

**Interim Report 2019  
(Unaudited)**

**Aladdin Healthcare Technologies SE  
(formerly Aladdin Blockchain  
Technologies Holding SE)**





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**RESPONSIBILITY STATEMENT BY THE LEGAL REPRESENTATIVES**

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## Forward by the Managing Director

Dear Shareholder,

With the publication of the report for the first half-year of 2019, I would like to take this opportunity to update you on both the progress and positioning of the business. We have had a highly productive 6 months in 2019, which has resulted in new commercial relationships and technological developments.

Highlights in the first six months of the current financial year include:

- Increasing the number of anonymised electronic medical records (EMRs), of patients from India, on its platform by 120,000. This brings the total number of anonymised EMRs, on Aladdin's platforms to 2,310,000. This represents further significant progress into the Indian market, the numbers will increase continuously, feeding into the Aladdin platforms. Thereby improving the accuracy and effectiveness of Aladdin's Artificial Intelligence (AI) and deep learning tools, which will help to enable the early detection and prevention of chronic disease. This is, therefore, a very exciting development for Aladdin. Aladdin leverages its AI and deep learning capabilities for the purpose of assisting medical research by aiming to identify effective preventive medicinal practices, which in turn can optimise healthcare spending and generate savings for the healthcare industry.
- The company has raised a total of €1,261,871 (£780,000) in both loan and convertible loan financing.
- In May 2019, the company signed a partnership agreement with The Norwegian Centre On Healthy Ageing (No-Age). No-Age and Aladdin have agreed to collaborate, innovate and transform the future of digital healthcare, bringing positive health outcomes to people who have ageing-related chronic diseases, such as Alzheimer's disease (AD), cardiovascular diseases, and diabetes. The parties intend to focus on the following three specific areas, which will enable the development of superior AI diagnosis toolkits for early disease detection, clinical trials and Research and Development for key compounds, with a view to new drug and treatment discovery.
  - \* To develop mitophagy targeted biomarkers for AD with AI assistance.
  - \*To develop a machine learning platform for the detection and analysis of NAD<sup>+</sup>, to speed up the clinical trial and drug discovery process.
  - \* To develop a screening and early diagnostic tool for AD using AI with tabular data, retina images, brain CT and MRI images, quizzes and IoT recorded walking path data.

This partnership is an exciting development for the company and management looks forward to combining Aladdin's technological expertise with NO-Age's medical experience, to confront

Alzheimer's disease. The partnership brings together a combination of world-class doctors, scientists, AI engineers from leading medical and research institutes. Both parties view the partnership as a fundamental forward step to achieve the end goal of accelerating medical research and transforming patient care.

- In May 2019, Aladdin appointed seven leading scientific and healthcare professionals to its Scientific advisory board. This consists of global leaders from the areas of neurology, Alzheimer's, mitophagy, cardiology and drug discovery. The board will be increased over the next 12 months to include leaders in Alzheimer's from the United Kingdom and the USA. The board consists of:
  - Prof. Linda H. Bergersen - Professor Bergersen is a member of the Norwegian Academy of Science and Letters. Her current joint positions at the Centre for Healthy Aging, University of Copenhagen, and at the Department of Oral Biology, University of Oslo, and she has an extensive expertise in molecular biology and neuroscience, particularly for healthy brain ageing and dementia research.
  - Prof. Lene Juel Rasmussen - As a professor and the Managing Director of Centre for Health Aging at University of Copenhagen, Professor Rasmussen is also a member of the Norwegian Academy of Science and Letters. Her researches are mainly about DNA Mismatch Repair, Genomic Instability and Mitochondrial Functions.
  - Prof. Jon Storm-Mathisen - One of the top scientists in neuroscience around the world, particularly in the field of Central Nervous System Morphology and Immunocytochemistry. Professor Mathisen is a member of the Norwegian Academy of Science and Letters and a Senior Professor of Anatomy at University of Oslo.
  - Prof. Henrik Schirmer - Professor at the Institute of Clinical Medicine, University of Oslo, he is a consultant in Cardiology at the University Hospital North Norway and was one of the lead researchers of the Tromsø Study.
  - Prof. Hilde Loge Nilsen - While undertaking her postdoc Program at the Cancer Research UK, she is Research Director of EpiGen, University of Akershus in Norway and Professor of Clinical Molecular Biology.
  - Prof. Geir Selbaek - Professor of Medicine at the University of Oslo and psychiatrist, Department of Geriatrics Medicine at Oslo University Hospital. He is also Research Director at the Norwegian National Advisory Institute.
  - Dr. Guang Yang - He is an honorary research fellow at the Cardiovascular Research Centre of Imperial College London, and Doctor of Medical Image Analysis and Medical Physics at University College London. He is Honorary Lecturer at several institutes, such as the Neuroscience Research Centre and the Institute of Cardiovascular and Cell Sciences Institute.
- In June 2019, Aladdin completed the development of a Health Assessment Platform for our partners in India, Our Health Mate (OHM). The platform can assess the risk of diabetes of



patients in India once they have entered information regarding their health. The platform was built using the 650,000 anonymised individual medical reports and 75,000 processed database records, consisting of patients' blood tests such as lipid profile, liver function and complete blood count. These reports also contain doctor assessments of the patient's record giving us a professionally labelled dataset. This rich set of blood tests give Aladdin the ability to assess a variety of cardiovascular diseases, as well diabetes and kidney related diseases which strongly correlated to a healthy heart. With the close partnership with OHM, Aladdin can build on this dataset with a continued stream of medical records creating an increasingly substantial and well-rounded health profile of patients. The quantity and variety of patients and raw medical records give Aladdin a unique position in the Indian health market with the potential of extending this to including everyday data such as wearables.

In the second half of 2019, we plan to build on the success of the first six months of the year this will include:

- Signing a full partnership agreement with the Imperial Institute of Advanced Technology (IAAT). In July 2019 Aladdin entered into a memorandum of understanding (MOU) with Imperial Institute of Advanced Technology (IAAT). IAAT has been established by a team of royal academicians and professors from Imperial College London and Royal Brompton Hospital. It is a new research and development institute engaging the international exchange and cooperation in science and technology, Chinese-European technology transfer, and research in medical imaging technology. It is also committed to bringing human resources, technologies, projects in the field of healthcare from Europe to China and promoting them in China. The MOU enables Aladdin to host and open its greater China office from a leading science park in Hangzhou China home to multiple unicorn technology companies. The MOU also acts as a prelude to a contractual partnership that will enable Aladdin to jointly develop AI healthcare applications, AI software toolkits for drug discovery, fast track Chinese Food and Drug Administration (CFDA) applications, commercial AI software distribution and access government funding with IAAT. This includes IAAT granting Aladdin access to both its China and International partners and healthcare contacts.
- Developing the proof of concepts products (alpha products), which have been outlined above, for trial and validation with our global partnership network.
- The convertible loan to the Hong Kong Licensee has started to be repaid, with the Company receiving repayments totalling €147,206.89 by the date of this report.

We have built world leading AI and data science development team from Europe, China and India. These individuals bring unparalleled healthcare networks and partners that give Aladdin credibility within healthcare industry. As evidenced by other healthcare technology companies, the successful completion of an 'alpha product' leads to a dramatic uplift in the value of the company, Aladdin aims to do this over the second half of 2019 and into 2020.



Berlin, September 2019

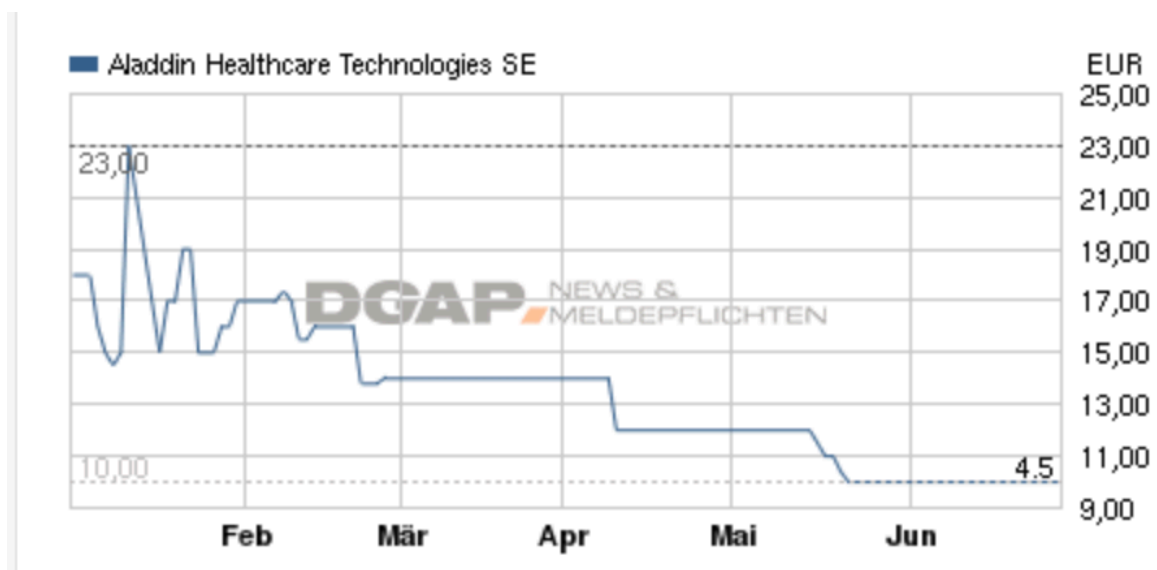
**Wade Menpes-Smith**

Managing Director



## The Share

REGISTERED CAPITAL	EUR 11,450,000
NUMBER OF SHARES	11,450,000 no par bearer shares
STOCK EXCHANGE	Dusseldorf
MARKET SEGMENT	Regulated Market
WKN	A12ULL
ISIN	DE000A12ULL2
TICKER SYMBOL	NMI
ACCOUNTING STANDARD	IFRS
FINANCIAL YEAR	31 December 2019



\*Source DGAP News

In the first half of 2019, global stock markets experienced significant growth after the poor performance in the second half of 2018. The US markets were up 18%, Europe 13% and China jumped 20%, which is significant especially when factoring in it has given back 5% since the trade tensions erupted again in early May. There were two drivers behind this.

One was China implementing monetary and fiscal stimulus for its \$14 trillion economy. The second has been the change of direction by the Federal Reserve which has hinted it will cut U.S. interest rates for the first time since the financial crisis. German Bunds - had their best H1 in two years, making roughly 5.5% as the European Central Bank has reversed course too. The yield on 10-year debt dropped below zero percent for the first time since 2016 in March and has since scored record lows. (\*Source Reuters).



Aladdin SE experienced a decline in share price over the first half of 2019. The share opened the year at €18.00, initially rising to a high of €23.00 in January before closing on June 30, 2019 at €8.95. Management believes the volatility in the stock is a result of the small volumes that are traded, due to most of the ownership remaining with the founders. Therefore, even small trades have a significant impact on the share price.

## Research

At present, Aladdin Healthcare Technologies SE is covered by the following research companies.

Research company	Current analyst	Date of last publication
Edison Investment Research	Katherine Thompson	30/11/2018
Alster Research	Carsten Mainitz	31/07/2018
Börse Inside	Arno Ruesch	17/10/2018

The company intends to sign a mandate with First Berlin Equity Research, to cover the company in the second half of 2019 and in 2020.

## Investor relations

The objective of Aladdin's Investor Relations work is to achieve a fair stock valuation on the capital market. In the year ending 31/12/2019, we accomplished this through continuous and transparent dialogue with all market participants as well as by delivering precise valuation-relevant information.



## **Interim Management Report for the half fiscal year ending June30, 2019 (unaudited)**

Management have prepared the annual financial statements under the assumption that Aladdin SE and its subsidiary Aladdin Ltd are going concerns. As an early stage technology company, in order to be a going concern the company is dependent on future external funding. Management believes this is progressing on track and are in positive discussions to conclude on series A in late 2019 early 2020.

However, there is an inherent risk that this may be unsuccessful. In which case the going concern assumption would be challenged. As they are intrinsically combined with this, the underlying numbers within the financial statements would also be impacted. The extent to which would only be clear if the above situation unfolded.

### **Composition and structure of the company**

Aladdin Healthcare Technologies SE (Aladdin SE) is a holding company and the parent company of the Group. The sole subsidiary of the Company is Aladdin Healthcare Technologies Ltd (Aladdin Ltd). The Company holds all shares in Aladdin Ltd. The operating business of the Group is conducted exclusively by Aladdin Ltd.

Aladdin Ltd., the Group's operational subsidiary, was been founded in November 2017 and was acquired by the Company in March 2018 which acts as holding company and had no substantial business operations prior to the acquisition.

Aladdin Ltd. has its registered office address at 24-26 Baltic Street West, Barbican, London, EC1Y 0UR, United Kingdom ("Aladdin Ltd.").

Aladdin Ltd. is the operating company of the Group. Aladdin Ltd.'s field of activity is providing technological solutions to the healthcare industry. Aladdin Ltd. Specialises in technologies such as blockchain, machine learning and artificial intelligence.

Aladdin SE is holding 100% of the share capital, including all voting rights, of Aladdin Ltd. The issued share capital of Aladdin Ltd. amounts to GBP 100.00 divided into 10,000,000 ordinary shares with a nominal value of GBP 0.00001 each. No amount is outstanding under the issued shares for Aladdin Ltd. Aladdin Ltd. has no capital reserves.

In September 2018 Aladdin SE applied for the admission of its shares to trading on the regulated market of the Dusseldorf Stock Exchange. The trading of Aladdin's shares on the regulated market commenced around September 26, 2018.

The admission of the shares to trading on the regulated market of the Dusseldorf Stock Exchange and the up listing from the open market of the Dusseldorf Stock Exchange to the regulated market of the



Dusseldorf Stock Exchange are part of the strategic positioning of the Company in the capital market. The uplifting and the associated higher transparency and disclosure requirements are intended to increase the attractiveness of the share of Aladdin on the capital market and to attract greater attention from investors and analysts.

## **Business Model**

We are a new generation healthcare technology company that builds proprietary products based on machine learning technologies for the healthcare industry. Aladdin has set out to transform medical screening, early diagnosis, speed up clinical trials and the drug discovery process for specific aged related diseases such as Alzheimer's Disease.

We are initially focusing on the development of blockchain solutions which will build trust in the sharing of medical data, with the result being the creation of a repository of medical data and an ecosystem of healthcare stakeholders. As the ecosystem develops, we will apply our ML and AI tools to the significant repository of medical and lifestyle data to facilitate the development of preventative care and optimise healthcare spending.

The company has now amassed a critical mass of data and a global partnership network that it can develop software solutions to assist with the early diagnosis of some of the most prevalent chronic diseases globally.

We are a global company that is based in Europe with a fundamental partnership in Scandinavia, targeting two of the largest healthcare markets in the world, the PR China and India.

## **Strategic Objectives**

To achieve our long-term goal to become a healthcare technology company with a focus in big data analytics, we will gain access to patient data focussing in the short term on developing blockchain-backed applications and building a healthcare ecosystem.

The present healthcare environment consists of several different participants, including patients, doctors, hospitals, pharmacies, pharmaceutical companies and health insurers. We have determined as a key assumption of our strategic objectives, that in the market we are targeting, these parties currently do not interact efficiently, because all participants are operating on separate software systems of varying complexity. As a result, we have identified a lack of trust as well a lack of access to key information that exists between all participants of the healthcare system resulting in a significant administrative burden and costs for each participant.



At Aladdin we have set out to revolutionise pre-disease detection, provide superior clinical diagnosis, enhance new drug development innovation and give global citizens access to more affordable treatment by utilising proprietary Artificial Intelligence and new autonomous technologies.

We have nurtured a world class technology team and collaboration partners. In combination with our suite of technologies, Aladdin has brought together a combination of world class doctors, scientists, AI engineers and healthcare industry partners from leading medical and research institutes.

We intend to develop new efficiencies in healthcare and empower global citizens. Aladdin can further alleviate government and citizen overspend by delivering faster and more affordable health screening via mobile and autonomous AI technology. A large percentage of the world don't have regular access to affordable healthcare and have many undiagnosed chronic conditions.

Aladdin will be focusing on chronic diseases. Chronic and age-related diseases are spiralling out of control and as a consequence financially overburdening governments, healthcare institutions and global citizens. Aladdin's AI and autonomous technology will be used to target these diseases delivering better health outcomes.

Using machine learning and advanced predictive data analytics, and through multi modal analysis of omics data and medical image recognition, we, at Aladdin, use AI-assisted platforms to perform early diagnosis of some of the most prevalent chronic diseases globally.

Aladdin believes that the key benefits of its technologies and tools are significant cost savings for government healthcare and hospitals; speeding of medical insurance claims, more accurate disease prediction and a much higher level of health data security as well the benefits gained from easier sharing and management of health care records, empowering patients to manage and control their own data.

Through both the short and medium terms plan for the business, the Company envisages multiple business-to-business and business-to-consumer revenue stream opportunities. These include:

- Licensing fees from the provider of marketplaces which use Aladdin's technology;
- Licensing fees from AI software or pay per diagnosis;
  - o Diagnosis Assistance  
Personalised healthcare insights from multimodal biomedical information.
  - o Medical Image Analysis  
Automatically identify early signs of disease with risk & severity report. Automatic segmentation of the lesions area.

- Medical Document OCR  
Automatically digitise legacy paper medical records, enabling immediate application of other technologies.
- Clinical Trial and Drug Discovery Toolkits  
Improve drug development process and outcome by matching the right drug with the right patient.
- Proprietary data sales or licensing - pre-diabetes, diabetes or other diseases such as cancer and Alzheimer.

We will also utilise blockchain technologies to address the number of challenges that exist, in the medical domain, when handling medical data. These challenges are:

- The need to anonymise medical records to comply with data protection.
- The requirement to exchange data with parties that require specific access only to data for their own needs.
- The assurance that the data available to relevant parties is used with due diligence.

To address these challenges, we have developed and are in the process of developing the following solutions:

- Medical Record Audit Trail  
At Aladdin, we have developed a blockchain based Medical Data Audit Trail to address the need that sharing and handling of medical data is done with due diligence. This ensures that the sensitive data remains confidential but can be audited at any point in time.
- Identity Management and Zero Knowledge Proof (ZKP)  
Zero Knowledge Proof (ZKP) is a way of enabling information to be shared between two or more parties without sharing the knowledge of the source of the information. Identity management and ZKP represent the next step in blockchain technology, this will solve major pain-points in the medical domain. Aladdin's goal is to be a leader in this area.



## **Business Report**

### **Preamble**

In the opinion of the management, the company has managed to successfully bring together an industry leading scientific advisory board as well as a world leading technological development team. The company has also secured a global partnership network with ethical access to extensive health and lifestyle data. The next phase which the company is currently in the process of is developing AI backed software tools, outlined above, for validation and subsequent use by our partners globally. Management aims to have the first prototype ready for trial by our partners in China by the end of 2019.

### **Development of the business**

During the period Aladdin has experienced positive commercial developments. By increasing the number of anonymised electronic medical records (EMRs), of patients from India, on its platform by 120,000. This brings the total number of anonymised EMRs, on Aladdin's platforms to 2,310,000. This represents further significant progress into the Indian market, the numbers will increase continually, feeding into the Aladdin platforms. Thereby improving the accuracy and effectiveness of Aladdin's Artificial Intelligence (AI) and deep learning tools, which will help to enable the early detection and prevention of chronic disease.

In May 2019, the company signed a partnership agreement with The Norwegian Centre On Healthy Ageing (No-Age). NO-Age and Aladdin have agreed to collaborate, innovate and transform the future of digital healthcare, bringing positive health outcomes to people who have ageing-related chronic diseases, such as Alzheimer's disease (AD), cardiovascular diseases, and diabetes. The parties intend to focus on the following three specific areas, which will enable the development of superior AI diagnosis toolkits for early disease detection, clinical trials and Research and Development for key compounds, with a view to new drug and treatment discovery.

This partnership is an exciting development for the company and management looks forward to combining Aladdin's technological expertise with NO-Age's medical experience, to confront Alzheimer's disease. The partnership brings together a combination of world-class doctors, scientists, AI engineers from leading medical and research institutes. Both parties view the partnership as a fundamental forward step to achieve the end goal of accelerating medical research and transforming patient care.

In May 2019, Aladdin appointed seven leading scientific and healthcare professionals to its Scientific advisory board. This consists of global leaders from the areas of neurology, Alzheimer's, mitophagy, cardiology and drug discovery. The board will be increased over the next 12 months to include leaders in Alzheimer's from the United Kingdom and the USA.



In June 2019, Aladdin completed the development of a Health Assessment Platform for our partners in India, Our Health Mate (OHM). The platform can assess the risk of diabetes of patients in India once they have entered information regarding their health. The platform was built using the 650,000 anonymised individual medical reports and 75,000 processed database records, consisting of patients' blood tests such as lipid profile, liver function and complete blood count. These reports also contain doctor assessments of the patient's record giving us a professionally labelled dataset. This rich set of blood tests give Aladdin the ability to assess a variety of cardiovascular diseases, as well diabetes and kidney related diseases which strongly correlated to a healthy heart. With the close partnership with OHM, Aladdin can build on this dataset with a continued stream of medical records creating an increasingly substantial and well-rounded health profile of patients. The quantity and variety of patients and raw medical records give Aladdin a unique position in the Indian health market with the potential of extending this to including everyday data such as wearables.

## **Assets**

Management have prepared the annual financial statements under the assumption that Aladdin SE and its subsidiary Aladdin Ltd are going concerns. As an early stage technology company, in order to be a going concern the company is dependent on future external funding.

However, there is an inherent risk that this may be unsuccessful. In which case the going concern assumption would be challenged. As they are intrinsically combined with this, the underlying numbers within the financial statements would also be impacted. The extent to which would only be clear if the above situation unfolded.

On the balance sheet date, the Company's non-current assets amounted to €4,500.4k (December 31, 2018: €4,143.2k). A significant portion of this is non-current loans €1,663.2k (December 31, 2018: €1,656.4k), which is in majority made up of a convertible loan to the Hong Kong Licensee, the Borrower is not part of the Group and not a related party of Aladdin.

Further to this was the increase in intangible assets €2,720.5k (December 31, 2018: €2,369.7k). This is split by Intellectual Property transferred over as part of the reverse merger and further development work, in relation to blockchain and machine learning solutions, that have been capitalised at fair value. Property plant and equipment stood at €4.9k (December 31, 2018: €5.7k).

Shares in affiliated companies includes a €111.7k (December 31, 2018: €111.3) strategic investment by the UK subsidiary in a health and lifestyle analytics company.





Current assets include trade receivables €323.2k (December 31, 2018: €123.2k) relating to a supplier advance for development work which can be offset against future costs. This balance also includes a VAT refund due to the UK subsidiary.

As of June 30, 2019, the net asset value amounted to €4,841.0k (December 31, 2018: €4,374.0k).

Shareholders' equity as of June 30, 2019 amounts to €2,971.7k (December 31, 2018: €3,919.8k) and is divided into 11,450,000 shares (December 31, 2018: 11,450,000) which are no par and attributable to the bearer. As of June 30, 2019, the retained earnings of the company amounted to -€4,883.0k (December 31, 2018 -€3,920.4k). Other reserves consist of €3,623.4k (December 31, 2018: €3,623.4k) of negative additional paid in capital.

The group held zero non-current liabilities at the balance sheet data of June 30, 2019.

Current liabilities including provisions for the Company as of the reporting date of June 30, 2019 amounted to €1,869.9k (December 31, 2018: €456.0k). The increase is due the loan financing from existing shareholders of €1,261,871.

As at June 30, 2019 trade payables amounted to €607.5k (December 31, 2018: €454.3k) consisting of development fees in relation to blockchain and machine learning solutions in combination with liabilities due for legal, accounting and audit costs.

## **Financial situation**

The core objectives of financial management are to maximise the company's profitability and liquidity situation. The company does not hedge its foreign currency positions and has no use of financial derivative instruments.

An overview of the origin and use of funds is shown by the statement of cash flows, which has been prepared in accordance with International Financial Reporting Standards (IFRS).

As mentioned before the company is a relatively young technology company therefore can experience tight liquidity situations throughout the year. Management is constantly active in its fund-raising efforts to bring in sufficient cash so that the company can grow. Management will continue to bring interim funding into the company, from both existing and new investors, until Aladdin is ready to perform its significant Series A round which will be upon successful validation of our prototypes with our global partnership network.



Management also constantly monitors its liquidity situation as part of the Risk Management System, outlined within this report.

### **Earnings situation**

Earnings before interest and income taxes (EBIT) on the year ended June 30, 2019 amounted to - €929.9k. Due to a change in the scope of what Aladdin is to deliver to its partners no revenues were received in the first half of 2019.

Operating charges totalled €929.9k and have reduced significantly in the first half of 2019 compared to 2018, due to a non-recurrence of the one-off listing expense amounting to €2,101.9k incurred as part of the reverse merger in 2018. Operating charges consisted mainly of software development fees and of consulting, legal and auditor fees for the first half of 2019.

Personnel expenses which includes employees of the UK subsidiary and the costs for the Managing Director of the company, amounted to €64.4k.

The total comprehensive loss during the reporting period was €948.1k.

### **Supplementary Report**

There have been no significant subsequent events.

### **Forecast Report**

In 2018 Revenue from sales amount to €174.5k. The revenue was a result of supplying software as per signed license agreement with the Chinese Hospital Management Group. The revenue recognized was the amount of €174.5k which is the first instalment of a €870k fee due, as per the licensing agreement. Due to a repositioning of the business the company does not expect to receive the remainder of this fee. Instead the Hong Kong Joint Venture has started to partially repay the €1,500k convertible loan that Aladdin had made to it as part of the agreement. Aladdin has received repayments totalling €147,2k by the date of this report.

The company is now focusing on developing prototype AI solutions for its partners globally who are:

- China - Imperial Institute of Advanced Technology (IAAT).
- Scandinavia - The Norwegian Centre on Healthy Ageing (No-Age).
- India – Our Health Mate (OHM).



Upon validation of our technologies with our partners we can expect to distribute them throughout their networks. Management expects to start seeing revenues from this in 2020.

## **Opportunities and Risk Report**

### **Risk Management System and Internal Controls**

Efficient risk management is intended to systematically identify risks early on in order to take counter measures in a timely manner and to manage any risks. Pursuant to Section 91 (2) of the German Stock Corporation Act (AktG), the Executive Board of the company has set up a monitoring system within the company so that risks jeopardizing the continued existence of the company can be identified at an early stage.

Risk management is an integral component of Aladdin's value-driven and growth-oriented management. Risk management at Aladdin, therefore, tracks, analyses and monitors the potential risks of all major business transactions and processes. The risk strategy always requires an assessment of the risks of an investment and the associated opportunities. The company's management assesses the individual risks on the basis of their probability of occurrence and potential losses.

As a first step, the Management Board defines risk areas in which a threat to the continued existence of the company is possible. The company has also implemented a monitoring system in accordance with Section 91 (2) of the German Stock Corporation Act (AktG), which extends throughout the company. This includes all departments, levels and processes. The purpose of this company-wide extension of the risk management system is to identify in particular risks that pose a particular threat in combination with other risks. These risk areas are continuously checked for up-to-datedness.

### **Risks and Opportunities related to the business**

The following risks and opportunities have also been considered in combination to form an overall picture of the opportunity situation. The individual risks and opportunities have been rated and grouped, in accordance with the internally specified categories.

#### *Financial Risk*

Particular risks and opportunities of young companies: Aladdin is in an early phase of its development, which entails a high risk of insolvency and thus investors will lose all of their investment in the Company. On the other hand, start-ups are often valued significantly below their future level, which can have a very positive effect on the return for investors.

The company's continued existence depends on its ability to raise substantial additional equity financing. Aladdin is an early-stage software company developing technology for the healthcare industry. By using technologies such as blockchain, machine learning and advanced predictive



analytics, Aladdin strives to transform the way that health data is securely stored and managed. The Company, acting primarily as a holding company, has only started its operational business by the acquisition of all shares in its subsidiary Aladdin Ltd. in March 2018. Aladdin Ltd. itself was only founded recently in November 2017 and its business is in a very early stage and has only generate premature revenues. The implementation of Aladdin's business model which is intended to take place in several stages will require a substantial amount of additional financing.

#### *Adoption Risk/Opportunity*

**Dependence on adoption:** The success of Aladdin's business model depends on the number of healthcare participants that join its envisaged blockchain based healthcare ecosystem. If Aladdin is unable to generate a critical mass of medical records from patients for its intended big data platform, the introduction of future services based on the analysis of health data may not be as valuable. However there also lies a significant opportunity as one of the first participants within this market. The risk of this is seen as minimal due to managements' proven track record. Evidenced in the fact that Aladdin has already signed significant partnerships within the industry, through its partnership with IIAT in China, the healthcare marketplace partner within India and a breakthrough agreement with No-Age in Scandinavia.

**Opportunities and risk surrounding suitability of technology:** The blockchain technology is still relatively new and is not currently being used in Aladdin's intended environment. There are uncertainties as to whether the blockchain technology is suitable for meeting the requirements of the business model and the participants involved, such as patients, doctors, hospitals, pharmaceutical companies and insurance companies. However, as an 'early implementer' Aladdin has the ability to capitalise on significant potential growth of this industry.

**Opportunities surrounding the technology:** Aladdin sees an opportunity to transform the way healthcare data and transactions are managed for both patients and healthcare providers. Creating enhanced security/privacy for sharing of data and considerably less friction for conducting transactions. Culminating in significant time and financial savings for both government and healthcare providers.

In October 2018, Aladdin announced the signing of a memorandum of understanding with the Norwegian Centre on Healthy Ageing (NO-Age). The Norwegian Centre on Healthy Ageing (NO-Age) is a Norwegian integrated, interdisciplinary center for human ageing research at international top level, with a translational goal to empower people to live longer, healthier, and more meaningful lives. Taking advantage of the strong inter-disciplinary anti-ageing research expertise and translational resources of NO-Age, in conjunction with the leading successful experience of Aladdin in the fields of AI and ML, as well as in the production and marketing of clinical products, this collaboration will bring positive health outcomes to people who have ageing related chronic diseases, such as Alzheimer's disease,



cardiovascular diseases and diabetes. NO-Age intends to use Aladdin's strength in AI and ML to advance biomedical research and biomedical commercialization. No-Age and Aladdin will work closely in predictive analytics, clinical trials and drug discovery. Aladdin and NO-Age will use the extensive healthcare data available to NO-Age and develop an array of ML and AI toolkits to assist and accelerate research and study on age-related chronic diseases. The current discussion about the first stage cooperation between Aladdin and NO-Age is anchored in NO-Age primary teams located at the University of Oslo (Norway), with the involvement of leading anti-ageing researchers from The University of Oxford (UK), The National Institute on Ageing (USA), Stanford University (USA), and Sun Yatsen University (China). Aladdin also plans to have further cooperation with other research parties in NO-Age.

#### *Competition Risk/Opportunity*

Opportunities and risk of competition: Aladdin may face intense competition and may fail if its competitors provide superior offerings or if Aladdin does not adapt to changing market environments. On the other hand, Aladdin, as a young company, is highly adaptable to market environments, which also gives us an advantage over larger potential competitors who cannot react as quickly.

Geographic opportunities: A significant amount of our data will come from emerging market economies, which are clearly 21st century growth drivers economically and from a diabetic/chronic disease growth prospective.

#### *Overdependence Risk/Opportunity*

Risks surrounding dependence on key employees: The loss of one or more key employees would harm Aladdin's business. However, Aladdin will add significantly to its management and technological team throughout 2019 and into 2020, thereby reducing the dependency on key employees.

Risks surrounding dependence on key suppliers: Aladdin is dependent on the software development company, Elemental Concept 2016 Limited (Elemental Ltd), that it has partnered with on its software development activities. On the other hand, Aladdin sees this as a strategic advantage at such an early stage, due to the administrative ease and Elemental Concept Ltd.'s proven track record in the field of technological development

#### *Information Security and Data Protection Risk/Opportunity*

Information security risk: If Aladdin's security measures are breached or unauthorised access to customer data is otherwise obtained Aladdin may incur liabilities. In order to reduce this risk, the Aladdin system is considering HIPAA (Health Insurance Portability and Accountability Act of 1996, US) when



designing all of its software. Aladdin has implemented all HIPAA best practice controls for all technology components of the ecosystem, including user interfaces and server-side software and databases. Horangi, a cybersecurity consultancy, assessed security and vulnerability on the system. Aladdin is seeking ISO27001 certification.

Legal environment risk: Aladdin's business is subject to the general legal environment in the People's Republic of China and India, and in addition, in those countries Aladdin intends to expand its business to in the future, including the member states of the European Union and the United Kingdom. Regulatory changes in these countries might restrict Aladdin's business.

Data protection risk: Data protection breaches and violations could harm Aladdin's reputation, could constitute regulatory or criminal offenses, and could give rise to claims for compensatory damages as well as fines against Aladdin. In order to reduce this risk, the Aladdin system is HIPAA (Health Insurance Portability and Accountability Act of 1996, US) compliant. Aladdin has implemented all HIPAA best practice controls for all technology components of the ecosystem, including user interfaces and server-side software and databases. Horangi, a cybersecurity consultancy, assessed security and vulnerability on the system. Aladdin is seeking ISO27001 certification.

Opportunities surrounding data: Aladdin envisages health organisations would also put a high premium on Aladdin's data and insights, due to the potential savings in significant healthcare costs currently experienced in the realm of diabetes care and management.

#### *Internal control system and risk management system related to the accounting process*

Internal controls risk: If Aladdin fails to maintain adequate internal controls, it may not be able to effectively manage its business and may experience errors or information lapses affecting its business.

Aladdin's success depends on its ability to effectively utilise its standardised management system, information systems, resources and internal controls. As Aladdin continues to expand, it will need to modify and improve its financial and managerial controls, reporting systems and procedures and other internal controls and compliance procedures to meet evolving business needs. Aladdin intends to expand these in consistence with its intended business expansion. Aladdin also seeks to satisfy the requirements for being ISO27001 certified. If Aladdin is unable to improve its internal controls, systems and procedures, they may become ineffective and adversely affect Aladdin's ability to manage its business and cause errors or in-formation lapses that affect its business. Aladdin's efforts in improving its internal control system may not result in eliminating all risks.

#### *Overall Assessment*

In order to identify risks early on, key risks are systematically identified and analysed in all areas of the company. There is a risk reporting system for this that identifies vulnerabilities, continuously analyses changes and, if necessary, initiates suitable measures to minimise risks. Each risk field which contains multiple risks has the potential for them to aggregate. The management board assesses the potential for multiple risk to aggregate when identifying and analysing each risk.

The combination of Adoption Risks and Information Security and Data Protection Risks would lead to an increased chance of the company suffering one of the financial risks, resulting in a significant overall risk to the company. However, management has put in policies and objectives to mitigate each risk identified above, reducing the overall likelihood of a risk occurring. This is in combination with a monitoring system to ensure these risks are consistently addressed and mitigated, explained in the analysis above. If the company can take advantage of its unique position in the market via the opportunities outline above, it can achieve significant financial growth over the coming years.

### **Risk resulting from financial instruments**

IFRS 9 “Financial Instruments” contains rules for the recognition and measurement for financial assets and financial liabilities. The central requirements of IFRS 9 can be summarized as follows.

The requirements of IFRS 9 on scope, recognition and derecognition are mainly unchanged compared to the prior standard IAS 39. However, IFRS 9 introduces a new classification model for financial assets.

The subsequent measurement of financial assets is now based on three categories with different measurement standards and different recognition of changes in value. The categorization is based on both the contractual cash flows of the instruments and the business model in which the instrument is held. The requirements for financial liabilities are mainly unchanged.

A new impairment model for financial assets, which focusses on a future-oriented expected credit loss model, is introduced by IFRS 9.

Financial instruments are initially measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

There are no significant impacts from the first-time adoption of IFRS 9 on the consolidated financial statements of the Group, given the infancy of the group.

### **Research and Development**





The company's R&D focuses on proprietary products built on underlying technologies. These are nascent technologies such as blockchain, machine learning and artificial intelligence. Aladdin has contracted the leaders in the field of the above technologies. Therefore, the R&D costs are primarily in the form of personnel expenses totalling €350.8k, all of which were outsourced to Elemental Ltd.

There are no significant impacts from the first-time adoption of IFRS 9 on the consolidated financial statements of the Group, given the infancy of the group.

### **Branch Office Report**

The sole subsidiary of the Company is Aladdin Healthcare Technologies Ltd (Aladdin Ltd), which has offices at 24-26 Baltic Street West, EC1Y 0UR, London, United Kingdom.

### **Remuneration Report**

In accordance with statutory requirements, the remuneration components of the Board of Directors are to be based on the usual amount and structure at comparable companies in Germany and abroad, and on the economic situation and the future development of the company. The remuneration is also intended to consider the activities and performance of the Board of Directors, and to provide an incentive for commitment and long-term corporate development.

The total remuneration of the Managing Director consists of a fixed annual basic remuneration, additional benefits, and a variable remuneration of between 25-100%. The fixed remuneration consists of a set annual fee not based on performance, which is paid in twelve equal monthly instalments.

For further details see payment of consultancy fees in the Notes Section No. 16 "Related party transactions".

### **Information regarding acquisitions**

No acquisitions were made in the first half of 2019.

### **Overall Assertion**

Overall, the Managing Director considers the performance in the first half of 2019 and the Group's economic situation to be positive. The general economic data specific to the industry, the development position of Aladdin Healthcare Technologies SE and onboarding of new partners all met expectation, allowing optimism and confidence for the remainder of the 2019 financial year.



Berlin, September 2019

**Wade Menpes-Smith**

Managing Director



**ALADDIN HEALTHCARE TECHNOLOGIES SE**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2019**  
(unaudited)

Condensed consolidated statement of profit or loss and other comprehensive income – for the periods ended 30 June 2019 and 30 June 2018:

	<b>30 Jun 2019</b>	<b>30 Jun 2018</b>
	€	€
<b>Revenue</b>	<b>0</b>	<b>0</b>
Other operating charges	-929.958	-2.803.882
<b>Operating loss</b>	<b>-929.958</b>	<b>-2.803.882</b>
Finance income	6.792	7.288
Finance expense	-39.488	-19.473
<b>Loss before tax expense</b>	<b>-962.655</b>	<b>-2.816.067</b>
Tax expense	0	0
<b>Loss for the financial period</b>	<b>-962.655</b>	<b>-2.816.067</b>
<b>Other comprehensive income, net of tax</b>	<b>14.576</b>	<b>1.100</b>
<b>OCI items that may be recycled to profit or loss in the future</b>		
Exchange differences on translation of foreign operations	14.576	1.100
<b>Total comprehensive income for the reporting period</b>	<b>-948.079</b>	<b>-2.814.966</b>
<b>Net loss per share</b>		
undiluted	-0,08	-0,26
diluted	-0,08	-0,26



## ALADDIN HEALTHCARE TECHNOLOGIES SE

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019 (unaudited)

Condensed consolidated statement of financial position – for the periods ended 30 June 2019 and 31 December 2018:

	30 Jun 2019	31 Dec 2018
	€	€
<b>Non-current assets</b>		
Property, plant and equipment	4.990	5.757
Intangible assets	2.720.534	2.369.729
Investment	111.660	111.310
Other non-current financial assets	1.663.207	1.656.415
	<b>4.500.391</b>	<b>4.143.211</b>
<b>Current assets</b>		
Trade and other receivables	323.184	123.214
Cash and cash equivalents	17.991	109.350
	<b>341.175</b>	<b>232.564</b>
<b>Current liabilities</b>		
Trade and other payables	607.465	454.270
Current bank loans and other interest-bearing financial liabilities	1.261.871	0
Other current provisions	557	1.754
	<b>1.869.893</b>	<b>456.024</b>
<b>Net current assets/(liabilities)</b>	<b>-1.528.718</b>	<b>-223.460</b>
<b>Total assets less other current provisions</b>	<b>4.841.009</b>	<b>4.374.021</b>
<b>Non-current liabilities</b>	<b>0</b>	<b>0</b>
<b>Net assets</b>	<b>4.841.009</b>	<b>4.374.021</b>
<b>Equity</b>		
Share capital	11.450.000	11.450.000
Capital reserves	-3.623.367	-3.623.367
Other comprehensive income	28.075	13.499
Retained earnings	-4.883.036	-3.920.381
<b>Total equity</b>	<b>2.971.672</b>	<b>3.919.751</b>

The condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

Wade Menpes-Smith

**Managing Director**

Berlin, September 2019

**ALADDIN HEALTHCARE TECHNOLOGIES SE**
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2019**

(unaudited)

Condensed consolidated statement of changes in equity – for the periods ended 30 June 2019 and 31 December 2018:

	Share capital €	Capital reserve €	Retained earnings €	Other comprehensive income €	Total €
Balance at 1 Jan 2018	1	0	-47.396	122	-47.273
Loss for the financial period <sup>1</sup>			-2.816.067		-2.816.067
Foreign currency translation				1.100	1.100
Presentation reverse asset acquisition	11.449.999	-3.623.367			7.826.632
<b>Balance at 30 June 2018</b>	<b>11.450.000</b>	<b>-3.623.367</b>	<b>-2.863.463</b>	<b>1.223</b>	<b>4.964.393</b>
Balance at 1 Jul 2018	11.450.000	-3.623.367	-2.863.463	1.223	4.964.393
Loss for the financial period			-1.056.918		-1.056.918
Foreign currency translation				12.276	12.276
Presentation reverse asset acquisition					0
<b>Balance at 31 Dec 2018</b>	<b>11.450.000</b>	<b>-3.623.367</b>	<b>-3.920.381</b>	<b>13.499</b>	<b>3.919.751</b>
Balance at 1 Jan 2019	11.450.000	-3.623.367	-3.920.381	13.499	3.919.751
Loss for the financial period			-962.655		-962.655
Foreign currency translation				14.576	14.576
Presentation reverse asset acquisition					0
<b>Balance at 30 Jun 2019</b>	<b>11.450.000</b>	<b>-3.623.367</b>	<b>-4.883.036</b>	<b>28.075</b>	<b>2.971.672</b>

<sup>1</sup> The loss for the financial period 2018, equating to EUR (3,872,985), contained the effect of the reverse acquisition in the amount of EUR (2,101,866).

**ALADDIN HEALTHCARE TECHNOLOGIES SE**
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2019**

(unaudited)

Condensed consolidated statement of cash flows – for the periods ended 30 June 2019 and 30 June 2018:

	30 Jun 2019	30 Jun 2018
	€	€
<b>Cash flows from operating activities</b>		
<b>Loss for the financial period</b>	<b>-962.655</b>	<b>-2.816.067</b>
Depreciation	806	709
Finance expense	39.488	19.473
Finance income	-6.792	-7.288
(Increase) in trade and other receivables	-207.866	-424.607
Increase in trade and other payables	129.065	-881.048
Other non-cash transactions <sup>1</sup>	22.524	2.104.183
<b>Cash generated from operations</b>	<b>-985.429</b>	<b>-2.004.645</b>
Income tax paid	0	0
<b>Net cash inflow from operating activities</b>	<b>-985.429</b>	<b>-2.004.645</b>
<b>Cash flows from investing activities</b>		
Acquisition of subsidiaries - reverse asset acquisition	0	2.091.964
Purchase of property, plant and equipment	0	-1.839
Purchase of intangible assets	-352.205	-761.161
Investment	-350	-113.030
<b>Net cash (outflow)/inflow from investing activities</b>	<b>-352.555</b>	<b>1.215.934</b>
<b>Cash flows from financing activities</b>		
Changes in current financial liabilities	-15.246	1.550.889
Cash inflow from increase of current financial liabilities	1.261.871	0
Interest paid / received	0	-12.185
<b>Net cash (outflow)/inflow from financing activities</b>	<b>1.246.625</b>	<b>1.538.704</b>
Net movement in cash and cash equivalents in the period	<b>-91.359</b>	<b>109.350</b>
<b>Movements in cash and cash equivalents during the period</b>		
Cash and cash equivalents at beginning of period	109.350	0
<b>Cash and cash equivalents at the end of the period</b>	<b>17.991</b>	<b>109.350</b>

<sup>1</sup> The other non-cash transactions in the first half-year of 2018 resulted at large from the impact of the reverse acquisition.

**Analysis of movement in net funds**

	01 Jan 2019	Cash flows	30 Jun 2019
	€	€	€
Cash and cash equivalent	109.350	-91.359	17.991
<b>Net funds</b>	<b>109.350</b>	<b>-91.359</b>	<b>17.991</b>

## ALADDIN HEALTHCARE TECHNOLOGIES SE

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

#### 1 General information

Aladdin Healthcare Technologies SE (the 'Company'), is a company incorporated and domiciled in Berlin, Germany. The registered office is Unter den Linden 10, 10117 Berlin. Register of the Local Court of Berlin under number HRB 173762 B.

Since September 2018, the Company has been listed in the regulated market of the stock exchange in Dusseldorf (German Securities Identification Number (WKN): A12ULL, ISIN: DE000A12ULL2).

The Company is a business engaged in the provision of software for the secured storage and management of health care information.

Aladdin Healthcare Technologies SE is a holding company and the parent company of the Group. The sole subsidiary of the Company is Aladdin Healthcare Technologies Ltd. (Aladdin Ltd.). The Company holds all shares in Aladdin Ltd. The operating business of the Group is conducted exclusively by Aladdin Ltd.

Aladdin Healthcare Technologies Ltd., the Group's operational subsidiary, was founded in November 2017 and was acquired by the Company in March 2018, which acts as holding company and had no substantial business operations prior to the acquisition.

At the extraordinary general meeting, dated March 7, 2018, the Board of Directors resolved to increase the Company's share capital by EUR 10,000,000.00 from EUR 1,450,000.00 to EUR 11,450,000.00 through the issuance of 10,000,000 new no-par bearer shares. Capital increase was made by contribution in kind. The shareholder's statutory subscription right was excluded. The new shares were subscribed by the shareholders of Aladdin Healthcare Technologies Ltd., England. The shareholders of Aladdin Healthcare Technologies Ltd. provided the contribution in kind by transferring all shares in Aladdin Healthcare Technologies Ltd. EUR (10,000,000) to the Company with economic effect as of January 1, 2018.

This also brought into effect a change of the articles of incorporation regarding the Company's name (formerly: AE New Media Innovations SE, Berlin, now: Aladdin Healthcare Technologies Holding SE, Berlin), its purpose as well as the share capital and the shares.

## ALADDIN HEALTHCARE TECHNOLOGIES SE

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

#### 2 Accounting policies

The principal accounting policies adopted in the preparation of these condensed consolidated interim financial statements are set out below. These policies have been applied consistently to the years presented in the financial statements.

##### **Basis of preparation**

The condensed consolidated interim financial statements for the period ended 30 June 2019 are presented in Euro (EUR). This is the functional currency of the Company. Euro is the currency that mainly influences labour, material and other costs of providing goods or services. Also funds from financing activities are mainly generated in Euro.

These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and IFRS Interpretation Committee ('IFRS IC') interpretations as adopted by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared on a going concern basis under the historical cost convention, except as otherwise described in these accounting policies.

##### **Basis of consolidation**

The company 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the condensed consolidated interim financial statements from the date on which control commences until the date on which control ceases.

##### **New and revised standards and interpretations applied**

The most significant standard issued in the period was:

- IFRS 16 *Leases*

The director believes that the aforementioned new standard does not have any significant impact on the financial statements.

##### **Significant accounting policies**



## **ALADDIN HEALTHCARE TECHNOLOGIES SE**

### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

The accounting policies set out below have been applied consistently for the period presented in the financial statements. Any standards and interpretations that have been issued but are not yet effective, and that are available for early application, have not been applied by the Company in these financial statements. Application of these standards and interpretations is not expected to have a material effect on the financial statements in the future.

#### **Going concern**

Whilst the management have considered the going concern position of the Company and whilst the Company is currently operating at a loss, it has the support of the management. Having reviewed the forecasts for the coming year, the director has a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. As mentioned before the company is a relatively young technology company therefore can experience tight liquidity situations throughout the year. Management is constantly active in its fund-raising efforts to bring in sufficient cash so that the company can grow. Management will continue to bring interim funding into the company, from both existing and new investors, until Aladdin is ready to perform its significant Series A round which will be upon successful validation of our prototypes with our global partnership network.

The financial statements have been prepared on a going concern basis under the historical cost convention, except as otherwise described in these accounting policies.

#### **Foreign currency transactions**

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate on the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate on the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

#### **Foreign operations**

For consolidated reporting purposes, the assets and liabilities of Aladdin Ltd., except equity, are translated into Euro at the exchange rates on the reporting date. The income and expenses of foreign operations are translated into Euro at average exchange rates. Equity is translated into the functional currency at historical exchange rates.

## **ALADDIN HEALTHCARE TECHNOLOGIES SE**

### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Foreign currency differences are recognised in OCI and accumulated in the translation reserve.

#### **Revenue**

Revenue from the sale of goods is recognised at the point in time when the relevant performance obligation is satisfied. The performance obligation is considered to be satisfied when goods have been transferred to the customer and the customer has obtained control of that asset.

Revenue is measured at the transaction price, being the fair value of the consideration received or receivable. The transaction price is reduced for estimated customer returns, rebates and other similar allowances. Payment is typically due within 30 days of delivery. Contracts with customers do not contain a financing component or any element of variable consideration. The Company does not offer an option to purchase a warranty.

#### **Contingent liabilities**

Contingent liabilities are possible obligations whose existence depends on the outcome of uncertain future events or present obligations for which the outflow of resources is considered less than probable or cannot be measured reliably.

Contingent liabilities are not recognised in the condensed consolidated interim financial statements, but are disclosed, unless they are remote.

#### **Property, plant and equipment**

Property, plant and equipment is measured at cost less accumulated depreciation and any recognised impairment loss. Depreciation is provided on a straight-line basis from the point the asset is available for use over the following estimated useful lives:

Computer Equipment	over 3 years
--------------------	--------------

Depreciation on assets under construction commences when they are available for use. Repairs and maintenance costs arising on property, plant and equipment are charged to the income statement as incurred.

#### **Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired separately from a business are carried initially at cost. An

## ALADDIN HEALTHCARE TECHNOLOGIES SE

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

intangible asset acquired as part of a business combination is recognised outside goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably. The estimated useful life of the intangible asset is as follows:

Intellectual property	indefinite
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The carrying value of intangible assets is reviewed for impairment annually. The next impairment review will be carried out on 31 December 2019.

#### Investments

Investments are measured at cost less accumulated impairment.

#### Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ('cash-generating units'). Non-financial assets that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities.

For the purpose of the cash flow statement, bank overdrafts which are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents.

#### Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Non-current provisions are measured at their present value. The discount rates used are based on the yield on high quality corporate bonds, adjusted for risk.

## **ALADDIN HEALTHCARE TECHNOLOGIES SE**

### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Provisions are recognised for obligations under property contracts that are onerous ('onerous lease provision') and to restore premises to their original condition upon vacating them, where such an obligation exists under the lease ('dilapidations provision'). The provisions are based on estimated future cash flows that have been discounted to present value, with the unwinding of that discount presented in the income statement as a finance expense. Provisions existing at reporting date contain audit and consulting fees.

The onerous lease provision covers residual lease commitments up to the end of the lease and is after allowing for existing or expected sublet rental income. At reporting date the Company has not accounted for provisions for properties.

#### **Financial instruments**

Financial instruments are initially measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In the statement of cash flows, cash and cash equivalents include cash at bank and in hand and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Depending on the business model under which the assets are held, and the composition of the cash flows associated with them, the assets are recognised either at amortised cost, at fair value through OCI or at fair value through profit or loss.

## **ALADDIN HEALTHCARE TECHNOLOGIES SE**

### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

As the Company's financial instruments are limited to trade receivables, cash and cash equivalents, borrowings and trade payables, financial instruments of the entity are measured consistently at amortized cost.

The subsequent measurement of financial assets is now based on three categories with different measurement standards and different recognition of changes in value. The categorization is based on both the contractual cash flows of the instruments and the business model in which the instrument is held. The requirements for financial liabilities are mainly unchanged.

A loss allowance is recognised on initial recognition of financial assets held at amortised cost, based on expected credit losses, and is remeasured annually with changes appearing in profit or loss. Where there has been a significant increase in credit risk of the financial instrument since initial recognition, the loss allowance is measured based on lifetime expected losses. In all other cases, the loss allowance is measured based on 12-month expected losses. For assets with a maturity of 12 months or less, including trade receivables, the 12-month expected loss allowance is equal to the lifetime expected loss allowance.

As the Company only accounts for trade receivables at amortised cost, it applies the simplified impairment model. The Company does not include cash and cash equivalents in the impairment model. Under this model, a provision is recognised for all instruments, irrespective of their credit quality, in the amount of the expected losses over the remaining term of the instrument.

The Company accounted for the investment as stated in note 9 at fair value through profit and loss with subsequent changes to fair value directly recognized in earnings.

Other long-term financial assets also include a loan granted to a third party measured at amortised cost. Due to the low credit risk of the asset, the Company also applies the simplified impairment approach for the asset at amortised cost.

For further assessment on associated credit risk, information is stated on note 13.

#### **Tax expense**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

## **ALADDIN HEALTHCARE TECHNOLOGIES SE**

### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Deferred tax assets and liabilities are recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is measured at the tax rates that are enacted or substantively enacted at the reporting date and expected to apply in the periods in which the temporary differences reverse.

#### **Share capital**

Ordinary shares are classified as equity.

#### **Critical accounting estimates and judgements**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent assets and liabilities.

The estimates and judgements are continuously evaluated and are based on historical experience and other factors, including market data and expectations of future events that are believed to be reasonable and constitute management's best judgement at the date of the financial statements. In the future, actual experience could differ from those estimates, and adjustments could be required in future periods. Where appropriate, present values are calculated using discount rates reflecting the currency and maturity of the items being valued.

Material changes in estimates of amounts reported, compared with financial statements presented in prior years, have not occurred from the beginning of the half-year presented till the balance sheet date.

#### **Impairment of non-financial assets**

Intangible assets are tested for impairment annually or when there is an indication that the asset may be impaired. Whenever events or changes in circumstance indicate that the carrying amount of an asset may not be recoverable an asset is reviewed for impairment.

An asset's carrying value is written down to its estimated recoverable amount (being the higher of the fair value less costs to sell and value in use) if that is less than the asset's carrying amount.

## **ALADDIN HEALTHCARE TECHNOLOGIES SE**

### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Property, plant and equipment and intangible assets are tested for impairment if events or changes in circumstances, assessed at each reporting period, indicate that their carrying amount may not be recoverable.

Impairment losses are recognised and measured as the excess of the carrying value of the assets over their recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use.

Previously recognised impairment losses, other than those attributable to goodwill, are reviewed for possible reversal at each reporting date and, if the asset's recoverable amount has increased, all or a portion of the impairment is reversed.

#### **3 Revenue**

The Company's does not expect to receive revenues in 2019. It expects to commence making revenues in the financial year 2020. Revenues will be generated from license fees as a result of its partners licensing the Company's software solutions.

No revenue was recognised in the period ended 30 June 2019.

#### **4 Employees**

The average monthly number of employees including the directors during the financial period was 3 (year to December 2018: 3).

**ALADDIN HEALTHCARE TECHNOLOGIES SE**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**5 Operating charges**

The loss before the finance result and taxation (EBIT) for the period ended 30 June 2019 is as follows, after having taken the respective operating charges into consideration:

	<b>30 Jun 2019</b>
	<b>€</b>
Depreciation charge for the period	806
Other operating expenses	-437.486
R&D expenses	0
Selling expenses	0
Admin expenses	-493.278
Other operating income	0
Restructuring expenses	0
	<b>-929.958</b>

**6 Tax expense**

Tax expense for the period ended 30 June 2019 comprises:

	<b>30 Jun 2019</b>	<b>30 Jun 2018</b>
	<b>€</b>	<b>€</b>
Current tax comprising German corporation tax expense at 33% based on taxable profits for the financial period		
Deferred tax credit	0	0
	0	0

	<b>30 Jun 2019</b>	<b>30 Jun 2018</b>
	<b>€</b>	<b>€</b>
Loss before tax expense	-962.655	-2.816.067
Tax using the Company's domestic tax rate (33%)	-317.676	-929.302
Effect of tax expenses in foreign jurisdictions	96.742	54.272
Effect of reversed acquisition on tax expenses	0	546.596
Effective tax expenses	-220.934	-328.434
Tax losses for which no deferred income tax asset was recognised	220.934	328.434
	0	0



**ALADDIN HEALTHCARE TECHNOLOGIES SE**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**Deferred tax**

The director considers it appropriate not to recognise a deferred tax asset in relation to tax losses suffered until it is more probable than not that they will be realised.

**7 Property, plant and equipment**

Reconciliation of the carrying amount:

	<b>Computer equipment €</b>	<b>Total €</b>
<b>Cost</b>		
Additions	7.338	7.338
Balance at 31 December 2018	7.338	7.338
Additions	0	0
Disposals	0	0
Currency translation	23	23
<b>At 30 June 2019</b>	<b>7.361</b>	<b>7.361</b>
<b>Accumulated depreciation</b>		
Depreciation charge for the year	1.581	1.581
Balance at 31 December 2018	1.581	1.581
Depreciation charge for the period	806	806
Disposals	0	0
Currency translation	-16	-16
<b>At 30 June 2019</b>	<b>2.371</b>	<b>2.371</b>
<b>Net book value at 30 June 2019</b>	<b>4.990</b>	<b>4.990</b>
Net book value at 31 December 2018	5.757	5.757

**ALADDIN HEALTHCARE TECHNOLOGIES SE**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**8 Intangible assets**

Reconciliation of the carrying amount:

	Intellectual property €	Total €
<b>Cost</b>		
Additions	2.369.729	2.369.729
Balance at 31 December 2018	2.369.729	2.369.729
Additions	352.205	352.205
Disposals	0	0
Currency translation	-1.400	-1.400
<b>At 30 June 2019</b>	<b>2.720.534</b>	<b>2.720.534</b>
<b>Accumulated amortisation</b>		
Amortisation charge for the period	0	0
Balance at 31 December 2018	0	0
Amortisation charge for the period	0	0
Disposals	0	0
Currency translation	0	0
<b>At 30 June 2019</b>	<b>0</b>	<b>0</b>
<b>Net book value at 30 June 2019</b>	<b>2.720.534</b>	<b>2.720.534</b>
Net book value at 31 December 2018	2.369.729	2.369.729

At 30 June 2019 there were no indications of impairment. The director believes that the carrying amount of asset is fully recoverable.

The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. Each product was assessed for indications of impairment and whether the assets were carried at their recoverable amount. The impairment test carried out was to determine the lower value of value in use or fair value less cost of disposal.

The capitalised intangible assets are unique and would be difficult to replicate on the current market, therefore the only way to replace this would be to develop it internally again. Therefore, it is deemed reasonable for the fair value to be the replacement value, which is the cost of development. Therefore, fair value less cost of disposal resulted in the lower figure. All intangible assets are allocated to the operational entity Aladdin Ltd.

## ALADDIN HEALTHCARE TECHNOLOGIES SE

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

#### 9 Investment

The Company holds 2% of the ordinary share capital of CorResilience Ltd., a company registered in England and Wales. This investment is carried at fair value through profit and loss. Given the investment was made recently, the director considers that its cost equates to fair value at 30 June 2019. Any future changes in value will be recognised in profit and loss.

#### 10 Trade and other receivables

The following information shows the carrying amounts of trade receivables and other receivables at the reporting date:

	<b>30 Jun 2019</b>	<b>31 Dec 2018</b>
	€	€
Trade receivables	306.382	0
Other receivables	16.802	123.214
	<b>323.184</b>	<b>123.214</b>

Other receivables are primarily denominated in pound sterling.

The book values of trade and other receivables are consistent with fair value in the current period.

#### 11 Trade and other payables

The following information shows the carrying amounts of trade payables and other payables at the reporting date:

	<b>30 Jun 2019</b>	<b>31 Dec 2018</b>
	€	€
Trade payables	199.619	316.083
Other payables	407.846	138.187
Shareholders' loans	0	0
	<b>607.465</b>	<b>454.270</b>

Trade and other payables are primarily denominated in sterling.

The book values of trade and other payables are consistent with fair value in the current financial year.

## ALADDIN HEALTHCARE TECHNOLOGIES SE

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

#### 12 Share capital

The following table shows the share capital:

	30 Jun 2019	31 Dec 2018
	€	€
Called up, allotted and unpaid :	0	0
1 ordinary share of €1		
11,450,000 ordinary shares of €1	<b>11.450.000</b>	<i>11.450.000</i>

Upon incorporation, the 1 ordinary subscriber share was issued with a nominal value of EUR 1, with full voting and dividend rights.

#### 13 Financial instruments

##### Financial risk management

The Company holds or issues financial instruments in order to finance its operations and manage foreign currency and interest-rate risks arising from its operations and sources of finance. The principal financial instruments held or issued by the Company are:

- Investments (note 9) – The balance primarily represents share capital of CorResilience Ltd, a Company registered in England and Wales.
- Trade and other receivables (note 10) – The balance primarily represents amounts due in respect of services provided for which payment has not yet been received.
- Trade and other payables (note 11) – The balance primarily represents trade payables, accruals and amounts due, for which payment has not yet been made.

The Company's default risk is mainly influenced by the individual characteristics of its single customer. However, management also considers the characteristics of the entire customer base, including the default risk of the industry and the countries in which the customers operate, as these factors may also affect the default risk.

##### Interest rate risk management

The Company does not currently manage interest rate risk as its existing borrowings are from shareholders and the value of these are not considered to have a material effect on the Company's finances.

## ALADDIN HEALTHCARE TECHNOLOGIES SE

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

#### Market risk

The Company does not have any financial instruments that would be impacted by changes in market prices. Markets risk are incorporated into the Company's risk management system, in order that any can be identified and addressed.

#### Foreign currency risk

The major part of the Company's transactions are in pounds sterling. The convertible bridge loan agreement amounting to GBP 800,000 in total, contributed by the Badenoch family on or around 01 April 2019, is denominated in pound sterling. Thus, for Aladdin SE this loan is subject to foreign currency risk.

The following exchange rates have been applied:

Currency	Average exchange rate		Balance sheet date rates as of	
	01 Jan - 30 Jun 2019	01 Jan - 30 Jun 2018	30 Jun 2019	31 Dec 2018
1 Euro =				
GBP	0,87307	0,88179	0,89558	0,89839

As a result of the UK's decision to leave the European Union, exchange rates have become more volatile and there is a likelihood that the outcome will be a considerable depreciation in the value of the pound sterling in comparison with other currencies. If this scenario materialises, there is a limited foreign currency risk, as Aladdin Ltd. operates in GBP and its revenues are invoiced in USD, however the Company is mainly funded by Aladdin SE in EUR. A significant depreciation of the pound sterling would result in relatively cheaper operational costs.

#### Credit risk

Exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date, namely cash and cash equivalents as well as trade and other receivables.

The Group manages its exposure to this risk by applying Board-approved limits to the amount of credit exposure to any other counterparty and employs minimum credit worthiness criteria as to the choice of counterparty, thereby ensuring that there are no significant concentrations of credit risk.

As the investment is (until converted) a loan, Aladdin has a greatly reduced credit risk. Convertible loan monies are repayable before any convertible debt equity holder receives any payment on insolvency and the investor Aladdin has the freedom to call the convertible loan at any time, in order to mitigate any loss of the invested principal.

## **ALADDIN HEALTHCARE TECHNOLOGIES SE**

### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

The agreement also states that any amount of the loan not converted shall be repaid to the lender.

By its nature, any convertible loan note provides Aladdin the flexibility to protect itself from risk in the early stages of growth and then to allow Aladdin to participate as an equity shareholder for the later, less uncertain, stages of growth.

Management actually does not expect any credit losses.

#### **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations, associated with financial liabilities. To counter this risk, the Company is funded by other members of the group.

The Company's financial liabilities are all short-term. The Company employs an efficient risk management, which is intended to systematically identify risks early on in order to take countermeasures in a timely manner and to manage any risks. Pursuant to Section 91 (2) of the German Stock Corporation Act (AktG), the Executive Board of the Company has set up a monitoring system within the Company so that risks, potentially jeopardizing the continued existence of the Company, can be identified at an early stage.

#### **Capital management**

The Company's objective is to maintain a strong capital base in order to maintain investor, creditor and market confidence and to ensure the Company's sustainable development. Management regularly monitors the return on capital.

Moreover, management strives to achieve a balance between increasing the return that could be achieved with a higher debt ratio and the benefits of a stable capital base.

#### **Financial assets and liabilities by category**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities:

**ALADDIN HEALTHCARE TECHNOLOGIES SE**
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

30 Jun 2019				
Category and carrying amount according to IFRS 9				
Fair value level	Fair value through profit or loss	Amortised cost	Fair value through other comprehensive income	
	€	€		€
<b>Assets</b>				
Investment	2	111.660		
Other non-current financial assets	2		1.663.207	
Trade and other receivables			323.184	
Cash and cash equivalents			17.991	
<b>Liabilities</b>				
Trade and other payables			607.465	
Current bank loans and other interest-bearing financial liabilities			1.261.871	

The carrying amounts of financial assets and liabilities measured at amortized cost correspond mainly to their fair values.

Other non-current financials assets include a loan to Aladdin Intel Ltd. Hong Kong. This loan can either be repaid in cash or converted into ordinary shares of the debtor and recognised at amortised cost.

The investment relates to 2% of the share capital of CorResilience Ltd., a company registered in England and Wales (see note 9).

Financial assets and liabilities measured at fair value are allocated to one of the following three hierarchy levels: Financial assets and liabilities are allocated to level 1 if quoted prices for identical assets and liabilities exist in active markets. Level 2 is applied if the inputs underlying the fair value measurement are observable directly or indirectly. Financial instruments are allocated to level 3 if the fair value is not based on observable inputs. No Level 3 financial assets or liabilities were allocated in the current period.

#### **14 Earnings per share**

Earnings per share are calculated by dividing the consolidated net income/loss for the period that is attributable to shareholders of the parent by the average number of shares in circulation. The number of shares outstanding as of 30 June 2019 amounts to 11,450,000. The weighted average number of shares outstanding amounts to 11,450,000.

## **ALADDIN HEALTHCARE TECHNOLOGIES SE**

### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

#### **15 Operating segments**

As of the reporting date, the company had only a single reportable segment, since the company's business activities are currently not organised on the basis of differences in related products or services or differences in geographical areas of operations. As of 30 June 2019, the company did not recognise any revenues, which could be reported by geographical areas or products and services.

#### **16 Related party transactions**

##### **Remuneration of key management personnel**

The Board of Directors of the Company includes the following personnel.

Mr Wade Menpes-Smith, the Managing Director (CEO) of the Company and a member of its Board of Directors, has entered into a consultancy agreement with Aladdin Ltd. and received payments thereunder in the amount of EUR 64,428 for the period ended 30 June 2019 and EUR 125,224 in the financial year 2018.

Mr Bimal Shah, COO of the Company and member of its Board of Directors.

Mr Philip Jacobs, CTO of the Company.

The senior management of the Company is formed by Mr Hamish Badenoch, director of Aladdin Ltd. Mr Hamish Badenoch provides his services to Aladdin Ltd. on the basis of a service agreement which commenced on 1 January 2018 with a salary of EUR 67,818 (GBP 60,000) per annum. No amounts were set aside to provide pension retirement or similar benefits to Mr Hamish Badenoch.

For the period ended 30 June 2019, Mr Hamish Badenoch has received EUR 34,361 (GBP 30,000 - variation in the EUR amount compared with the corresponding 2018 figure due to foreign currency translation differences between EUR and GBP).

Besides the amounts stated below the Board of Directors did not receive any further remuneration, pension retirement or similar benefits.





## **ALADDIN HEALTHCARE TECHNOLOGIES SE**

### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

#### **Transactions involving directors and key management personnel**

Elemental Concept 2016 Ltd also provided services in respect of development of the Intellectual Property. The amount charged to the Company during the period amounted to EUR 55,837 (year to December 2018: EUR 920,534). At 30 June 2019, EUR nil (year to December 2018: EUR 348,158) was due to Elemental Concept 2016 Ltd.

The Company has taken advantage of exemption available under IAS24 not to disclose transactions with other group companies.

All agreements have been entered into, on an arm's length basis.

#### **Convertible bridge loan agreements**

On 1 April 2019 Aladdin Healthcare Technologies SE entered into two convertible bridge loan agreements.

The first convertible bridge loan agreement is between Aladdin Healthcare Technologies SE and the Investors (Alexander, Hamish, Amelia, James Badenoch) and the Founders (Wade Menpes-Smith). In total, the combined amount contributed equates to EUR 936,000 (denominated in GBP, amounting to GBP 800,000 and translated into EUR at EUR 1.17/GBP)).

Mr Wade Menpes-Smith serves as the Managing Director of the Company and is a member of its Board of Directors. Mr Hamish Badenoch is part of senior management and Director of Aladdin Ltd.

The interest rate of the convertible bridge loan agreement amounts to 8%. Interest payments are accrued and become due upon termination of the instrument.

The materialisation of the conversion option of the Investors is subject to the occurrence of certain events.

The second convertible bridge loan agreement is between Aladdin Healthcare Technologies SE and R & H Trust Co (Jersey) Limited and the Founders (Wade Menpes-Smith). The amount contributed equates to EUR 385,000.

## **ALADDIN HEALTHCARE TECHNOLOGIES SE**

### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

The interest rate of the convertible bridge loan agreement amounts to 8%. Interest payments are accrued and become due upon termination of the instrument.

The materialisation of the conversion option of the Investors is subject to the occurrence of certain events.

#### **17 Events after the balance sheet date**

There were no reportable post balance sheet events.

#### **Responsibility Statement by the Legal Representatives**

To the best of my knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the combined management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Berlin, September 2019

**Wade Menpes-Smith**

Managing Director