



Verland Holding II ApS

Skovdammen 7
2880 Bagsværd
CVR No. 30570545

Annual report 2023

The Annual General Meeting adopted the annual report on 27.06.2024

Sten Verland

Chairman of the General Meeting

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Entity details

Entity

Verland Holding II ApS

Skovdammen 7

2880 Bagsværd

Business Registration No.: 30570545

Registered office: Gladsaxe

Financial year: 01.01.2023 - 31.12.2023

Executive Board

Sten Verland

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Executive Board has today considered and approved the annual report of Verland Holding II ApS for the financial year 01.01.2023 - 31.12.2023.

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

In my opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

I recommend the annual report for adoption at the Annual General Meeting.

Bagsværd, 27.06.2024

Executive Board

Sten Verland

Independent auditor's report

To the shareholder of Verland Holding II ApS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Verland Holding II ApS for the financial year 01.01.2023 - 31.12.2023, 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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 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 for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 by relevant law and regulations.

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.

Report on other legal and regulatory requirements and other reporting responsibilities

Violation of the Danish Companies Act and the Withholding Tax Act provisions on shareholder loans

As a result of an administrative error, the Company has transferred money to the Company's shareholder, resulting in a shareholder loan that is in violation of the Danish Companies Act. In connection with the payment, the company has not complied with the Withholding Tax Act, thereby exposing the management to potential liability. The management may be held liable for this. The management plans to distribute the claim at the annual general meeting.

Copenhagen, 27.06.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Michael Thorø Larsen

State Authorised Public Accountant
Identification No (MNE) mne35823

Management commentary

Primary activities

The primary activity of the Company is to hold shares in companies in the Sunstone Life Science Ventures Structure.

The Company has had no employees during the year.

Events after the balance sheet date

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

Income statement for 2023

	Notes	2023 DKK'000	2022 DKK '000
Other external expenses		(20)	(25)
Gross profit/loss		(20)	(25)
Income from investments in associates		1,050	850
Income from investments in participating interests		274	1,835
Other financial income		75	0
Impairment losses on financial assets		(97)	(2,037)
Other financial expenses		(19)	(115)
Profit/loss before tax		1,263	508
Tax on profit/loss for the year		0	(6)
Profit/loss for the year		1,263	502
Proposed distribution of profit and loss:			
Ordinary dividend for the financial year		1,322	0
Extraordinary dividend distributed in the financial year		0	2,000
Retained earnings		(59)	(1,498)
Proposed distribution of profit and loss		1,263	502

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Investments in associates		2,561	2,498
Investments in participating interests		324	324
Other receivables		93	0
Financial assets	1	2,978	2,822
Fixed assets		2,978	2,822
Receivables from associates		38	38
Income tax receivable		11	6
Receivables from owners and management	2	1,275	0
Receivables		1,324	44
Cash		1,283	295
Current assets		2,607	339
Assets		5,585	3,161

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Contributed capital		125	125
Retained earnings		2,899	2,958
Proposed dividend		1,322	0
Equity		4,346	3,083
Payables to group enterprises		1,217	0
Payables to owners and management		9	9
Other payables		13	69
Current liabilities other than provisions		1,239	78
Liabilities other than provisions		1,239	78
Equity and liabilities		5,585	3,161
Contingent liabilities	3		

Statement of changes in equity for 2023

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	125	174	4,455	0	4,754
Changes in accounting policies	0	(174)	(1,497)	0	(1,671)
Adjusted equity beginning of year	125	0	2,958	0	3,083
Profit/loss for the year	0	0	(59)	1,322	1,263
Equity end of year	125	0	2,899	1,322	4,346

Notes

1 Financial assets

	Investments in associates DKK'000	Investments in participa- ting interests DKK'000	Other receivables DKK'000
Cost beginning of year	4,020	838	0
Additions	283	0	93
Disposals	(123)	0	0
Cost end of year	4,180	838	93
Impairment losses beginning of year	(1,522)	(514)	0
Impairment losses for the year	(97)	0	0
Impairment losses end of year	(1,619)	(514)	0
Carrying amount end of year	2,561	324	93

Investments in associates	Registered in	Corporate form	Equity interest %
Sunstone LSV Invest II Holding ApS	Copenhagen	ApS	28.57
Sunstone LSV Partners Holding ApS	Copenhagen	ApS	33.33
Sunstone LSV Partners & Co. Holding ApS	Copenhagen	ApS	25.43
Sunstone LSV GP I Holding ApS	Copenhagen	ApS	28.57
Sunstone LSV GP BI Holding ApS	Copenhagen	ApS	27.51
Sunstone LSV Special LP II Holding ApS	Copenhagen	ApS	27.14
Sunstone Life Science Ventures A/S	Copenhagen	A/S	26.64
Sunstone LSV Special Limited Partner IV ApS	Copenhagen	ApS	23.59

Investments in participating interests	Registered in	Corporate form	Equity interest %
Sunstone LSV Special Limited Partner III Holding ApS	Copenhagen	ApS	17.41
Sunstone LSV Invest III Holding ApS	Copenhagen	ApS	16.67
Heartcore Capital (LSV) Special Limited Partner II ApS	Copenhagen	ApS	18.99

2 Receivables from owners and management

	Executive Board DKK'000
Receivables	1,275
Interest rate (%)	13.25

The receivable is repaid after the general meeting has been held.

3 Contingent liabilities

The company has a contingent liability of DKK 334,705 related to the withholding tax on a withdrawal made in 2023, which is registered in 2024.

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.

Changes in accounting policies

The Entity has changed its accounting policies with regard to the measurement of investments in associates and investments in participating interests. The measurement of the relevant assets has been changed from equity method to cost. The reason for the change is that management does not have sufficient information to allocate the equity value in underlying companies to different share classes. Thus, it is management's assessment that cost as a measurement method provides a more accurate picture of the Company's assets and liabilities, financial position, and profitability.

Based on the reason for the change in accounting policy, it is not possible to determine the effect of the change in accounting policy on the Company's assets and liabilities, financial position, and results for the year.

The effect of the change in accounting policy affects the comparative figures by a decrease in investments in associates and investments in participating interest of DKK 0 thousand and DKK 0 thousand respectively.

The effect of the change in accounting policy has been recognized in the equity at the beginning of the period with a corresponding amount. The change in accounting policy has affected the prior year's result before tax by DKK 169 thousand. The change has no effect on the current or deferred tax for the year in the comparative figures.

The comparative figures have been restated following the change in accounting policies.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistently with last year.

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.

Income statement

Other external expenses

Other external expenses include corporate costs etc.

Income from investments in associates

Income from investments in associates comprises dividend etc. received from the individual associates in the financial year.

Income from investments in participating interests

Income from investments in participating interests comprises dividend etc. received from the individual participating interests in the financial year.

Other financial income

Other financial income comprises interest income.

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 and bank charges 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

Investments in associates

Investments in associates are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Investments in participating interests

Investments in participating interests 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.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.