

Interim Report 2018

Aladdin Blockchain Technologies Holding SE



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Foreword by the Managing Director

Dear Shareholder,

With the publication of the report for the first half-year of 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 6 months in 2018, which has resulted in new commercial relationships and technological developments.

Highlights in the first six months of the current financial year 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 Blockchain Technologies 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 plan to build on the success of the first six months of the year this will include:

- Finishing 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 on to our platforms. On a monthly basis we will seek to increase 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.
- Introducing a prototype optical character recognition (OCR) engine for the processing of electronic medical records. which converts medical record images to text. An essential step in developing ML and AI applications. Thereby assisting our machine learning algorithms providing instant, actionable insights for doctors and patients.
- Introducing 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.

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, September 2018

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	Open Market
WKN	A12ULL
ISIN	DE000A12ULL2
TICKER SYMBOL	NMI
ACCOUNTING STANDARD	IFRS
FINANCIAL YEAR	31 December 2018



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 Blockchain Technologies Holdings 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 Blockchain Technologies 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 Blockchain Technologies Holdings SE stock price showed an impressive 93% growth.

Research

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

Research company	Current analyst	Date of last publication
Edison Investment Research	Katherine Thompson	21/08/2018
Alster Research	Carsten Mainitz	31/07/2018

Investor relations

The objective of Aladdin's Investor Relations work is to achieve a fair stock valuation on the capital market. In the first half of 2018, we accomplished this through continuous and transparent dialogue with all market participants as well as by delivering precise valuation-relevant information.



Interim Management Report for the half fiscal year ending June30, 2018 (unaudited)

Composition and structure of the company

Aladdin Blockchain Technologies Holding SE (Aladdin SE) is a holding company and the parent company of the Group. The sole subsidiary of the Company is Aladdin Blockchain 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.

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 intend to develop a brand new blockchain-technology-based healthcare ecosystem made up of patients, doctors, hospitals, pharmacies, pharmaceutical companies and health insurers, that offers benefits to all participants and will create multiple routes to monetization for Aladdin. To create this ecosystem Aladdin will establish and lead a consortium of participants such as doctors, hospitals, health insurers and pharmaceutical companies to build the solutions developed by Aladdin, based on blockchain principles and technology.

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.

In order to demonstrate the merit of the blockchain based healthcare ecosystem Aladdin propose, and to gain stakeholder's buy-in, Aladdin will develop a prototype blockchain consortium in the United Kingdom with three members which it believes brought the proof of concept that its technology provides for an immutable audit trail of access and changes to patients' medical records.

Currently, the focus is proof of concept and adoption of a blockchain network in the PR China, India and the UK, that will make us the first company with a global use case for the blockchain technology in the health-care sector. In the next few years, Aladdin will raise significant capital, in order to continue developing the best in class technologies and then automate healthcare blockchain technology moving towards mass adoption. Aladdin believes that revenue growth will follow via subscriptions by participants using the blockchain developed by Aladdin and/or on the basis of transactions made on the blockchain.

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:

- Subscription fees for Blockchain as a Service (BaaS);
- Licensing fees from the provider of marketplaces which use Aladdin's blockchain technology;
- Licensing fees from AI software or pay per diagnosis;
- Proprietary data sales or licensing - pre-diabetes, diabetes or other diseases such as cancer and Alzheimer.

Business Report

Preamble

In the opinion of the management, the company's development in the current fiscal year 2018 is in line with the 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 expects first revenues from the licensing of one of its software solutions by the end of 2018. Aladdin has met all its development targets in this time period and will focus in the second half of 2018 gathering medical 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.

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.

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.

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.

Through these partnerships, Aladdin Blockchain Technologies will be utilizing 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.

Assets

On the balance sheet date, the Company's non-current assets amounted to €4,043.8k (December 31, 2017: €974.1k). A significant portion of this is non-current loans €2,193.1k (December 31, 2017: €0), which is made up of a €1,500k 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 €1,734.1k (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 €3.5k (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 €444.5k (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 June 30, 2018, the balance sheet total amounted to €5,229.6k (December 31, 2017: 983.9k).

Shareholders' equity as of June 30, 2018 amounts to €4,964.4k (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 June 30, 2018, the retained earnings of the company amounted to -€2,863.5k (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 June 30, 2018.

Current liabilities including provisions for the Company as of the reporting date of June 30, 2018 amounted to €273.9k (December 31, 2017: €1,031.2).

As at June 30, 2018 provisions amount to €8.7k (December 31, 2017: 0) these are primarily reserves and liabilities due for accounting and audit costs.

As at June 30, 2018 trade payables amounted to €265.2k (December 31, 2017: €534.7k) consisting of development fees in relation to blockchain and machine learning solutions. The shareholder loan of EUR 496,451 was fully repaid in 2018

Financial situation

The core objectives of financial management are to maximise the company's profitability and liquidity situation. By way of the resolution of the General Meeting as of 3 November 2017 the share capital of the Company was increased from EUR 300,000.00 by an amount of up to EUR 1,150,000.00. After deducting the costs associated with the capital increase, the company received a total of €6.1 million in new financial resource.

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

Earnings situation

Earnings before interest and income taxes (EBIT) on the first half of the year 2018 amounted to -€2,816.1k. Revenue from sales amount to €0.

Operating charges totalled to €2,803.9k. The majority of this consists of listing expenses amounting to €2,101.9k incurred as part of the reverse merger. 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 €105k.

The total comprehensive loss during the reporting period was €2,814.9k.

Supplementary Report

There have been no significant subsequent events.

Forecast Report

In the second half of the year 2018, Aladdin expects to generate revenue from its initial licencing contract, achieving its target sales of €850k for the 2018 financial year.

In 2019, Aladdin expects to be able to package up and sell out diagnostic and predictive analytic tools. Aladdin also expects that the governments and or pharmaceutical companies will be interested in the analysis of Aladdin's data and will be willing to pay for the data and or analysis. use data gathered/learnings/analytics to save governments significant amounts. Also, to sell to Pharmaceuticals to identify their target markets.

Aladdin believes that it will be able to monetize the intellectual property that it acquires through the process of deploying the blockchain network through licensing to its plat-forms out to companies that want to host their own blockchain networks.

An alternative monetization route is, once established, charging a fee per transactions on the blockchain developed by Aladdin. For example, Aladdin anticipates bringing efficiencies to the insurance claims process, Aladdin will be in a position to charge a fee for each claim pro-cessed using its technology.

Risks and Opportunities related to the business

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.

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.

Risks surrounding dependence on key employees: The loss of one or more key employees could 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 Ltd's proven track record in the field of technological development

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 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 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

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.

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.

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.

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.

Risk resulting from financial instruments

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

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

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

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

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

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

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. 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.

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 €194.5k, all of which were outsourced to Elemental Ltd.

Branch Office Report

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

Remuneration Report

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

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

For further details see payment of consultancy fees in the Notes Section No. 7 "Related party transactions"

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 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.

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.

Overall Assertion

Overall, the Managing Director considers the performance in the first half of 2018 and the Group's economic situation to be positive. The general economic data specific to the industry, the development position of Aladdin Blockchain Technologies Holding SE and acquisition of partners all exceeded expectation, allowing optimism and confidence for the remainder of the 2018 financial year.

Berlin, September 2018

Wade Menpes-Smith

Managing Director



ALADDIN BLOCKCHAIN TECHNOLOGIES HOLDING SE

Condensed Consolidated Statement of Comprehensive Income for The Period Ended 30 June 2018
(unaudited)

	6 months ending 30.06.2018
	€
Revenue	0
Other operating charges	-2,803,882
Operating loss	-2,803,882
Finance income	7,288
Finance expense	-19,473
Loss before tax expense	-2,816,067
Tax expense	0
Loss for the financial period	-2,816,067
Net loss per share	
undiluted	-0.26
diluted	-0.26
Other comprehensive income, net of tax	1,100
OCI items that may be recycled to profit or loss in the future	
Exchange differences on translation of foreign operations	1,100
Total comprehensive income for the financial period	-2,814,966

ALADDIN BLOCKCHAIN TECHNOLOGIES HOLDING SE

Condensed Consolidated Statement of Financial Position As At 30 June 2018 **(unaudited)**

	30 June 2018	31 December 2017
	€	€
Non-current assets		
Property, plant and equipment	3,492	2,356
Intangible assets	1,734,146	971,794
Investment	113,030	0
Other non-current financial assets	2,193,100	0
	4,043,768	974,149
Current assets		
Trade and other receivables	444,491	9,776
Cash and cash equivalents	749,993	0
	1,194,484	9,776
Current liabilities		
Trade and other payables	265,204	534,747
Shareholder loan	0	496,451
Other current provisions	8,655	0
	273,859	1,031,198
Net current assets/(liabilities)	920,625	-1,021,422
Total assets less current liabilities	5,229,597	983,925
Non-current liabilities	0	0
	0	0
Net liabilities	5,229,597	983,925
Equity		
Share capital	11,450,000	1
Capital reserves	-3,623,367	0
Other comprehensive income	1,223	122
Retained earnings	-2,863,463	-47,396
Total equity	4,964,392	-47,273



ALADDIN BLOCKCHAIN TECHNOLOGIES HOLDING SE

Condensed Consolidated Statement of Changes In Equity For The Period Ended 30 June 2018
(unaudited)

	Share capital €	Capital reserve €	Retained earnings €	Other comprehensive income €	Total €
Balance at 1 January 2018	1	0	-47,396	122	-47,273
Loss for the financial period			-2,816,067		-2,816,067
Foreign currency translation				1,100	1,100
Presentation reverse asset acquisition	11,449,999	-3,623,367			7,826,632
Balance at 30 June 2018	11,450,000	-3,623,367	-2,863,463	1,223	4,964,393

	Share capital €	Capital reserve €	Retained earnings €	Other comprehensive income €	Total €
Balance at beginning of the period	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 30 June 2018	1	0	-47,396	122	-47,273

ALADDIN BLOCKCHAIN TECHNOLOGIES HOLDING SE

Condensed Consolidated Statement Of Cash Flows For The Period Ended 30 June 2018 (unaudited)

	6 months ending 30.06.2018 €
Cash flows from operating activities	
Loss after taxation	-2,816,067
Depreciation	709
Finance result	12,185
(Increase) in trade and other receivables	-424,607
Increase in trade and other payables	-881,048
Other non-cash transactions	2,104,183
Cash generated from operations	-2,004,645
Income tax paid	0
Net cash inflow from operating activities	-2,004,645
Cash flows from investing activities	
Acquisition of subsidiaries - reverse asset acquisition	2,091,964
Purchase of property, plant and equipment	-1,839
Purchase of intangible assets	-761,161
Investment	-113,030
Net cash outflow from investing activities	1,215,934
Cash flows from financing activities	
Changes in current financial liabilities	1,550,889
Finance expense	-12,185
Net cash (outflow)/inflow from financing activities	1,538,704
Net movement in cash and cash equivalents in the period	
Cash and cash equivalents at beginning of period	0
Cash and cash equivalents at end of period	749,993



ALADDIN BLOCKCHAIN TECHNOLOGIES HOLDING SE

Notes to the financial statements (unaudited)

1 General information

Aladdin Blockchain 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.

The company is listed in the Open Market ("Freiverkehr") 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 Blockchain Technologies Holding SE is a holding company and the parent company of the Group. The sole subsidiary of the Company is Aladdin Blockchain 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 Blockchain 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 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 (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 Blockchain 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 is classified as a reverse asset acquisition for the purposes of these consolidated financial statements. This results in the comparative information presenting the continuation of Aladdin Ltd, i.e. the accounting acquirer. Aladdin Ltd was established in November 2017. Therefore, no comparable period for six months ending 30 June 2017 is available.

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 EUR -2,101,886 occurred.

ALADDIN BLOCKCHAIN TECHNOLOGIES HOLDING SE

NOTES TO THE FINANCIAL STATEMENTS

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 period presented.

Basis of preparation

The financial statements for the period ended 30 June 2018 are presented in Euro (EUR). This is the functional currency of the Company.

The interim condensed financial statements for the six months ended 30 June 2018 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's financial statements.

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

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'
- IFRS 12 'Recognition of Deferred Tax Assets for Unrealised Losses'
- IFRS 16 'Leases'

The Director is currently assessing the impact of adopting these new or amended standards and interpretations.

Significant accounting policies

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

Any standards and interpretations that have been issued but are not yet effective, and that are available for early application, have not been applied by the Company in these financial statements.

Application of these standards and interpretations is not expected to have a material effect on the financial statements in the future.

In addition to the standards and interpretations taken into account on December 31, 2017, the new standards IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" were applied for the first time in the current reporting period.

Revenue

IFRS 15 provides a comprehensive framework for determining whether, in what amount, and at what time revenue is to be recognized. 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

ALADDIN BLOCKCHAIN TECHNOLOGIES HOLDING SE

NOTES TO THE FINANCIAL STATEMENTS

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 30 June 2018 no significant changes resulting from the first time adoption of IFRS 15 resulted, since the Group did not recognize any revenues. 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. Revenue is recognised when the amount can be reliably measured and it is probable that future economic benefits will flow.

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.

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

	Category and carrying amount according to IAS 39			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	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

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

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

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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.

Trade and other payables are measured at amortised cost.

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:

IT Equipment	over 3 years
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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
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The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

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.

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NOTES TO THE FINANCIAL STATEMENTS

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.

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.

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.

Share capital

Ordinary shares are classified as equity.

Critical accounting estimates and judgements

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

The estimates and judgements are 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.

Set out below is a summary of the principal estimates and judgements that could have a significant effect upon the company's financial results:

ALADDIN BLOCKCHAIN TECHNOLOGIES HOLDING SE

NOTES TO THE FINANCIAL STATEMENTS

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 Intangible assets

	Intellectual property €
Cost	
Balance at 1 January 2018	971,794
Additions	761,161
Disposals	0
Currency translation	1,192
At end of period	1,734,146
Accumulated amortisation	
Balance at 1 January 2018	0
Amortisation charge for the period	0
Disposals	0
Currency translation	0
At end of period	0
Net book amount at end of period	1,734,146

At 30 June 2018 there were no indications of impairments.

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NOTES TO THE FINANCIAL STATEMENTS

4 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– The balance primarily represents amounts due in respect of services provided for which payment has not yet been received.
- Trade and other payables– The balance primarily represents trade payables, accruals and amounts due, for which payment has not yet been made.

Interest rate risk management

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

Foreign currency risk

The major part of the company's transactions are in sterling. The intercompany loan is denominated in foreign currencies, mainly in Euros.

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 one counterparty and employs minimum credit worthiness criteria as to the choice of counterparty, thereby ensuring that there are no significant concentrations of credit risk.

Liquidity risk

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

Financial assets and liabilities by category

	Fair value level	Fair value through profit or loss €	Amortised cost €	Fair value through other comprehensive income €
Assets				
Investment	2	113,030		
Trade and other receivables			2,637,591	
Cash and cash equivalents			749,993	
Liabilities				
Trade and other payables			265,204	

The carrying amounts of the financial assets and liabilities measured at amortized cost are largely the same as their fair values.



ALADDIN BLOCKCHAIN TECHNOLOGIES HOLDING SE

NOTES TO THE FINANCIAL STATEMENTS

Within trade and other receivables a loan granted to Aladdin Intel Ltd, Hong Kong, is included. This loan may be either repaid in cash or by be converted into ordinary shares of the borrower.

The investment refers to 2% of the Ordinary share capital of Corresilience Ltd, a Company registered in England and Wales. This investment is carried at fair value. Given the investment was made recently; the Director considers that its cost equates to fair value at 30 June 2018. Any future changes in value will be recognised in profit and loss.

Financial assets and liabilities measured at fair value are assigned to one of the following three hierarchy levels: Financial assets and liabilities are assigned to Level 1, if there are quoted prices in active markets for identical assets or liabilities. Level 2 applies, if the inputs, on which the fair value measurement is based, are observable either directly or indirectly. Financial instruments are assigned to Level 3, if the fair value is not based on observable inputs. There were no financial assets or liabilities assigned to Level 3 in the current period.

5 Earnings per share

Earnings per share are calculated by dividing the consolidated net income for the period that is attributable to shareholders of the parent by the average number of shares in circulation. The number of shares outstanding as of 30 June 2018 amounts to 11,450,000. The weighted average number of shares outstanding amounts to 10,982,778.

6 Segment report

As of the reporting date, the company has only a single reportable segment, since the company's business activities are currently not organised on the basis of differences in related products or services or differences in geographical areas of operations. As of 30 June 2018, the company did not recognise any revenues, which could be reported by geographical areas or products and services.

7 Related party transactions

Remuneration of key management personnel

The senior management of the Company is formed by Mr Hamish Badenoch, director of Aladdin Ltd. Mr Hamish Badenoch provides his services to Aladdin Ltd. on the basis of a service agreement which commenced on 1 January 2018 with a salary of EUR 67.818 per annum. No amounts were set aside to provide pension retirement or similar benefits to Mr Hamish Badenoch.

Mr Wade Menpes-Smith, the Managing Director of the Company and a member of its Board of Directors, has entered into a consultancy agreement with Aladdin Ltd.. For further details see below.

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.



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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 EUR 61,396. In the current financial year 2018, payments for services under the Master Services Agreement made to Elemental Concept 2016 Ltd. amounted to EUR 887,064.

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 EUR 934,759, which were paid in January 2018.

Mr Wade Menpes-Smith, the Managing Director of the Company and a member of its Board of Directors, has entered into a consultancy agreement with Aladdin Ltd. and received payments thereunder in the amount of EUR 14,129 in the financial year 2017 and EUR 84,773 until 30 June 2018.

As of the reporting date, Aladdin Intelligent Data Ltd., with registered office in the United Kingdom, a company owned by Mr Wade Menpes-Smith, the Managing Director of the Company and a member of its Board of Directors, owes to the Company under a loan agreement EUR 716,000. At the time of publication of these financial statements, this loan was repaid.

All agreements with related parties have been entered into on an arms-length basis.

8 Events after the balance sheet date

After the balance sheet date, the company aims to change the stock market segment from the Open Market in Dusseldorf into the Regulated Market at the stock exchange in Dusseldorf.

There were no other reportable post balance sheet events.

Berlin, September 2018

Wade Menpes-Smith

Managing Director