


**Sunstone LSV General Partner III ApS
Central Business Registration No
34078378
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

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	8
Balance sheet at 31.12.2015	9
Statement of changes in equity for 2015	11
Notes	12

Entity details

Entity

Sunstone LSV General Partner III ApS
Lautrupsgade 7, 5
2100 Copenhagen Ø

Central Business Registration No: 34078378
Registered in: Copenhagen
Financial year: 01.01.2015 - 31.12.2015

Executive Board

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

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of Sunstone LSV General Partner III ApS 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




Merete Lundbye Møller



Søren Lemonius



Peter Benson



Claus Asbjørn Andersson



Sten Verland



Andreas Rutger Segerros

Independent auditor's reports

To the owner of Sunstone LSV General Partner III ApS

Report on the financial statements

We have audited the financial statements of Sunstone LSV General Partner III ApS 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

The Company is General Partner in Sunstone Life Science Ventures Fund III K/S, Copenhagen.

The Company has had no employees during the year.

Development in activities and finances

The Company's net profit for the year is DKK 47k and equity at 31 December 2015 equals DKK 239k.

The result for the year 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.

Income statement

Other operating income

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

Other external expenses

Other external expenses include corporate cost etc.

Other financial income

Other financial income comprises interest income on receivables from group enterprises.

Accounting policies

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, and currency losses on 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 Entity is jointly taxed with Danish Group enterprises with Sunstone Capital A/S as the administration company. 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

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.

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 recognized 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 DKK'000</u>	<u>2014 DKK'000</u>
Other operating income		60	60
Other external expenses		<u>(10)</u>	<u>(10)</u>
Operating profit/loss		50	50
Other financial income		13	0
Other financial expenses		<u>(1)</u>	<u>(1)</u>
Profit/loss from ordinary activities before tax		62	49
Tax on profit/loss from ordinary activities	1	<u>(15)</u>	<u>(12)</u>
Profit/loss for the year		<u>47</u>	<u>37</u>
Proposed distribution of profit/loss			
Retained earnings		<u>47</u>	<u>37</u>
		<u>47</u>	<u>37</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Receivables from group enterprises		73	60
Fixed asset investments		<u>73</u>	<u>60</u>
Fixed assets		<u>73</u>	<u>60</u>
Receivables from group enterprises		15	15
Receivables		<u>15</u>	<u>15</u>
Cash		<u>187</u>	<u>139</u>
Current assets		<u>202</u>	<u>154</u>
Assets		<u><u>275</u></u>	<u><u>214</u></u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Contributed capital	2	80	80
Retained earnings		159	112
Equity		<u>239</u>	<u>192</u>
Debt to group enterprises		12	0
Income tax payable		15	12
Other payables		9	10
Current liabilities other than provisions		<u>36</u>	<u>22</u>
Liabilities other than provisions		<u>36</u>	<u>22</u>
Equity and liabilities		<u>275</u>	<u>214</u>
Contingent liabilities	3		
Ownership	4		

Statement of changes in equity for 2015

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	80	112	192
Profit/loss for the year	0	47	47
Equity end of year	80	159	239

Notes

	<u>2015</u> <u>DKK'000</u>	<u>2014</u> <u>DKK'000</u>
1. Tax on ordinary profit/loss for the year		
Current tax	15	12
	<u>15</u>	<u>12</u>
2. Contributed capital		<u>2015</u> <u>DKK'000</u>
Changes in contributed capital		
Contributed capital beginning of year		80
Contributed capital end of year		<u>80</u>

Contributed capital consists of 80.000 shares at DKK 1. The shares have not been divided into classes.

♥ Gæld til tilknyttede virksomheder - Indsæt beskrivelse af evt. særlige forhold.

3. Contingent liabilities

The Company is subject to personal and unlimited liability for all obligations in Sunstone Life Science Fund III K/S as the general partner of the Partnership.

4. Ownership

The Company has registered the following shareholder:

Sunstone LSV Management A/S, Copenhagen