



## Corti ApS

Store Strandstræde 21, 4.  
1255 Copenhagen K  
CVR No. 35669825

## Annual report 01.07.2020 - 30.06.2021

The Annual General Meeting adopted the  
annual report on 10.12.2021

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**Andreas Cleve**

Chairman of the General Meeting

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# Entity details

## Entity

Corti ApS

Store Strandstræde 21, 4.

1255 Copenhagen K

Business Registration No.: 35669825

Registered office: Copenhagen

Financial year: 01.07.2020 - 30.06.2021

## Board of Directors

Lars Marcher, Chairman of the board

Andreas Cleve

Lars Maaløe

Tommy Andersen

Mads Lacoppidan

Guillaume-Alexandre Durao

## Executive Board

Andreas Cleve , CEO

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Corti ApS for the financial year 01.07.2020 - 30.06.2021.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2021 and of the results of its operations for the financial year 01.07.2020 - 30.06.2021.

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, 10.12.2021

## Executive Board

**Andreas Cleve**  
CEO

## Board of Directors

**Lars Marcher**  
Chairman of the board

**Andreas Cleve**

**Lars Maaløe**

**Tommy Andersen**

**Mads Lacoppidan**

**Guillaume-Alexandre Durao**

# Independent auditor's report

## To the shareholders of Corti ApS

### Opinion

We have audited the financial statements of Corti ApS for the financial year 01.07.2020 - 30.06.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2021 and of the results of its operations for the financial year 01.07.2020 - 30.06.2021 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 financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 financial statements

Management is responsible for the preparation of 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing 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 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 financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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 under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 10.12.2021

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Claus Jorch Andersen**

State Authorised Public Accountant  
Identification No (MNE) mne33712

# Management commentary

## Primary activities

The Company's primary activities is developing and selling machine learning, providing accurate diagnostic advice to emergency services, allowing patients to get the right treatment faster.

## Description of material changes in activities and finances

The loss for the year amounts to DKK 13m compared to a loss last year of DKK 8m. The management considers the result as expected.

## Events after the balance sheet date

After the balance sheet date, the company has secured additional equity funding worth DKK 174m. The capital increase is registered 25 August 2021.

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



# Income statement for 2020/21

	Notes	2020/21 DKK	2019/20 DKK
<b>Gross profit/loss</b>		<b>5,453,447</b>	<b>5,171,326</b>
Staff costs	3	(12,751,701)	(7,242,248)
Depreciation, amortisation and impairment losses	4	(7,823,705)	(6,045,064)
<b>Operating profit/loss</b>		<b>(15,121,959)</b>	<b>(8,115,986)</b>
Other financial income	5	242,535	0
Impairment losses on financial assets		(966,348)	0
Other financial expenses	6	(993,648)	(1,380,589)
<b>Profit/loss before tax</b>		<b>(16,839,420)</b>	<b>(9,496,575)</b>
Tax on profit/loss for the year	7	4,258,909	1,579,000
<b>Profit/loss for the year</b>		<b>(12,580,511)</b>	<b>(7,917,575)</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		(12,580,511)	(7,917,575)
<b>Proposed distribution of profit and loss</b>		<b>(12,580,511)</b>	<b>(7,917,575)</b>

# Balance sheet at 30.06.2021

## Assets

	Notes	2020/21 DKK	2019/20 DKK
Completed development projects	9	46,061,453	41,106,026
Development projects in progress	9	399,547	85,324
<b>Intangible assets</b>	<b>8</b>	<b>46,461,000</b>	<b>41,191,350</b>
Other fixtures and fittings, tools and equipment		763,557	334,634
Leasehold improvements		170,906	17,340
<b>Property, plant and equipment</b>	<b>10</b>	<b>934,463</b>	<b>351,974</b>
Investments in group enterprises		7	7
Receivables from group enterprises		0	2,732
Deposits		692,820	677,665
<b>Financial assets</b>	<b>11</b>	<b>692,827</b>	<b>680,404</b>
<b>Fixed assets</b>		<b>48,088,290</b>	<b>42,223,728</b>
Trade receivables		2,266,041	4,060,182
Other receivables		482,431	944,752
Prepayments		0	22,223
<b>Receivables</b>		<b>2,748,472</b>	<b>5,027,157</b>
<b>Cash</b>		<b>6,796,197</b>	<b>18,640,380</b>
<b>Current assets</b>		<b>9,544,669</b>	<b>23,667,537</b>
<b>Assets</b>		<b>57,632,959</b>	<b>65,891,265</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2020/21 DKK</b>	<b>2019/20 DKK</b>
Contributed capital	12	146,282	146,282
Reserve for development expenditure		36,239,580	32,129,253
Retained earnings		(15,171,463)	1,519,375
<b>Equity</b>		<b>21,214,399</b>	<b>33,794,910</b>
Deferred tax		398,000	3,487,000
<b>Provisions</b>		<b>398,000</b>	<b>3,487,000</b>
Debt to other credit institutions		9,914,103	9,035,001
Deposits		0	65,000
Other payables		2,070,855	1,013,453
Deferred income		13,364,134	11,929,488
<b>Non-current liabilities other than provisions</b>	13	<b>25,349,092</b>	<b>22,042,942</b>
Current portion of non-current liabilities other than provisions	13	3,363,571	2,487,073
Bank loans		1,213	0
Deposits		65,000	0
Trade payables		830,182	444,373
Other payables	14	4,830,282	1,739,486
Deferred income		1,581,220	1,895,481
<b>Current liabilities other than provisions</b>		<b>10,671,468</b>	<b>6,566,413</b>
<b>Liabilities other than provisions</b>		<b>36,020,560</b>	<b>28,609,355</b>
<b>Equity and liabilities</b>		<b>57,632,959</b>	<b>65,891,265</b>
Events after the balance sheet date	1		
Uncertainty relating to recognition and measurement	2		
Unrecognised rental and lease commitments	15		

# Statement of changes in equity for 2020/21

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	146,282	32,129,253	1,519,375	33,794,910
Transfer to reserves	0	4,110,327	(4,110,327)	0
Profit/loss for the year	0	0	(12,580,511)	(12,580,511)
<b>Equity end of year</b>	<b>146,282</b>	<b>36,239,580</b>	<b>(15,171,463)</b>	<b>21,214,399</b>

# Notes

## 1 Events after the balance sheet date

After the balance sheet date, the company has secured additional equity funding worth DKK 174m. The capital increase is registered 25 August 2021.

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

## 2 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.

The management believes that the company will succeed in doing so in the coming years.

## 3 Staff costs

	2020/21 DKK	2019/20 DKK
Wages and salaries	19,453,577	13,203,151
Pension costs	138,416	50,921
Other social security costs	267,549	190,987
Other staff costs	4,012,741	928,065
	<b>23,872,283</b>	<b>14,373,124</b>
Staff costs classified as assets	(11,120,582)	(7,130,876)
	<b>12,751,701</b>	<b>7,242,248</b>
Average number of full-time employees	35	27

## 4 Depreciation, amortisation and impairment losses

	2020/21 DKK	2019/20 DKK
Amortisation of intangible assets	7,615,114	5,914,501
Depreciation of property, plant and equipment	208,591	130,563
	<b>7,823,705</b>	<b>6,045,064</b>

## 5 Other financial income

	2020/21 DKK	2019/20 DKK
Exchange rate adjustments	242,535	0
	<b>242,535</b>	<b>0</b>

## 6 Other financial expenses

	2020/21 DKK	2019/20 DKK
Other interest expenses	993,648	1,143,448
Exchange rate adjustments	0	237,141
	<b>993,648</b>	<b>1,380,589</b>

## 7 Tax on profit/loss for the year

	2020/21 DKK	2019/20 DKK
Change in deferred tax	(3,089,000)	(2,381,000)
Adjustment concerning previous years	(1,169,909)	802,000
	<b>(4,258,909)</b>	<b>(1,579,000)</b>

## 8 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	47,020,527	85,324
Additions	12,570,541	314,223
<b>Cost end of year</b>	<b>59,591,068</b>	<b>399,547</b>
Amortisation and impairment losses beginning of year	(5,914,501)	0
Amortisation for the year	(7,615,114)	0
<b>Amortisation and impairment losses end of year</b>	<b>(13,529,615)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>46,061,453</b>	<b>399,547</b>

## 9 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. The management is of the opinion that it is technically possible to complete the development projects in progress.

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.

## 10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	644,027	28,900
Additions	591,898	199,182
<b>Cost end of year</b>	<b>1,235,925</b>	<b>228,082</b>
Depreciation and impairment losses beginning of year	(309,393)	(11,560)
Depreciation for the year	(162,975)	(45,616)
<b>Depreciation and impairment losses end of year</b>	<b>(472,368)</b>	<b>(57,176)</b>
<b>Carrying amount end of year</b>	<b>763,557</b>	<b>170,906</b>

## 11 Financial assets

	Investments in group enterprises DKK	Receivables from group enterprises DKK	Deposits DKK
Cost beginning of year	7	2,732	677,665
Additions	0	963,616	15,155
<b>Cost end of year</b>	<b>7</b>	<b>966,348</b>	<b>692,820</b>
Impairment losses for the year	0	(966,348)	0
<b>Impairment losses end of year</b>	<b>0</b>	<b>(966,348)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>7</b>	<b>0</b>	<b>692,820</b>

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Corti Inc.	United States	Inc	100

## 12 Share capital

	Number	Par value DKK	Nominal value DKK
Common shares	62,201	1	62,201
A shares	27,871	1	27,871
A+ shares	56,210	1	56,210
	<b>146,282</b>		<b>146,282</b>

**13 Non-current liabilities other than provisions**

	Due within 12 months 2020/21 DKK	Due within 12 months 2019/20 DKK	Due after more than 12 months 2020/21 DKK	Outstanding after 5 years 2020/21 DKK
Debt to other credit institutions	0	0	9,914,103	0
Other payables	0	0	2,070,855	0
Deferred income	3,363,571	2,487,073	13,364,134	1,043,348
	<b>3,363,571</b>	<b>2,487,073</b>	<b>25,349,092</b>	<b>1,043,348</b>

**14 Other payables**

	2020/21 DKK	2019/20 DKK
Wages and salaries, personal income taxes, social security costs, etc payable	1,513,820	1,484,220
Holiday pay obligation	1,500,000	250,000
Other costs payable	1,816,462	5,266
	<b>4,830,282</b>	<b>1,739,486</b>

**15 Unrecognised rental and lease commitments**

	2020/21 DKK	2019/20 DKK
Liabilities under rental or lease agreements until maturity in total	3,375,419	4,717,129



# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

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

## Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

## 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.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

### **Public grants**

Public grants are recognised when a final commitment has been received from the grantor and it is probable that the conditions of the grant will be fulfilled. Grants are recognised as income in the income statement as earned. Grants awarded for acquisition of assets are recognised as deferred income in the balance sheet, which is taken to income on a straight-line basis over the useful life of the asset.

### **Income statement**

#### **Gross profit or loss**

Gross profit or loss comprises revenue, changes in inventories of finished goods, other operating income 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.

#### **Other operating income**

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

#### **Cost of sales**

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

#### **Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary 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 salaries and wages, and social security contributions, pension contributions, etc for entity staff.

#### **Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to equipment, leasehold improvements and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and equipment.

#### **Other financial income**

Other financial income comprises of exchange gains on payables and transactions in foreign currencies

**Impairment losses on financial assets**

Impairment losses on financial assets comprise impairment losses on financial assets which are not measured at fair value on a current basis.

**Other financial expenses**

Other financial expenses comprise interest expenses, 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 under 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 of 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 and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

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:

Other fixtures and fittings, tools and equipment	3-5 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.

**Prepayments**

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

**Cash**

Cash comprises bank deposits.

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

**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.