

Half-Year Financial Report 2021



Aladdin Healthcare Technologies SE

These interim financial statements and the management report of the Company have **not** been reviewed by an auditor.

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The share

REGISTERED CAPITAL	EUR 11,458,238
NUMBER OF SHARES	11,458,238 no-par value bearer shares
EXCHANGE	Düsseldorf (Regulated Market), Xetra, Frankfurt, Berlin, Munich
MARKET SEGMENT	Regulated market
WKN	A12ULL
ISIN	DE000A12ULL2
TICKER-SYMBOL	NMI
ACCOUNTING STANDARD	IFRS
BUSINESS YEAR	Calendar year

Interim management report for the period 1 January to 30 June 2021

I. Information about the Group

1. Composition and structure of the company

Aladdin Healthcare Technologies SE (Aladdin SE or the Company) is a holding company and the parent company of the Group. Aladdin SE has its registered office address at Unter den Linden 10, 10117 Berlin, Germany.

The Company's subsidiaries are Aladdin Healthcare Technologies Ltd, London, United Kingdom (hereinafter referred to as Aladdin Ltd UK) and Aladdin Healthcare Technologies China Ltd, Hangzhou, PR China (hereinafter referred to as Aladdin China), which was founded in 2020. Aladdin SE holds all shares in Aladdin Ltd. UK, which in turn holds 51% of the shares in Aladdin China. The Group's operating business is currently conducted exclusively in Aladdin Ltd. UK.

2. Business model

The Group, or Aladdin Group, is primarily engaged in providing software solutions for secure storage and management of health information using blockchain technology and developing solutions for earlier, more accurate diagnosis of age-related diseases.

II. Important events

In March 2021, the company announced the start of its listing on the OTC market. Aladdin SE shares are now traded on the Pink Open Market (formerly: OTC Pink) under the share symbol ALDNF. The Pink Open Market is the initial market operated by the OTC Markets Group and is only intended as a starting point for Aladdin.

In January 2021, the Group began developing a blockchain platform based on Zero Knowledge Proof (ZKP) for the secure exchange of genomics and multi-omics data. ZKP is a cryptographic method that can be used to prove data without having to show or share additional information. As the analysis of genomic data becomes increasingly important for precision diagnostics and medicine, the need for fast and secure exchange of such data is growing worldwide and requires appropriate tools to ensure data protection.

In the first half of 2021, the Group generated revenues of KEUR 490, enabling AladdinSE and the Group to continue their development in 2021. Nevertheless, the management still expects significant losses for the full year 2021, which will require additional equity financing by September 2022 at the latest.

III. Economic framework conditions and business development

1. Economic framework conditions

The Corona pandemic also left clear traces in almost all economic sectors in the first half of 2021. Production was curtailed, in some cases massively, in the service sectors as well as in the manufacturing industry. The effects of the Corona pandemic were also clearly visible on the demand side. Consumer spending by the state had a stabilising effect during the Corona crisis, although not all sectors were able to benefit from this in the same way.

2. Business development

In the first half of 2021, Aladdin has seen the following developments.

In February 2021, Aladdin and its partner IIAT (Imperial Institute of Advanced Technology) advanced the development of an innovative AI-powered data analytics platform for cardiovascular disease. The platform has just successfully obtained three patents in China.

In May 2021, Aladdin Ltd completed the sale of certain software and intellectual property to a customer located in the People's Republic of China. In consideration for the sale, the customer paid £500,000 to Aladdin Ltd. Aladdin Ltd has developed and continues to develop various AI-driven technology products for the healthcare market. The company has developed a prototype AI-driven drug discovery platform and knowledge graph that can be tailored to different areas of drug development. The software for sale is the intellectual property described above but will be used specifically for small molecule drug discovery in the area of Alzheimer's disease and dementia. Aladdin reserves the rights to use the software in other areas.

Assets and financial position

The company's non-current assets amounted to €193k as at the balance sheet date (31 December 2020: €213k) and, in addition to the rights to use office space, mainly include a strategic investment by the UK subsidiary in a health and lifestyle analysis company of €117k (31 December 2020: €111k).

Current assets include other assets, which mainly relate to income tax and VAT refunds to the UK subsidiary.

Equity as at 30 June 2021 amounts to € -2,538k (31 December 2020: € -2,700k). The subscribed capital amounts to € 11,458,238 and is divided into 11,458,238 no-par value bearer shares (31 December 2020: 11,458,238), which have no par value. As at 30 June 2021, the consolidated result amounts to € 401k (30 June 2020: € -842k).

Other capital reserves consist of a negative capital reserve of €-3,623k (31 December 2020: €-3,623k). The negative capital reserve results from the effects of the so-called reverse acquisition in 2018.

The Group has non-current liabilities of €94k as at the balance sheet date of 30 June 2021 (31 December 2020: €118k), which relate to loan financing from third parties.

The Company's current liabilities including provisions amounted to €3,053k as at the reporting date of 30 June 2021 (31 December 2020: €3,144k), of which current financial liabilities of €2,392k (31 December 2020: €2,470k) mainly relate to loan financing from existing shareholders. The loans from the former shareholders were in principle due on 30 June 2021 and bear interest at 8% per annum. The repayment of the loans is subject to the condition that the company has raised sufficient funds to repay the loans.

Earnings situation

In the first half of 2021, revenue of €490k was generated (first half of 2020: €0k): On 18 May 2021, we completed the sale of software to a customer based in the PRC. As consideration for the sale, the customer paid GBP 500,000 net of tax to Aladdin Ltd UK. Further events after the balance sheet date are described under IV.3.

The other income in the amount of € 209k (first half of 2020: € 0k). is income from currency translation.

Operating expenses consisted mainly of software development costs as well as consulting, legal and audit fees.

The consolidated result for the half-year ended 30 June 2021 amounted to €401k (first half-year 2020: €-842k).

The consolidated comprehensive income during the reporting period amounted to €160k (first half of 2020: € -480k)

Financial situation

The cash flow from operating activities amounts to € 316k (2020: € -691k), the cash flow from investing activities amounts to € 0 k (2020: € -1 k) and the cash flow from financing activities amounts to € -101k (2020: € 810k). The positive cash flow in 2020 from financing activities results from several loans granted in 2020 by shareholders, banks and third parties, as well as in the amount of €14k from the net payments from the capital increase.

In 2020, as in the first half of 2021, the Group relied on external financing from existing shareholders to ensure the continuation of the business. This will also be the case throughout 2021 in the form of loans from existing shareholders or a capital measure.

Report on events after the balance sheet date

By resolution of the Annual General Meeting of 1 July 2021, the Board of Directors was authorised to issue bonds with warrants or convertible bonds. The share capital of the Company is thereby conditionally increased by up to EUR 4,583,295.00 through the issue of up to 4,583,295 new no-par value bearer shares (Conditional Capital 2021/I).

By resolution of the Annual General Meeting of 1 July 2021, the share capital of the Company was conditionally increased by up to EUR 1,145,823.00 by issuing up to 1,145,823 new no-par value bearer shares of the Company with profit entitlement from the beginning of the financial year in which they are issued (Conditional Capital 2021/II). The conditional capital 2021/II serves to fulfil exercised subscription rights granted on the basis of the authorisation of the Annual General Meeting of 1 July 2021 for the granting of share options within the framework of a remuneration system up to and including 1 July 2023.

IV. Forecast and current assessment of the opportunity and risk situation

1. Forecast

In 2020, we were still in the development phase for our core platforms: AI Diagnostics, AI Drug Development and Biomedical Knowledge Graph. Due to limited financial resources, we were behind schedule with our planned development schedule at that time. We have successfully developed the health assessment platform for OurHealthMate India, thereby entering the Indian market, but the platform is yet to be commercialised. We expect to commercialise this platform in 2022.

In January 2021, the Group began developing a blockchain platform based on Zero Knowledge Proof (ZKP) for the secure exchange of genomics and multi-omics data. ZKP is a cryptographic method that can be used to prove data without having to show or share additional information. As the analysis of genomic data becomes increasingly important for precision diagnostics and medicine, the need for fast and secure exchange of such data is growing worldwide and requires appropriate tools to ensure data protection.

Our goal for 2021 is to complete the development of the core platforms mentioned above and then test the technologies in practice. If successful, we aim to achieve industry-wide validation by publishing our findings in scientific and medical journals. This validation is expected to be the turning point for Aladdin,



after which we may be able to raise further funding and partner with pharmaceutical companies. We expect the validation to be completed by the end of 2021 and therefore expect revenues by the end of Q4 2021. Aladdin has developed a patented AI platform with its partner IIAT in China. The platform enables early detection of cardiovascular disease. By combining multimodal data, AI-driven blood analysis is specifically integrated. The next step is to obtain patent approval in the USA and Europe as well.

In the first half of 2021, the Group generated revenues of €490k. This has enabled Aladdin SE and the Group to continue their development in 2021. Nevertheless, the management still expects significant losses for the whole of 2021, which will require additional equity financing by September 2022 at the latest.

2. Current assessment of the opportunity and risk situation

Risk to the Group's ability to continue as a going concern: From the Group's point of view, the sale of software in the second quarter generated net cash proceeds that will provide the Group with sufficient liquid funds to continue operations until the end of December 2021. In January 2022, the financial plan provides for an increase of shareholder loans by GBP 150k and in July 2022 by GBP 55k to ensure liquidity. In June 2022, management expects the inflow of the annual R&D tax credit under English tax law for Aladdin Ltd UK in the amount of GBP 75.0k (approximately EUR 84.0 k). If the subsidiary Aladdin Ltd. UK does not receive the tax credit at the appropriate time, certain shareholders have agreed to provide the necessary additional funds. Shareholder Wade Menpes-Smith, dated 30 August 2021, has stated that he will continue to provide financial support to Aladdin SE over the next 12 months from the date of audit to meet its liabilities as they fall due, including support necessary for the continued development of Aladdin's products until such time as other funding is secured. As a result of these anticipated additional funds, management expects that both Aladdin SE and the Group will be able to finance their operations until the end of September 2022. After the end of September 2022, Aladdin SE and the Group are in any case dependent on obtaining additional funding, in particular through equity financing, in order to continue operations.

If the promised financial support from a shareholder and the inflow of the tax credit do not occur and if Aladdin SE and the Group do not receive additional financial resources after the end of September 2022, the going concern of Aladdin SE and the Group would be jeopardised.

Overall and apart from going concern risks, the Managing Director considers the performance in 2020 and the economic situation of the Group and the Company in the first half of 2021 to be in line with a company in the transition phase of its business model. The general industry-specific economic data, the development position of Aladdin SE and the Group and the onboarding of new partners were in line with expectations and allow for optimism and confidence for the rest of the 2021 financial year. The



opportunities for the Company and the Group lie in the fact that it is in a high-growth industry, which means that the high risk to which the Company and the Group are exposed is accompanied by a high potential return.

The loss for the Group is also expected to be lower than in 2020 due to the impact of more conservative expenses and initial revenues at Aladdin Ltd. EBIT for the Group is expected to be approximately EUR -550k.

The operational and investment activities are to be financed by planned capital measures and by further bridging loans from the shareholders. The management is confident that the necessary funds can be raised and thus the continuation of the business activities of Aladdin SE and the group is secured.

Berlin, October 2021

Wade Menpes-Smith

Executive Director

Consolidated balance sheet as at 30 June 2021

	Annex- details	30.06.2021	31.12.2020
	No.	EUR	EUR
Assets			
Non-current assets			
Property, plant and equipment incl. rights of use	III.A.(1)	75.392	101.828
Investments	III.A.(2)	117.221	111.231
		192.613	213.059
Current assets			
Other assets	III.A.(3)	70.672	219.385
Cash and cash equivalents	III.A.(4)	340.695	126.227
		411.367	345.612
Balance sheet total		603.980	558.671
Liabilities			
Equity			
Subscribed capital	III.A.(5)	11.458.238	11.458.238
Capital reserve	III.A.(6)	-3.607.022	-3.607.022
Retained earnings	III.A.(7)	10.232.756	10.635.595
Other reserves	III.A.(7)	-156.280	84.324
Equity attributable to owners of the parent company		-2.537.820	-2.700.054
Non-controlling interests	III.A.(8)	-5.580	-3.676
Total equity		-2.543.400	-2.703.730
Long-term debt			
Other financial liabilities	III.A.(9)	94.341	118.213
Current liabilities			
Trade payables and other liabilities	III.A.(10)	248.440	294.224
Other financial liabilities	III.A.(9)	2.392.469	2.469.754
Provisions	III.A.(11)	412.130	380.209
Total current liabilities		3.053.039	3.144.188
Balance sheet total		603.980	558.671

Consolidated Income Statement for the Period 1 January to 30 June 2021

	Annex information	1.1-30.6. 2021	1.1-30.6. 2020	1.1-31.12. 2020
	No.	EUR	EUR	EUR
Revenues	III.B.(1)	490.416	-	-
Other operating income	III.B.(2)	209.043	-	17.746
Other operating expenses	III.B.(3)	-209.164	-804.029	-1.344.977
Impairment losses from financial assets	III.B.(4)	0	-	-
Financial income	III.B.(5)	0	-	-
Financial expenses	III.B.(5)	-89.182	-38.346	-116.435
Result before taxes		401.112	-842.375	-1.443.667
Income tax expense	III.B.(6)	-172	232	207.365
Group result		400.940	-842.143	-1.236.302
Thereof attributable to:				
Shareholders of the parent company		402.839	-842.143	-1.232.632
non-controlling interests		-1.899	0	-3.670
		400.940	-842.143	-1.236.302
Earnings per share				
Basic earnings attributable to ordinary equity holders of the parent company	III.B.(7)	0,04	-0,07	-0,11
Diluted, based on the profit attributable to ordinary equity holders of the parent company	III.B.(7)	0,04	-0,07	-0,11

Consolidated Statement of Comprehensive Income for the Period 1 January to 30 June 2021

	Annex information	1.1.-30.6. 2021	1.1.-30.6. 2020	1.1.-31.12. 2020
	No.	EUR	EUR	EUR
Group result		400.940	-842.143	-1.236.302
Other result				
Items that may be reclassified to the income statement in the future				
Change in reserve for currency differences	II.F.	-240.610	362.414	273.755
Shareholders of the parent company		-240.604	0	273.760
non-controlling interests		-6	0	-6
Other result		-240.610	362.414	273.755
Group overall result		160.330	-479.729	-962.547
Thereof attributable to:				
Shareholders of the parent company		162.235	-479.729	-958.872
non-controlling interests		-1.905	0	-3.676
		160.330	-479.729	-962.547

Consolidated Statement of Changes in Equity for the period 1 January to 30 June 2021

Anhangangaben	Nr.	Gezeichnetes Kapital	Kapitalrücklage	Gewinnrücklagen	Sonstige Rücklagen	Auf die Anteilseigner des Mutterunternehmens entfallendes Eigenkapital	Nicht beherrschende Anteile	Summe Eigenkapital
		EUR III.A.(5)	EUR III.A.(6)	EUR III.A.(7)	EUR III.A.(7)	EUR	EUR	EUR
Stand 1. Januar 2020		11.450.000	-3.623.367	-9.402.962	-189.436	-1.765.765	0	-1.765.765
Barkapitalerhöhung Aladdin Healthcare Technologies SE	8.238	40.366	-	-	-	48.604	-	48.604
Kosten Kapitalbeschaffung		-24.021	-	-	-	-24.021	-	-24.021
Konzernergebnis 1.1.-31.12.2020		-	-	-1.232.632	-	-1.232.632	-3.670	-1.236.302
Fremdwährungsumrechnung		-	-	-	273.760	273.760	-6	273.755
Stand 31. Dezember 2020 / 1. Januar 2021		11.458.238	-3.607.022	-10.635.594	84.324	-2.700.054	-3.676	-2.703.730
Konzernergebnis 1.1.-30.06.2021		-	-	402.839	-	402.839	-1.899	400.940
Fremdwährungsumrechnung		-	-	-	-240.604	-240.604	-6	-240.610
Stand 30. Juni 2021		11.458.238	-3.607.022	-10.232.755	-156.280	-2.537.819	-5.580	-2.543.401

Consolidated Cash Flow Statement for the Period 1 January to 30 June 2021

		1.1.-30.6. 2021	1.1.-30.6. 2020	1.1.-31.12. 2020
Current business activity	Annex information	EUR	EUR	EUR
Group result before taxes		401.112	-842.143	-1.443.667
Financial result	III.B.(5)	89.182	38.346	116.435
Depreciation, amortisation and impairment of non-current assets	III.A.(1),(2)	0	0	21.581
+/- Increase/decrease in short-term provisions	III.A.(11)	269.695	6.332	-1.595
Change in net working capital:				
+/- Decrease/increase in trade receivables and other receivables	III.A.(3)	-232.911	354.456	330.578
+/- Increase/decrease in trade payables and other liabilities	III.A.(10)	-61.119	-50.082	17.409
Other non-cash transactions		-150.334	364.439	268.808
Cash flows from operating activities		315.625	-128.652	-690.451
Investment activity				
Payments for the acquisition of property, plant and equipment		0	0	-617
Proceeds from investments in financial assets		-	-	-
Cash flows from investing activities		0	0	-617
Proceeds from borrowings	III.A.(9); IV.E.	0	200.000	976.037
Payments from the redemption of financial liabilities	IV.E.	-101.157	0	-180.177
Proceeds from capital increase (after costs of raising capital)	II.D.; IV.E.	0	8.238	13.690
Cash flows from financing activities		-101.157	208.238	809.550
Change in cash and cash equivalents		214.468	79.586	118.482
Cash and cash equivalents as at 1 January	III.A.(4)	126.227	754	754
Changes in cash and cash equivalents due to exchange rate fluctuations		0	0	6.991
Cash and cash equivalents as at 31 December 2020 / 2019	III.A.(4)	340.695	80.340	126.227
Composition of cash and cash equivalents		30.06.2021	30.06.2021	31.12.2020
		EUR	EUR	EUR
Balances with credit institutions	III.A.(4)	340.695	80.340	126.227

Notes to the Consolidated Financial Statements (condensed) as at 30 June 2021

I. PRELIMINARY REMARKS AND BASIS OF PREPARATION

A. Information on the Company and the Group

1. The company

Aladdin Healthcare Technologies Holding SE (hereinafter referred to as the "Company", "Aladdin SE" or the "Parent Company"), with its registered office at 10117 Berlin, Unter den Linden 10, is registered in the Commercial Register of the Local Court of Berlin (Germany) under the number HRB 173762.

Aladdin SE has a share capital of EUR 11,458,238.00, divided into 11,458,238 no-par value bearer shares. The existing shares of Aladdin SE have been admitted to the regulated market of the Düsseldorf Stock Exchange since September 2018. The ISIN (International Securities Identification Number) is DE000A12ULL2, the WKN (Wertpapier-kennnummer) is A12ULL and the stock exchange symbol is NMI.

2. The structure of the Group

The Company's subsidiaries are Aladdin Healthcare Technologies Ltd, London, United Kingdom (hereinafter referred to as Aladdin Ltd UK) and Aladdin Healthcare Technologies China Ltd, Hangzhou, PR China (hereinafter referred to as Aladdin China), which was founded in 2020. Aladdin SE holds all shares in Aladdin Ltd. UK, which in turn holds 51% of the shares in Aladdin China. The Group's operating business is currently conducted exclusively in Aladdin Ltd. UK.

The Group, or Aladdin Group, is primarily engaged in providing software solutions for secure storage and management of health information using blockchain technology and developing solutions for earlier, more accurate diagnosis of age-related diseases.

B. Legal basis for the preparation of the consolidated interim financial statements

The interim consolidated financial statements as at 30 June 2021, including further disclosures in the interim group management report, have been prepared in accordance with section 115 of the German Securities Trading Act (WpHG) and in compliance with IAS 34 Interim Financial Reporting and should be read in conjunction with the latest consolidated financial statements as at 31 December 2020. They comply with the International Financial Reporting Standards (IFRS) and the related interpretations of the International Accounting Standards Board (IASB) as applicable in the European Union. They were authorised for issue on 31 October 2021.

In accordance with IAS 34, a condensed scope of reporting was chosen for the presentation of the interim consolidated financial statements as at 30 June 2021 compared to the consolidated financial statements as at 31 December 2020. Consequently, these interim financial statements do not contain all the information and notes required by IFRS for consolidated financial statements at the end of the financial year. With the exception of the changes and new regulations described below, the same accounting and valuation methods are applied in the interim consolidated financial statements as in the

consolidated financial statements as at 31 December 2020. For further information, please refer to the 2020 consolidated financial statements, which form the basis for this half-year financial report.

The consolidated financial statements of Aladdin SE are prepared in euros (EUR). Unless otherwise stated, all values are rounded up or down to the nearest euro (EUR). Rounding may result in values in this report not adding up exactly to the totals shown and in percentages not being derived exactly from the values shown.

These interim consolidated financial statements and the management report of the Company have not been reviewed by an auditor or audited in accordance with section 317 of the German Commercial Code (HGB).

II. SELECTED CONSOLIDATION AND ACCOUNTING PRINCIPLES

Apart from the standards, interpretations and amendments to be applied for the first time in the financial year, the Aladdin Group has not made any significant changes to its accounting policies.

A. Accounting pronouncements issued by the IASB and adopted for the first time

Accounting standards issued by the IASB and applied for the first time		
Standard	New or amended standards and interpretations and significant content	Obligation to apply EU
IFRS 4	Postponement of the application of IFRS 9	01.01.2021
IFRS 9, IFRS 7, IFRS 16 and IAS 39	Changes due to the "Interest Rate Benchmark Reform" (Phase 2)	01.01.2021

The new or amended standards have no or no material impact on the interim consolidated financial statements of the Aladdin Group.

B. Accounting standards issued by the IASB that have not yet been applied

The following table presents the standards issued by the IASB that have not yet been applied and are relevant to the financial statements.

The following table presents the standards issued by the IASB that have not yet been applied and are relevant to the Group.

Accounting standards issued by the IASB that have not yet been applied		
Standard	New or amended standards and interpretations	Initial application date envisaged by the IASB
IAS 1	Changes in the classification of liabilities as current or non-current and disclosure of significant accounting policies	01.01.2023
IAS 8	Definition of accounting estimates	01.01.2023
IAS 12	Deferred taxes at the time of addition of an asset or liability	01.01.2023
IFRS 3	Reference to the framework concept	01.01.2022
IAS 16	Changes to proceeds prior to intended use	01.01.2022
IAS 37	Amendments Adverse contracts - Costs of performance of contracts	01.01.2022
IFRS 17	Insurance contracts	01.01.2023
Various	Annual Improvement Project Cycle 2018-2020	01.01.2022

The Aladdin Group does not exercise the right of voluntary early adoption of the standards issued by the IASB before their mandatory adoption. No material impact on the interim consolidated financial statements is expected.

C. Consolidation principles

The consolidated financial statements include the financial statements of Aladdin SE and its subsidiaries prepared in accordance with uniform accounting policies. Subsidiaries controlled by Aladdin SE are fully consolidated. Aladdin SE controls an entity when it is exposed, or has rights, to variable returns and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Business combinations are generally accounted for using the purchase method. Within the scope of capital consolidation, the acquisition costs of the acquired shares are offset against the equity of the subsidiaries attributable to the Group. The identifiable net assets acquired and the consideration transferred are generally measured at fair value. Any positive difference between the acquisition cost of the acquired shares and the identifiable net assets arising on initial consolidation is recognised as

goodwill. Goodwill is tested annually for impairment. Any negative difference is recognised immediately in profit or loss after a further review of all valuations.

Consolidation of liabilities, expenses and income and elimination of intercompany results

All intra-group receivables and liabilities as well as **expenses and income** are eliminated within the scope of **debt** and expense **consolidation**. Intercompany results from intra-Group transactions are also eliminated.

D. Use of judgements and estimates

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions by management that relate to the amount and disclosure of recognised assets and liabilities, income and expenses and the disclosure of contingent liabilities are necessary when preparing the consolidated financial statements in accordance with IFRS. Assumptions and estimates have an influence on the valuation of assets, provisions and liabilities in the consolidated financial statements, particularly with regard to the recognition criteria and accounting regulations for intangible assets, the recoverability of financial assets and the resulting value adjustments, the determination of useful lives and the recognition and valuation of other provisions.

The assumptions and estimates are based on the circumstances and knowledge at the balance sheet date. The forward-looking assumptions and estimates as at the balance sheet date take into account the expected future business development, the circumstances prevailing at the time of the preparation of the consolidated financial statements and the future development of the global and industry-specific environment that is assumed to be realistic. Developments in these general conditions that deviate from the assumptions and are beyond the management's control may cause the actual amounts to deviate from the estimated values. In the event of such a development, the assumptions and, if necessary, the carrying amounts of the assets and liabilities concerned are adjusted to the new level of knowledge.

Management has prepared the consolidated financial statements on the assumption that Aladdin SE and its subsidiaries will continue as a going concern. Please refer to section III.3. of the combined group management report for information on the risks to the Group as a going concern. In this respect, in the opinion of the legal representatives, there is a material uncertainty in connection with events or circumstances that may cast significant doubt on the Group's ability to continue as a going concern, so that the Group may not be able to realise assets and settle liabilities in the ordinary course of business.

E. Segment reporting

During the reporting period, the Group had only one reportable segment - the provision of software solutions for the secure storage and management of health information using blockchain technology. The internal management of business activities was not separated by products, services or geographical markets during the reporting period. Currently, all significant operational business activities are bundled in Aladdin Ltd UK.

F. Accounting and valuation principles

Apart from the standards, interpretations and amendments to be applied for the first time in the financial year, the Aladdin Group has not made any significant changes to its accounting policies.

Currency conversion

The consolidated financial statements are prepared in euros, the functional currency of the parent company.

Foreign currency transactions are generally translated into the functional currency by Group companies at the time of the transaction using the applicable spot rate.

Monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at each reporting date using the closing spot rate. Differences arising from the settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The assets and liabilities of the foreign subsidiaries are translated into euros at the closing rate on the balance sheet date. Equity was translated at the historical rate. Income and expenses are translated at the average exchange rate for the year. The translation differences resulting from the translation are recognised in other comprehensive income.

The following exchange rates were used:

Year	EUR/GBP		GBP/EUR	
	Mean value	Deadline	Mean value	Deadline
2019	0,87702	0,84636	1,14022	1,18152
2020	0,88970	0,89903	1,12397	1,11231
June 2021	0,85872	0,85805	1,16452	1,16543

Revenue recognition

If the Group grants customers the right to the intellectual property and to participate in changes to the property (dynamic licence), the revenues are recognised over time. If, on the other hand, the right to use intellectual property is granted to customers under a licence agreement (static licence), revenue is recognised at the beginning of the licence period. The application of these rules depends on the respective facts and circumstances in the contract with a customer and will require discretionary decisions. No revenue was generated in the financial year or the previous year.

III. NOTES TO THE ITEMS OF THE CONSOLIDATED BALANCE SHEET AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

A. Balance sheet

Assets

Non-current assets

(1) Property, plant and equipment

This item mainly includes office furniture and equipment. The Aladdin Group leases buildings (office space). The term of the lease is 2 years. The depreciation on the rights of use is included in the item other operating expenses in the income statement.

(2) Investments and other financial assets

Unquoted shares valued at cost amounting to 2% of the share capital of CorLife Limited, Margate, United Kingdom, held by Aladdin Ltd. are reported as investments.

In the 2019 financial year, an impairment loss of EUR 1,517,487 was recognised on original long-term loans receivable from Aladdin Intel Ltd, Hong Kong (not a related party). The impairments are related to the failed cooperation with Shenzhen Guoyihui Hospital Management Co, Shenzhen, PRC. Therefore, management believes that it is unlikely that further cash flows will flow back to the Group.

Current assets

(3) Other assets

As in the previous year, the other assets consist mainly of tax receivables relating to other periods from fiscal subsidies for research and development expenses within the framework of the English taxation procedure.

(4) Cash and cash equivalents

Bank balances in Germany, England and China are reported.

Liabilities

Equity

(5) Subscribed capital

The subscribed capital of Aladdin SE amounts to EUR 11,458,238 as of 30 June 2021 (previous year: EUR 11,450,000), divided into 11,458,238 no-par value bearer shares with a notional value of € 1. The subscribed capital is fully paid up. Each share grants one voting right.

Based on the authorisation contained in § 4 of the Articles of Association of 7 March 2018, an increase of the share capital by EUR 8,238 was carried out in the 2020 financial year. The shares were issued at a price of EUR 5.90. By resolution of the Board of Directors on 6 April 2020, the Articles of Association were amended in § 4 (share capital, authorised capital) (Authorised Capital 2018/I). The capital increase was entered in the commercial register on 14 May 2020. After partial utilisation, the authorised capital still amounts to EUR 5,716,762. The authorisation expires on 13 March 2023 (Authorised Capital 2018/I).

(6) Capital reserve

The negative capital reserve amounts to EUR -3,607,022 as of 30 June 2021 (previous year: EUR -3,623,367). It results from the contribution of all shares in Aladdin Ltd. UK in March 2018, which was accounted for as a reverse asset acquisition, as well as the changes due to the capital increase of Aladdin SE carried out in spring 2020.

(7) Revenue reserves and other reserves

Retained earnings include the accumulated results and amount to EUR -10,232,756 (previous year: EUR -10,635,595) as of the balance sheet date. Other reserves include currency differences from the translation of the financial statements of Aladdin Ltd. UK and Aladdin China and amount to EUR -156,280 (previous year: EUR 84,324) as of the balance sheet date.

(8) Non-controlling interests

The non-controlling interests relate to the 49% interest held by non-Group shareholders in Aladdin China.

Long and short-term debt

(9) Other financial liabilities

As at 30 June 2021, other non-current financial liabilities mainly consist of a long-term loan payable to (EUR 44,000), lease liabilities (EUR 12,000) and shareholder loans (EUR 39,000) and other current financial liabilities consist of lease liabilities (EUR 64,000) and shareholder loans plus accumulated interest liabilities (EUR 2,332,000). The loans granted by shareholders in 2019 generally bear interest at 8% p.a. The short-term loans including the accumulated interest are generally due in mid-2021.

(10) Trade payables and other liabilities

This item mainly includes trade payables. The trade payables and other liabilities have a remaining term of up to one year.

(11) Provisions

The (current) provisions consist of provisions for closing and audit costs and other provisions. The other provisions were mainly created for the estimated expenses for legal and consulting costs, for market and equity research as well as for administrative fines for the late disclosure of the annual and consolidated financial statements for 2019.

B. Consolidated statement of comprehensive income

(1) Revenues

In the first half of 2021, revenue of €490 k was generated with a customer based in the PRC (first half of 2020: €0 k).

(2) Other operating income

The other operating income in the first half of 2021 in the amount of EUR 209,000 (previous year: EUR 0) resulted from income from currency translation. There was no income in 2020 so far.

(3) Other operating expenses

Other operating expenses mainly consist of research and development expenses, personnel expenses, legal and consulting costs, financial statement and audit costs and IT costs.

4) Impairment losses from financial assets

The impairment losses in 2019 amounting to EUR 1,532,169 (previous year: EUR 0) result from the impairment of the loan receivable from Aladdin Intel Ltd, Hong Kong, amounting to EUR 1,517,487 and EUR 14,862 from the impairment of an interest receivable from Aladdin Intel Data Ltd UK.

(5) Financial result

The financial result consists of financial income and financial expenses. The financial expenses mainly result from interest expenses for the loan liabilities.

(6) Income tax income

Aladdin SE's net income for the year is subject to a uniform corporate income tax rate of 15% plus a solidarity surcharge of 5.5%. Combined with a trade tax burden of 15.4% (previous year: 15.4%), this results in a combined income tax rate for the Group in Germany of 31.2% (previous year: 31.2%). The income tax rate for Aladdin Ltd. is 19%.

The income tax refunds in 2020 result from tax benefits for research and development costs in 2019 (previous year: tax benefits for research and development costs in 2018). The deferred tax expense corrects the non-recoverable deferred tax assets on capital increase costs.

At Aladdin SE, no deferred tax assets were recognised for domestic corporate tax loss carryforwards of EUR 3,562,014 (previous year: EUR 3,232,353) and trade tax loss carryforwards of EUR 3,562,014 (previous year: EUR 3,232,353) due to a lack of sufficient certainty that they will be realised. The foreign loss carryforwards for which no deferred tax assets were recognised amounted to EUR 3,642,761 (previous year: EUR 3,660,103) at the balance sheet date. All loss carryforwards cannot expire under the current legal situation.

(6) Earnings per share

The weighted average number of shares for the calculation of basic and diluted earnings per share as at 30 June 2021 is 11,458,238 shares (previous year's period: 11,452,660 shares).

IV. OTHER DISCLOSURES AND EXPLANATIONS

A. Other financial obligations and contingent liabilities

Other financial obligations from long-term contracts with the exception of leasing (KEUR 76) or contingent liabilities do not exist as of the balance sheet date.

B. Additional disclosures on financial instruments

Carrying amounts, valuations and fair values by class and measurement category

	Carrying amount 30.6.2021/ 31.12.2020 EUR	Amortised acquisition cost EUR	At fair value through profit or loss EUR	At fair value through other comprehensive income	Fair value 30.6.2021/ 31.12.2020 EUR
30 June 2021					
Assets					
<u>Cash and cash equivalents</u>	340.695	340.695	-	-	340.695
<u>Other financial assets</u>					
- Investments	117.221	-	117.221	-	117.221
- Other financial assets	-	-	-	-	-
Liabilities					
<u>Debt instruments</u>					
- Trade payables and other liabilities	248.440	248.440	-	-	248.440
- Other financial liabilities	2.486.810	2.486.810	-	-	2.486.810
31 December 2020					
Assets					
<u>Cash and cash equivalents</u>	126.227	126.227			126.227
<u>Other financial assets</u>					
- Investments	111.231		111.231		111.231
Liabilities					
<u>Debt instruments</u>					
- Trade payables and other liabilities	294.224	294.224			294.224
- Other financial liabilities	2.488.479	2.488.479			2.488.479
- Leasing liabilities	99.488	99.488			99.488
31 December 2020					

All recognised financial assets and liabilities are allocated to level 3 in the fair value measurement classification, as there are no input parameters observable on the market. For all current financial assets and liabilities as well as investments, the acquisition costs represent the best possible estimate of the fair value. Due to the risk-adequate interest rate of the non-current financial liabilities, the book value also corresponds to the fair value.

C. Cashflow statement

The Cashflow statement was prepared in accordance with IAS 7 and shows the cash flows from operating activities, investing activities and financing activities.

The financial resources consist of bank balances and cash in hand.

The Cashflow from operating activities eliminates non-cash expenses and income. Cashflow from operating activities is presented using the indirect method.

The Cashflow from investing activities contains the cash-effective investments and disinvestments in property, plant and equipment and financial assets. The Cashflow from investing activities is presented using the direct method.

Cashflow from financing activities includes borrowings and repayments of financial liabilities and, in the previous year, payments received from the capital increase at Aladdin Ltd. Cashflow from financing activities is presented using the direct method.

The non-cash changes in the first half of 2021 are mainly due to exchange rates and interest liabilities.

D. Management and Board of Directors

The **Managing Director shall** conduct the business of the Company in accordance with the law, the Articles of Association of the Company, the rules of procedure for the Managing Director and taking into account the resolutions of the General Meeting. He, shall represent the Company vis-à-vis third parties.

During the reporting period, the business of the Company was conducted by Mr Wade Menpes-Smith. The Managing Director can be contacted at the Company's business address, Unter den Linden 10, 10117 Berlin.

Mr Menpes-Smith does not receive any remuneration for his work as Managing Director of Aladdin SE. No post-employment or termination benefits, share-based payments or other long-term benefits have been agreed.

The **Board of Directors** consists of three members who are elected by the Annual General Meeting. The Board of Directors is appointed until the end of the Annual General Meeting which decides on the discharge for the fourth financial year. The Board of Directors is responsible for supervising the management of the Company by the Managing Director.

The Board of Directors comprised the following persons during the reporting period:

- Wade Menpes-Smith, London/UK (Chairman of the Board)
- Bimal Shah, London/UK (Vice Chairman of the Board)
- Alexander Badenoch, London/UK (until 12 November 2020)
- Hamish Badenoch, London/UK (from 12 November 2020)

As the Board of Directors of the Company consists of only three members, no committees have been formed to date. The members of the Board of Directors can be reached at the Company's business address, Unter den Linden 10, 10117 Berlin.

In the reporting period and in the 2020 and 2019 financial years, no compensation was agreed with members of the Board of Directors for Board activities, benefits after or on the occasion of the termination of employment relationships, share-based payments or other benefits due in the long term.

E. Information on relationships with related persons and companies

The majority of transactions with related parties take place with the members of the executive bodies or the companies of the members of the executive bodies and the Badenoch family.

Information on related parties of Aladdin SE, Berlin:

Name of related persons and companies	Relationship	Seat
Mr Wade Menpes-Smith	Managing Director and shareholder of Aladdin SE, Berlin, directly and indirectly via Aladdin Intel Data Ltd, London and 5 Mobile Technology Ltd.	London
Aladdin Intel Data Ltd, London, 5 Mobile Technology Ltd; London Mind Rank Ltd AI, Hong Kong	Companies controlled by Mr Wade Menpes-Smith that provide consulting and research and development services to Aladdin SE and Aladdin Ltd UK	London or Hong Kong
Mr Bimal Shah	Deputy Chairman of the Board of Directors Aladdin SE, Berlin and indirectly via Elemental Concept 2016 Ltd, London Shareholder of Aladdin SE, Berlin	London
Elemental Concept 2016 Ltd.	Shareholder and company controlled by Mr Shah, which provides consultancy and research and development services to Aladdin SE and Aladdin Ltd UK.	London
Badenoch Family (Mrs Minnie Dara Badenoch, Mrs Amelia Badenoch, Hamish Badenoch, James Badenoch, R&H Trust Co (Jersey) Ltd)	Shareholders and lenders of Aladdin SE, Berlin	London or Jersey
Management in key positions	Managing Director of Aladdin Ltd UK	London

For the remuneration and other direct and indirect benefits to the members of the executive bodies, please also refer to section IV. D. and to the consolidated financial statements as at 31 December 2020.

F. Employees

The Aladdin Group employed an average of 3 (prior year period: 3) employees including the Managing Director at Aladdin Ltd. during the half year 2021 and the financial year 2020.

G. Events after the balance sheet date

By resolution of the Annual General Meeting of 1 July 2021, the Board of Directors was authorised to issue bonds with warrants or convertible bonds. The share capital of the Company is thereby conditionally increased by up to EUR 4,583,295.00 through the issue of up to 4,583,295 new no-par value bearer shares (Conditional Capital 2021/I).



By resolution of the Annual General Meeting of 1 July 2021, the share capital of the Company was conditionally increased by up to EUR 1,145,823.00 by issuing up to 1,145,823 new no-par value bearer shares of the Company with profit entitlement from the beginning of the financial year in which they are issued (Conditional Capital 2021/II). The conditional capital 2021/II serves to fulfil exercised subscription rights granted on the basis of the authorisation of the Annual General Meeting of 1 July 2021 for the granting of share options within the framework of a remuneration system up to and including 1 July 2023.

Berlin, 31 October 2021

Wade Menpes-Smith
Executive Director

Responsibility statement by the legal representatives

To the best of my knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company in accordance with German accepted accounting principles, and the interim management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company for the remaining months of the financial year.

Berlin, 31 October 2021

Wade Menpes-Smith

Managing Director