



Nanostart AG
Frankfurt/Germany

Financial report
December 31, 2014

Interim balance sheet as of 31 December 2014

Assets

	Attachment	31.12.2014 EUR	31.12.2013 EUR
A. Long-term assets	(1)		
I. <u>Intangible assets</u>			
Concessions, industrial and similar rights and assets, and licenses to such rights and assets		2,458.00	2,023.33
II. <u>Tangible assets</u>			
Other plant, factory and office equipment		16,631.00	39,110.50
III. <u>Financial assets</u>			
1 Shares in related companies		2,027,655.45	1,645,906.88
2 Loans to related companies		594,481.25	3,658,143.48
3 Investments		6,942,452.65	12,237,305.41
Loans to companies with which a			
4 shareholding relationship exists		0.00	144,605.64
		<u>9,564,589.35</u>	<u>17,685,961.41</u>
Total Assets		<u>9,583,678.35</u>	<u>17,727,095.24</u>
B. Current assets			
I. <u>Receivables and other assets</u>	(2)		
1 Trade receivables		9,042.39	0.00
2 Amounts due from related companies		3,208,401.92	2,979,446.43
Amounts due from companies with which a			
3 shareholding relationship exists		208,898.63	481,093.41
4 Other assets		12,063,113.95	13,076,828.97
		<u>15,489,456.89</u>	<u>16,537,368.81</u>
II. <u>Cash on hand and bank balances</u>		290,677.05	67,391.91
Total Floating Assets		<u>15,780,133.94</u>	<u>16,604,760.72</u>
C. Prepaid expenses and deferred charges		29,954.53	22,025.90
		<u>25,393,766.82</u>	<u>34,353,881.86</u>

Liabilities

	Attachment	31.12.2014 EUR	31.12.2013 EUR
A. Equity capital	(3)		
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		-4,770,769.66	-5,106,665.61
Net loss (preceding year: Net			
V. loss)		-8,876,066.22	335,895.95
		<u>24,963,830.36</u>	<u>33,839,896.58</u>
B. Accruals	(4)		
Other provisions		363,120.00	424,083.34
		<u>363,120.00</u>	<u>424,083.34</u>
C. Liabilities	(5)		
1 Amounts due to banks		0.00	0.00
2 Trade accounts payable		58,170.43	33,591.07
Amounts due to related			
3 companies		0.00	0.00
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)		8,646.03	56,310.87
		<u>66,816.46</u>	<u>89,901.94</u>
		<u>25,393,766.82</u>	<u>34,353,881.86</u>

Translation from the German language

	Attach-ment	2014		2013	
		EUR	EUR	EUR	EUR
1. Sales revenues		3,249.03		0.00	
2. Total Output		3,249.03		0.00	
3. Other operating income	(6)				
a) operating income					
aa) other ordinary income		2,441.31		3,662.55	
b) income from the disposal of fixed assets and from write-ups on fixed assets		472,979.75		1,304,055.09	
c) income from the release of provisions		1,293.82		15,332.49	
d) thereof revenues from currency conversion EUR 0.00 (preceding year EUR 141.49)		3,922.77	480,637.65	191,924.53	1,514,974.66
4. Personnel costs					
a) Wages and salaries		212,159.55		485,066.73	
b) Social security contributions - thereof from pension provision EUR 3,076.00 (preceding year EUR 8,944.00)		29,825.07		67,000.40	
			241,984.62		552,067.13
5. Depreciation and amortization					
a) of intangible assets and property, plant and equipment		12,354.35		18,534.70	
b) on current assets to the extent that these exceed standard levels		125,355.27	137,709.62	0.00	18,534.70
6. Other operating expenses	(7)				
a) ordinary operating expenses					
aa) occupancy costs		97,488.56		129,822.69	
ab) insurance, contributions and taxes		26,628.60		28,990.00	
ac) repairs and maintenance		15,083.46		22,429.76	
ad) vehicle costs		1,900.00		4,765.50	
ae) advertising and travel expenses		62,756.25		120,559.45	
af) distribution expenses		343.6		293.48	
ag) miscellaneous operating expenses		469,994.13		634,567.20	
b) losses from the disposal of assets		384,556.71		3,955.00	
c) losses from devaluation or from the disposal of assets and adjustments on claims		28,000.08		28,000.08	
d) other expenses within ordinary business activities - thereof expenses from currency translation EUR 0.00 (preceding year EUR 142.65)		195,080.64	1,281,832.03	1,031.44	974,414.60
7. Income from other securities and loans forming part of financial assets - thereof from associated companies EUR 302,132.61 (preceding year EUR 308,856.03)			312,215.98		319,856.07
8. Miscellaneous interest and similar revenues - thereof from related companies EUR 218,955.49 (preceding year EUR 202,640.98)			269,408.46		281,079.89
9. Depreciation on financial assets and marketable securities - thereof from extraordinary depreciations EUR 8,278,387.21 (preceding year EUR 0.00)			8,278,387.21		0.00
10. Interest and similar expenses - thereof from related companies EUR 0.00 (preceding year EUR 12,833.45)			0.00		109,792.89
11. Ordinary operating income / loss			-8,874,402.36		461,101.30
12. Extraordinary expenditures	(8)		0.00		128,000.00
13. Extraordinary result			0.00		128,000.00
14. Taxes on income and earnings		4.22			0.52
15. Other taxes		1,659.64	1,663.86		-2,795.17
16. Net loss			8,876,066.22		-335,895.95

Nanostart AG, Frankfurt am Main

Appendix for the business year 2014

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

Long-term assets

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

Disclosures of shareholdings:

VentureTech Equity-Partners GmbH, Frankfurt am Main	100.0	TEUR	-973	TEUR	- 503	2013
Nanostart Russia Holding GmbH, Frankfurt am Main	100.0 *	TEUR	-1,521	TEUR	- 219	2013
Nanostart Asia Pte. Ltd. (formerly Nanostart Singapore Pte. Ltd.), Singapur	100.0	TSGD	-17	TSGD	-17	2013
New Asia Investments Pte. Ltd. (formerly Nanostart Asia Pacific Pte. Ltd.), Singapur	29.6	TSGD	15,289	TSGD	-944	2013
NAMOS GmbH, Dresden	26.0	TEUR	-931	TEUR	- 138	2013
Lumiphore Inc., Berkeley, USA	21.4 **	TUSD	-191	TUSD	- 137	2014

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

** According to annual financial statement as of 30 June 2014

Loans to related companies refer exclusively to loans to VentureTech Equity-Partners GmbH, Frankfurt am Main, with 594,481.25 (previous year: euro 3,658,143.48).

Development of fixed assets

	Cost of acquisition/manufacture				Depreciation				Carrying value		
	1.1.2014	Zugänge	Umgliederung	Abgänge	31.12.2014	1.1.2014	Zugänge	Abgänge	31.12.2014	31.12.2014	31.12.2013
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Intangible assets											
Acquired concessions, commercial property rights and similar rights and values as well as licences at such rights and values	22,177.60	2,948.00	0.00	7,308.66	17,816.94	20,154.27	1,916.00	6,711.33	15,358.94	2,458.00	2,023.33
II. Tangible assets											
Factory and office equipment	212,305.99	2,248.00	0.00	115,935.55	98,618.44	173,195.49	10,438.35	101,646.40	81,987.44	16,631.00	39,110.50
III. Financial assets											
1. Shares in related companies	1,645,906.88	381,748.57	0.00	0.00	2,027,655.45	0.00	0.00	0.00	0.00	2,027,655.45	1,645,906.88
2. Loans to related companies	3,658,143.48	311,215.94	0.00	47,160.17	3,922,199.25	0.00	3,327,718.00	0.00	3,327,718.00	594,481.25	3,658,143.48
3. Investments	12,237,305.41	148,040.00	0.00	647,829.23	11,737,516.18	0.00	4,795,063.53	0.00	4,795,063.53	6,942,452.65	12,237,305.41
4. Loans to companies with which ashareholding relationship exists	144,605.64	11,000.04	0.00	0.00	155,605.68	0.00	155,605.68	0.00	155,605.68	0.00	144,605.64
	<u>17,685,961.41</u>	<u>852,004.55</u>	<u>0.00</u>	<u>694,989.40</u>	<u>17,842,976.56</u>	<u>0.00</u>	<u>8,278,387.21</u>	<u>0.00</u>	<u>8,278,387.21</u>	<u>9,564,589.35</u>	<u>17,685,961.41</u>
	<u>17,920,445.00</u>	<u>857,200.55</u>	<u>0.00</u>	<u>818,233.61</u>	<u>17,959,411.94</u>	<u>193,349.76</u>	<u>8,290,741.56</u>	<u>108,357.73</u>	<u>8,375,733.59</u>	<u>9,583,678.35</u>	<u>17,727,095.24</u>

Receivables and other assets

Other assets include receivables with more than one year to maturity with euro 0.00 (previous year: euro 12,872,826.93).

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 2014, there is still a unused authorised capital in the amount of euro 3,120,000.00.

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.

Liabilities

	31.12.2014		31.12.2013	
	Total TEUR	Residual maturity up to 1 year TEUR	Total TEUR	Residual maturity up to 1 year TEUR
Liabilities from deliveries and services	58	58	34	34
Other liabilities	9	9	56	56
	<u>67</u>	<u>67</u>	<u>90</u>	<u>90</u>

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

Other operating income

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

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.

Other information

Bodies of the company

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

- Mr Marco Beckmann, Kelkheim (until 15.07.2014),
- Mr Norbert Neef, lawyer, Berlin (since 16.07.2014).

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

- Mr Norbert Neef, lawyer, Berlin (chairman),
- 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, 17 June 2015

Board of Directors

Norbert Neef