

**Sunstone Capital A/S
Central Business Registration No
30573528
Lautrupsgade 7,5
2100 Copenhagen Ø**

Annual report 2015

The Annual General Meeting adopted the annual report on 31.03.2016

Chairman of the General Meeting



Name: Merete Lundbye Møller

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Entity details

Entity

Sunstone Capital A/S
Lautrupsgade 7,5
2100 Copenhagen Ø

Central Business Registration No: 30573528

Registered in: Copenhagen

Financial year: 01.01.2015 - 31.12.2015

Board of Directors

Merete Lundbye Møller, chairwomen

Jimmy Fussing Nielsen

Søren Lemonius

Sten Verland

Maximilian Niederhofer

Christian Lindegaard Jepsen

Peter Benson

Claus Asbjørn Andersson

Nikolaj Nyholm

Andreas Rutger Segerros

Executive Board

Jimmy Fussing Nielsen

Peter Benson

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

Postboks 1600

0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Sunstone Capital A/S for the financial year 01.01.2015 - 31.12.2015.

The annual report is presented 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 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

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

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

Copenhagen, 31.03.2016

Executive Board



Jimmy Fussing Nielsen



Peter Benson

Board of Directors



Merete Lundbye Møller
chairwomen



Jimmy Fussing Nielsen



Søren Lemonius



Sten Verland



Maximilian Niederhofer



Christian Lindegaard Jepsen



Peter Benson



Claus Asbjørn Andersson



Nikolaj Nyholm



Andreas Rutger Seggeros

Independent auditor's reports

To the owners of Sunstone Capital A/S

Report on the financial statements

We have audited the financial statements of Sunstone Capital A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 about whether the financial statements are free from material misstatement.

An audit involves performing 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 misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity'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 Entity'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 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 Company's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 31.03.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR-nr. 33963556



Kim Mücke

State Authorised Public Accountant

Management commentary

Primary activities

Sunstone Capital A/S is a management company that provides advisory services and administration to venture capital funds. Sunstone Capital A/S is located in Copenhagen.

Sunstone Capital A/S is investment manager for ten venture funds:

- Sunstone Technology Ventures Fund I K/S
- Sunstone Technology Ventures Fund II K/S
- Sunstone Technology Ventures Fund III K/S
- Sunstone Life Science Ventures Fund I K/S
- Sunstone Life Science Ventures Fund II K/S
- Sunstone Life Science Ventures Fund III K/S
- P/S Sunstone Biomedicinsk Venture III
- K/S Sunstone Biomedical Venture Annex I
- K/S Sunstone Biomedical Venture Annex II
- K/S Sunstone Biomedical Venture Annex III

that invest in unlisted Life Science and Technology companies.

The funds have a total commitment of EUR 715 million. As of year-end 2015, the funds have a portfolio of app. 60 active companies.

Since the establishment of Sunstone Capital A/S, the Company has received and processed an increasing amount of prospective investment opportunities. All contacts have been evaluated with selected opportunities progressing to further analysis. During 2015, 10 investments in new portfolio companies were completed, as well as 50 follow-up investments were made in existing portfolio companies. 4 portfolio companies were realized during the year.

Development in activities and finances

The profit after tax for 2015 was DKK 652k. Equity equals DKK 9.019k end of 2015.

Uncertainty relating to recognition and measurement

The annual report is not influenced by material uncertainties relating to recognition and measurement.

Unusual circumstances affecting recognition and measurement

The annual report is not influenced by unusual circumstances.

Outlook

A positive result is expected for the coming year.

Management commentary

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.

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 enterprises.

The annual report has been presented applying the accounting policies consistently with last year.

The annual report is presented in DKK 1,000.

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.

Consolidation

Referring to section 110 (1) of the Danish Financial Statements Act, Sunstone Capital A/S has not prepared consolidated financial statements.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Accounting policies

Income statement

Other operating income

Other operating income comprises management fee for investment advisory service and administration of venture capital funds stated in accordance with management fee agreements.

Other external expenses

Other external expenses include expenses for administration and premises etc.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relate to intangible assets and property, plant and equipment, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing and also include gains and losses from the sale of intangible assets as well as property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises and gains from transactions in foreign currencies, as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, and loss from transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income taxes

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.

The Company is jointly taxed with Danish its subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses). Sunstone Capital A/S is the administration company for the joint taxation.

Accounting policies

Balance sheet

Intellectual property rights etc

Intellectual property rights etc. comprise acquired software licenses.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Software licenses are depreciated straight line over 3 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Leasehold improvements, other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equities.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts. Other receivables classified as fixed asset investments comprise deposit.

Accounting policies

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Income tax payable or receivable

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

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other investments

Securities recognised under current assets comprise listed bonds and investments measured at fair value (market price) at the balance sheet date.

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. The 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.

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Other operating income		37.215	39.528
Other external expenses		<u>(10.862)</u>	<u>(11.833)</u>
Gross profit/loss		26.353	27.695
Staff costs		(25.554)	(27.115)
Depreciation, amortisation and impairment losses		<u>(149)</u>	<u>(224)</u>
Operating profit/loss		650	356
Income from investments in group enterprises		62	63
Other financial income		276	204
Other financial expenses		<u>(94)</u>	<u>(28)</u>
Profit/loss from ordinary activities before tax		894	595
Tax on profit/loss from ordinary activities	1	<u>(242)</u>	<u>(170)</u>
Profit/loss for the year		<u>652</u>	<u>425</u>
Proposed distribution of profit/loss			
Dividend for the financial year		800	0
Reserve for net revaluation according to the equity method		62	(69)
Retained earnings		<u>(210)</u>	<u>494</u>
		<u>652</u>	<u>425</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Acquired licences		0	8
Intangible assets	2	<u>0</u>	<u>8</u>
Other fixtures and fittings, tools and equipment		147	260
Leasehold improvements		9	16
Property, plant and equipment	3	<u>156</u>	<u>276</u>
Investments in group enterprises		403	341
Other receivables		638	646
Deferred tax	5	83	104
Fixed asset investments	4	<u>1.124</u>	<u>1.091</u>
Fixed assets		<u>1.280</u>	<u>1.375</u>
Receivables from group enterprises		1.308	6.248
Other short-term receivables		97	444
Income tax receivable		279	481
Prepayments		654	552
Receivables		<u>2.338</u>	<u>7.725</u>
Other investments		529	663
Other investments		<u>529</u>	<u>663</u>
Cash		<u>8.134</u>	<u>4.179</u>
Current assets		<u>11.001</u>	<u>12.567</u>
Assets		<u>12.281</u>	<u>13.942</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Contributed capital	6	504	504
Reserve for net revaluation according to the equity method		102	40
Retained earnings		7.613	7.823
Proposed dividend		800	0
Equity		<u>9.019</u>	<u>8.367</u>
Trade payables		288	131
Debt to group enterprises		767	38
Other payables		2.207	5.406
Current liabilities other than provisions		<u>3.262</u>	<u>5.575</u>
Liabilities other than provisions		<u>3.262</u>	<u>5.575</u>
Equity and liabilities		<u><u>12.281</u></u>	<u><u>13.942</u></u>
Unrecognised rental and lease commitments	7		
Contingent liabilities	8		
Ownership	9		

Statement of changes in equity for 2015

	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	504	40	7.823	0	8.367
Profit/loss for the year	0	62	(210)	800	652
Equity end of year	504	102	7.613	800	9.019

Notes

	2015	2014
	DKK'000	DKK'000
1. Tax on ordinary profit/loss for the year		
Current tax	221	149
Change in deferred tax for the year	22	9
Adjustment relating to previous years	(1)	12
	242	170
		Acquired licences DKK'000
2. Intangible assets		
Cost beginning of year		207
Cost end of year		207
Amortisation and impairment losses beginning of year		(199)
Amortisation for the year		(8)
Amortisation and impairment losses end of year		(207)
Carrying amount end of year		0
	Other fix- tures and fittings, tools and equipment DKK'000	Leasehold improve- ments DKK'000
3. Property, plant and equipment		
Cost beginning of year	3.538	879
Additions	21	0
Disposals	(63)	0
Cost end of year	3.496	879
Depreciation and impairment losses beginning of the year	(3.278)	(863)
Depreciation for the year	(134)	(7)
Reversal regarding disposals	63	0
Depreciation and impairment losses end of the year	(3.349)	(870)
Carrying amount end of year	147	9

Notes

	Investments in group enterprises DKK'000	Other re- ceivables DKK'000	Deferred tax DKK'000
4. Fixed asset investments			
Cost beginning of year	301	646	105
Disposals	0	(8)	(22)
Cost end of year	301	638	83
Revaluations beginning of year	40	0	0
Share of profit/loss after tax	62	0	0
Revaluations end of year	102	0	0
Carrying amount end of year	403	638	83

	Registered in	Equity interest %
Subsidiaries:		
Sunstone LSV General Partner I ApS	København	10,00
Sunstone LSV General Partner II ApS	København	100,00
Sunstone TV General Partner I ApS	København	10,00
Sunstone TV General Partner II ApS	København	100,00
Sunstone LSV General Partner BI ApS	København	10,00

Sunstone LSV General Partner I ApS, Sunstone TV General Partner I ApS and Sunstone LSV General Partner BI ApS are controlled by voting rights.

5. Deferred tax

Deferred tax asset is incumbent upon property, plant and equipment.

	Number	Par value DKK	Nominal value DKK'000
6. Contributed capital			
Ordinary shares	504.000	1,00	504
	504.000		504

Contributed capital comprise 252,000 A shares and 252,000 B shares. There has been no change in the contributed capital since inception.

Notes

	<u>2015</u> <u>DKK'000</u>	<u>2014</u> <u>DKK'000</u>
7. Unrecognised rental and lease commitments		
Commitments under rental agreements or leases until expiry	<u>578</u>	<u>1.213</u>

8. Contingent liabilities

The Company is jointly taxed with Danish subsidiaries. According to the provisions of the Danish Companies Act governing joint taxation, with effect from 1 July 2012 the Company is liable for any liabilities to withhold tax at source regarding royalties and dividends for the jointly taxed companies and from 1 January 2013, joint and several liability exists for any income taxes incumbent on the jointly taxed companies. Apart from this, the Company has no additional contingent liabilities.

9. Ownership

The Company has registered the following shareholders to hold more than 5% of the voting share capital or of the nominal value of the share capital:

Sunstone TV Partners Holding ApS, Copenhagen

Sunstone TV Partners & Co. Holding ApS, Copenhagen

Sunstone LSV Partners Holding ApS, Copenhagen

Sunstone LSV Partners & Co. Holding ApS, Copenhagen