

**Sunstone Technology Ventures Fund I
K/S
Central Business Registration No
30589408
Lautrupsgade 7, 5
2100 Copenhagen Ø**

Annual report 2015

The Annual General Meeting adopted the annual report on 18.03.2016

Chairman of the General Meeting



Name: Merete Lundbye Møller

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Entity details

Entity

Sunstone Technology Ventures Fund I K/S
Lautrupsgade 7, 5
2100 Copenhagen Ø

Central Business Registration No: 30589408

Registered in: Copenhagen

Financial year: 01.01.2015 - 31.12.2015

Board of Directors

Merete Lundbye Møller, chairwoman

Jimmy Fussing Nielsen

Christian Lindegaard Jepsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

Postboks 1600

0900 København C

Statement by Management on the annual report

The Board of Directors of General Partner, Sunstone TV General Partner I ApS have today considered and approved the annual report of Sunstone Technology Ventures Fund I K/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, 29.01.2016

Board of Directors



Merete Lundbye Møller
chairwoman



Jimmy Fussing Nielsen



Christian Lindegaard Jepsen

Independent auditor's reports

To the General Partner and the Limited Partner owners of Sunstone Technology Ventures Fund I K/S

Report on the financial statements

We have audited the financial statements of Sunstone Technology Ventures Fund I K/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 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 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, 29.01.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR-nr. 33963556



Kim Mücke

State Authorised Public Accountant

Management commentary

Primary activities

Sunstone Technology Ventures Fund I K/S invests in early-stage technology companies mainly located in the Nordic countries.

A team of 5 investment professionals is responsible for the investment management.

Development in activities and finances

The Fund was established 8 May 2007 as a spinout of 14 portfolio companies in Vækstfonden.

The result for the year showed a gain of DKK 15.1 million, which is primarily related to fair value gains from its investments in portfolio companies.

Future results of Sunstone Technology Ventures Fund I K/S are dependent on development in the value of the Entity's investment in portfolio companies.

The following development has taken place during the year:

Asetek A/S: The company is listed on Oslo Børs. News about the company can be found on <http://asetek.com/press-room/news.aspx>.

Flat Frog Laboratories AB: The company continued its development of the InGlass multi touch performance technology for large flat displays. The company's pipeline and orders continued to grow during the year.

Uncertainty relating to recognition and measurement

When preparing the annual report, the General Partner, in accordance with legislative provisions, makes accounting judgments and estimates, which form the basis of the annual report. The accounting judgments and estimates made by the General Partner are described in the paragraph "Management's significant accounting judgments and estimates" under accounting policies to which we refer. Such estimates are made on the basis of assumptions, which the General Partner considers reasonable and realistic, but which are uncertain by nature.

Unusual circumstances affecting recognition and measurement

Except for the fair value adjustment on investments, the annual report is not influenced by unusual circumstances.

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.

The accounting policies applied for these financial statements are consistent with those applied last year.

The description of accounting policies reflects the Entity's special activity as venture fund.

The annual report is presented in DKK 1,000.

Income tax

The annual report does not include current or deferred tax due to the corporate form.

Material uncertainty related to recognition and measurement

When preparing the Entity's annual report, Management makes accounting judgments and estimates which form the basis for presentation, recognition and measurement of the Entity's assets and liabilities. In particular, the accounting judgments and estimates made by Management concern the Entity's investment in portfolio companies which consists of contribution of equity into and loans to development-oriented enterprises whose values essentially consist of intangible value and which can require continuous contribution of capital. At the measurement of the value of these investments, Management has assessed the portfolio enterprises' stage of development concerning the development process and the expected future development, future financing requirements, commercialisation possibilities, and Management also assesses that a significant part of the portfolio enterprises has reached a maturity which entitles to expectation of impending exit.

As the portfolio enterprises goes through the different stages of development and get closer to an exit date, management has an expectation that the values of the portfolio companies are increasing. The enterprise values are tested for impairment in accordance with commonly used valuation principles including updated data from areas such as sectors, development stage, market potential and expected cash flows in order to reflect fair value of the portfolio company in the best way possible.

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.

Accounting policies

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.

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.

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.

Exchange rate adjustments relating to other investments are recognised in the income statement together with fair value adjustments concerning the investments.

Income statement

Other external expenses

Other external expenses include administration costs and investment costs.

Administrative expenses comprise expenses for administration incurred by the Entity.

Accounting policies

Investment costs comprise due diligence expenses etc relating to uncomplete investments etc.

Investment costs relating to complete investments are added to the cost of investments.

Other operating expenses

Other operating expenses comprise management fee to the management company, Sunstone Capital A/S.

Income from other fixed asset investments

Income from other fixed asset investments (shares and loans) comprises realised gains/losses from divestments as well as unrealised value adjustments from revaluation and write-down of other fixed asset investments which comprises of investments in portfolio companies, if any.

Other financial expenses

Other financial expenses comprise interest expenses, realised and unrealised capital losses on transactions in foreign currencies which do not relate to value adjustments of investments in portfolio companies.

Balance sheet

Other investments

Other investments included as fixed asset investments comprise investments in portfolio companies and convertible loans to portfolio companies. Investments in portfolio companies made in the financial year are recognised at cost at the time of investment. The cost includes expenses incurred in connection with acquisition of portfolio companies. Unlisted investments in portfolio companies are subsequently measured in accordance with IPEV's Valuation Guidelines, under which investments are recognised at fair value at the balance sheet date in accordance with section 38 of Danish Financial Statement Act. Also convertible loans to portfolio companies are recognised at fair value at the balance sheet date. For investments in portfolio companies listed on a stock exchange, fair value is determined as the stock price at the balance sheet date. Value adjustments are recognised in the income statement.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Cash

Cash comprises bank deposits.

Other financial liabilities

Other financial liabilities, are measured at amortised cost and comprises other payables.

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Other external expenses	1	<u>(36)</u>	<u>(25)</u>
Gross profit/loss		(36)	(25)
Other operating expenses		<u>(802)</u>	<u>(1.353)</u>
Operating profit/loss		(838)	(1.378)
Income from other investments and receivables that are fixed assets	2	16.015	(42.831)
Other financial expenses		<u>(49)</u>	<u>(1)</u>
Profit/loss for the year		<u>15.128</u>	<u>(44.210)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>15.128</u>	<u>(44.210)</u>
		<u>15.128</u>	<u>(44.210)</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Other investments		<u>223.491</u>	<u>193.030</u>
Fixed asset investments	3	<u>223.491</u>	<u>193.030</u>
Fixed assets		<u>223.491</u>	<u>193.030</u>
Other short-term receivables	4	<u>0</u>	<u>14.753</u>
Receivables		<u>0</u>	<u>14.753</u>
Cash		<u>191</u>	<u>622</u>
Current assets		<u>191</u>	<u>15.375</u>
Assets		<u><u>223.682</u></u>	<u><u>208.405</u></u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Contributed capital	5	587.484	566.941
Retained earnings		<u>(363.845)</u>	<u>(358.582)</u>
Equity		<u>223.639</u>	<u>208.359</u>
Other payables		<u>43</u>	<u>46</u>
Current liabilities other than provisions		<u>43</u>	<u>46</u>
Liabilities other than provisions		<u>43</u>	<u>46</u>
Equity and liabilities		<u><u>223.682</u></u>	<u><u>208.405</u></u>
Contingent liabilities	6		
Related parties with control	7		

Statement of changes in equity for 2015

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	566.941	(358.582)	208.359
Increase of capital	20.543	0	20.543
Ordinary dividend paid	0	(20.391)	(20.391)
Profit/loss for the year	0	15.128	15.128
Equity end of year	<u>587.484</u>	<u>(363.845)</u>	<u>223.639</u>

The stated contributed capital represents the limited partners total equity contributions.

Ordinary dividend comprises of distributions of proceeds from realised investments distributed to the limited partner.

Notes

1. Other external expenses

The Company had no employees during the financial year. All administrative work is performed by Sunstone Capital A/S. No salary or remuneration has been paid to the general partner.

2. Income from other investments and receivables that are fixed assets

Income from other fixed asset investment comprise unrealised value adjustments from investments in portfolio companies and realised gains/losses. In 2015 the Company has recognized a realised loss of DKK (8,424)k (2014: (gain) DKK 85k). This year's unrealized gain from investment in portfolio companies amounts to DKK 24,439k. (2014: (loss) DKK (42,916)k).

	Other in- vestments DKK'000
3. Fixed asset investments	
Cost beginning of year	245.146
Additions	20.081
Disposals	<u>(14.060)</u>
Cost end of year	<u>251.167</u>
Revaluations beginning of year	(52.115)
Revaluations	10.379
Reversal regarding disposals	<u>14.060</u>
Revaluations end of year	<u>(27.676)</u>
Carrying amount end of year	<u>223.491</u>

The Fund has shares in certain portfolio companies, owning more than 20% of the capital or the voting rights. Disclosures thereon are not included in the annual report pursuant to section 72(4) of the Danish Financial Statements Act.

4. Other short-term receivables

Other short-term receivables comprise received selling price deposited on escrow accounts to cover any claim against Sunstone Technology Ventures Fund I K/S.

Notes

	2015
	<u>DKK'000</u>
5. Contributed capital	
Changes in contributed capital	
Contributed capital beginning of year	566.941
Increase of capital	<u>20.543</u>
Contributed capital end of year	<u>587.484</u>

6. Contingent liabilities

At the balance sheet date the company has not assumed obligations to make further investments in portfolio companies or any other contingent liabilities.

7. Related parties with control

The General Partner is Sunstone TV General Partner I ApS, Copenhagen.