

Mid-year report 2011

# growing markets



**nanostart**<sup>®</sup>  
I N V E S T M E N T S

**03 | Nanostart AG at a glance**

**04 | Nanotechnology - the business of Nanostart AG**

**07 | Semi-annual figures**

Interim balance sheet

Profit and loss account

Holding structure

**11 | Developments in the first half of 2011**

General conditions

Developments at Nanostart AG

Significant events after the end of the reporting period

Outlook

**Nanostart** is a leading nanotechnology investment company. We acquire **shares** in young nanotechnology companies that have outstanding prospects of developing at an **above-average** rate. Our aim as an active investor is to increase the value of our **holdings** by supervising them on the way from **product development** right through to **commercialisation** and international expansion, in order to then sell them to industry groups with a sophisticated product or process or to introduce them to the stock exchange. So far we had ten **exits** – trade sales and IPOs. We operate worldwide from Silicon Valley to Singapore.

#### HEADQUARTER

**Nanostart AG**  
Goethestrasse 26-28  
60313 Frankfurt am Main  
Germany  
Phone +49 (0)69-2193 96 00  
Fax +49 (0)69-2193 96 150  
www.nanostart.de

#### BERLIN BRANCH

**Nanostart AG**  
Bleibtreustrasse 24  
10707 Berlin  
Germany  
Phone: +49 (0)30-88 91 89 729  
Fax: +49 (0)30-88 91 89 728

#### SUBSIDIARY IN SINGAPORE

**Nanostart Asia Pte Ltd**  
883 North Bridge Road  
Southbank # 04-04  
Singapore 198785  
T +65 (0)6634-8637  
www.nanostart-asia.com

#### INCORPORATION

2003 (December)

#### CONCLUSION IN ACCORDANCE WITH

German Commercial Code (HGB)

#### FINANCIAL YEAR

1st January to 31st December

#### CHIEF EXECUTIVE OFFICER

Marco Beckmann

#### SUPERVISORY BOARD

Dr. Alfred Krammer (Chairman)  
Prof. Dr. Wolfgang M. Heckl  
(Deputy Chairman)  
Achim Lindner

#### SECTOR/SPECIAL AREA

Nanotechnology growth financier

#### AVERAGE SIZE OF HOLDING

0.5–10 million euro per holding

#### TOTAL AMOUNT OF INVESTED CAPITAL\*

about 30 million euro

#### CAPITAL CURRENTLY INVESTED\*

about 21 million euro

#### PREVIOUS REVENUES THROUGH (PARTIAL) EXITS\*

about 25 million euro

#### NET ASSET VALUE (NAV)\*

60 million euro

#### HOLDINGS\*

**BioMers Pte Ltd**,  
Singapore

**Holmenkol AG**,  
Heimerdingen, Germany

**ItN Nanovation AG**,  
Saarbrücken, Germany

**Lumiphore, Inc.**,  
Richmond, California, USA

**MagForce AG**,  
Berlin, Germany

**Microlight Sensors Pte Ltd**,  
Singapore

**Membrane Instruments and  
Technology (MINT) Pte Ltd**,  
Singapore

**Namos GmbH**,  
Dresden, Germany

**Nanosys, Inc.**,  
Palo Alto, California, USA

\* as of June 30, 2011

## **Nanotechnology - the business of Nanostart AG**

A nanometer is one millionth of a millimeter. Nanotechnology is all about the controlled manipulation of materials at the molecular and even the atomic level, and about building tiny structures for specific purposes. For mankind, it represents the gateway to completely new kinds of transformational products and processes – among these, products and processes which hold out the hope of conquering some of the great challenges which a growing world population faces. Nanotechnology can put the right tools in our hands to solve pressing global problems in areas such as energy and environmental technology, medical science and healthcare, transportation and communications. Some of these solutions, finally now made possible thanks to nanotechnology, may today still sound rather far-fetched.

The objective of Nanostart AG is to benefit from the breakthrough opportunities offered by nanotechnology and the growth potential associated with these.

Our vision is to turn young, up-and-coming companies into market leaders – companies which have developed nanotechnology-based products or processes which have the potential to transform existing markets from the bottom up. Among the portfolio companies held by Nanostart, we see pioneers which are positioning themselves to do precisely this.

## **Global investments in innovation-driven industries**

In selecting candidates for investment, Nanostart targets companies with proprietary products or processes which stand to improve the quality of life and to solve pressing future problems.

This investment philosophy has led us to an investment focus on innovation-driven industries such as environmental technology and cleantech, medicine, healthcare and the life sciences, and IT and electronics. From the world's most promising nanotechnology companies, Nanostart then identifies its investment candidates. Nanostart AG presently has investment holdings in nine portfolio companies covering all three of the leading global regions for nanotechnology: Europe, the U.S. and Asia.

The objective of Nanostart is to realize a profit, generally by selling its portfolio holdings to major industrial corporations at a suitable point in time. By providing access to new sources of capital, IPOs and exchange listings may play a major role in attaining this objective.

Nanostart invests primarily in young companies during phases in which their growth in business – and company valuation – is most rapid. So that it may most effectively share its commercialization and management know-how with its portfolio companies, Nanostart generally aims to serve as lead investor, with the largest ownership share as well as a seat

on the board of directors or supervisory board. Our preferred investment range is between one and ten million euros (or equivalent).

### **Minimizing risks**

Before Nanostart decides to bring a company into its investment portfolio, we conduct a thorough due diligence examination which may take several months. The basic prerequisites for any investment which we make are a technology which is pathbreaking, a target market of sufficient size, and appropriate intellectual property protections.

Our final decision, however, puts a heavy weight on the personal character and professional track record of the management team, which must be beyond question.

### **Successfully commercializing technologies of the future**

Nanostart views each and every one of its portfolio companies as a partner which receives the support it needs to achieve its growth objectives.

To Nanostart, the term "investment" means much more than just providing equity capital to a company. As suggested by our motto "Making nanotechnology possible®", Nanostart actively shares its experience in nanotechnology, capital markets, commercialization and the practical aspects of building a business to help its portfolio companies make their ambitious plans possible. One of the key steps gene-

rally taken once Nanostart makes an investment is to form a "commercialization team." Where necessary and helpful, Nanostart employees may also take a direct working role in the companies. Beyond this active supporting role, portfolio companies also benefit from the extensive global network of contacts which Nanostart has established in business and science, in research institutions and government agencies, and with investors and capital market experts. Particularly in early phases of company development, these contacts with commercialization partners and potential customers can be critical to success.

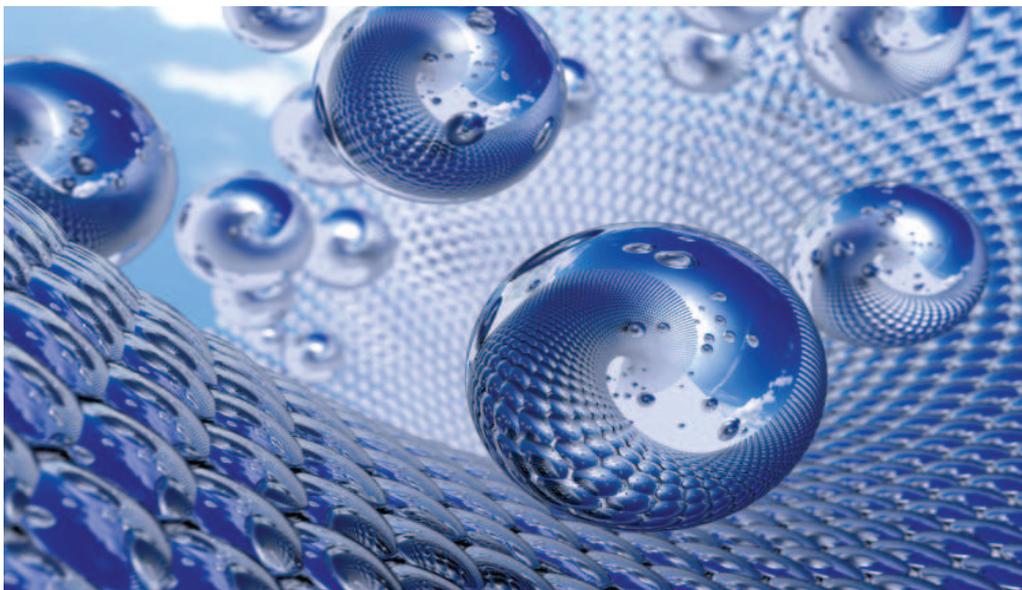
Networking is important, and much of this happens at international nanotechnology conferences and investor events, where Nanostart is an active and highly visible participant.

### **Nanotechnology is the way of the future**

No one doubts anymore that nanotechnology holds out the promise of solving some of the most pressing problems facing our society today. You'll see some examples of these in this report. Ever more nanotechnology-based products and processes are being developed which will contribute to personal quality of life and to the well-being of nations. The benefits for society are progress, improvement and relief. Investment in nanotechnology is also an investment in a future in which people are able to meet increasingly complex challenges using increasingly sophisticated

solutions. As a venture capital company specialized in nanotechnology, Nanostart is participating in the growing success of these highly promising nanotech products and processes around the globe. Transformational technologies which use nanotechnology to solve the challenges of the future will be valued by the capital markets.

Nanostart provides investors with the opportunity to participate in the rapid growth of nanotechnology and to invest in a future with transformational economic potential. This story is still in its early chapters, and the scope of application for nanotechnology is still unfolding; where this story takes us remains to be seen, but for the foreseeable future, it is an exciting story indeed.



## Interim balance sheet at 30.06.2011

### Assets

	30.6.2011 EUR	31.12.2010 EUR
<b>A. Fixed Assets</b>		
I. Intangible Assets		
Licenses, trade marks and patents, etc., as well as licenses to such right and assets	3,960.40	9.00
II. Tangible assets		
Other equipment, office furniture and equipments	94,109.29	97,008.00
III. Financial assets		
1. Shares in group companies	7,335,113.62	7,548,121.50
2. Loans to group companies	16,345,407.16	15,831,819.60
3. Participating interests of 25% or more	12,647,448.40	12,468,844.72
4. Loans to entities with which the enterprise is linked by virtue of participating interests of 25% or more	600,955.58	558,441.68
5. Other loans	115,600.74	256,354.78
	<b>37,044,525.50</b>	<b>36,663,582.28</b>
<b>Total fixed assets</b>	<b>37,142,595.19</b>	<b>36,760,599.28</b>
<b>B. Current assets</b>		
I. Receivables and other current assets		
1. Trade receivables	1,194.27	5,382.14
2. Amounts due from group companies	78,846.92	77,008.11
3. Receivables from entities with which the enterprise is linked by virtue of participating interests of 25% or more	158,112.56	849,052.67
4. Other current assets	5,117.34	9,071.72
	<b>243,271.09</b>	<b>940,514.64</b>
II. Cash in hand and at bank	551,729.45	344,468.74
<b>Total current assets</b>	<b>795,000.54</b>	<b>1,284,983.38</b>
<b>C. Prepaid expenses</b>	<b>16,570.95</b>	<b>47,346.36</b>
<b>Total assets</b>	<b>37,954,166.68</b>	<b>38,092,929.02</b>

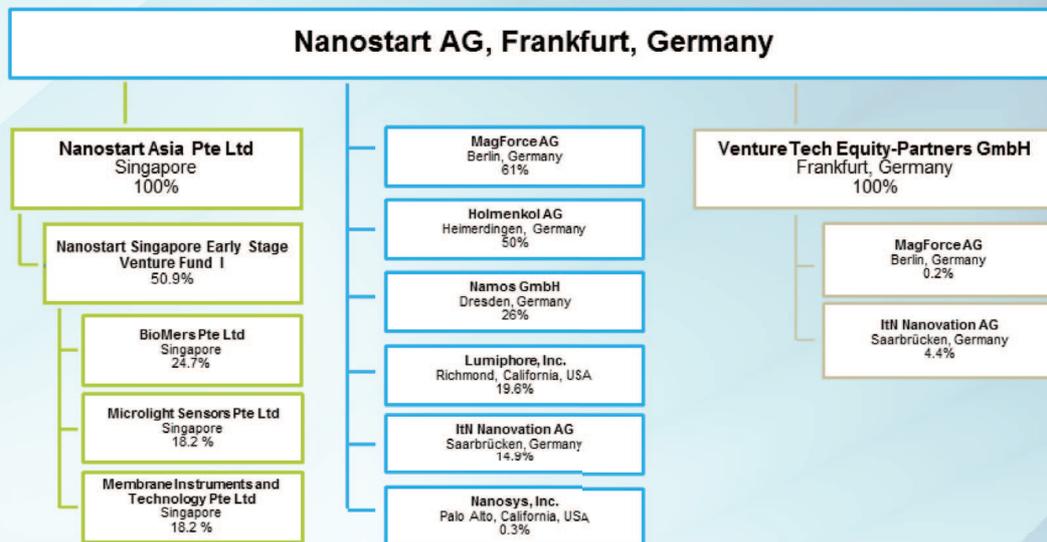
## Interim balance sheet at 30.06.2011 Liabilities and shareholder's equity

	30.6.2011 EUR	31.12.2010 EUR
<b>A. Shareholder's equity</b>		
I. Share capital	5,940,000.00	5,940,000.00
II. Capital reserves	19,001,080.86	19,001,080.86
III. Revenue reserves	7,877,751.84	7,877,751.84
IV. Retained earnings brought forward from prior year	2,486,828.29	0.00
V. Net income	1,537,456.11	2,486,828.29
	<b>36,843,117.10</b>	<b>35,305,660.99</b>
<b>B. Accruals</b>		
1. Accrued taxes	80,636.00	80,636.00
2. Other accruals	204,930.00	262,430.00
	<b>285,566.00</b>	<b>343,066.00</b>
<b>C. Liabilities</b>		
1. Amounts due to banks	0.00	1,354,581.93
2. Trade payable	116,336.19	62,292.89
3. Amounts due to group companies	660,402.15	999,329.20
4. Other liabilities - thereof taxes: EUR 41,394.98 (p.y.: TEUR 14) - thereof in respect of social security EUR 3,382.40 (p.y.: TEUR 1)	48,745.24	27,998.01
	<b>825,483.58</b>	<b>2,444,202.03</b>
<b>Total liabilities</b>	<b>37,954,166.68</b>	<b>38,092,929.02</b>

## Profit and loss account for the year 01.01.-30.6.2011

	30.6.2011 EUR		31.12.2010 EUR	
	EUR	EUR	EUR	EUR
1. Sales	3,749.26		5,964.64	
2. Other operating income - thereof from currency translation EUR 1,623.59 (p.y. TEUR 8)	2,194,470.19		1,675,606.18	
		2,198,219.45		1,681,570.82
3. Cost of materials Cost of purchased services				
		-109,151.35		-81,072.91
4. Personnel costs				
a) Wages and salaries	-312,275.36		-277,030.08	
b) Social security	<b>-41,703.82</b>	-353,979.18	<b>-44,904.19</b>	-321,934.27
5. Depreciation, amortization and special provisions on intangible and tangible assets				
		-13,719.08		-12,802.55
6. Other operating expenses				
		-767,999.60		-532,496.86
7. Other interest and similar income - thereof from group companies EUR 550,579.90 (p.y. TEUR 520)				
		628,436.52		549,082.28
8. Write-down of financial assets				
		0.00		-137,237.68
9. Interest and similar expenses - thereof to group companies EUR 38,350.73 (p.y. TEUR 141)				
		<b>-44,291.69</b>		<b>-222,324.21</b>
10. Results of ordinary operations				
		1,537,515.07		922,784.62
11. Taxes on income				
		-58.96		-104.57
<b>12. Net income</b>		<b>1,537,456.11</b>		<b>922,680.05</b>

## Holding structure Nanostart AG\*



\*as of June 30, 2011

## General conditions

### Economic environment

In spite of the crisis in Japan and the political unrest in Northern Africa, global economic growth continued in the first half of 2011. This growth was again driven by the emerging nations and emerging Asian economies in particular. Based on early indicators, the OECD forecast a global growth rate of 4.2% for the year as a whole in May 2011. However, the encouraging recovery cannot disguise the fact that we are still in a tricky environment. Factors such as rising inflation pressure, which is due to high energy and food prices, and the desolate financial situation in many industrial nations are increasingly slowing expansion.

The debt crisis in the US continued to escalate in recent months and the state of American public finances is becoming visibly more critical. The US economy therefore cooled significantly in the first half of the year. Given the most recent developments and downgrade of the world's largest economy by the rating agency Standard & Poor's, speedy recovery cannot be hoped for. Experts recently also downgraded growth forecasts for the US economy for 2011.

In the euro area, the PIIGS states (Portugal, Italy, Ireland, Greece, Spain) in particular are continuing to suffer from the consequences of the financial market crisis and are facing unrelenting consolidation pressure. The gulf between the

individual EU Member States is therefore widening visibly. The driving force of economic growth within the euro area in the first half of the year was again Germany. Aided by successful exports and strong domestic demand, the German economy expanded once again in the first six months. For 2011, the Deutsche Bundesbank is forecasting economic growth in Germany of more than 3%. According to GTAI (Germany Trade and Invest), the forward-looking outlook of German industry, particularly in areas of high-tech innovation such as information and communication technology (ICT) and in the field of renewable energies are contributing substantially to export strength and growth in Germany.

### Capital market environment

The first half of 2011 was a turbulent time for the international share indexes. Reasons for this included the unrest in Northern Africa, the tsunami in Japan, the consequences of this and the debt crisis in Europe. Nonetheless, MSCI World, the world stock market index, rose by around 3% in the first half of the year. The DAX, the German stock market index, and the US S&P 500 also posted gains of 6% and 5% respectively in the first half of 2011. However, the Asian markets were mostly in decline. The Japanese NIKKEI and the Chinese Shanghai Composite both closed the first half of 2011 with losses. However, these were still moderate given the disaster in Japan.

## Nanotechnology

Nanotechnology is continuing to gain steadily in significance. According to the *Journal of Nanoparticle Research*, the global market for nanotechnology products will total around USD 3 trillion in 2020, equivalent to annual growth of around 25%. Public sector funding for nanotechnology is also growing constantly. According to the nanotechnology consulting company *Cientifica*, this now amounts to around USD 10 billion per year with an increase of 20% assumed within the next three years.

The trend shows that public sector spending to promote nanotechnology research in the US and Europe will remain at a high level. According to estimates by *Cientifica*, the US will provide a total of USD 2.18 billion in 2011 to fund nanotechnologies. Thus, it will still be the world's biggest sponsor of nanotechnology in absolute terms. In terms of purchasing power, however, the US is facing competition from Asia. The growth rates in public sector finance provided for nanotechnology are unparalleled in Asia. For example, China is providing around USD 1.3 billion annually for nanotechnology research and development as part of its national funding programs such as the *National High Technology Research and Development Program*. Measured in terms of purchasing power, this is equal to an amount of around 2.25 billion. Thus, China has already overtaken the US, relatively speaking.

Russia is also stepping up its public nanotechnology funding, as reflected in the amounts provided. In 2007, the Russian government founded the investment company RUSNANO to finance and market nanotechnology products and processes in Russia. The company has been provided with billions to make the country, which is geared very strongly to commodity exports, a leading nanotechnology nation by 2015. There, where there was practically no public sector funding for nanotechnology five years ago, the equivalent of almost USD 2 billion per year is now being invested for this purpose with a significantly higher budget, according to *Cientifica*.

The German government is also seeking to promote nanotechnology research more intensively and to educate the public further about the opportunities it entails. To this end, the comprehensive nano initiative, Nanotechnology Action Plan 2015, was presented in January 2011. The purpose of this is to invest around €400 million per year in nanotechnology projects until 2015. The German government sees nanotechnology as the main technology for the future. Annette Schavan, Minister of Education and Research, said: "The possible applications of this technology are immense. The future advancements in nanotechnology will play a key role in the further development of future industries." On the other hand, the debate that has sparked in Germany in particular in the wake of Fukushima over alternatives to nu-

clear energy has meant that attention has shifted more strongly to the need for renewable energies such as wind and solar power. Nanotechnology is playing a major role in the optimization and advancement of these technologies and in enhancing the efficiency of the fossil energy sources in use in a number of areas. It can therefore be anticipated that its significance and the attention this entails will increase especially rapidly.

## Developments at Nanostart AG

### Net assets, financial position and results of operations

In the first half of 2011, Nanostart AG generated net income of €1,537 thousand and therefore increased its earnings by 66% as against the previous year (€923 thousand).

Total assets rose by around €140 thousand in the first six months of 2011 to €38 million. On the assets side of the balance sheet, loans to affiliated companies resulting from the further financing of investees climbed by 3.2% as against the end of the previous year from €15.8 million to €16.4 million. Meanwhile, receivables from other investees or investors declined by around 81% from €849 thousand to €158 thousand.

Under equity and liabilities, equity rose by the amount of the profit carryforward from 2010. Liabilities were down significantly from €2.44 million to €0.83 million.

With total income of around €2.2 million, Nanostart AG increased its gross profit by around 30% as against the same period of the previous year (€1.68 million). This income stems mainly from the off-market re-placement of shares in MagForce AG with a strategic financial investor with a long-term investment horizon and from interest and similar income. The latter rose by 14% to €628 thousand in the reporting period (previous year: €549 thousand).

In terms of costs, expenses remained stable in the first half of the year in spite of the preparations for further expansion. Personnel expenses rose slightly by 10% as against the previous year from €321 thousand (June 30, 2010) to €353 thousand. The significant decline in liabilities resulted in a drop in interest expenses to €44 thousand in the reporting period (previous year: €222 thousand). In addition, positive developments in the portfolio meant that there was no write-downs on financial investments were required in the first half of 2011 (previous year: €137 thousand).

### Development of operating activities

In the first half of 2011, operating activities were geared mainly towards preparations for further international expansion. One key area focused on here was Russia. Here, Nanostart laid the foundations for its future market entry in the first half of 2011.

In April 2011, Nanostart was selected by Russian state stock corporation RUSNANO to launch a €50 million fund in conjunction with RUSNANO and the Perm government. RUSNANO and Perm will each invest an amount equivalent to approximately €18.75 million in the fund. Nanostart will also invest a sum of not more than €12.50 million in this fund. The fund, which has a term of ten years, will invest in young nanotechnology companies in the Perm region. Nanostart will manage the fund

and, in return, will receive an annual management fee of 3% of the capital investment and 25% of the profits. The fund is expected to commence operations before the end of this year.

Expansion was also pushed in Singapore in the first half of 2011. Nanostart entered into a new investment in the Singapore company **MINT Membranes Pte Ltd** in February through Nanostart Singapore *Early Stage Venture Fund I*. Formed in 2009, the company sells innovative analysis systems for quality and efficiency control in water treatment plants. The core element of its technology is a highly sensitive nanotechnology-based sensor developed by Professor Anthony Fane, Chairman of the Board of Directors of MINT, at Nanyang Technological University in Singapore. This “integrity sensor” allows constant checking of water quality at treatment plants based on today’s standard membrane technology. The sensors are fitted to the plant’s filtering membranes and register different quality parameters, on the basis of which it can be determined if the filter membranes are working properly. If the quality of the water deteriorates, this is shown immediately and the defective membrane filter can be localized extremely quickly. MINT technology also represents a considerable improvement over conventional monitoring methods with manual sampling and laboratory analysis, resulting not only in time and cost savings but also in significantly reduced reaction times for disruptions. The marketing of the integ-

rity sensor is already successfully underway. MINT also has an exclusive license for the commercialization of all further innovations by the Singapore Membrane Technology Center (SMTC) in the area of sensor systems. Nanostart holds around 18% of MINT through the fund.

### Portfolio developments

The Berlin Nanostart subsidiary **MagForce AG** is still working on the commercialization of NanoTherm therapy, a new method of local tumor treatment. A sales and marketing team was formed in the first half of 2011 consisting of a European sales director and four key account managers. The key account managers are in contact with clinics in Germany specializing in the treatment of glioblastomas. Furthermore, the sales and marketing team is presenting NanoTherm therapy and its therapeutic potential to specialists at medical conferences and at other opportunities. MagForce AG is laying the foundation for the therapy’s roll-out in the US by cooperating with leading science facilities in the US and thereby raising the market’s awareness of this technology. The opening of the first therapy center in Germany was originally planned for the first quarter of 2011. However, the establishment of the first therapy center at Charité in Berlin, Europe’s largest teaching hospital, was reported in July 2011 shortly after the end of the reporting period. Among other things, the delay was due to the recertification of the NanoActivator, the device

that generates the alternating magnetic field needed for the therapy. The recertification process was concluded successfully.

The Nanostart equity investment **ItN Nanovation AG** successfully completed a major order in Saudi Arabia in the field of nanoceramic flat filters in the first half of 2011. In prefiltration for a reverse osmosis facility, the flat filters from CFM Systems Technology have impressively proven their technological and economic superiority over conventional polymer filters in long-term daily operation. The results significantly exceeded the customer's high expectations. The European Patent Office (EPO) also awarded ItN Nanovation AG the patent EP1636135 "Mixed metal oxides and their use in CO<sub>2</sub> sensors". The patent includes a nano-scale material developed by ItN Nanovation and the CO<sub>2</sub>-sensitive sensor layers manufactured using it. In May 2011, the Russian nanotechnology investment company RUSNANO provided ItN Nanovation AG with around €11 million in a capital increase for further international commercialization. At €5.07 per share, the price paid by RUSNANO for the shares issued by ItN exceeded the current market price and secured the investor a holding of between 25% and 30% in ItN Nanovation AG. As a strategic investor, RUSNANO can facilitate ItN's entry on the Russian market, which already has high potential for ItN in the field of coatings in particular. By waiving its subscription right in the capital increase, Nanostart AG reduced its

share in ItN Nanovation AG from formerly around 24% to 19.3% as of June 30, 2011.

The Nanostart equity investment **Holmenkol AG** changed its fiscal year to end as of December 31. For the short fiscal year from March 31 to December 31, 2010, it generated an increase in sales of around 13% and continued its growth course. In particular, this was due to sales boosts in the care sector, comprising impregnation, care products and specialty detergents. According to Holmenkol's CEO Karim Gruber, the company's guiding theme in the next five to ten years will be the outdoor market. This sector is outstripping the winter sports market by between 3% and 8% per year.

According to a recent report by the *Frankfurter Allgemeine Zeitung*, the outdoor market in Germany – 50% of which is accounted for by textiles, 35% by footwear – is the largest segment of the country's sports market with a volume of around €1.7 billion or 20%. Sales already amount to around €45 billion worldwide. This does not even include the major future outdoor markets such as China or Russia.

**Namos GmbH's** process for saving precious metals in catalytic converters is currently being tested by various manufacturers of this technology. Since the start of 2011, an analysis method has been developed that can make the concept of better precious metal distribution visible for the first time. On the basis of this and other changes, tests are continuing at manufac-

turers in the current year.

In October 2010, the Nanostart equity investment **Lumiphore, Inc.** reported a cooperation with Algeta. Algeta is an oncology company that develops targeted therapies for cancer patients. Algeta is currently testing Lumiphore technology for integration into its targeted radiotherapeutics.

Nanostart's US equity investment **Nanosys, Inc.** has been marketing its quantum dot technology, Quantumrail, since the end of last year. Quantumrail technology is an easily integrated component for small LCDs that significantly improves color quality and energy consumption. In January 2011, Nanosys gained a key commercialization partner for the forced marketing of this technology in LG Innotek. In the second quarter of 2011, Nanosys announced that its next generation LCD technology, quantum dot enhancement film (QDEF), is now available for display manufacturers. In QDEF, quantum dot technology is available for the first time for display makers as an optical film that can be adapted to any display size – up to that of a large-screen TV. It optimizes the background lighting needed for LCD screens and thereby improves color rendering. The technology met with a great deal of attention in spring at the *Display Week* industry convention organized by the US *Society for Information Display (SID)* in Los Angeles. There, Nanosys CEO Jason Hartlove presented the impressive

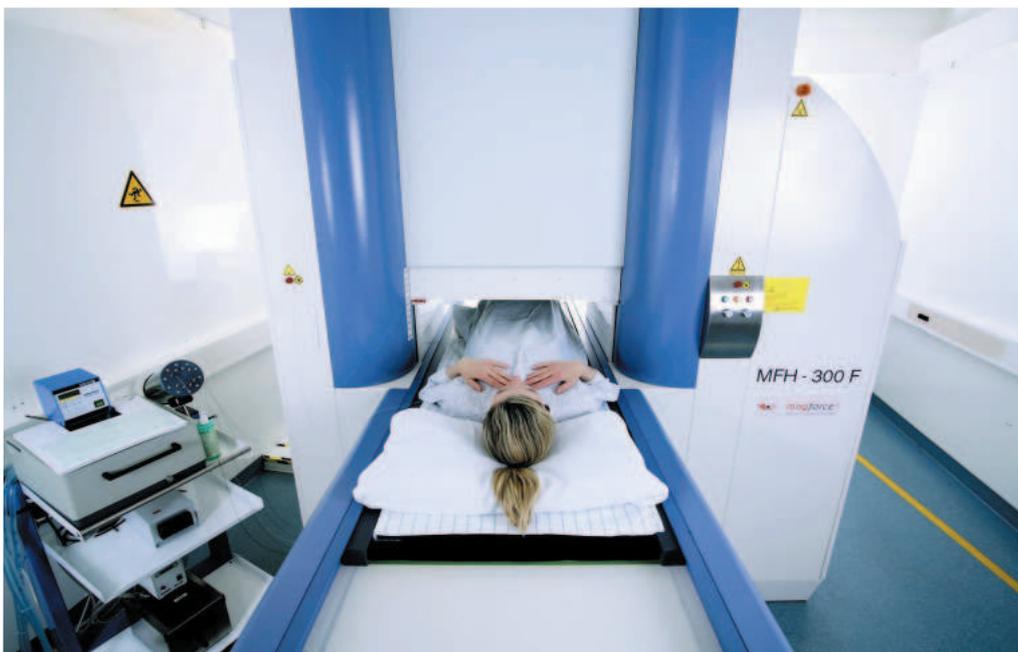
color brilliance of an iPad that he had already fitted with the new technology. The media response has shown that Nanosys' technology is causing an ever greater stir among US experts.

In the first half of 2011, the Singapore equity investment **BioMers Pte Ltd** was dominated by the expansion of its international sales structures and global marketing. There is a great deal of interest in SimpliClear among patients and the orthodontic community. SimpliClear is the world's only completely clear braces system and was developed by the Nanostart equity investment BioMers Pte Ltd itself. In the second quarter of 2011, the company recruited top manager David Edwards as its new CEO. David Edwards has enjoyed an impressive and successful career with more than 20 years of international management experience in consumer medical technology. He was recently head of an international manufacturer of medical technology products with annual sales of more than USD 500 million.

Nanostart's third equity investment in Singapore, **Microlight Sensors Pte Ltd**, has a solid pipeline of orders for their instruments and equipment from countries in Southeast Asia and is currently working on the ongoing development and marketing of existing products.

### Significant events after the end of the reporting period

After the end of the reporting period, the establishment of the first center for the treatment of recurrent brain tumors using the NanoTherm therapy developed by Nanostart's subsidiary MagForce AG at the Charité university hospital in Berlin was reported in July 2011.



## Outlook

Nanostart is continuing its international expansion. Having already entered into one equity investment in Singapore in 2011, other options are now being considered for the fund. The fund is also expected to enter the Russian market before the end of this year. This is to be facilitated by the acquisition of a management company in Russia as a wholly owned subsidiary of Nanostart AG. The first potential investments in Perm have already been visited by Nanostart's investment managers and are currently being examined.

Moreover, other international cooperations are also being weighed up. This expansion will also mean growth in the team, which has already begun with the recruitment of a new employee for the planned business in Russia. As Nanostart's portfolio companies are now in or approaching the commercialization phase, exit options are becoming imminent.

