
Monsenso ApS

Langelinie Allé 47, DK-2100 København Ø

Annual Report for 1 January - 31 December 2018

CVR No 35 51 73 91

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
2 /5 2019

Thomas Lethenborg
Chairman of the General
Meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Company Information	
Company Information	5
Management's Review	6
Financial Statements	
Income Statement 1 January - 31 December 2018	8
Balance Sheet 31 December	9
Statement of Changes in Equity	11
Notes to the Financial Statements	12

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 2018.

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 2018 of the Company and of the results of the Company operations for 2018.

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, 13 March 2019

Executive Board

Thomas Lethenborg
CEO

Board of Directors

Jukka Pekka Pertola
Chairman

Jakob Eyvind Bardram

Thomas Knudsen

Jeppe Øvli Øvlesen

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 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 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 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the 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 Statements 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 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 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

Independent Auditor's Report

disclosures, 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.

Hellerup, 13 March 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Niels Henrik B. Mikkelsen

statsautoriseret revisor

mne16675

Company Information

The Company

Monsenso ApS
Langelinie Allé 47
DK-2100 København Ø

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

Board of Directors

Jukka Pekka Pertola, Chairman
Jakob Eyvind Bardram
Thomas Knudsen
Jeppe Øvli Øvlesen

Executive Board

Thomas Lethenborg

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Financial Statements of Monsenso ApS for 2018 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.

Key activities

The company's purpose is to develop, operate and provide consultancy for healthcare IT and related services.

Development in the year

2018 showed a revenue of DKK 7.502.701, a profit of DKK -2.087.280, and at December 31 the balance of the company shows equity of DKK 3.817.875.

Monsenso is pleased with its development during 2018 showing a 17% increase in revenue, significant product development, and signing a range of new customer and research projects.

In 2018, Monsenso signed new customer contracts with customers and partners across Northern Europe, US and Australia. These customers and partners will use the mobile health solution in clinical practice and in pilot projects with both public and private psychology and psychiatry practices. The contracts include partnerships with a global pharmaceutical in Europe, with a personalised medicine company US and with a telemedicine technology provider Australia as well as a range of agreements with health regions/trusts, universities and municipalities.

In 2018, Monsenso progressed its IMPACHS research project in schizophrenia funded by the Eurostars programme as well as its ENTER and RADMIS research projects aimed at supporting treatment of anxiety, borderline, depression and bipolar, which are funded by Innovation Fund Denmark. Monsenso also started new research projects funded by Horizon 2020 programme with leading European research consortia. These projects include WellCo, ECoWeB and R-LiNK projects through which additional product features such as CBT, psychoeducation, personalised prevention, and medication adherence tracking will be developed.

The clinical implementations, pilots and research projects now span 9 countries and 7 languages with more to come as the pan-European projects are going in operation during 2019. Important new features were added to Monsenso's product including support of new disorders such as alcohol addiction, opioid addiction, OCD and BDS. Psychoeducation and cognitive behavioural therapy programmes were developed for schizophrenia adding to the already available content available for depression, bipolar and borderline personality disorder.

Monsenso received recertification according to ISO13485 complementing its existing ISO 27001 information security certification.

Management's Review

Monsenso raised additional capital from existing investors.

On average, 13 full-time equivalent people were employed in 2018.

Expectations for 2019

Monsenso expects to continue its commercial and technical development during 2019 through new and existing commercial and research engagements 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 2018

	Note	2018 DKK	2017 DKK
Revenue		7.502.701	6.423.260
Work on own account recognised in assets		1.323.418	3.061.596
Other operating income		225.000	562.108
Other external expenses		-2.045.233	-3.006.828
Gross profit/loss		7.005.886	7.040.136
Staff expenses	1	-6.791.746	-9.993.925
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-2.386.998	-1.137.487
Profit/loss before financial income and expenses		-2.172.858	-4.091.276
Financial income		10.937	112
Financial expenses		-505.417	-217.660
Profit/loss before tax		-2.667.338	-4.308.824
Tax on profit/loss for the year	3	580.058	947.924
Net profit/loss for the year		-2.087.280	-3.360.900

Distribution of profit

Proposed distribution of profit

Retained earnings		-2.087.280	-3.360.900
		-2.087.280	-3.360.900

Balance Sheet 31 December

Assets

	Note	2018 DKK	2017 DKK
Completed development projects		6.304.727	3.424.610
Acquired licenses		102.141	142.998
Software		0	166.820
Goodwill		0	166.820
Development projects in progress		2.023.279	4.881.473
Intangible assets	4	8.430.147	8.782.721
Other fixtures and fittings, tools and equipment		40.866	52.011
Property, plant and equipment	5	40.866	52.011
Deposits		96.928	109.724
Fixed asset investments	6	96.928	109.724
Fixed assets		8.567.941	8.944.456
Trade receivables		1.236.204	696.525
Receivables from group enterprises		1.073.080	0
Other receivables		45.824	79.939
Corporation tax		443.727	1.073.084
Prepayments		26.411	23.826
Receivables		2.825.246	1.873.374
Cash at bank and in hand		1.823.901	5.332.885
Currents assets		4.649.147	7.206.259
Assets		13.217.088	16.150.715

Balance Sheet 31 December

Liabilities and equity

	Note	2018 DKK	2017 DKK
Share capital		921.609	862.222
Share premium account		11.657.841	10.716.996
Reserve for development costs		6.026.003	4.757.589
Other reserves		57.343	57.343
Retained earnings		<u>-14.844.921</u>	<u>-11.489.227</u>
Equity	7	<u>3.817.875</u>	<u>4.904.923</u>
Provision for deferred tax		<u>323.007</u>	<u>463.662</u>
Provisions		<u>323.007</u>	<u>463.662</u>
Mortgage loans		<u>3.598.115</u>	<u>4.002.574</u>
Long-term debt	8	<u>3.598.115</u>	<u>4.002.574</u>
Mortgage loans	8	404.459	0
Trade payables		131.539	205.794
Other payables		921.270	2.033.643
Deferred income		<u>4.020.823</u>	<u>4.540.119</u>
Short-term debt		<u>5.478.091</u>	<u>6.779.556</u>
Debt		<u>9.076.206</u>	<u>10.782.130</u>
Liabilities and equity		<u>13.217.088</u>	<u>16.150.715</u>
Contingent assets, liabilities and other financial obligations	9		
Accounting Policies	10		

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	862.222	10.716.996	4.757.589	57.343	-11.489.227	4.904.923
Development costs, adjustment previous year	0	0	1.111.550	0	-1.111.550	0
Cash capital increase	59.387	940.845	0	0	0	1.000.232
Development costs for the year	0	0	1.578.158	0	-1.578.158	0
Depreciation, development costs	0	0	-1.421.294	0	1.421.294	0
Net profit/loss for the year	0	0	0	0	-2.087.280	-2.087.280
Equity at 31 December	921.609	11.657.841	6.026.003	57.343	-14.844.921	3.817.875

Notes to the Financial Statements

	2018	2017
	DKK	DKK
1 Staff expenses		
Wages and salaries	6.463.766	9.501.995
Pensions	268.531	199.211
Other social security expenses	103.116	126.551
Other staff expenses	-43.667	166.168
	6.791.746	9.993.925
Average number of employees	13	17
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Amortisation of intangible assets	2.042.213	1.065.924
Depreciation of property, plant and equipment	11.145	3.715
Impairment of intangible assets	333.640	67.848
	2.386.998	1.137.487
3 Tax on profit/loss for the year		
Current tax for the year	-443.727	-1.073.084
Deferred tax for the year	-140.655	129.480
Adjustment of tax concerning previous years	4.324	-4.320
	-580.058	-947.924

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	5.125.307	286.000	237.500	237.500	4.881.473	10.767.780
Additions for the year	0	0	0	0	2.023.279	2.023.279
Transfers for the year	4.881.473	0	0	0	-4.881.473	0
Cost at 31 December	10.006.780	286.000	237.500	237.500	2.023.279	12.791.059
Impairment losses and amortisation at 1 January	1.700.697	143.002	70.680	70.680	0	1.985.059
Impairment losses for the year	0	0	132.886	132.886	0	265.772
Amortisation for the year	2.001.356	40.857	33.934	33.934	0	2.110.081
Impairment losses and amortisation at 31 December	3.702.053	183.859	237.500	237.500	0	4.360.912
Carrying amount at 31 December	6.304.727	102.141	0	0	2.023.279	8.430.147
Amortised over	5 years	7 years	7 years	7 years		

Development projects relate to the development of new versions of the Company's software. The projects include the general, ongoing product development as well as the larger projects related to development of new version of clients, more features and a 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 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost at 1 January	55.726
Cost at 31 December	55.726
Impairment losses and depreciation at 1 January	3.715
Depreciation for the year	11.145
Impairment losses and depreciation at 31 December	14.860
Carrying amount at 31 December	40.866

6 Fixed asset investments

	Deposits DKK
Cost at 1 January	109.724
Disposals for the year	-12.796
Cost at 31 December	96.928
Impairment losses at 1 January	0
Impairment losses at 31 December	0
Carrying amount at 31 December	96.928

Notes to the Financial Statements

7 Equity

The share capital consists of 921,609 shares of a nominal value of DKK 1. No shares carry any special rights.

The share capital has developed as follows:

	2018	2017	2016	2015	2014
	DKK	DKK	DKK	DKK	DKK
Share capital at 1 January	862.222	819.311	737.360	561.798	500.000
Capital increase	59.387	42.911	81.951	175.562	61.798
Capital decrease	0	0	0	0	0
Share capital at 31					
December	921.609	862.222	819.311	737.360	561.798

8 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2018	2017
	DKK	DKK
Mortgage loans		
After 5 years	0	606.842
Between 1 and 5 years	3.598.115	3.395.732
Long-term part	3.598.115	4.002.574
Within 1 year	404.459	0
	4.002.574	4.002.574

Notes to the Financial Statements

	<u>2018</u> DKK	<u>2017</u> DKK
9 Contingent assets, liabilities and other financial obligations		
Charges and security		
The following assets have been placed as security with mortgage credit institutes:		
Trade receivables, intangible assets and property, plant and equipment	4.000.000	4.000.000
Rental and lease obligations		
Rental commitments, non-termination period	20.880	105.209

Notes to the Financial Statements

10 Accounting Policies

The Annual Report of Monsenso ApS for 2018 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.

The Financial Statements for 2018 are presented in DKK.

The Company has reclassified transfers to development projects in progress under staff expenses in the income statement to work on own account recognised in assets. The comparative information has been adjusted.

The change in accounting policy does not have an impact on net profit/loss for the year, equity or the Company's financial position. However, gross profit/loss has been adjusted with DKK 1.323.418.

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.

Notes to the Financial Statements

10 Accounting Policies (continued)

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.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

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

Other operating income

Other operating income includes grants received by the Company.

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

Notes to the Financial Statements

10 Accounting Policies (continued)

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 amortisation 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.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	5	years
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Notes to the Financial Statements

10 Accounting Policies (continued)

Depreciation period and residual value are reassessed annually.

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.

Fixed asset investments

Fixed asset investments consist of deposits.

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 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.

Notes to the Financial Statements

10 Accounting Policies (continued)

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.