



Half Year Report
at 06/30/2014

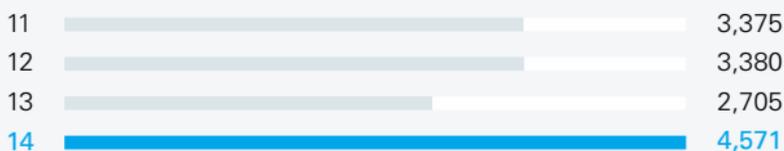
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Key figures at 06/30/2014

Accounting in accordance with the German Commercial Code (HGB)	HJ2014	Change		HJ2013
		%	absolute	
Revenues	4,571	69.0	1,866	2,705
Total performance	4,478	51.6	1,524	2,954
Gross yield	3,148	76.8	1,367	1,781
Personnel expenditure	2,588	18.4	403	2,185
EBITDA	-287	-74.9	857	-1,144
EBITDA margin	-6.3%	-85.2	36.0 PP.	-42.3%
Depreciation	362	1.7	6	356
EBIT	-649	-56.7	851	-1,500
Result for the period	-797	-50.5	814	-1,611
Fixed assets	3,713	5.1	180	3,533
Investments	454	38.0	125	329
Current assets	6,613	9.6	579	6,034
Liquid funds	483	-39.4	-314	797
Equity	7,751	-7.0	-586	8,337
Third-party capital	4,402	47.7	1,422	2,980
Liabilities	3,109	52.8	1,074	2,035
Balance sheet total	12,153	7.4	836	11,317
Cash flow from sales activities	-355	-69.8	821	-1,176
Cash flow from current operating activities	-673	24.4	-132	-541
Cash flow from investment activities	-436	40.6	-126	-310

Accounting in accordance with the German Commercial Code (HGB)	HJ2014	Change		HJ2013
Cash flow from financing activities	1,188	N/A	1,433	-245
		%	absolute	
Working capital	5,202	14.9	676	4,526
Equity ratio	63.8%	-13.4	-10.3 PP.	73.7%
Return on equity	-10.3%	-46.8	9.0 PP.	-19.3%
Average number of employees	76	10.1	7	69
Earnings per share (in EUR)	-0.27	-50.5	0.27	-0.54
Orders received 1 HY 2014	5,000	45.0	1,553	3,447
Existing orders (06/30/2014)	2,482	74.7	1,061	1,421
Development expenditure	923	75.0	1,061	958
Development intensity (expenditure in relation to revenue)	20.2%		-15.2 PP.	35.4%
Average number of development employees	21	5.0	1	20
ø Development employees in % of ø employees	27.6%		-1.4 PP.	29.0%

Sales development 6M 2011-2014 (in kEUR)



EBITDA margin 6M 2011-2014 (in percent)



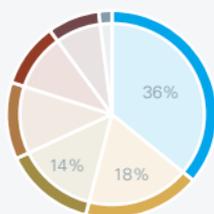
Liquid funds 6M 2011-2014 (in kEUR)



Revenue per employee 6M 2011-2014 (in kEUR)



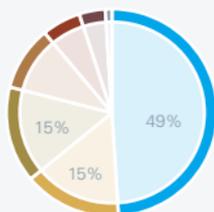
Revenue distribution by industry*



	kEUR	%
■ Automotive	1,287	36
■ Materials science	639	18
■ Electronics	521	14
■ Fingerprint, Public safety	450	12
■ Medical technology, MEMS	354	10
■ Machinery, tools, printing	294	8
■ Chemistry, paper, ceramics, plastics	72	2

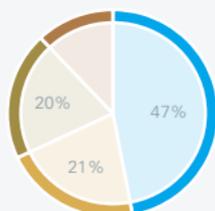
* measured based on revenue with system sales excluding services – here, 3.617 kEUR

Revenue distribution by product



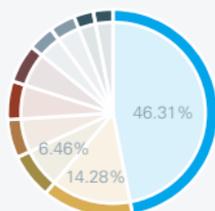
	kEUR	%
■ μsurf	2,223	49
■ Service, software, replacement Parts, maintenance	697	15
■ μsprint	673	15
■ OEM	450	10
■ μscan	272	6
■ Other services	182	4
■ System rental	74	1

Revenue distribution by region



	kEUR	%
■ Germany	2,152	47
■ Asia	976	21
■ Europe (except for Germany)	894	20
■ North/South America	549	12

Shareholder structure at 06/30/2014



	Shares	%
■ Free Float	1,389,299	46.31
■ Alto Invest	428,500	14.28
■ Schreier family	193,873	6.46
■ LBBW GmbH	180,000	6.00
■ Eismann family	176,950	5.90
■ tbg mbH	168,000	5.60
■ Bödecker family	123,350	4.11
■ Velzel family	123,350	4.11
■ Grigat family	108,332	3.61
■ Valentin family	108,346	3.61

Company boards



Dipl.-Phys. Jürgen Valentin
Chief Technology Officer
(CTO) and Chief Executive
Officer



Dipl.-Ing. Marcus Grigat
Chief Operations Officer
(COO)



Joachim Sorg
Management Board
Member for Adminis-
tration, Finances and
Controlling (CFO)

Supervisory Board

Dr. Hans Hermann Schreier, Supervisory Board Chairman

Ralf Terheyden, Deputy Chairman

Felix Kregel, Supervisory Board Member

Member by proxy

Prof. Dr.-Ing. Stefan Altmeyer

Investor Relations contact



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Dear Shareholders,

NanoFocus AG's revenue and incoming orders improved during the first half of 2014. On the reporting date for the half-yearly figures, we reported a revenue of 4.6 million EUR. Thus, we were already in excess of the 4 million EUR specified during the Annual General Meeting and had increased by nearly 2 million EUR compared with the same six-month period of 2013. Incoming orders for the half-year were around 5 million EUR.

Although we are happy with this development, we realize that this is only a first step on a path leading to a return of profit. As far as the net operating profit is concerned, we have not yet reached our desired objectives. However, the current development is a tangible improvement and allows us to be optimistic about the second half of the year.

Fresh momentum in the standard business

A major target is the improvement of our standard business. The μ surf expert is a high-performance new product in the premium segment. When exhibited for the first time at the Control 2014, the all-rounder met with a very positive response. This high-quality measuring instrument for industrial small and medium-sized companies offers the best measurement capabilities and excellent components with automation capacity and production suitability. We are expecting to successfully place μ surf expert on the market from the third quarter on.

The development of our sales structures was a prerequisite, and formed the basis for increasing our sales opportunities. Through a fundamental reorganization and the recruitment of new staff in 2013 and at the start of 2014, we believe that we are now well-positioned to better utilize our market opportunities in the standard business. The number of





"Our main concern in forth-coming months is to sustainably develop the positive trends of the first half of the year."

Dipl.-Phys. Jürgen Valentin
Chief Technology Officer (CTO) and Spokesman of the Management Board

customer inquiries, presentations and sales campaigns is already far higher than during the previous year.

Current impulses for growth and opportunities for the future

In comparison to the last half of the year in 2013, with our usurf cylinder system for cylinder inspections, we recorded an increase in sales in the first six months of 2014 and a clear increase in incoming orders. Again, with the μ sprint for quality control in semiconductor production, we reached the same level as last year, in terms of incoming orders. Increased sales in the semiconductor area were particularly pleasing during the first half-year as many projects acquired last year were now successfully implemented during the first half of 2014. Both the automotive and the semiconductor sectors offer good perspectives for a successful second half of the year.

In 2014, we were already able to deliver a high-performance system in the area of medical technology. A second customer project is currently being prepared. Looking ahead, we generally see good opportunities in the coming year for the area of industrial quality assurance in medical technology. Above all, in the manufacture of high-quality implants, our measuring systems are ideally suited for clearly improving our customers' production control as well as the competitive opportunities of medical technology manufacturers.

Renewal of supply contract with Forensic Technology, Inc.

Forensic Technology, Inc. from Canada is one of NanoFocus AG's most important long-term customers. For many years, we have been equipping the world market leader in analysis devices for forensic research with our



World market leader in forensic research: a long-term customer of NanoFocus.

sensors – a mature customer relationship, based on mutual respect and dependability. Today, NanoFocus AG sensors are a core technology for Forensic Technology.

Therefore, the successful renewal of the supply contract was a special concern and an important step for us. The extension of the supply contract for a further five years confirms our excellent collaboration and demonstrates the customer's uninterrupted satisfaction with our technology. We successfully upgraded the customer's systems to our latest generation measuring systems and supplied the forensic science experts with a top-quality premium-grade product – at the same time accurately reflecting Forensic Technology's product philosophy: offering top quality in the upper price segment.

Our own company for activities in the skin analysis sector

In keeping with our business strategy, NanoFocus AG will concentrate on the four, already-occupied market niches for process tools and on the standard business.

However, thanks to joint development projects with medics, NanoFocus AG possesses specialized knowledge in the application areas of medical surface measurement, for example in the field of skin analysis. In order to make this knowledge marketable (knowledge which is not found in our core area – industrial process tools) and to enable the further development of the existing hardware base, we outsource parts of our medical technology business to the wholly owned subsidiary, mikroskin GmbH.

This facilitates access by new investors to enable the secure completion and total recovery of a skin sensor through corresponding investments. The interests of NanoFocus shareholders are considered. Within the

framework of mikroskin GmbH, with the support of an investor, we aim, within the next three years, to develop a high-performance and marketable skin diagnosis sensor.

Top innovator award

In July 2014, NanoFocus AG was awarded the much-coveted "Top 100" award as a leading innovative company. We are delighted with this award particularly as it takes account of all innovation activities and above all, attaches importance to turning new ideas into successful products on the market.

The prize is awarded by a renowned jury following a challenging and rigorous selection process. Therefore, the "Top Innovator" seal is a particular endorsement of our company philosophy and the management's objectives. At NanoFocus, the management has always endeavored to shape an innovation culture which enables further development and promotes competition in a sustainable way. Our ability to innovate is not only demonstrated in the individual product, but also in our long-term goal to continuously improve technologies and their possibilities according to the requirements of high-growth, high-tech markets.



Outlook and goals

Our main concern in forth-coming months is to sustainably develop the positive trends witnessed in the first half of the year. After successfully reaching our targeted half-yearly goal of over 4 million EUR, we continue to strive towards our goal of obtaining an annual turnover of 11 million EUR with a return to profits. Our operational objectives include, above all, greater effectiveness on the sales front with an increase in the number of sales completed. Thanks to developments achieved so far this year, we are looking forward confidently to the next few months.

Kind regards



Dipl.-Phys. Jürgen Valentin

Chief Technology Officer (CTO) and Spokesman
of the Management Board

Share value at 06/30/2014



of 01/01 – 08/29/2014

Stock performance and analyst evaluation

During the reporting period, the NanoFocus share price moved above the Entry Standard benchmark index. The Corporate News report on the 2013 business figures which had fallen short of our targets caused the share price to drop briefly from 3.50 to 3 EUR. However, the shares later stabilized again to around 3.40 EUR.

With a half-yearly turnover of 4,571 kEUR in the current financial year, NanoFocus AG has substantially exceeded the figures from the previous year (2013) (2,705 kEUR) and, with an EBITDA of -287 kEUR (2013: -1,44 kEUR), it is faring better than during the same period in 2013. The bright prospects for the second half of the year underpin the guidance issued at the start of the year of 11 million EUR.

In the secondary listings, the general market sentiment has not changed significantly. Although the major indexes picked up substantially, the political uncertainties that remain in Russia and the Middle East could overturn the positive sentiment at any time. As a technology-heavy segment with a high affinity to risk, the Entry Standard Index fell disproportionately and has since lost around 50 basis points. In recent weeks, the DAX also briefly fell 1,000 points, a plunge of approximately 10%. We are not expecting to see a clear improvement of the general sentiment in the short term.

A current assessment by analysts for NanoFocus AG, rated the stock price target slightly higher in the first half of 2014 than that of the previous year, i.e. 4.20 EUR in comparison to 4.10 EUR.

Investor relations activities

In February, NanoFocus AG issued a convertible bond exclusively to a small number of institutional investors. 1,350,000.0 EUR flowed into the company. The bond initially envisages an annual fixed interest of 5% and this gives the investors the right to convert the bond into a maximum of 300,000 company shares. If the bond is not converted, an additional fee has been agreed at the end of the expiration date.

Regular investor talks were held and conferences attended to present the NanoFocus AG business model. During the first half of the year, NanoFocus AG introduced itself to an expert stock market audience at the m:access (the Munich stock market conference), and at the Salutaris Roundtable, also held in Munich. During the reporting period, the trading volumes (trading liquidity) slightly increased from 4,719 to 5,889 shares per day.

Outlook for 2014

With a turnover of 4,571 kEUR, the first half of the year was clearly more positive compared with the same period in 2013 (2,705 kEUR).

At the end of June, incoming orders were also 5 million EUR above the planned rate. Thus, NanoFocus AG considers its target of 11 million EUR, set at the start of the year, and the predicted return to profits to be realistic. This should also provide some positive impetus for the shares.



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Annual General Meeting in Oberhausen, Germany at 07/09/2014



Share data

Total number of shares	3,000,000 bearer shares
Capital	3,000,000 EUR
Market capitalization	10,500,000 EUR at 06/30/2014
Transparency level	Entry Standard (Open Market)

Share statistics for the first half of 2014

52-week-high	4.40 EUR
52-week-low	2.32 EUR
Traded number on all stock markets incl. Xetra per diem (six-month basis)	ø 5,889 shares per trading day (01/01-06/30)

Company information

Founding date	Founding at 08/24/2014, legal form limited liability company (GmbH). Changed to public company (AG) by resolution at the Annual General Meeting on 10/26/2001
Accounting standard	German Commercial Code (HGB)/Accounting Law Modernization Act (BilMoG)
Balance sheet date for the financial year ending on	12/31
Start of trading	11/14/2005, prospectus since 2006
Deutsche-Börse listing partner	BAADER/Wertpapierhandelsbank AG, Munich
Trading model	Xetra, continuous trading, Süddeutsche Aktienbank
Securities identification number/ISIN	540 066, DE 0005400667
Bloomberg	N2F.GR
Freefloat market capitalization	5,637,450 EUR at 06/30/2014

Stock market listing

	Xetra (continuous trading with specialist), Frankfurt on the Open Market (Entry Standard), Munich (M:access, since 02/01/2007), Berlin, Bremen, Düsseldorf, Stuttgart (OTC market)
Type of security	No-part bearer share (class)



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I. Principles of the company

Business model

NanoFocus AG operates internationally as one of the most technologically advanced companies in the field of process-oriented optical surface measurement technology in the micrometer and nanometer fields. NanoFocus AG's main areas of activity include the development, manufacture and worldwide distribution of measuring systems for contact-free 3D surface analysis. NanoFocus measurement systems are primarily used for quality assurance and are suitable for virtually all areas of industry. With its technology, NanoFocus AG enables its customers and partner enterprises to manufacture innovative products and implement efficient manufacturing procedures. The three main product lines consist of the

analysis systems μ surf, μ scan and μ sprint. The company also offers supplementary services and system software required for operation.

Not only does NanoFocus AG offer measuring solutions and systems which are compliant with national and international standards, but it also applies the expert knowledge gained over many years of work in the field of 3D measurement technology to standards committees. This two-pronged approach guarantees high-quality products and a technological edge over competitors.

NanoFocus AG is listed on the Open Market Entry Standard stock market in Frankfurt since 11/14/2005. The company is ISO 9001- and OHSAS 18001-certified.

At 06/30/2014, NanoFocus AG employed a total of 82 members of staff, including the three members of the Board and interns.

The company maintains a one hundred percent holding in NanoFocus Materialtechnik GmbH in Oldenburg, Germany, NanoFocus, Inc., McMinnville, Oregon//USA and NanoFocus Pte. Ltd., which is headquartered in Singapore. NanoFocus Materialtechnik GmbH is a rights administration company with limited operational activities only. It has an exclusive license agreement with NanoFocus AG. The foreign subsidiaries are structured entirely as sales organizations, coordinated by the NanoFocus representatives in the US and Asian regions. Three members of staff are employed in both sales organizations. A branch which has existed in Ettlingen, Germany since 2001 was transferred at 03/01/2014 to Karlsruhe technology park. Six members of staff are employed by NanoFocus there.

Research and development

Research and development (R&D) activities are of fundamental and strategic importance for NanoFocus. This is particularly true of the company's own R&D department which ensures the company's long-term technology leadership in its markets and its pioneering reputation. Targeted collaboration with public institutions and key customers guarantees access to newly emerging knowledge, and reassures users that the results can be exploited commercially.

The key areas of NanoFocus's R&D activities consist of developments which improve product performance, ensure that products meet our customers' application requirements, and optimize manufacturing quality.

NanoFocus's R&D expenditure over the last financial year (primarily, personnel costs and software development costs) is 20% of the total revenue.

II. Economic report

Overall economic and industry-specific general conditions

After an initially positive start to 2014, the global economic recovery again lost momentum during the second quarter.

In June, the World Bank significantly trimmed its forecast, particularly due to the ongoing unresolved crisis in the Ukraine, the hard US winter and the not yet recovered economy in emerging and developing countries.

In 2014, it is said that the GDP for the global economy will only increase by 2.8% rather than 3.2% as originally forecast. Growth amounted to 2.4% in the previous year.

Source: GDP figures: 06/11/2014 dpa-AFX, rtr, t-online.de, Economy: Die Welt, 08/14/2014

Target sectors for NanoFocus

During the first half of 2014, the German mechanical engineering sector was unable to increase sales in comparison to the previous year due to June's poor performance.

According to estimates by the German Association of the Automotive Industry (VDA), during the current year, the automotive sector – an important area for NanoFocus – will fare better than previously assumed. We remain cautiously optimistic about sales in Germany. This year, a growth of 4% is expected throughout the world.

The electronics industry recorded an increase of 0.5% during the first half of the year. Domestic growth was 0.8%, while foreign growth was 0.2%. The economic uncertainty and increasing geopolitical risks are curbing the basic development which has been positive so far.

The semiconductor area is continuing to accelerate. After 4% in 2013, Gartner Research is expecting to see a growth of 6.7% in 2014. The reasons for this are smaller, high-performance components. 4.3% is considered to be a stable growth rate until 2018.

For the operation of micro, nano and optical technologies, business in 2013 maintained a stable level, and initial growth impulses could be generated again in 2014. According to the AMA trade association, the first quarter began successfully with a 7% increase in turnover, and incoming orders rising by 10%.

Sources: VDMA statistics, VDMA Economic Bulletin 08/2014; production figures from 07/02/2014 (auto industries), ZVEI incoming orders for June 2014, AMA Fachverband für Sensorik e.V., March 2014 press release

Business activities

The first half of the 2014 financial year was shaped by the reorganization and repositioning of major departments. Due to increasing competition in standard business, the sales department was re-organized last year. On the product side, the range was strengthened in terms of performance, and the product portfolio was extended and increased. A high-performance all-rounder should demonstrate the merits of microscopy and sophisticated standardized 3D measuring technology and further strengthen our position in the standard business. It was in this context, that NanoFocus presented the new "µsurf expert" at the Control trade fair. Equipped with high-resolution sensors, measuring systems for optical path lengths in all axes

(x, y, z) and numerous automation possibilities, the µsurf expert sets a new standard in the area of non-contact surface measuring technology.

The project business for industrial applications is continuing to gain momentum as planned, and will capture future growth. The niche positioning of more complex and high-priced systems and plants provides us with an excellent starting situation to introduce integrated QS standards to premium clientele and establish these standards across the Group. The special requirements of industrial customers demand competence and are tailored to a partially standardized platform. The first half of 2014 focused on the successful pilot installation of a high-end testing facility integrated into semiconductor production. Another pilot plant with another application is lined up for the third quarter of 2014.

In 2013 NanoFocus AG began a joint research project with the German Federal Ministry of Education and Research (BMBF), HICOS3D. The aim is to develop the world's fastest high-precision sensor system for 3D quality control integrated into the production process of complex micro-electronic or micro-mechanic, mechatronic or optical components, in particular for the semiconductor market. The German Federal Ministry of Education and Research (BMBF) will support the project until its completion in 2016, with a total amount of around 800 kEUR. The development activities for existing and new products again relied on the essential capacities of the software and development department.

In 2014, the measures and developments outlined above led to a return to profits and clearly exceeded those of the first half of 2013. In comparison, sales increased by 69% to 4,571 kEUR.

In addition to the intensified activities in standard sales, the reasons for this included successful investments in the product business, part of which dated back to 2013 and part of which was newly acquired in 2014. The increased cost structure is still hampering profit performance but is necessary to achieve the turnover planned for the second half of 2014. Thus, another net loss of 797 kEUR was reported at 06/30/2014.

Since July, NanoFocus AG, Oberhausen ranks among the top innovators of German small and medium-sized companies for the 2014 financial year. The "Top 100" seal has been standing for innovative power, thirst for knowledge, and team spirit for more than 20 years.

Earnings position

The first half of the 2014 financial year saw a significant rise in sales revenues. This amounted to 4,71 kEUR, i.e. 69% more than comparable figures from the previous year of 2,705 kEUR. It was above all the reinvigorated standard device business (1 million) that played a crucial role in increasing sales following investments in the marketing-specific positioning and technical performance of the new products on the market. Budgeted revenues were also reached in the strong project business segment. The conditions for this had already been created during the 2013 financial year.

Revenue distribution by product line

	HY 2014		Change		HY 2013	
	kEUR	%	absolute	%	kEUR	%
µsurf	2,223	49	1,190	115	1,033	38
Service, software, replacement parts, maintenance	697	15	202	41	495	18
µsprint	673	15	673	100	0	0
OEM	450	10	-69	-13	519	19
µscan	272	6	-10	-4	282	11
Other services	182	4	-85	-32	267	10
System rental	74	1	-35	-32	109	4
	4,571	100			2,705	100

Turnover achieved with the µsurf systems increased by 1,190 kEUR compared with the comparative period. The µsprint area is also showing a positive trend. Here, during the first half of 2014, large volume projects amounting to 673 kEUR were concluded with incoming orders generated back in 2013. In the service business, turnover during the first half of 2014 increased by 202 kEUR. Despite the 13% drop to 450 kEUR, the OEM area continues to be a constant revenue driver and is set to generate a stable turnover in the 2014 financial year. The µscan product line recorded a slight fall in revenue of 4% during the first half of the 2014 financial year.

Revenue distribution by region

	HY 2014		Change		HY 2013	
	kEUR	%	absolute	%	kEUR	%
Germany	2,152	47	877	69	1,275	47
Asia	976	21	758	348	218	8
Europe (except for Germany)	894	20	368	70	526	20
North/South America	549	12	-137	-20	686	25
	4,571	100			2,705	100

NanoFocus continues to earn approximately half of its total turnover in Germany. The turnover in Asia noticeably picked up. The positive business development of the semiconductor market played a crucial role here. The Americas region fell below target in the first half of 2014 and recorded a 20% loss on the reporting date.

Revenue distribution by industry

	HY 2014		Change		HY 2013	
	kEUR	%	absolute	%	kEUR	%
Automotive	1,287	36	646	101	641	35
Materials science	639	18	271	74	368	20
Electronics	521	14	411	374	110	6
Fingerprint/Public safety	450	12	0	0	450	25
Medical technology, MEMS	354	10	354	100	0	0
Machinery, tools, printing	294	8	29	11	265	14
Chemistry, paper, ceramics, plastics	72	2	72	100	0	0
	*3,617	100			**1,834	100

* measured based on revenue with system sales excluding services – here, 3,617 kEUR

** measured based on revenue with system sales excluding services – here, 1,834 kEUR

NanoFocus is not critically dependent on any one branch. The fact that the company sells to different sectors of industry reduces the risk associated with its earnings profile. Distribution across the various industrial sectors depends on the economic development of, and importance attached to, research and development within the individual branches.

With a share of 36%, the automobile area was the branch that generated the highest sales during the first half of the 2014 financial year. NanoFocus was able to consolidate and further develop existing business relationships with leading manufacturers.

The material sciences field recorded an increase in revenue analogous to the total revenue of NanoFocus. The increase compared to the 2013 financial year was 74%. In this respect, the growth engines were, in particular, the material processing and developing industry branches, as sales to universities and institutes generated a slightly slower volume.

In the first half of the financial year, the electronics branches recorded the highest growth rates. This increase to 14% of the total revenue was disproportionately high. The proportion of revenues in the electronics branches particularly increased due to the purposeful expansion and further development of the µsprint product line.

Through stable, long-term customer relations, the Fingerprint/public safety sector generated constant sales.

Sales increased significantly in the medical technology area. NanoFocus is particularly well positioned for this growth sector, offering excellent individual solutions in the implant area (see infobox), and expects a rising demand in 2014. NanoFocus is stepping up activities in the development of these sources of income.

At 294 kEUR, turnover remained constant in the machine and tool manufacturing sector.

In the first half of the year under report, the chemistry, paper, ceramics and plastics area recorded a slight increase to 2% of the overall turnover.

Based on an average number of 76 full-time staff, revenues per employee for the half-year clearly increased to 60 EUR (when annualized –120 kEUR). During the same period in 2013, revenues per employee were 39 EUR, based on an average of 69 full-time staff.

Implant area

Joint implants, plastic and aesthetic implants, vascular prostheses or stents. These medical products come into direct contact with human tissues and must therefore fulfill the highest requirements in terms of biocompatibility, quality, safety and service life. Fundamental for this is often the microscopic surface structure which many implant manufacturers are already testing by means of NanoFocus 3D surface measuring technology.

Changes in earnings*

	HY 2014	Change		HY 2013
	kEUR	%	absolute	kEUR
Revenues	4,571	69	1,866	2,705
Other earnings	42	-45	-34	76
Total performance	4,478	52	1,524	2,954
Gross yield	3,148	77	1,367	1,781
Personnel expenditure	2,588	18	403	2,185
Other related expenses	1,291	19	208	1,083
EBITDA	-287	-75	857	-1,144
Depreciation**	362	2	6	356
Financial result	-67	N/A	-34	-33
Tax result	-80	N/A	-2	-78
Earnings	-797	-51	814	-1,611

* selected values taken from the income statement

** The main component of the depreciations figure consists of the half-yearly goodwill depreciation of 175 kEUR in accordance with the German Commercial Code (HGB).

The overall performance consisting of revenue, increases in inventories and other operational expenses increased from 2,954 kEUR to 4,478 kEUR. Due to the increasing rise in sales revenues in the first half of the 2014 financial year, NanoFocus AG recorded an increase here of roughly 52%. The other operational expenses which predominantly included revenues from funding projects, fell by -34 kEUR. This can mainly be attributed to the fact that subsidies for capitalizable development projects are directly calculated with the acquisition costs.

Gross yield increased by 1,367 kEUR or 77%, analogous to the sales revenue. On the costs side, personnel expenses increased by 18% to 2,588 kEUR due to new recruitments, particularly in sales. Other operational expenses increased by 19% to 1,291 kEUR. The financial result fell by 34 kEUR as a result of the convertible bond issued in February 2014. The tax result essentially comprises the changes from deferred tax assets and liabilities.

Changes in order levels

	HY 2014	Change		HY 2013
	kEUR	%	absolute	kEUR
Orders received 1 HY 2014	5,000	45	1,553	3,447
Existing orders (30.06)	2,482	75	1,061	1,421

During the first half of the 2014 financial year, incoming orders increased by 45% in comparison with the previous year. Compared with 06/30/2013, existing orders rose significantly by 1,061 kEUR and will impact positively on revenue during the second half of 2014.

Financial situation

The company is predominantly financed from equity complemented by bank loans. Individual orders are financed in advance by customer advance payments. Any advance payment guarantees that are limited in terms of either amount or period are secured – if necessary – by bank guarantees (sureties).

During the first half of the 2014 financial year, NanoFocus AG issued a convertible bond of over 1.35 million EUR (gross) to institutional investors. This injected cash equivalents amounting to 1,284 kEUR into the company. The bond has a term of five years. It bears interest at 5.0% p. a.; if the bond is not converted into NanoFocus AG shares by the expiration date, additional interest of 3.0% p.a. will be payable.

In 2014, NanoFocus did not take out any new bank loans. 162 kEUR of existing loans has been repaid according to schedule since 12/31/2013. The remaining loans totaled up on 30 June 2014 to 710 kEUR, in addition, overdrafts amounting to 108 kEUR were used. On the balance sheet date, NanoFocus AG possessed cash equivalents amounting to 483 kEUR. Above this amount, on the reporting date, NanoFocus had access to unused lines of credit amounting to 471 kEUR. All loan obligations are subject to a fixed interest rate. NanoFocus did not make use of any derivative financial instruments. A revenue-dependent license agreement exists in the usprint area with a term running until 12/31/2017.

Investments

Investments made by NanoFocus AG in 2014 amounted to a total of 454 kEUR. With 282 kEUR, the focus was on the internally generated intangible assets related to the further development of existing products, and to the development of newer, market-based product families. In addition, 58 kEUR was invested in acquired software, 9 kEUR in new demo devices, 92 kEUR in plant and equipment, and 13 kEUR in financial assets. All investments remained within the scope of the adopted investment budgets.

Change in the cash flow and in cash and cash equivalents

Cash flow	HY 2014	Change	HY 2013
	kEUR	absolute	kEUR
Cash and cash equivalents at the start of the period	296	-1,552	1,848
Cash flow from current operating activities	-673	-132	-541
Cash flow from investment activities	-436	-126	-310
Cash flow from financing activities	1,188	1,433	-245
Cash alterations to cash funds	79	-1,175	-1,096
Cash and cash equivalents at the close of the period	375	-377	752

Cashflow from current operating activities reduced by 132 kEUR to -673 kEUR. Cashflow from investment activities particularly comprises the activation of development projects amounting to 282 kEUR. At 436 kEUR, the investments were above those of the previous year. Cashflow from financial activities amounted to 1,350 kEUR from the issue of convertible bonds, offset against 162 kEUR from the scheduled repayment of bank loans.

Financial status

	HY 2014	Change		HY 2013
	kEUR	%	absolute	kEUR
Fixed assets	3,713	2	74	3,639
Intangible assets	3,063	3	76	2,987
Property, plant and equipment	497	-3	-14	511
Financial assets	153	9	12	141
Current assets	6,613	3	173	6,034
Inventories	2,977	3	82	2,895
Receivables and other assets	3,154	-2	-66	3,220
Cash and cash equivalents	483	49	158	325
Deferred tax assets	1,675	0	0	1,675
Equity	7,751	-9	-797	8,548
Third-party capital	4,402	34	1,124	3,278
Liabilities thereof	3,109	37	846	2,263

Compared with the previous year, fixed assets have risen slightly by 2%. In the area of intangible assets, the activation of development costs amounting to 282 kEUR compensated the scheduled amortization of goodwill amounting to 175 kEUR. At 06/30/2014, the accumulated capitalized development costs totaled up to 2,231 kEUR. A major development project is taking place with 918 kEUR in the medical technology area. The development of this project has not yet been decided, which is why this project is not yet subject to amortization. The remaining goodwill amounts to 523 kEUR and will be amortized over another 1.5 years.

Trade accounts receivable slightly increased by 40 kEUR to 1,905 kEUR. Receivables amounting to 1,101 kEUR concern affiliated companies. As in the past, there were no losses of accounts receivable during the 2013 financial year and, on the basis of our experience to date, such losses are only expected to a limited extent in the future.

The deferred tax assets from tax loss carried forward remain stable at 1,675 kEUR. With regards to the earnings prospects in forth-coming years, the Management Board continues to believe that the tax loss can be accounted for on the balance sheet.

The equity ratio fell from 74% to 64% due to the annual deficit.

Liabilities increased by 846 kEUR, whereby liabilities to credit institutes were reduced by 162 kEUR through scheduled repayment of bank loans, and trade accounts payables and advance payments from customers reduced by a total of 438 kEUR. On the other hand, the total

nominal value of the convertible bond of 1,350 kEUR is recorded as a liability.

Financial and non-financial performance indicators

Above all else, the sales development and results from ordinary business serve as financial performance indicators. Non-financial performance indicators particularly concern innovation and development capabilities and employee needs.

During the 2014 financial year, NanoFocus strategically invested in the expansion of its development capabilities. The main priority in this was development of the μ surf expert product. In addition, activities were carried out in the area of optical 3D sensor development and to increase the performance of the μ sprint product range.

With respect to the development activities undertaken, the key figures were as follows:

Key figures for development activities	HY 2014		Change	HY 2013
	kEUR	%	absolute	kEUR
Development investments and costs	923	-3.7	-35	958
Development intensity (expenditure in relation to revenues)	20.2 %		-15.2 PP.	35.4 %
Average number of development employees	21	5	1	20
Average development employee in % (Basis: average number of employees)	27.6 %		-1.4 PP.	29.0 %

NanoFocus continues to be increasingly commissioned as a development service provider by well-known major enterprises.

On the balance sheet date, NanoFocus AG employed 77 full and part-time staff and three board members. Two diploma students and interns are also currently employed. In total, there were 82 employees at 06/30/2014 compared with 77 employees on the balance sheet date of the previous year.

In addition to setting up interdisciplinary teams for innovation, NanoFocus particularly also offers regular training and further training programs and scientifically challenging projects across the different companies. As a whole, NanoFocus AG sees itself as an attractive employer for qualified staff.

III. Supplementary report

At 08/19/2014, NanoFocus recorded incoming orders amounting to 6,516 kEUR and order commitments amounting to 2,930TEUR. At the Ordinary Annual General Meeting at 07/09/201, NanoFocus AG submitted the "Spin-off" proposal. With the required shareholder majority, it was decided to outsource the entire skin sensor business area, along with all rights and obligations, under the continued existence of NanoFocus AG to microskin GmbH. By way of a spin-off as per § 123 para. (3) no. 1 of the German law regulating the transformation of companies (UmwG), NanoFocus, the transferring legal entity, shall transfer its entire skin sensor business area together with assets, obligations and legal relationships as one unit under the continued existence of NanoFocus AG to mikroskin GmbH as the legal acquired in return for payment of 100% of the shares in the business to mikroskin GmbH ("Spin-off").

IV. Forecast, risk and opportunities report

Forecast report

The International Monetary Fund (IMF) forecasts only a gradual recovery of the world's economy. The reasons for this include the crises in the Ukraine and the Middle East. Russia must fear a particularly severe effect. This year, funds experts only expect the global economy to increase by 3.4%, which is 0.3% less than previously anticipated.

The growth forecast for the USA has been reduced once again. Due to the extremely weak first quarter, the gross domestic product this year only improved by a "disappointing" 1.7% (previously 2.7%).

According to IMF forecasts, the recession in the Euro zone will be harsher than previously expected. Accordingly, this year, the economic performance in the Euro zone will reduce by 0.6%. Three months ago, experts were still reckoning on a 0.4% decrease. The weaker growth in Germany is said to be another reason for this. The forecast for the Federal Republic of Germany was halved to 0.3%. In the year to come, the monetary union will grow by 0.9% rather than 1.0% as initially calculated. Germany would then increase by 1.3% (previously 1.4%).

For Germany, the growth forecast now expects the gross domestic product to be 1.9% instead of 1.6%. The strong domestic demand could be a reason for this. The estimations of the German Federal Bank (Deutsche Bundesbank) are not very optimistic. At the end of July,

it made it clear that the previous rapid increase was now losing momentum. Tensions in the Middle East and the Ukraine have had a dampening effect on the economy. Until now, the German economy is said to have grown with unusual rapidity – the Federal bank is now expecting stagnation.

Source: German Council of Economic Experts' 2013/2014 annual appraisal, Federal Statistical Office, Welt.de, Zeit.de, IMF.org

In July, the Ifo Business Climate Index for German industry fell to 108.0 points from 109.7 in the previous month. This is the third decrease in a row. The assessment of the current business situation is not quite as good as in June. The outlook for future business activities also appeared to be less optimistic. Geopolitical tensions are putting a strain on the German economy.

The ZEW Indicator of Economic Sentiment is sending further warning signals for Germany. This continued to drop significantly in April. The corresponding indicator lost 18.5 points and now stands at 8.6 points (long-term mean value: 24.6 points). This marked the eighth decrease in a row and the sharpest fall since June 2012. The indicator was in a worse position in December 2012.

The main reasons are said to be geopolitical tensions which, in the meantime, are having a tangible effect on the German economy. Against the backdrop of uncertain sales prospects, German entrepreneurs are markedly reducing their investment activities. As the economy in the Euro zone is yet to get into gear, there is concern that the economic growth in Germany in 2014 will be less pronounced than originally expected.

Source: IFO German business climate, 07/2014; ZEW, 08/12/2014

In addition to the economic expectations of economic institutions and professional associations, our forecasts for the 2014 financial year are based on our own business plans. This includes, in particular, the order situation, current customer projects, expected order initiations and cost developments.

Following the reorganization of sales, completed in 2013, and the expansion of our product portfolio in 2014, we believe that we are in a good position – despite the sinking growth forecasts of economic research institutes – to generate disproportionate growth again in 2014.

During the 2014 reporting year, business experienced a promising start, particularly in the standard business area. No orders were canceled. We assume from this that this trend will continue into the third and fourth quarters and we are expecting revenues of over 6 million EUR during the second half of the year.

In 2014, at product level, NanoFocus AG will concentrate on technically-customized measuring machines that meet the most exacting industry requirements. Customers wishing to place repeat orders in 2014 will continue to be the focus of our attention. In addition to the scheduled increase in the semiconductor market, the automobile and implant areas have been identified by NanoFocus as innovative growth industries on which the company has placed its strategic focus. The area of medical implants includes dental or joint implants, plastic and aesthetic implants, vascular prostheses or stents. These medical products come into direct contact with human tissues and must therefore fulfill the highest requirements in terms of biocompatibility, quality, safety and service life.

Fundamental for this is often the microscopic surface structure which many implant manufacturers are already testing by means of NanoFocus 3D surface measuring technology.

The innovations expected in these areas are being integrated into the relevant product developments for NanoFocus. From Q3-2014, particular emphasis will be given to the μ sprint production measuring technique and the challenging further development as part of the HICOS3D-sponsored project, costing approximately 1,300 kEUR. In addition, the customers' tendency to include NanoFocus in the production-related requirement and process planning will be seized. Additional potential opportunities have been identified in the use of measuring systems in industrial, automated production (inline control).

In the area of personnel development, the aim is, on the one hand, to further develop existing potential, and on the other, to establish strategic organizational forms in order to apply expertise and knowledge in the most appropriate way. Experienced engineers selected from specialist sectors complement the team and are tapping into new revenue potential.

Based on these premises, for the entire 2014 financial year, we are still anticipating a growth in sales of 35% to over 11 million EUR and an annual result of around 314 kEUR. This works out at earnings per share (EPS) of 0.10 EUR.

During the 2014 financial year, risks exist in particular due to the higher Working Capital which is required for further growth in sales. NanoFocus continues to come up against the ever-fluctuating capital goods market, which remains difficult to gauge, and the macroeconomic and financial and political conditions, drawing a distinction between three (real, worst and best case) scenarios. NanoFocus responds swiftly to changes when the economic framework conditions deteriorate and could have an impact on the development of business. Parallel to this, the possibilities for increasing personnel or production capacities are evaluated in a cost-conscious manner. Controlling instruments have been set up both as regards staff and structurally, and are duly intensified so that countermeasures can be promptly initiated.

NanoFocus is still planning to extend its financing structure for further growth. Equity capital measures are conceivable during the course of 2014 to fund strategic actions seeking to expand the automotive and implant business areas.

Overall assessment of the forecast

NanoFocus AG began the 2014 financial year with a comfortable backlog of orders and various product improvements and developments. Based on economic forecasts and the current establishment of new business with important customers, we remain confident that we will achieve the planned growth in sales of 35% to over 11 million EUR and a positive result of approximately 0.3 million EUR during the 2014 financial year. Through the issue of a convertible bond in February 2014, we have secured the necessary finance for the planned growth. In August 2014, incoming orders amounted to 6.5 million EUR, and order commitments to 2.9 million EUR.

Forecast, risk and opportunities report

NanoFocus is exposed to a range of risks which are described in detail in the Risk Report that formed part of the 2013 Annual Report. The current 2013 Annual Report can be downloaded from the NanoFocus website at www.nanofocus.de in the "Investor/Financial report" section.

Overall assessment of NanoFocus AG's risk situation by the Management Board

As a result of increasing competition in the standard product segment and the overall negative business development caused by this in 2013, the risks during the course of the 2013 financial year have increased significantly. This led to a reduction of liquidity on 12/31/2013. Economic uncertainties regarding the intrinsic value of individual assets (development activities, deferred tax assets and receivables from affiliated companies) have increased through economic developments. However, the restructuring measures in the standard product sector which ended at the start of 2014, and the issuing of the convertible bond defused the tense risk situation of 12/31/2013 during the first quarter of 2014. Business continued to increase according to plan during the second quarter of 2014. A very high level of sales visibility and predictability exists for the third quarter, and, on the creation date, this was already extending into the fourth quarter. Therefore, the liquidity situation should continue to ease in the second half of the year as business increases.

No risks threatening our existence are currently apparent. Nevertheless, risks arising within the framework of normal daily business continue to persist. If, for example, the initiated business is not generated as expected, this will reduce the expected development in sales and earnings accordingly. Independently of this, preparations to strengthen liquidity from other financing opportunities will be made.

At the Annual General Meeting at 07/09/2014, new capital was authorized which is currently available to the district court for entry in the commercial register. NanoFocus has thus created the opportunity to inject capital in the short term.

Oberhausen, Germany, 08/20/2014
NanoFocus AG

Management Board



Jürgen Valentin



Marcus Grigat



Joachim Sorg



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Information

For further information on NanoFocus AG as well as for the addresses of our subsidiaries, please go to www.nanofocus.de

Languages

This Half-Year Report is also available in German for download in PDF format.

To request this document, please contact www.nanofocus.de/investor-relations/finanzberichte/

Note on the creation of the half-yearly report

Although the current Half-Year Report has not been audited, it has been subjected to an audit review.

Financial information at 06/30/2014

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Balance sheet of assets

	06/30/2014		Change		12/31/2013	06/30/2013
	EUR	%	absolute		EUR	EUR
A. Fixed assets	3,713,191				3,638,476	3,533,123
I. Intangible assets						
1. Concessions, intellectual property rights and licenses acquired for a fee	308,844	5.1	15,020		293,824	253,950
2. Goodwill	523,419	-25.0	-174,473		697,892	872,365
3. Internally generated intellectual property rights, similar rights and assets	2,230,558	11.8	235,757		1,994,801	1,845,055
	3,062,822				2,986,517	2,971,369
II. Property, plant and equipment						
1. Technical equipment and machinery	247,574	-19.1	-58,541		306,115	227,477
2. Other assets, fixtures and fittings	249,500	21.7	44,451		205,049	193,482
	497,074				511,164	420,959
III. Financial assets						
Shares in affiliated companies	153,295	8.9	12,500		140,795	140,795
B. Current assets	6,613,308				6,440,262	6,033,675
I. Inventories						
1. Raw materials, materials and supplies	1,696,239	14.7	216,812		1,479,427	1,503,436
2. Unfinished goods, unfinished services	611,836	-24.4	-197,978		809,814	617,446
3. Finished goods	669,149	10.4	63,259		605,890	905,463
	2,977,224				2,895,131	3,026,345
II. Accounts receivable and other assets						
1. Trade accounts receivable*	1,904,711	2.2	40,611		1,864,100	1,120,213
2. Receivables from affiliated companies	1,100,959	-11.0	-136,532		1,237,491	835,016
3. Other assets	147,873	25.0	29,593		118,280	255,486
	3,153,543	-2.1	-66,328		3,219,871	2,210,715
III. Cash assets, due from banks and checks	482,541	48.4	157,282		325,259	796,615
C. Deferred income and accrued expenses	151,870	110.1	79,580		72,290	74,820
D. Deferred tax assets	1,675,000	0.0	0		1,675,000	1,675,000
	12,153,370	2.8	327,342		11,826,028	11,316,618

Balance sheet of liabilities

	06/30/2014		Change		12/31/2013	06/30/2013
	EUR	%	absolute		EUR	EUR
A. Equity						
I. Subscribed capital	3,000,000	0.0	0		3,000,000	3,000,000
II. Capital reserve	6,143,450	0.0	0		6,143,450	6,143,450
III. Retained earnings	1,165,000	0.0	0		1,165,000	1,165,000
IV. Profit/losses carried forward	-1,760,742	N/A	-1,400,648		-360,094	-360,094
V. Profit for the year	-796,871	-43.1	603,777		-1,400,648	-1,611,133
	7,750,836	-9.3	-796,872		8,547,708	8,337,223
B. Provisions	495,739	66.0	197,058		298,681	303,210
C. Liabilities						
1. Convertible bonds	1,350,000	N/A	1,350,000		0	0
2. Amounts owed to credit institutions	818,345	-9.2	-83,270		901,615	1,130,152
3. Advance payments received on orders	0	-100.0	-186,350		186,350	70,504
4. Trade accounts payables	776,105	-24.5	-251,501		1,027,606	636,081
5. Other liabilities	164,600	11.9	17,549		147,051	198,468
	3,109,050	37.4	846,427		2,262,623	2,035,205
D. Deferred income and accrued expenses	38,797	1.3	512		38,285	13,200
E. Deferred tax liabilities	758,948	11.8	80,217		678,731	627,780
	12,153,370	2.8	327,342		11,826,028	11,316,618

Income statement

	06/30/2014		Change	06/30/2013
	EUR	%	absolute	EUR
1. Revenues	4,571,302	69.0	1,866,141	2,705,161
2. Inventory changes to finished and unfinished goods	-134,719	N/A	-306,951	172,232
3. Other capitalized assets	402,011	51.7	136,985	265,026
4. Other operating income	41,734	-45.4	-34,648	76,382
5. Material expenditure	1,287,826	17.5	192,223	1,095,603
thereof a) expenses for raw materials, materials and supplies and for goods purchased	1,185,815	10.8	116,002	1,069,813
thereof b) expenses for purchased services	102,011	N/A	76,222	25,789
6. Personnel expenditure	2,588,213	18.5	403,689	2,184,524
thereof a) wages and salaries	2,205,544	18.4	343,304	1,862,240
thereof b) social contributions and expenditure for pensions and aid	382,669	18.7	60,384	322,285
7. Depreciation on intangible assets of fixed assets and property, plant and equipment	362,131	1.8	6,259	355,872
8. Other operating expenditure	1,291,411	19.3	208,655	1,082,756
9. Other interest and similar income	8,202	34.8	2,118	6,084
10. Interest and similar expenditure	75,432	95.3	36,816	38,616
11. Income from ordinary business activities	-716,485	-53.2	815,999	-1,532,484
12. Tax on income and on profits	-80,227	2.2	-1,739	-78,488
13. Other taxes	-160	0.0	0	-160
14. Profit for the year	-796,871	-50.5	814,262	-1,611,133

Cash flow statement

	06/30/2014	Change	06/30/2013
	kEUR	absolute	kEUR
Cash and cash equivalents at the start of the period	296	-1,552	1,848
Profit/loss for the year	-797	814	-1,611
Depreciation on fixed assets	362	6	356
Other non-cash transactions	80	1	79
Cash flow from sales activities	-355	821	-1,176
Changes in stocks, accounts receivables and other assets	-95	-888	793
Alteration of liabilities from accounts payables and other liabilities	-223	-65	-158
Cash flow from current operating activities	-673	-132	-541
Deposits from disposal of property, plant and equipment	18	0	18
Pay-outs for investments in property, plant and equipment	-454	-126	-328
Cash flow from investment activities	-436	-126	-310
Payment from the issue of convertible bonds	1,350	1,350	0
Pay-outs for the repayment of financial leases	0	32	-32
Pay-outs for the repayment of investment loans	-162	51	-213
Cash flow from financing activities	1,188	1,433	-245
Cash alterations to cash funds	79	1,175	-1,096
Cash and cash equivalents at the close of the period	375	-377	752

Statement of Changes in Equity

01/01-06/30/2014	Subscribed capital	Capital reserve	Retained earnings	Balance sheet loss	Equity
	EUR	EUR	EUR	EUR	EUR
Equity as per 01/01/2014	3,000,000	6,143,450	1,165,000	-1,760,742	8,547,708
Profit/loss for the year				-796,871	-796,871
Equity as per 06/30/2014	3,000,000	6,143,450	1,165,000	-2,557,613	7,750,836

01/01-06/30/2013	Subscribed capital	Capital reserve	Retained earnings	Balance sheet loss	Equity
	EUR	EUR	EUR	EUR	EUR
Equity as per 01/01/2013	3,000,000	6,143,450	1,165,000	-360,094	9,948,356
Profit/loss for the year				-1,611,133	-1,611,133
Equity as per 06/30/2013	3,000,000	6,143,450	1,165,000	-1,971,226	8,337,223

Short version of Appendix at 06/30/2014

Accounting and valuation principles

The accounting and valuation principles are unchanged and can be consulted in the section devoted to financial information in the 2013 Annual Report (pages 8-11).

Rounding differences may arise in the specifications in EUR due to the use of computerized calculation methods. Amounts in Euro are specified rounded without decimal places.

Notes on the balance sheet

1. Asset overview

	Procurement costs				As of 06/30/2014
	As of 01/01/2014	Adjusting entries	Acquisi- tions	Dis- posals	
	EUR	EUR	EUR	EUR	EUR
I. Intangible assets					
1. Internally generated intellectual property rights, similar rights and assets	2,184,188	0	282,470	0	2,466,657
2. Licenses/software acquired for fee	1,202,231	0	57,554	0	1,259,785
3. Goodwill	5,234,190	0	0	0	5,234,190
Total intangible assets	8,620,609	0	340,023	0	8,960,633
II. Property, plant and equipment					
1. Technical equipment and machinery	736,138	0	13,427	26,056	723,510
2. Other assets, fixtures and fittings	1,098,686	0	88,455	0	1,187,140
Total property, plant and equipment	1,834,824	0	101,882	26,056	1,910,650
III. Financial assets					
Shares in affiliated companies	140,795	0	12,500	0	153,295
Total financial assets	140,795	0	12,500	0	153,295
Total	10,596,229	0	454,405	26,056	11,024,578

Deprec. as of 01/01/2014	Depreciation			Dis- posals	Book value			
	Adjusting entries	Allocation	Deprec. as of 06/30/2014		As of 06/30/2014	As of 12/31/2013	As of 06/30/2013	
EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
189,387	0	46,713	0	236,099	2,230,558	1,994,801	1,845,055	
908,408	0	42,533	0	950,941	308,844	293,824	253,950	
4,536,298	0	174,473	0	4,710,771	523,419	697,892	872,365	
5,634,092	0	263,718	0	5,897,811	3,062,822	2,986,517	2,971,369	
430,023	0	54,409	8,497	475,935	247,574	306,115	227,477	
893,637	0	44,004	0	937,641	249,500	205,049	193,482	
1,323,660	0	98,413	8,497	1,413,576	497,074	511,164	420,959	
0	0	0	0	0	153,295	140,795	140,795	
0	0	0	0	0	153,295	140,795	140,795	
6,957,752	0	362,131	8,497	7,311,387	3,713,191	3,638,476	3,533,123	

2. Subscribed capital

The registered capital is unchanged at 3,000,000 million EUR and is subdivided into 3,000,000 bearer shares with an equivalent value of 1.00 EUR each.

3. Authorized capital/contingent capital

In accordance with the resolution of the Annual General Meeting of 07/09/2014, the Management Board is authorized to increase the share capital of the company with the approval of the Supervisory Board by issuing new shares in stock to the owner against contributions in cash or in kind on one or more occasions, however up to a total of 1,500,000 EUR by 07/08/2019 (2014 authorized capital).

In February 2014, NanoFocus AG issued a convertible bond with a nominal value of 1,350,000 EUR. The convertible bond is divided into 1,350 partial debentures, equal between themselves, with a nominal amount of 1,000 EUR each. The partial debentures are valid until 02/06/2019 (expiration date). Interest of 5.0 % p.a is charged on the partial debentures. If the partial debentures are not redeemed, converted, invalidated or reacquired by the expiration date, NanoFocus AG shall redeem them at 115% of the nominal amount on the expiration date. The conversion privilege for 300,000 shares may, in practice, be exercised at any time; the conversion price is 4.50 EUR. The number of shares and the conversion price may

change in the future as a result of the provisions on dilution protection.

4. Other provisions

	EUR
Leave entitlements	104,300
Outstanding invoices	14,707
Audit and consulting costs	31,100
Inventors' remunerations	4,406
Archiving costs	14,000
Warranties	51,500
Workers' compensation association/ Severe disability contribution	28,300
Director's fees	22,500
Bonus payments	87,272
Variable purchase price μ sprint (Siscan)	121,675
Convertible loan	15,978
Total	495,738

5. Liabilities

At 06/30/2014, existing liabilities amounted to 3,109 kEUR. 1,731 kEUR of this have a residual maturity of between one and five years and 1,378 kEUR have a term of less than one year. Bank loans and overdrafts amounting to 710 kEUR are secured by the transfer of the warehouse in Oberhausen and receivables from customers.

6. Contingent liabilities

At 06/30/2014, no contingent liabilities existed, in particular, liabilities resulting from the issue and assignment of bills of exchange, pledged securities, bill and check guarantees, and contingent liabilities due to the provision of collateral for third-party liabilities on the part of NanoFocus AG.

Oberhausen, Germany, 08/20/2014
NanoFocus AG

Management Board



Jürgen Valentin



Marcus Grigat



Joachim Sorg

Audit opinion (translation)

Based on the results of our audit, in accordance with § 17 para. 2 of the German law regulating the transformation of companies (UmwG), at 06/30/2014, with regards to the final balance of NanoFocus AG, Oberhausen, Germany, we issue the following

Audit opinion

We inspected the final balance of NanoFocus AG, Oberhausen, Germany including the explanatory notes (hereinafter referred to as: final balance) at 06/30/2014. In accordance with § 17 para. 2 clause 2 of the German law regulating the transformation of companies in compliance with the applicable German commercial rules on annual balance sheets, the company's legal representatives are responsible for preparing the final balance. Our task is to render an assessment of the final balance on the basis of the audit that we have performed.

We performed our audit in accordance with § 17 para. 2 clause 2 of the German law regulating the transformation of companies in compliance with § 317 of the German Commercial Code (HGB) and in accordance with German generally accepted standards for the audit of financial statements. According to this, the audit must be planned and performed so that any inaccuracies and infringements, which have a material influence on the final balance, can be detected with reasonable assurance. In determining the audit procedures, we considered our knowledge of the business, the economic and legal environment of the company and the expected occurrence of errors. Within the framework of the audit, the effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the final balance are examined primarily on a test basis.

The audit involves assessing the accounting methods used and the critical assessments of the legal representative. We believe that our audit provides a sufficiently sound basis for our assessment.

Our audit has not revealed any reservations.

According to our assessment, on the basis of the knowledge acquired in the course of the audit, the final balance complies with legal requirements.

Cologne, Germany, 08/12/2014
RBS RoeverBroennerSusat GmbH & Co. KG
Auditors
Tax consultants

Graf von Kanitz
Auditor

Schulz-Danso
Auditor

2014 financial calendar

03/13/2014	Analyst conference m:access, Börse München (Munich stock market)
05/30/2014	Publication of the 2013 Annual Report
07/09/2014	2014 Annual General Meeting Oberhausen
08/29/2014	Publication of the 2014 Half-Year Report
11/24-26/2014	2014 Equity Capital Forum Frankfurt am Main

Contact/legal notice

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Management Board: Jürgen Valentin (Chairman), Marcus Grigat, Joachim Sorg

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