

Interim Financial Statements

as of June 30, 2013

mic AG

Türkenstraße 71

80799 München

Balance Sheet as of June 30, 2013

Assets			Liabilities		
	EUR	as of 31.12.2012 EUR		EUR	as of 31.12.2012 EUR
A. Capital Assets			A. Shareholders' Equity		
I. Intangible Assets	17.044,82	14.759,00	I. Subscribed Capital Stock	6.872.800,00	5.154.600,00
II. Tangible Assets	30.826,85	31.140,00	- Conditional Capital:	1.521.250,00 EUR	
III. Financial Assets	37.796.893,59	36.344.354,90	(Prior Year: 1.521.250,00 EUR)		
	37.844.765,26	36.390.253,90	II. Capital Reserve	14.170.325,37	9.015.725,37
			III. Unappropriated Surplus	16.261.571,38	17.897.499,61
B. Current Assets				37.304.696,75	32.067.824,98
I. Receivables and Other Assets	368.209,63	252.919,99	B. Accrued Liabilities	22.635,00	51.450,02
II. Checks, Cash on Hand and Bank Balances	9.118.937,40	1.046.488,40	C. Liabilities	10.047.866,17	5.592.254,01
	9.487.147,03	1.299.408,39			
C. Prepaid Expenses and Deferred Charges	43.285,63	21.866,72			
	47.375.197,92	37.711.529,01		47.375.197,92	37.711.529,01

Income statement for the period from January 1, 2013, to June 30, 2013

	EUR	EUR	31.12.2012 EUR
1. Sales		289.393,73	6.302.346,70
2. Other operating income		15.765,57	66.088,86
- of which Income from currency conversion:	0,00		
(Dec. 31, 2012:	22,06)		
3. Material costs			
Book value of financial assets at time of disposal		0,00	525.504,26
4. Personnel costs			
a) Wages and salaries		655.272,44	930.084,53
b)			
Social security, pension and other benefit costs		68.916,13	121.359,35
5.			
Amortization and depreciation of tangible assets		18.049,79	15.256,54
6. Other operating expenses		458.317,01	958.217,07
- of which Income from currency conversion:	0,00		
(Dec. 31, 2012:	6,97)		
		<u>1.200.555,37</u>	<u>2.550.421,75</u>
7.			
Income from other securities and loan receivables		203.496,72	288.623,51
- of which from affiliated companies:	196.324,11		
(Dec. 31, 2012:	265.314,51)		
8. Interest receivables and other income		83,78	182,33
- of which from affiliated companies:	64,61		
(Dec. 31, 2012:	0,00)		
9. Depreciation of financial assets and marketable securities		0,00	2.987,39
10. Interest payable and similar expenses		167.950,86	240.989,20
- of which to affiliated companies:	13.183,85		
(Dec. 31, 2012:	27.401,43)		
		<u>35.629,64</u>	<u>44.829,25</u>
11. Result of ordinary activities		<u>-859.766,43</u>	<u>3.862.843,06</u>
12. Extraordinary income		0,00	52.496,10
13. Extraordinary expenses		775.657,49	0,00
14. Extraordinary net loss/income		<u>-775.657,49</u>	<u>52.496,10</u>
15. Taxes on income		5,05	0,00
16. Other taxes		499,26	1.445,00
		<u>504,31</u>	<u>1.445,00</u>
17. Net loss/Net income for the year		<u>-1.635.928,23</u>	<u>3.913.894,16</u>
18. Accumulated income from previous year		17.897.499,61	13.983.605,45
19. Unappropriated surplus		<u>16.261.571,38</u>	<u>17.897.499,61</u>

mic AG, München
Explanatory Notes for
the Interim Financial Statements as of June 30, 2013

General Notes

These interim financial statements were prepared in accordance with sections 242 et seq. and 264 et seq. HGB (*Handelsgesetzbuch* - German Commercial Code) and in accordance with the relevant provisions of the AktG (*Aktiengesetz* - Public Companies Act) and the Constitution. The applicable provisions are those for companies limited by shares. As the company is listed on the open market and the open market is not an organised market within the meaning of § 2 para. 5 WpHG (*Wertpapierhandelsgesetz* - German Securities Trading Act), mic AG is to be classified as a small company limited by shares. In the preparation of the explanatory notes, use was made in part of the relief provided under §§ 274a, 288 HGB for small companies limited by shares. The profit and loss statement is structured in accordance with the aggregate cost method.

The profit and loss statement is structured according to the aggregate cost method.

Accounting Principles

The unchanged accounting and valuation methods underlying the preparation of the interim financial statement will be explained in the following.

Acquired **intangible assets** that form part of the capital assets are recorded at their acquisition cost or cost of production and are depreciated, to the extent subject to deterioration, in accordance with their useful life by systematic write-downs.

Tangible fixed assets are recorded at their acquisition cost or cost of production, and are depreciated, to the extent depreciable, by systematic write-downs.

The tangible fixed assets are written down in accordance with their foreseeable useful life. Low-value assets up to a net individual value of EUR 410.00 have been fully written off in the year of entry or captured as an expense. For assets acquired in the 2008 and 2009 business years with a net individual value of more than EUR 150.00 up to EUR 1,000.00, the pooling of assets used for tax purposes is also used in the balance sheet. The pooled assets are depreciated at a blanket rate of 20 per cent p.a. in the year of entry and the four following years. The write-downs for additions to tangible fixed assets are otherwise made pro rata temporis.

For the **financial assets** the shares and securities are recorded at their acquisition cost or lower fair value and loans in principle at their face value.

When valuing the shares in Aifotec AG, Jena, an unscheduled write-down was ignored with reference to the right to choose in § 253 para. 3 sentence 4 HGB, because it is assumed that this is simply a temporary decrease in value. On the basis of Aifotec AG's current business plan, as at 31 December 2012 a value of EUR 2,817,000 can be assigned to the company, as ascertained by a valuation undertaken by mic AG. The book value of the shares is EUR 6,862,000. The temporary decrease in value can be attributed to the delays in the development of a large project. It can be assumed that these delays will be remedied in the 2013 business year and the company will thus once again return to its growth path, which set the groundwork for the previous valuation. Taking this large project into account, the business is valued at EUR 13,500,000 according to a valuation undertaken by mic AG, of which 56.45% falls to mic AG.

Receivables and other assets are recorded at face value.

The **other liabilities** take all unknown liabilities into account. They are recorded, in accordance with reasonable commercial judgement, at the level of the necessary settlement amount (i.e. including future costs and price increases). Liabilities with a remaining term of more than a year were discounted.

Liabilities are recorded at the settlement amount.

Assets and liabilities in foreign currencies, to the extent present, are essentially converted at the spot foreign exchange rate as at the balance date.

Notes on the Balance Sheet

Details to the shareholdings:

	Currency	Capital Share %	Equity in in k LC	Annual Profit in k LC
Figures arise in the financial statements dated Dec. 31, 2012				
<u>in-country (directly)</u>				
µ-GPS Optics GmbH, Meiningen	EUR	72,54	-776	-339
3-EDGE GmbH, Aschheim	EUR	80,00	348	101
Aifotec AG, Jena	EUR	56,34	2.177	-7.689
ficonTEC GmbH i. L., Bremen*	EUR	38,84	k.A.	k.A.

	Currency	Capital Share %	Equity in in k LC	Annual Profit in k LC
Figures arise in the financial statements dated Dec. 31, 2012				
Lifespot AG, München**	EUR	50,00	k.A.	k.A.
mic clean AG, München	EUR	100,00	4.521	-218
mic IT AG, München	EUR	100,00	5.707	-15
mic sense AG, München	EUR	87,82	5.983	-5
neuroConn GmbH, Ilmenau	EUR	51,06	1.341	175
SmartM GmbH, Meiningen	EUR	100,00	k.A.	k. A.
ProximusDA GmbH, München	EUR	39,98	-845	-729
Wearable Technologies AG, München	EUR	100,00	5.826	-175
* Liquidation, no specification. ** Founded first half-year 2013				

	Currency	Capital Share %	Equity in in k LC	Annual Profit in k LC
Figures arise in the financial statements dated Dec. 31, 2012				
<u>in-country (indirectly)</u>				
4DForce GmbH, Meiningen	EUR	87,50	-950	-100
Exergy GmbH, München	EUR	95,00	-79	-102
FIBOTEC FIBEROP- TICS GmbH, Meiningen	EUR	80,00	-425	-64
FiSec GmbH, Meiningen	EUR	50,00	-2.192	-864
Flores Solar Water GmbH, München	EUR	49,00	-653	-235
PiMON GmbH, München	EUR	100,00	-333	-288
SportsCurve GmbH, Herrsching	EUR	80,00	-52	-34
Wearable Technologies Service GmbH, Herrsching	EUR	100,00	-73	-21

Receivables and Other Assets

Other assets include receivables amounting to TEUR 1 (previous year: TEUR 1) with a maturity of more than one year.

Equity Capital

The subscribed capital stock is composed as follows:

Ordinary bearer shares

6,872,800 shares at EUR 1 = EUR 6,872,800

On the balance sheet date, the contingent capital entered into the commercial register amounted to EUR 1,521,250.00.

Authorised capital totalled EUR 156,200.00 on the balance sheet date. It was authorised during the general meeting on July, 18, 2011, and is limited until July, 17, 2016. All previously authorised capital is either exhausted or cancelled.

Liabilities

The maturity rates of the liabilities are listed in detail in the liabilities schedule.

in KEUR	30.06.2013			31.12.2012	
	maturity rate up to 1 year	above 5 years	total	maturity rate up to 1 year	total
Type of Liability					
1. Bonds	3.436	0	3.436	0	0
- of which convertible			3.436		0
1. Liabilities to Banks	0	5.850	5.850	0	0
2. Accounts Payable for Supplies and Services	59	0	59	59	59
3. Liabilities to Affiliated Companies	1	0	1	578	578
5. Liabilities to Companies in which the Company has a Participating Interest	0	0	0	0	0
4. Other Liabilities	701	0	701	4.714	4.714
- thereof from Taxes			16		13

Other Statements

The management of mic AG was undertaken by both Boards in the business year:

Mr Claus-Georg Müller, Munich, Chair of the Board,
responsible for the areas:

- Sales & Marketing,
- Business Development,
- Strategy,
- Investor Relations.

Mr Manuel Reitmeier, Munich,
responsible for the areas:

- Finance/Accounting,

- Taxes,
- Administration,
- Staff,
- Legal and patent matters,
- Public relations.

Supervisory Board

Mr Reiner Fischer, Munich	Chair, Manager of a business consultancy.
Ms Sabine Westerfeld, Freiburg	Vice-Chair, self-employed psychologist and graduate business economist (IHK/EMA)
Mr Martin Weigert, Etterzhausen	Manager with a manufacturer of analogue interface components for communications, industrial and consumer applications

Munich, September 27, 2013

mic AG

Executive Board

(Claus-Georg Müller)

(Manuel Reitmeier)