

# **Annual Report 2018**

## **Mentis Cura AS**

**Revenue statement**  
**Balance sheet**  
**Notes to the Accounts**

**Org.no.: 916 997 477**

## Income statement

Mentis Cura AS  
Org nr: 916 997 477

Operating income and operating expenses	Note	2018	2017
Revenue		2 004 663	248 025
Other operating income	8	3 184 771	3 126 554
<b>Total operating income</b>		<b>5 189 434</b>	<b>3 374 579</b>
Personnel expenses	5	7 697 045	3 557 768
Depreciation of operating and intangible assets	9	7 000	3 798
Other operating expenses	5	21 939 007	16 676 817
<b>Total operating expenses</b>		<b>29 643 052</b>	<b>20 238 383</b>
<b>Operating profit</b>		<b>-24 453 618</b>	<b>-16 863 804</b>
<b>Financial income and expenses</b>			
Other interest income	10	22 074	22 627
Other financial income	10	790 688	13 275
Other financial expenses	10	49 840	22 955
<b>Net financial items</b>		<b>762 921</b>	<b>12 948</b>
Operating result before tax		-23 690 696	-16 850 857
<b>Ordinary result after tax</b>		<b>-23 690 696</b>	<b>-16 850 857</b>
<b>Extraordinary income and expenses</b>			
<b>Annual net profit</b>	<b>3</b>	<b>-23 690 696</b>	<b>-16 850 857</b>
<b>Brought forward</b>			
Loss brought forward		23 690 696	16 850 857
<b>Net brought forward</b>		<b>-23 690 696</b>	<b>-16 850 857</b>

## Balance sheet

Mentis Cura AS

Assets	Note	2018	2017
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Concessions, patents, licences, trademarks, and similar rights 9		24 202	31 202
<b>Total intangible assets</b>		<u>24 202</u>	<u>31 202</u>
<b>Tangible assets</b>			
<b>Financial fixed assets</b>			
Investments in subsidiaries	1	145 229 229	143 003 997
<b>Total financial fixed assets</b>		<u>145 229 229</u>	<u>143 003 997</u>
<b>Total fixed assets</b>		<u>145 253 431</u>	<u>143 035 199</u>
<b>Current assets</b>			
<b>Debtors</b>			
Accounts receivables	7	1 875 200	148 025
Other short-term receivables		3 873 863	5 818 776
Receivables from group companies	7	351 922	307 000
<b>Total receivables</b>		<u>6 100 985</u>	<u>6 273 800</u>
<b>Investments</b>			
Cash and bank deposits	4	3 959 940	16 233 010
<b>Total current assets</b>		<u>10 060 925</u>	<u>22 506 810</u>
<b>Total assets</b>		<u>155 314 356</u>	<u>165 542 009</u>

## Balance sheet

Mentis Cura AS


<b>Equity and liabilities</b>	<b>Note</b>	<b>2018</b>	<b>2017</b>
<b>Equity</b>			
<b>Paid-up equity</b>			
Share capital	2, 3	4 613 826	4 324 747
Share premium reserve	3	179 600 554	167 664 404
<b>Total paid-up equity</b>		<b>184 214 380</b>	<b>171 989 151</b>
<b>Retained earnings</b>			
Other equity	3	-42 401 020	-18 710 324
<b>Total retained earnings</b>		<b>-42 401 020</b>	<b>-18 710 324</b>
<b>Total equity</b>	<b>3</b>	<b>141 813 360</b>	<b>153 278 827</b>
<b>Liabilities</b>			
<b>Provisions for liabilities</b>			
<b>Other long-term liabilities</b>			
<b>Current debt</b>			
Trade creditors	7	11 422 431	1 056 606
Public duties payable		704 711	535 793
Other current debt	7	1 373 854	10 670 784
<b>Total current debt</b>		<b>13 500 996</b>	<b>12 263 182</b>
<b>Total liabilities</b>		<b>13 500 996</b>	<b>12 263 182</b>
<b>Total equity and liabilities</b>		<b>155 314 356</b>	<b>165 542 009</b>


## Balance sheet


Mentis Cura AS


The board of Mentis Cura AS


  
Jan Fikkan  
chairman of the board

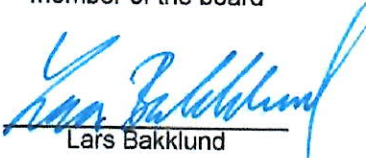
  
Guðbjörg Edda Eggertsdóttir  
member of the board

  
Audun Abelsnes  
member of the board

  
Carl Astrup  
member of the board

  
Claes Watndal  
general Manager

  
Maria Helena Nyblom Munthe  
member of the board

  
Lars Bakklund  
member of the board



## Accounting principles

The annual accounts have been prepared in conformity with the Accounting Act and NRS 8 - Good accounting practice for small companies.

### Foreign currency

Monetary foreign currency items are valued at the exchange rate on the balance sheet date.

### Operating revenues

Income from the sale of goods is recognised on the date of delivery. Services are posted to income as they are delivered.

### Tax

The tax charge in the profit and loss account consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22 % on the basis of tax-reducing and tax-increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax asset will be utilized.

### Classification and valuation of fixed assets

Fixed assets include assets included for long-term ownership and use. Fixed assets are valued at acquisition cost. Property, plant and equipment are entered in the balance sheet and depreciated over the asset's economic lifetime. Property, plant and equipment are written down to a recoverable amount in the case of fall in value which is expected not to be temporary. The recoverable amount is the higher of the net sale value and value in use. Value in use is the present value of future cash flows related to the asset. Write-downs are reversed when the basis for the write-down is no longer present.

### Classification and valuation of current assets

Current assets and short-term liabilities normally include items that fall due for payment within one year of the balance sheet date, as well as items that relate to the stock cycle. Current assets are valued at the lower of acquisition cost and fair value.

### Shares in subsidiaries

Subsidiaries are valued using the cost method in the company accounts. The investment is valued at acquisition cost for the shares unless a write-down has been necessary. A write-down to fair value is made when a fall in value is due to reasons that cannot be expected to be temporary and such write-down must be considered as necessary in accordance with good accounting practice. Write-downs are reversed when the basis for the write-down is no longer present.

Dividends, group contributions and other distributions from subsidiaries are posted to income in the same year as provided for in the distributor's accounts. To the extent that dividends/ group contributions exceed the share of profits earned after the date of acquisition, the excess amounts represents a repayment of invested capital, and distributions are deducted from the investment's value in the balance sheet..

### Receivables

Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables.

### Intangible assets

R&D expenses are taken into the balance sheet providing a future financial benefit relating to the development of an identifiable intangible asset can be identified and the expenses can be reliably measured. Otherwise such expenses are expensed as and when incurred. R&D expenses are depreciated on a straight-line basis over the asset's expected useful life..

## Note 1 Investments in subsidiaries

Amounts are in NOK

	Location	Ownership/ voting interest	Result 2018	Equity capital 31.12.2018	Book value 31.12.2018
Mentis Cura ehf	Reykjavik	89	-5 179 623	15 243 357	145 155 694
Mentis Cura Japan KK	Tokyo	100	57 940	130 232	73 535
<b>Total</b>					<b>145 229 229</b>

## Note 2 Shareholders

The share capital in Mentis Cura konsern as of 31.12 consists of:

	Total	Face value	Entered
Ordinary shares	4 613 826	1,00	4 613 826
<b>Total</b>		<b>4 613 826</b>	<b>4 613 826</b>

## Ownership structure

The largest shareholders in % at year end:

Shareholder	Number of shares	Owner interest	Share of votes
North Murray AS	1 222 556	26,5	26,5
Stratel AS	540 032	11,7	11,7
Nýsköpunarsjóður Atvinnulífsins	507 054	11,0	11,0
Abelsnes Invest AS	408 212	8,8	8,8
Arcus ehf.	333 275	7,2	7,2
Rondane Holding AS	325 000	7,0	7,0
Bitteborgen AS	240 068	5,2	5,2
Arion Banki hf.	142 390	3,1	3,1
Frax AS	100 609	2,2	2,2
<b>Total &gt;2% ownership share</b>	<b>3 819 196</b>	<b>82,8</b>	<b>82,8</b>
Total other	794 630	17,2	17,2
<b>Total number of shares</b>	<b>4 613 826</b>	<b>100,0</b>	<b>100,0</b>

North Murray AS has a share option agreement with Mentis Cura AS giving them an option to subscribe 192 308 shares in 2019.

Abelsnes Invest AS is 100 % owned by Audun Abelsnes. Bitteborgen AS is 100 % owned by Carl Astrup. North Murray AS is 100 % owned by the Munthe family, where Maria H. Nyblom Munthe is a board member and Lars Bakklund, member of the board of directors of Mentis Cura AS, is CEO.

## Note 3 Equity capital

	Share capital	Share premium	Other equity capital	Total equity capital
Equity capital as at 01.01.2018	4 324 747	167 664 404	-18 710 324	153 278 827
Cash contribution	232 558	9 767 439		9 999 997
Contribution in kind *)	56 521	2 168 711		2 225 232
Result for the year			-23 690 696	-23 690 696
<b>As at 31.12.2018</b>	<b>4 613 826</b>	<b>179 600 554</b>	<b>-42 401 020</b>	<b>141 813 360</b>

\*) Shares in Mentis Cura ehf (Iceland)

## Note 4 Bank deposits

Funds standing on the tax deduction account (restricted funds) are NOK 411 777.

## Note 5 Note Salary costs and benefits, remuneration to the chief executive, board and auditor

Salary costs	2018	2017
Salaries	6 523 446	3 032 799
Employment tax	938 887	435 436
Pension costs	110 441	40 502
Other benefits	124 271	49 031
<b>Total</b>	<b>7 697 045</b>	<b>3 557 768</b>

In 2018 the company employed 4 man-years.

**Pension liabilities**

The company is liable to maintain an occupational pension scheme under the Mandatory Occupational Pensions Act. The company's pension schemes satisfy the requirements of this Act.

Remuneration to leading personnel	Managing director	Board
Salaries	1 081 256	0
Pension costs	43 250	0
Other remuneration	4 573	0
<b>Total</b>	<b>1 129 079</b>	<b>0</b>

**Auditor**

Audit fees expensed for 2018 amount to NOK 85 000 ex VAT.  
In addition there is a fee for other services of NOK 196 393.



## Note 6 Tax

<b>This year' s tax expense</b>	<b>2018</b>	<b>2017</b>
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deferred tax assets	0	0
<b>Tax expense on ordinary profit/loss</b>	<b>0</b>	<b>0</b>
 Taxable income:		
Ordinary result before tax	-23 690 696	-16 850 857
Permanent differences	-3 144 487	-3 086 885
Changes in temporary differences	0	1 465
<b>Taxable income</b>	<b>0</b>	<b>0</b>
 Payable tax in the balance:		
Payable tax on this year's result	0	0
<b>Total payable tax in the balance</b>	<b>0</b>	<b>0</b>

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences:

	<b>2018</b>	<b>2017</b>	<b>Difference</b>
Tangible assets	-1 465	-1 465	0
<b>Total</b>	<b>-1 465</b>	<b>-1 465</b>	<b>0</b>
 Accumulated loss to be brought forward	-48 714 887	-21 879 704	26 835 183
<b>Basis for calculation of deferred tax</b>	<b>-48 716 351</b>	<b>-21 881 169</b>	<b>26 835 183</b>
 <b>Deferred tax assets (22 % / 23 %)</b>	<b>-10 717 597</b>	<b>-5 032 669</b>	<b>5 684 929</b>

Deferred tax is not booked to the balance sheet

## Note 7 Inter-company items between companies in the same group

	<b>2018</b>	<b>2017</b>
<b>Receivables</b>		
Loans to companies in the same group	0	0
Customer receivables within the group	0	0
Other short-term receivables within the group	351 922	307 000
<b>Total</b>	<b>351 922</b>	<b>307 000</b>
 <b>Liabilities</b>		
Loans from companies in the same group	0	0
Debt to suppliers within the group	10 134 601	0
Other short-term liabilities within the group	0	10 179 694
<b>Total</b>	<b>10 134 601</b>	<b>10 179 694</b>

## Note 8 Government grants

In 2018 grants has been posted to income for research and development projects via the SkatteFUNN schemes "Biomarkers for dementia" and "Biomarker for Alzheimer's disease" of NOK 3 146 389. The amount has been posted in full as other operating income.

In 2017 the company received NOK 3 126 554 in grants from one of its SkatteFUNN projects.

## Note 9 Fixed assets

	<b>Intangible assets</b>
Acquisition cost as at 01.01.2018	35 000
Addition of purchased fixed assets	0
<b>Acquisition cost 31.12.2018</b>	<b>35 000</b>
Depreciation and write-downs as at 01.01.2018	3 798
Ordinary depreciation for the year	7 000
<b>Depreciation and write-downs as at 31.12.2018</b>	<b>10 798</b>
Book value 01.01.2018	0
Additions in the year	0
The year's depreciation and write-downs	7 000
<b>Book value 31.12.2018</b>	<b>24 202</b>
Economic lifetime	5 years

## Note 10 Items that are aggregated in the accounts

<b>Financial income</b>	<b>2018</b>	<b>2017</b>
Interest income from companies in the same group	0	0
Other interest income	22 074	22 627
Other financial income (currency gain)	790 688	13 275
<b>Total financial income</b>	<b>812 762</b>	<b>35 902</b>
<b>Financial costs</b>	<b>2018</b>	<b>2017</b>
Interest costs to companies in the same group	0	0
Other interest costs	0	0
Other financial costs (currency loss)	49 840	22 955
<b>Total financial costs</b>	<b>49 840</b>	<b>22 955</b>

## Note 11 Events occurring after the balance sheet date

In February 2018, Mentis Cura AS raised NOK 19 million in net proceeds in a capital increase, of which NOK 367,454 was share capital, corresponding to 367,454 new shares.