

Nanoventure N.V., Amsterdam

Annual report for publication purposes 2012

Registration number Chamber of Commerce: 17185632

Adopted by the annual meeting on.....

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REPORT OF THE AUDITORS

Nanoventure N.V.
Laan van Diepenvoorde 3
5582 LA WAALRE

For the attention of Mr. F.C. Pfingsten

Waalre, March 14, 2013

Dear Mr. Pfingsten,

We hereby send you the report regarding the financial statements for the year 2012 of your company.

1 SCOPE OF ENGAGEMENT

In accordance with your instructions we have compiled the annual account 2012 of your company, including the balance sheet with counts of € 1,393,567 and the profit and loss account with a negative result after taxes of € 1,383,279.

Nanoventure N.V.
Amsterdam

FINANCIAL REPORT

- Financial statements**
- Other information**

FINANCIAL STATEMENTS

1 BALANCE SHEET AS PER DECEMBER 31, 2012
(after appropriation of result)

ASSETS

	December 31, 2012		December 31, 2011	
	€	€	€	€
FIXED ASSETS				
Financial fixed assets	(1)			
Group companies	703,874		1,285,674	
Participations	49,798		839,644	
		753,672		2,125,318
CURRENT ASSETS				
Trade and other receivables	(2)			
Loans to participations	-		25,000	
Taxes	375		4,472	
Other receivables, prepayments and accrued income	3,568		9,000	
		3,943		38,472
Securities	(3)			
		77,970		-
Cash and cash equivalents	(4)			
		557,982		251,129
		1,393,567		2,414,919

EQUITY AND LIABILITIES

	December 31, 2012		December 31, 2011	
	€	€	€	€
SHAREHOLDERS' EQUITY				
				(5)
Issued capital	793,000		793,000	
Share premium reserve	3,880,000		3,880,000	
Other reserves	<u>-4,012,212</u>		<u>-2,628,934</u>	
		660,788		2,044,066
NON-CURRENT LIABILITIES				
				(6)
Loans from participations		388,808		-
CURRENT LIABILITIES				
				(7)
Trade creditors	6,065		42,195	
Loans from group companies	318,223		314,026	
Other liabilities and Accruals and deferred income	<u>19,683</u>		<u>14,632</u>	
		343,971		370,853
		<u><u>1,393,567</u></u>		<u><u>2,414,919</u></u>

2 PROFIT & LOSS ACCOUNT FOR THE YEAR 2012

		2012		2011	
		€	€	€	€
Other operating expenses	(8)		68,618		131,806
Operating result			<u>-68,618</u>		<u>-131,806</u>
Result from securities	(9)	-455		-	
Financial income and expenses	(10)	-10,328		-9,479	
Result in participations	(11)	<u>-722,078</u>		<u>226,229</u>	
Financial income and expenses			<u>-732,861</u>		<u>216,750</u>
Result on ordinary activities			<u>-801,479</u>		<u>84,944</u>
Taxation on result of ordinary activities			-		-
Share in result of group companies	(12)		-581,800		4,847
Result after tax			<u><u>-1,383,279</u></u>		<u><u>89,791</u></u>

3 CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2012

(According to the indirect method)

	2012		2011	
	€	€	€	€
Operating result		-68,618		-131,806
Adjustments for:				
- Depreciation (and other changes in value)		-		-
- Changes in provisions:		-		-
- Changes in working capital:				
. movements operating accounts receivable	34,529		-7,709	
. movements inventories	-		-	
. movements in securities	-77,970		-	
. movements operating accounts payable	-26,881		-31,828	
		<u>-70,322</u>		<u>-39,537</u>
Cash flow from business activities		-138,940		-171,343
Interest paid	-10,328		-9,479	
Change of market value securities	-1,238		-	
Dividends received	4,683		-	
Disposal of securities	-3,900		-	
		<u>-10,783</u>		<u>-9,479</u>
Cash flow from operating activities		-149,723		-180,822
Investments in intangible fixed assets	-		-	
Disposals of intangible fixed assets	-		-	
Investments in tangible fixed assets	-		-	
Disposals of tangible fixed assets	-		-	
Acquisitions of group companies	-		-	
Disposals of group companies	-		-	
Acquisitions of non-consolidated companies	-		-	
Disposals of non-consolidated companies	67,768		7,059	
Investments in other financial fixed assets	-		-	
Disposals of other financial fixed assets	-		11,000	
Cash flow from investment activities		<u>67,768</u>		<u>18,059</u>
<i>Transfer</i>		-81,955		-162,763

	2012	2011
<i>Transfer</i>	<u>-81,955</u>	<u>-162,763</u>
Movement current accounts payable banks	-	-
Receipts from issuance of share capital	-	205,000
Receipts from long-term liabilities	388,808	-
Redemptions of long-term liabilities	-	-
Interest paid after corporate income tax	-	-
Other equity movement	-	-
Change in minority interest	-	-
Repurchase shares	-	-
Dividends paid	-	-
Cash flow from financing activities	<u>388,808</u>	<u>205,000</u>
Net cash flow	<u>306,853</u>	<u>42,237</u>
Exchange rate and translation differences on movements in cash	-	-
Movements in cash	<u><u>306,853</u></u>	<u><u>42,237</u></u>
Cash and cash equivalents 1-1	251,129	208,892
Cash and cash equivalents 31-12	<u>557,982</u>	<u>251,129</u>
Movements in cash	<u><u>306,853</u></u>	<u><u>42,237</u></u>

4 NOTES TO THE STATEMENTS

GENERAL

Activities

The activities of Nanoventure N.V., mainly consist of the following: To participate in, finance and management companies and other companies, obtaining, maintaining, disposing or in any way manage all types of and interests in other companies, associations and companies, how ever named, acting as a holding company, borrowing and lending money, and to provide guarantees and providing security for the debts of third parties including group companies. The company has her statutory seat in Amsterdam and her office in Waalre.

Consolidation

In accordance with article 2:407 part 2A of the Netherlands Civil Code no consolidated financial statements have been prepared.

LIST OF PARTICIPATING INTERESTS

The company participates (in) directly in the capital of the following companies.

A summary of the information as required in accordance with Articles 2:379 and 2:414 of the Netherlands Civil Code is given below:

	Share in issued share capital
	%
Nanoventure GmbH Hamburg	100.00
Squeezy Sports Nutrition N.V. Amsterdam	30.60
Digital Pioneers N.V. Amsterdam	5.30
Vinna AG Höhr-Grenzhausen	4.80

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Title 9 Book 2 of the Netherlands Civil Code.

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at nominal value.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

Financial fixed assets

Where significant influence is exercised participations are valued under the net asset value method, but not lower than a nil value. This net asset value is based on the same accounting principles as applied by Nanovenure N.V..

Participations where no significant influence is exercised are recognized as at the balance sheet date at fair value. To the extent that the fair values of the investment company shares held by Nanovenure N.V. cannot be derived from price quotations on the secondary market or cannot be determined using appropriate valuation models, these investment companies are accounted for at acquisition cost, if necessary, less a provision for permanent impairment. Changes in fair value are recognized in the profit and loss.

Upon initial recognition the receivables on and loans to participations and other receivables are valued at fair value and then valued at amortised cost, which equals the face value, after deduction of any provisions.

Trade and other receivables

Trade and other receivables are stated at nominal value, less any provision for doubtful debts. Provisions are designated on basis of individual assessment of recoverability of the receivables.

Securities

The securities (listed and non-listed) are valued at the cost or lower market value, with which both realised and unrealised changes in value are directly accounted for in the profit and loss account, under the financial income and expense.

Long-term liabilities

Recorded interest-bearing loans and liabilities are valued at amortized cost.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

Determination of the result

The result is determined based upon the difference between the net turnover and the costs and other expenses taking into account the accounting principles mentioned before.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Financial income and expenses

Financial income and expenses comprise interest income and expenses of loans for the current reporting period.

Share in result of group companies

Where significant influence is exercised over participations, the group's share in the participations' results is included in the consolidated profit and loss account. This result is determined on the basis of the accounting principles applied by Nanoventure N.V..

Taxation

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are only valued insofar as their realisation is likely.

PRINCIPLES FOR PREPARATION OF THE CASH FLOW STATEMENT

The cash flow statement has been prepared using the indirect method. The funds in the cash flow statement consist of cash and cash equivalents. Cash equivalents can be considered as highly liquid investments.

Cash flows in foreign currencies are translated at an estimated average rate. Exchange rate differences concerning finances are shown separately in the cash flow statement.

The cost of group companies acquired is presented under the cash flow from investment activities, as far as payment has been made with cash and cash equivalents. The cash and cash equivalents of the group companies acquired are deducted from the purchase cost.

5 NOTES TO THE BALANCE SHEET AS PER DECEMBER 31, 2012

Fixed assets

1. Financial fixed assets

	<u>12/31/2012</u>	<u>12/31/2011</u>
	€	€
<i>Group companies</i>		
Nanoventure GmbH	703,874	1,285,674

Participations

Vinna AG	1	1
Squeezy Sports Nutrition N.V.	30,592	76,480
Microbox GmbH	-	300,000
Digital Pioneers N.V.	19,205	463,163
	<u>49,798</u>	<u>839,644</u>

Current assets

2. Trade and other receivables

Loans to participations

Interest loan Microbox GmbH	<u>-</u>	<u>25,000</u>
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Taxes

VAT	<u>375</u>	<u>4,472</u>
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	<u>12/31/2012</u>	<u>12/31/2011</u>
	€	€
<i>Prepayments and accrued income</i>		
Interest securities	3,568	-
Ascendo Management GmbH	-	9,000
	<u>3,568</u>	<u>9,000</u>
3. Securities		
Securities	<u>77,970</u>	<u>-</u>

The securities are valued at the acquisition price or the lower market value if applicable. Any write-down to a lower market value is determined on an individual basis. The market value of the securities as of December 31, 2012 is € 78.559.

4. Cash and cash equivalents

Deutsche Bank	454,300	251,129
BNP Paribas	103,682	-
	<u>557,982</u>	<u>251,129</u>

5. Shareholders' Equity

Issued capital

7,930,000 ordinary shares at par value € 0.10	<u>793,000</u>	<u>793,000</u>
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The statutory share capital amounts to € 2,940,000.

	<u>2012</u>	<u>2011</u>
	€	€
<i>Share premium reserve</i>		
Book value as per January 1	3,880,000	3,880,000
Movement	-	-
Book value as per December 31	<u>3,880,000</u>	<u>3,880,000</u>
<i>Other reserves</i>		
Book value as per January 1	-2,628,933	-2,718,725
Appropriation of the nett result	-1,383,279	89,791
Book value as per December 31	<u>-4,012,212</u>	<u>-2,628,934</u>

6. Non-current liabilities

	<u>12/31/2012</u>	<u>12/31/2011</u>
	€	€
<i>Loans from participations</i>		
Nanoventure GmbH	<u>388,808</u>	<u>-</u>

An annual interest of 3% is calculated. The interest accrues on an accrual basis. Of the total amount concerning long-term liabilities an amount of € 0 has a remaining term of more than five years.

7. Current liabilities

<i>Trade creditors</i>		
Trade creditors	<u>6,065</u>	<u>42,195</u>
<i>Loans from group companies</i>		
Nanoventure GmbH	<u>318,223</u>	<u>314,026</u>

An interest rate of 3% has been calculated.

<i>Accrued liabilities</i>		
Auditor's fee	8,000	8,000
Other liabilities	<u>11,683</u>	<u>6,632</u>
	<u>19,683</u>	<u>14,632</u>

6 NOTES TO THE PROFIT & LOSS ACCOUNT OVER THE YEAR 2012

Staff

During the 2012 financial year the company had no employees (2011: 0).

	2012	2011
	€	€
8. Other operating expenses		
Office expenses	4,748	4,579
Selling and distribution expenses	1,487	735
General expenses	62,383	126,492
	<u>68,618</u>	<u>131,806</u>
<i>Office expenses</i>		
Contribution	4,748	4,374
Print and Paper	-	205
	<u>4,748</u>	<u>4,579</u>
<i>Selling and distribution expenses</i>		
Commercial and promotion	163	-
Travelling costs	1,324	735
	<u>1,487</u>	<u>735</u>
<i>General expenses</i>		
Accountant costs	13,352	7,856
Advice costs	36,114	96,000
Lawyer costs	2,018	11,145
Notary costs	2,124	3,403
Management services VEM	5,750	6,000
Corporate services	-	195
Supervisory Board	1,000	-
Various general expenses	-3	1,466
Computer and software costs	2,028	427
	<u>62,383</u>	<u>126,492</u>
Financial income and expenses		
<i>9. Result from securities</i>		
<i>Result from securities</i>		
Result from sale and revaluation from securities	-5,138	-
Interest from securities	4,683	-
	<u>-455</u>	<u>-</u>

Nanoventure N.V.
Amsterdam

	<u>2012</u>	<u>2011</u>
	€	€
10. Financial income and expenses		
Interest Microbox GmbH	2,035	476
Other paid interest	-2,087	-570
Interest loans Nanoventure GmbH	-10,276	-9,385
	<u>-10,328</u>	<u>-9,479</u>
11. Result in participations		
Share in result of Squeezy Sports Nutrition N.V.	-	3,824
Share in result of Digital Pioneers N.V.	63,650	-375,051
Result sale of participation in Microbox GmbH	237,932	-
Impairment Vinna AG	-	144,998
Impairment Squeezy Sports Nutrition N.V.	45,888	-
Impairment Digital Pioneers N.V.	374,608	-
	<u>722,078</u>	<u>-226,229</u>
12. Share in result of group companies		
Share in result of Nanoventure GmbH	<u>-581,800</u>	<u>4,847</u>

Signing of the financial statements

Waalre, 14 March 2013

Management Board

Supervisory Board

F.C. Pfingsten

J. Bodenkamp

Nanoventure N.V. in Amsterdam

OTHER INFORMATION

To: The board of directors

1 INDEPENDENT AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements 2012 of Nanoventure N.V., Amsterdam, which comprise the balance sheet as at December 31, 2012, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the 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 these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. 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 misstatement 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 and fair presentation of the financial statements 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 evaluating 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.

Nanoventure N.V. in Amsterdam

Nanoventure N.V. in Amsterdam

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of Nanoventure N.V. as at December 31, 2012, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Waalre, March 14, 2013

Stroeken Rossieau B.V.

drs. A.P.M. Phiferons RA

Nanoventure N.V. in Amsterdam

Nanoverture N.V. in Amsterdam

2 STATUTORY APPROPRIATION OF PROFIT

The articles of Association of the company provide that the appropriation of the result after tax for the year is decided upon at the Annual General Meeting of Shareholders. Awaiting the decision by the shareholders, the result after tax is added to the other reserves.

3 RECOGNITION OF THE LOSS FOR 2012

The board of directors proposes to add the 2012 result to the other reserves for an amount of € 1,383,279 negative. The General Meeting of Shareholders Shareholders will be asked to approve the appropriation of the 2012 result, this proposition is already recognised in the financial statements.

