Annual Report of the Group 2018

Aladdin Healthcare Technologies SE
(Formerly Aladdin Blockchain Technologies Holding SE)

CONTENTS

Foreword by the Managing Director

Dear Shareholder,

With the publication of the report for the year ending 2018, 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 year 2018, which has resulted in new commercial relationships and technological developments.

Highlights over the first half of the financial year 2018 include:

- Following the resolution, on November 3, 2017 to increase the share capital totalling EUR 300,000.00 by EUR 1,150,000.00 up to EUR 1,450,000.00 by issuing up to 1,150,000 new common bearer shares at the issue price of EUR 5.40 per share to be made against cash contributions. This capital increase was fully implemented and entered to the registry court on January 3, 2018. The gross issue proceeds received in relation to this issue was EUR 6,210,000.

- In addition to this 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 by issuing 10,000,000 new no-par bearer shares. Capital increase is made by contribution in kind. The shareholder's statutory subscription right is excluded. The new shares were subscribed by the shareholders of Aladdin Blockchain Technologies Ltd, England. The shareholders of Aladdin Blockchain Technologies Ltd provided the contribution in kind by transferring all shares in Aladdin Blockchain Technologies Ltd 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 Blockchain Technologies Holding SE, Berlin), its purpose as well as the share capital and the shares.

- In June 18 Aladdin delivered the first stage of its contract with the Shenzhen Guo Yi Hui Hospital Management Co, the licensee ("Guo Yi"). Guo Yi is a management company currently operating 40 hospitals and clinics in China. The first stage includes: The initial launch of patient, doctor and administrator applications, designed to improve patients' engagement with healthcare professionals. The applications allow medical professionals to view and edit patients records in real time, improving the diagnosis process as well as the overall patient experience. The launch of big data platform within China, which is compliant with the Health Insurance Portability and Accountability Act (HIPAA), to securely store medical data. This data store shall form the foundation for Aladdin's machine learning and advanced/predictive analytics, which will be employed for the purpose of improving preventative care. Aladdin considers this initial launch as the gateway to access the 4 million clinical patients and 26.5 million hospital patients that currently use the 40 hospitals and clinics operated by Guo Yi Hui that will now look to onboard the patients and doctors onto the platform.

- Aladdin entered into a commercial agreement with OurHealthMate India. OurHealthMate is India's largest healthcare marketplace which is partnered with 30,000 doctors in India. Today, OurHealthMate offers more than 250,000 medical services at fixed cost through their platform offered by more than 2,000 healthcare centres in India, including the majority of the nation's largest hospital chains. All these healthcare centres are partnered with OurHealthMate. Aladdin Ltd and OurHealthMate will work together to create a new healthcare ecosystem within the Indian healthcare market. The agreement stipulates that Aladdin Ltd will establish a Big Data Platform for the medical records of Indian patients. The agreement solidifies that Aladdin Ltd can diversify its consumer base into other substantial global markets. Through the agreement Aladdin Ltd will securely be able to analyse significant amounts of data, via the OurHealthMate platform. By H2 2018 OurHealthMate and Aladdin Ltd will begin Phase 1 which will be establishing a Big data platform that has the capability of analysing more than 12 million data points. The agreement states that Aladdin Ltd and OurHealthMate will work together to facilitate data asset creation within the Indian market starting with 500,000 medical records in H2 2018, rising up to 5 million medical records on the Big Data Platform by end of 2020. Through this partnership, Aladdin Ltd will be utilizing its artificial intelligence (AI) and machine learning (ML) expertise to build a stronger and more secure healthcare platform - enabling the early detection and prevention of chronic diseases within India. Aiming at significant cost savings in the healthcare market, this marketable technology is intended to create substantial value for various stakeholders in the healthcare ecosystem. The agreement states that Aladdin Ltd will design a future use-case of a Blockchain solution for the Indian healthcare market and the partners will collaborate with hospitals, insurers, pharmaceutical companies and other healthcare institutions in India with the intention of revolutionizing how the stake holders of the healthcare sector communicate and share data.

In the second half of 2018, we built on the success of the first six months, with our achievements laid out below:

- Completed development of our proof of concept blockchain network ‘Genesis’, which serves as a medical record audit trail. Ensuring any interaction with medical records, is logged as a secure, immutable transaction, that cannot be tampered with.

- Commencing the upload of anonymised medical data (EMRs) on to our platforms. On a monthly basis we increased incrementally the number of electronic medical records on our platforms. Thereby improving the accuracy and effectiveness of Aladdin’s AI and ML tools, which will help to enable the early detection and prevention of chronic disease.

- The total number of anonymised EMRs, on Aladdin’s platforms by the end of 2018 was 2,190,000. This far exceeded our target of 1,500,000. Representing significant progress into the Chinese market, the numbers will continue to increase on a monthly basis feeding into the Aladdin platforms. Thereby improving the accuracy and effectiveness of Aladdin’s artificial intelligence (AI) and machine learning (ML) tools, which will help to enable the early detection and prevention of chronic disease. This is, therefore, a very exciting development for Aladdin.

- We introduced a revolutionary Optical Character Recognition (OCR) engine which converts medical record images to text. An essential step in developing ML and AI Applications. Using a dedicated, custom-built Natural Language Toolkit and Neural Networks, our medical OCR engine understands the context behind the information, handles different standards of clarity, brightness and contrast and can correct errors. The Medical record image is processed using the Aladdin OCR engine. Multiple languages are supported as part of the data capture. Generic OCR software can only convert the data from this record to simple text, which cannot be used for predictive Machine learning algorithms without additional complex, human supervised processing. Our medical OCR engine can recognize, capture and output both tabular and text medical data, ensuring a significantly higher conversion accuracy for medical records compared with other OCR products available on the market. The Machine Learning algorithms can now fully utilize this output data without any further processing needed, providing instant, actionable insights for doctors and patients. We see this as one of the facets of its new digital healthcare ecosystem. This in combination with the substantial quantity of data being uploaded to the ecosystem and the development of ML and AI tools will allow Aladdin to bring significant innovation and efficiencies to the healthcare industry.

- Aladdin also developed a prototype for diabetic retinopathy using AI. The prototype will use an artificial intelligence-based grading algorithm to detect, with high reliability and accuracy, referable diabetic retinopathy. Aladdin uses deep learning to process retinal images, identifying diabetes patients from healthy ones at an accuracy of 94.3% and can distinguish the different stages of diabetes with an accuracy of 84%. Earlier diagnosis leads to faster treatment and significantly improved survival rates. Aladdin's AI Preventative healthcare applications can be used to identify various conditions such as diabetes and cancer, driving vital innovation in healthcare.

- On 19 September 2018 applied for admission of its shares to trading on the regulated market of the Dusseldorf Stock Exchange. Trading of Aladdin's shares on the regulated market is commenced around September 26, 2018. The admission of the shares to trading on the regulated market of the Dusseldorf Stock Exchange and the uplisting 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 uplisting 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.

- 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 centre 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 commercialisation. 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 antiageing 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.

- The UK subsidiary changed its name to Aladdin Healthcare Technologies Ltd (formerly Aladdin Blockchain Technologies Ltd)

- The German parent company changed its name to Aladdin Healthcare Technologies SE (formerly Aladdin Blockchain Technologies Holding SE)

We believe successful delivery to our partners in Asia will drive the growth of the company. We have assembled a management team with an impressive track record in both business and technology, gained through numerous start-ups within the tech sector, especially in Asia. We have also recruited leaders in the fields of blockchain, machine learning and artificial intelligence.

Berlin, May 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 2018

*Source DGAP News

In the first half of 2018, eurozone stock markets experienced volatility. With the majority of declines coming in the first quarter specifically in March. Uncertainty surrounding US interest rates and the outlook for global trade led to declines in the period overall. However, in the second quarter Eurozone equities delivered gains. The European Central Bank announced that interest rates will remain at current levels through summer 2019.The time period was marked by a return in political risk. There were apprehensions that Italy may require a repeat of elections following the inconclusive outcome of the March vote. Markets feared this could result in an effective referendum on Italy’s membership of the euro.

Analogous to the overall market, Aladdin SE also experienced a degree of volatility, but in the main exhibited positive behaviour in the period under review. The share opened the year on €14.00 and remained at this price until the effects of the reverse merger with the UK operating company Aladdin Ltd. This saw the price move up sharply to a high of €30.50 on April 24, 2018. In the following months after the peak, the share price fell slightly and moved sideways before closing on June 30, 2018 at €27.00. In the first half of 2018, the Aladdin SE stock price showed an impressive 93% growth.

The second half of 2018 saw a significant decline in the performance of stock markets globally, with October and December being the worst months. In October European stocks fell to their lowest levels since 2016 as diplomatic tensions in Saudi Arabia and concerns over Italy's budget and earnings all depressed market sentiment. Europe's technology stocks were worst hit, and this mirrored the performance of technology stocks in the USA which were also adversely affected.

Aladdin's share price performed in line with this, seeing a significant drop off in late October, then rallying towards the end of the year at €18.00, which represents an impressive annual growth of 29%.

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

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 31/12/2018, we accomplished this through continuous and transparent dialogue with all market participants as well as by delivering precise valuation-relevant information.

Year-end Management Report for the fiscal year ending 31.12.2018

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 the late summer of 2019.

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 uplisting 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 uplisting 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.

Management System

All business units and subsidiaries report monthly on their financial position, net assets, and results of operations, which are included in the company's half-year and annual reports. The company delivers monthly assessments of current and projected business developments. Furthermore, the following components essentially ensure compliance with the internal controlling system:

- regular meetings of the management board, supervisory board and the board of directors
- regular shareholder and annual general meetings
- risk and opportunity management
- liquidity planning

General Economic and Industry Conditions

The global economy started 2018 on appositive note, encouraged by a pickup in global manufacturing and trade through 2017. As investors' confidence in the global economic outlook lost momentum, so did the upswing.

A reason behind this loss in momentum was the implementation of tariffs by major economies, especially the United States, and retaliatory measures taken by others, including China. The increasingly protectionist rhetoric on trade has meant higher uncertainty about trade policy, which weighs on future investment decisions.
2018 saw market opinion that artificial intelligence within the healthcare industry will contribute significantly to the economic boost related to machine learning.

From the personal assistants within mobile phones, to the profiling, customization, and cyber protection that lie behind more and more of commercial interactions, AI touches almost every aspect of a patient's life.

AI is set to be the key source of transformation, disruption and competitive advantage in today's fast changing economy.

The healthcare industry topped PwC's list of industries ripe for significant disruption, sharing the number one spot with the automotive sector.

Every part of healthcare is lining up for change: providers, pharma and life sciences, payers, and consumers should all prepare for deeper integration of artificial intelligence into their processes and experiences.

AI-powered diagnostics use the patient's unique history as a baseline against which small deviations flag a possible health condition in need of further investigation and treatment.

AI is initially likely to be adopted as an aid, rather than replacement, for human physicians. It will augment physicians' diagnoses, but in the process also provide valuable insights for the AI to learn continuously and improve.

Healthcare faces different challenges than these other industries, including strict privacy and security regulations and a deeply-rooted legacy technology environment, both of which make it difficult for organizations to apply machine learning techniques to their data assets.

Business Model

We are a new generation healthcare technology services company, who are setting out to transform global pre-disease prediction, disease diagnosis and health data management. We strive to transform these areas through developing a suite of technologies that are driven by proprietary blockchain, AI and machine learning software applications.

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.

We will be a global company that currently targets 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, combined with harnessing research and advice from esteemed medical practitioners, Aladdin will revolutionise our understanding of well-being. Capable of identifying high risk demographics, Aladdin will provide additional targeted recommendations on lifestyle choices based on identified patterns in the data using machine learning algorithms.

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;

    - Diagnosis Assistance
      Personalised healthcare insights from multimodal biomedical information.

    - 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 utilised 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's development in the current fiscal year 2018 has exceed the initial expectations of the company. Aladdin is still in the very early stages of a start-up and did not anticipate generating revenues in the first half of 2018, however maiden revenues were generated from the licensing of one of its software solutions in the second half of 2018. Aladdin has met all its development targets in this time period and will focus on the further development of its software solutions in 2019, whilst looking to increase the number of strategic partnerships within the healthcare industry. Another longer-term target is to continue to collect medical and lifestyle data to achieve its long-term goal to become a healthcare technology company with a focus in big data analytics.

Development of the business

During the period Aladdin experienced significant positive developments. Following the resolution, on November 3, 2017 to increase the share capital totaling EUR 300,000.00 by EUR 1,150,000.00 up to EUR 1,450,000.00 by issuing up to 1,150,000 new common bearer shares at the issue price of EUR 5.40 per share to be made against cash contributions. The gross issue proceeds received in relation to this issue was EUR 6,210,000.

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Through these partnerships, Aladdin Ltd will be utilising its AI and ML expertise to build a stronger and more secure healthcare platform - enabling the early detection and prevention of chronic diseases within India and China. Aiming at significant cost savings in the healthcare market, this marketable technology is intended to create substantial value for various stakeholders in the healthcare ecosystem. The agreement states that Aladdin Ltd will design a future use-case of a Blockchain solution for the Indian healthcare market and the partners will collaborate with hospitals, insurers, pharmaceutical companies and other healthcare institutions in India with the intention of revolutionizing how the stake holders of the healthcare sector communicate and share data.

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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. Management believes this is progressing on track and are in positive discussions to conclude on series A in the late summer of 2019.

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 €4,143.2k (December 31, 2017: €974.1k). A significant portion of this is non-current loans €1,656.4k (December 31, 2017: €0), which is entirely 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 €2,369.7k (December 31, 2017: €971.8k). 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 €5.7k (December 31, 2017: €2.4k).

Shares in affiliated companies includes a €113.0k (December 31, 2017: €0) strategic investment by the UK subsidiary in a health and lifestyle analytics company.

Current assets include trade receivables €123.2k (December 31, 2017: €9.8k) 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 December 31, 2018, the balance sheet total amounted to €4,375.8k (December 31, 2017: 983.9k).

Shareholders' equity as of December 31, 2018 amounts to €3,919.8k (December 31, 2017: €47.3k) and is divided into 11,450,000 shares (December 31, 2017: 1) which are no par and attributable to the bearer. As of December 31, 2018, the retained earnings of the company amounted to -€3,920.4k (December 31, 2017 -€47.4k). Other reserves consist of €3,623.4k (December 31, 2017: €0) of negative additional paid in capital.

The group held zero non-current liabilities at the balance sheet data of December 31, 2018.

Current liabilities including provisions for the Company as of the reporting date of December 31, 2018 amounted to €456.0k (December 31, 2017: €1,031.2).

As at December 31, 2018 trade payables amounted to €316.0k (December 31, 2017: €100.0k) 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).

	31 Dec 2018 €	31 Dec 2017 €
Cash flows from operating activities		
Loss for the financial period	**-3.872.985**	*-47.396*
Depreciation	**1.466**	*139*
Finance expense	**61.294**	*0*
Finance income	**-24.641**	
(Increase) in trade and other receivables	**-106.933**	*-9.801*
Increase in trade and other payables	**-702.302**	*536.130*
Other non-cash transactions[1]	**2.157.432**	
Cash generated from operations	**-2.486.668**	*479.072*
Income tax paid	**0**	*0*
Net cash inflow from operating activities	**-2.486.668**	*479.072*
Cash flows from investing activities		
Acquisition of subsidiaries - revsere asset acquisition	**2.091.964**	
Purchase of property, plant and equipment	**-4.947**	*-2.501*
Purchase of intangible assets	**-1.430.608**	*-974.307*
Investment	**-111.310**	*0*
Net cash (outflow)/inflow from investing activities	**545.098**	*-976.807*
Cash flows from financing activities		
Cash inflow from increase of share capital	**0**	
Dividends	**0**	
Changes in current financial liabilities	**2.087.574**	
Cash Inflow/outflow from rincrease/repayment of non-current financial liabilities	**0**	
Interest paid / received	**-36.654**	*497.735*
Changes in finance leases	**0**	
Net cash (outflow)/inflow from financing activities	**2.050.920**	*497.735*
Movements in cash and cash equivalents during the period		
Cash and cash equivalents at beginning of period	**0**	*0*
Cash and cash equivalents at the end of the period	**109.350**	**0**

Analysis of movement in net funds	**1 January 2018 €**	**Cash flows €**	**31 December 2018 €**
Cash and cash equivalent	-	109.350	109.350
Net funds	**-**	**109.350**	**109.350**

The Company has a comfortable liquidity situation and has no long-term liabilities or bank overdraft, therefore has no financial indebtedness.

The company intends to perform a Series A round of funding in Q3 2019, which will take is intended to grow the company through to profitability.

Earnings situation

Earnings before interest and income taxes (EBIT) on the year ended 31 December 2018 amounted to -€3,836.3k. Revenues amount to €174.5k. The revenue is 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. The remainder will be paid in instalments as further technology is delivered over 2019.

Operating charges totalled to €4,010.8k. The majority of this consists of listing expenses amounting to €2,101.9k incurred as part of the reverse merger. As per guidance from IFRS 3 Business Combinations, the transaction between Aladdin SE and Aladdin Ltd. should be accounted for in the consolidated financial statements of Aladdin SE as a continuation of the financial statements of Aladdin Ltd., together with a deemed issue of shares, equivalent to the shares held by the former share-holders of Aladdin SE, and re-capitalisation of the equity of Aladdin Ltd. Due to the fact that Aladdin Ltd. has received net assets from Aladdin SE (cash and the listing status of Aladdin SE), this transaction represents an equity-settled share-based payment transaction. The consequences from that are that under IFRS 2, for equity-settled share-based payments, Aladdin Ltd. has to measure the goods or service received, and the corresponding increase in equity, directly at the fair value. As mentioned in the iGAAP 2018 from EY, any difference in the fair value of the shares deemed to have been issued by Aladdin Ltd. and the fair value of Aladdin SE's identifiable net assets represents a service received by Aladdin Ltd. As the Interpretations Committee mentioned in IFRS 3.E1 the cost of the service received is to be recognized as an expense.

Further expenses of €443.8k were incurred as a result of the uplisting to the regulated Düsseldorf market. These included multiple additional consulting, legal, valuation and auditor fees.

On top of this a Stamp Duty Tax payment was due to HMRC United Kingdom for the purchase of the UK company in the reverse merger €269.8k.

Personnel expenses which includes employees of the UK subsidiary and the costs for the Managing Director of the company, amounted to €167.1k.

The total comprehensive loss during the reporting period was €3,872.9k.

Forecast Report

In 2018 Revenue from sales amount to €174.5k. The revenue is 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. The remainder will be paid in instalments as further technology is delivered over 2019 and 2020.

Development and data targets for 2019 will be focussed on:
- 1st stage development and successful testing of an AI diagnostic suite with Chinese partner
- 1st stage development and successful testing of a clinical trial toolkit in Europe/US
- Commercialisation of the marketplace in India
- 5-10 million anonymised Electronic Medical Records (EMRs) on our platforms globally

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 joint venture partner in China and the healthcare marketplace partner within India.

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 centre 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 commercialisation. 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, 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 taking into account 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 in Q2 2019.

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 in Q1 2019.

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 nosiness 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 €920.5k in 2018, all of which were outsourced to Elemental Ltd, who have an average team size 15, entirely working on Aladdin. The team is in the process of developing intellectual property in line with the solutions outlined in the ‘Strategic Objectives’ section.

Remuneration Report

The company has chosen to disclose the individual total remuneration of members of the Board of Directors in accordance with section 285 no. 9a of the German Commercial Code (HGB) and section 285 no. 9 a p. 5,314(1).

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.

None of the executive board is remunerated by Aladdin SE. The Chairman of the Board is also the CEO of the subsidiary Aladdin Ltd and receives €167k per annum. The other members of the board receive no remuneration for their services.

A defined contribution plan in the Ltd was set up in October 2018 for the Director of the Aladdin Ltd Hamish Badenoch. The initial single employer contribution was €1,113 and the monthly employer and employee contributions are €111.30.

As of the year ended 31 December 2018, there were no incentive schemes put in place for employees or for board members.

Corporate Governance Code

Declaration of compliance by the board of directors of Aladdin Healthcare Technologies SE in accordance with article 9(1) c) ii) of the SE regulation in conjunction with section 161 AktG on the German corporate governance code

The Board of Directors of a European company (SE) listed in Germany is legally required in accordance with section 22(6) SEAG in conjunction with section 161 AktG to declare once per year whether the officially published recommendations of the Government Commission for the German Corporate Governance Code (GCGC) applicable at the time of the declaration have been and are complied with. Companies are also required to declare which recommendations of the Code have not been or are not applied and why. The full text of the declaration of compliance by the Board of Directors of Aladdin Healthcare Technologies SE has been made permanently available on the company's website at www.aladdinid.com.

Information regarding acquisitions

In the March 2018 the shareholders of Aladdin Ltd. and the Aladdin SE entered into a share transfer and contribution agreement. Under this agreement the shareholders of Aladdin Ltd. contributed all of their shares in Aladdin Ltd. as a capital contribution in kind and assigned and transferred their shares to Aladdin SE. As consideration for the capital contribution in kind, Aladdin SE granted a total of 10,000,000 new ordinary bearer shares with no par value, i.e. for each share in Aladdin Ltd. one new ordinary bearer share in Aladdin SE. This agreement converted Aladdin Ltd. to the sole subsidiary of Aladdin SE. The shares all have full and equal voting rights.

The issue price for each share was EUR 5.3976 per new share. The total amount of the issue (including premium) for all 10,000,000 new shares arising from the capital contribution in kind was EUR 53,976,000.00.

The acquisition of 100% of Aladdin Ltd through a contribution in kind has been classified as a reverse asset acquisition for the purposes of these consolidated financial statements. A business combination between Aladdin SE and Aladdin Ltd. can be denied as Aladdin SE represents a non-trading shell which does not meet the criteria for a business of having a process that generates an output in order to receive economic benefits.

This fact led to the statement that the transaction between Aladdin SE and Aladdin Ltd. can be seen as a "reverse asset acquisition", because the issuing entity, in this case Aladdin Ltd., is the legal acquiree.

As Aladdin SE does not represent a business, the transaction represents a share-based payment transaction rather than a business combination. The transaction has been accounted for in the consolidated financial statements of Aladdin SE as a continuation of the financial statements of Aladdin Ltd., together with a deemed issue of shares, equivalent to the shares held by the former shareholders of Aladdin SE, and re-capitalisation of the equity of Aladdin Ltd.

Aladdin Ltd. has received net assets from Aladdin SE (cash and the listing status of Aladdin SE), so that this transaction represents an equity-settled share-based payment transaction. The Group measured the goods or service received, and the corresponding increase in equity, directly at the fair value, any difference in the fair value of the shares deemed to have been issued by Aladdin Ltd. and the fair value of Aladdin SE's identifiable net assets represents a service received by Aladdin Ltd.. The cost of the service received are recognized as expense.

As a result of the treatment of the contribution in kind of 100% of the shares of Aladdin Ltd. as a reverse asset acquisition, a one-time effect on the result of the period of €-2,101,886 occurred. The deemed acquisition costs amounting to €7,826,520 are allocated to the net assets contributed and the cash holdings.

There were no changes in the composition of the management from the reverse asset acquisition. In addition, the change of name of Aladdin Healthcare Technologies SE (formerly AE New Media Innovations SE) was approved at the Annual General Meeting on 19 December 2018. The net loss was carried forward to the new financial year.

On 25 January 2018, the UK company, Aladdin Ltd. acquired 2% of the shares in Corresilience Ltd, a company registered in England and Wales, for a purchase price of GBP 100,000. Corresilience Ltd defines clinical algorithms to develop health related software applications.

Responsibility Statement

We assure that to the best of our knowledge and in accordance with the applicable accounting principles, the consolidated financial statements give a true and fair view of the net assets, financial position, net assets and results of operations of the Group, and the management report of the Group 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.

Overall Assertion

Overall, the Managing Director considers the performance in the year ended 31 December 2018 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 acquisition of partners all exceeded expectation, allowing optimism and confidence for 2019 financial year.

Berlin, May 2019

Wade Menpes-Smith

Managing Director

INDEPENDENT AUDITOR'S ADVERSE OPINION

To Aladdin Healthcare Technologies SE (formerly Aladdin Blockchain Technologies Holding SE), Berlin

NOTE ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

Declaration on the absence of an audit opinion

We have been engaged to audit the consolidated financial statements of Aladdin Healthcare Technologies SE (formerly Aladdin Blockchain Technologies Holding SE), Berlin, and its subsidiaries (the Group), comprising the consolidated balance sheet as of December 31, 2018, the consolidated statement on comprehensive income , the consolidated statement of changes in equity and the consolidated cash-flow statement for the fiscal year from January 1, 2018 through December 31, 2018 as well as the consolidated notes, including a summary of significant accounting methods. Furthermore, we have been engaged to audit the group management report of Aladdin Healthcare Technologies SE (formerly Aladdin Blockchain Technologies Holding SE), for the fiscal year from January 1, 2018 through December 31, 2018. In accordance with German legal requirements, we have not audited the letter to the shareholders contained in the annual report and the declaration on the Company's management contained in the management report.

We do not express an audit opinion on the attached consolidated financial statements and the attached group management report. Due to the importance of the facts described in the section "Basis for our declaration on the absence of an audit opinion", we have not been able to obtain sufficiently appropriate audit evidence to serve as basis for an audit opinion on the consolidated financial statements and the group management report; therefore, we deny issuing such audit opinion.

Basis for our declaration on the absence of an audit opinion

The Company is experiencing a tight liquidity situation. The legal representatives have submitted a liquidity plan for our assessment of the applied going concern principle's appropriateness. In violation of Art. 320 HGB, they have not submitted the explanations and verifications required for an audit of the appropriateness of the applied going concern principle. Therefore, we have not been able to assess whether the consolidated financial statements have been correctly prepared based on the assumption of a going concern.

As of December 31, 2018, the Group's intangible assets show software in the amount of KEUR 2,370. Furthermore, the Group recognized loans in the amount of KEUR 1,656. In aggregate, such positions account for more than 85 % of the Group's balance sheet total as of December 31, 2018. In violation of Art. 320 HGB, the legal representatives have not provided the explanations and verifications required for an assessment of the intangible assets and the loan. Therefore, we have not been able to assess if and to what extent the

Group would have to have recognized depreciations for intangible assets. Likewise, we have not been able to assess the loans' recoverability. The booking of sales revenues is not consistent with the documents provided. We cannot conclusively assess the specification of consolidated companies' correctness. Furthermore, we cannot assess the completeness and accuracy of the information contained in the consolidated notes.

Due to some audit restraints we have not been able to exclude, with reasonable assurance, that the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error.

Such facts and circumstances are of major importance also for the assessability of the business development's presentation in the group management report including the Group's operating result and position as well as of the presentation of the opportunities and risks arising from the future development. We cannot assess whether the presentations in the group management report are complete and correct and whether the group management report, as a whole, provides a true and fair view of the Company's position, is consistent with the annual financial statements and complies with German legal requirements.

Responsibilities of the Legal Representatives and of the Administrative Board for the Consolidated Financial Statements and the Group Management Report

The legal representatives are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the requirements pursuant to IFRS, as applicable in the EU, as well as the supplementary requirements pursuant to German commercial law (Art. 315e Sec. 1 HGB) and that the consolidated financial statements, in compliance with these requirements, provide a true and fair view of the Group's assets, liabilities, financial position, and profit situation. Furthermore, the legal representatives are responsible for such internal controls they have determined as being necessary in order to provide for the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

When preparing the consolidated financial statements, the legal representatives are responsible to assess the Group's ability to continue as a going concern. They also have the responsibility to disclose, as applicable, matters related to the continuation as a going concern. Furthermore, they are responsible for financial reporting based on the going concern basis unless they intend to liquidate the Group or to discontinue business operations or in case there is no realistic alternative but to do so.

Furthermore, the legal representatives are responsible for the preparation of the group management report that, as a whole, provides a true and fair view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of the Group's future development. Furthermore, the legal representatives are responsible for such precautions and measures (systems) they have deemed necessary in order to provide for the preparation of a group management report that is in accordance with applicable German legal requirements, and in order to provide sufficiently appropriate evidence for the statements contained in the group management report.

The Administrative Board is responsible to monitor the Group's financial reporting process for the preparation of the consolidated financial statements and the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Group Management Report

We are responsible to perform an audit of the consolidated financial statements and of the group management report in accordance with Art. 317 HGB and the EU Audit Regulation (No. 537/2014; hereinafter EU Audit Regulation) and in compliance with German Generally Accepted Standards for the Audit of Financial Statements promulgated by the IDW. Furthermore, we are responsible to issue an audit certificate. Due to the facts described in the section "Basis for our declaration on the absence of an audit opinion" we have not been able to obtain sufficiently appropriate audit evidence to serve as basis for our audit opinion on these consolidated financial statements and this group management report.

We are independent from the Group companies in accordance with the requirements of European and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Furthermore, we declare, in accordance with Article 10 Sec. 2 lit. f) EU Audit Regulation, that we have not provided any non-audit services prohibited under Article 5 Sec. 1 of the EU Audit Regulation.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Other information pursuant to Article 10 EU Audit Regulation

We have been elected as group auditor by the general meeting of December 19. We have been engaged by the administrative board on January 9, 2019. We have been the auditor of Aladdin Healthcare Technologies SE (formerly Aladdin Blockchain Technologies Holding SE) without interruption since the financial year 2014. The Group has been subject to mandatory group audits since the fiscal year 2018; since such date, we have been the group auditor.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

RESPONSIBLE AUDITOR

The auditor responsible for the audit is Tibor Abel.

Munich, May 20, 2019

Baker Tilly GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
(Düsseldorf)

signed	signed
Hund	Abel
German CPA	German CPA

ALADDIN HEALTHCARE TECHNOLOGIES SE

STATEMENT OF PROFIT AND LOSS

Consolidated statement of profit or loss and other comprehensive income – For the years ended 31 December 2018 and 2017:

	31 Dec 2018 €	31 Dec 2017 €
Revenue	**174.492**	*0*
Other operating charges	-4.010.823	*-47.396*
Operating loss	**-3.836.331**	*-47.396*
Finance income	24.641	*0*
Finance expense	-61.294	*0*
Loss before tax expense	**-3.872.985**	*-47.396*
Tax expense	**-**	*0*
Loss for the financial period	**-3.872.985**	*-47.396*
Other comprehensive income, net of tax	**13.377**	*122*
OCI items that may be recycled to profit or loss in the future		
Exchange differences on translation of foreign operations	13.377	*122*
Total comprehensive income for the reporting period	**-3.859.608**	*-47.274*

Net loss per share		
undiluted	-0,34	
diluted	-0,34	

ALADDIN HEALTHCARE TECHNOLOGIES SE

STATEMENT OF FINANCIAL POSITION

Consolidated statement of financial position – For the years ended 31 December 2018 and 2017:

	31 Dec 2018	31 Dec 2017
	€	€
Non-current assets		
Property, plant and equipment	**5.757**	*2.356*
Intangible assets	**2.369.729**	*971.794*
Investment	**111.310**	*0*
Other non-current financial assets	**1.656.415**	*0*
	4.143.211	*974.149*
Current assets		
Trade and other receivables	**123.214**	*9.776*
Cash and cash equivalents	**109.350**	*0*
	232.564	*9.776*
Current liabilities		
Trade and other payables	**454.270**	*534.747*
Shareholder loan	**0**	*496.451*
Other current provisions	**1.754**	*0*
	456.024	*1.031.198*
Net current assets/(liabilities)	**-223.460**	*-1.021.422*
Total assets less current liabilities	**4.374.021**	*983.925*
Non-current liabilities	**0**	*0*
	0	*0*
Net liabilities	**4.374.021**	*983.925*
Equity		
Share capital	**11.450.000**	*1*
Capital reserves	**-3.623.367**	*0*
Other comprehensive income	**13.499**	*122*
Retained earnings	**-3.920.381**	*-47.396*
Total equity	**3.919.751**	*-47.273*

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

ALADDIN HEALTHCARE TECHNOLOGIES SE

STATEMENT OF CHANGES IN EQUITY

Consolidated statement of Changes in Equity – For the years ended 31 December 2018 and 2017:

	Share capital €	Capital reserve €	Retained earnings €	Other comprehensive income €	Total €
Balance at 1 January 2017	0	0	0	0	0
Loss for the financial period			-47.396		-47.396
Foreign currency translation				122	122
Shares issued	1				1
Balance at 31 December 2017	**1**	**0**	**-47.396**	**122**	**-47.273**
Balance at 1 January 2018	1	0	-47.396	122	-47.273
Loss for the financial period [1]			-3.872.985		-3.872.985
Foreign currency translation				13.377	13.377
Presentation reverse asset acquisition	11.449.999	-3.623.367			7.826.632
Balance at 31 December 2018	**11.450.000**	**-3.623.367**	**-3.920.381**	**13.499**	**3.919.751**

[1] The Loss for the financial period amounting to €3,872,985 contains the effect on reverse acquisition in the amount of €2,101,866.

ALADDIN HEALTHCARE TECHNOLOGIES SE

STATEMENT OF CASH FLOWS

Consolidated statement of Cash Flows – For the years ended 31 December 2018 and 2017:

	31 Dec 2018 €	31 Dec 2017 €
Cash flows from operating activities		
Loss for the financial period	**-3.872.985**	*-47.396*
Depreciation	**1.466**	*139*
Finance expense	**61.294**	*0*
Finance income	**-24.641**	
(Increase) in trade and other receivables	**-106.933**	*-9.801*
Increase in trade and other payables	**-702.302**	*536.130*
Other non-cash transactions[1]	**2.157.432**	
Cash generated from operations	**-2.486.668**	*479.072*
Income tax paid	**0**	*0*
Net cash inflow from operating activities	**-2.486.668**	*479.072*
Cash flows from investing activities		
Acquisition of subsidiaries - revsere asset acquisition	**2.091.964**	
Purchase of property, plant and equipment	**-4.947**	*-2.501*
Purchase of intangible assets	**-1.430.608**	*-974.307*
Investment	**-111.310**	*0*
Net cash (outflow)/inflow from investing activities	**545.098**	*-976.807*
Cash flows from financing activities		
Cash inflow from increase of share capital	**0**	
Dividends	**0**	
Changes in current financial liabilities	**2.087.574**	
Cash Inflow/outflow from rincrease/repayment of non-current financial liabilities	**0**	
Interest paid / received	**-36.654**	*497.735*
Changes in finance leases	**0**	
Net cash (outflow)/inflow from financing activities	**2.050.920**	*497.735*
Movements in cash and cash equivalents during the period		
Cash and cash equivalents at beginning of period	**0**	*0*
Cash and cash equivalents at the end of the period	**109.350**	**0**

Analysis of movement in net funds	**1 January 2018** **€**	**Cash flows** **€**	**31 December 2018** **€**
Cash and cash equivalent	-	109.350	109.350
Net funds	**-**	**109.350**	**109.350**

1 The other non-cash transactions consist to a large extent of the effect on reverse acquisition.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 General information

Aladdin Healthcare Technologies Holding 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.
Since September 2018, the Company is 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 Holding 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 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.

At the extraordinary general meeting dated March 7, 2018 the Board of Directors resolved to increase the Company’s share capital by €10,000,000.00 from €1,450,000.00 to €11,450,000.00 by issuing 10,000,000 new no-par bearer shares. Capital increase is made by contribution in kind. The shareholder’s statutory subscription right is 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 (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.

The acquisition of 100% of Aladdin Ltd through a contribution in kind has been classified as a reverse asset acquisition for the purposes of these consolidated financial statements. A business combination between Aladdin SE and Aladdin Ltd. can be denied as Aladdin SE represents a non-trading shell which does not meet the criteria for a business of having a process that generates an output in order to receive economic benefits.

This fact led to the statement that the transaction between Aladdin SE and Aladdin Ltd. can be seen as a “reverse asset acquisition”, because the issuing entity, in this case Aladdin Ltd., is the legal acquiree.

As Aladdin SE does not represent a business, the transaction represents a share-based payment transaction rather than a business combination. The transaction has been accounted for in the consolidated financial statements of Aladdin SE as a continuation of the financial statements of Aladdin Ltd., together with a deemed issue of shares, equivalent to the shares held by the former shareholders of Aladdin SE, and re-capitalisation of the equity of Aladdin Ltd..

Aladdin Ltd. has received net assets from Aladdin SE (cash and the listing status of Aladdin SE), so that this transaction represents an equity-settled share-based payment transaction. The Group measured the goods or service received, and the corresponding increase in equity, directly at the fair value, any difference in the fair value of the shares deemed to have been issued by Aladdin

Ltd. and the fair value of Aladdin SE’s identifiable net assets represents a service received by Aladdin Ltd.. The cost of the service received are recognized as expense.

As a result of the treatment of the contribution in kind of 100% of the shares of Aladdin Ltd. as a reverse asset acquisition, a one-time effect on the result of the period of €-2,101,886 occurred. The deemed acquisition costs amounting to €7,826,520 are allocated to the net assets contributed and the cash holdings.

	€
Fictive Number of shares Ltd. should have issued	1.450.000,00
Ltd share price prior to transaction	5,40
Fair Value for issuance of Aladdin Ltd. shares	**7.826.520,00**
Holding SE cash	2.091.964,06
Holding SE other net assets	3.632.669,81
Effect on reverse acquisition	**2.101.886,13**

The Annual General Meeting held on 19 December 2018 discharged the Board of Directors and the Executive Director. In addition, a resolution was passed to include the firm Aladdin Healthcare Technologies SE in the Articles of Association. Net loss for the year carried forward to a new account.

2 Accounting policies

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

Basis of preparation

The financial statements for the year ended 31 December 2018 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 § 315e HGB applicable to companies reporting under IFRS.

Going concern

Whilst the director has considered the going concern position of the Company and whilst the Company is currently operating at a loss, it has the support of the parent company. 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. 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 consolidated financial statements from the date on which control commences until the date on which control ceases.

New standards and interpretations not yet adopted

The following IFRS standards and IFRS IC interpretations issued by the IASB have not been early adopted:

- IFRS 4 ‘Insurance contracts’
- IAS 12 ‘Recognition of Deferred Tax Assets for Unrealised Losses’
- IFRS 16 ‘Leases’

The analysis of Aladdin Healthcare SE indicates that the application of the new leasing standard has no impact on the financial statement as there are no lease contracts.

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.

The new IFRS standards issued in the year are:

- IFRS 9 ‘Financial instruments’
- IFRS 15 ‘Revenue from contracts with customers’

The director concludes that the above new standards do not have any significant impact on the financial statements.

Significant accounting policies

The accounting policies set out below have been applied consistently for the year presented in the Financial Statements.

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 at 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 at 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 at 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 a historical exchange rates.

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

Income taxes

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary

differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Revenue recognition

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement. The company has adopted IFRS 15 using the modified retrospective method.

The new standard provides a principle-based, five-step model that is applicable to all contracts with customers. Step 1 is to identify the contract with the customer. Step 2 is to identify the performance obligations in the contract. In Step 3, the transaction price is determined, especially taking into consideration variable considerations, financing components or payments to the customer. Within step 4 the transaction price is allocated to the performance obligations of the contract. Step 5 determined when revenue is to be recognized.

As of 31 December 2017, and 31 December 2018 no changes resulted from the first-time adoption of IFRS 15. For future periods, relevant contracts with customers will be analysed based on the regulations of IFRS 15.

Revenue represents amounts recoverable from customers for the rendering of services during the period. Revenue is measured at the fair value of consideration received or receivable excluding Value Added Tax.

Contingent liabilities

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

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.

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.

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 und 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

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.

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.

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 at amortized cost.

The Company accounted for the investment as stated in note 8 at fair value through profit and loss with subsequent changes to fair value directly recognised in earnings.

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.

There are no significant impacts from the first-time adoption of IFRS 9 on the consolidated financial statements of the Company.

The following table shows the classification and measurement of financial assets and financial liabilities as at transition date:

	31 December 2017 Category and carrying amount according to IAS 39			01 January 2018 Category and carrying amount according to IFRS 9		
	Available for sale	**Loans and receivables**	**Other financial liabilities at amortised cost**	**Fair value through profit or loss**	**Fair value through other comprehensive income**	**Amortised cost**
	€	**€**	**€**	**€**	**€**	**€**
Assets						
Investment						
Trade and other receivables		9,776				9,776
Cash and cash equivalents		0				
Liabilities						
Trade and other payables			534,747			534,747
Shareholder loan			496,451			496,451

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 and other receivables are initially measured at fair value and held at amortised cost less provisions for impairment. Provisions for impairment represent an allowance for doubtful debts that is estimated, based upon current observable data and historical trends.

A new impairment model is applied for financial assets, which focusses on a future-oriented expected credit loss model. The expected loss model is applicable to all financial assets recognised at amortised cost or fair value through other comprehensive income.

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.

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 12.

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.

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.

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 continually 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.

Impairment of non-financial assets

Intangible assets are tested for impairment annually or when there is an indication that the asset may be impaired. 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 revenue is derived from its principal activity. The entire revenue was from a customer based in Asia Pacific. The Company's single performance obligation is the provision of a dynamic license to a customer.

IFRS 15 Revenue from Contracts with Customers took effect from 1 January 2018 and has been adopted for the year ended 31 December 2018.

All revenue recognised in the year can be attributed to a license agreement held with one customer. The revenue is a result of supplying software as per signed license agreement. The payment received was in 2018 the amount of €174k (USD200k) which is the first instalment of a total agreed contract price of €870k (USD1m). It is a dynamic license and therefore the remainder will be paid in instalments as further technology is delivered in future periods. Revenue from the license agreement is recognized over a period of time. The amount recognised as revenue in 2018 represents the amount of consideration for which the entity is entitled for providing the license to the customer. As of
31 December 2018, the aggregate amount of the transaction price stated in licencing agreement allocated to the remaining performance obligation is €696k (USD800k) and the entity will recognise this revenue as the performance obligation, which is the supply of software, is satisfied. This is expected to occur over the next 2 years.

The Company does not account for any finance component nor for contract assets or liabilities as reporting date.

4 Operating charges

Loss before taxation is stated after charging:

	31 Dec 2018
	€
Effects from the reversed acquisition	**-2.101.866**
Depreciation charge for the period	**-1.466**
Other operating expenses	**-1.370.487**
R&D expenses	**0**
Selling expenses	**0**
Admin expenses	**-537.084**
Other operating income	**80**
Restructuring expenses	**0**
	-4.010.823

Auditor's remuneration payable to Baker Tilly in respect of audit fees for the year ended 31 December 2018 was €120,000. Other fees payable for consulting services amount to €20,000. The other operating expenses contain an adjustment on incidental acquisition costs, costs of operating business in UK and further advertising costs. The amount recognised as an expense for the defined contribution plans in the year ended 31 December 2018 was €1,339.

5 Tax expense

Tax expense comprises:

	31 Dec 2018	*31 Dec 2017*
	€	€
Current tax comprising German corporation tax expense at 33% based on taxable profits for the financial period	**-**	-
Deferred tax credit	**-**	-
	-	-

The following table reconciles the tax expense at the standard rate to the actual tax expense:

	31 Dec 2018
	€
Loss before tax expense	**-3.872.985**
Tax using the Company´s domestic tax rate (33%)	**-1.278.085**
Effect of tax expenses in foreign jurisdictions	**119.326**
Effect of reversed acquisition on tax expenses	**742.038**
Effective tax expenses	**-416.721**
Tax losses for which no deferred income tax asset was recognised	**416.721**
	-

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.

6 Property, plant and equipment

Reconciliation of the carrying amount:

	Computer equipment	Total
	€	€
Cost		
Additions	2.494	2.494
Balance at 31 December 2017	2.494	2.494
Additions	4.947	4.947
Disposals	0	0
Currency translation	-103	-103
At 31 December 2018	**7.338**	**7.338**
Accumulated depreciation		
Depreciation charge for the year	138	138
Balance at 31 December 2017	138	138
Depreciation charge for the period	1.466	1.466
Disposals	0	0
Currency translation	-24	-24
At 31 December 2018	**1.581**	**1.581**
Net book value at 31 December 2018	**5.757**	**5.757**
Net book value at 31 December 2017	2.356	2.356

7 Intangible assets

Reconciliation of the carrying amount:

	Intellectual property €	Total €
Cost		
Additions	971.794	971.794
Balance at 31 December 2017	971.794	971.794
Additions	1.430.608	1.430.608
Disposals	0	0
Currency translation	-32.673	-32.673
At 31 December 2018	**2.369.729**	**2.369.729**
Accumulated amortisation		
Amortisation charge for the period	0	0
Balance at 31 December 2017	0	0
Amortisation charge for the period	0	0
Disposals	0	0
Currency translation	0	0
At 31 December 2018	**0**	**0**
Net book value at 31 December 2018	**2.369.729**	**2.369.729**
Net book value at 31 December 2017	971.794	971.794

At 31 December 2018 there were no indications of impairment.

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.

8 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 31 December 2018. Any future changes in value will be recognised in profit and loss.

9 Trade and other receivables

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

	31 Dec 2018	*31 Dec 2017*
	€	*€*
Trade receivables	**0**	*9.776*
Other receivables	**123.214**	*0*
	123.214	*9.776*

Other receivables are primarily denominated in sterling.

The book value of other receivables is consistent with fair value in the current year.

10 Trade and other payables

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

	31 Dec 2018	*31 Dec 2017*
	€	*€*
Trade payables	**316.083**	*99.998*
Other payables	**138.187**	*434.751*
Shareholders' loans	**0**	*496.451*
	454.270	*1.031.199*

Trade and other payables are primarily denominated in sterling.

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

11 Share capital

The following table shows the share capital:

	31 Dec 2018	31 Dec 2017
	€	€
Called up, allotted and unpaid :	-	
1 Ordinary shares of €1		*1*
11,450,000 Ordinary shares of €1	**11.450.000**	-

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

The negative change in the capital reserve results from the company's reverse asset acquisition carried out in 2018 as the difference between the subscribed capital after acquisition and the fair value of the 1,450,000 notional shares.

12 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:

- Trade and other receivables (note 9) – The balance primarily represents amounts due in respect of services provided for which payment has not yet been received.
- Convertible Loan to third party.
- Trade and other payables (note 10) – 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.

Market Risk

The Company does not have an financial instrumnets 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 is in sterling. The shareholders' loan is denominated in foreign currencies, mainly in Euros. However this was settled in January 2018.

The following exchange rates had to be applied:

Currency	Average exchange rate		Year-end-rate	
1 Euro =	**2018**	**2017**	**31.12.2018**	**29.12.2017**
GBP	0.88486	0.88581	0.89839	0.88810

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 depreciation in the value of the pound. There is a limited foreign currency risk in this situation as the operation company Aladdin Ltd operates in GBP and its revenues are invoice in USD however is funded by Aladdin SE in Euro, this would result in relative 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, 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.

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 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 seeking external funding through equity raises.

The Company's financial liabilities are all short term. The Company employs an 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.

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.

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:

	Fair value level	Fair value through profit or loss	Amortised cost	Fair value through other comprehensive income
		€	€	€
Assets				
Investment	2	111.310		
Other non-current financial assets	2		1.656.415	

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

Other non-current 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 borrower. The book value of the loan is € 1,483,168.15. The fair value at the time of issue amounts to € 1,468,407.95 and was calculated taking into account the interest rate and credit spread.

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.

13 Operating segments

At the balance sheet date, the Company has only one reportable segment because the Company's operations are not currently organized to distinguish related products or services or geographical areas of operation.

	Total
Primary geographical markets	
Hongkong	174.492
Germany	0
	174.492
Major products/service lines	
Software licenses	174.492
	174.492
Timing of revenue recognition	
Products transferred at a point in time	0
Products transferred over time	174.492
	174.492

14 Employee Benefits

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. A defined contribution plan in the Ltd was set up in October

2018 for the Director of the Aladdin Ltd Hamish Badenoch. The initial single employer contribution was €1,113 and the monthly employer and employee contributions are €111.30.

15 Employees

The average monthly number of employees including the director during financial year was 3 (2017: 2). The average quarterly number of employees including the director was 3 (2017: 2).

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 €14,075 in the financial year 2017 and €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 and member of its Board of Directors.

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 €67.818 per annum. No amounts were set aside to provide pension retirement or similar benefits to Mr Hamish Badenoch.

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

Transactions involving directors and key management personnel

No advances, credits or guarantees have been entered into with the Director of the Company.

On 3 December 2017 Aladdin Ltd and Elemental Concept 2016 Ltd. have entered into a Master Services Agreement the member of the Board of Directors of the Company, Mr Bimal Shah holds 40% of the shares in Elemental Concept 2016 Ltd. In the financial year 2017 payments for services under the Master Services Agreement made to Elemental Concept 2016 Ltd. amounted to €61,162. In the current financial year 2018, payments for services under the Master Services Agreement made to Elemental Concept 2016 Ltd. amounted to €920,534.

On 6 December 2017 Aladdin Ltd. and 5 Mobile Technology Limited have entered into a deed of assignment of intellectual property rights. 5 Mobile Technology Limited is controlled by Mr Wade Menpes-Smith, the Managing Director of the Company and a member of its Board of Directors. Under this agreement, Aladdin Ltd. has paid to 5 Mobile Technology Limited and/or assumed liabilities in the aggregate amount of 6 €920,534, which were paid in January 2018.

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

17 Earnings per Share

Earnings per share are calculated by dividing the net income attributable to equity holders of the parent company by the average number of shares outstanding. The number of outstanding shares as of June 30, 2018 is 11,450,000. The weighted average number of shares outstanding is 11,218,956.

18 Events after the balance sheet date

On April 1, 2019, the Company entered into Bonus Share Agreements (loan agreements) with various shareholders for a total amount of GBP 900,000.00. In consideration of the lender entering into the Loan Agreement, the company agreed to allot and issue to each lender 1.5 bonus shares for every EUR 1 lent by the lender under the loan agreement.

Berlin, 17. Mai 2019

Wade Menpes-Smith