
Monsenso ApS

Rued Langgaards Vej 7, DK-2300 København S

Annual Report for 1 January - 31 December 2015

CVR No 35 51 73 91

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
19/5 2016

Carsten Lorentzen
Chairman



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Management's Statement

The Executive and Supervisory Boards have today considered and adopted the Annual Report of Monsenso ApS for the financial year 1 January - 31 December 2015.

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 2015 of the Company and of the results of the Company operations for 2015.

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.

København S, 19 May 2016

Executive Management

Thomas Lethenborg
CEO

Board of Directors

Thomas Knudsen
Chairman

Jakob Eyvind Bardram

Jeppe Øvli Øvlesen

Carsten Lorentzen

Independent Auditor's Report on the Financial Statements

To the Shareholders of Monsenso ApS

Report on the Financial Statements

We have audited the Financial Statements of Monsenso ApS for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report on the Financial Statements

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Hellerup, 19 May 2016

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 København 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
Carsten Lorentzen

Executive Management

Thomas Lethenborg

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

The Annual Report of Monsenso ApS for 2015 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, operation, and consulting for healthcare IT and related services.

Development in the year

Monsenso is pleased with the development during its second accounting period with a revenue of DKK 1,881,244, a loss of DKK 1,186,760 and until December 31, the balance of the company shows equity of DKK 5,498,726.

During that period, Monsenso has developed its mHealth solution for mental disorders to comprise bipolar, schizophrenia, depression, borderline personality disorder and PTSD.

Early 2015, Monsenso raised DKK 5M from a broad range of private investors showing confidence in the business. In addition, the Danish Market Development Fund chose to support Monsenso and our partners Capital Region of Denmark and Central Denmark Region to CE mark, ISO 27001 and ISO 13485 certify the solution and processes around it.

Monsenso made customer contracts with Capital Region of Denmark, Region North Denmark, Region South Denmark, and Veteran Centre of Danish Defence, in addition to its first international clients for the rollout of the solution in the UK for St. Andrews Health Care and in Australia in collaboration with Lundbeck. A number of partnerships were made internationally as well.

Research and development efforts were intensified during the year and in December the activities of DayBuilder Solutions – a Danish competitor – were acquired.

At the end of the period, 15 full-time equivalent people were employed, and the company had developed from a start-up to be a professionally led business ready for international commercialisation.

Expectations for 2016

Monsenso's development has continued during the first part of 2016 with signature of agreement with Region Zealand to implement the solution for borderline personality disorder in three clinics.

Moreover, The Danish Innovation Fund has 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

Management's Review

when using context-sensitive cognitive behavioural therapy on a mobile device.

The second one is the E-MENTAL 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 to assess the clinical and economic outcomes of such an intervention. In addition, a feasibility study for anxiety will be made in a clinical setting.

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 it.

As a result of the project supported by Danish Market Development Fund, the solution was CE marked in February 2016.

Through these projects and other customer and research engagements, Monsenso expects to speed up development, so that the solution embraces more mental illness areas and gradually moves from being a monitoring and visualisation platform to becoming an intelligent, automated treatment platform that is marketed more broadly – domestically as well as internationally. All with the aim to reach more people with better treatment 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 2015

	Note	2015 DKK	2014 DKK
Revenue		1.881.244	897.029
Expenses for raw materials and consumables		0	-9.526
Other external expenses		-1.472.215	-232.325
Gross profit/loss		409.029	655.178
Staff expenses	1	-1.760.011	-19.861
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-225.696	-20.429
Profit/loss before financial income and expenses		-1.576.678	614.888
Financial income		0	271
Financial expenses		0	-8
Profit/loss before tax		-1.576.678	615.151
Tax on profit/loss for the year	3	389.918	-137.008
Net profit/loss for the year		-1.186.760	478.143

Distribution of profit

	2015 DKK	2014 DKK
Proposed distribution of profit		
Proposed dividend for the year	0	0
Retained earnings	-1.186.760	478.143
	-1.186.760	478.143

Balance Sheet 31 December

Assets

	Note	2015 DKK	2014 DKK
Completed development projects		716.739	0
Acquired licenses		224.714	265.571
Software		234.673	0
Goodwill		234.673	0
Development projects in progress		1.586.319	895.924
Intangible assets	4	2.997.118	1.161.495
Deposits		33.290	33.290
Fixed asset investments	5	33.290	33.290
Fixed assets		3.030.408	1.194.785
Trade receivables		3.967.813	138.034
Other receivables		8.990	6.175
Corporation tax		428.597	135.943
Receivables		4.405.400	280.152
Cash at bank and in hand		2.822.995	676.924
Currents assets		7.228.395	957.076
Assets		10.258.803	2.151.861

Balance Sheet 31 December

Liabilities and equity

	Note	2015 DKK	2014 DKK
Share capital		737.360	561.798
Share premium account		5.412.640	588.202
Other reserves		57.343	0
Retained earnings		-708.617	478.143
Equity	6	5.498.726	1.628.143
Provision for deferred tax		311.630	272.951
Provisions		311.630	272.951
Prepayments received from customers		0	52.000
Trade payables		446.719	72.244
Payables to owners and Management		4.132	2.295
Other payables		1.297.596	124.228
Deferred income		2.700.000	0
Short-term debt		4.448.447	250.767
Debt		4.448.447	250.767
Liabilities and equity		10.258.803	2.151.861
Contingent assets, liabilities and other financial obligations	7		

Notes to the Financial Statements

	2015 <u>DKK</u>	2014 <u>DKK</u>
1 Staff expenses		
Wages and salaries	1.669.302	0
Other social security expenses	12.155	1.298
Other staff expenses	<u>-1.292.058</u>	<u>-681.378</u>
	389.399	-680.080
Transfer to development projects	<u>1.370.612</u>	<u>699.941</u>
	1.760.011	19.861
Average number of employees	<u>15</u>	<u>5</u>
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Amortisation of intangible assets	220.042	20.429
Impairment of intangible assets	<u>5.654</u>	<u>0</u>
	225.696	20.429
3 Tax on profit/loss for the year		
Current tax for the year	-428.597	-135.943
Deferred tax for the year	<u>38.679</u>	<u>272.951</u>
	-389.918	137.008

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	0	286.000	0	0	895.924	1.181.924
Additions for the year	0	0	237.500	237.500	1.586.319	2.061.319
Transfers for the year	895.924	0	0	0	-895.924	0
Cost at 31 December	895.924	286.000	237.500	237.500	1.586.319	3.243.243
Impairment losses and amortisation at 1 January	0	20.429	0	0	0	20.429
Amortisation for the year	179.185	40.857	2.827	2.827	0	225.696
Impairment losses and amortisation at 31 December	179.185	61.286	2.827	2.827	0	246.125
Carrying amount at 31 December	716.739	224.714	234.673	234.673	1.586.319	2.997.118
Amortised over	5 years	7 years	5 years	5 years		

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

Notes to the Financial Statements

6 Equity

	Share capital	Share premium account	Other reserves	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	561.798	588.202	0	478.143	1.628.143
Cash capital increase	175.562	4.824.438	0	0	5.000.000
Transfers, reserves	0	0	57.343	0	57.343
Net profit/loss for the year	0	0	0	-1.186.760	-1.186.760
Equity at 31 December	737.360	5.412.640	57.343	-708.617	5.498.726

The share capital consists of 737,360 shares of a nominal value of DKK 1. No shares carry any special rights.

The share capital has developed as follows:

	2015	2014	2013	2012	2011
	DKK	DKK	DKK	DKK	DKK
Share capital at 1 January	561.798	500.000	0	0	0
Capital increase	175.562	61.798	0	0	0
Capital decrease	0	0	0	0	0
Share capital at 31 December	737.360	561.798	0	0	0

7 Contingent assets, liabilities and other financial obligations

Rental agreements and leases

	2015	2014
	DKK	DKK
Rental commitments, non-termination period of 6 months.	53.264	53.264

Accounting Policies

Basis of Preparation

Financial Statements of Monsenso ApS for 2015 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.

Financial Statements for 2015 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 in the income statement when delivery and transfer of risk to the buyer have been made before year end.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

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 capitalisation.

Accounting Policies

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.

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. Development projects for which it is not possible to reliably estimate useful life are amortised over 5

Accounting Policies

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 5 years. Software licences are amortised over the period of the agreement, which is 5 years.

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience with the individual business areas. If it is not possible to reliably estimate useful life the amortisation period is 5 years. interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the onaccount taxation scheme.

Receivables

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

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

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, including the tax base of tax loss carry-forwards, 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 in deferred tax due to changes to tax rates are recognised in the income statement.

Accounting Policies

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

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