (MNE) mne33712

Leon Thomas Ravn Fagerlind
State Authorised Public Accountant
Identification No (MNE) mne49914

Management commentary

Financial highlights

	2024 DKK'000	2023 DKK'000	2022 DKK'000
Key figures			
Gross profit/loss	(35,060)	5,750	8,000
Operating profit/loss	(124,026)	(79,430)	(65,069)
Net financials	37,230	(9,032)	3,335
Profit/loss for the year	(82,126)	(84,302)	(53,542)
Balance sheet total	381,292	489,108	166,686
Investments in property, plant and equipment	2,970	1,244	551
Equity	346,517	460,815	126,068
Cash flows from operating activities	(89,704)	(49,850)	(49,433)
Cash flows from investing activities	(24,223)	(20,371)	(19,917)
Cash flows from financing activities	(29,239)	409,605	0
Ratios			
Equity ratio (%)	90.88	94.22	75.63

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Equity ratio (%):

$$\frac{\text{Equity * 100}}{\text{Balance sheet total}}$$

Primary activities

Corti ApS ("Corti") is a pioneering deep technology company in the healthcare industry headquartered in Copenhagen, Denmark. Corti's clinically proven artificial intelligence (AI) technology revolutionizes virtual care and face-to-face patient engagements by automating a host of administrative workflows, thereby freeing up valuable time for healthcare professionals.

At the heart of Corti's innovation are its large language models (LLMs) and the underpinning data and modeling infrastructure software, which offer cost and accuracy benefits over competing methods. The technology employs advanced, unsupervised, and semi-supervised machine learning techniques, continuously optimized with the latest breakthroughs from top global labs and our in-house experts. Corti's AI models scale efficiently by reducing the dependency on costly manual data labeling, ensuring broader applicability and affordability across various healthcare settings.

Development in activities and finances

While expanding its global footprint, Corti managed to control its operating costs, resulting in an operating loss of DKK 124 million in 2024, compared to DKK 79 million in 2023 and a decline in the operating costs to revenue ratio.

Profit/loss for the year in relation to expected developments

The operating loss of DKK 124 million in 2024 was expected and reflects our strategic investments in product development and production efficiency. These investments include efforts to ensure SOC2 compliance and the development of a new, highly accurate LLM model that better understands doctors' clinical conversations in real time.

Uncertainty relating to recognition and measurement

The value of the recognized development projects depends on the Company's ability to continue developing the artificial intelligence (AI) that the company uses in its operations, as well as attracting enough customers to yield the total investment.

Outlook

Sustainable Competitive Advantage

The past 24 months have been pivotal for the ‘AI in healthcare market,’ growing at a compound annual growth rate of over 42%, according to Fortune Business Insights. Although it is still early days, we see the market shaping up as the first AI models demonstrate their value. We believe the winners will be the infrastructure providers capable of delivering AI technology to healthcare vendors without compromising prediction accuracy for safety.

Healthcare, like defense, intelligence, legal, and police sectors, cannot tolerate mistakes. Therefore, using out-of-the-box generic generative artificial intelligence will not lead to long-term success. At Corti, we have been building for this future for seven years. With full ownership of our infrastructure and technology, we are poised to secure a top position in this burgeoning market

Central to our thesis is the ability to build, train, and fine-tune highly specific LLM models tailored for healthcare. These LLMs will automate more of the administrative burden plaguing healthcare and become the autonomous systems the industry has long needed.. Each of these technologies alone is a radical innovation, but combined, they form a unique solution with a deep competitive moat.

Strategic Initiatives

To support this growth, the company is committed to enhancing expertise, skills, and seniority across its Tech and Product teams. This focus ensures team members can maximize their potential while being supported by management responsibilities. Strengthening in-house expertise will also enhance the support provided to commercial and tech teams, creating a robust foundation for sustained growth. Overall, these strategic moves position the company for continued success and expansion in the coming years.

Financial Projections

For FY2025, Corti expects a loss after tax between DKK 120 million and DKK 133 million.

Knowledge resources

Corti’s business objective is to develop and supply state-of-the-art software to healthcare professionals via existing healthcare system and service vendors, which involves specific requirements regarding the intellectual capital needed for product development and sales. In 2023, we restructured our team, resulting in higher staff turnover. However, the retention of qualified staff has been satisfactory.

Research and development activities

Corti’s products and solutions are under continuous development, adapting to changing customer’s and market’s needs. Significant R&D resources focus on developing sustainable solutions for healthcare professionals and new innovative test setups.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2024

	Notes	2024 DKK	2023 DKK
Gross profit/loss	2	**(35,059,906)**	**5,750,326**
Staff costs	3	(70,460,122)	(70,383,592)
Depreciation, amortisation and impairment losses	4	(18,505,651)	(14,796,278)
Operating profit/loss		**(124,025,679)**	**(79,429,544)**
Other financial income	5	37,316,171	5,129,032
Other financial expenses	6	(86,304)	(14,160,900)
Profit/loss before tax		**(86,795,812)**	**(88,461,412)**
Tax on profit/loss for the year	7	4,669,848	4,159,291
Profit/loss for the year	8	**(82,125,964)**	**(84,302,121)**

Consolidated balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Completed development projects	10	72,226,929	68,175,898
Intangible assets	9	**72,226,929**	**68,175,898**
Other fixtures and fittings, tools and equipment		3,103,665	1,694,386
Leasehold improvements		316,528	59,757
Property, plant and equipment	11	**3,420,193**	**1,754,143**
Deposits		3,138,690	785,687
Financial assets	12	**3,138,690**	**785,687**
Fixed assets		**78,785,812**	**70,715,728**
Trade receivables		4,551,983	783,971
Other receivables		4,706,871	2,781,419
Tax receivable	13	4,675,640	4,208,097
Prepayments	14	4,704,182	2,186,286
Receivables		**18,638,676**	**9,959,773**
Cash		**283,867,190**	**408,432,558**
Current assets		**302,505,866**	**418,392,331**
Assets		**381,291,678**	**489,108,059**

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital	15, 16	313,653	313,653
Retained earnings		346,203,288	460,501,602
Equity		**346,516,941**	**460,815,255**
Other payables	17	1,282,196	1,243,643
Deferred income	18	4,229,680	5,935,227
Non-current liabilities other than provisions	19	**5,511,876**	**7,178,870**
Current portion of non-current liabilities other than provisions	19	2,526,135	3,544,610
Trade payables		12,985,197	4,869,151
Other payables	20	7,566,987	7,118,666
Deferred income	21	6,184,542	5,581,507
Current liabilities other than provisions		**29,262,861**	**21,113,934**
Liabilities other than provisions		**34,774,737**	**28,292,804**
Equity and liabilities		**381,291,678**	**489,108,059**

Uncertainty relating to recognition and measurement	1
Unrecognised rental and lease commitments	23
Assets charged and collateral	24
Non-arm’s length related party transactions	25
Group relations	26
Subsidiaries	27

Consolidated statement of changes in equity for 2024

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	313,653	460,501,602	460,815,255
Purchase of treasury shares	0	(29,239,309)	(29,239,309)
Exchange rate adjustments	0	(2,933,041)	(2,933,041)
Profit/loss for the year	0	(82,125,964)	(82,125,964)
Equity end of year	**313,653**	**346,203,288**	**346,516,941**

Consolidated cash flow statement for 2024

	Notes	2024 DKK	2023 DKK
Operating profit/loss		(124,025,679)	(79,429,544)
Amortisation, depreciation and impairment losses		18,505,651	14,796,278
Working capital changes	22	(4,082,452)	(1,765,719)
Cash flow from ordinary operating activities		**(109,602,480)**	**(66,398,985)**
Financial income received		15,782,285	5,129,032
Financial expenses paid		(86,304)	(1,377,044)
Taxes refunded/(paid)		4,202,305	12,797,296
Cash flows from operating activities		**(89,704,194)**	**(49,849,701)**
Acquisition etc. of intangible assets		(21,252,913)	(19,127,715)
Acquisition etc. of property, plant and equipment		(2,969,819)	(1,243,610)
Cash flows from investing activities		**(24,222,732)**	**(20,371,325)**
Free cash flows generated from operations and investments before financing		**(113,926,926)**	**(70,221,026)**
Repayments of loans etc.		0	(11,660,494)
Cash capital increase		0	441,218,237
Costs incurred during change of contributed capital		0	(1,429,154)
Purchase of treasury shares		(29,239,309)	(18,523,728)
Cash flows from financing activities		**(29,239,309)**	**409,604,861**
Increase/decrease in cash and cash equivalents		**(143,166,235)**	**339,383,835**
Cash and cash equivalents beginning of year		408,432,558	84,171,381
Currency translation adjustments of cash and cash equivalents		18,600,867	(15,122,658)
Cash and cash equivalents end of year		**283,867,190**	**408,432,558**
Cash and cash equivalents at year-end are composed of:			
Cash		283,867,190	408,432,558
Cash and cash equivalents end of year		**283,867,190**	**408,432,558**

Notes to consolidated financial statements

1 Uncertainty relating to recognition and measurement

The value of the recognized development projects depends on the Company's ability to continue developing the artificial intelligence (AI) that the company uses in its operations, as well as attracting enough customers, who through the platform generate positive earnings that could yield the total investment.

2 Gross profit/loss

Gross profit includes:
Own work capitalised for DKK 21,253 thousand (2023: DKK 19,128 thousand)
Public grants for DKK 3,329 thousand (2023: DKK 3,681 thousand)

3 Staff costs

	2024 DKK	2023 DKK
Wages and salaries	65,080,050	67,974,288
Pension costs	2,317,886	1,902,458
Other social security costs	3,062,186	506,846
	70,460,122	**70,383,592**

Average number of full-time employees	**82**	**86**

	Remuneration of management 2024 DKK	Remuneration of management 2023 DKK
Total amount for management categories	7,510,115	5,508,082
	7,510,115	**5,508,082**

According to section 98B(3) no.2 of the Danish Financial Statement Act, remuneration to management has been disclosed together under one category, as it otherwise will lead to an individual's remuneration being disclosed.

4 Depreciation, amortisation and impairment losses

	2024 DKK	2023 DKK
Amortisation of intangible assets	17,201,882	14,105,462
Depreciation on property, plant and equipment	1,303,769	690,816
	18,505,651	**14,796,278**

5 Other financial income

	2024 DKK	2023 DKK
Other interest income	15,782,285	5,129,032
Exchange rate adjustments	21,533,886	0
	37,316,171	**5,129,032**

6 Other financial expenses

	2024 DKK	2023 DKK
Other interest expenses	1,377	1,377,044
Exchange rate adjustments	84,927	12,783,856
	86,304	**14,160,900**

7 Tax on profit/loss for the year

	2024 DKK	2023 DKK
Current tax	(4,669,848)	(4,159,291)
	(4,669,848)	**(4,159,291)**

8 Proposed distribution of profit/loss

	2024 DKK	2023 DKK
Retained earnings	(82,125,964)	(84,302,121)
	(82,125,964)	**(84,302,121)**

9 Intangible assets

	Completed development projects DKK
Cost beginning of year	111,083,135
Additions	21,252,913
Cost end of year	**132,336,048**
Amortisation and impairment losses beginning of year	(42,907,237)
Amortisation for the year	(17,201,882)
Amortisation and impairment losses end of year	**(60,109,119)**
Carrying amount end of year	**72,226,929**

10 Development projects

The development projects comprise digital development of an artificial intelligence (AI) which the Company uses in its operations. The AI is used by the Company’s customers and employees. The AI is continuously developed by the Company and put to use, after which amortisation is commenced. As of 31 December 2024 the carrying amount of completed development projects amounts to DKK 72.227 thousand. The amortization period

for completed development projects is set to 7 years. Management has not identified any indication of impairment regarding the carrying amount of completed development projects.
With reference to section 83(2) of the Danish Financial Statement Act, deferred tax is set off against the capitalised costs for development projects in the reserve for development costs under equity.

11 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	3,261,736	228,082
Transfers	228,082	(228,082)
Additions	2,649,819	320,000
Cost end of year	**6,139,637**	**320,000**
Depreciation and impairment losses beginning of year	(1,567,350)	(168,325)
Transfers	(168,325)	168,325
Depreciation for the year	(1,300,297)	(3,472)
Depreciation and impairment losses end of year	**(3,035,972)**	**(3,472)**
Carrying amount end of year	**3,103,665**	**316,528**

12 Financial assets

	Deposits DKK
Cost beginning of year	785,687
Additions	2,353,003
Cost end of year	**3,138,690**
Carrying amount end of year	**3,138,690**

13 Tax receivable

Corporate income tax receivable recognised in the balance sheet relates to applying the Tax Credit Scheme under section 8X of the Danish Tax Assessment Act, by which the Company can get the tax base of tax losses originating from research and development costs. Based on an examination of the criteria for applying the scheme, Management believes the Company is entitled to apply the scheme. Accordingly, the recognition has been based on this assessment. However, whether the criteria for applying the scheme are met is based on an estimate. Consequently, there may be a risk that the tax authorities will deem the criteria unfulfilled. If so, the receivable must be fully or partially reversed in the income statement in the subsequent financial year.

14 Prepayments

Prepayments mainly comprise prepayments of software subscriptions and other smaller costs relating to future periods.

15 Contributed capital

	Number
Common shares	62,201
S shares	27,871
A shares	60,099
A+ shares	75,652
B shares	87,830
	313,653

16 Treasury shares

	Number	Nominal value DKK	Share of contributed capital %	Purchase/ (selling) price DKK
Common shares	6,539	6,539	2.08	29,232,770
Investments acquired	**6,539**	**6,539**	**2.08**	

In 2024, Corti ApS initiated a share buyback authorized by the Board of Directors. Whereby 6,539 shares of the common stock, representing approximately 2.08% of Corti ApS's outstanding shares as of the authorization date where bought back.

During the fiscal year, the Corti ApS repurchased 6,539 shares at an average price of DKK 4,470.53 per share, for a total expenditure of DKK 29.2 million. These repurchases were funded through available cash balances.

17 Other payables

	2024 DKK	2023 DKK
Holiday pay obligation	1,282,196	1,243,643
	1,282,196	**1,243,643**

18 Deferred income

Deferred income comprises deferred income from public grants related to development projects for which the recognition criterias are not met at the balance sheet date.

19 Non-current liabilities other than provisions

	Due within 12 months 2024 DKK	Due within 12 months 2023 DKK	Due after more than 12 months 2024 DKK
Other payables	0	0	1,282,196
Deferred income	2,526,135	3,544,610	4,229,680
	2,526,135	**3,544,610**	**5,511,876**

20 Other payables

	2024 DKK	2023 DKK
VAT and duties	0	24,084
Wages and salaries, personal income taxes, social security costs, etc. payable	6,544,837	6,004,602
Holiday pay obligation	1,022,150	1,089,980
	7,566,987	**7,118,666**

21 Deferred income

Deferred income comprises deferred revenue from customer contracts and deferred income from public grants related to development projects for which the recognition criterias are not met at the balance sheet date.

22 Changes in working capital

	2024 DKK	2023 DKK
Increase/decrease in receivables	(10,564,361)	(1,174,959)
Increase/decrease in trade payables etc.	6,481,909	(590,760)
	(4,082,452)	**(1,765,719)**

23 Unrecognised rental and lease commitments

	2024 DKK	2023 DKK
Total liabilities under rental or lease agreements until maturity	**11,911,064**	**814,741**

24 Assets charged and collateral

None.

25 Non-arm's length related party transactions

The group does not have any related party transactions, other than management renumeration. For information on the remuneration to Management refer to note 3, "Employee expenses".

26 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Corti ApS, Denmark

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Corti ApS, Denmark

27 Subsidiaries

	Registered in	Corporate form	Ownership %
Corti Inc.	United States	Inc.	100.00
Corti America Inc.	United States	Inc.	100.00
Corti AI UK Ltd.	United Kingdom	Ltd.	100.00

Parent income statement for 2024

	Notes	2024 DKK	2023 DKK
Gross profit/loss	2	**(20,187,262)**	**8,681,331**
Staff costs	3	(40,575,962)	(47,187,813)
Depreciation, amortisation and impairment losses	4	(18,463,249)	(14,796,278)
Operating profit/loss		**(79,226,473)**	**(53,302,760)**
Other financial income	5	35,915,413	6,345,245
Other financial expenses	6	(87,741)	(14,283,455)
Profit/loss before tax		**(43,398,801)**	**(61,240,970)**
Tax on profit/loss for the year	7	4,675,640	4,176,476
Profit/loss for the year	8	**(38,723,161)**	**(57,064,494)**

Parent balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Completed development projects	10	72,226,929	68,175,898
Intangible assets	9	**72,226,929**	**68,175,898**
Other fixtures and fittings, tools and equipment		2,884,896	1,694,386
Leasehold improvements		316,528	59,757
Property, plant and equipment	11	**3,201,424**	**1,754,143**
Investments in group enterprises		16	7
Receivables from group enterprises		207,411,585	36,313,968
Deposits		2,825,162	785,687
Financial assets	12	**210,236,763**	**37,099,662**
Fixed assets		**285,665,116**	**107,029,703**
Trade receivables		2,907,511	443,786
Other receivables		4,288,854	2,665,899
Tax receivable	13	4,675,640	4,208,097
Prepayments	14	3,212,221	1,457,464
Receivables		**15,084,226**	**8,775,246**
Cash		**167,076,963**	**406,058,517**
Current assets		**182,161,189**	**414,833,763**
Assets		**467,826,305**	**521,863,466**

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital	15	313,653	313,653
Reserve for development costs		57,869,261	54,709,457
Retained earnings		377,303,103	447,674,713
Equity		**435,486,017**	**502,697,823**
Other payables	16	1,282,196	1,243,643
Deferred income	17	4,229,680	5,935,227
Non-current liabilities other than provisions	18	**5,511,876**	**7,178,870**
Current portion of non-current liabilities other than provisions	18	2,526,135	3,544,610
Trade payables		9,635,561	3,847,490
Payables to group enterprises		9,407,052	0
Other payables	19	2,692,922	3,651,992
Deferred income	20	2,566,742	942,681
Current liabilities other than provisions		**26,828,412**	**11,986,773**
Liabilities other than provisions		**32,340,288**	**19,165,643**
Equity and liabilities		**467,826,305**	**521,863,466**
Uncertainty relating to recognition and measurement	1		
Assets charged and collateral	21		
Non-arm's length related party transactions	22		

Parent statement of changes in equity for 2024

	Contributed capital DKK	Reserve for development costs DKK	Retained earnings DKK	Total DKK
Equity beginning of year	313,653	54,709,457	447,674,713	502,697,823
Purchase of treasury shares	0	0	(29,239,309)	(29,239,309)
Exchange rate adjustments	0	0	750,664	750,664
Transfer to reserves	0	3,159,804	(3,159,804)	0
Profit/loss for the year	0	0	(38,723,161)	(38,723,161)
Equity end of year	**313,653**	**57,869,261**	**377,303,103**	**435,486,017**

Notes to parent financial statements

1 Uncertainty relating to recognition and measurement

The value of the recognized development projects depends on the Company's ability to continue developing the artificial intelligence (AI) that the company uses in its operations, as well as attracting enough customers, who through the platform generate positive earnings that could yield the total investment.

2 Gross profit/loss

Gross profit includes:
Own work capitalised for DKK 21,253 thousand (2023: DKK 19,128 thousand)
Public grants for DKK 3,329 thousand (2023: DKK 3,681 thousand)

3 Staff costs

	2024 DKK	2023 DKK
Wages and salaries	37,192,745	44,778,509
Pension costs	2,258,568	1,902,458
Other social security costs	1,124,649	506,846
	40,575,962	**47,187,813**

Average number of full-time employees	**60**	**64**

	Remuneration of Management 2024 DKK	Remuneration of Management 2023 DKK
Total amount for management categories	7,510,115	5,508,082
	7,510,115	**5,508,082**

Special incentive programmes

According to section 98B(3) no.2 of the Danish Financial Statement Act, remuneration to management has been disclosed together under one category, as it otherwise will lead to an individual’s remuneration being disclosed.

All management renumeration has been paid through other group companies

4 Depreciation, amortisation and impairment losses

	2024 DKK	2023 DKK
Amortisation of intangible assets	17,201,882	14,105,462
Depreciation on property, plant and equipment	1,261,367	690,816
	18,463,249	**14,796,278**

5 Other financial income

	2024 DKK	2023 DKK
Financial income from group enterprises	11,106,172	1,216,213
Other interest income	11,213,509	5,129,032
Exchange rate adjustments	13,595,732	0
	35,915,413	**6,345,245**

6 Other financial expenses

	2024 DKK	2023 DKK
Other interest expenses	31	1,377,044
Exchange rate adjustments	87,710	12,906,411
	87,741	**14,283,455**

7 Tax on profit/loss for the year

	2024 DKK	2023 DKK
Current tax	(4,675,640)	(4,176,476)
	(4,675,640)	**(4,176,476)**

8 Proposed distribution of profit and loss

	2024 DKK	2023 DKK
Retained earnings	(38,723,161)	(57,064,494)
	(38,723,161)	**(57,064,494)**

9 Intangible assets

	Completed development projects DKK
Cost beginning of year	111,083,135
Additions	21,252,913
Cost end of year	**132,336,048**
Amortisation and impairment losses beginning of year	(42,907,237)
Amortisation for the year	(17,201,882)
Amortisation and impairment losses end of year	**(60,109,119)**
Carrying amount end of year	**72,226,929**

10 Development projects

The development projects comprise digital development of an artificial intelligence (AI) which the Company uses in its operations. The AI is used by the Company's customers and employees. The AI is continuously developed by the Company and put to use, after which amortisation is commenced. As of 31 December 2024 the carrying amount of completed development projects amounts to DKK 72,227 thousand. The amortization period for completed development projects is set to 7 years. Management has not identified any indication of impairment regarding the carrying amount of completed development projects.

With reference to section 83(2) of the Danish Financial Statement Act, deferred tax is set off against the capitalised costs for development projects in the reserve for development costs under equity.

11 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	3,261,736	228,082
Transfers	228,082	(228,082)
Additions	2,388,648	320,000
Cost end of year	**5,878,466**	**320,000**
Depreciation and impairment losses beginning of year	(1,567,350)	(168,325)
Transfers	(168,325)	168,325
Depreciation for the year	(1,257,895)	(3,472)
Depreciation and impairment losses end of year	**(2,993,570)**	**(3,472)**
Carrying amount end of year	**2,884,896**	**316,528**

12 Financial assets

	Investments in group enterprises DKK	Receivables from group enterprises DKK	Deposits DKK
Cost beginning of year	7	36,313,968	785,687
Additions	9	171,097,617	2,039,475
Cost end of year	**16**	**207,411,585**	**2,825,162**
Carrying amount end of year	**16**	**207,411,585**	**2,825,162**

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

13 Tax receivable

Corporate income tax receivable recognised in the balance sheet relates to applying the Tax Credit Scheme under section 8X of the Danish Tax Assessment Act, by which the Company can get the tax base of tax losses originating from research and development costs.Based on an examination of the criteria for applying the scheme, Management believes the Company is entitled to apply the scheme. Accordingly, the recognition has been based on this assessment. However, whether the criteria for applying the scheme are met is based on an estimate.

Consequently, there may be a risk that the tax authorities will deem the criteria unfulfilled. If so, the receivable must be fully or partially reversed in the income statement in the subsequent financial year.

14 Prepayments

Prepayments mainly comprise prepayments of software subscriptions and other smaller costs relating to future periods.

15 Treasury shares

	Number	Nominal value DKK	Share of contributed capital %	Purchase/ (selling) price DKK
Common shares	6,539	6,539	2.08	29,232,770
Investments acquired	**6,539**	**6,539**	**2.08**	

In 2024, Corti ApS initiated a share buyback authorized by the Board of Directors. Whereby 6,539 shares of the common stock, representing approximately 2.08% of Corti ApS's outstanding shares as of the authorization date where bought back.

During the fiscal year, the Corti ApS repurchased 6,539 shares at an average price of DKK 4,470.53 per share, for a total expenditure of DKK 29.2 million. These repurchases were funded through available cash balances.

16 Other payables

	2024 DKK	2023 DKK
Holiday pay obligation	1,282,196	1,243,643
	1,282,196	**1,243,643**

17 Deferred income

Deferred income comprises public grants related to development projects for which the recognition criterias are not met at the balance sheet date.

18 Non-current liabilities other than provisions

	Due within 12 months 2024 DKK	Due within 12 months 2023 DKK	Due after more than 12 months 2024 DKK
Other payables	0	0	1,282,196
Deferred income	2,526,135	3,544,610	4,229,680
	2,526,135	**3,544,610**	**5,511,876**

19 Other payables

	2024 DKK	2023 DKK
Wages and salaries, personal income taxes, social security costs, etc. payable	1,670,772	2,562,012
Holiday pay obligation	1,022,150	1,089,980
	2,692,922	**3,651,992**

20 Deferred income

Deferred income comprises deferred revenue from customer contracts and deferred income from public grants related to development projects for which the recognition criterias are not met at the balance sheet date.

21 Assets charged and collateral

None.

22 Non-arm's length related party transactions

Corti ApS' related parties comprises of the following:

Corti ApS has controlling interest and is the ultimate parent of three wholly owned subsidiaries:
Corti Inc. incorporated on Delaware, USA
Corti America Inc. incorporated in Florida, USA
Corti AI UK Limited incorporated in UK

The transactions between Corti ApS and its subsidiaries are presented below.

Transactions with related parties	2024 DKK	2023 DKK
Net sales to group companies	3.350.467	6.196.932
Cost of sales from group companies	0	0
Income from other services from group companies	0	0
Interest income from group companies	11.106.172	1.216.213
Receivables from group companies	207.411.585	34.903.687
Payables to group companies	9.407.052	0

For information on the remuneration to Management refer to note 3, "Staff costs"

Accounting policies

Reporting class
This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement
Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements
The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value

Income statement

Gross profit or loss
Gross profit or loss comprises revenue, own work capitalised, other operating income, costs of sales and external expenses.

Revenue
Revenue from the sale of services is recognised over the contract period. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Own work capitalised
Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

Other operating income
Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including salary refunds.

Cost of sales
Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Other external expenses
Other external expenses include expenses relating to the Entity's normal activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs
Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

Other financial income
Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Intellectual property rights etc.

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 7 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	**1 - 5 years**
Leasehold improvements	**3 - 5 years**

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in hand and bank deposits.

Treasury shares
Acquisition and selling prices and dividends of treasury shares are classified directly as equity in retained earnings. Gains and losses from sale are not recognised in the income statement.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement
The cash flow statement shows cconsolidated cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash.

No cash flow statement has been prepared for the Parent as its cash flows are included in the consolidated cash flow statement, refer to section 86(4) of the Danish Financial Statements Act.