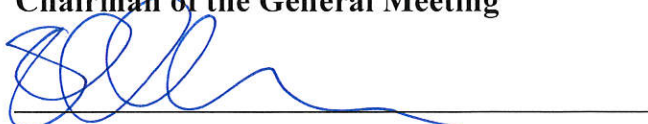


Sunstone LSV Management A/S
Central Business Registration No
33859198
Lautrupgade 7, 5
2100 Copenhagen Ø

Annual report 2015

The Annual General Meeting adopted the annual report on 31.03.2016

Chairman of the General Meeting



Name: Merete Lundbye Møller

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Management commentary	5
Accounting policies	6
Income statement for 2015	9
Balance sheet at 31.12.2015	10
Statement of changes in equity for 2015	12
Notes	13

Entity details

Entity

Sunstone LSV Management A/S
Lautrupgade 7, 5
2100 Copenhagen Ø

Central Business Registration No: 33859198
Registered in: Copenhagen
Financial year: 01.01.2015 - 31.12.2015

Board of Directors

Merete Lundbye Møller, Chairwoman
Peter Benson
Sten Verland
Andreas Rutger Segerros
Claus Asbjørn Andersson
Søren Lemonius

Executive Board

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 LSV Management 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 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.

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.

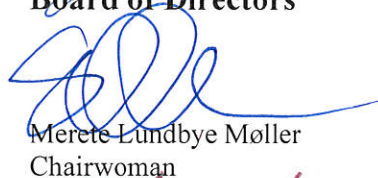
Copenhagen, 31.03.2016

Executive Board



Peter Benson

Board of Directors



Merete Lundbye Møller
Chairwoman



Peter Benson



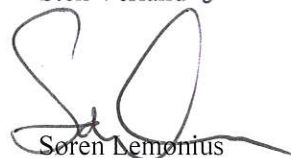
Sten Verland



Andreas Rutger Segerros



Claus Asbjørn Andersson



Søren Lemonijs

Independent auditor's reports

To the owners of Sunstone LSV Management A/S

Report on the financial statements

We have audited the financial statements of Sunstone LSV Management 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 Company'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 Company'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 LSV Management A/S is a management company that provides investments management services and administration to Sunstone Life Science Ventures Fund III K/S. The investment management agreement has been transferred to Sunstone Capital A/S that handles the daily administration of the Fund. Sunstone LSV Management is located in Copenhagen

Development in activities and finances

Sunstone LSV Management A/S was established on 4 July 2011 and has a fiscal year ending on 31 December.

The profit after tax for 2015 was DKK 3,580k which is as expected.

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

The annual report is presented in DKK'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

The Company has not prepared consolidated financial statements with reference to the Danish Financial Statements Act, section 110 (1).

Income statement

Other operating income

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

Other external expenses

Other external expenses iremuneration to external investment advisors etc.

Accounting policies

Other operating expenses

Other operating expenses comprise management fee to Sunstone Capital A/S, stated in accordance with management fee agreement.

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 expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, and losses 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 its subsidiaris. 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).

Balance sheet

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.

Cash

Cash comprises cash in hand and bank deposits.

Accounting policies

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 tax receivable or payable

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.

Income statement for 2015

	<u>Notes</u>	<u>2015</u> <u>DKK'000</u>	<u>2014</u> <u>DKK'000</u>
Other operating income		13.232	13.232
Other external expenses		<u>(538)</u>	<u>(2.685)</u>
Gross profit/loss		12.694	10.547
Other operating expenses	1	<u>(7.998)</u>	<u>(7.559)</u>
Operating profit/loss		4.696	2.988
Income from investments in group enterprises		(3)	37
Other financial expenses		<u>(12)</u>	<u>0</u>
Profit/loss from ordinary activities before tax		4.681	3.025
Tax on profit/loss from ordinary activities	2	<u>(1.101)</u>	<u>(731)</u>
Profit/loss for the year		<u>3.580</u>	<u>2.294</u>
 Proposed distribution of profit/loss			
Dividend for the financial year		2.500	2.500
Reserve for net revaluation according to the equity method		(3)	37
Retained earnings		<u>1.083</u>	<u>(243)</u>
		<u>3.580</u>	<u>2.294</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Investments in group enterprises		238	191
Fixed asset investments	3	<u>238</u>	<u>191</u>
Fixed assets		<u>238</u>	<u>191</u>
Receivables from group enterprises		182	1.100
Income tax receivable		0	98
Receivables		<u>182</u>	<u>1.198</u>
Cash		<u>4.515</u>	<u>3.638</u>
Current assets		<u>4.697</u>	<u>4.836</u>
Assets		<u><u>4.935</u></u>	<u><u>5.027</u></u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Contributed capital	4	502	502
Reserve for net revaluation according to the equity method		108	111
Retained earnings		1.428	345
Proposed dividend		2.500	2.500
Equity		<u>4.538</u>	<u>3.458</u>
Debt to group enterprises		15	1.388
Income tax payable		253	0
Other payables		129	181
Current liabilities other than provisions		<u>397</u>	<u>1.569</u>
Liabilities other than provisions		<u>397</u>	<u>1.569</u>
Equity and liabilities		<u><u>4.935</u></u>	<u><u>5.027</u></u>
Contingent liabilities	5		

Statement of changes in equity for 2015

	Contri- buted capi- tal DKK'000	Reserve for net revalu- ation ac- cording to the equity method DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	502	111	345	2.500	3.458
Ordinary dividend paid	0	0	0	(2.500)	(2.500)
Profit/loss for the year	0	(3)	1.083	2.500	3.580
Equity end of year	502	108	1.428	2.500	4.538

Notes

1. Other operating expenses

The Company had no employees during the financial year. All services are purchased from Sunstone Capital A/S, for which the Company pays management fee.

	2015	2014
	DKK'000	DKK'000
2. Tax on ordinary profit/loss for the year		
Current tax	1.003	732
Change in deferred tax for the year	89	0
Adjustment relating to previous years	9	(1)
	1.101	731
		Investments in group enterprises DKK'000
3. Fixed asset investments		
Cost beginning of year		80
Additions		50
Cost end of year		130
Revaluations beginning of year		111
Share of profit/loss after tax		(3)
Revaluations end of year		108
Carrying amount end of year		238

	Registered in	Equity interest %
Subsidiaries:		
Sunstone LSV General Partner III ApS	Copenhagen	100,00
EEP5 ApS	Copenhagen	100,00

Notes

	<u>Number</u>	<u>Par value DKK</u>	<u>Nominal value DKK'000</u>
4. Contributed capital			
Ordinary shares	501.600	1,00	502
	501.600		502

Contributed capital comprise 83,600 A shares and 418,000 B shares. There has been no change in the contributed capital since inception.

5. Contingent liabilities

The Company is jointly taxed with Sunstone LSV General Partner III ApS and EEP ApS. As from 1 July 2012, according to the Danish Companies Act governing joint taxation, the Company is liable for any liabilities to withhold tax at source regarding royalties and dividends for the jointly taxed companies and as 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.