



## Sunstone Life Science Ventures Fund III K/S

Nordre Fasanvej 215  
2000 Frederiksberg  
CVR No. 34085919

## Annual report 2025

The Annual General Meeting adopted the  
annual report on 24.02.2026

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**Merete Lundbye Møller**  
Chairman of the General Meeting

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# Fund details

## Fund

Sunstone Life Science Ventures Fund III K/S

Nordre Fasanvej 215

2000 Frederiksberg

Business Registration No.: 34085919

Registered office: Frederiksberg

Financial period: 01.01.2025 - 31.12.2025

## General Partner

Sunstone LSV General Partner III ApS

## Board of Directors in Sunstone LSV General Partner III ApS

Claus Asbjørn Andersson

Søren Lemonius

Merete Lundbye Møller

## Fund Manager

Sunstone Life Science Ventures A/S

Registered Manager of Alternative Investment Funds (Danish FTID number: 23084)

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Denmark

# Statement by the General Partner on the annual report

The General Partner have today considered and approved the annual report of Sunstone Life Science Ventures Fund III K/S (the "Fund") for the financial period 01.01.2025 31.12.2025

The annual report is presented in accordance with the IFRS Accounting Standards as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Fund's financial position at 31.12.2025 of the results of its operations and the cash flows for the financial period 01.01.2025 31.12.2025

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, 27.01.2026

**On behalf of Sunstone LSV General Partner III ApS.**

**Claus Asbjørn Andersson**

**Søren Lemonius**

**Merete Lundbye Møller**

# Management commentary

## Primary activity

Sunstone Life Science Ventures Fund III K/S invests in early-stage life science companies mainly located in the Nordic countries, Germany and Switzerland.

A team of investment professionals in Denmark are responsible for the investment management.

## Investments

The company descriptions below include all portfolio enterprises within the Fund.

IO Biotech ApS: Located in Copenhagen, Denmark, a clinical stage biotech company developing immune therapies i.e. checkpoint/cancer vaccines. The company is listed on NASDAQ NY and news about the company can be found on <https://iobiotech.com/about/news/>.

MinervaX ApS: Located in Copenhagen, Denmark, develops a vaccine against Group B Streptococcus (GBS). GBS is the leading cause of life-threatening bacterial infections in newborn babies affecting some 8,000 babies annually in Europe and the U.S. The clinical studies have been proceeding according to plan.

## Development in activities and finances

The Fund was established on 15 December 2011 and holds two active portfolio enterprises by the end of 2025.

The result for the year shows a loss of DKK 4,6 million primarily related to fair value losses from its investments in portfolio enterprises.

Future results of Sunstone Life Science Ventures Fund III K/S depend on the development in the value of the Fund's investment in portfolio enterprises.

## Uncertainty relating to recognition and measurement

When preparing the Fund's annual report, the General Partner, in accordance with legislative provisions, makes accounting judgements and estimates forming the basis of the annual report.

These accounting judgement and estimates are described in note 2 "Critical accounting judgements, estimates, assumptions and uncertainties" to which we refer. The estimates are primarily related to the measurement of investments in portfolio enterprises made based on assumptions which the General Partner consider reasonable and realistic, but uncertain by nature.

For the current year, the General Partner has among others also considered the effects of current macroeconomic conditions, such as development during 2025 in interest rates, stock markets and the effect of the wars between Ukraine and Russia, and Hamas and Israel have been reflected upon.

The Fund itself has not been affected by the above factors. However, they have affected – both positively and negatively - the operations of many of the Fund's portfolio enterprises, which have been regarded in resolving the fair value of investments in portfolio enterprises.

As the Fund invests in unlisted equity investments within the venture environment, the valuation may be

uncertain because of the industry and current macroeconomic conditions. The valuation also depends on execution of strategy by the individual companies; furthermore, in times of high economic uncertainty, valuation will also be more precarious.

#### **Events after the balance sheet date**

No events have occurred after the balance sheet date till now, which would influence the evaluation of annual report at hand.

#### **Periodic disclosure for Article 6 financial product**

The investment underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

# Independent auditor's report

## To the shareholders of Sunstone Life Science Ventures Fund III K/S

### Opinion

We have audited the financial statements of Sunstone Life Science Ventures Fund III K/S for the financial period 01.01.2025 - 31.12.2025, which comprise the statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Fund's financial position at 31.12.2025 of the results of its operations and cash flows for the financial period 01.01.2025 - 31.12.2025 in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements of 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 Company 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### General Partner's responsibilities for the financial statements

The General Partner is responsible for the preparation of financial statements that give a true and fair view in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and for such internal control as the General Partner 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, the General Partner is responsible for assessing the Fund'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 the General Partner either intends to liquidate the Fund 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**

General Partner 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, 27.01.2026

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

#### **Michael Thorø Larsen**

State Authorised Public Accountant  
Identification No (MNE) mne35823

# Statement of comprehensive income

	Notes	2025 DKK'000	2024 DKK'000
Realised gains/(losses) from financial assets at fair value		54	0
Net increase/(decrease) in unrealised gains/(losses) from financial assets at fair value		(4,467)	(17,870)
<b>Operating income/(loss)</b>		<b>(4,413)</b>	<b>(17,870)</b>
Administrative expenses	3	(60)	(1,654)
Other operating expenses	4	(152)	(244)
<b>Operating expenses</b>		<b>(212)</b>	<b>(1,898)</b>
<b>Operating profit/(loss) (EBIT)</b>		<b>(4,625)</b>	<b>(19,768)</b>
Financial income		32	26
Financial expenses		(8)	(8)
<b>Increase / (decrease) in net assets attributable to Limited Partners</b>		<b>(4,601)</b>	<b>(19,750)</b>
<b>Comprehensive income</b>		<b>(4,601)</b>	<b>(19,750)</b>

# Statement of financial position as at 31.12.2025

## Assets

	Notes	2025 DKK'000	2024 DKK'000
Investments in portfolio companies	5	83,652	91,243
<b>Investments</b>		<b>83,652</b>	<b>91,243</b>
<b>Non-current assets</b>		<b>83,652</b>	<b>91,243</b>
Cash and cash equivalents		5,668	2,663
<b>Current assets</b>		<b>5,668</b>	<b>2,663</b>
<b>Total assets</b>		<b>89,320</b>	<b>93,906</b>

**Net assets and liabilities**

	<b>Notes</b>	<b>2025 DKK'000</b>	<b>2024 DKK'000</b>
Limited partnership capital	6	640,303	640,303
Retained earnings		(210,549)	(205,948)
Distributions		(340,581)	(340,581)
<b>Net assets attributable to Limited Partners</b>		<b>89,173</b>	<b>93,774</b>
Other payables	7	147	132
<b>Current liabilities</b>		<b>147</b>	<b>132</b>
<b>Total liabilities</b>		<b>147</b>	<b>132</b>
<b>Total liabilities and net assets attributable to Limited Partners</b>		<b>89,320</b>	<b>93,906</b>

# Statement of changes in net assets attributable to the Limited Partners

	Limited partnership capital DKK'000	Retained earnings DKK'000	Distributions DKK'000	Total DKK'000
Net assets 01.01.2025	640,303	(205,948)	(340,581)	<b>93,774</b>
Profit/(loss) for the period	0	(4,601)	0	<b>(4,601)</b>
<b>Net assets 31.12.2025</b>	<b>640,303</b>	<b>(210,549)</b>	<b>(340,581)</b>	<b>89,173</b>

	Limited partnership capital DKK'000	Retained earnings DKK'000	Distributions DKK'000	Total DKK'000
Net assets 01.01.2024	640,303	(186,198)	(340,581)	<b>113,524</b>
Profit/(loss) for the period	0	(19,750)	0	<b>(19,750)</b>
<b>Net assets 31.12.2024</b>	<b>640,303</b>	<b>(205,948)</b>	<b>(340,581)</b>	<b>93,774</b>

The Partners have committed themselves to contributing up to DKK 661,616 thousand into the Fund, as and when new capital is required for making investments, paying fund costs etc. Of the total committed capital, the Partners have paid-in net DKK 640,303 thousand at 31.12.2025 the remaining contribution balance is DKK 21.313 thousand. Distributions to Partners comprise return of capital and realized gains.

Refer to note 7 for further information regarding the rights, preferences and restrictions attached to the limited partnership capital.

# Statement of cash flows

	Notes	2025 DKK'000	2024 DKK'000
Operating profit/(loss) (EBIT)		(4,625)	(19,768)
Net increase/(decrease) in unrealised gains/(losses) from financial assets at fair value through profit or loss		4,467	17,870
Realised gains/(losses) from financial assets at fair value		(54)	0
Working capital changes		15	(39)
		<b>(197)</b>	<b>(1,937)</b>
Received financial income		32	26
Paid financial expenses		(8)	(8)
<b>Cash flows from operating activities</b>		<b>(173)</b>	<b>(1,919)</b>
Net proceeds from sale of portfolio enterprises		3,178	3,841
<b>Cash flows from investing activities</b>		<b>3,178</b>	<b>3,841</b>
<b>Cash flows from operating and investing activities</b>		<b>3,005</b>	<b>1,922</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>3,005</b>	<b>1,922</b>
Cash beginning of year		2,663	741
<b>Cash end of year</b>		<b>5,668</b>	<b>2,663</b>

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# Notes to the financial statements

## 1 Material accounting principles

### Reporting class

The financial statements are prepared in accordance with the IFRS Accounting Standards as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The financial period runs from 1 January to 31 December each year. The accounting policies applied to these financial statements are consistent with those applied last year.

The financial statements are presented in ~~DKK~~, ~~DKK~~ is the functional currency of the Fund.

The Fund is determined to be an investment entity in accordance with IFRS 10, Consolidated Financial Statements, and has therefore accounted for subsidiaries as well as investments in associates and joint ventures as investments designated at fair value through profit or loss where the relevant criteria under IFRS 10 are met.

The financial statements are presented on the basis of going concern.

The financial statements are presented on the basis of historical cost, except for the investments and receivables from investments, which are measured at fair value. Historical cost is based on the fair value of the consideration given in exchange for assets.

All amounts in the financial statements are presented in whole ~~thousand DKK~~ thousand ~~DKK~~. Every figure is rounded off separately and, for that reason, minor differences between the stated totals and the sum of underlying figures may occur.

Judgements made by the General Partner in the application of the IFRS Accounting Standards that have had significant effects on the financial statements are disclosed, where applicable, in the relevant notes to the financial statements

### Defining materiality

If a line item is not individually material, it is aggregated with other items and notes of a similar nature in the financial statements or in the notes. There are substantial disclosure requirements throughout the IFRS Accounting Standards. Disclosures required by the IFRS Accounting Standards are provided unless the information is considered immaterial to the economic decision-making of the users of these financial statements or not applicable.

The material accounting policies are set out below.

**Report on the exemption of preparation of consolidated financial statements**

Sunstone Life Science Ventures Fund III K/S does not prepare consolidated financial statements under the provisions of IFRS 10, Consolidated Financial Statements, as the Limited Partnership qualifies as an investment entity. The definition of an investment entity is an entity that:

- Obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- Measures and evaluates the performance of substantially all its investments on a fair value basis.

In view of the circumstances described below, the General Partner believes that the Fund satisfies the typical criteria of an investment entity that:

- The Fund has more than one investment.
- The Fund has more than one investor and its investors are not related parties.
- The Fund's investments take the form of equity instrument or similar investments (portfolio companies).

As a result, the General Partner has decided to apply the exemption rule in IFRS 10 not to prepare consolidated financial statements where the controlled subsidiaries are consolidated, and instead the controlled subsidiaries are accounted for at fair value through profit or loss.

**Standards and Interpretations not yet in force**

All of the new and amended Standards and Interpretations which are relevant to the Fund, and which came into force with effect for financial years beginning 01.01.2025 have been applied when preparing the financial statements.

These standards have not had a significant impact on the Fund's financial statements.

**IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit and loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation

IFRS 18 amendments are effective for reporting periods beginning on or after 1 January 2027, with earlier application permitted. IFRS 18 will apply retrospectively.

It is expected that the application of these amendments will have an impact on the Fund's financial statements in future periods.

There are no other Standards, Interpretations or amendments to existing Standards that are not yet effective that would be expected to have a significant impact on the Fund.

### **Significant accounting judgment and estimates**

As part of the preparation of the financial statements, the General Partner made judgements and estimates which affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. The most significant accounting judgements and estimates are evident from note 2 to the financial statements.

These judgements and estimates include considerations about the future - such as climate-related risks and opportunities that may impact financial reporting. Actual results may differ from these estimates. All estimates and underlying assumptions are reviewed on an ongoing basis and, where appropriate, reflect the Fund's risk management practices and climate-related commitments. Revisions to estimates are recognized prospectively.

### **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 Fund, and the value of the asset can be measured reliably. Assets are derecognised in the balance sheet when it is no longer probable that future economic benefits will flow to the Fund.

Liabilities are recognised in the balance sheet when the Fund has a legal or constructive obligation as a result of an event prior to or on the balance sheet date, and it is probable that future economic benefits will flow out of the Fund, and the value of the liability can be measured reliably. Liabilities are derecognised in the balance sheet when it is no longer probable that economic benefits will have to be given up to settle the liability.

Financial assets are recognised at fair value through profit or loss when the Fund becomes party to the contractual provisions of the instrument. Recognition takes place on the trade date when the Fund purchases or sells an investment under a contract whose terms require delivery of the investment within the time frame established by the market.

Financial assets are derecognised when the contractual rights to the cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

On initial recognition, assets and liabilities are measured at cost. However, investment assets are measured at fair value on initial recognition, typically equalling contributions. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within net increase/(decrease) in unrealised gains/(losses) from financial assets at fair value at fair value in the period in which they arise.

Income is recognised in the statement of comprehensive income when earned, whereas costs are recognised by the amounts attributable to this financial period.

All financial liabilities are subsequently measured at amortised cost.

### **Foreign currency translation**

The functional currency reflects the currency in which the Limited Partners have committed themselves to the Fund as well as the currency in which the Fund pays the Fund Manager for carrying out investment related services. Investments and loans are carried out in different currencies and hence considered less relevant in

terms of influencing the choice of functional currency. The financial statements of the Fund are presented in the currency unit DKK, which is the Fund's functional and presentation currency.

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 rate in effect at the payment date or the rate at the balance sheet date are recognised in the statement of comprehensive income as financial income or financial expenses.

### Statement of comprehensive income

#### Income from Investments in portfolio companies

Income from investments in portfolio enterprises comprises gains/losses from divestments, fair value changes and received dividends and other similar types of returns from the investments.

Gains/losses from divestment of investments in portfolio enterprises are stated as the difference between the selling price or disposal consideration and the carrying amount of the portfolio enterprises at the time of sale or disposal, respectively.

Dividends from investments in portfolio enterprises are recognised as income when final entitlement to the dividends is obtained, which is usually at the time of the approval of the declaring dividends by the portfolio enterprise.

#### Administrative expenses and other operating expenses

Other operating expenses include general costs, investment costs relating to incomplete investments and administrative expenses include management fee to the management company.

#### Financial income and expenses

Financial income and expenses comprise interest income and various expenses, and net exchange rate adjustments on transactions in foreign currencies.

Interest income and interest expenses are recognised on an accrual basis.

#### Taxation

Under current Danish law governing the Fund, it is not independently taxable because the Fund's profit/loss for the year is included in the Limited Partners' taxable income.

### Statement of Financial Position

#### Investments in and loans to portfolio companies

Investments in portfolio enterprises comprise equity investments in portfolio enterprises and loans to portfolio enterprises measured at fair value through profit or loss.

The fair value of the unlisted investments is determined in accordance with IPEV's Valuation Guidelines, according to which the fair value – depending the type and maturity of the investment – is determined to be equal to cost (typically applied for new investments) or multiple-based calculations based on industry benchmarks.

When applicable the fair value of investments, which are traded on a stock exchange, is based on the quoted

market prices at the reporting date.

For further information about the measurement of fair values, please refer to note 10.

### **Cash and cash equivalents**

Cash comprises cash in bank deposits. The balance of cash and cash equivalents in the statement of cash flows is equal with the cash balance reported in the statement of financial position.

### **Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

### **Net assets attributable to Limited Partners**

Net assets attributable to Limited Partners are classified as a financial liability under IFRS Accounting Standards, due to the finite life and contractual payment provisions to each of the Limited Partners within the LPA.

### **Cash flow statement**

The cash flows statement of the Fund is presented using the indirect method and shows cash flows from operating, investing, and financing activities as well as the Fund's cash at the beginning and the end of the financial period.

Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items and working capital changes.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of investment.

Cash flows from financing activities comprise cash changes in the size or composition of the contributed capital and cash payment of distributions to the Limited Partners.

Cash comprises cash in bank deposits.

## **2 Material accounting estimates, assumptions, and uncertainties**

Sunstone Life Science Ventures Fund III K/S invests in portfolio enterprises, which primarily includes equity investments and to a smaller extent contribution of loans to development-oriented enterprises, and which may require continuous contribution of capital. The investments are accounted for at a fair value through profit or loss.

When measuring the fair value of the unlisted investments, the General Partner assesses the development stage of the portfolio enterprises compared to the initial plans at the time of making the initial investments, future financing requirements, commercialisation possibilities, timing of exit and possible exit values.

The fair value of each unlisted portfolio enterprise is determined in accordance with commonly used valuation principles based on the IPEV Valuation Guidelines, taking into account the assessment of the development stage of the enterprise as well as its market potential and expected cash flows in order to reflect the fair value of the portfolio enterprise in the best way possible.

As the Fund invests in unlisted equity investments within the venture environment, the valuation is characterised by uncertainty as a result of the industry in general and current macroeconomic conditions. As a result, the

valuation is associated with uncertainty, just as the valuation is dependent on the future execution of the strategy by the individual companies. In periods of high economic uncertainty, the uncertainty surrounding the valuation will also be greater.

Methods and assumptions for determining the fair value of investments in unlisted portfolio enterprises are further described in note 10.

### 3 Administrative expenses

The Fund has no employees.

Administrative expenses include management fee for the period to Sunstone Life Science Ventures A/S in accordance with the Limited Partnership Agreement and management agreement.

	2025 DKK'000	2024 DKK'000
Management fee	0	1,594
General partner fee	60	60
<b>Administrative expenses</b>	<b>60</b>	<b>1,654</b>

No carried interest was paid out by the Fund during the financial period.

### 4 Other operating expenses

Other operating expenses cover cost for investments that did not materialize, regulatory costs, cost for the fund's advisory and investment board and fees to other advisors.

### 5 Investments

	Investments in portfolio companies 2025 DKK'000	Investments in portfolio companies 2024 DKK'000
Cost at beginning of period	228,337	311,056
Divestments	(9,980)	(82,719)
<b>Cost at end of period</b>	<b>218,357</b>	<b>228,337</b>
Fair value adjustments at beginning of period	(137,093)	(198,102)
Divestments	6,855	78,878
Exchange rate regulations	0	2,596
Fair value adjustments	(4,467)	(20,466)
<b>Fair value adjustments at end of period</b>	<b>(134,705)</b>	<b>(137,094)</b>
<b>Carrying amount at end of period</b>	<b>83,652</b>	<b>91,243</b>

Equity investments include both direct Equity investments as well as convertible bonds, which have been entered into and converted to Equity instruments by subsequent capital rounds in the underlying portfolio enterprises. Investments via convertible bonds are normal practice within the venture fund, and are entered into solely for the purpose of future Equity conversions. As a result, it is considered most fair to show these together, just as the instruments have the same risk profile as the rest of the portfolio.

The convertible bonds have a fixed interest rate, which is according to normal practice in the industry. The convertible bonds are not recognised on an ongoing basis due to the fact that the interest income cannot be calculated reliably, and the Fund's ability to repay principal and accrued interest will depend on new investment rounds of capital.

<b>Investments</b>	<b>Corporate form</b>	<b>Registered in</b>	<b>Equity interest %</b>	<b>Valuation method 2024</b>	<b>Valuation method 2023</b>
IO Biotech	ApS	Denmark	3.37	Listing price	Listing price
MinervaX	ApS	Denmark	6.71	Price of recent investment	Price of recent investment
OxThera	AB	Sweden	12.27	Written off	Written off
Oblique Therapeutica	AB	Sweden	0.56	Written off	Written off

Equity interest percentage is based on the General Partners' latest information.

Consistently with the accounting policies, the Fund regularly adjusts the value of the investments to the best estimate of fair value. This means that the proportionate share of operating profit or loss for the Companies is not recognised in profit or loss of the Fund, but rather a fair value adjustment of the investment.

The methods applied by the Fund to measure investments are evident from [note 10](#) to the financial statements.

## 6 Limited partnership capital

	<b>2025 DKK'000</b>	<b>2024 DKK'000</b>
Limited Partners' contribution at beginning of year	640,303	640,303
<b>Limited Partners' contribution at end of year</b>	<b>640,303</b>	<b>640,303</b>

The Limited Partnership is owned by the Limited Partners in proportion to their respective capital commitments. Specific Limited Partnership interest classes have an associated right to receive carried interest.

### Carried interest

Holders of carried interest (Limited Partnership capital) receives a return on their investment that is dependent on the yield of the underlying investments throughout the lifecycle of the fund. The amount allocated to carried interest is based on the principle that the investments are realised at the balance date at a price corresponding to the estimated fair value of the assets.

Some specific commitment classes have an associated special right to receive carried interest, which is calculated based on the overall performance net of costs and expenses of the portfolio of all investments. This carried interest is determined as a proportion of net cash flows exceeding the agreed hurdle rate. Carried interest is paid out with ordinary distributions based on adjusted economic rights, which reflect an annual allocation of carried interest as if such carried interest had been reinvested into the Fund.

The carried interest amount is subject to uncertainty and can only be reliably determined upon the final liquidation of the Fund. Consequently, the carried interest cannot be measured with sufficient reliability on an ongoing basis.

Except for entitlement to carried interest, the investments by the Limited Partners with specific commitment

classes are made at the same time and on the same commercial terms as the other Limited Partners, provided that no Management Fee or carried interest are payable by those Limited Partners with specific commitment classes.

Distributions of carried interest to the specific commitment classes are subject to provision as defined in the Limited Partnership Agreement. Carried interest will be allocated to specific commitment classes on the basis of the carrying value of the investments at year end. However, distributions of carried interest are not paid to the specific commitment classes until the sale of investments are realised.

No carried interest was paid out by the Fund during the financial period.

## 7 Other payables

	2025 DKK'000	2024 DKK'000
Auditor and other advisors	147	132
<b>Other payables</b>	<b>147</b>	<b>132</b>

The carrying amount of payables relates to legal fees, auditor's fees, travel costs etc. The amount recognised is equal to the fair value of the liabilities.

Other payables fall due for payment within 12 months.

## 8 Financial instruments

Categories of financial instruments:

	2025 DKK'000	2024 DKK'000
Equity investments	83,652	91,243
<b>Financial assets measured at fair value through profit or loss</b>	<b>83,652</b>	<b>91,243</b>
Other payables	147	132
<b>Financial liabilities measured at amortised cost</b>	<b>147</b>	<b>132</b>

All financial liabilities are due for payment within 12 months.

## 9 Financial risk management

The General Partner is ultimately responsible for the overall risk management within the Fund but has delegated the responsibility to the Fund Manager.

The Fund adheres to an investment strategy approved by the Limited Partners. As a result of its investments in portfolio enterprises, the Fund is directly or indirectly exposed to changes in liquidity, credit, interest and currency risks.

The Fund's risk management processes include identification, measurement, monitoring, reporting and mitigation of the identified risks to minimise the potential negative effects at fund level.

Key financial risk factors and exposure regarding the financial statements 2025 can be categorised as follows:

## Financial risk factors

### Liquidity risks

	Less than 1 year DKK'000	Between 1 year and 5 years DKK'000	After 5 years DKK'000	Total DKK'000
Other payables	147	0	0	147
<b>31.12.2025</b>	<b>147</b>	<b>0</b>	<b>0</b>	<b>147</b>

	Less than 1 year DKK'000	Between 1 year and 5 years DKK'000	After 5 years DKK'000	Total DKK'000
Other payables	132	0	0	132
<b>31.12.2024</b>	<b>132</b>	<b>0</b>	<b>0</b>	<b>132</b>

Maturity of financial liabilities is specified above divided into timing intervals. The specified amounts represent the amounts due for payment.

### Credit risks

In some cases, the Fund provides loans to its portfolio enterprises.

These loans often carry conversion rights or are considered as intermediary financing with the expectation to be converted to equity investments, and hence such loans are considered part of the investment and are, therefore, not considered to represent a separate credit risk, but is rather considered being part of the total investment risk and risk relating to determining a fair value of the investments.

### Currency risk

The Fund's investments are exposed to changes in the foreign currency USD. The Fund considers the currency risk as part of the whole investment risk and hence, the Fund does not separately hedge the currency risk relating to its investments in portfolio enterprises.

In addition, the Fund is indirectly exposed to currency risks through investments in portfolio enterprises which trade in other currencies than their functional currencies and hence, development in exchange rates may influence income and thereby their determination of fair value of the portfolio enterprises.

## 10 Financial instruments measured at fair value

The fair value of the investments is measured on a quarterly basis, or more frequently if significant changes occur.

The Fund Manager has implemented procedures and methodology to ensure that the valuation is carried out consistently over time and across investments.

### Methods applied in and assumptions underlying the determination of fair values of investments

The fair value for each unlisted portfolio enterprise is determined based on methods which best reflect the individual investment's potential and risk, life cycle and industry conditions.

In general, the fair value is determined following the IPEV Valuation Guidelines which prescribe the use of accepted valuation methods, such as price of recent investments, multiple analysis/benchmarking, most recent transaction multiple and other relevant methods. The Fund invests venture capital primarily in development stage companies without any or with only limited revenue entailing that the fair value measurement of each of the investments is inherently subject to considerable uncertainty.

Upon initial investment, cost of the investment is generally determined to represent the fair value. If new investors join the investments and obtain more than just an insignificant share of the enterprise, the price of a recent investment is used as basis for determining the fair value.

Throughout the life of the investment, the General Partner reviews its investments for potential impairment, which may materialise if the portfolio enterprises have been subject to pervasive negative development and/or if the Fund decides that it will no longer participate in the further funding and there is a considerable risk that the portfolio enterprise may not be able to continue its operations or it is by other means obvious that there is a pervasive decline in the fair value of the portfolio enterprise. In these cases, the value is written down to a new lower fair value based on the General Partner's best estimate.

In cases where the portfolio company is performing in line with its original business case, and there have been no significant market movements as reflected by the CAPM (Capital Asset Pricing Model), the General Partner consider that cost remains the best estimate for fair value. This is based on the assessment that there are no factors indicating a material change in the underlying value of the portfolio company.

As investments mature, other valuation models for determining the fair value may be more appropriate. Such models are typically based on peer group multiples, which may be discounted depending on an objective assessment of the portfolio enterprise's growth, cash flows and funding status.

### Overview of portfolio

	Fair value DKK'000	Fair value %
Cost / Price of recent investment		
2023	75,252	10.04
Cost / Price of recent investment end of year	75,252	10.04
Listed		
Stock market price	8,400	89.96
Listed end of year	8,400	89.96
<b>Carrying amount end of year</b>	<b>83,652</b>	<b>100.00</b>

For investments valued at cost or at price of recent investment, the indicated year represents either the initial investment year, the year of the latest representative financing round, or the year of the most recent

discretionary valuation update.

Particularly for investments with the most recent fair value update in 2023, Management yearly assesses the implied multiples, based on current status of business cases, current fund raising of similar companies etc., and thereby an estimate if the funding rounds still are the best estimate for fair value under current market conditions etc.

#### Description of the valuation process

The valuation process is carried out in connection with the preparation of internal reporting to investors and in connection with the preparation of the Fund's annual report. The valuation assesses the portfolio investments at the end of the accounting period and must reflect the fair value of each portfolio company, based on reasonable valuation methods and assumptions.

Individual investments are assessed separately at the end of the accounting period and are in most cases assessed on the basis of the market situation as follows: (i) determination of the Enterprise Value (EV) estimated on the basis of a hypothetical sale of the investment at the time of the balancesheet date, based on one or more of the valuation methods mentioned above, and (ii) calculation of the value of the equity investment by adjusting EV for net debt and NWC adjustments as well as any equity related waterfall structures, including dilution effect where relevant.

In connection with the use of this method, the Fund assesses which multiples are applicable as well as assesses the determination of the applicable earnings to be used in the calculation of the deemed fair value.

When applicable the fair value of investments, which are traded on a stock exchange, is based on the quoted market prices at the reporting date. The fair value is determined in the functional currency of the portfolio enterprise, which is then translated to DKK at the exchange rate at the balance sheet date, and any exchange rate adjustment is included in the fair value adjustment of the investment in profit or loss.

#### **Fair value hierarchy for financial instruments measured at fair value in the balance sheet**

Below, financial instruments measured at fair value are classified using the fair value hierarchy:

- Quoted prices in active markets for identical instruments (Level 1)
- Quoted prices in active markets for similar assets or liabilities or other valuation methods under which all material inputs are based on observable market data (Level 2)
- Valuation techniques under which any material inputs are not based on observable market data (Level 3)

All investments are classified as Level 3 investments and there have not been any transfers between the levels during the financial year.

#### **Material unobservable inputs for Level 3**

Financial instruments measured at fair value in the balance sheet are based on valuation techniques that include material unobservable input. Material unobservable inputs mean in this context that the valuation is dependent on a return requirement that contains a number of components that cannot be observed on trading markets, for example project-specific risks and illiquidity prices.

	Level 1 DKK'000	Level 2 DKK'000	Level 3 DKK'000	Total DKK'000
2025				
Fair value at 1 January	15,991	0	75,253	91,244
Fair value adjustments	(4,467)	0	0	(4,467)
Disposals	(3,125)	0	0	(3,125)
<b>Financial assets measured at fair value through profit or loss</b>	<b>8,399</b>	<b>0</b>	<b>75,253</b>	<b>83,652</b>

	Level 1 DKK'000	Level 2 DKK'000	Level 3 DKK'000	Total DKK'000
2024				
Fair value at 1 January	38,018	0	74,937	112,955
Follow-up investments	(20,466)	0	0	(20,466)
Fair value adjustments	2,280	0	316	2,596
Disposals	(3,842)	0	0	(3,842)
<b>Financial assets measured at fair value through profit or loss</b>	<b>15,990</b>	<b>0</b>	<b>75,253</b>	<b>91,243</b>

### Material unobservable inputs

Unlisted companies that are measured at fair value in the balance sheet are based on valuation methods that include significant unobservable inputs.

A significant unobservable assumption in connection with the valuation is the multiples used, just as expectations for the future earnings of the portfolio enterprises are included in the valuation. For the current year, no multiples have been used to measure the fair value in the balance sheet

### Sensitivity analysis

The fair value of the Fund's investments is affected by developments in the applied discount rate, future earnings expectations for these investments and debt level within the portfolio enterprises. A decline or increase in the material unobservable inputs stated above and changes in macroeconomic conditions might have a direct effect on the valuation of the investments. As the value of the Fund's investments is based on different valuation methods, cost, listing price and price of recent investment, the sensitivity analysis would not give a fair result, why this is not included in the current financial statements.

## 11 Related parties

### Related parties with a controlling interest

The Limited Partnership has no investors or related parties with a controlling interest.

### Related party transactions

	2025 DKK'000	2024 DKK'000
The General Partner receives a fee for its obligation towards Sunstone Life Science Ventures Fund III K/S as per limited partnership agreement		
<b>Payment to the General Partner</b>	60	60
Fund Manager (the Fund Manager) is considered a related party of the Fund due to its role as being Fund Manager		
<b>Management fee</b>	0	1,594

Management fee is calculated as a percentage of the total committed capital to the Fund.

## 12 Assets charged

The fund has not pledged any assets.

## 13 Contingent liabilities

There are no other guarantees or contingent liabilities of the Fund.

No provisions for expected credit loss have been recognised. Please refer to note 10 for further description related hereto.

## 14 Events after the balance sheet date

No events have occurred after the reporting date, which would materially influence the evaluation of this annual report.

## 15 Authorisation of the annual report for issue

At the Board meeting held on 27.01.2026, the General Partner approved the financial statements. The financial statements will be presented to the Fund's Limited Partners for approval at the Annual General Meeting on 24.02.2026.