Annual Report 2018

Aladdin Healthcare Technologies SE
(Formerly Aladdin Blockchain Technologies Holding SE)
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 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 Ltd the UK subsidiary 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 Ltd 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 Ltd the UK subsidiary 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 stakeholders 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 Ltd has 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 Ltd the UK subsidiary announced the signing of a memorandum of understanding with the Norwegian Centre on Healthy Ageing (NO-
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.

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

<table>
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<th>REGISTERED CAPITAL</th>
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<td>NUMBER OF SHARES</td>
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<td>FINANCIAL YEAR</td>
<td>31 December 2018</td>
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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%.
At present, Aladdin Healthcare Technologies SE is covered by the following research companies.

<table>
<thead>
<tr>
<th>Research company</th>
<th>Current analyst</th>
<th>Date of last publication</th>
</tr>
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<tr>
<td>Edison Investment Research</td>
<td>Katherine Thompson</td>
<td>30/11/2018</td>
</tr>
<tr>
<td>Alster Research</td>
<td>Carsten Mainitz</td>
<td>31/07/2018</td>
</tr>
<tr>
<td>Börse Inside</td>
<td>Arno Ruesch</td>
<td>17/10/2018</td>
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**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.

1. Fundamentals of the company

Composition and structure of the company

Aladdin Healthcare Technologies SE (Aladdin SE) is a holding company and the 100% owner of Aladdin Healthcare Technologies Ltd. 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 an 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 utilise blockchain technologies to address the number of challenges that exist, in the medical domain, when handling medical data. These challenges are:

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

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

- Medical Record Audit Trail
  At Aladdin, we have developed a blockchain based Medical Data Audit Trail to address the need that sharing, and handling of medical data is done with due diligence. This ensures that the sensitive data remains confidential but can be audited at any point in time.

- Identity Management and Zero Knowledge Proof (ZKP)
  Zero Knowledge Proof (ZKP) is a way of enabling information to be shared between two or more parties without sharing the knowledge of the source of the information. Identity management and ZKP represent the next step in blockchain technology, this will solve major pain-points in the medical domain. Aladdin’s goal is to be a leader in this area.

2. Annual Report

Preamble

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.

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.

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 Ltd, England. The shareholders of Aladdin Ltd provided the contribution in kind by transferring all shares in Aladdin 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 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 €59,157.4 (December 31, 2017: 0). The subsidiary Aladdin UK is held at valuation of €54,252.6k, which is consistent with the valuation done in March 2018 as a result of the reverse merger. An impairment review has been performed as at the year-end.

Loans to affiliated companies are €3,248.2k (December 31, 2017: €0), which is entirely made up of loans to the 100% subsidiary Aladdin Ltd.

Other non-current loans are €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.

Current assets include receivables from affiliated companies of €71.6k (December 31, 2017: €0) which consists of the interest receivable on the loan to the 100% subsidiary Aladdin Ltd.

As of December 31, 2018, the balance sheet total amounted to €59,352.7k (December 31, 2017: 6,396.7k).

Shareholders’ equity as of December 31, 2018 amounts to €11,450k (December 31, 2017: €300k) and is divided into 11,450,000 shares (December 31, 2017: 1) which are no par and attributable to the bearer, with capital reserves of €49,036k (December 31, 2017: €0)
As of December 31, 2018, the Company’s loss carried forward amounted to € -130.2k (December 31, 2017: € -104.3k). The company has a net loss for the financial year of € -1,150.5k.

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

As of the balance sheet date, the company had provisions of €114.9k (December 31, 2017: €14.5k), consisting mainly of provisions for accounting and auditing costs (€ 113.2k (31 December 2017 : 14.5 T €)).

As of the balance sheet date, liabilities include only trade payables in the amount of € 125.8k (December 31, 2017: € 1.8k).

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).

The operating cash flow from operating activities in the financial year 2018 is -€1.102,7k. Based on the profit for the period of - €1,243.8k, the increase in receivables from affiliated companies, provisions and trade payables resulted in changes in net current assets totalling € 141.1k.

The investment in the shares of Aladdin Ltd. (€ 54,252.7 thousand) and the issuing of loans to affiliated companies (€ 4,904.7 thousand) together comprise the cash outflows from investing activities of € 59,157.4 thousand as at the reporting date.

The cash inflows from financing activities amounting to € 59,975.4 thousand in the financial year 2018 mainly result from the capital increase in kind in connection with the reverse asset acquisition of Aladdin Ltd.
By resolution of the Annual General Meeting on 3 November 2017, the subscribed capital of
the company was increased by € 1,150,000.00 from € 300,000.00. After deduction of the
costs associated with the capital increase, the company received a total of € 6.1 million in
new funds. These were shown as "Deposits made to implement the approved capital

On March 7, 2018, the Board of Management decided to issue 10,000,000 new no-par-value
bearer shares in the amount of € 10,000,000.00 at an Extraordinary General Meeting in
order to increase the subscribed capital from € 1,450,000 to € 11,450,000 To raise € 00. The
capital increase was made by contribution in kind in the form of the transfer of all shares of
Aladdin Blockchain Technologies Ltd., England, to Aladdin Healthcare Technologies SE.

The company has good liquidity and no long-term debt or overdrafts and therefore no
financial debt.

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**

The company is a holding company and does not generate revenues. Minor other operating
income of was generated for the year ended 31 December 2018.

Other operating expenses amounted to €1,342.9k (December 31, 2017: € 25.9k). The
majority of this amount consists of other operating expenses in the amount of € 1,278.3k
(December 31, 2017: € 18.5k) incurred as part of the reverse asset acquisition and
subsequent up-dating on the regulated Düsseldorf market.

This includes legal and consulting fees in the amount of € 381.9k (December 31, 2017: €
0.2k) resulting from prospectus fees and subsequent advice after uplisting.

The Company generated interest income of € 99.0k (December 31, 2017: € 0), which at
€71.6k mainly resulted from loans to affiliated companies.
The net loss for the reporting period amounts to € 1,243.8k (December 31, 2017: € 25.8 thousand).

3. Forecast, opportunity and risk report

Forecast

The company is not revenue generating as it is a holding company. Aladdin Ltd its 100% subsidiary performs all the operations for the group.

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.
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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 information 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.

**Research and Development**

All of the R&D is incurred by the subsidiary Aladdin Ltd. Aladdin SE does not perform any research and development itself.

Aladdin Ltd’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.

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 are 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](http://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.

**Responsibility Statement**

We assure 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, Mai 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 ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

Declaration on the absence of an audit opinion
We have been engaged to audit the annual financial statements of Aladdin Healthcare Technologies SE (formerly Aladdin Blockchain Technologies Holding SE), comprising the balance sheet as of December 31, 2018 and the income statement for the fiscal year from January 1, 2018 through December 31, 2018 as well as the notes, including the presentation of accounting and valuation methods. Furthermore, we have been engaged to audit the 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 annual financial statements and the attached 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 annual financial statements and the 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 annual financial statements have been correctly prepared based on the assumption of a going concern.
The Company’s balance sheet’s assets side shows a participation in the amount of KEUR 54,253, furthermore, the Company recognized loans in the amount of EUR 4,905. In aggregate, such positions account for more than 99% of the Company’s balance sheet total as of December 31. In violation of Art. 320 HGB, the legal representatives have not provided the explanations and verifications required for an assessment of such participation and the loan. Therefore, we have not been able to assess the participation’s and the loans’ recoverability.

Furthermore, we cannot assess the completeness and accuracy of the information contained in the notes.

Due to some audit restraints we have not been able to exclude, with reasonable assurance, that the annual 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 management report including the Company’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 management report are complete and correct and whether the 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 Annual Financial Statements and the Management Report**

The legal representatives are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements pursuant to German commercial law as applicable to corporations and that the annual financial statements, in compliance with German generally accepted accounting principles, provide a true and fair view of the Company’s assets, liabilities, financial position, and profit situation. Furthermore, the legal representatives are responsible for such internal controls they have determined, in accordance with German generally accepted accounting principles, as being necessary in order to provide for the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.
When preparing the annual financial statements, the legal representatives are responsible to assess the Company’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 principle unless otherwise required due to actual or legal circumstances.

Furthermore, the legal representatives are responsible for the preparation of the management report that, as a whole, provides a true and fair view of the Company’s position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of the Company’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 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 management report.

The Administrative Board is responsible to monitor the Company’s financial reporting process for the preparation of the annual financial statements and the management report.

**Auditor’s Responsibilities for the Audit of the Annual Financial Statements and the Management Report**

We are responsible to perform an audit of the annual financial statements and of the 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 annual financial statements and this management report.

We are independent from the Company 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 auditor by the general meeting of December 19, 2018. 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.

We declare that the adverse 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, Berlin;  
Annual financial statements and management report as of December 31, 2018

### Balance Sheet  
Balance sheet as at 31. December 2018

**ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>Financial year</th>
<th>Previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EUR</td>
<td>EUR</td>
</tr>
<tr>
<td>A. Fixed assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Long-term financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Shares in affiliated companies</td>
<td>54,252,662.10</td>
<td>0,00</td>
</tr>
<tr>
<td>2. Loans to affiliated companies</td>
<td>3,248,280.33</td>
<td>0,00</td>
</tr>
<tr>
<td>3. Other loans</td>
<td>1,656,417.00</td>
<td>0,00</td>
</tr>
<tr>
<td></td>
<td>59,157,359.43</td>
<td>0,00</td>
</tr>
<tr>
<td>B. Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Receivables and other assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Receivables from affiliated companies</td>
<td>71,628.58</td>
<td>0,00</td>
</tr>
<tr>
<td>2. Other assets</td>
<td>15,806.77</td>
<td>925.00</td>
</tr>
<tr>
<td></td>
<td>87,435.35</td>
<td>925.00</td>
</tr>
<tr>
<td>II. Cash-in-hand, central bank balances, bank balances and cheques</td>
<td>107,554.55</td>
<td>6,392,202.66</td>
</tr>
<tr>
<td>C. Prepaid expenses</td>
<td>589.80</td>
<td>3,643.80</td>
</tr>
<tr>
<td></td>
<td>59,352,739.13</td>
<td>6,396,771.46</td>
</tr>
</tbody>
</table>

**EQUITY AND LIABILITIES**

<table>
<thead>
<tr>
<th></th>
<th>Financial year</th>
<th>Previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EUR</td>
<td>EUR</td>
</tr>
<tr>
<td>A. Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Subscribed capital</td>
<td>11,450,000.00</td>
<td>300,000.00</td>
</tr>
<tr>
<td>II. Capital reserves</td>
<td>49,036,000.00</td>
<td>0,00</td>
</tr>
<tr>
<td>III. Accumulated losses brought forward</td>
<td>-130,250.97</td>
<td>-104,392.31</td>
</tr>
<tr>
<td>IV. Net loss for the financial year</td>
<td>-1,243,833.63</td>
<td>-25,858.66</td>
</tr>
<tr>
<td>B. Contribution made towards the authorised capital increase</td>
<td>0,00</td>
<td>6,210,000.00</td>
</tr>
<tr>
<td>C. Provisions</td>
<td>114,944.00</td>
<td>14,530.00</td>
</tr>
<tr>
<td>1. Other provisions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Trade payables</td>
<td>125,879.73</td>
<td>1,872.74</td>
</tr>
<tr>
<td>2. Other liabilities</td>
<td>0.00</td>
<td>619.69</td>
</tr>
<tr>
<td></td>
<td>125,879.73</td>
<td>1,872.74</td>
</tr>
<tr>
<td></td>
<td>59,352,739.13</td>
<td>6,396,771.46</td>
</tr>
</tbody>
</table>
Aladdin Healthcare Technologies SE, Berlin

Income statement
income statement from 01.01.2018 to 31.12.2018

<table>
<thead>
<tr>
<th></th>
<th>Financial year</th>
<th>Previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EUR</td>
<td>EUR</td>
</tr>
<tr>
<td>1. Other operating income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Income from reversal of</td>
<td>80,25</td>
<td>0,00</td>
</tr>
<tr>
<td>provisions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Other operating expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Occupancy costs</td>
<td>4,077,60</td>
<td>3,833,44</td>
</tr>
<tr>
<td>b) Insurance premiums, fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and contributions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Advertising and travel</td>
<td>5,851,21</td>
<td>3,251,02</td>
</tr>
<tr>
<td>expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) Miscellaneous operating</td>
<td>29,562,34</td>
<td>214,20</td>
</tr>
<tr>
<td>costs</td>
<td>1,303,431,25</td>
<td>18,510,00</td>
</tr>
<tr>
<td></td>
<td>1,342,922,40</td>
<td>25,858,66</td>
</tr>
<tr>
<td>3. Other interest and</td>
<td>99,008,52</td>
<td>0,00</td>
</tr>
<tr>
<td>similar income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Net income/net loss</td>
<td></td>
<td></td>
</tr>
<tr>
<td>after tax</td>
<td>-1,243,833,63</td>
<td>-25,858,66</td>
</tr>
<tr>
<td>5. Net loss for the</td>
<td>1,243,833,63</td>
<td>25,858,66</td>
</tr>
<tr>
<td>financial year</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
NOTES as at 31 December 2018 Aladdin Healthcare Technologies SE, Berlin

General information on the annual financial statement
The Aladdin Healthcare Technologies Holding SE’s annual financial statement was prepared on the basis of the accounting rules of sec 242 et seq. of the German Commercial Code (Handelsgesetzbuch, HGB).

The provisions of the German Stock Corporation Act (Aktiengesetzes, AktG) also had to be observed in addition to the above regulations.

Information that can be given either on the balance sheet, in the income statement or in the notes to the financial statements is given entirely in the notes.

The nature of total cost method was chosen for the income statement according to sec. 275 para. 2 German Commercial Code.

The company is a large corporation within the meaning of sec 267 (3) sentence 2 German Commercial Code, as it has been listed since September 24, 2018 under ISIN DE000A12ULL2 / WKN A12ULL on the Regulated Market of the Düsseldorf and Frankfurt Stock Exchanges.

Information identifying the company according to the registry court

Company name according to registry court: Aladdin Healthcare Technologies SE
Registered company seat according to registry court: Berlin
Registry entry: Handelsregister
Registry court: Amtsgericht Charlottenburg
Registry court number: HRB 173762 B

Disclosures on accounting policies

Accounting policies

Long-term financial assets are recognised and measured as follows:

– Shares in affiliated companies at cost
– Loans at the principal amount
– Non-interesting bearing and low-interest loans at their present value

If necessary, the applicable lower value was recognised at the reporting date.
Accounts receivable and similar assets were recorded at their nominal value or at their lower fair value as at the balance sheet date. The measurement of receivables and similar assets reflects all identifiable risks.

The liquid assets (bank balances) were recorded at their nominal values.

Prepaid expenses are set-up for services paid in advance that represent expenses for future periods.

The share capital and the capital reserve were reported at their nominal values.

Contributions for the implementation of the approved share capital increase as at December 31, 2017 were recorded at the nominal values of the gross issuing proceeds received until the end of the previous year.

Other provisions were recognised for all uncertain liabilities in the settlement amount required according to prudent business judgment. All discernible risks were taken into account.

Liabilities are recognised at their settlement amount.

Accounting policies that have changed as against the prior year

There was no change in accounting policies compared with the prior year.

Balance sheet disclosures

Fixed asset movement schedule for the individual fixed asset items

The development of the individual fixed asset items in 2018 is presented in the Appendix to the Notes, which is an integral part of the Notes. The company's fixed assets consist exclusively of financial assets. No value adjustments had to be made so far.
Shares in affiliated companies

The shares in affiliated companies reported under financial assets include 100% of the shares in Aladdin Blockchain Technologies Ltd., London.

On the basis of the Share Transfer Contribution Agreement between Aladdin Blockchain Technologies Ltd., London and AE New Media Innovations SE (now Aladdin Healthcare Technologies SE), Berlin dated March 6, 2018, the shareholders of Aladdin Blockchain Technologies Ltd. contributed 100% of their shares to the reporting company by way of a contribution in kind. The assignment took place, as far as legally possible, with effect from January 1, 2018.

As consideration for the capital contribution in kind the company granted a total of 10,000,000 new ordinary bearer shares with no par value, i.e. for each share in Aladdin Blockchain Technologies Ltd. one new ordinary bearer share in the company. The new shares were created by way of a contemplated resolution on a capital contribution in kind from EUR 1,450,000.00 by EUR 10,000,000.00 to EUR 11,450,000.00 by the general meeting of the company. The remaining amount of EUR 4,3976 per share was transferred to the capital reserve.

The contribution in kind was assessed as an acquisition transaction within the framework of an exchange. The total acquisition costs of EUR 54,252,662.10 correspond to the contribution in kind of EUR 53,976,000.00 plus incidental acquisition costs.

Loans to affiliated companies

Loans to affiliated companies relate to a flexible, interest-bearing loan to Aladdin Blockchain Technologies Ltd., London. The remaining term is longer than 1 year.

Other loans

Other loans include a non-interest-bearing convertible bond issued by a strategically important cooperation partner based in Hong Kong at present value. The conversion of the loan can be notified to the borrower until 22 January 2020. Thus, the remaining term is longer than 1 year.
Information on receivables and other assets

Other assets include in particular interest receivables from long-term loans to affiliated companies in the amount of EUR 71,628.58 (previous year: EUR 0.00), other interest receivables in the amount of EUR 14,681.77 (previous year: EUR 0.00) and security deposits for office space in the amount of EUR 925.00 (previous year: EUR 925.00).

Information on the remaining terms of receivables and other assets

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>remain.</td>
<td>remain.</td>
<td>remain.</td>
<td>term</td>
<td>term</td>
<td>term</td>
</tr>
<tr>
<td></td>
<td>&lt;1 year</td>
<td>&gt;1 year</td>
<td>&gt;1 year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables from affiliated companies</td>
<td>EUR</td>
<td>EUR</td>
<td>EUR</td>
<td>EUR</td>
<td>EUR</td>
<td>EUR</td>
</tr>
<tr>
<td>Other assets</td>
<td>71.628,58</td>
<td>71.628,58</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- thereof from interest</td>
<td>14.681,77</td>
<td>14.681,77</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- thereof deposit</td>
<td>925,00</td>
<td>0,00</td>
<td>925,00</td>
<td>925,00</td>
<td>925,00</td>
<td>925,00</td>
</tr>
<tr>
<td>Total</td>
<td>87.235,35</td>
<td>86.310,35</td>
<td>925,00</td>
<td>925,00</td>
<td>925,00</td>
<td>925,00</td>
</tr>
</tbody>
</table>

Disclosures on share classes

The share capital of EUR 11,450,000.00 is composed of:

<table>
<thead>
<tr>
<th>Share capital</th>
<th>EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>11,450,000 ordinary shares each with a notional value of</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td>11,450,000.00</td>
</tr>
</tbody>
</table>

The shares are bearer shares. In fiscal year 2018 10.3 million shares (entry in the commercial register on March 13, 2018) and in the previous year 1.15 million shares (entry in the commercial register on January 3, 2018) were subscribed.

Capital increase

The general meeting dated March 7, 2018 made the resolution that the share capital of the company shall be increased from EUR 1,450,000.00 by up to EUR 10,000,000.00 to EUR 11,450,000.00 through the issue of 10,000,000.00 new no-par value bearer shares by cash contribution. The capital increase is carried out in full. The entry in the commercial register took place on March 13, 2018.
Contribution made for the implementation of the approved share capital increase

The balance sheet item „Contribution made for the implementation of the approved share capital increase“ shows the gross issuing proceeds of EUR 6,210,000.00 received up to the end of the previous financial year. It relates to the increased share capital in an amount of EUR 1,150,000.00 and to capital reserve in an amount of EUR 5,060,000.00 (premium). The capital increase, resolved by the annual general meeting on November 3, 2017, was entered in the commercial register on January 3, 2018 and has been carried out in full.

Disclosure on authorised capital

The authorised capital dated November 24, 2015 (increase of the share capital of the company up to a total of EUR 150,000.00 until December 30, 2020) was cancelled by the extraordinary general meeting dated March 7, 2018.

The extraordinary general meeting dated March 7, 2018 authorized the board of directors to increase the share capital of the company up to a total of EUR 5,725,000.00 against cash contributions and / or contributions in kind on one or several occasions by issuing up to 5,725,000 new no-par value bearer shares until March 13, 2023.

Disclosures on and explanations of provisions

The “Other provisions” heading contains the following types of provision, which are not insignificant.

<table>
<thead>
<tr>
<th>Provisions for</th>
<th>€</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparation and audit of annual financial statements acc. to German GAAP</td>
<td>93,190</td>
</tr>
<tr>
<td>Preparation of annual financial statements acc. to IFRS</td>
<td>20,000</td>
</tr>
<tr>
<td>Invoices not yet received</td>
<td>564</td>
</tr>
<tr>
<td>Total</td>
<td>114,944</td>
</tr>
</tbody>
</table>

Disclosure and information on liabilities and their remaining maturity

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>remain. term</td>
<td>remain. term</td>
<td>remain. term</td>
<td>remain. term</td>
</tr>
<tr>
<td>&lt;1 year</td>
<td>EUR 125,879.73</td>
<td>EUR 125,879.73</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&gt;1 year</td>
<td>-</td>
<td>-</td>
<td>EUR 619.69</td>
<td>EUR 619.69</td>
</tr>
<tr>
<td>- thereof to shareholders</td>
<td>-</td>
<td>-</td>
<td>EUR 619.69</td>
<td>EUR 619.69</td>
</tr>
<tr>
<td>Total</td>
<td>EUR 125,879.73</td>
<td>EUR 125,879.73</td>
<td>EUR 0.00</td>
<td>EUR 619.69</td>
</tr>
</tbody>
</table>

There are no securities and guaranties.

Deferred taxes

The option to recognise an asset item for deferred tax income was not exercised.

Contingent liabilities and other unrecognised financial obligations

In addition to the liabilities presented in the balance sheet, there are no other financial obligations to be presented.

Income statement disclosures

Disclosure on other interest and similar income

Interest in the amount of EUR 71,628.58 (previous year EUR 0.00) is attributable to interest paid to affiliated companies.

Disclosures on the reconciliation of net income/net loss for the financial year

The reconciliation of net loss for the financial year is shown in the following:

<table>
<thead>
<tr>
<th>Income statement items</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>– Net loss for the financial year</td>
<td>EUR 1,243,833</td>
</tr>
<tr>
<td>– Accumulated losses brought forward from the previous year</td>
<td>EUR 130,250</td>
</tr>
<tr>
<td>= Net accumulated losses</td>
<td>EUR 1,374,084</td>
</tr>
</tbody>
</table>

Information on the equity schedule

The equity schedule as of December 31, 2018 can be found in Appendix X.
Other disclosures

Average number of employees during the financial year

No employees were employed in the reporting year.

Names of members of the Executive Board and the Supervisory Board (Board of Directors)

The following person was managing director during the financial year:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wade Menpes-Smith</td>
<td>CEO (Business Strategy)</td>
</tr>
</tbody>
</table>

The total remuneration of the managing director in the financial year amounted to EUR 0.

The following individuals were members of the supervisory board during the past financial year:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wade Menpes-Smith</td>
<td>CEO (Business Strategy)</td>
</tr>
<tr>
<td>Bimal Shah</td>
<td>COO (Business Operations)</td>
</tr>
<tr>
<td>Alexander Brunton Badenoch</td>
<td>Director (Commercial and Financial Development)</td>
</tr>
</tbody>
</table>

The total remuneration of the members of the supervisory board in the financial year amounted to EUR 0.

The Managing Director and the members of the supervisory board of the reporting company were not members of supervisory boards or other supervisory bodies of other companies within the meaning of section 125 (1) sentence 5 of the AktG.

Auditor's fee

The aggregate fee charged by the auditor for the financial year amounts to EUR 129,587.23 and is broken down as follows:

<table>
<thead>
<tr>
<th>Auditor’s fee</th>
<th>EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Audit services</td>
<td>129,587,23</td>
</tr>
<tr>
<td>b) Other assurance services</td>
<td>0,00</td>
</tr>
<tr>
<td>c) Tax advisory services</td>
<td>0,00</td>
</tr>
</tbody>
</table>
**Significant events**

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.

**Proposal or resolution on the appropriation of the net result**

The management is proposing the following appropriation of net result for the year:

The net loss for the year amounts to EUR 1,243,833.63

The net loss for the year will be carried forward to new account.

**Executive Board's report concerning relations with affiliated companies**

The managing director submits the following statement in accordance with sec. 312 para. 3 of the German Stock Corporation Act:

The managing director has prepared a report on relations with affiliates and concludes: “There were no reportable facts in the reporting year.”

**Information on shareholdings in other companies of at least 20% of the shares**

Information on investments in the following companies in accordance with section 285 no. 11 of the HGB:

<table>
<thead>
<tr>
<th>Name/registered address</th>
<th>Equity interest</th>
<th>Net income/net loss for the financial year</th>
<th>Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aladdin Healthcare Technologies Ltd.</td>
<td>100.00%</td>
<td>- 836.402</td>
<td>- 882.851</td>
</tr>
</tbody>
</table>

**Group affiliation**

Aladdin Healthcare Technologies SE prepares the consolidated financial statements and includes Aladdin Healthcare Technologies Ltd., London.

Aladdin Healthcare Technologies SE, Berlin, prepares the consolidated financial statements for the smallest and largest consolidated group.

The published consolidated financial statements are available for download at the electronic federal gazette.
Disclosures on the existence of an investment in the company that has been notified to the company in accordance with section 20 para. 1 or 4 of the German Stock Corporation Act

Mr. Wade Menpes-Smith holds more than 25 % of the company's share capital.

Disclosure on the corporate governance declaration

The declaration on the Corporate Governance Code required by Section 161 of the German Stock Corporation Act (AktG) was issued by the managing director and the supervisory board on 29 March 2019 and is available to the public on the company's website at www.aladdinid.com.

Signature of managing director

__________________________________________
Berlin, 17. May 2019           Wade Menpes-Smith