



Nanostart AG
Frankfurt/Germany

Financial report
December 31, 2013

Interim balance sheet as of 31 December 2013

Assets

	Attachment (1)	31/12/2013 EUR	31/12/2012 EUR
A. Long-term assets			
I. <u>Intangible assets</u>			
Concessions, industrial and similar rights and assets, and licenses to such rights and assets		2,023.33	3,905.33
II. <u>Tangible assets</u>			
Other plant, factory and office equipment		39,110.50	62,379.00
III. <u>Financial assets</u>			
1 Shares in related companies		1,645,906.88	1,644,750.00
2 Loans to related companies		3,658,143.48	3,957,110.68
3 Investments		12,237,305.41	14,849,335.49
Loans to companies with which a shareholding relationship exists		144,605.64	133,606.60
		<u>17,685,961.41</u>	<u>20,584,802.77</u>
Total Assets		<u>17,727,095.24</u>	<u>20,651,087.10</u>
B. Current assets			
I. <u>Receivables and other assets</u>	(2)		
1 Trade receivables		0.00	547.40
2 Amounts due from related companies		2,979,446.43	2,767,805.45
Amounts due from companies with which a shareholding relationship exists		481,093.41	908,778.04
3			
4 Other assets		13,076,828.97	12,939,333.40
		<u>16,537,368.81</u>	<u>16,616,464.29</u>
II. <u>Cash on hand and bank balances</u>		67,391.91	445,727.01
Total Floating Assets		<u>16,604,760.72</u>	<u>17,062,191.30</u>
C. Prepaid expenses and deferred charges		22,025.90	63,997.51
		<u>34,353,881.86</u>	<u>37,777,275.91</u>

Liabilities

	Attachment (3)	31/12/2013 EUR	31/12/2012 EUR
A. Equity capital			
I. Subscribed capital		6,240,000.00	6,240,000.00
II. Capital reserves		19,826,080.86	19,826,080.86
III. Retained earnings		12,544,585.38	12,544,585.38
IV. Loss Balance carried forward		-5,106,665.61	0.00
V. Net loss (preceding year: Net loss)		335,895.95	-5,106,665.61
		<u>33,839,896.58</u>	<u>33,504,000.63</u>
B. Accruals	(4)		
Other provisions		424,083.34	466,300.00
		<u>424,083.34</u>	<u>466,300.00</u>
C. Liabilities	(5)		
1 Amounts due to banks		0.00	2,474,565.03
2 Trade accounts payable		33,591.07	138,335.64
Amounts due to related companies			
3		0.00	155,295.00
4 Other current liabilities			
- thereof for taxes: EUR 7,586.41)			
(preceding year: EUR 32,027.83)			
- there of social security costs			
EUR 0.00 (preceding year: EUR 2,021.53)			
		<u>56,310.87</u>	<u>1,038,779.61</u>
		<u>89,901.94</u>	<u>3,806,975.28</u>
		<u>34,353,881.86</u>	<u>37,777,275.91</u>

Nanostart AG, Frankfurt am Main
Profit and loss account as of 1 January 2013
until 31 December 2013



Translation from the German language

	Attach- ment	2013		2012	
		EUR	EUR	EUR	EUR
1. Sales revenues		0.00		0.00	
2. Other operating income	(6)	1,514,974.66		531,887.86	
- thereof revenues from currency conversion					
EUR 141,49 (preceding year EUR 5.655,30)			1,514,974.66		531,887.86
3. Personnel costs					
a) Wages and salaries		-485,066.73		-602,093.47	
b) Social security contributions		-67,000.40		-79,727.52	
- thereof from pension provision					
EUR 8.944,00 (preceding year EUR 12.360,00)			-552,067.13		-681,820.99
4. Depreciation and amortization of intangible assets and property, plant and equipment			-18,534.70		-27,463.83
5. Other operating expenses	(7)		-974,414.60		-2,097,023.74
- thereof expenses from currency translation					
EUR 142,65 (preceding year EUR 2.400,94)					
6. Income from other securities and loans forming part of financial assets			319,856.07		1,213,777.32
- thereof from associated companies					
EUR 308.856,03 (preceding year EUR 306.484,18)					
7. Miscellaneous interest and similar revenues			281,079.89		207,491.67
- thereof from related companies					
EUR 202.640,98 (preceding year EUR 200.540,66)					
8. Depreciation on financial assets			0.00		-4,040,458.17
9. Interest and similar expenses			-109,792.89		-213,056.33
- thereof from related companies					
EUR 12.833,45 (preceding year EUR 55.345,88)					
10. Ordinary operating income / loss			461,101.30		-5,106,666.21
11. Extraordinary expenditures	(8)		-128,000.00		0.00
12. Extraordinary result			-128,000.00		0.00
13. Taxes on income and earnings			-0.52		0.60
14. Other taxes			2,795.17		0.00
15. Net profit			335,895.95		-5,106,665.61

Nanostart AG, Frankfurt am Main

Appendix for the business year 2013

General information

The present annual financial statement was created in accordance with par. 242 et seq. and 264 et seq. HGB (German Commercial Code) in the version of the Bilanzrechtsmodernisierungsgesetz (German Accounting Law Modernization Act) as well as the applicable provisions of the AktG (German Companies Act).

The company is a small limited liability company in terms of § 267, clause 1 HGB (German Commercial Code). The financial relief for small sized limited liability companies has partly been claimed.

For the profit and loss statement, the total cost method was created according to § 275 par. 2 HGB (German Commercial Code). The indication of individual balance sheet items was adjusted to the requirements of the company according to par. 265 section 6 HGB (German Commercial Code).

Accounting policies

The **intangible transfers assets** acquired against payment are accounted at acquisition costs and are reduced by scheduled straight-line depreciation over their expected useful lives of 3 to 5 years.

Tangible assets are shown at acquisition cost and, if depreciable, reduced by scheduled straight-line depreciation over their useful lives of 3 to 15 years.

Low-value property items with a value or euro 410.00 are fully depreciated in the year of acquisition. In the years 2008 until 2010, additions with an acquisition cost of between euro 150.00 and euro 1,000.00 were summarised in a collective item. That item will be depreciated or amortized equally over a length of five years.

The **financial investments** are valued at cost or at fair value if lower. Extraordinary depreciations are only carried out for financial assets because a lasting reduction in value is to be expected.

Receivables and other assets are normally recognized at the lower of nominal value or fair value at the balance sheet date.

Cash and accounts with credit institutions are shown at their fair value.

The **other accrued liabilities** are rated in a settlement amount which is necessary in accordance with prudent business principles according to par. 253 section 1, sentence 2 HGB (German Commercial Code) and take into account all recognizable risks and uncertain obligations. In so far as it is necessary, future cost increases are taken into account. In case of accrued liabilities with a remaining time to maturity of more than one year, a discounting according to par. 253 section 2 HGB (German Commercial Code) is carried out.

Liabilities are shown on the liabilities side at their settlement value.

Receivables and liabilities denominated in foreign currencies are recognised with the corresponding average spot exchange rate at the time of the transaction. Foreign-currency denominated assets and liabilities with a remaining time to maturity of one year or less, are recognised according to par. 256a sentence 2 HGB (German Commercial Code) without consideration of the acquisition cost and realization principle at the average spot exchange rate at the reporting date. In case of a remaining time to maturity of more than one year, the average spot exchange rate at the reporting date according to par. 256a sentence 1 HGB (German Commercial Code) is only applied if that rate for assets is lower and for liabilities higher than the corresponding current rate at the date of the business transaction.

Disclosures and explanations with regard to items of the balance sheet

(1) Long-term assets

Development of the fixed assets is shown in the fixed assets movement schedule.

In Participations in Financial assets, securities in the amount of euro 7,299,691.45 are posted. As of the reporting date, these securities have a lower fair value of euro 4,991,444.10. Based on the aimed improvement of the trend in orders and sales, the Board of Directors assumes that that impairment is only temporary.

Disclosures of shareholdings:

	Capital share %	Equity capital		Result		Year
VentureTech Equity-Partners GmbH, Frankfurt am Main	100,0	TEUR	- 471	TEUR	- 251	2012
Nanostart Russia Holding GmbH, Frankfurt am Main	100,0 *	TEUR	-1.521	TEUR	- 219	2013
Nanostart Asia Pte. Ltd. (vormals Nanostart Singapore Pte.Ltd.), Singapore	100,0 **	TSGD	-	TSGD	-	
New Asia Investments Pte. Ltd. (vormals Nanostart Asia Pacific Pte. Ltd.), Singapur	31,6	TSGD	14.954	TSGD	- 516	2012
NAMOS GmbH, Dresden	26,0	TEUR	- 793	TEUR	- 272	2012
Lumiphore Inc., Berkeley, USA	21,4 ***	TUSD	- 54	TUSD	403	2013

* 1.0 % thereof is indirectly held via VentureTech Equity-Partners GmbH.

** The shares in the company were acquired in 2013. The annual financial statement is not available yet.

*** According to annual financial statement as of 30 June 2013.

Loans to related companies refer exclusively to loans to VentureTech Equity-Partners GmbH, Frankfurt am Main, with euro 3,658,143.48 (previous year: euro 3,957,110.68).

(2) Receivables and other assets

Other assets include receivables with more than one year to maturity with euro 12,872,826.93 (previous year: euro 8,372,826.93). Other receivables are due within one year.

Development of fixed assets

	Cost of acquisition/manufacture				Depreciation				Carrying value		
	41,275.00 EUR	Additons EUR	Reclassification EUR	Disvestures EUR	41,639.00 EUR	41,275.00 EUR	Additons EUR	Disvestures EUR	41,639.00 EUR	41,639.00 EUR	41,274.00 EUR
I. Intangible assets											
Acquired concessions, commercial property rights and similar rights and values as well as licences at such rights and values	23,370.93	0.00	0.00	1,193.33	22,177.60	18,272.27	1,882.00	0.00	20,154.27	2,023.33	5,098.66
II. Tangible assets											
Factory and office equipment	259,489.26	1,095.70	0.00	48,278.97	212,305.99	175,061.44	16,652.70	18,518.65	173,195.49	39,110.50	84,427.82
III. Financial assets											
1. Shares in related companies	1,644,750.00	1,156.88	0.00	0.00	1,645,906.88	0.00	0.00	0.00	0.00	1,645,906.88	1,644,750.00
2. Loans to related companies	3,957,110.68	318,856.03	0.00	617,823.23	3,658,143.48	0.00	0.00	0.00	0.00	3,658,143.48	3,957,110.68
3. Investments	18,842,153.49	520,339.29	0.00	7,125,187.37	12,237,305.41	3,992,818.00	0.00	3,992,818.00	0.00	12,237,305.41	14,849,335.49
4. Loans to companies with which a shareholding relationship exists	522,066.77	11,000.04	-1.00	388,460.17	144,605.64	388,460.17	0.00	388,460.17	0.00	144,605.64	133,606.60
	24,966,080.94	851,352.24	-1.00	8,131,470.77	17,685,961.41	4,381,278.17	0.00	4,381,278.17	0.00	17,685,961.41	20,584,802.77
	25,248,941.13	852,447.94	-1.00	8,180,943.07	17,920,445.00	4,574,611.88	18,534.70	4,399,796.82	193,349.76	17,727,095.24	20,674,329.25

(3) Equity capital

The share capital of the company amounts to a total of euro 6,240,000.00 on the balance sheet reporting date

The share capital of Nanostart AG is divided into 6,240,000 shares which are all made out to the bearer.

According to the resolution of the Annual General Meeting on 28 August 2013, the Board of Directors is authorised to increase the share capital of the company until 27 August 2018 with the approval of the Supervisory Board one time or multiple times by up to a total of EUR 3,120,000.00 by issuing new bearer shares for cash or investment in kind (authorised capital 2013/I). As per 31 December 2013, there is still a unused authorised capital in the amount of euro 3,120,000.00.

(4) Accruals

The other provisions relate mainly to global risk provisioning for the investment portfolio, overdue vacation allowances, reporting costs as well as outstanding purchase invoices.

(5) Liabilities

	Total TEUR	Residual maturity up to 1 year TEUR	Total TEUR	Residual maturity up to 1 year TEUR
Liabilities towards financial institutions	0	0	2.475	2.475
Liabilities from deliveries and services	34	34	138	138
Liabilities towards related companies	0	0	155	155
Other liabilities	56	56	1.039	1.039
	90	90	3.807	3.807

Disclosures and explanations with regard to items of the profit and loss statement

(6) Other operating income

The other operating income essentially contains income from the disposal of financial assets.

(7) Other operating expenses

The other operating expenses relate mainly to external services, advertising and travelling costs, room costs as well as costs for lawyers and consultants.

(8) Extraordinary expenses

The extraordinary expenses contain expenses for the settlement of a dispute.

Other information

(9) Bodies of the company

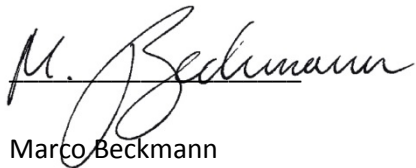
Members of the board of directors were in the business year the following person:

- Mr Marco Beckmann, Kelkheim.

In the business year 2013, the following persons were member of the supervisory board:

- Mr Norbert Neef, lawyer, Berlin (chairman) since 7 January 2013,
- Diplom-Betriebswirt Achim Lindner, chairman of Börsenmedien Aktiengesellschaft, Kulmbach (vice chairman),
- Prof. Dr. Wolfgang M. Heckl, professor at Experimental Physics of the University Ludwig-Maximilians-Universität, Munich.

Frankfurt am Main, 20 June 2014

A handwritten signature in black ink, appearing to read 'M. Beckmann', written over a horizontal line.

Marco Beckmann

Board of Directors Nanostart AG