



Sunstone Technology Ventures Fund I K/S

Frederiksgade 7, 3.
1265 Copenhagen
CVR No. 30589408

Annual report 2022

The Annual General Meeting adopted the
annual report on 28.02.2023

Signe Marie Sveinbjørnsson
Chairwoman of the General Meeting

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Entity details

Entity

Sunstone Technology Ventures Fund I K/S

Frederiksgade 7, 3.

1265 Copenhagen

Business Registration No.: 30589408

Registered office: København

Financial year: 01.01.2022 - 31.12.2022

Executive Board in Sunstone TV General Partner I ApS

Signe Marie Sveinbjørnsson

Jimmy Fussing Nielsen

Christian Lindegaard Jepsen

Executive Board

Jimmy Fussing Nielsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

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 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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, 24.01.2023

Executive Board

Jimmy Fussing Nielsen

Board of Directors

Signe Marie Sveinbjørnsson

Jimmy Fussing Nielsen

Christian Lindegaard Jepsen

Independent auditor's extended review report

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

Conclusion

We have performed an extended review of the financial statements of Sunstone Technology Ventures Fund I K/S for the financial year 01.01.2022 - 31.12.2022, 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of Management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our conclusion 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 extended review 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 extended review 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 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, 24.01.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

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 2021, the Fund holds 2 active portfolio enterprises.

The result for the year showed a loss of DKK 45.4 million, primarily related to fair value loss 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/company/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 2022

	Notes	2022 DKK'000	2021 DKK '000
Other external expenses	1	(53)	(46)
Gross profit/loss		(53)	(46)
Other operating expenses		(492)	(952)
Operating profit/loss		(545)	(998)
Income from financial assets	2	(44,877)	(72,798)
Other financial income		1	0
Other financial expenses		(4)	(4)
Profit/loss for the year		(45,425)	(73,800)
Proposed distribution of profit and loss:			
Retained earnings		(45,425)	(73,800)
Proposed distribution of profit and loss		(45,425)	(73,800)

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK'000	2021 DKK'000
Other investments		92,638	137,515
Financial assets	3	92,638	137,515
Fixed assets		92,638	137,515
Cash		468	351
Current assets		468	351
Assets		93,106	137,866

Equity and liabilities

	Notes	2022 DKK'000	2021 DKK'000
Contributed capital		612,240	611,575
Retained earnings		(519,168)	(473,743)
Equity		93,072	137,832
Other payables		34	34
Current liabilities other than provisions		34	34
Liabilities other than provisions		34	34
Equity and liabilities		93,106	137,866
Contingent liabilities	4		
Related parties with controlling interest	5		

Statement of changes in equity for 2022

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	611,575	(473,743)	137,832
Increase of capital	665	0	665
Profit/loss for the year	0	(45,425)	(45,425)
Equity end of year	612,240	(519,168)	93,072

Notes

1 Other external expenses

The Fund had no employees during the financial year.

Administrative and Investment work is performed by Heartcore Capital A/S (see note 5).

Administrative expenses cover management fee to Heartcore Capital A/S of DKK 472 thousand (2021: DKK 937 thousand) and management fee to General Partner of DKK 20 thousand (2021: DKK 15 thousand).

2 Income from 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	238,690
Cost end of year	238,690
Revaluations beginning of year	(101,175)
Revaluations for the year	(44,877)
Revaluations end of year	(146,052)
Carrying amount end of year	92,638

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 a few provisions for reporting class C.

The accounting policies applied to 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.

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 income

Other financial income comprises interest income.

Other financial expenses

Other financial expenses comprise interest expenses and currency losses, which do not relate to, 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.