

Nanoventure N.V.
Amsterdam

Annual report 2011

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REPORT OF THE AUDITORS

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

For the attention of F.C. Pfingsten

Waalre, June 29, 2012

Dear Mr Pfingsten,

We hereby send you the report regarding the financial statements for the year 2011 of your company .

1 SCOPE OF ENGAGEMENT

In accordance with your instructions we have compiled the annual account 2011 of your company, including the balance sheet with counts of € 2,414,919 and the profit and loss account with a result after taxes of € 89,791.

Nanoventure N.V.
Amsterdam



FINANCIAL REPORT

- Financial statements**
- Other information**

FINANCIAL STATEMENTS

1 BALANCE SHEET AS PER DECEMBER 31, 2011
(after appropriation of result)

ASSETS

	December 31, 2011		December 31, 2010	
	€	€	€	€
FIXED ASSETS				
Financial fixed assets	(1)			
Group companies	1,285,674		1,280,827	
Loans to participations	-		11,000	
Participations	839,644		620,474	
		2,125,318		1,912,301
CURRENT ASSETS				
Trade and other receivables	(2)			
Loans to participations	25,000		26,073	
Taxes	4,472		4,690	
Other receivables, prepayments and accrued income	9,000		-	
		38,472		30,763
Cash and cash equivalents	(3)	251,129		208,892
		<u>2,414,919</u>		<u>2,151,956</u>

2 PROFIT & LOSS ACCOUNT FOR THE YEAR 2011

		2011		2010	
		€	€	€	€
Employee expenses	(6)	-		15,000	
Other operating expenses	(7)	131,806		166,281	
			131,806		181,281
Operating result			-131,806		-181,281
Financial income and expenses	(8)	-9,479		667	
Impairment of loans	(9)	-		-214,993	
Result in participations	(10)	226,229		-20,003	
Financial income and expenses			216,750		-234,329
Result on ordinary activities			84,944		-415,610
Taxation on result of ordinary activities			-		-
Share in result of group companies	(11)		4,847		6,101
Result after tax			89,791		-409,509

3 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.

Group structure

Nanoventure N.V. in Amsterdam is the head of a group of legal entities.

Consolidation

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

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Amsterdam

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
Microbox GmbH Bad Nauheim	29.00
Sqeezy Sports Nutrition N.V. Amsterdam	30.60
Digital Pioneers N.V. Amsterdam	7.48
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.

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 Nanoventure 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.

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 expense 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 expense comprises current and deferred tax. Corporate income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

4 NOTES TO THE BALANCE SHEET AS PER DECEMBER 31, 2011

Fixed assets

1. Financial fixed assets

	<u>12/31/2011</u>	<u>12/31/2010</u>
	€	€
<i>Group companies</i>		
Nanoventure GmbH	<u>1,285,674</u>	<u>1,280,827</u>
 <i>Loans to participations</i>		
Loan Microbox GmbH	<u>-</u>	<u>11,000</u>
 <i>Participations</i>		
Vinna AG	1	144,999
Squeezy Sports Nutrition N.V.	76,480	80,304
Microbox GmbH	300,000	300,000
Digital Pioneers N.V.	<u>463,163</u>	<u>95,171</u>
	<u>839,644</u>	<u>620,474</u>

The participation in Microbox GmbH is valued at acquisition costs because it's fair value cannot be derived. Due to uncertain future expectations the participation in Vinna AG is impaired to € 1.

Current assets

2. Trade and other receivables

Loans to participations

Interest loan Microbox GmbH	<u>25,000</u>	<u>26,073</u>
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Taxes

VAT	<u>4,472</u>	<u>4,690</u>
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	<u>12/31/2011</u>	<u>12/31/2010</u>
	€	€
<i>Prepayments and accrued income</i>		
Ascendo Management GmbH	<u>9,000</u>	<u>-</u>

3. *Cash and cash equivalents*

Deutsche Bank	<u>251,129</u>	<u>208,892</u>
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4. **Shareholders' Equity**

Issued capital

7,930,000 ordinary shares at par value € 0.10	<u>793,000</u>	<u>588,000</u>
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The statutory share capital amounts to € 2,940,000.00.

Because of an amendment of the articles of association, the nominal par value of each share is consolidated from € 0.01 to € 0.10. Issued capital is raised with 2,050,000 shares to 7,930,000.

	<u>2011</u>	<u>2010</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>

Other reserves

Book value as per January 1	-2,718,725	-2,309,216
Appropriation of the net result	89,791	-409,509
Book value as per December 31	<u>-2,628,934</u>	<u>-2,718,725</u>

5. **Current liabilities**

	<u>12/31/2011</u>	<u>12/31/2010</u>
	€	€
<i>Trade creditors</i>		
Trade creditors	<u>42,195</u>	<u>49,375</u>
<i>Loans from group companies</i>		
Nanoventure GmbH	<u>314,026</u>	<u>310,321</u>

An interest rate of 3% has been calculated.

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Amsterdam

	<u>12/31/2011</u>	<u>12/31/2010</u>
	€	€
<i>Accrued liabilities</i>		
Auditor's fee	8,000	42,985
Other liabilities	6,632	-
	<u>14,632</u>	<u>42,985</u>

5 NOTES TO THE PROFIT & LOSS ACCOUNT OVER THE YEAR 2011

	2011	2010
	€	€
6. Employee expenses		
Remuneration Management Board	-	15,000
	<u>-</u>	<u>15,000</u>
Staff		
During the 2011 financial year the company had no employees (2010: 0).		
7. Other operating expenses		
Office expenses	4,579	3,871
Selling and distribution expenses	735	3,571
General expenses	126,492	158,839
	<u>131,806</u>	<u>166,281</u>
<i>Office expenses</i>		
Contribution	4,374	3,871
Print and Paper	205	-
	<u>4,579</u>	<u>3,871</u>
<i>Selling and distribution expenses</i>		
Travelling costs	735	3,571
	<u>735</u>	<u>3,571</u>
<i>General expenses</i>		
Accountant costs	7,856	45,196
Advice costs	96,000	82,116
Lawyer costs	11,145	24,770
Notary costs	3,403	-
Management services VEM	6,000	6,000
Corporate services	195	-
Various general expenses	1,466	757
Computer and software costs	427	-
	<u>126,492</u>	<u>158,839</u>

Financial income and expenses

	2011	2010
	€	€
<i>8. Financial income and expenses</i>		
Interest loan MP Technologies	-	2,503
Interest loan Dr. Joachim Redmer	-	89
Interest loan D.Kunz	-	810
Interest loan Power Economizer III	-	2,982
Interest Microbox GmbH	476	3,094
Interest loan AROD AG	-	401
Other paid interest	-570	-12
Interest loan Nanoventure GmbH	-9,385	-9,200
	<u>-9,479</u>	<u>667</u>
<i>9. Impairment of loans</i>		
Loans Power Economizer GmbH	-	-132,982
Loan and interest MP Technologies	-	-57,896
Loan and interest Doris Kunz	-	-1,645
Loan and interest Dr. Joachim Redmer	-	-15,319
Loan and interest AROD AG	-	-7,151
	<u>-</u>	<u>-214,993</u>
<i>10. Result in participations</i>		
Share in result of Squeezy Sports Nutrition N.V.	3,824	34,416
Share in result of Digital Pioneers N.V.	-375,051	-44,413
Result on Power Economizer GmbH	-	30,000
Impairment Vinna AG	144,998	-
	<u>-226,229</u>	<u>20,003</u>
11. Share in result of group companies		
Share in result of Nanoventure GmbH	<u>4,847</u>	<u>6,101</u>



Nanoverture N.V.
Amsterdam

Board of directors signature for approval

Waalre , June 29, 2012

On behalf of Nanoverture N.V.



F.C. Pflngsten

Nanoventure N.V.
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 2011 of Nanoventure N.V., Amsterdam, which comprise the balance sheet as at December 31, 2011, 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.

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 Amsterdam, December 31, 2011, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Waalre, June 29, 2012

Stroeken Rossieau B.V.

drs. A.P.M. Phiferons RA

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 APPROPRIATION OF THE PROFIT FOR 2011

The board of directors proposes to add the profit for 2011 of € 89,791 to the other reserves. This proposal has been processed in the annual account in advance of the adoption by the General Shareholders Meeting.

