

Penneo dokumentnøgle: KH8FW-KVXBX-T6HOT-P7X8E-EHB10-W7W30

**Sunstone Technology Ventures
Fund I K/S**

Højbro Plads 10, 2.
1200 Copenhagen
CVR No. 30589408

Annual report 2020

The Annual General Meeting adopted the
annual report on

DocuSigned by:


46886F404EE74C7...

Signe Marie Sveinbjørnsson
Chairwoman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2020	8
Balance sheet at 31.12.2020	9
Statement of changes in equity	11
Notes	12
Accounting policies	13

Entity details

Entity

Sunstone Technology Ventures Fund I K/S

Højbro Plads 10, 2.

1200 Copenhagen

CVR No.: 30589408

Registered office: København K

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Signe Marie Sveinbjørnsson

Jimmy Fussing Nielsen

Christian Lindegaard Jepsen

Executive Board

Jimmy Fussing Nielsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

0900 Copenhagen C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Sunstone Technology Ventures Fund I K/S for the financial year 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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, 25.01.2021

Executive Board

Jimmy Fussing Nielsen

Board of Directors

Signe Marie Sveinbjørnsson

Jimmy Fussing Nielsen

Christian Lindegaard Jepsen

Independent auditor's report

To the shareholders of Sunstone Technology Ventures Fund I K/S

Opinion

We have audited the financial statements of Sunstone Technology Ventures Fund I K/S for the financial year 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 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 of 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.

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 under the Danish Financial Statements Act.

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.

Copenhagen, 25.01.2021

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Kim Takata Mücke

State Authorised Public Accountant

Identification No (MNE) mne10944

Murat Güler

State Authorised Public Accountant

Identification No (MNE) mne46582

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 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. At the end of 2020, the Fund holds 2 active portfolio enterprises.

The result for the year showed a profit of DKK 64 million, primarily related to fair value gain from the investments in the portfolio companies.

Forthcoming results of Sunstone Technology Ventures Fund I K/S depend on the development in the value of the Fund's investment in portfolio companies.

The following development has taken place during the year:

Asetek A/S: Located in Aalborg, Denmark, provides liquid cooling solutions to OEM and do-it-yourself customers within high-end gaming and workstations as well as datacenters. The company is listed on Nasdaq Oslo and news about the company can be found on www.asetek.com/newsroom.

FlatFrog Laboratories AB: Located in Lund, Sweden, with offices in Taipei, Taiwan and Cupertino, California. FlatFrog develops multi-touch systems and sub-systems targeting the multi-billion-dollar market for touchbased interactivity. The company continued its development of the multi-touch performance technology for large displays for education, digital signage and corporate collaboration segments and has proven to have excellent capabilities scaling the production.

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.

Income statement for 2020

	Notes	2020 DKK'000	2019 DKK '000
Other external expenses		(50)	(40)
Gross profit/loss		(50)	(40)
Other operating expenses	1	(940)	(959)
Operating profit/loss		(990)	(999)
Income from other financial assets	2	64,588	(124,380)
Other financial expenses		(5)	(5)
Profit/loss for the year		63,593	(125,384)
Proposed distribution of profit and loss:			
Retained earnings		63,593	(125,384)
Proposed distribution of profit and loss		63,593	(125,384)

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK'000	2019 DKK'000
Other investments		210,313	142,773
Other financial assets	3	210,313	142,773
Fixed assets		210,313	142,773
Cash		358	665
Current assets		358	665
Assets		210,671	143,438

Equity and liabilities

	Notes	2020 DKK'000	2019 DKK'000
Contributed capital		610,581	606,941
Retained earnings		(399,943)	(463,536)
Equity		210,638	143,405
Other payables		33	33
Current liabilities other than provisions		33	33
Liabilities other than provisions		33	33
Equity and liabilities		210,671	143,438
Contingent liabilities	4		
Related parties with controlling interest	5		

Statement of changes in equity for 2020

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	606,941	(463,536)	143,405
Increase of capital	3,640	0	3,640
Profit/loss for the year	0	63,593	63,593
Equity end of year	610,581	(399,943)	210,638

The stated contributed capital represents the Limited Partners' total equity contributions

Notes

1 Other operating expenses

The Fund had no employees during the financial year. All administrative work is performed by Heartcore Capital A/S. No salary or remuneration has been paid to the General Partner.

2 Income from other financial assets

Income from other fixed asset investment comprise unrealised value adjustments from investments in portfolio companies.

3 Financial assets

	Other investments DKK'000
Cost beginning of year	235,738
Additions	2,952
Cost end of year	238,690
Revaluations beginning of year	(92,965)
Revaluations for the year	64,588
Revaluations end of year	(28,377)
Carrying amount end of year	210,313

4 Contingent liabilities

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

5 Related parties with controlling interest

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

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 certain provisions for reporting class C.

The accounting policies applied for these financial statements are consistent with those applied last year. The description of accounting policies reflects the Fund'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 Fund's annual report, Management makes accounting judgments and estimates which form the basis for presentation, recognition and measurement of the Fund's assets and liabilities. In particular, the accounting judgments and estimates made by Management concern the Fund's investment in unlisted 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.

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 Fund 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 Fund, 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.

Other operating expenses

Other operating expenses comprise management fee to the management company, Heartcore 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 of the investments.

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. 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.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Penneo

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registreret, og informationerne er listet herunder.

“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Kim Takata Mücke

Revisor

Serienummer: PID:9208-2002-2-055926721250

IP: 87.63.xxx.xxx

2021-01-25 15:21:28Z

NEM ID 

Murat Güler

Revisor

Serienummer: PID:9208-2002-2-308920713930

IP: 217.71.xxx.xxx

2021-01-25 15:29:30Z

NEM ID 

Signe Marie Sveinbjørnsson

Direktionsmedlem

Serienummer: PID:9208-2002-2-972279566899

IP: 109.70.xxx.xxx

2021-01-25 18:47:49Z

NEM ID 


Christian Lindegaard Jepsen

Direktionsmedlem

Serienummer: PID:9208-2002-2-601520530525

IP: 83.89.xxx.xxx

2021-01-25 19:19:29Z

NEM ID 

Jimmy Fussing Nielsen

Direktionsmedlem

Serienummer: PID:9208-2002-2-175540718594

IP: 87.50.xxx.xxx

2021-01-25 21:55:38Z

NEM ID 

Penneo dokumentnøgle: KH8FW-KVXBX-T6HOT-P7X8E-EHB0-W7W30

Dette dokument er underskrevet digitalt via **Penneo.com**. Signeringsbeviserne i dokumentet er sikret og valideret ved anvendelse af den matematiske hashværdi af det originale dokument. Dokumentet er låst for ændringer og tidsstempelt med et certifikat fra en betroet tredjepart. Alle kryptografiske signeringsbeviser er indlejret i denne PDF, i tilfælde af de skal anvendes til validering i fremtiden.

Sådan kan du sikre, at dokumentet er originalt

Dette dokument er beskyttet med et Adobe CDS certifikat. Når du åbner dokumentet

i Adobe Reader, kan du se, at dokumentet er certificeret af **Penneo e-signature service** <penneo@penneo.com>. Dette er din garanti for, at indholdet af dokumentet er uændret.

Du har mulighed for at efterprøve de kryptografiske signeringsbeviser indlejret i dokumentet ved at anvende Penneos validator på følgende websted: <https://penneo.com/validate>