
Monsenso ApS

Rued Langgaards Vej 7, DK-2300 Copenhagen S

Annual Report for 1 January - 31 December 2016

CVR No 35 51 73 91

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
21/4 2017

Thomas Lethenborg
Chairman



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Monsenso ApS for the financial year 1 January - 31 December 2016.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2016 of the Company and of the results of the Company operations for 2016.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen S, 16 March 2017

Executive Board

Thomas Lethenborg
CEO

Board of Directors

Formand Thomas Knudsen
Chairman

Jakob Eyvind Bardram

Jeppe Øvli Øvlesen

Michael Palm Andersen

Independent Auditor's Report

To the Shareholders of Monsenso ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Monsenso ApS for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We are independent of the Company in accordance with the International Ethics Standards Board for 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

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 misstate-

Independent Auditor's Report

ment, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 judgment and maintain professional skepticism 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 Company'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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a

Independent Auditor's Report

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.

Hellerup, 16 March 2017

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Niels Henrik B. Mikkelsen

statsautoriseret revisor

Company Information

The Company

Monsenso ApS
Rued Langgaards Vej 7
DK-2300 Copenhagen S

CVR No: 35 51 73 91
Financial period: 1 January - 31 December
Municipality of reg. office: København S

Board of Directors

Thomas Knudsen, Chairman
Jakob Eyvind Bardram
Jeppe Øvli Øvlesen
Michael Palm Andersen

Executive Board

Thomas Lethenborg

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Financial Statements of Monsenso ApS for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Annual Report has been prepared under the same accounting policies as last year.

Main activity

The company's purpose is the development and operation, as well as consulting for healthcare IT and related services.

Development in the year

Monsenso is pleased with its development during 2016 showing a revenue of DKK 5,248k, a loss of DKK 2,662k, and at December 31 the balance of the company show equity of DKK 6,171k

During 2016, Monsenso has further developed its mHealth solution for mental disorders to comprise depression, bipolar, anxiety, schizophrenia, depression, borderline personality disorder and PTSD. As part of a Market Development Fund project, the solution was CE class 1 marked and Monsenso was ISO 13485 certified.

Monsenso entered into new customer contracts with Danish and UK customers as well as the first Australian, Norwegian, Swedish and German customers. Further progress was made in the clinical segment as well as with the pharmaceutical sector and the insurance sector.

Moreover, the Danish Innovation Fund committed to fund two new research projects: The first one is the RADMIS project with Capital Region of Denmark and Technical University of Denmark: A research project focusing on documenting a reduction in readmission rates for patients with bipolar and depression when using cognitive behavioural therapy on a mobile device. The second one is the ENTER project with Region South Denmark, University of South Denmark and Aalborg University through which Monsenso is developing its solution to include a mobile coaching functionality for borderline personality disorder. In addition, a clinical feasibility study for anxiety will be made. These are all important steps to take the Monsenso solution to the next level and to continue to produce the necessary clinical and economic evidence for the solution.

Research and development efforts were intensified beyond the Innovation Fund projects, and at the end of the year, Monsenso was involved in 10 research projects.

In September, Monsenso raised capital to support future growth from existing investors and employees showing confidence in the business.

At the end of the period, 19 full-time equivalent people were employed.

Management's Review

Expectations for 2017

Monsenso's development has continued during the first part of 2017 with a contract with an Italian partner to deliver services to a project in Italy and Spain. Monsenso also got commitment letter for a Eurostars grant in partnership with Region Zealand, Uni Hamburg and Time4You.

Through these projects and other customer and research engagements, Monsenso expects to speed up its technical and commercial development and gradually move from being a monitoring and visualisation platform to becoming an intelligent prevention, treatment and prediction platform that is marketed globally.

All with the aim to provide better mental health to more people at lower costs.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement

1 January - 31 December 2016

	Note	2016 DKK	2015 DKK
Revenue		5.247.607	1.298.101
Other operating income		1.225.000	583.143
Other external expenses		<u>-3.154.173</u>	<u>-1.472.215</u>
Gross profit/loss		3.318.434	409.029
Staff expenses	1	-6.119.840	-1.760.011
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	<u>-605.162</u>	<u>-225.696</u>
Profit/loss before financial income and expenses		-3.406.568	-1.576.678
Financial income		7.166	0
Financial expenses		<u>-11.356</u>	<u>0</u>
Profit/loss before tax		-3.410.758	-1.576.678
Tax on profit/loss for the year	3	<u>748.637</u>	<u>389.918</u>
Net profit/loss for the year		<u>-2.662.121</u>	<u>-1.186.760</u>

Distribution of profit

	2016 DKK	2015 DKK
Proposed distribution of profit		
Retained earnings	<u>-2.662.121</u>	<u>-1.186.760</u>
	<u>-2.662.121</u>	<u>-1.186.760</u>

Balance Sheet 31 December

Assets

	Note	2016 DKK	2015 DKK
Completed development projects		1.806.610	716.739
Acquired licenses		183.858	224.714
Software		200.744	234.673
Goodwill		200.744	234.673
Development projects in progress		2.643.064	1.586.319
Intangible assets	4	5.035.020	2.997.118
Deposits		33.290	33.290
Fixed asset investments	5	33.290	33.290
Fixed assets		5.068.310	3.030.408
Trade receivables		1.531.192	3.967.813
Other receivables		34.605	8.990
Corporation tax		771.189	428.597
Prepayments		1.800	0
Receivables		2.338.786	4.405.400
Cash at bank and in hand		3.307.730	2.822.995
Currents assets		5.646.516	7.228.395
Assets		10.714.826	10.258.803

Balance Sheet 31 December

Liabilities and equity

	Note	2016 DKK	2015 DKK
Share capital		819.311	737.360
Share premium account		8.664.925	5.412.640
Reserve for development costs		2.061.590	0
Other reserves		57.343	57.343
Retained earnings		-5.432.328	-708.617
Equity	6	6.170.841	5.498.726
Provision for deferred tax		334.182	311.630
Provisions		334.182	311.630
Trade payables		461.983	446.719
Payables to owners and Management		0	4.132
Other payables		1.291.925	1.297.596
Deferred income		2.455.895	2.700.000
Short-term debt		4.209.803	4.448.447
Debt		4.209.803	4.448.447
Liabilities and equity		10.714.826	10.258.803
Contingent assets, liabilities and other financial obligations	7		

Statement of Changes in Equity

	Share capital	Share premium account	Reserve for development costs	Other reserves	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	737.360	5.412.640	0	57.343	-708.617	5.498.726
Cash capital increase	81.951	3.252.285	0	0	0	3.334.236
Development costs for the year	0	0	2.061.590	0	-2.061.590	0
Net profit/loss for the year	0	0	0	0	-2.662.121	-2.662.121
Equity at 31 December	819.311	8.664.925	2.061.590	57.343	-5.432.328	6.170.841

Notes to the Financial Statements

	2016	2015
	DKK	DKK
1 Staff expenses		
Wages and salaries	7.539.215	3.039.914
Pensions	72.000	0
Other social security expenses	130.362	12.155
Other staff expenses	149.369	78.554
	7.890.946	3.130.623
Transfer to development projects in progress	-1.771.106	-1.370.612
	6.119.840	1.760.011
Average number of employees	22	15
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Amortisation of intangible assets	537.304	220.042
Impairment of intangible assets	67.858	5.654
	605.162	225.696
3 Tax on profit/loss for the year		
Current tax for the year	-771.189	-428.597
Deferred tax for the year	22.552	38.679
	-748.637	-389.918

Notes to the Financial Statements

4 Intangible assets

	Completed development projects	Acquired licenses	Software	Goodwill	Development projects in progress	Total
	DKK	DKK	DKK	DKK	DKK	DKK
Cost at 1 January	895.924	286.000	237.500	237.500	1.586.319	3.243.243
Additions for the year	0	0	0	0	2.643.064	2.643.064
Transfers for the year	1.586.319	0	0	0	-1.586.319	0
Cost at 31 December	<u>2.482.243</u>	<u>286.000</u>	<u>237.500</u>	<u>237.500</u>	<u>2.643.064</u>	<u>5.886.307</u>
Impairment losses and amortisation at 1 January	179.185	61.286	2.827	2.827	0	246.125
Amortisation for the year	496.448	40.856	33.929	33.929	0	605.162
Impairment losses and amortisation at 31 December	<u>675.633</u>	<u>102.142</u>	<u>36.756</u>	<u>36.756</u>	<u>0</u>	<u>851.287</u>
Carrying amount at 31 December	<u>1.806.610</u>	<u>183.858</u>	<u>200.744</u>	<u>200.744</u>	<u>2.643.064</u>	<u>5.035.020</u>
Amortised over	<u>5 years</u>	<u>7 years</u>	<u>7 years</u>	<u>7 years</u>		

Development projects relate to the development of new versions of the Company's software products. The projects include the general, ongoing product development as well as the larger projects related to development of carer module, a more scalable patient-centric version of the solution. The projects are progressing according to plan through the use of the resources allocated by Management to development. The software is expected to be sold in the present and new markets to the Company's existing and new customers.

Notes to the Financial Statements

5 Fixed asset investments

	Deposits DKK
Cost at 1 January	33.290
Cost at 31 December	33.290
Impairment losses at 1 January	0
Impairment losses at 31 December	0
Carrying amount at 31 December	33.290

6 Equity

The share capital consists of 819,311 shares of a nominal value of DKK 1. No shares carry any special rights.

The share capital has developed as follows:

	2016 DKK	2015 DKK	2014 DKK	2013 DKK	2012 DKK
Share capital at 1 January	737.360	561.798	500.000	0	0
Capital increase	81.951	175.562	61.798	0	0
Capital decrease	0	0	0	0	0
Share capital at 31 December	819.311	737.360	561.798	0	0

7 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

	2016 DKK	2015 DKK
Rental commitments, non-termination period of 6 months.	53.264	53.264

Notes, Accounting Policies

Basis of Preparation

The Annual Report of Monsenso ApS for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2016 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other operating income

Other operating income invoices grants received by the Company.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Other external expenses also include research and development costs that do not qualify for capitalisa-

Notes, Accounting Policies

tion.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses other than production wages.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Intangible assets

Development projects, patents and licences

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item "Reserve for development costs". The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amorti-

Notes, Accounting Policies

sation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5 years.

Patents and licences are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Patents are amortised over the remaining patent period or a shorter useful life. The amortisation period is 7 years. Software licences are amortised over the period of the agreement, which is 7 years.

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 7 years, determined on the basis of Management's experience with the individual business areas.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes

Notes, Accounting Policies

in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.