



Prospectus

for the admission to trading on the regulated market of the Dusseldorf Stock Exchange
(*Börse Düsseldorf*)

of 11,450,000 existing no-par value bearer shares, each with a notional value of € 1.00 representing the entire share capital of

Aladdin Blockchain Technologies Holding SE

Berlin

comprising of

6,447,000 shares with full dividend rights from 1 January 2017
ISIN: DE000A12ULL2, WKN: A12ULL
and

3,853,000 shares with full dividend rights from 1 January 2017,
currently assigned ISIN DE000A2LQ7Y5, WKN A2LQ7Y and currently blocked from trading on a
stock exchange through to a lock note entered on the global share certificate
(*börsliche Veräußerungssperre*) until 31 December 2018,
to be included in the ISIN DE000A12ULL2, WKN A12ULL from 1 January 2019, or such earlier
date on which the lock note entered on the global share certificate has been cancelled
and

1,150,000 shares with full dividend rights from 1 January 2018 and currently assigned ISIN:
DE000A2G8XZ8 and WKN: A2G8XZ, to be included in the ISIN DE000A12ULL2, WKN A12ULL
on the day after the ordinary general meeting for the financial year 2018 took place, presumably
on or around 30 November 2018.

Prospectus dated 21 September 2018

Listing Agent

Small & Mid Cap Investmentbank AG

Munich

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1. SUMMARY OF THE PROSPECTUS

Summaries are made up of disclosure requirements known as elements (“**Elements**”). These Elements are numbered in sections A - E (A.1 to E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the Summary with the mention of “not applicable”.

A - Introduction and Warnings

A.1 Warnings

This summary should be read as an introduction to this prospectus. Any decision to invest in the securities should be based on consideration on the prospectus as a whole by the investor.

If any claims are asserted before a court of law based on the information contained in this prospectus, the investor appearing as plaintiff may have to bear the costs of translating the prospectus prior to the commencement of the court proceedings pursuant to the national legislation of the member states of the European Economic Area.

Aladdin Blockchain Technologies Holding SE, Unter den Linden 10, 10117 Berlin, Germany (the “**Company**”, and, together with its subsidiary, “**Aladdin**” or the “**Group**”), together with Small & Mid Cap Investment Bank AG, Barer Straße 7, 80333 Munich, Germany (“**S&MC**” or the “**Listing Agent**”), have assumed responsibility for the content of this summary including its German translation pursuant to Sec. 5 (2b) no. 4 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*). Those persons who have assumed responsibility for the summary including any translation thereof or who have caused its issuing (*von denen der Erlass ausgeht*), can be held liable but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this prospectus or if it does not provide, when read together with other parts of this prospectus, all necessary key information.

A.2 Consent

Not applicable. Consent regarding the use of this prospectus for a subsequent resale or placement has not been granted.

B - Issuer

B.1 Legal and commercial name.

Aladdin Blockchain Technologies Holding SE is the legal name of the Company. It primarily operates under the commercial name "Aladdin".

B.2 Domicile and legal form, legislation under which the issuer operates and country of incorporation.

The Company has its legal seat in Berlin, Germany. Its registered office is at Unter den Linden 10, 10117 Berlin, Germany. It is registered with the commercial register of the local court (*Amtsgericht*) of Charlottenburg, Germany, under the number HRB 173762. The Company is a European company (*Societas Europaea, SE*) incorporated in Germany and governed by German law.

B.3 Current operations and principal business activities and of the principal markets in which the issuer competes.

Aladdin is an early-stage software company developing technology for the healthcare industry.

Aladdin Blockchain Technologies Ltd. ("**Aladdin Ltd.**"), the Group's operational subsidiary, has 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 before. Through this transaction, the founder of Aladdin Ltd. and CEO of the Company, Mr. Wade Menpes-Smith, became the Company's largest shareholder.

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. Therefore the Company intends to build a healthcare ecosystem made up of patients, healthcare providers, insurers and pharmaceutical companies, where Aladdin's software technologies shall help the participants work more efficiently and cost effectively together while putting control in the hands of patients to take charge of their own health and allowing them easier access to healthcare. The Company's ultimate goal is to improve health outcomes, in particular with respect to largely spread diseases such as diabetes and certain other chronic diseases, through insights gained from the analysis of large volumes of health and lifestyle data.

Aladdin's software solutions are based on the blockchain technology and its principles which Aladdin seeks to introduce to the healthcare

industry in various applications. Aladdin believes that the utilization of mathematical and cryptographic algorithms will engender trust between all involved participants in the healthcare industry by ensuring that shared information is auditable and tamper-proof.

Aladdin is still not generating revenues with its technology and expects first revenues from the licensing of one of its software solutions by the end of 2018. While Aladdin has further identified various routes to monetization it believes that substantial pre-investment in terms of development efforts will be required to attract healthcare market participants to join its envisaged blockchain technology based ecosystem.

With its software solutions, Aladdin currently targets two of the largest healthcare markets in the world, the PR China and India. In the PR China a first application based on Aladdin's technology has currently been soft-launched by two hospitals belonging to Beijing Guo Yi Hui Hospital Group. In India, Aladdin has entered into a co-operation agreement with the online healthcare market provider OurHealthMate with the aim to build a big-data platform for medical records and health data of Indian patients.

B.4a Description of the most significant recent trends affecting the issuer and the industries in which it operates.

Aladdin has identified a number of key trends impacting the health care industry, which it believes drive growth in the key emerging markets it targets:

- Blockchain technology has proven multiple attributes that can enhance healthcare operations, in particular in the areas of: medical data management and data security, medical research, drug development and supply chain integrity, claims and billing management and reduction of administrative costs for billing by eliminating the need for intermediaries with automated activities. The use of blockchain is expected to solve the most widespread problem in healthcare information systems related to interoperability and non-standardization that has created data silos in the industry (Source: Forbes, This Is Why Blockchains Will Transform Healthcare, 2017).
- Aladdin believes that the ongoing digitalisation favours the requirement for improvement in the current organisation of healthcare in the main markets it targets, PR China and India,

to address issues like lack of trust among healthcare participants, data security, patient autonomy and reimbursement procedures.

- Artificial intelligence (AI) and machine learning (ML) become widely accepted in predictive medicine and analysis and develop with substantial speed. A first medical device using artificial intelligence to detect of the eye disease diabetic retinopathy in adults who have diabetes has been permitted in the United States in April 2018 (Source: U.S. Food and Drug Administration, news release dated 11 April 2018).

B.5 If the issuer is part of a group, a description of the group and the issuer's position within the group.

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

B.6 In so far as is known to the issuer, the name of any person who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest.

The following table shows the principal direct and indirect shareholders of the Company based on the Company's best knowledge:

Shareholder	Shareholding in the Company (in %)
Wade Menpes-Smith	41.43 ⁽¹⁾
J.H.B. Beteiligungen GmbH	3.97
Rajinder Sohal	4.98
Alexander Badenoch	5.24
Minnie Dara Badenoch	5.24
Hamish Badenoch	5.24
Amelia Badenoch	5.24
James Badenoch	5.24
R&H Trust Co (Jersey) Ltd ⁽²⁾	9.78
Montrachet Investments S.A.	5.66

Other shareholders ⁽³⁾	7.98
Total	100.00

- ⁽¹⁾ Mr Wade Menpes-Smith holds directly 36.42% of the shares in the Company. In addition, he indirectly holds further 5.01% of the shares in the Company through entities controlled by him as follows: 5 Mobile Technology Limited holds 2.39% of the shares in the Company and Aladdin Intel Ltd holds 2.62% of the shares in the Company.
- ⁽²⁾ R&H Trust Co (Jersey) Ltd holds 9.78% of the shares in the Company as trustee for the benefit of Minnie Dara Badenoch. Due to the legal form of R&H Trust Co (Jersey) Ltd no attribution of voting rights to Minnie Dara Badenoch takes place.
- ⁽³⁾ Other shareholders refer to shareholders holding less than three percent of the shares in the Company. Aggregated percentage given for other shareholders not necessarily equals the free float of the Company which is defined by the relevant stock exchange and may also include shareholders holding more than 3% of the shares in the Company.

Whether the issuer's major shareholders have different voting rights if any.

Not applicable. Each share in the Company carries one vote at the general meeting of the Company's shareholders.

To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control.

The Company is directly controlled by Mr Wade Menpes-Smith, who directly holds 36.42% and indirectly through companies controlled by him additional 5.01% of the voting rights in the Company.

Depending on the level of shareholder attendance at the annual general meetings or extraordinary general meetings of the Company, Mr Wade Menpes-Smith may be able to adopt and implement or prevent the adoption of resolutions which require a simple majority or even higher majorities of the votes cast or the share capital present solely through the exercise of its own votes in the Company. Furthermore, Mr Wade Menpes-Smith may prevent a General Meeting from adopting resolutions which require a qualified majority of the votes cast or the share capital present.

B.7 Selected historical key financial information.

The following selected historical financial information for Aladdin is based on the audited financial statements of Aladdin Blockchain Technologies Holding SE for the fiscal years ended 31 December 2016 and 2017 ("**Financial Statements 2016 and 2017**"). The Fi-

financial Statements 2016 and 2017 were prepared in accordance with German Generally Accepted Accounting Standards (German GAAP) in accordance with the German Commercial Code (HGB). The Financial Statements 2016 and 2017 were audited by Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft (Düsseldorf), Munich office, Nymphenburger Straße 3b, 80335 Munich, Germany, and were issued in each case with an unqualified auditor's report. The Company fulfils the requirements of a small or medium sized enterprise (SME) pursuant to Art. 2 para. 1 letter f of the Prospectus Directive. In accordance with the legal requirements thereunder, the Company has included historical financial information for the previous two financial years in this Prospectus. The Financial Statements 2016 and 2017 only provide very limited information as the operating business of Aladdin in its present form only commenced by the Company's acquisition of all shares in its subsidiary Aladdin Ltd. in March 2018.

The following selected historical financial information for Aladdin is further based on audited financial statements of Aladdin Blockchain Technology Ltd. for the fiscal years ended 31 December 2017 ("**Aladdin Ltd. Financial Statements**"). Aladdin Ltd. Financial Statements were prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted in the European Union. Aladdin Ltd. Financial Statements were audited by MHA MacIntyre Hudson, Chartered Accountants and Statutory Auditors, New Bridge Street House, 30-34 New Bridge Street, London EC4V 6BJ, United Kingdom and were issued with an unqualified auditor's report. As Aladdin Ltd. was only established in November 2017 itself, Aladdin Ltd.'s financial statements only offer a limited amount of information.

Prior to the acquisition of all shares in Aladdin Ltd. in March 2018, Aladdin did not exist as a "group" for the purpose of preparing consolidated financial statements under International Financial Reporting Standards (IFRS). Consequently, the Company does not have consolidated financial statements for the previous fiscal years and has drawn up its financial statements under German GAAP.

Where financial data below is labelled "audited", this means that it has been taken from the audited financial statements mentioned above.

Aladdin Blockchain Technologies Holding SE

The following table provides an overview of the Company's income statement for the periods indicated below:

	For the 12 months ended 31 December	
	2017	2016
	(audited) EUR	(audited) EUR
Other operating expenses	-25,858.66	-95,691.41
Income after taxes	-25,858.66	-95,691.41
Net loss	-25,858.66	-95,691.41
Accumulated loss carried forward	-104,392.31	-8,700.90
Balance-sheet loss	-130,250.97	-104,392.31

The following table provides an overview of the Company's balance sheet as of the dates indicated below:

	As of 31 December	
	2017	2016
	(audited) EUR	(audited) EUR
Assets	6,396,771.46	203,383.69
Current Assets ⁽¹⁾	6,393,127.66	203,383.69
Equity	169,749.03	195,607.69
Subscribed capital	300,000.00	300,000.00
Balance-sheet loss	-130,250.97	-104,392.31
Contributions made towards the authorized capital increase	6,210,000.00	0.00
Accruals	14,530.00	7,776.00
Liabilities	2,492.43	0.00

⁽¹⁾ The line item "Current assets" is not shown as an aggregated figure in the underlying annual financial statements, but instead has been broken down into the line items "Receivables and other assets" and "Bank balances". The respective figure shown in the table above next to "Current Assets" is the sum of the respective line items "Receivables and other assets" and "Bank balances" derived from the underlying financial statements.

The following table shows selected information from the statements of cash flow of the Company for the periods as indicated below.

	For the 12 months ended 31 December	
	2017	2016
	(audited)	(audited)
	kEUR	kEUR
Cash flow from operating activities	-21	-96
Cash flow from financing activities	6,211	0
Cash and cash equivalents at the start of the period	202	298
Cash and cash equivalents at the end of the period	6,392	202

Aladdin Blockchain Technology Ltd.

The following table provides an overview of Aladdin Ltd.'s income statement for the period indicated below:

	For the period ended 31 December 2017 (audited) GBP
Revenue	-
Other operating charges	41,984
Operating Loss	-41,984
Finance Income	-
Finance Expense	-
Loss before tax expense	-41,984
Tax Expense	-
Loss and total comprehensive income for the financial period	-41,984

The following table provides an overview of Aladdin Ltd.'s financial position as of the date indicated below:

	As of 31 December 2017 (audited) GBP
Non-current assets	
Property, plant and equipment	2,092
Intangible assets	863,050
	865,142

Current assets	
Trade and other receivables	8,682
Cash and cash equivalents	-
	8,682
Total assets	873,824
Current liabilities	
Trade and other payables	915,807
Total liabilities	915,807
Net liabilities	(41,983)
Equity	
Share capital	1
Retained earnings	(41,984)
Total equity	(41,983)

The following table shows selected information from the statements of cash flow of Aladdin Ltd. for the period indicated below:

	For the period ended 31 December 2017 (audited) GBP
Net cash inflow from operating activities	424,366
Net cash outflow from investing activities	(865,265)
Net cash inflow from financing activities	440,899

Significant changes to the issuers financial condition and operating results during and subsequent to the period covered by the historical key financial information

Throughout the period covered by the historical key financial information, the Company did not engage in any substantial business activities. In this period, the focus of the Company was the development of a business model and the identification of an opportunity to acquire a company with a suitable business. Thus, Aladdin started business in its present form only recently when the Company acquired all shares in Aladdin Ltd. in March 2018, which were contributed to the Company by way of a capital increase against contribution in kind ("**Aladdin Acquisition**"). To implement the Aladdin Acquisition, the general meeting of the Company resolved to increase the share capital from EUR 1,450,000.00 by an amount of EUR 10,000,000.00 to EUR 11,450,000.00 through the creation and issuance of 10,000,000 ordinary bearer shares with no par value with a notional value of EUR 1.00 each against contribution in kind. The

subscription rights of the existing shareholders of the Company were excluded. The previous shareholders of Aladdin Ltd. subscribed for the new shares at an issue price per new share of EUR 5.3976 and in exchange transferred title in their shares in Aladdin Ltd. to the Company. The Aladdin Acquisition has significantly changed the Company's assets subsequent to the period covered by the historical key financial information.

Since the Aladdin Acquisition, the Company's operating results have been impacted negatively, due to the expenses for ongoing software development incurred by Aladdin Ltd as follows: As Aladdin does not generate any income yet, operating losses per month in the amount of approx. EUR 250,000 occur in line with the business plan of the Company.

This results in a nearly corresponding amount of negative cash flow from operating activities.

Except as mentioned above, no significant change in the financial condition and operating results of the Company has occurred since 31 December 2017.

B.8 Selected key pro
forma financial infor-
mation.

Due to the acquisition of all shares in Aladdin Ltd. by way of capital increase against contribution in kind in March 2018 ("**Aladdin Acquisition**"), the Company has prepared a narrative pro-forma analysis comprising certain consolidated pro-forma information for the statement of income for the period from 1 January 2017 to 31 December 2017 of the Company as well as certain consolidated pro-forma information on the statement of financial position as of 31 December 2017 of the Company (the "**Narrative Pro-Forma Analysis**"). Aladdin Ltd. itself was established in November 2017.

The purpose of the Narrative Pro-Forma Analysis is to present the material effects the completion of the Aladdin Acquisition would have had on:

- certain items of a hypothetical consolidated statement of income based on the historical financial statements of the Company as of and for the fiscal year ended 31 December 2017 if Aladdin had already existed in the structure created

through the completion of the Aladdin Acquisition;

- certain items of a hypothetical consolidated statement of financial position as of 31 December 2017 based on the historical financial statements of the Company as of and for the fiscal year ended 31 December 2017 if Aladdin had already existed in the structure created through the completion of the Aladdin Acquisition.

The Narrative Pro-Forma Analysis has been prepared for illustrative purposes only. Given its nature, the Narrative Pro-Forma Analysis merely describes a hypothetical situation and is based on assumptions, and it therefore does not represent the actual net assets, financial position and results of operations of Aladdin. It is also not intended to forecast the net assets, financial position and results of operations of Aladdin on any future date. The Narrative Pro-Forma Analysis information is only meaningful in conjunction with the financial statements of the Company as of and for the fiscal year ended 31 December 2017 and the financial statements of the Aladdin Ltd. as of and for the fiscal year ended 31 December 2017.

Financial information referred to in the Narrative Pro-Forma Analysis have been determined in accordance with International Financial Reporting Standards (IFRS). Prior to the Aladdin Acquisition, Aladdin did not exist as a "group" for the purpose of preparing consolidated financial statements under IFRS. Consequently, the Company does not have consolidated historical financial statements for the previous fiscal years and has drawn up its individual financial statements under German GAAP. As the Company will prepare consolidated financial statements going forward and will draw these up in the future under IFRS, such consolidated financial statements will not be comparable to the historical financial information of the Company prepared under German GAAP.

For the purposes of the Narrative Pro-Forma Analysis it is been assumed that the Aladdin Acquisition does not meet the requirements of an business combination according to IFRS 3, but instead should be treated for accounting purposes as a reverse asset acquisition to which IFRS 2 applies. This conclusion is based on the assumption that the Company did not form a business within the meaning of IFRS

3 when acquiring all shares in Aladdin Ltd, because it did, prior to the Aladdin Acquisition, not engage in any substantial activity other than the identification of a suitable business. Consequently, for this Narrative Pro-Forma Analysis, Aladdin Ltd. has been treated – solely for accounting purposes - as the accounting acquirer in the Aladdin Acquisition, whereas the Company represents the accounting acquiree. Thus, the Company has applied IFRS 2 to the Aladdin Acquisition as a so called “share-based payment transaction”.

Investors should note that the Narrative Pro-Forma Analysis has not been prepared in accordance with the IDW Accounting Practice Statement: Preparation of Pro Forma Financial Information (*IDW AcPS AAB 1.004*) (*IDW Rechnungslegungshinweis: Erstellung von Pro-Forma-Finanzinformationen (IDW RH HFA 1.004)*) as promulgated by the Institute of Public Auditors in Germany (*IDW, Institut der Wirtschaftsprüfer in Deutschland e.V.*).

The Narrative Pro-Forma Analysis has also neither been audited nor reviewed by an independent auditor. Thus, any pro-forma financial information referred to in the Narrative Pro-Forma Analysis is unaudited.

Narrative Pro-forma analysis of Impact of Aladdin Acquisition on statement of income

Revenues/ Operating Income

In the reporting period, neither the Company nor Aladdin Ltd. generated any revenue or other operating income. This is due to the fact that the Company’s primary business activity in the re-orting period was to identify a suitable business concept and Aladdin Ltd. was only incorporated in November 2017 and is a very early stage technology company. The consolidated pro-forma amount of revenues or other operating income was EUR 0.

Operating Expenses

In the reporting period, the Company incurred operating expenses in the amount of EUR -25,859 and Aladdin Ltd. incurred other operating expenses in the amount of EUR -47,280, resulting in aggregated operating expenses in the amount of EUR -73,139 (net of pro-forma

adjustments). The other operating expenses were increased by pro-forma adjustments with respect to the application of IFRS 2 in connection with the Aladdin Acquisition by EUR -2,101,886, reflecting listing expenses, resulting in a total of operating expenses for Aladdin in the amount of EUR -2,175,025.

Losses/ Earnings before income taxes

In the absence of generated income, the operating expenses resulted in consolidated pro-forma Losses before taxes for Aladdin of EUR -2,175,025 and in a consolidated pro-forma Loss and total comprehensive income for the financial period of EUR -2,175,025 (in each case including pro-forma adjustments).

Loss carry forward

The consolidated pro-forma loss carry forward for Aladdin for the period amounted to EUR -104,392.31 and equals the amount accounted for the period by the Company in its historical financial information.

Narrative Pro-forma analysis of Impact of Aladdin Acquisition on financial position

Non-Current Assets

As of 31 December 2017, the Company had non-current assets in the amount of EUR 925. Had the Aladdin Acquisition occurred at 31 December 2017, the Company had further non-current assets in the form of shares in affiliated companies in the amount of EUR 53,976,000. Within the pro-forma consolidation, adjustments through a consolidation of capital of EUR -53,976,000 were made, resulting in consolidated pro-forma amount of EUR 0 for shares in affiliated companies. In addition, Aladdin Ltd. had non-current assets in the amount of EUR 974,279 relating to property plant and equipment in the amount of EUR 2,355 and intangible assets in the amount of EUR 971,924. This results in a total of consolidated pro-forma non-current assets in the amount of EUR 975,204 as of 31 December 2017 (including pro-forma adjustments).

Current Assets

As of 31 December 2017, the Company had current assets in the

amount EUR 6,392,203 in the form of cash and cash equivalents and other current assets in the amount of EUR 3,644 resulting in total current assets of EUR 6,395,846. Aladdin Ltd. had current assets in the amount of EUR 9,777. This results in consolidated pro-forma current assets in the amount of EUR 6,405,623 as of 31 December 2017.

Equity

The total equity of the Company as of 31 December 2017 was EUR 6,379,749. The total equity of Aladdin Ltd. as of the same date was EUR -47,280. Through the Aladdin acquisition and adjustments made under IFRS 2 within the pro-forma consolidation, the total consolidated pro-forma equity of the Company comprises of consolidated pro-forma subscribed capital of EUR 11,450,000, consolidated pro-forma capital reserve of EUR -2,968,251 and consolidated pro-forma retained earnings of EUR -2,149,167 resulting in a consolidated pro-forma total equity of Aladdin as of 31 December 2017 of EUR 6,332,582 (including pro-forma adjustments).

Subscribed capital

The subscribed capital of the Company was EUR 300,000. Due to the Cash Capital Increase which only became effective on 3 January 2018 and thus was not reflected in the historical financial information in this line item, the subscribed capital was increased by an amount of EUR 1,150,000 to EUR 1,450,000. Through the Aladdin Acquisition, the subscribed capital of the Company was further increased by EUR 10,000,000. Thus the pro-forma subscribed share capital of the Company as of 31 December 2017 was EUR 11,450,000. The subscribed share capital of Aladdin Ltd. had to be eliminated within the pro-forma consolidation. Thus, the consolidated pro-forma subscribed share capital was EUR 11,450,000 as of 31 December 2017.

Capital reserve

As of 31 December 2017, the reclassified capital reserve of the Company including the impact of the Cash Capital Increase was EUR 5,060,000. Through the Aladdin Acquisition, the pro-forma capital reserve of the Company was further increased by EUR 44,000,000 equal to the amount of the issue price of EUR 5.40 per new share

issued in the Aladdin Acquisition less EUR 1.00 per new share which was allocated to the subscribed share capital, resulting, after further adjustments, in a pro-forma capital reserve of the Company of EUR 49,036,000. Aladdin Ltd. had no capital reserve as of 31 December 2017. Through the impact of the Aladdin Acquisition within the pro-forma consolidation and the adjustments made in this respect under IFRS 2 as described in detail above, EUR -52,004,251 were booked against the consolidated capital reserve, resulting in a negative consolidated pro-forma capital reserve of EUR -2,968,251 as of 31 December 2017.

Retained earnings

As of 31 December 2017, the retained earnings of the Company were EUR -130,251. Aladdin Ltd. had retained earnings of EUR -47,280. Through the impact of the Aladdin Acquisition on the pro-forma consolidation and the adjustments made in this respect as described in detail above, the (negative) retained earnings were increased by EUR -1,971,636. This resulted in consolidated pro-forma retained earnings of EUR -2,149,167 as of 31 December 2017.

Non-current liabilities

As of 31 December 2017, the non-current liabilities of the Company were EUR 0. Aladdin Ltd. had also non-current liabilities of EUR 0, which results in consolidated pro-forma non-current liabilities of EUR 0 as of 31 December 2017.

Current liabilities

As of 31 December 2017, the current liabilities of the Company were EUR 17,023 and included other current liabilities of EUR 14,450, trade payables of EUR 1,873, current liabilities to a capital investor of EUR 620 and other current provision of EUR 80. Aladdin Ltd. had trade and other payables in the amount of EUR 1,031,336. This resulted in consolidated pro-forma trade payables of EUR 1,033,209 and consolidated pro-forma current liabilities of EUR 1,048,359 as of 31 December 2017.

Total liabilities

As of 31 December 2017, the total liabilities of the Company were

EUR 17,023. Aladdin Ltd. had total liabilities in the amount of 1,031,336. This resulted in consolidated pro-forma total liabilities of EUR 1,048,359 as of 31 December 2017.

B.9 Profit forecast and estimate.

Not applicable. No profit forecast or estimate is being presented by the Company.

B.10 Qualifications in the audit report on the historical financial information.

Not applicable. There are no qualifications in the audit reports on the historical financial information.

B.11 If the issuer's working capital is not sufficient for the issuer's present requirements, an explanation should be included.

The Company is of the opinion that it does not have sufficient working capital for its present requirements to cover the costs for the next twelve months.

At the current rate of expenditure, Aladdin expects to only have sufficient working capital until the beginning of November 2018. Under the current business planning of the Company and the planned expenditure, primarily relating to costs for software development, the Company estimates a shortfall in working capital for the next twelve months from the date of this Prospectus of approximately EUR 3.5 million.

The Company intends to rectify the shortfall in working capital by additional raise of equity financing in the second half of 2018, presumably in October 2018. Therefore, the Company intends to resolve on a capital increase and issue new shares in the Company against cash contributions by making use of its authorised capital under the articles of association, which provides the Company with the flexibility to resolve on a capital increase without convening a shareholders' general meeting. The exact timing and further details of the proposed capital increase have not been set yet and are still under consideration of the Board of Directors of the Company.

Due to the previous success of the Company in raising capital in November 2017 combined with a successful first half year in 2018 in terms of development of its Software solutions, the Company is very confident in its ability to raise the required capital to satisfy its working capital requirements for the next twelve months.

If the Company was not successful in raising additional equity capital

by the issue of new shares from a capital increase against cash contributions in October 2018, the Company would slow down its software development activities resulting in materially less operational expenses. Such slow-down in software development would allow the Company the relative timing until the end of January 2019. If finally, until January 2019 the Company would not be able to secure equity or alternative financing, the Company is likely to have to file for insolvency by the beginning of February 2019. However, the Company believes that this possibility is unlikely.

C - Securities

C.1 A description of the type and the class of the securities being offered and/or admitted to trading.

11,450,000 ordinary bearer shares with no par value (*Stückaktien*), each such share with a notional value of EUR 1.00.

The 11,450,000 ordinary bearer shares represent the entire share capital of the Company, and comprise of:

- 6,447,000 shares with full dividend rights from 1 January 2017 with the ISIN: DE000A12ULL2, WKN: A12ULL, and
- 3,853,000 shares with full dividend rights from 1 January 2017, currently assigned ISIN DE000A2LQ7Y5, WKN A2LQ7Y and currently blocked from trading on a stock exchange through to a lock note entered on the global share certificate (*börsliche Veräußerungssperre*) until 31 December 2018, to be included in the ISIN DE000A12ULL2, WKN A12ULL from 1 January 2019, or such earlier date, on which the lock note entered on the global share certificate has been cancelled, and
- 1,150,000 shares with full dividend rights from 1 January 2018 and currently assigned ISIN: DE000A2G8XZ8 and WKN: A2G8XZ, to be included in the ISIN DE000A12ULL2, WKN A12ULL on the day after the ordinary general meeting for the financial year 2018 took place, presumably on or around 30 November 2018.

Security identification number.

International Securities Identification Numbers (ISIN):

DE000A12ULL2

DE000A2LQ7Y5

DE000A2G8XZ8

German Securities Identification Numbers (*Wertpapierkennnummer* (WKN)):

A12ULL

A2LQ7Y

A2G8XZ

Trading Symbol: NMI

C.2 Currency of the securities issue.

Euro.

C.3 The number of shares issued and fully paid and issued but not fully paid. The par value per share, or that the shares have not par value.

11,450,000 ordinary bearer shares with no par value (*Stückaktien*). Each of the shares in the Company represents a notional share of EUR 1.00 in the share capital of the Company. The share capital has been fully paid in.

C.4 A description of the rights attached to the securities.

Each share in the Company carries one vote at the general meeting of the Company's shareholders. There are no restrictions on voting rights. The 10,300,000 shares with ISIN DE000A12ULL2 and DE000A2LQ7Y5 carry full dividend rights as from 1 January 2017. The 1,150,000 shares with ISIN DE000A2G8XZ8 carry full dividend rights as from 1 January 2018.

C.5 A description of any restrictions on the free transferability of the securities.

Not applicable. The Company's shares are freely transferable in accordance with the legal requirements for bearer shares. There are no prohibitions or restrictions on disposals with respect to the transferability of the Company's shares.

The 3,853,000 shares with ISIN DE000A2LQ7Y5 are blocked from trading on a stock exchange through to a lock note entered on the global share certificate (*börsliche Veräußerungssperre*) until 31 December 2018. Such shares are transferable without any restrictions outside a stock exchange. This lock note will expire by the end of

31 December 2018 and from 1 January 2019 onward; these shares will be included in the existing ISIN DE000A12ULL2 and will be tradeable via the stock exchange, unless the Company and the shareholders holding such shares agree on a cancellation of the lock note to an earlier date, upon which these shares may be included in the ISIN DE000A12ULL2 at an earlier date respectively

C.6 An indication as to whether the securities offered are or will be the object of an application for admission to trading on a regulated market and the identity of all the regulated markets where the securities are or are to be traded.

The Company applied for the admission of its shares to trading on the regulated market segment (*regulierter Markt*) of the Dusseldorf Stock Exchange (*Börse Düsseldorf*) on 19 September 2018. The listing approval for inclusion to trading on the regulated market segment (*regulierter Markt*) of the Dusseldorf Stock Exchange (*Börse Düsseldorf*) is expected to be announced on or around 24 September 2018.

Commencement of trading (*Notierungsaufnahme*) of the Company's shares with ISIN DE000A12ULL2 and DE000A2G8XZ8 on the regulated market segment (*regulierter Markt*) of the Dusseldorf Stock Exchange (*Börse Düsseldorf*) is expected to take place on or around 26 September 2018.

The shares with ISIN DE000A2LQ7Y5 are currently blocked from trading on a stock exchange through to a lock note entered on the global share certificate (*börsliche Veräußerungssperre*) until 31 December 2018. These shares will be included in the ISIN DE000A12ULL2 from 1 January 2019 on and are expected to be traded on the regulated market segment of Dusseldorf Stock Exchange from 2 January 2019 on, unless the Company and the shareholders holding such shares agree on a cancellation of the lock note to an earlier date, upon which these shares may be included in the ISIN DE000A12ULL2 at an earlier date respectively.

C.7 A description of dividend policy.

The Company currently intends to retain all available funds and future earnings, if any, to provide more equity capital to Aladdin Ltd. to support its operations and to position it to grow. The Company currently does not intend to pay cash dividends in the foreseeable future. Any future determination to pay dividends will be made in accordance with applicable laws, and will depend upon, among other factors, the Company's results of operations, financial condition, contractual restrictions and capital requirements. The Company's future ability to pay dividends may be limited by the terms of any future debt or pre-

ferred securities.

D - Risks

D.1 Key information on the key risks that is specific to the issuer or its industry.

An investment in the shares of the Company is subject to risks. The market price of the Company's shares could decline if any of these risks were to materialize, in which case investors could lose some or all of their investment. The following risks, alone or together with additional risks and uncertainties not currently known to Aladdin, or that Aladdin might currently deem immaterial, could materially adversely affect Aladdin's business, financial condition, cash flows, results of operations and the value of the Company's direct interest in Aladdin Ltd.

Risks Related to the Business of Aladdin

- Aladdin's continued existence depends on its ability to raise substantial additional equity financing in the second half of 2018. If the Company fails to do so, the Company might have to file for insolvency in which case investors will lose all of their investment in the Company.
- Aladdin has so far only generated losses and has not yet generated any revenues. If Aladdin is unable to generate revenues or to raise additional funds until the break-even point, Aladdin may be forced to liquidate or file for bankruptcy.
- There is no guarantee that there is a market for Aladdin's software solutions at all.
- The success of Aladdin's business model highly 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 might become impossible.
- Aladdin may face intense competition and may fail if its competitors provide superior offerings or if Aladdin does not adapt to changing market environments.

- Aladdin may not receive significant revenues from its software development efforts, if at all.
- The loss of one or more key employees could harm Aladdin's business.
- Aladdin is dependent on the software development company Elemental Concept 2016 Limited it has partnered with on its software development activities.
- Aladdin is subject to material related party conflicts relating to its software development.
- If Aladdin fails to attract and retain additional qualified personnel it may be unable to execute its business strategy.
- Aladdin does not have an ownership interest in the company that is intended to implement parts of its business model in the Chinese market and thus relies on the performance of its business partners under the agreements entered into.
- The use of the "Aladdin" brand name by Aladdin may infringe rights of third parties. If such third parties take actions against Aladdin using the "Aladdin" brand name, this may force Aladdin to change its legal name and its commercial name and abstain from using the brand. This may result in a loss of reputation with business partners, re-branding expenses and might in addition give rise to damage claims resulting in substantial payment obligations of Aladdin.
- If Aladdin's security measures are breached or unauthorised access to customer data is otherwise obtained Aladdin may incur significant liabilities.
- 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.

- Aladdin is subject to substantial currency risks associated with changes in currency exchange rates which may increase along with its intended further international growth.
- Aladdin may not be able to prevent others from unauthorized use of its intellectual property, which could harm its business and competitive position.
- Security breaches and attacks against Aladdin's systems and network and any potential resultant breach or failure to otherwise protect confidential and proprietary information, could damage Aladdin's reputation and adversely affect its business, financial condition and results of operations.
- Aladdin's business could be disrupted by network interruptions.
- Customer growth and activity on mobile devices depends upon effective use of mobile operating systems, networks and standards that Aladdin does not control.
- 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.
- The Company's ability to raise capital in the future could be limited.
- Due to the recent start of the operations of the Company the historical financial information of Aladdin presented in this Prospectus are not meaningful and will not be comparable to Aladdin's results as a consolidated company going forward.
- The results of the "Brexit" referendum and the announcement of the United Kingdom to withdraw from the European Union have caused and may continue to cause significant political and economic uncertainty in the European Union, and may cause negative impacts on Aladdin's business.

Legal and Regulatory Risks

- 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 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.
- Aladdin's risk management and compliance controls and procedures may prove to be inadequate and may fail to prevent or detect corruption, fraud or other criminal or unauthorised behaviour.

D.3 Key information on the key risks that is specific to the securities.

Risks Relating to the Shares, the Admission and the Shareholder Structure

- Following the Listing, Mr Wade Menpes-Smith, the Company's managing director and a member of the board of directors of the Company, will retain a significant interest in the Company and his interests may conflict with those of the Company's other shareholders.
- The Company does not expect to pay any dividends in the foreseeable future which may result in the return on investments in the shares of the Company by a prospective investor being limited.
- The Company is a holding company with no material business operations of its own and relies on the operating subsidiary, Aladdin Blockchain Technologies Ltd. to provide the Company with the funds required to meet its financial obligations and make dividend payments, if any.
- The shares of the Company have not been previously publicly traded on a regulated market, and there is no guarantee that an active and liquid market for the Shares will develop or continue following the admission to trading on the regulated market.

- The share price could fluctuate significantly, and investors could lose all or part of their investment.
- Future offerings of equity securities by the Company could adversely affect the market price of the shares, and future capitalisation measures could substantially dilute the interests of the Company's existing shareholders.
- Future sales by the Company's existing shareholders could depress the price of the shares.
- Shareholders outside of Germany may not be able to participate in future rights offerings.
- If analysts do not publish research or reports about the Group or if they downgrade their recommendation with regard to the Company's shares, the share price or trading volume could decline.

E - Offer

E.1 The total net proceeds and an estimate of the total expenses of the listing, including estimated expenses charged to the investor by the issuer or the offeror.

Not applicable. This prospectus does not relate to an offering of shares.

The costs related to the listing of the shares are expected to total approximately EUR 200,000.

Investors will not be charged expenses by the Company or S&MC.

E.2a Reasons for the offering.

Not applicable. This prospectus does not relate to an offering of shares.

Use of proceeds, estimated net amount of the proceeds.

Not applicable. This prospectus does not relate to an offering of shares. Accordingly, neither the Company nor any shareholder of the Company will receive any proceeds from the issuance of shares.

E.3 A description of the terms and conditions of the offer.

Not applicable. This prospectus does not relate to an offering of shares.

E.4 A description of any interest that is material to the issue/offer including conflicting interests.

S&MC has entered into a listing agreement with the Company in connection with the listing of the Company's shares on the regulated market segment (*regulierter Markt*) of the Dusseldorf Stock Exchange (*Börse Düsseldorf*). S&MC is advising the Company on the listing and is coordinating the listing process. S&MC will receive a customary fixed commission for such services.

Other than the interests described above, there are no other interests or potential conflicts of interest known to the Company that are material to the admission.

E.5 Name of the person or entity offering to sell the security.

Not applicable. This prospectus does not relate to an offering of shares.

Lock-up agreements: the parties involved; and indication of the period of the lock up.

The shareholders holding the 1,150,000 shares with ISIN DE000A2G8XZ8 have agreed with the Company that such shares may not be sold on a stock exchange until 31 December 2018.

The shareholders holding the 3,853,000 shares with ISIN DE000A2LQ7Y5 have agreed with the major shareholder of the Company, Mr. Wade Menpes-Smith, not to sell their shares until 31 December 2018.

E.6 The amount and percentage of immediate dilution resulting from the offer. In the case of a subscription offer to existing equity holders, the amount and percentage of immediate dilution if they do not subscribe to the new offer.

Not applicable. This prospectus does not relate to an offering of shares.

E.7 Estimated expenses charged to the investor by the issuer or the offeror.

Not applicable. Investors will not be charged expenses by the Company or S&MC.

2. GERMAN TRANSLATION OF THE SUMMARY OF THE PROSPECTUS / ZUSAMMENFASSUNG DES PROSPEKTS

Zusammenfassungen bestehen aus geforderten Angaben, die als Elemente („**Elemente**“) bezeichnet werden. Diese Elemente sind in den Abschnitten A - E (A.1 - E.7) fortlaufend nummeriert. Diese Zusammenfassung enthält alle Elemente, die für die vorliegende Art von Wertpapier und Emittent in eine Zusammenfassung aufzunehmen sind. Da einige Elemente nicht behandelt werden müssen, können in der Nummerierungsreihenfolge Lücken auftreten. Selbst wenn ein Element wegen der Art des Wertpapiers und des Emittenten in die Zusammenfassung aufgenommen werden muss, ist es möglich, dass in Bezug auf dieses Element keine relevanten Informationen gegeben werden können. In solchen Fällen enthält die Zusammenfassung eine kurze Beschreibung des Elements mit dem Hinweis „Entfällt“.

A - Einleitung und Warnhinweise

A.1 Warnhinweise Diese Zusammenfassung sollte als Einführung zu diesem Prospekt verstanden werden. Der Anleger sollte jede Entscheidung zur Anlage in die Wertpapiere auf die Prüfung des gesamten Prospekts stützen.

Für den Fall, dass vor einem Gericht Ansprüche auf Grund der in diesem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger in Anwendung der einzelstaatlichen Rechtsvorschriften der Staaten des Europäischen Wirtschaftsraums die Kosten für die Übersetzung des Prospekts vor Prozessbeginn zu tragen haben.

Aladdin Blockchain Technologies Holding SE, Unter den Linden 10, 10117 Berlin, Deutschland (die „**Gesellschaft**“, zusammen mit ihrer Tochtergesellschaft „**Aladdin**“ oder die „**Gruppe**“), zusammen mit Small & Mid Cap Investment Bank AG, Barer Straße 7, 80333 München, Deutschland („**S&MC**“ oder „**Listing Agent**“), haben nach § 5 Abs. 2b Nr. 4 des Wertpapierprospektgesetzes die Verantwortung für den Inhalt dieser Zusammenfassung einschließlich der deutschen Übersetzung hiervon übernommen. Diejenigen Personen, die die Verantwortung für die Zusammenfassung einschließlich etwaiger Übersetzungen hiervon übernommen haben oder von denen der Erlass ausgeht, können haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen des Prospekts

gelesen wird oder sie, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, nicht alle erforderlichen Schlüsselinformationen vermittelt.

A.2 Zustimmung

Entfällt. Eine Zustimmung zur Verwendung des Prospekts für eine spätere Weiterveräußerung oder Platzierung der Aktien wurde nicht erteilt.

B - Emittent

B.1 Juristische und kommerzielle Bezeichnung des Emittenten.

Die juristische Bezeichnung der Gesellschaft ist Aladdin Blockchain Technologies Holding SE. Sie betreibt ihre Geschäfte in erster Linie unter der kommerziellen Bezeichnung „Aladdin“.

B.2 Sitz und Rechtsform des Emittenten, das für den Emittenten geltende Recht und Land der Gründung der Gesellschaft.

Der eingetragene Sitz der Gesellschaft befindet sich in Berlin, Deutschland. Ihre Geschäftsanschrift ist Unter den Linden 10, 10117 Berlin, Deutschland. Sie ist eingetragen im Handelsregister des Amtsgerichts Charlottenburg unter der Nummer HRB 173762. Die Gesellschaft ist eine Europäische Gesellschaft (*Societas Europaea, SE*) mit Sitz in Deutschland und unterliegt deutschem Recht.

B.3 Art der derzeitigen Geschäftstätigkeit und Haupttätigkeiten des Emittenten samt der hierfür wesentlichen Faktoren, wobei die Hauptprodukt- und/oder -dienstleistungskategorien sowie die Hauptmärkte, auf denen der Emittent vertreten ist, anzugeben sind.

Aladdin ist ein junges Softwareunternehmen, das Technologien für das Gesundheitswesen entwickelt.

Die operative Tochtergesellschaft Aladdin Blockchain Technologies Ltd. („**Aladdin Ltd.**“) wurde im November 2017 gegründet und im März 2018 von der Gesellschaft erworben. Die Gesellschaft fungiert als Holdinggesellschaft und hatte zuvor keine wesentlichen Geschäftsaktivitäten. Durch diese Transaktion wurde der Gründer der Aladdin Ltd. und CEO der Gesellschaft, Herr Wade Menpes-Smith, zum größten Aktionär der Gesellschaft.

Durch den Einsatz von Technologien wie Blockchain, maschinelles Lernen und erweiterte prädiktive Analysen ist Aladdin bestrebt, die Art und Weise, wie Gesundheitsdaten sicher gespeichert und verwaltet werden, zu verändern. Die Gesellschaft beabsichtigt, ein Ökosystem im Gesundheitswesen aufzubauen, das sich aus Patienten, Gesundheitsdienstleistern, Versicherern und Pharmaunternehmen zusammensetzt, in dem die Softwaretechnologien von Aladdin den Teilnehmern helfen sollen, effizienter und kostengünstiger zusammenzuarbeiten.

ten und gleichzeitig die Kontrolle über ihre Gesundheit in die Hände der Patienten zu legen und ihnen einen leichteren Zugang zur Gesundheitsversorgung zu ermöglichen. Oberstes Ziel der Gesellschaft ist die Verbesserung der Gesundheit von Patienten, insbesondere im Hinblick auf weit verbreitete Krankheiten wie Diabetes und bestimmte andere chronische Krankheiten, durch Erkenntnisse aus der Analyse großer Mengen von Gesundheits- und sonstigen Lifestyle-Daten.

Die Softwarelösungen von Aladdin basieren auf der Blockchain-Technologie und ihren Prinzipien, die Aladdin in verschiedenen Anwendungen im Gesundheitswesen einführen will. Aladdin ist davon überzeugt, dass der Einsatz von mathematischen und kryptografischen Algorithmen das Vertrauen aller Beteiligten im Gesundheitswesen stärken wird, indem sichergestellt wird, dass geteilte Patientendaten überprüfbar und manipulationssicher sind.

Aladdin erzielt mit seiner Technologie noch keine Umsätze und erwartet erste Umsätze aus der Lizenzierung einer seiner Softwarelösungen bis Ende 2018. Aladdin hat zwar verschiedene Wege zur Monetarisierung seines Geschäftsmodells identifiziert, ist aber der Ansicht, dass erhebliche Vorinvestitionen in die Entwicklung erforderlich sein werden, um Teilnehmer des Gesundheitswesens zu einem Beitritt zum geplanten, auf der Blockchain-Technologie basierenden Ökosystems zu bewegen.

Mit seinen Softwarelösungen zielt Aladdin derzeit auf zwei der größten Gesundheitsmärkte der Welt, die VR China und Indien. In der VR China wurde derzeit eine erste Anwendung auf Basis der Aladdin-Technologie von zwei Krankenhäusern der Beijing Guo Yi Hui Hospital Group in einer Testversion eingeführt. In Indien hat Aladdin eine Kooperationsvereinbarung mit dem Online-Gesundheitsmarktanbieter OurHealthMate abgeschlossen mit dem Ziel, eine große Datenplattform für medizinische Aufzeichnungen und Gesundheitsdaten indischer Patienten aufzubauen.

B.4a Wichtigste jüngste Trends, die sich auf den Emittenten und die Branchen, in denen er tätig ist, auswirken.

Aladdin hat eine Reihe von Schlüsseltrends identifiziert, die sich auf die Gesundheitsbranche auswirken und die ihrer Meinung nach das Wachstum in den wichtigsten Märkten, auf die sie abzielt, vorantreiben:

- Die Blockchain-Technologie zeigt viele Eigenschaften auf, die

den Betrieb im Gesundheitswesen verbessern können, insbesondere in den Bereichen Medizinisches Datenmanagement und Datensicherheit, medizinische Forschung, Arzneimittelentwicklung und Integrität der Lieferkette, Reklamations- und Abrechnungsmanagement sowie Reduzierung der Verwaltungskosten für die Abrechnung durch Wegfall der Notwendigkeit von Vermittlern durch automatisierte Aktivitäten. es wird erwartet, dass der Einsatz der Blockchain das am weitesten verbreitete Problem in den Informationssystemen des Gesundheitswesens lösen kann, nämlich die Interoperabilität und Nicht-Standardisierung, die zu Datensilos in der Branche geführt hat (Quelle: Forbes, This Is Why Blockchains Will Transform Healthcare, 2017).

- Aladdin ist der Ansicht, dass die fortschreitende Digitalisierung die Notwendigkeit einer Verbesserung der derzeitigen Organisation des Gesundheitswesens in den von ihr adressierten Hauptmärkten, der VR China und Indien, begünstigt, um Themen wie mangelndes Vertrauen unter den Teilnehmern des Gesundheitswesens, Datensicherheit, Patientenautonomie und Erstattungsverfahren anzugehen.
- Künstliche Intelligenz (KI) und maschinelles Lernen (ML) setzen sich in der prädiktiven Medizin und Analyse durch und entwickeln sich mit hoher Geschwindigkeit. Ein erstes medizinisches Gerät, das künstliche Intelligenz nutzt, um die Augenkrankheit diabetische Renti-Nopathie bei Erwachsenen mit Diabetes zu erkennen, wurde im April 2018 in den Vereinigten Staaten zugelassen (Quelle: U.S. Food and Drug Administration, Pressemitteilung vom 11. April 2018).

B.5 Ist der Emittent Teil einer Gruppe, Beschreibung der Gruppe und der Stellung des Emittenten innerhalb dieser Gruppe.

Die Gesellschaft ist eine Holdinggesellschaft und die Obergesellschaft der Gruppe. Die einzige Tochtergesellschaft der Gesellschaft ist Aladdin Ltd. Die Gesellschaft hält sämtliche Geschäftsanteile an Aladdin Ltd. Das operative Geschäft der Gruppe wird ausschließlich durch die Aladdin Ltd. durchgeführt.

B.6 Soweit dem Emittenten bekannt,

Die folgende Tabelle zeigt die wesentlichen direkten und indirekten Aktionäre der Gesellschaft basierend auf dem besten Wissen der Ge-

Name jeder Person, die eine direkte oder indirekte Beteiligung am Eigenkapital des Emittenten oder einen Teil der Stimmrechte hält, die/der nach den für den Emittenten geltenden nationalen Rechtsvorschriften meldepflichtig ist, samt der Höhe der Beteiligungen der einzelnen Personen.

Gesellschaft:

Aktionäre	Beteiligung an der Gesellschaft (in %)
Wade Menpes-Smith	41,43 ⁽¹⁾
J.H.B. Beteiligungen GmbH	3,97
Rajinder Sohal	4,98
Alexander Badenoch	5,24
Minnie Dara Badenoch	5,24
Hamish Badenoch	5,24
Amelia Badenoch	5,24
James Badenoch	5,24
R&H Trust Co (Jersey) Ltd ⁽²⁾	9,78
Montrachet Investments S.A.	5,66
Andere Aktionäre ⁽³⁾	7,98
Gesamt	100,00

⁽¹⁾ Herr Wade Menpes-Smith hält unmittelbar 36,42 % der Aktien der Gesellschaft. Darüber hinaus hält er mittelbar 5,01 % der Aktien der Gesellschaft wie folgt durch von ihm kontrollierte Gesellschaften: 5 Mobile Technology Limited hält 2,39 % der Aktien der Gesellschaft und Aladdin Intel Ltd hält 2,62 % der Aktien der Gesellschaft.

⁽²⁾ Die R&H Trust Co (Jersey) Ltd hält 9,78 % der Aktien an der Gesellschaft als Treuhänder zugunsten von Minnie Dara Badenoch. Aufgrund der Rechtsform der R&H Trust Co (Jersey) Ltd erfolgt keine Zurechnung der Stimmrechte an Minnie Dara Badenoch.

⁽³⁾ Andere Aktionäre beziehen sich auf Aktionäre, die weniger als drei Prozent der Aktien an der Gesellschaft halten. Der für andere Aktionäre angegebene aggregierte Prozentsatz entspricht nicht notwendigerweise dem Streubesitz der Gesellschaft, der von der jeweiligen Börse festgelegt wird und auch Aktionäre umfassen kann, die mehr als 3% der Aktien der Gesellschaft halten.

Angabe, ob die Hauptan-

Entfällt. Jede Aktie der Gesellschaft berechtigt zu einer Stimme in der

teilseigner des Emittenten unterschiedliche Stimmrechte haben, falls vorhanden.

Soweit dem Emittenten bekannt, ob an ihm unmittelbare oder mittelbare Beteiligungen oder Beherrschungsverhältnisse bestehen, wer diese Beteiligungen hält bzw. diese Beherrschung ausübt und welcher Art die Beherrschung ist.

B.7 Ausgewählte wesentliche historische Finanzinformationen.

Hauptversammlung der Gesellschaft.

Die Gesellschaft wird unmittelbar von Herrn Wade Menpes-Smith kontrolliert, der unmittelbar 36.42% und mittelbar über von ihm kontrollierte Gesellschaften weitere 5.01 % der Stimmrechte der Gesellschaft hält.

Abhängig von der Präsenz auf ordentlichen und außerordentlichen Hauptversammlungen der Gesellschaft kann Herr Menpes-Smith gegebenenfalls Beschlüsse, die eine einfache oder sogar eine höhere Mehrheit der abgegebenen Stimmen oder des vertretenen Grundkapitals erfordern, allein durch die Ausübung seiner Stimmrechte fassen, umsetzen oder blockieren. Darüber hinaus kann Herr Wade Menpes-Smith Beschlüsse der Hauptversammlung verhindern, die einer qualifizierten Mehrheit der abgegebenen Stimmen oder des vertretenen Grundkapitals bedürfen.

Die folgenden ausgewählten historischen Finanzinformationen für Aladdin basieren auf den geprüften Abschlüssen der Aladdin Blockchain Technologies Holding SE für die Geschäftsjahre 2016 und 2017 („**Jahresabschlüsse 2016 und 2017**“). Die Jahresabschlüsse 2016 und 2017 wurden nach den deutschen Rechnungslegungsvorschriften (HGB) erstellt. Die Jahresabschlüsse 2016 und 2017 wurden von der Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft (Düsseldorf), Büro München, Nymphenburger Straße 3b, 80335 München, Deutschland, geprüft und wurden jeweils mit einem uneingeschränkten Bestätigungsvermerk versehen. Die Gesellschaft erfüllt die Anforderungen eines kleinen oder mittleren Unternehmens (KMU) gemäß Art. 2 Abs. 1 Buchstabe f der Prospekttrichtlinie. Entsprechend den gesetzlichen Bestimmungen hat die Gesellschaft in diesem Prospekt historische Finanzinformationen für die beiden vorangegangenen Geschäftsjahre aufgenommen. Die Jahresabschlüsse 2016 und 2017 haben nur eine begrenzte Aussagekraft, da das operative Geschäft von Aladdin in seiner jetzigen Form erst mit dem Erwerb sämtlicher Anteile an seiner Tochtergesellschaft Aladdin Ltd. im März 2018 begann.

Die folgenden ausgewählten historischen Finanzinformationen für

Aladdin basieren weiterhin auf dem geprüften Jahresabschluss der Aladdin Blockchain Technology Ltd. für das Geschäftsjahr zum 31. Dezember 2017 („**Aladdin-Ltd.-Jahresabschluss**“). Der Aladdin-Ltd.-Jahresabschluss wurde in Übereinstimmung mit den International Financial Reporting Standards („**IFRS**“), wie sie in der Europäischen Union anzuwenden sind, erstellt. Der Aladdin-Ltd.-Jahresabschluss wurde von MHA MacIntyre Hudson, Wirtschaftsprüfer und Abschlussprüfer, New Bridge Street House, 30-34 New Bridge Street, London EC4V 6BJ, Großbritannien, geprüft und mit einem uneingeschränkten Bestätigungsvermerk versehen. Da die Aladdin Ltd. erst im November 2017 gegründet wurde, bietet der Aladdin-Ltd.-Jahresabschluss nur eine begrenzte Aussagekraft.

Vor dem Erwerb aller Anteile an der Aladdin Ltd. im März 2018 bestand Aladdin nicht als „Konzern“ für die Erstellung des Konzernabschlusses nach den International Financial Reporting Standards (IFRS). Die Gesellschaft verfügt daher über keinen Konzernabschluss für die vorangegangenen Geschäftsjahre und hat ihren Jahresabschluss nach HGB aufgestellt.

Wenn die nachstehenden Finanzdaten als "geprüft" bezeichnet werden, bedeutet dies, dass sie den oben genannten geprüften Abschlüssen entnommen wurden.

Aladdin Blockchain Technologies Holding SE

Die folgende Tabelle gibt einen Überblick über die Gewinn- und Verlustrechnung der Gesellschaft für die nachfolgend genannten Zeiträume:

	Für die per 31. Dezember abgeschlossenen 12 Monate	
	2017 (geprüft) EUR	2016 (geprüft) EUR
Sonstige betriebliche Aufwendungen	-25.858,66	-95.691,41
Ergebnis nach Steuern	-25.858,66	-95.691,41
Jahresfehlbetrag	-25.858,66	-95.691,41
Verlustvortrag	-104.392,31	-8.700,90
Bilanzverlust	-130.250,97	-104.392,31

Die folgende Tabelle gibt einen Überblick über die Bilanz der Gesell-

schaft zu den unten angegebenen Terminen:

	Zum 31. Dezember	
	2017	2016
	(geprüft)	(geprüft)
	EUR	EUR
Aktiva	6.396.771,46	203.383,69
Umlaufvermögen ⁽¹⁾	6.393.127,66	203.383,69
Eigenkapital	169.749,03	195.607,69
Gezeichnetes Kapital	300.000,00	300.000,00
Bilanzverlust	-130.250,97	-104.392,31
Zur Durchführung der beschlossenen Kapitalerhöhung geleistete Einlagen	6.210.000,00	0,00
Rückstellungen	14.530,00	7.776,00
Verbindlichkeiten	2.492,43	0,00

⁽¹⁾ Die Zeile „Umlaufvermögen“ wird in den zugrunde liegenden Jahresabschlüssen nicht aggregiert ausgewiesen, sondern in die Zeilen „Forderungen und sonstige Vermögensgegenstände“ und „Guthaben bei Kreditinstituten“ aufgeteilt. Die in der obigen Tabelle neben „Umlaufvermögen“ jeweils ausgewiesene Zahl ist die Summe der jeweiligen Zeilen „Forderungen und sonstige Vermögensgegenstände“ und „Guthaben bei Kreditinstituten“, welche sich aus den zugrunde liegenden Jahresabschlüssen ergeben.

Die folgende Tabelle zeigt ausgewählte Informationen aus der Kapitalflussrechnung der Gesellschaft für die nachfolgend dargestellten Zeiträume.

	Für die per 31. Dezember	
	abgeschlossenen 12 Monate	
	2017	2016
	(geprüft)	(geprüft)
	TEUR	TEUR
Cashflow aus laufender Geschäftstätigkeit	-21	-96
Cashflow aus der Finanzierungstätigkeit	6.211	0
Finanzmittelfonds am Anfang der Periode	202	298
Finanzmittelfonds am Ende der Periode	6.392	202

Aladdin Blockchain Technology Ltd.

Die folgende Tabelle gibt einen Überblick über die Gewinn- und Ver-

Iustrechnung der Aladdin Ltd. für den unten angegebenen Zeitraum:

	Für den Zeit- raum bis zum 31. Dezember 2017 (geprüft) GBP
Umsatzerlöse	-
Sonstige betriebliche Aufwendungen	41.984
Betriebsverlust	-41.984
Finanzerträge	-
Finanzaufwand	-
Ergebnis vor Steuern	-41.984
Steueraufwand	-
Verlust und Gesamtergebnis der Berichts- periode	-41.984

Die folgende Tabelle gibt einen Überblick über die Finanzlage der Aladdin Ltd. zum unten angegebenen Zeitpunkt:

	Zum 31. Dezember 2017 (geprüft) GBP
Langfristige Vermögenswerte	
Sachanlagevermögen	2.092
Immaterielle Vermögensgegenstände	863.050
	865.142
Kurzfristige Vermögenswerte	
Forderungen aus Lieferungen und Leistungen und sonstige Forderungen	8.682
Zahlungsmittel und Zahlungsmitteläquivalente	-
	8.682
Gesamtvermögen	873.824
Kurzfristige Verbindlichkeiten	
Verbindlichkeiten aus Lieferungen und Leis- tungen und sonstige Verbindlichkeiten	915.807
Gesamtverbindlichkeiten	915.807
Nettoverbindlichkeiten	(41.983)
Eigenkapital	
Grundkapital	1
Bilanzverlust	(41.984)
Gesamtes Eigenkapital	(41.983)

Die folgende Tabelle zeigt ausgewählte Informationen aus der Kapitalflussrechnung der Aladdin Ltd. für den unten angegebenen Zeitraum:

				Für den Zeitraum bis zum 31. Dezember 2017 (geprüft) GBP
Mittelzufluss	aus	laufender	Ges-	
chäftstätigkeit				424.366
Mittelabfluss	aus der	Investitionstätigkeit		(865.265)
Mittelzufluss	aus	der	Finanzier-	
ungstätigkeit				440.899

Erhebliche Änderung der Finanzlage und des Betriebsergebnisses während des Zeitraums und nach dem Zeitraum, der von den historischen Finanzinformationen abgedeckt ist.

Während des gesamten Zeitraums, der von den historischen Finanzinformationen abgedeckt wird, hat die Gesellschaft keine wesentlichen Geschäftstätigkeiten ausgeübt. In diesem Zeitraum lag der Fokus der Gesellschaft auf der Entwicklung eines Geschäftsmodells und der Identifikation einer Möglichkeit, ein Unternehmen mit einem geeigneten Geschäft zu erwerben. Die Gesellschaft hat erst vor kurzem mit dem Erwerb aller Geschäftsanteile an der Aladdin Ltd. im März 2018, die im Wege einer Kapitalerhöhung gegen Sacheinlage in die Gesellschaft eingebracht wurden („**Aladdin-Akquisition**“), seine Geschäftstätigkeit in der heutigen Form aufgenommen. Zur Durchführung der Aladdin-Akquisition hat die Hauptversammlung der Gesellschaft beschlossen, das Grundkapital von EUR 1.450.000,00 um EUR 10.000.000,00 auf EUR 11.450.000,00 durch Schaffung und Ausgabe von 10.000.000 auf den Inhaber lautenden Stammaktien ohne Nennbetrag mit einem rechnerischen Nennbetrag von je EUR 1,00 gegen Sacheinlage zu erhöhen. Das Bezugsrecht der übrigen Aktionäre der Gesellschaft wurde ausgeschlossen. Die bisherigen Inhaber der Geschäftsanteile an der Aladdin Ltd. haben die neuen Aktien zu einem Ausgabepreis von EUR 5,3976 je neuer Aktie gezeichnet und im Gegenzug ihre Geschäftsanteile an der Aladdin Ltd. auf die Gesellschaft übertragen. Die Aladdin-Akquisition hat die Vermögenswerte der Gesellschaft nach dem Zeitraum, der durch die historischen Finanzdaten abgedeckt ist, erheblich verändert.

Das Betriebsergebnis der Gesellschaft wird seit der Aladdin-Akquisition durch Aufwendungen der Aladdin Ltd. für laufende Software-Entwicklung negativ wie folgt beeinflusst: Da Aladdin noch keine

Erträge erwirtschaftet, erwirtschaftet die Gesellschaft in Übereinstimmung mit ihrer Planung gemäß ihrem Business Plan operative Verluste in Höhe von etwa EUR 250.000 pro Monat.

Dies bedingt einen negativen Cashflow aus laufender Geschäftstätigkeit in etwa gleicher Höhe.

Mit Ausnahme der oben genannten Fälle hat sich die Finanzlage und das Betriebsergebnis der Gesellschaft seit dem 31. Dezember 2017 nicht erheblich verändert.

B.8 Ausgewählte wesentliche Pro-forma-Finanzinformationen, die als solche gekennzeichnet sind.

Aufgrund des Erwerbs aller Anteile an der Aladdin Ltd. im Rahmen einer Sachkapitalerhöhung im März 2018 ("**Aladdin-Akquisition**") hat die Gesellschaft eine narrative Pro-forma-Analyse erstellt, die bestimmte konsolidierte Pro-forma-Informationen für die Gewinn- und Verlustrechnung für den Zeitraum vom 1. Januar 2017 bis 31. Dezember 2017 der Gesellschaft sowie bestimmte konsolidierte Pro-forma-Informationen zur Bilanz zum 31. Dezember 2017 der Gesellschaft ("**Narrative Pro-Forma-Analyse**") umfasst. Aladdin Ltd. selbst wurde im November 2017 gegründet.

Ziel der Narrativen Pro-Forma-Analyse ist es, die wesentlichen Auswirkungen darzustellen, die die Durchführung der Aladdin-Akquisition

- auf bestimmte Posten einer hypothetischen Konzern-Gewinn- und Verlustrechnung auf der Grundlage der historischen Finanzinformationen der Gesellschaft zum 31. Dezember 2017 gehabt hätte, wenn Aladdin bereits in der durch die Durchführung der Aladdin-Akquisition geschaffenen Struktur existiert hätte;
- auf bestimmte Posten einer hypothetischen Konzernbilanz zum 31. Dezember 2017 auf der Grundlage der historischen Finanzinformationen der Gesellschaft zum 31. Dezember 2017 gehabt hätte, wenn Aladdin bereits in der durch die Durchführung der Aladdin-Akquisition geschaffenen Struktur existiert hätte.

Die Narrative Pro-Forma-Analyse wurde nur zu illustrativen Zwecken erstellt. Die Narrative Pro-Forma-Analyse beschreibt aufgrund ihrer Natur lediglich eine hypothetische Situation und basiert auf Annahmen

und stellt daher nicht die tatsächliche Vermögens-, Finanz- und Ertragslage von Aladdin dar. Es ist auch nicht beabsichtigt, die Vermögens-, Finanz- und Ertragslage von Aladdin auf einen späteren Zeitpunkt zu prognostizieren. Die Informationen der Narrativen Pro-Forma-Analyse sind nur in Verbindung mit dem Jahresabschluss der Gesellschaft zum 31. Dezember 2017 und dem Jahresabschluss der Aladdin Ltd. zum 31. Dezember 2017 bedeutsam.

Die in der Narrativen Pro-Forma-Analyse genannten Finanzinformationen wurden in Übereinstimmung mit den International Financial Reporting Standards (IFRS) ermittelt. Vor der Aladdin-Akquisition existierte Aladdin nicht als "Konzern" im Sinne der Definition zur Erstellung von Konzernabschlüssen nach den IFRS. Die Gesellschaft verfügt daher nicht über einen Konzernabschluss für die vergangenen Geschäftsjahre und hat ihren Einzelabschluss nach HGB aufgestellt. Da die Gesellschaft in Zukunft einen Konzernabschluss erstellen wird und diesen in Zukunft nach IFRS aufstellen wird, wird dieser nicht mit den nach HGB erstellten historischen Finanzinformationen der Gesellschaft vergleichbar sein.

Für die Zwecke der Narrativen Pro-Forma-Analyse wurde angenommen, dass die Aladdin-Akquisition nicht die Anforderungen an einen Unternehmenszusammenschluss gemäß IFRS 3 erfüllt, sondern für Bilanzierungszwecke als umgekehrter Unternehmenserwerb zu behandeln ist, für den IFRS 2 gilt. Diese Schlussfolgerung basiert auf der Annahme, dass die Gesellschaft zum Zeitpunkt des Erwerbs aller Anteile an der Aladdin Ltd. kein Unternehmen im Sinne von IFRS 3 betrieben hat, da sie vor dem Erwerb der Aladdin Ltd. keine wesentlichen Aktivitäten außer der Identifizierung einer geeigneten Geschäftstätigkeit ausgeübt hat. Daher wurde Aladdin Ltd. für diese narrative Pro-Forma-Analyse - ausschließlich zu Zwecken der Rechnungslegung - als der Erwerber in der Aladdin-Akquisition behandelt und die Gesellschaft als erworbene Unternehmen. Daher hat die Gesellschaft IFRS 2 auf die Aladdin-Akquisition als so genannte "aktienbasierte Vergütungstransaktion" angewendet.

Anleger sollten beachten, dass die Narrative Pro-Forma-Analyse nicht in Übereinstimmung mit dem IDW Rechnungslegungshinweis „Erstellung von Pro-Forma-Finanzinformationen (IDW RH HFA 1.004)“, wie vom Institut der Wirtschaftsprüfer in Deutschland e.V. veröffentlicht,

erstellt wurde.

Die Narrative Pro-Forma-Analyse wurde weder von einem unabhängigen Wirtschaftsprüfer geprüft noch einer prüferischen Durchsicht unterzogen. Daher sind alle Pro-Forma-Finanzinformationen, auf die in der Narrativen Pro-Forma-Analyse Bezug genommen wird, ungeprüft.

Narrative Pro-forma-Analyse der Auswirkungen der Aladdin-Akquisition auf die Gewinn- und Verlustrechnung

Umsatzerlöse/ Betriebsergebnis

Im Berichtszeitraum haben weder die Gesellschaft noch die Aladdin Ltd. Umsatzerlöse oder sonstige betriebliche Erträge erzielt. Dies ist darauf zurückzuführen, dass die Haupttätigkeit der Gesellschaft in der Berichtsperiode darin bestand, ein geeignetes Geschäftskonzept zu identifizieren, und Aladdin Ltd. erst im November 2017 gegründet wurde und ein Technologieunternehmen in einem sehr frühen Stadium ist. Die konsolidierten Pro-forma Umsatzerlöse oder sonstigen betrieblichen Erträge betragen EUR 0.

Betriebliche Aufwendungen

Im Berichtszeitraum fielen bei der Gesellschaft betriebliche Aufwendungen in Höhe von EUR -25.859 und bei Aladdin Ltd. sonstige betriebliche Aufwendungen in Höhe von EUR -47.280 an, was zu aggregierten betrieblichen Aufwendungen in Höhe von EUR -73.139 (ohne Pro-forma-Anpassungen) führte. Die sonstigen betrieblichen Aufwendungen wurden durch Pro-forma-Anpassungen unter Berücksichtigung der Anwendung von IFRS 2 im Zusammenhang mit der Aladdin-Akquisition um EUR -2.101.886, welche Aufwendungen für die Börsennotierung darstellen, erhöht, so dass sich insgesamt Betriebsaufwendungen für Aladdin in Höhe von EUR -2.175.025 ergeben.

Verlust/ Ergebnis vor Ertragsteuern

In Ermangelung von erwirtschafteten Erträgen resultieren die betrieblichen Aufwendungen in einem konsolidierten Pro-forma-Verlust vor Steuern für Aladdin in Höhe von EUR -2.175.025 und in einem konsolidierten Pro-forma-Verlust und einem Gesamtergebnis des Geschäftsjahres in Höhe von EUR -2.175.025 (jeweils einschließlich Pro-forma-Anpassungen).

Verlustvortrag

Der konsolidierte Pro-forma-Verlustvortrag für Aladdin für den Berichtszeitraum betrug EUR -104.392,31 und entspricht dem Betrag, den die Gesellschaft in ihren historischen Finanzinformationen für den Berichtszeitraum ausgewiesen hat.

Narrative Pro-forma-Analyse der Auswirkungen der Aladdin-Akquisition auf die Finanzlage

Langfristige Vermögenswerte

Zum 31. Dezember 2017 verfügte die Gesellschaft über langfristige Vermögenswerte in Höhe von 925 EUR. Wäre der Aladdin-Erwerb zum 31. Dezember 2017 erfolgt, verfügte die Gesellschaft über weitere langfristige Vermögenswerte in Form von Anteilen an verbundenen Unternehmen in Höhe von TEUR 53.976. Im Rahmen der Pro-forma-Konsolidierung wurden Anpassungen durch eine Kapitalkonsolidierung in Höhe von TEUR -53.976 vorgenommen, was zu einem konsolidierten Pro-forma-Betrag von EUR 0 für Anteile an verbundenen Unternehmen führt. Darüber hinaus verfügte Aladdin Ltd. über langfristige Vermögenswerte in Höhe von 974.279 EUR, die Sachanlagen in Höhe von 2.355 EUR und immaterielle Vermögenswerte in Höhe von 971.924 EUR betreffen. Daraus ergibt sich zum 31. Dezember 2017 ein konsolidiertes Pro-forma-Anlagevermögen in Höhe von EUR 975.204 (einschließlich Pro-forma-Anpassungen).

Kurzfristige Vermögenswerte

Zum 31. Dezember 2017 verfügte die Gesellschaft über kurzfristige Vermögenswerte in Höhe von EUR 6.392.203 in Form von liquiden Mitteln und sonstigen kurzfristigen Vermögenswerten in Höhe von EUR 3.644, was einem Gesamtbetrag an kurzfristigen Vermögenswerten von EUR 6.395.846 entspricht. Aladdin Ltd. verfügte über kurzfristige Vermögenswerte in Höhe von EUR 9.777. Daraus ergibt sich zum 31. Dezember 2017 ein Pro-Forma Betrag für konsolidierte kurzfristige Vermögenswerte in Höhe von EUR 6.405.623.

Eigenkapital

Das gesamte Eigenkapital der Gesellschaft zum 31. Dezember 2017

betrug 6.379.749 EUR. Das gesamte Eigenkapital der Aladdin Ltd. betrug zum gleichen Zeitpunkt EUR -47.280. Durch die Aladdin-Akquisition und die im Rahmen der Pro-Forma-Konsolidierung nach IFRS 2 vorgenommenen Anpassungen setzt sich das konsolidierte Pro-Forma-Gesamt-Eigenkapital der Gesellschaft aus einem konsolidierten Pro-Forma gezeichneten Kapital von EUR 11.450.000, einer konsolidierten Pro-Forma Kapitalrücklage von EUR -2.968.251 und einem konsolidierten Pro-Forma Bilanzverlust von EUR -2.149.167 zusammen, was zu einem konsolidierten Pro-Forma Eigenkapital von Aladdin zum 31. Dezember 2017 von EUR 6.332.582 (einschließlich Pro-Forma-Anpassungen) führt.

Gezeichnetes Kapital

Das gezeichnete Kapital der Gesellschaft betrug EUR 300.000. Aufgrund der Barkapitalerhöhung, die erst am 3. Januar 2018 wirksam wurde und sich somit nicht in den historischen Finanzinformationen in dieser Position widerspiegelt, wurde das gezeichnete Kapital um einen Betrag von EUR 1.150.000 auf EUR 1.450.000 erhöht. Durch die Aladdin-Akquisition wurde das Grundkapital der Gesellschaft um weitere EUR 10.000.000 erhöht. Damit betrug das pro forma gezeichnete Kapital der Gesellschaft zum 31. Dezember 2017 EUR 11.450.000. Das gezeichnete Kapital der Aladdin Ltd war im Rahmen der Pro-forma-Konsolidierung zu eliminieren. Damit betrug das konsolidierte pro-forma gezeichnete Kapital zum 31. Dezember 2017 EUR 11.450.000.

Kapitalrücklage

Zum 31. Dezember 2017 betrug die umgegliederte Kapitalrücklage der Gesellschaft einschließlich der Auswirkungen der Barkapitalerhöhung TEUR 5.060. Durch die Aladdin-Akquisition wurde die Pro-forma-Kapitalrücklage der Gesellschaft um EUR 44.000.000,00 in Höhe des Ausgabepreises von EUR 5,40 je neu ausgegebener Aktie aus der Aladdin-Akquisition abzüglich EUR 1,00 je neuer Aktie, die dem gezeichneten Kapital zugeordnet wurde, weiter erhöht, was nach weiteren Anpassungen zu einer Pro-forma-Kapitalrücklage der Gesellschaft von EUR 49.036.000 führte. Aladdin Ltd. hatte zum 31. Dezember 2017 keine Kapitalrücklage. Durch die Auswirkungen der Aladdin-Akquisition im Rahmen der Pro-forma-Konsolidierung und die oben

beschriebenen Anpassungen nach IFRS 2 waren EUR -52.004.251 gegen die Kapitalrücklage zu buchen, was zu einer negativen konsolidierten Pro-forma Kapitalrücklage von EUR -2.968.251 zum 31. Dezember 2017 führt.

Bilanzverlust

Zum 31. Dezember 2017 betrug der Bilanzverlust der Gesellschaft EUR -130.251. Aladdin Ltd. hatte einen Bilanzverlust von EUR -47.280. Durch die Auswirkungen der Aladdin-Akquisition auf die Pro-forma-Konsolidierung und die oben beschriebenen Anpassungen in dieser Hinsicht wurde der Bilanzverlust um EUR -1.971.636 erhöht. Daraus ergibt sich zum 31. Dezember 2017 ein konsolidierter Pro-forma Bilanzverlust in Höhe von EUR -2.149.167.

Langfristige Verbindlichkeiten

Zum 31. Dezember 2017 betrugen die langfristigen Verbindlichkeiten der Gesellschaft EUR 0. Aladdin Ltd. hatte auch langfristige Verbindlichkeiten in Höhe von EUR 0, was zu konsolidierten pro forma langfristigen Verbindlichkeiten in Höhe von EUR 0 zum 31. Dezember 2017 führte.

Kurzfristige Verbindlichkeiten

Zum 31. Dezember 2017 betrugen die kurzfristigen Verbindlichkeiten der Gesellschaft EUR 17.023 und enthielten sonstige kurzfristige Verbindlichkeiten in Höhe von EUR 14.450, Verbindlichkeiten aus Lieferungen und Leistungen in Höhe von EUR 1.873, kurzfristige Verbindlichkeiten gegenüber einem Kapitalgeber in Höhe von EUR 620 und sonstige kurzfristige Rückstellungen in Höhe von EUR 80. Aladdin Ltd. hatte Verbindlichkeiten aus Lieferungen und Leistungen und sonstige Verbindlichkeiten in Höhe von EUR 1.031.336. Daraus ergaben sich zum 31. Dezember 2017 konsolidierte Pro-forma aus Lieferungen und Leistungen in Höhe von EUR 1.033.209 und konsolidierte Pro-forma kurzfristige Verbindlichkeiten in Höhe von EUR 1.048.359.

Gesamte Verbindlichkeiten

Zum 31. Dezember 2017 betrugen die gesamten Verbindlichkeiten der Gesellschaft EUR 17.023. Aladdin Ltd. hatte insgesamt Verbindlichkeiten in Höhe von 1.031.336. Daraus ergaben sich zum 31. Dezember

2017 konsolidierte Pro-forma Gesamtverbindlichkeiten von EUR 1.048.359.

B.9 Liegen Gewinnprognosen oder -schätzungen vor, ist der entsprechende Wert anzugeben.

Nicht anwendbar. Es liegen keine Gewinnprognosen oder -schätzungen für Aladdin vor.

B.10 Art etwaiger Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen.

Nicht anwendbar. Die historischen Finanzinformationen der Gesellschaft sind jeweils mit uneingeschränkten Bestätigungsvermerken des Abschlussprüfers versehen.

B.11 Reicht das Geschäftskapital des Emittenten nicht aus, um die bestehenden Anforderungen zu erfüllen, sollte eine Erläuterung beigefügt werden.

Die Gesellschaft ist der Ansicht, dass sie über kein ausreichendes Geschäftskapital für die nächsten zwölf Monate verfügt.

Aladdin geht davon aus, dass unter Zugrundelegung der derzeitigen Ausgaben nur noch bis Anfang November 2018 ausreichendes Geschäftskapital vorhanden ist. Nach der aktuellen Geschäftsplanung der Gesellschaft und den geplanten Aufwendungen, die im Wesentlichen Kosten für die Softwareentwicklung betreffen, schätzt die Gesellschaft für die nächsten zwölf Monate ab dem Datum dieses Prospekts eine Unterdeckung des Geschäftskapitals in Höhe von rund 3,5 Mio. Euro.

Die Gesellschaft beabsichtigt, die Lücke im Geschäftskapital durch weitere Eigenkapitalbeschaffung in der zweiten Jahreshälfte 2018, voraussichtlich im Oktober 2018, zu schließen. Die Gesellschaft erwägt eine Kapitalerhöhung zu beschließen und neue Aktien der Gesellschaft gegen Bareinlagen unter Ausnutzung ihres satzungsgemäßen genehmigten Kapitals auszugeben, das der Gesellschaft die Flexibilität gibt, eine Kapitalerhöhung ohne Einberufung einer Hauptversammlung zu beschließen. Der genaue Zeitpunkt und die weiteren Einzelheiten einer solchen möglichen Kapitalerhöhung sind noch nicht festgelegt und werden noch vom Verwaltungsrat der Gesellschaft geprüft.

Aufgrund des bisherigen Erfolges der Gesellschaft bei der Kapitalbeschaffung im November 2017 in Verbindung mit einem erfolgreichen ersten Halbjahr 2018 bei der Entwicklung ihrer Softwarelösungen ist

die Gesellschaft sehr zuversichtlich, das erforderliche Kapital zur Deckung des Geschäftskapitals für die nächsten zwölf Monate aufzubringen.

Sollte es der Gesellschaft nicht gelingen, zusätzliches Eigenkapital durch die Ausgabe neuer Aktien aus einer Kapitalerhöhung gegen Bareinlagen im Oktober 2018 zu beschaffen, würde die Gesellschaft ihre Softwareentwicklungsaktivitäten verlangsamen, was zu deutlich geringeren Betriebskosten führen würde. Eine solche Verlangsamung der Software-Entwicklung würde der Gesellschaft bis Ende Januar 2019 Zeit geben, zusätzliches Kapital zu beschaffen. Sollte die Gesellschaft bis Januar 2019 nicht in der Lage sein, sich Eigenkapital oder alternative Finanzierungsmöglichkeiten zu sichern, würde sie voraussichtlich Anfang Februar 2019 Insolvenz anmelden müssen. Die Gesellschaft hält diese Möglichkeit jedoch für unwahrscheinlich.

C - Wertpapiere

C.1 Beschreibung von Art und Gattung der angebotenen und/oder zum Handel zuzulassenden Wertpapiere.

Alle 11.450.000 Aktien der Gesellschaft sind Stammaktien in der Form von Inhaberaktien ohne Nennbetrag (Stückaktien), jeweils mit einem anteiligen Betrag des Grundkapitals von EUR 1,00.

Die 11.450.000 Inhaber-Stammaktien stellen das gesamte Grundkapital der Gesellschaft dar und bestehen aus:

- 6.447.000 Stück mit voller Dividendenberechtigung ab dem 1. Januar 2017 mit der ISIN: DE000A12ULL2, WKN: A12ULL, und
- 3.853.000 Stück mit voller Dividendenberechtigung ab dem 1. Januar 2017, die derzeit mit der ISIN DE000A2LQ7Y5, WKN A2LQ7Y versehen und bis zum 31. Dezember 2018 für den Handel an einer Börse mit einer börslichen Veräußerungssperre auf der Globalurkunde belegt sind, die ab dem 1. Januar 2019 in die ISIN DE000A12ULL2, WKN A12ULL einbezogen werden oder zu einem früheren Zeitpunkt, soweit der auf der Globalurkunde eingetragene Sperrhinweis aufgehoben wurde.
- 1.150.000 Stück mit voller Dividendenberechtigung ab dem 1. Januar 2018 und derzeit vergebener ISIN: DE000A2G8XZ8

und WKN: A2G8XZ, einzubeziehen in die ISIN DE000A12ULL2, WKN A12ULL am Tag nach der ordentlichen Hauptversammlung für das Geschäftsjahr 2018, voraussichtlich am oder um den 30. November 2018.

Wertpapierkennung

International Securities Identification Numbers (ISIN):

DE000A12ULL2

DE000A2LQ7Y5

DE000A2G8XZ8

Wertpapierkennnummer (WKN):

A12ULL

A2LQ7Y

A2G8XZ

Börsenkürzel: NMI

C.2 Währung der Wertpapieremission.

Euro.

C.3 Zahl der ausgegebenen und voll eingezahlten Aktien und der ausgegebenen, aber nicht voll eingezahlten Aktien. Nennwert pro Aktie bzw. Angabe, dass die Aktien keinen Nennwert haben.

11.450.000 Stammaktien in der Form von Inhaberaktien ohne Nennbetrag (Stückaktien), jeweils mit einem anteiligen Betrag des Grundkapitals von EUR 1,00. Das Grundkapital ist voll eingezahlt.

C.4 Beschreibung der mit den Wertpapieren verbundenen Rechte.

Jede Aktie der Gesellschaft berechtigt zu einer Stimme in der Hauptversammlung der Gesellschaft. Es bestehen keine Stimmrechtsbeschränkungen. Die 10.300.000 Aktien mit den ISIN DE000A12ULL2 und DE000A2LQ7Y5 sind ab dem 1. Januar 2017 voll dividendenberechtigt. Die 1.150.000 Aktien mit der ISIN DE000A2G8XZ8 sind ab dem 1. Januar 2018 voll dividendenberechtigt.

C.5 Beschreibung aller etwaigen Beschränkungen für die freie

Entfällt. Die Aktien der Gesellschaft sind in Übereinstimmung mit den gesetzlichen Bestimmungen für Inhaberaktien frei übertragbar. Es bestehen keine Verfügungsverbote oder -beschränkungen hinsichtlich

Übertragbarkeit
Wertpapiere.

der Übertragbarkeit der Aktien der Gesellschaft.

Die 3.853.000 Aktien mit der ISIN DE000A2LQ7Y5 sind durch eine auf der Globalurkunde eingetragene Veräußerungssperre von einem börslichen Handel ausgeschlossen. Diese Aktien können außerhalb der Börse frei übertragen werden. Die Veräußerungssperre endet mit Ablauf des 31. Dezember 2018. Vom 1. Januar 2019 an werden diese Aktien in die existierende ISIN DE000A12ULL2 einbezogen und börslich handelbar sein, es sei denn, die Gesellschaft und die Aktionäre, die solche Aktien halten, vereinbaren eine Aufhebung der eingetragene Veräußerungssperre auf einen früheren Zeitpunkt, wonach diese Aktien entsprechend früher in die ISIN DE000A12ULL2 einbezogen werden können.

C.6 Angabe, ob für die angebotenen Wertpapiere die Zulassung zum Handel an einem geregelten Markt beantragt wurde bzw. werden soll, und Nennung aller geregelten Märkte, an denen die Wertpapiere gehandelt werden oder werden sollen.

Die Gesellschaft hat die Zulassung der Aktien der Gesellschaft zum regulierten Markt an der Börse Düsseldorf am 19. September 2018 beantragt. Der Zulassungsbeschluss für die Zulassung zum Handel am regulierten Markt der Börse Düsseldorf wird voraussichtlich am 24. September 2018 verkündet.

Die Notierungsaufnahme der Aktien der Gesellschaft mit ISIN DE000A12ULL2 und DE000A2G8XZ8 im regulierten Markt an der Börse Düsseldorf wird für den 26. September 2018 erwartet.

Die Aktien mit der ISIN DE000A2LQ7Y5 sind bis zum 31. Dezember 2018 durch eine auf der Globalurkunde eingetragene Veräußerungssperre von einem börslichen Handel ausgeschlossen. Diese Aktien werden ab dem 1. Januar 2019 in die bestehende ISIN DE000A12ULL2 einbezogen und voraussichtlich ab dem 2. Januar 2019 im regulierten Markt an der Börse Düsseldorf gehandelt, es sei denn, die Gesellschaft und die Aktionäre, die solche Aktien halten, vereinbaren eine Aufhebung der eingetragene Veräußerungssperre auf einen früheren Zeitpunkt, wonach diese Aktien entsprechend früher in die ISIN DE000A12ULL2 einbezogen werden können.

C.7 Beschreibung der Dividendenpolitik.

Die Gesellschaft beabsichtigt derzeit, alle verfügbaren Mittel und zukünftigen Gewinne, sofern vorhanden, auf neue Rechnung vorzutragen, um Aladdin Ltd. mehr Eigenkapital zur Verfügung zu stellen und diese für weiteres Wachstum zu positionieren. Die Gesellschaft beabsichtigt gegenwärtig nicht, in absehbarer Zukunft Dividenden zu zahlen. Jede zukünftige Festsetzung von Dividendenzahlungen wird in

Übereinstimmung mit den anwendbaren Gesetzen getroffen und wird unter anderem vom Ergebnis der Geschäftstätigkeit, der finanziellen Situation, vertraglichen Beschränkungen und dem Kapitalbedarf abhängen. Die Fähigkeit der Gesellschaft, zukünftig Dividenden zahlen zu können, kann durch die Bedingungen zukünftig ausgegebener Fremdkapitalinstrumente oder mit Vorzügen ausgestatteten Wertpapieren beschränkt sein.

D - Risiken

D.1 Zentrale Angaben zu den zentralen Risiken, die dem Emittenten oder seiner Branche eigen sind.

Eine Investition in Aktien der Gesellschaft unterliegt Risiken. Der Preis der Aktien der Gesellschaft könnte sich verringern, falls eines dieser Risiken tatsächlich eintritt, sodass Investoren einen Teil oder sogar ihr gesamtes Investment verlieren könnten. Die folgenden Risiken könnten sich alleine oder zusammen mit weiteren Risiken oder Unsicherheiten, die Aladdin derzeit unbekannt sind oder die Aladdin für unwesentlich hält erheblich nachteilig auf Aladdins Geschäftstätigkeit, Finanzlage, Cashflows, Ertragslage sowie den Wert der direkten Beteiligungen der Gesellschaft an der Aladdin Ltd. auswirken.

Risiken in Bezug auf das Geschäft von Aladdin

- Der Fortbestand von Aladdin hängt von seiner Fähigkeit ab, in der zweiten Jahreshälfte 2018 erhebliche zusätzliche Eigenmittel aufzunehmen. Wenn der Gesellschaft dies nicht gelingt, kann sie gezwungen sein einen Insolvenzantrag zu stellen, wodurch die Anleger ihre gesamte Beteiligung an der Gesellschaft verlieren.
- Aladdin hat bisher nur Verluste erwirtschaftet und noch keine Umsätze erzielt. Wenn Aladdin nicht in der Lage ist, bis zur Gewinnschwelle Einnahmen zu erzielen oder zusätzliche Mittel zu beschaffen, kann Aladdin gezwungen sein, in Liquidation zu gehen oder Insolvenz anzumelden.
- Es gibt keine Garantie, dass es überhaupt einen Markt für die Softwarelösungen von Aladdin gibt.
- Der Erfolg des Geschäftsmodells von Aladdin hängt in hohem Maße von der Anzahl der Teilnehmer im Gesundheitswesen

ab, die sich dem geplanten Blockchain-basierten Gesundheitssystem anschließen. Wenn Aladdin nicht in der Lage ist, eine kritische Masse an Krankenakten von Patienten für seine geplante Datenplattform (*big data platform*) zu generieren, könnte die Einführung zukünftiger Dienstleistungen, die auf der Analyse von Gesundheitsdaten basieren, unmöglich werden.

- Aladdin kann einem intensiven Wettbewerb ausgesetzt sein und scheitern, wenn seine Wettbewerber überlegene Angebote anbieten oder wenn sich Aladdin nicht an veränderte Marktbedingungen anpasst.
- Aladdin erhält möglicherweise keine oder keine nennenswerten Einnahmen aus der Softwareentwicklung.
- Der Verlust eines oder mehrerer Schlüsselmitarbeiter könnte das Geschäft von Aladdin beeinträchtigen.
- Aladdin ist auf das Softwareentwicklungsunternehmen Elemental Concept 2016 Limited angewiesen, mit dem es bei seinen Softwareentwicklungstätigkeiten zusammenarbeitet.
- Aladdin unterliegt im Zusammenhang mit seiner Softwareentwicklung wesentlichen Konflikten mit nahestehenden Personen.
- Wenn es Aladdin nicht gelingt, zusätzliches qualifiziertes Personal zu gewinnen und zu halten, kann es möglicherweise nicht in der Lage sein, seine Geschäftsstrategie umzusetzen.
- Aladdin ist nicht an dem Unternehmen beteiligt, das Teile seines Geschäftsmodells auf dem chinesischen Markt umsetzen soll, und somit auf die Leistung seiner Geschäftspartner im Rahmen der getroffenen Vereinbarungen angewiesen.
- Die Verwendung des Markennamens „Aladdin“ durch Aladdin kann Rechte Dritter verletzen. Sollten solche Dritten gegen Aladdin wegen der Verwendung des Markennamens „Aladdin“ vorgehen, kann dies dazu führen, dass Aladdin seinen rechtlichen Namen und seinen Handelsnamen ändern und auf die Verwendung der Marke verzichten muss. Dies kann zu Reputationsverlusten führen.

tationsverlusten bei Geschäftspartnern, zu Umbenennungskosten und darüber hinaus zu Schadensersatzansprüchen führen, die zu erheblichen Zahlungsverpflichtungen von Aladdin führen können.

- Wenn die Sicherheitsvorkehrungen von Aladdin verletzt werden oder anderweitig unbefugter Zugriff auf Kundendaten erlangt wird, können für Aladdin erhebliche Zahlungsverpflichtungen entstehen.
- Die Blockchain-Technologie ist noch relativ neu und wird derzeit nicht in der von Aladdin vorgesehenen Umgebung eingesetzt. Es bestehen Unsicherheiten, ob sich die Blockchain-Technologie für die Anforderungen des Geschäftsmodells und der beteiligten Akteure wie Patienten, Ärzte, Krankenhäuser, Pharmaunternehmen und Versicherungen eignet.
- Aladdin unterliegt erheblichen Währungsrisiken im Zusammenhang mit Wechselkursänderungen, die mit dem angestrebten weiteren internationalen Wachstum einhergehen können.
- Aladdin ist möglicherweise nicht in der Lage, andere an der unbefugten Nutzung seines geistigen Eigentums zu hindern, was seiner Geschäfts- und Wettbewerbsposition schaden könnte.
- Sicherheitsverletzungen und Angriffe auf die Systeme und das Netzwerk von Aladdin sowie jede mögliche daraus resultierende Verletzung oder Unterlassung, vertrauliche und geschützte Informationen anderweitig zu schützen, könnten den Ruf von Aladdin schädigen und die Geschäfts-, Finanz- und Ertragslage von Aladdin beeinträchtigen.
- Das Geschäft von Aladdin könnte durch Netzwerkunterbrechungen gestört werden.
- Kundenwachstum und Aktivitäten auf mobilen Geräten hängen von der effektiven Nutzung mobiler Betriebssysteme, Netzwerke und Standards ab, die Aladdin nicht kontrolliert.
- Wenn Aladdin keine angemessenen internen Kontrollen unter-

hält, kann es sein, dass es nicht in der Lage ist, sein Geschäft effektiv zu führen, und es kann zu Fehlern oder Informationsverlusten kommen, die sein Geschäft beeinträchtigen.

- Die Fähigkeit der Gesellschaft, in Zukunft Kapital aufzunehmen, könnte eingeschränkt sein.
- Aufgrund der Aufnahme der Geschäftstätigkeit der Gesellschaft in der jüngeren Vergangenheit sind die in diesem Prospekt dargestellten historischen Finanzinformationen von Aladdin nicht aussagekräftig und werden in Zukunft nicht mit den konsolidierten Finanzinformationen von Aladdin vergleichbar sein.
- Die Ergebnisse des „Brexit“-Referendums und die Ankündigung des Rückzugs des Vereinigten Königreichs aus der Europäischen Union haben zu erheblichen politischen und wirtschaftlichen Unsicherheiten in der Europäischen Union geführt und können weiterhin zu negativen Auswirkungen auf das Geschäft von Aladdin führen.

Rechtliche und Regulatorische Risiken

- Das Geschäft von Aladdin unterliegt den allgemeinen rechtlichen Rahmenbedingungen in der Volksrepublik China und Indien, und darüber in den Ländern, in die Aladdin sein Geschäft in Zukunft ausdehnen möchte, u. a. die Mitgliedsstaaten der Europäischen Union und Großbritannien. Regulatorische Änderungen in diesen Ländern könnten das Geschäft von Aladdin einschränken.
- Datenschutzverstöße und -verletzungen können die Reputation von Aladdin schädigen, eine Ordnungs- oder Straftat darstellen und zu Schadensersatzansprüchen sowie Geldbußen gegen Aladdin führen.
- Das Risikomanagement und die Compliance-Kontrollen und -Verfahren von Aladdin können sich als unzureichend erweisen und dabei versagen Korruption, Betrug oder sonstiges kriminelles oder unbefugtes Verhalten zu verhindern oder aufzudecken.

D.3 Zentrale Angaben zu den zentralen Risiken, die den Wertpapieren eigen sind.

Risiken im Zusammenhang mit den Aktien, der Zulassung und der Aktionärsstruktur

- Nach der Zulassung wird Herr Wade Menpes-Smith, geschäftsführender Direktor und Mitglied des Verwaltungsrats der Gesellschaft, eine wesentliche Beteiligung an der Gesellschaft behalten und seine Interessen können mit denen anderer Aktionäre der Gesellschaft kollidieren.
- Die Gesellschaft geht nicht davon aus, dass sie in absehbarer Zukunft Dividenden ausschütten wird, wodurch die Rendite eines zukünftigen Investors auf die Investition in die Aktien der Gesellschaft beschränkt sein kann.
- Die Gesellschaft ist eine Holdinggesellschaft ohne wesentliche eigene Geschäftstätigkeit und ist darauf angewiesen, dass ihre operative Tochtergesellschaft Aladdin Blockchain Technologies Ltd der Gesellschaft die Mittel zur Verfügung stellt, welche zur Erfüllung ihrer finanziellen Verpflichtungen sowie gegebenenfalls zur Vornahme von Dividendenzahlungen erforderlich sind.
- Die Aktien der Gesellschaft wurden bislang nicht an einem regulierten Markt gehandelt und es kann nicht garantiert werden, dass nach der Zulassung zum Handel am regulierten Markt ein liquider Markt entstehen oder fortbestehen wird.
- Der Aktienkurs könnte erheblich schwanken und Anleger könnten ihr eingesetztes Kapital ganz oder teilweise verlieren.
- Zukünftige Angebote von Aktien der Gesellschaft könnten den Marktpreis der Aktien negativ beeinflussen, und künftige Kapitalmaßnahmen könnten die Beteiligungen der bestehenden Aktionäre der Gesellschaft erheblich verwässern.
- Zukünftige Verkäufe durch die bestehenden Aktionäre der Gesellschaft könnten sich negativ auf den Kurs der Aktie auswirken.
- Aktionäre außerhalb Deutschlands können möglicherweise nicht an zukünftigen Bezugsrechtsangeboten teilnehmen.

- Wenn Analysten keine Analysen oder Berichte über die Gruppe veröffentlichen oder wenn sie ihre Empfehlung in Bezug auf die Aktie der Gesellschaft herabstufen, könnte der Aktienkurs oder das Handelsvolumen sinken.

E - Angebot

E.1 Gesamtnettoerlöse und geschätzte Gesamtkosten der Emission/des Angebots, einschließlich der geschätzten Kosten, die dem Anleger vom Emittenten oder Anbieter in Rechnung gestellt werden.

Entfällt. Dieser Prospekt bezieht sich nicht auf ein Angebot von Aktien.

Die im Zusammenhang mit der Börsenzulassung der Aktien erwarteten Kosten belaufen sich auf insgesamt ca. EUR 200.000.

Anlegern werden keine Kosten durch die Gesellschaft oder S&MC in Rechnung gestellt.

E.2a Gründe für das Angebot.

Entfällt. Dieser Prospekt bezieht sich nicht auf ein Angebot von Aktien.

Zweckbestimmung der Erlöse, geschätzte Nettoerlöse.

Entfällt. Dieser Prospekt bezieht sich nicht auf ein Angebot von Aktien.

Demzufolge werden weder der Gesellschaft noch den Aktionären der Gesellschaft Erlöse zufließen

E.3 Beschreibung der Angebotskonditionen.

Entfällt. Dieser Prospekt bezieht sich nicht auf ein Angebot von Aktien.

E.4 Beschreibung aller für die Emission/das Angebot wesentlichen, auch kollidierenden Beteiligungen.

S&MC hat mit der Gesellschaft anlässlich der Börsennotierung der Aktien der Gesellschaft am regulierten Markt der Börse Düsseldorf ein Listing Agreement geschlossen. S&MC berät die Gesellschaft bezüglich der Börsennotierung und koordiniert den Notierungsprozess. S&MC wird eine marktübliche feste Provision für diese Leistungen erhalten.

Abgesehen von diesen Interessen sind der Gesellschaft keine anderen Interessen oder potentielle Konflikte bekannt, die für die Zulassung wesentlich sind.

E.5 Name der Person/des Unternehmens, die/das das Wertpapier zum Verkauf anbietet.

Entfällt. Dieser Prospekt bezieht sich nicht auf ein Angebot von Aktien.

Bei Lock-up-Vereinbarungen die beteiligten Parteien und die Lock-up-Frist.

Die Aktionäre, die die 1.150.000 Aktien mit der ISIN DE000A2G8XZ8 halten, haben mit der Gesellschaft vereinbart, diese Aktien bis zum 31. Dezember 2018 nicht über die Börse zu veräußern.

Die Aktionäre, die die 3.853.000 Aktien mit der ISIN DE000A2LQ7Y5 halten haben mit dem Hauptaktionär der Gesellschaft, Herrn Wade Menpes-Smith, vereinbart, ihre Aktien bis zu, 31. Dezember 2018 nicht zu veräußern.

E.6 Betrag und Prozentsatz der aus dem Angebot resultierenden unmittelbaren Verwässerung. Im Falle eines Zeichnungsangebots an die existierenden Anteilseigner Betrag und Prozentsatz der unmittelbaren Verwässerung, für den Fall, dass sie das neue Angebot nicht zeichnen.

Entfällt. Dieser Prospekt bezieht sich nicht auf ein Angebot von Aktien.

E.7 Schätzung der Ausgaben, die dem Anleger vom Emittenten oder Anbieter in Rechnung gestellt werden.

Entfällt. Anlegern werden weder von der Gesellschaft noch von S&MC Kosten in Rechnung gestellt.

3. RISK FACTORS

An investment in the shares of Aladdin Blockchain Technologies Holding SE, Berlin, Germany (the “Company”), is subject to risks. The Company is the sole shareholder of Aladdin Blockchain Technologies Ltd, London, United Kingdom (“Aladdin Ltd.” and together with the Company “Aladdin” or the “Group”). In addition to the other information contained in this prospectus, prospective investors should carefully consider the following risks when deciding whether to invest in the Company’s shares. The market price of the Company’s shares could decline if any of these risks were to materialize, in which case investors could lose some or all of their investment. The following risks, alone or together with additional risks and uncertainties not currently known to Aladdin, or that Aladdin might currently deem immaterial, could materially adversely affect Aladdin’s business, financial condition, cash flows, results of operations and the value of Aladdin Ltd.

The order in which the risks are presented is not an indication of the likelihood of the risks actually materializing, or the significance or degree of the risks or the scope of any potential harm to Aladdin’s business, net assets, financial condition, cash flows, results of operations or the value of Aladdin Ltd. The risks mentioned herein may materialize individually or cumulatively.

3.1. Risks Related to the Business of Aladdin

3.1.1. Aladdin’s continued existence depends on its ability to raise substantial additional equity financing in the second half of 2018. If the Company fails to do so, the Company might have to file for insolvency in which case investors will lose all of their investment in the Company.

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 not yet generated any 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.

As Aladdin does not yet generate any revenues from its operations and is cash flow negative it depends on the funds provided to it by investors in the form of equity financing. So far, the existing shareholders of the Company have funded the business and covered the losses incurred. The latest capital increase against cash contribution was completed in January 2018 and raised proceeds of EUR 6.2 million. As of the date of this Prospectus, the cash position of the Company is approximately at EUR 0.75 million, which will allow the Company to continue its business until

beginning of November 2018 without further funding. To suffice its working capital requirements for the next twelve months, the Company estimates to require additional funds of EUR 3.5 million. To meet these capital requirements, the Company intends to raise capital in the second half of 2018 by way of a capital increase against cash contributions. If the Company fails to raise additional equity financing or falls short in its ability to raise the envisaged funds, the development of Aladdin's software solutions could be delayed and, if the Company is not able to raise additional capital at the latest in February 2019, the Company might be forced to file for insolvency, in which case shareholders will face a total loss of their investment.

3.1.2. Aladdin has so far only generated losses and has not yet generated any revenues. If Aladdin is unable to generate revenues or to raise additional funds until the break-even point, Aladdin may be forced to liquidate or file for bankruptcy.

Aladdin's business is at a very early stage and requires substantial pre-investment in the form of software development and marketing expenses. So far, only losses have been generated. In the short and medium term, Aladdin will continue to be unprofitable according to its planning.

The losses incurred so far and expected to be incurred in the future have been and will be mainly caused by expenses for the development of Aladdin's software technology and by general administrative and marketing expenses. Significant costs for the development of Aladdin's technology, costs for the marketing of its software solutions and general administrative costs are expected to continue to arise in the future. Aladdin's previous business activities were exclusively funded by contributions from existing shareholders. While the Company anticipates different streams for future revenues from its software solutions and expects first income from a license of software to a business partner in the amount of USD 1 million in the first quarter of 2019, it has not yet introduced other income generating software solutions to the market. Thus, and in line with Aladdin's business model, it can therefore not be assumed that Aladdin will generate substantial revenues in the short and medium term.

As Aladdin's business model is subject to numerous risks and uncertainties, Aladdin is unable to predict when the Company will generate revenues from its business activities. Furthermore, Aladdin cannot make any statement as to whether and at what point in time the Company will generate profits from the revenues generated, if any. Thus, Aladdin may never become profitable.

To achieve the required revenues, Aladdin relies on its ability to attract a large amount of healthcare participants, such as doctors, hospitals, health insurers and pharmaceutical companies to join its envisaged blockchain based healthcare ecosystem to enable Aladdin to get access to a large amount of medical records of patients. Aladdin then further relies on consent and willingness of patients to use Aladdin's software applications and to share their medical records and

health data and that healthcare participants are willing to pay for the software solutions Aladdin then offers. There is no guarantee that Aladdin will succeed in these efforts.

As long as Aladdin does not generate profits from its operating activities, the Company is permanently dependent on additional equity financing, as debt financing is unlikely to be available to the Company unless revenue streams have been exploited. Should Aladdin fail to raise the necessary funds, this may lead to the insolvency of the Company or to a total loss of the capital invested by the shareholders. Even if Aladdin were to operate profitably in the future, the Company may not be able to maintain or improve this profitability in the long term. If one or more of the risks mentioned here are realized and as a result profits are generated only to a reduced extent or are not generated at all, Aladdin may be forced to go into liquidation or file for insolvency.

3.1.3. *There is no guarantee that there is a market for Aladdin's software solutions at all.*

Aladdin is an early stage software company that intends to implement its business model in several stages. Through its software development efforts and related marketing activities, Aladdin expects to gain access to a large volume of patient records, which shall be the basis for its further plans to create a big data platform allowing the decentralised management of medical records and analysis of health and lifestyle data to form the basis for various future revenue streams for the Company. There is no guarantee that the Company will be successful in implementing its business model and in introducing income generating software solutions or services to the market. The level of monetisation from its first ever software application which is expected to be introduced in the PR china,, will depend on how much patients will ascribe to its usage. At present, it is completely unclear, if healthcare participants such as hospitals, health insurers or pharmaceutical companies would be willing to pay for the software solutions of Aladdin.. If the Company fails to successfully introduce income generating software solutions and services, the continued existence of the Company is highly uncertain.

3.1.4. *The success of Aladdin's business model highly 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 might become impossible.*

Besides the envisaged introduction of a first application of its software solutions in the form of a software application to allow patients to make appointments with doctors and to manage and share patient medical records, Aladdin's business model strives to generate future revenues from the introduction of a marketplace for health products and services as well as from the analysis of a big data platform fed with patient medical records by using artificial intelligence (AI) and machine learning. The success of these future software applications highly depends on the number

of patients who are willing to share their medical records on Aladdin's platform as well as on the number of healthcare participants allowing to generate patients' medical data. Aladdin has entered into first agreements to get access to medical data, in the PR China this will take place be through its license and business partner in Hong Kong which formed a joint venture with a hospital management company with more than 40 hospitals in the PR China. In, India the Company has entered into a collaboration agreement with the health online marketplace provider OurHealth-Mate (OHM), under which the Company intends to build a big-data platform consisting of medical records. The value that can be extracted from the data pool that Aladdin collects will only grow as more data are added to the platform. To generate the anticipated future revenue streams from data analysis of its big data platform for governments, pharmaceutical companies or health insurers, Aladdin is dependent on acquiring a significant number of healthcare participants to join its envisaged healthcare ecosystem and thereby patients' medical records. If Aladdin fails in these efforts, it is highly likely that Aladdin will not be able at all to generate any revenues from this important part of its business model. The materialization of any of the risks described above could have a material adverse effect on Aladdin's business, financial condition, cash flows or results of operations.

3.1.5. Aladdin may face intense competition and may fail if its competitors provide superior offerings or if Aladdin does not adapt to changing market environments.

While the Company believes that in the markets it seeks to enter initially, the PR China and India, currently no other companies directly competes with Aladdin, there are parallels to other companies as well as overlaps with features of other companies' software solutions. Efforts to improve healthcare are stimulating start-ups and the funding environment. Aladdin assumes that there are approximately 80 companies in the PR China alone working on AI-based healthcare applications. Aladdin expects such parallels and overlaps to grow over time. Aladdin's potential competitors include Chinese healthcare technology companies, blockchain specialists as well as other companies and big data analytics and artificial intelligence (AI) providers. Established companies, on the one hand, may have greater resources, more comprehensive and complementary product and service offerings, longer operating histories and more established relationships in the health care industry. These companies can use their experience and resources to compete with Aladdin in a variety of ways, including by making acquisitions, investing aggressively in software development, advertising campaigns, and offering more attractive commercial terms to patients, hospitals and other strategic partners. Start-ups, on the other hand, may be able to develop software that is superior to, or have greater market acceptance than, the products and services offered by Aladdin or may be faster in bringing their products and services to the market. In addition, other start-ups, in particular those located in the PR China and India may have an easier time accessing significant equity and debt capital than Aladdin. The materialization of any of the risks described above could have a material adverse effect on Aladdin's business, financial condition, cash flows or results of operations.

3.1.6. Aladdin may not receive significant revenues from its software development efforts, if at all.

Developing software applications is expensive and the investment in product development often involves a long return on investment cycle. Aladdin made in the past and expects to continue to make significant investments in software development and improvement as well as related product opportunities. Demand may require accelerated product introductions and shorter product life cycles which in return may require high levels of expenditures that could adversely affect the Company's operating results. In addition, Aladdin may not receive significant revenues from its software development efforts, if at all. The materialisation of any of these risks could have a material adverse effect on Aladdin's business, financial condition and results of operations.

3.1.7. The loss of one or more key employees could harm Aladdin's business.

Aladdin's future success is significantly dependent upon the continued service of Aladdin Ltd.'s founders, the Chief Executive Officer ("**CEO**") Wade Menpes-Smith and the Chief Operations Officer ("**COO**") Bimal Shah, who have been key to the development of Aladdin's business since start of its operations in November 2017. If Aladdin were to lose the services of any of the said persons, it may not be able to locate suitable or qualified replacements, and may incur additional expenses to recruit adequate replacements, which could severely disrupt Aladdin's business and growth. Aladdin is also dependent on the continued services of other key employees in the areas of software engineering, marketing, sales, services and general and administrative functions. From time to time, there may be changes in Aladdin's management team and key employees resulting from the hiring or departure of executives, which could disrupt its business. The loss of one or more of Aladdin's management team members or key employees could significantly harm its business which could have a material adverse effect on Aladdin's business, financial condition and results of operations.

3.1.8. Aladdin is dependent on the software development company Elemental Concept 2016 Limited, it has partnered with on its software development activities.

Currently, all software development work referring to Aladdin's applications is contracted by Elemental Concept 2016 Limited ("**Elemental Concept**"), a software development company. The agreement with Elemental Concept provides for a indefinite term and can be terminated with six-months notice, but not before 15 December 2018. Aladdin believes that this approach provides it with flexibility due to its very early stage and limited financial resources. However, as Aladdin does not employ software developers itself, it completely depends on the performance of Elemental Concept under this contractual relationship. In the event, the agreement with Elemental Concept was terminated prior to its term or breaches of contract occurred and Aladdin was not in a position, to replace the software development currently performed by Elemental Concept with

software development by another developer at the same or comparable terms, the successful implementation of its software solutions to the market might be delayed or only possible at significant additional costs. Furthermore, should this relationship with Elemental Concept break down, Aladdin would lose its entire development capacity and would have to rebuild it from scratch. This could have a material adverse effect on Aladdin's business, financial condition and results of operations.

3.1.9. Aladdin is subject to material related party conflicts relating to its software development.

Currently, Aladdin all software development work referring to its Aladdin's software solutions is contracted by Elemental Concept, a software development company that was co-founded by Mr. Bimal Shah, Aladdin's Chief Operating Officer (COO). Mr. Shah owns 40% of the shares in Elemental Concept. Elemental Concept is also a shareholder in the Company, to the knowledge of the Company currently holding approximately 1.00% of the shares in the Company. As such, there is a potential conflict of interest with regards to the favourability of payments from Aladdin to Elemental Concept under the software development agreement. Further, potential conflicts on the ownership of certain IP arising in the course of software development, disputes on due performance under the agreement or breaches of contract, might impact the interests of Aladdin on the one hand and Elemental Concepts and thus indirectly of Mr. Shah on the other hand. Should in the future conflicts with Elemental Concept arise under the software development agreement, which could not be solved in the best interest of the Company, this might have a material adverse effect on Aladdin's business, financial condition and results of operations.

3.1.10. If Aladdin fails to attract and retain additional qualified personnel it may be unable to execute its business strategy.

To operate its business and execute its business strategy, Aladdin must attract and retain highly qualified personnel. Aladdin competes with many other companies for software developers and programmers with high levels of experience in designing, developing and managing software, as well as for skilled product development, marketing, sales and operations professionals, and it may not be successful in attracting and retaining the professionals it needs. Aladdin has experienced, and it expects to continue to experience, difficulty in hiring and retaining highly skilled employees with appropriate qualifications which may, among other things, impede its ability to execute its software development and sales strategies. Many of the companies with which Aladdin competes for experienced personnel are better known and have greater resources than Aladdin. If Aladdin fails to attract new personnel or fails to retain and motivate its current personnel, its growth prospects could be harmed which could have a material adverse effect on Aladdin's business, financial condition and results of operations.

3.1.11. Aladdin does not have an ownership interest in the company that is intended to implement parts of its business model in the Chinese market and thus relies on the performance of its business partners under the agreements entered into.

Aladdin intends to deliver its software solutions to the Chinese healthcare market through its business partner and licensee, in which it has no ownership interest. Thus, Aladdin relies on contractual arrangements with Aladdin Intel Ltd. Hong Kong, an unrelated third party, to whom it has licensed parts of its software, which further sublicensed the software to a joint venture formed with a hospital operator in the PR China. These contractual arrangements are intended to obtain economic benefits, by providing Aladdin's software solutions to Chinese hospitals and patients and at the same time allow Aladdin to gather medical records of patients for its intended big data platform. However, there can be no assurance that such contractual agreements will be enforceable in the future due to government authorities adopting new laws and regulations in the future which may invalidate the contractual arrangements. These contractual arrangements may not be as effective in providing control over Aladdin's operating activities as direct ownership. If Aladdin's business partners fail to perform their respective obligations under the contractual arrangements, Aladdin may incur substantial costs and expend substantial resources to enforce its rights. All of the contractual arrangements are governed by and interpreted in accordance with Hong Kong laws, and disputes arising from the contractual arrangements will be resolved through arbitration or litigation in Hong Kong. However, there remain significant uncertainties regarding the outcome of arbitration or litigation. Such uncertainties could limit Aladdin's ability to enforce these contractual arrangements. In the event it is unable to enforce the contractual arrangements or it experiences significant delays or other obstacles in the process of enforcing the contractual arrangements, Aladdin may not be able to exert effective control over the implementation of its software solutions in the PR China which could have a material adverse effect on Aladdin's business, financial condition and results of operations.

3.1.12. The use of the "Aladdin" brand name by Aladdin may infringe rights of third parties. If such third parties take actions against Aladdin using the "Aladdin" brand name, this may force Aladdin to change its legal name and its commercial name and abstain from using the brand. This may result in a loss of reputation with business partners, re-branding expenses and might in addition give rise to damage claims resulting in substantial payment obligations of Aladdin.

Aladdin has applied for registration of three figurative trademarks with the European Union Intellectual Property Office (EUIPO). In the course of the application process several third parties challenged the respective applications claiming infringements of own rights. Aladdin has entered into negotiations with these third parties in order to conclude co-existence agreements with respect to the use of the "Aladdin" trademarks. If these negotiations do not lead to an agreement or if further parties challenge Aladdin's trademark applications this may prevent Aladdin from using

its brand name and may trigger additional cost for a rebranding of Aladdin, including the change of its legal name and commercial. This might cause harm to Aladdin's reputation with business partners and result in additional expenses. In addition, third parties may file actions against Aladdin for using the brand which may result in significant payment obligations of Aladdin, if Aladdin was not successful in defending successfully against such actions. The materialization of any of the risks described above could have a material adverse effect on Aladdin's business financial condition, cash flows or results of operations.

3.1.13. If Aladdin's security measures are breached or unauthorised access to customer data is otherwise obtained Aladdin may incur significant liabilities.

Aladdin's future operations involve the storage and transmission of patients' medical records, thus highly confidential information, by using the blockchain technology. Security breaches, computer malware and computer hacking attacks could expose Aladdin to a risk of loss of this information, liability and litigation. While Aladdin has security measures in place and assumes that the blockchain technology in particular provides for additional security through decentralised storage of data, if such security measures are breached as a result of third-party action, employee error or otherwise, and, as a result, someone obtains unauthorised access to its customers' data, including personally identifiable information regarding users, Aladdin's reputation will be damaged, its business may suffer and it could incur significant liability. Also, the blockchain technology could prove error-prone or be hacked or manipulated and lose customers' trust due to such errors or vulnerabilities. Additionally, third parties may attempt to fraudulently induce employees into disclosing sensitive information such as user names, passwords or other information in order to gain access to Aladdin's customers' data or its own data. Because techniques used to obtain unauthorised access or to sabotage systems change frequently and generally are not recognised until launched against a target, Aladdin may be unable to anticipate these techniques or to implement adequate preventative measures. If an actual or perceived breach of Aladdin's security occurs, the market perception of the effectiveness of Aladdin's security measures could be harmed and it could lose potential sales and existing customers. The materialisation of any of the risks described above could have a material adverse effect on Aladdin's business, financial condition and results of operations.

3.1.14. 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.

Aladdin software solutions are based on the blockchain technology which is a relatively new technology. The successful adoption and operation of any new technology is dependent on the appropriate management of the risks associated with that technology. Aladdin has identified distributed ledger technologies (DLT) to have the potential to be the backbone of the healthcare ecosystem it intends to introduce to the healthcare market. The blockchain protocol is a special case of DLT, where the consensus protocol creates a daisy chain immutable ledger of all transactions that is shared across all participants. This framework allows for near real-time value transfer (e.g., assets, records, identity) between participants without the need for a central intermediary. Any transfer of value between two parties and the associated debits and credits are captured in the blockchain ledger for all parties to see. The cryptographic consensus protocol ensures immutability and irreversibility of all transactions posted on the ledger. While the blockchain technology promises to drive efficiency or reduce costs, it has certain inherent risks. Risks associated to this technology can be broadly classified under three categories:

Standard risks: Blockchain technologies expose institutions to risks that are similar to those associated with current business processes but introduce nuances for which entities need to account.

Value transfer risks: Blockchain enables peer-to-peer transfer of value without the need for a central intermediary. The value transferred could be assets, identity, or information. This new business model exposes the interacting parties to new risks that were previously managed by central intermediaries.

Smart contract risks: Smart contracts can potentially encode complex business, financial, and legal arrangements on the blockchain, and could result in the risk associated with the one-to-one mapping of these arrangements from the physical to the digital framework

The materialisation of any of the risks described above could have a material adverse effect on Aladdin's business, financial condition and results of operations.

3.1.15. Aladdin is subject to substantial currency risks associated with changes in currency exchange rates which may increase along with its intended further international growth.

Aladdin is subject to fluctuations in foreign exchange rates between the Euro, the Company's reporting currency, and other currencies in which either Aladdin Blockchain Ltd. reports or in which income is generated or obligations are fulfilled, in particular GBP and USD. Future reve-

nues are expected to be generated probably in USD. On the other hand, the substantial expenditures of the Company in the form of costs for software development will be incurred in GBP, because these are carried out through its subsidiary Aladdin Ltd., which is based in the United Kingdom. The Company reports in its financial statements in Euros. Such fluctuations between currencies may thus in significant increases or decreases in Aladdin's reported financial figures such as revenue and other results as expressed in Euro, and in the reported value of its assets, liabilities and cash flows. In addition, currency fluctuations may adversely affect receivables, payables, debt, firm commitments and forecast transactions denominated in foreign currencies. In particular, transition risks rise where parts of the cost of sales are not denominated in the same currency of such sales. The timing and extent of currency fluctuations may be difficult to predict. Furthermore, depending on the movements of particular exchange rates, Aladdin may be adversely affected at a time when the same currency movements benefit some of its competitors.

Any fluctuations in the currencies mentioned could have a material impact on the financial statements of the Company. Any of these developments, alone or in combination, could have a material adverse effect on Aladdin's business, financial condition and results of operations.

3.1.16. Aladdin may not be able to prevent others from unauthorized use of its intellectual property, which could harm its business and competitive position.

Aladdin regards its proprietary technologies and similar intellectual property as critical to its success, and aims to protect such technology by use of respective intellectual property laws and contractual arrangements, including confidentiality agreements with its employees and business partners. Despite these measures, any of Aladdin's intellectual property rights could be challenged, invalidated, circumvented or misappropriated, or such intellectual property may not be sufficient to provide Aladdin with competitive advantages. In addition, although Aladdin is not aware of any copycat business models or mobile apps that attempt to cause confusion or traffic diversion from Aladdin at the moment, Aladdin may become an attractive target to such attacks in the future because of potential future brand recognition in the Internet healthcare industry.

In addition, there can be no assurance that future patent applications regarding developed technology would be approved, that any issued patents would adequately protect Aladdin's intellectual property, or that such patents would not be challenged by third parties or found by a judicial authority to be invalid or unenforceable.

Confidentiality agreements may be breached by counterparties, and there may not be adequate remedies available to Aladdin for any such breach. Accordingly, Aladdin may not be able to effectively protect its intellectual property rights or to enforce its contractual rights. Policing any unauthorized use of its intellectual property is difficult and costly and the steps that Aladdin takes may be inadequate to prevent the infringement or misappropriation of its intellectual property. In the

event that Aladdin resorts to litigation to enforce its intellectual property rights, such litigation could result in substantial costs and a diversion of its managerial and financial resources, and could put its intellectual property at risk of being invalidated or narrowed in scope. There can be no assurance that Aladdin would prevail in such litigation, and even if it manages to prevail, Aladdin may not obtain a meaningful recovery. In addition, Aladdin's trade secrets may be leaked or otherwise become available to, or be independently discovered by, its competitors. Any failure in maintaining, protecting or enforcing its intellectual property rights could have a material adverse effect on its business, financial condition and results of operations.

3.1.17. Security breaches and attacks against Aladdin's systems and network and any potential resultant breach or failure to otherwise protect confidential and proprietary information, could damage Aladdin's reputation and adversely affect its business, financial condition and results of operations.

Aladdin is heavily dependent on technology, particularly the Internet, to provide high-quality online services. However, its technology operations are vulnerable to disruptions arising from human error, natural disasters, power failure, computer viruses, spam attacks, unauthorized access and other similar events.

Disruptions to, or instability of, Aladdin's technology or external technology that allows its customers to use its online services and products could materially harm Aladdin's business and reputation.

Although Aladdin has employed resources to develop security measures against breaches, its cybersecurity measures may not detect or prevent all attempts to compromise its systems, including distributed denial-of-service attacks, viruses, malicious software, break-ins, phishing attacks, social engineering, security breaches or other attacks and similar disruptions that may jeopardize the security of information stored in and transmitted by its systems or that Aladdin otherwise maintains. Breaches of Aladdin's cybersecurity measures could result in unauthorized access to its systems, misappropriation of information or data, deletion or modification of user information, or a denial-of-service or other interruption to its business operations. As techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against Aladdin, it may be unable to anticipate or implement adequate measures to protect against these attacks. Aladdin had not been subject to these types of attacks that had materially and adversely affected its business operations. However, there can be no assurance that Aladdin would not in the future be subject to such attacks that may result in material damages or remediation costs. If Aladdin is unable to avert these attacks and security breaches, Aladdin could be subject to significant legal and financial liability, its reputation would be harmed and it could sustain substantial revenue loss from lost sales and customer dissatisfaction.

In addition, Aladdin may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyber-attacks. Cyber-attacks may target Aladdin, its users or other participants of its ecosystem, or the information infrastructure on which it depends. Actual or anticipated attacks and risks may cause Aladdin to incur significantly higher costs, including costs to deploy additional personnel and network protection technologies, train employees, and engage third-party experts and consultants. Cybersecurity breaches may harm Aladdin's reputation and business and materially and adversely affect its financial condition and results of operations.

3.1.18. Aladdin's business could be disrupted by network interruptions.

Aladdin's business depends on the efficient and uninterrupted operation of its computer and communications systems. Aladdin's information infrastructure contains substantial quantities of data relating to medical records of patients and participants of its ecosystem such as account information, consultation records and transaction data, among other things, which enable users and other participants to fully engage in Aladdin's ecosystem. Although Aladdin has prepared for contingencies through redundancy measures and data disaster recovery procedures and is in the process of establishing its active/active data centres, such preparation may not be sufficient and Aladdin does not carry business interruption insurance.

Furthermore, despite any precautions Aladdin may take the occurrence of a natural disaster such as an earthquake, flood or fire or other unanticipated incidents at Aladdin's information infrastructure facilities, including power outages, telecommunications delays or failures, break-ins to its systems or computer viruses, could result in delays or interruptions to Aladdin's platform and operations as well as loss of its users' and other participants' data. Any of these events could damage its reputation, materially disrupt its ecosystem and subject Aladdin to liability and claims, which may materially and adversely affect its business, financial condition and results of operations.

3.1.19. Customer growth and activity on mobile devices depends upon effective use of mobile operating systems, networks and standards that Aladdin does not control.

Users access applications and services provided by Aladdin's business partners through mobile devices. Although Aladdin does not intend to directly engage with end users but rather will deliver its technology to business partners who will be responsible for the relationships with the end users, Aladdin is, indirectly, dependent on end users downloading the specific mobile apps built by Aladdin for their particular devices. As new mobile devices and platforms are released, it is difficult to predict the problems Aladdin may encounter in developing apps for these alternative devices and platforms, and Aladdin may need to devote significant resources to the development, support and maintenance of such apps. In addition, Aladdin's future growth and results of operations could suffer if it experiences difficulties in the future in integrating its mobile apps into mobile

devices or if problems arise with its relationships with providers of mobile operating systems or mobile app stores, if Aladdin's apps receive unfavourable treatment compared to competing apps at app stores, or if Aladdin faces increased costs to distribute or has customers use its mobile apps.

In the event that it becomes more difficult for end users to access and use Aladdin's apps and solutions and/or services of Aladdin's business partners on their mobile devices, or if end users choose not to access or use its technology and/or services of its business partners on their mobile devices or to use mobile products that do not offer access to its technology and/or services of its business partners, Aladdin's growth could be harmed and its business, financial condition and results of operations may be adversely affected.

3.1.20. 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 utilize its standardized 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.

If Aladdin is not successful in discovering and eliminating weaknesses in its internal controls, its ability to effectively manage its business may be affected which may have a material adverse effect on its business, financial condition and results of operations

3.1.21. The Company's ability to raise capital in the future could be limited.

In the future, the Company might need or desire to raise capital through public or private financing or other arrangements. Such financing might not be available on acceptable terms, or at all. Factors that could increase the difficulty of obtaining financing include, but are not necessarily limited to, a deterioration in general economic conditions globally or in the markets in which it operates, higher interest rates, a deterioration in Aladdin's financial results or condition, insufficient competition among banks or other potential sources of financing, and insufficient demand for securities in the debt or equity capital markets. Any inability to raise capital as needed going

forward could harm its business, prevent Aladdin from fully implanting its business model or at least from realising business opportunities, prevent it from growing its business or responding to competitive pressures, and could, thus, have a material adverse effect on its business, financial condition and results of operations.

3.1.22. Due to the recent start of the operations of the Company the historical financial information of Aladdin presented in this Prospectus are not meaningful and will not be comparable to Aladdin's results as an independently listed consolidated company going forward.

For the financial years ended 31 December 2016 and 2017, the Company did not have any operating business and thus Aladdin's historical financial information will only have a very limited comparability to future its financial statements. In March 2018 the Company acquired all of the shares in Aladdin Ltd., which were transferred to the Company by way of a capital increase against contribution in kind in March 2018. Prior to this transaction, Aladdin did not exist as a "group" for the purpose of preparing consolidated financial statements under International Financial Reporting Standards (IFRS). Consequently, the Company does not have consolidated financial statements for the previous fiscal years and has drawn up its financial statements under German Generally Accepted Accounting Principles (German GAAP) in accordance with the German Commercial Code (HGB). As Aladdin Ltd. was only established in November 2017 itself, Aladdin Ltd.'s financial statements also only offer a limited amount of information. As Aladdin will prepare consolidated financial statements going forward, the historical financial information of Aladdin may not be entirely comparable with future financial information.

3.1.23. The results of the "Brexit" referendum and the announcement of the United Kingdom to withdraw from the European Union have caused and may continue to cause significant political and economic uncertainty in the European Union, and may cause negative impacts on Aladdin's business.

On 29 March 2017 the United Kingdom submitted a formal departure notice to the European Council pursuant to Article 50 of the Treaty on European Union. The negotiations regarding the withdrawal of the United Kingdom from the European Union are expected to take until March 2019. The Brexit vote has already resulted in a high degree of political and legal uncertainty within the United Kingdom and the European Union, both with respect to the implications of Brexit and the outcome of the negotiations regarding the withdrawal.

The ongoing economic and political implications of the referendum for both the United Kingdom and the European Union are impossible to predict. Among other consequences, departure from the European Union may result in the United Kingdom no longer having access to the European Single Market. Although the United Kingdom is currently the second largest economy in the Eu-

European Union, a withdrawal from the European Single Market is expected to have significant negative impact on the economy of the United Kingdom. If the United Kingdom no longer had access to the European Single Market, the Member States of the European Union would face greater barriers to trade and commerce with the United Kingdom, which may in turn diminish overall economic activity between the European Union and the United Kingdom, resulting in a general economic downturn throughout the United Kingdom, the European Union or both. The Brexit vote may also give rise to or strengthen tensions in other Member States regarding their membership in the European Union, potentially resulting in additional referendums or other actions in Member States regarding withdrawal from the European Union. The withdrawal of other Member States from the European Union would have unpredictable consequences and may threaten the existence of the European Union or the Eurozone as a whole.

Because Aladdin's business is primarily conducted by its UK based subsidiary Aladdin Ltd. any negative economic or political developments related to Brexit may directly affect Aladdin's business. This could include the ability to attract highly skilled software developers and programmers, which is crucial for the future success of Aladdin. Also any negative implications to the European financial sector or the European Union generally may result in a new outbreak of the credit and banking crises that have plagued the European Union in recent years, and may make it more difficult for companies to access the financial markets and raise equity financing. Because Aladdin relies on access to the financial markets in order to finance its business and gain access to new financing, ongoing political uncertainty and any worsening of the economic environment may reduce its ability to gain access to new financing. Furthermore, Aladdin's counterparties, in particular, if it decides in the future to hedge currency risks, may not be able to fulfil their obligations under their respective agreements due to a lack of liquidity, operational failure, bankruptcy or other reasons. The occurrence of any of these risks may have a material adverse effect on Aladdin's business, net assets, financial condition, cash flow, results of operations, net profits and prospects.

3.2. Legal and Regulatory Risks

3.2.1. 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.

Aladdin's business is subject to the general legal framework applicable to the storage of personal medical records and the possibility to share such medical records and to the health care market in general, including the limitations imposed for marketplaces for the sale of drugs and health care services. This framework includes, amongst others, the following regulations.

PR China

While Aladdin does not directly conduct business in the PR China, it has licensed its software to a third party licensee which has granted a sublicense of the software to Chinese hospitals. Thus, Aladdin may be indirectly impacted by any restriction of the use or implementation of its software. Also, under the licence agreement, Aladdin is entitled to gain access to medical data of the patients of the hospitals. Such access, storage and/or analysis of such medical records might also be limited under respective regulations. The regulations in the PR China that are applicable to Aladdin's business activities in terms of data protections and cyber securities include the General Rules of Civil Law effective in 2017 under which the right to personal information is recognized. Although there is no codified data protection and cyber security law, piecemeal rules exist in various laws, administrative regulations, and managerial measures. The Cyber Security Law effective in 2017, as one of the most important legislation in this field, provides for principle obligations of network operators to protect personal data and cyber security. Aladdin is considered a network operator under the Cyber Security Law, since Aladdin operates a medical recording system which collects and processes personal information. The Cyber Security Law sets out a number of obligations on network operators to maintain the security and stability of the network they operate. The key obligations include certain technical and managerial measures as well as a requirement to adopt and implement contingency plans for cyber security incidents and to carry out cyber security authentication, inspection and risk evaluation.

Any collection or use of personal data must have legal grounds. These grounds could be genuine business reason or legal requirements. Additionally, unless a collection is legally required, usually network operators must seek data subjects' informed consents to collect personal data. This requires that network operators inform data subjects of the scope of data collection, purpose of collection and the policy about data protection and then give data subjects meaningful selections to decide whether to consent to the collection. Network operators must only collect personal data which are necessary for providing the services they render to data subjects use it only for performing the services with respect to which the personal data are collected. Under the Cyber Security Law, data subjects have the right to request that network operators (i) to provide a copy of their personal data in network operators' possession, (ii) to update their personal data; and (iii) to erase their personal data if they withdraw their consents --- network operators must respect such request unless they have legitimate reasons, or legally required, to retain some personal data.

India

Presently, apart from the Constitution of India, privacy rights are indirectly recognized under various sector-agnostic statutes such as the Indian Penal Code 1860, the Information Technology Act 2000 ("IT Act") etc. There are certain sensitive sectors such as banking, insurance, telecom etc. that have their specific regulations to address aspects of data privacy. Recently, the Supreme Court of India declared privacy as a fundamental right that is protected under the Constitution of

India. The collection, processing or use of personal data or information in India is primarily covered under Sections 43A and 72A of the IT Act. The Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (“SPDI Rules”) formulated under Section 43A of the IT Act stipulate regulations in relation to processing of ‘sensitive personal data or information’. As per Section 43A of IT Act, a body corporate in India, processing, dealing or handling any sensitive personal data or information (“SPDI”) in a computer source, is required to implement and maintain reasonable security practices and procedures. The SPDI Rules defines SPDI to inter alia include passwords, financial information, physical, physiological and mental health condition, medical records and history etc. Therefore, medical and health records amount to SPDI in Indian context. Further, the SPDI Rules define ‘personal information’ as any information that relates to a natural person, which directly or indirectly, along with other information, is capable of identifying such person. The blockchain technology is fairly new in Indian context, and laws are still evolving in India on how the technology needs to be regulated. It is uncertain, if the use of anonymized health records of patients in India by Aladdin will fall under the SPDI Rules.

In addition to the IT Act and SPDI Rules, generally health records are subject to confidentiality and privacy standards applicable to medical practitioners in India, particularly under the Electronic Health Record Standards for India, 2016 released by the Department of Health and Family Welfare and the Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002. According to these provisions, medical health records may only be used to a limited extent and will generally require the consent of the patient.

In July 2017, the Government of India constituted an expert committee to study various issues relating to data protection in India and to suggest the contours of a new data protection legislation. On 27 July 2018, the Committee released the draft of the Personal Data Protection Bill, 2018 (“Draft Bill”) along with Committee’s report. The Draft Bill is largely inspired from the European Union’s General Data Protection Regulation (GDPR), with certain variations. If the Draft Bill is passed, it will significantly change the data privacy landscape in India.

Europe

European legislation, as well as national legislation of European member states, regulates the collection, processing and other use of personal data. As of 25 May 2018 data protection at the European level is governed by the General Data Protection Regulation (“GDPR”). The GDPR is directly applicable in all EU Member states and does not need any implementation act. Aside from that, the GDPR provides for several opening clauses, e.g. for processing personal data in an employment context, allowing national legislators to issue stricter provisions.

In general, the GDPR regulates when and how personal data may be collected (lawfulness), for which purposes it may be processed (purpose limitation), for how long it may be stored (storage

limitation) and to whom and how it may be transferred (integrity and confidentiality). In order to comply with data protection requirements, particular measures need to be adopted. Processing special categories of personal data such as data concerning health is generally prohibited under the GDPR. However, an exception is made if the data subject has given explicit consent to the processing of those personal data for one or more specific purposes. Consent must be given prior to the processing and requires an affirmative action of the data subject. Data subjects must be clearly informed about the scope of the consent and the controlling entity. Further, consent may be withdrawn by the data subject at any time and without any reason, meaning that if the data subject withdraws the consent, the controlling entity is required to delete the data immediately and is not allowed to process them anymore.

Any changes to the laws in the mentioned jurisdictions, which could include changes that have retrospective effect, or changes in the interpretation or application of existing laws could, therefore, have a negative effect on Aladdin's business. Regulatory conditions in countries in which Aladdin operates or intends to operate could restrict or completely rule out the implementation of the business model. Different legal conditions in individual countries could prevent or delay the introduction of Aladdin's platform or only be possible through considerable changes to the underlying software which could cause substantial additional expenditure. The materialisation of any of the risks described above could have a material adverse effect on Aladdin's business, financial condition and results of operations.

3.2.2. 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.

Personal privacy and information security are significant issues in all jurisdictions where Aladdin intends to offer its applications. The core of Aladdin's business model, the storage of patients' medical records with the possibility to share to registered users of its platform refers to very sensitive and highly personal data. Thus, Aladdin will have access to and control over a huge volume of sensitive, personal data. Should Aladdin suffer a data breach, it could significantly impair the Company's ability to gain access to additional users, be it patients or hospitals or clinical centres. The legislative and regulatory framework for privacy and security issues worldwide is comprehensive and complex and rapidly evolving and is likely to remain uncertain in the foreseeable future. In addition to any reputational damages, Aladdin may face severe fines.

The collection, process, use, and disposal of personal data in the PR China are subject to data protection laws in the PR China, including, in particular, the Cyber Security Law. Generally speaking, network operators must comply with the principles of legality, reasonability and necessity in the process of collecting and using personal information. According to the Cyber Security Law, network operators must follow a multi-level protection scheme to protect networks from interfer-

ence, disruption or unauthorized access and preventing network data from being disclosed, stolen or tampered. Network operators are required to adopt and implement contingency plans for cyber security incidents and carry out cyber security authentication, inspection and risk evaluation accordingly. For an event that threatens cyber security, the operators concerned must initiate the contingency plan, take corresponding remedial actions, and report to the government and affected individuals as required. Network operators must not disclose, distort or damage the collected personal data. Disclosure of personal data without prior consent from data subjects is not allowed. Network operators can retain personal data until the purpose to collect such data is fulfilled. Network operators are required to erase personal data in their possession if such data are no longer in use or relevant data subjects withdraw their consents unless network operators are legally required to retain certain personal data or have legitimate right to do so. In the event of a breach of the regulations on data protection in the PR China, substantial fines can be imposed.

In India, negligent violations of reasonable security practices and procedures, which causes wrongful loss or wrongful gain to any person, can result in fines of up to USD 800,000. In addition, also criminal liability for disclosure of 'personal information' in breach of lawful contract or without the information provider's consent with an intention to cause wrongful loss or wrongful gain is punishable with imprisonment which could extend to 3 (three) years or a fine up to USD 8,000, or both.

In Europe, the processing patient's health data is generally subject to the doctor's or medical personnel's professional secrecy. In Germany, for example a violation of the professional secrecy may result in criminal sanctions. However, patient's health data can be processed if either data is only processed by third parties that are engaged in the activities of the doctor/medical personnel who is under professional secrecy or if the data subject consents to such processing by releasing the medical practitioner from his/her secrecy obligation. Under the GDPR companies violating data protection can be fined up to 4% of the total worldwide annual turnover or up to €20 Million (whichever is higher). This is the maximum fine that can be imposed for the most serious infringements e.g. not having sufficient consent to process data or violating the obligation regarding data subject's rights. There is a tiered approach to fines e.g. a company can be fined 2% of the total worldwide annual turnover or €10 Million (whichever is higher) for not having their record of processing activities or the data protection impact assessment in order.

While the Company considers the current regulatory trends to appear favourable, a regulatory tightening with regards to healthcare data privacy and sharing could influence Aladdin's growth trajectory substantially. In addition, different regulatory frameworks in different countries might cause additional software development features which might lead to additional costs and make it more complex to prevent privacy breaches. The materialisation of any of the risks described above could have a material adverse effect on Aladdin's reputation and its business, financial condition and results of operations.

3.2.3. Aladdin's risk management and compliance controls and procedures may prove to be inadequate and may fail to prevent or detect corruption, fraud or other criminal or unauthorised behaviour.

Aladdin's compliance and risk management controls may prove to be inadequate to prevent and discover breaches of laws and regulations and to identify, evaluate and take appropriate countermeasures against relevant risks. Given the early stage of its current business operations Aladdin has not yet established a comprehensive compliance and risk management systems required for a listed company. There can be no assurances that such control and compliance systems will be established in due course and that those developed systems while be adequate to address all applicable risks. In addition, given the international scope of Aladdin's operations, such controls may prove to be insufficient to prevent or detect unlawful conduct. Aladdin has also not yet put in place a comprehensive set of policies intended to prevent direct or indirect acts of corruption, bribery, anti-competitive behaviour, money laundering, fraud, tax evasion and other criminal or otherwise unacceptable conduct. Once implemented, such policies may still be insufficient or individual employees may not adhere to their letter of spirit. Members of the Company's Board of Directors (*Verwaltungsrat*) or its Managing Directors (*geschäftsführende Direktoren*) as well as employees, authorised representatives or joint venture partners may intentionally or unintentionally violate applicable laws and internal policies, standards and procedures. Aladdin may not be able to timely identify such violations, evaluate them correctly or take appropriate countermeasures. If Aladdin's employees, consultants, agents or joint venture partners engage in corruption, fraud or other criminal or unauthorised behaviour it could be subject to administrative, civil or criminal fines or other sanctions, such as the loss of business licenses or permits or other restrictions. Potential wrongdoing by its employees, consultants, agents or joint venture partners could also damage Aladdin's reputation and have an adverse impact on its ability to compete for business. Any failure in compliance could harm its reputation and have a material adverse effect on its business, financial condition and results of operations.

3.3. Risks Relating to the Shares, the Admission and the Shareholder Structure

3.3.1. Following the Listing, Mr Wade Menpes-Smith, the Company's managing director and a member of the board of directors of the Company, will retain a significant interest in the Company and his interests may conflict with those of the Company's other shareholders.

Following the successful completion of this Listing, the Company's Managing Director (*Geschäftsführender Direktor*), Mr Wade Menpes-Smith (the "**Managing Director**"), who is also a member of the board of directors (*Verwaltungsrat*) of the Company, will continue to directly and indirectly own approximately 41.43% of the outstanding share capital of the Company. As a re-

sult, the Managing Director will effectively have control over all decisions made at general meetings of the Company's shareholders. The interests of the Managing Director may be different from the Company's interests or those of other shareholders. The remaining stake of the Managing Director may have the effect of making certain transactions more difficult or impossible without the support of the Managing Director, and may have the effect of delaying, postponing or preventing certain major corporate actions, including a change of control in the Company, and could thus prevent mergers, consolidations, acquisitions or other forms of combination that might be advantageous for investors.

The realisation of any of the Company's existing shareholders' interests that are in conflict with those of the other shareholders may have a material adverse effect on the Company's business, financial condition, cash flows and results of operations.

3.3.2. The Company does not expect to pay any dividends in the foreseeable future which may result in the return on investments in the shares of the Company by a prospective investor being limited.

The Company plans to significantly grow in the future and does currently therefore not intend to pay dividends to its shareholders in the foreseeable future. Under the German corporate law, a company may only pay dividends if it has unappropriated retained earnings in its unconsolidated financial statements prepared in accordance with the generally accepted accounting principles of the German Commercial Code (*Handelsgesetzbuch*). Certain reserves must be established by law and have to be deducted when calculating the distributable profit. The Company's ability to pay dividends therefore depends upon, among other things, its results of operations, financing and investment requirements, as well as the availability of distributable profit. Any of these factors, individually or in combination, could restrict the Company's ability to pay dividends. A lack of dividend payments might cause the market price of the Company's shares to fall and may result in the return on investments in the shares of the Company by a prospective investor being limited.

3.3.3. The Company is a holding company with no material business operations of its own and relies on the operating subsidiary, Aladdin Blockchain Technologies Ltd ("Aladdin Ltd.") to provide the Company with the funds required to meet its financial obligations and make dividend payments.

The Company is a holding company and substantially all of the Group's assets are held in, the revenues are derived from and its operations are conducted through Aladdin Ltd. As a result, the Company is dependent on Aladdin Ltd. in order to generate the funds required to meet the Company's financial obligations and make dividend payments, if any. The Company expects that, in the future, the principal source of funds for the payment of dividends will be dividends and payments received from Aladdin Ltd. The ability of Aladdin Ltd. to make distributions and other pay-

ments to the Company depends on Aladdin Ltd.'s earnings and is subject to various contractual and statutory limitations. In addition, such dividends or other transfers may be subject to withholding and other taxes which may lead to double taxation or other costs to the Group. If the Company does not receive sufficient distributions and other payments from Aladdin Ltd. at all or not in time, it may be unable to meet its financial obligations and to make dividend payments.

3.3.4. The shares of the Company have not been previously publicly traded on a regulated market, and there is no guarantee that an active and liquid market for the Shares will develop or continue following the admission to trading on the regulated market.

Prior to the admission to trading on the regulated market of the Dusseldorf Stock Exchange (*Börse Düsseldorf*) described in this Prospectus, the Shares have been listed since April 2016 on the open market of the Dusseldorf Stock Exchange (*Börse Düsseldorf*). The open market of the Dusseldorf Stock Exchange (*Börse Düsseldorf*) is not a regulated market in the meaning of Directive 2004/39/EC of 21 April 2004 on markets in financial instruments (“**MiFID**”). Since its listing in April 2016, the Company has issued 11,150,000 new shares in two capital increases. There is no guarantee that an active liquid market for the Shares will develop or be sustained following the admission to trading on the regulated market.

If there is no active trading in the Shares, investors may not be in a position to sell their Shares quickly or at the price at which the latest trade was executed (market price).

3.3.5. The share price could fluctuate significantly, and investors could lose all or part of their investment.

Following this Listing, the Company's share price will be affected primarily by the supply and demand for the Company's shares and could fluctuate significantly in response to numerous factors, many of which are beyond the Company's control, including, but not limited to, fluctuations in actual or projected results of operations, changes in projected earnings or failure to meet securities analysts' earnings expectations, the absence of analyst coverage on the Company, changes in trading volumes in the Company's shares, changes in macroeconomic conditions, the activities of competitors and suppliers, changes in the market valuations of similar companies, changes in investor and analyst perception or the industry in which the Company operates, changes in the statutory framework in which it operates and other factors, and can therefore be subject to substantial fluctuations. In addition, general market conditions and fluctuations of share prices and trading volumes generally could lead to pricing pressures on the Company's shares, even though there may not be a reason for this based on the business performance or its earnings outlook. If the Company's share price or the trading volume on the Company's shares decline as a result of the realisation of any or all of these events, investors could lose part or all of their investment in the Company's shares.

3.3.6. Future offerings of equity securities by the Company could adversely affect the market price of the shares, and future capitalisation measures could substantially dilute the interests of the Company's existing shareholders.

The Company may require additional capital in the future to finance its business operations and growth. The Company may seek to raise capital through offerings of additional equity securities. An issuance of additional equity securities could potentially reduce the market price of the Company's shares and would dilute the economic and voting rights of the Company's existing shareholders if made without granting subscriptions rights to the Company's existing shareholders. Because the timing and nature of any future offering would depend on market conditions at the time of such offering, the Company cannot predict or estimate the amount, timing or nature of future offerings. In addition, the acquisition of other companies or investments in companies in exchange for newly issued shares of the Company, as well as the exercise of stock options by the Company's employees in the context of possible future employee stock participation programmes, could lead to a dilution of the economic and voting rights of the Company's existing shareholders. The Company's shareholders thus bear the risk that such future offerings could reduce the market price of the Company's shares and/or dilute their holding of the shares.

3.3.7. Future sales by the Company's existing shareholders could depress the price of the shares.

Sales of a substantial number of the Company's shares in the public market following the successful completion of the Listing, or the perception that such sales might occur, could depress the market price of the Company's shares and could impair the Company's ability to raise capital through the sale of additional equity securities. If, for example, the Company's existing shareholders upon expiry of their respective contractual selling restrictions (lock-up), or one or more other shareholders of the Company effect a sale or sales of a substantial number of the Company's shares in the stock market, or if the market believes that such sale might take place, the market price of the Company's shares could decline.

3.3.8. Shareholders outside of Germany may not be able to participate in future rights offerings.

Under German corporate law, shareholders generally have subscription rights (*Bezugsrechte*) relating to any shares issued in a capital increase, or convertible bonds or bonds with warrants, in proportion to their shareholding, subject to certain exceptions which allow for an exclusion of subscription rights. Due to restrictions in other jurisdictions, in particular in the United States, shareholders outside of Germany may be prohibited, under applicable law, or excluded under the terms of capital measure, from participating in future capital measures. In addition, shareholders may not be able to participate in potential future capital measures if they do not have the funds neces-

sary to subscribe for new securities or if the subscription rights are excluded. This could result in dilution of those shareholders' proportionate interests in the Company. Open market purchases to counteract such dilution could be on terms less favourable than those offered to other shareholders in connection with a capital increase.

3.3.9. If analysts do not publish research or reports about the Group or if they downgrade their recommendation with regard to the Company's shares, the share price or trading volume could decline.

The trading market for the shares will be influenced by equity research and reports that industry or security analysts publish about the Group after the Listing. The Group does not control these analysts or the contents of such publications. If one or more of the analysts who cover the Company downgrade their recommendation with regard to the shares, the price of the shares would likely decline. In addition, if one or more of these analysts cease coverage of the Company or fail to regularly publish reports on it, the Company could lose visibility in the market, which could, in turn, cause the trading volume in the shares or the price of the shares to decline.

The materialisation of any of the above risks could have a material adverse effect on the value of the shares of the Company.

4. GENERAL INFORMATION

4.1. Responsibility Statement

Aladdin Blockchain Technologies Holding SE, with its registered office at Unter den Linden 10, 10117 Berlin, Germany, and registered with the commercial register of the local court (*Amtsgericht*) Charlottenburg under docket number HRB 173762 B, together with Small & Mid Cap Investment Bank AG, Barer Straße 7, 80333 Munich, Germany (“**S&MC**” or the “**Listing Agent**”) assume responsibility for the contents of this prospectus pursuant to Sec. 5 (4) of the German Securities Prospectus Act (*Wertpapierprospektgesetz*), and declare that the information contained in this prospectus is, to the best of their knowledge, correct and contains no material omissions.

If any claims are asserted before a court of law based on the information contained in this prospectus, the investor appearing as plaintiff may have to bear the costs of translating the prospectus prior to the commencement of the court proceedings pursuant to the national legislation of the member states of the European Economic Area.

The information in this prospectus will not be updated subsequent to the date hereof except for any significant new event or significant error or inaccuracy relating to the information contained in this prospectus that may affect an assessment of the securities and that occurs or comes to light following the approval of the prospectus, but before admission of the securities for trading. These updates must be disclosed in a prospectus supplement in accordance with Sec. 16 (1) sentence 1 of the German Securities Prospectus Act.

4.2. Purpose of this Prospectus

The purpose of this prospectus is the admission of the entire share capital of the Company of EUR 11,450,000, divided into 11,450,000 bearer shares with no par value (*Stückaktien*) and comprising of:

- 6,447,000 shares with full dividend rights from 1 January 2017 with ISIN DE000A12ULL2;
- 3,853,000 shares with full dividend rights from 1 January 2017, currently assigned ISIN DE000A2LQ7Y5, WKN A2LQ7Y and blocked from trading on a stock exchange through to a lock note entered on the global share certificate (*börsliche Veräußerungssperre*) until 31 December 2018, to be included in the ISIN DE000A12ULL2 from 1 January 2019 on, unless the Company and the shareholders holding such shares agree on a cancellation of the lock note to an earlier date, upon which these shares may be included in the ISIN DE000A12ULL2 at an earlier date respectively,

- 1,150,000 shares with full dividend rights from 1 January 2018 and currently assigned ISIN: DE000A2G8XZ8 and WKN: A2G8XZ, to be included in the ISIN DE000A12ULL2, WKN A12ULL on the day after the ordinary general meeting for the financial year 2018 took place, presumably on or around 30 November 2018,

to trading on the regulated market segment (*regulierter Markt*) of the Dusseldorf Stock Exchange (*Börse Düsseldorf*).

4.3. Forward-Looking Statements

This Prospectus contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts or events or to facts or events as of the date of this Prospectus. They are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. Statements made using words such as “*anticipate*”, “*expect*”, “*intend*”, “*plan*”, “*predict*”, “*project*”, “*aim*” or “*target*” may be an indication of forward-looking statements. This applies, in particular, to statements in this Prospectus containing information on future earning capacity, plans and expectations regarding Aladdin’s business and management, its growth and profitability, and general economic and regulatory conditions that affect it.

Forward-looking statements in this Prospectus are based on current estimates and assumptions that the Company makes to the best of its present knowledge. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results, including Aladdin’s financial condition and results of operations, to differ materially from and be worse than results that have expressly or implicitly been assumed or described in these forward-looking statements. Aladdin’s business is also subject to a number of risks and uncertainties that could cause a forward looking statement, estimate or prediction in this Prospectus to become inaccurate. Accordingly, investors are strongly advised to read the following sections of this Prospectus: “1. Summary of the Prospectus”, “3. Risk Factors” and “15. General Information on the Company and the Group”. These sections include more detailed descriptions of factors that might have an impact on Aladdin’s business and the market in which it operates. In light of these risks, uncertainties and assumptions, future events described in this Prospectus may not occur. In addition, the Company assumes no obligation, except as required by law, to update any forward-looking statement or to conform these forward-looking statements to actual events or developments.

4.4. Information Derived from Third Parties; Sources

In this Prospectus, Aladdin relies on and refers to information regarding its business and the markets in which it operates and competes. Certain economic and industry data, market data and market forecasts set forth in this Prospectus were extracted from market research, governmental

and other publicly available information and independent industry publications. These external sources include:

- Accenture (“**Accenture**”), Artificial Intelligence: Healthcare’s New Nervous System, 2017, last accessed in August 2018, www.accenture.com/t20171215T032059Z__w__/us-en/_acnmedia/PDF-49/Accenture-Health-Artificial-Intelligence.pdf#zoom=50;
- ASSOCHAM (“**ASSOCHAM**”), Indian Healthcare Sector - An overview, 2017;
- BIS Research Inc. (“**BIS Research**”), Global Blockchain in Healthcare Market: Focus on Industry Analysis and Opportunity Matrix - Analysis and Forecast, 2018-2025, 2018;
- Rapid Life Sciences Ltd (“**Digital Health Age**”), Healthcare artificial intelligence market analysis, innovation trends and current business trends by 2024, 2018, last accessed in August 2018, digitalhealthage.com/healthcare-artificial-intelligence-market-analysis-innovation-trends-current-business-trends-2024;
- Draper & Dash (“**Draper & Dash**”), Embracing Artificial Intelligence and Machine Learning for Healthcare, 2018, last accessed August 2018, draperanddash.com/embracing-artificial-intelligence-machine-learning-healthcare;
- U.S. Food and Drug Administration (“**FDA**”), news release dated 11 April 2018, last accessed in August 2018, www.fda.gov/NewsEvents/Newsroom/PressAnnouncements/ucm604357.htm;
- Forbes (“**Forbes**”), This Is Why Blockchains Will Transform Healthcare, 2017, last accessed in August 2018, www.forbes.com/sites/bernardmarr/2017/11/29/this-is-why-blockchains-will-transform-healthcare/#52313a081ebe;
- IBM Institute for Business Value (“**IBM**”), Healthcare rallies for blockchains, 2018;
- International Diabetes Federation (“**International Diabetes Federation**”), IDF Diabetes Atlas, 8th edition, 2017, last accessed in August 2018, diabetesatlas.org/resources/2017-atlas.html;
- MarketsandMarkets Research Private Ltd. (“**MarketsandMarkets**”), Blockchain-as-a-Service Market by Component (Tools and Services), Business Application (Supply Chain Management, Smart Contracts, Identity Management, Payments, and GRC Management), Organization Size, Industry, and Region - Global Forecast to 2023, 2018, last accessed in August 2018, www.marketsandmarkets.com/Market-Reports/blockchain-as-a-service-market-246499192.html;

- PricewaterhouseCoopers Private Limited (“**PwC**”), India Healthcare Market, Potential Opportunities for Market Entry, November 2014, last accessed in August 2018, www.pwc.in/assets/pdfs/publications/2014/india-healthcare-market-potential-opportunities-for-market-entry.pdf;
- Verily Life Sciences LLC (“**Verily**”), Verily Launches Landmark Study with Duke and Stanford as First Initiative of Project Baseline, press release dated 19 April 2017, last accessed in August 2018, <https://www.projectbaseline.com/press/assets/BaselinePressRelease.pdf>;
- World Health Organization (“**WHO**”), database last accessed in August 2018, http://www.who.int/gho/countries/chn/country_profiles/en/ (China) and http://www.who.int/gho/countries/ind/country_profiles/en/ (India);
- The World Bank Group (“**World Bank**”), database last accessed in August 2018, <https://data.worldbank.org/indicator/ny.gdp.pcap.cd>.

Where information in this Prospectus has been specifically identified as having been extracted from third party documents, the Company confirms that this information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Although the Company has no reason to believe that any of this information is inaccurate in any material respect, the Company has not independently verified such information or other data provided by third parties or by industry or other publications. The Company does not make any representation as to the accuracy of such information.

This Prospectus also contains estimates of market data and information derived from these estimates that would not be available from publications issued by market research firms or from any other independent sources. This information is based on internal estimates of the Company and, as such, may differ from the estimates made by third parties or from data collected in the future by market research firms or other independent sources. In addition, the Company assumes no obligation, except as required by law, to give updates of these figures.

4.5. Documents on display

For the duration of the validity of this Prospectus, copies of the following documents referred to in this Prospectus, including the Prospectus, will be available free of charge for inspection during regular business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of the Company at Unter den Linden 10, 10117 Berlin, Federal Republic of Germany:

- (i) the most recent version of the articles of association (*Satzung*) of the Company (the “**Articles of Association**”);
- (ii) Audited Financial Statements of Aladdin Blockchain Technologies Holding SE, Berlin for the fiscal year ended 31 December 2017 (prepared in accordance with German GAAP) (the “**2017 Financial Statements**”);
- (iii) Audited Financial Statements of Aladdin Blockchain Technologies Holding SE (at that time operating under the name “AE New Media Innovation SE”) , Berlin for the fiscal year ended 31 December 2016 (prepared in accordance with German GAAP(the “**2016 Financial Statements**” and together with the 2017 Financial Statements the “**Financial Statements 2016 and 2017**”); and
- (iv) Audited Financial Statements of Aladdin Blockchain Technologies Ltd, London for the fiscal year ended 31 December 2017 (prepared in accordance with IFRS) (the “**Aladdin Ltd. Financial Statements**”)

The above documents are also available on the Company’s website at www.aladdinid.com in the Investor Relations section. The annual financial statements of Aladdin Blockchain Technologies Holding SE referred to above are also published in the German Federal Gazette (*Bundesanzeiger*).

4.6. Currency, Financial Data and Presentation of Figures

In this Prospectus all references to “**€**”, “**EUR**” or “**Euro**” are to the currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the Euro, as amended. In this Prospectus all references to “**GBP**” or “**£**” are to the legal currency of the United Kingdom, all references to “**RMB**” are to the legal currency of the People’s Republic of China, “**HKD**” are to the legal currency of Hong Kong Special Administrative Region of the People’s Republic of China and all references to “**USD**” are to the legal currency of the United States of America.

The financial data contained in this Prospectus is - except as stated otherwise - derived from the 2017 Financial Statements, the 2016 Financial Statements and the 2017 Aladdin Ltd. Financial Statements. The financial data in “7. *Capitalisation and Indebtedness, Statement on Working Capital*” is derived from the Company’s internal accounting system. For more detailed information about financial information, see “8. *Selected Financial Information*” and “21. *Financial Information*”.

Where financial data in this Prospectus is labelled “audited”, this means that it has been taken from the audited financial statements mentioned above. The label “unaudited” is used in the Pro-

spectus to indicate financial data that has not been taken from the audited financial statements mentioned above or is based on calculations of these figures. All of the financial data presented in the Prospectus are shown in EUR or in thousands of Euro (in “**kEUR**”), except as otherwise stated.

In order to ensure that figures given in the text and the tables sum up to the totals given, the numbers are commercially rounded to the nearest whole number or in some cases to such number that facilitates the summing up. As a result of rounding effects, the aggregated figures in the tables may differ from the totals shown. Financial information presented in parentheses denotes the negative of such number presented. In respect of financial data set out in the main body of the Prospectus, both a dash (“-“) or zero (“0”) are used to signify both unavailable figures and figures which are either exactly zero or have been rounded to zero.

4.7. Statutory Auditors

Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft (Düsseldorf), Munich office, Nymphenburger Straße 3b, 80335 Munich, Germany (“**Baker Tilly**”), was appointed as the statutory auditor of the Company, for the years ended 31 December 2016 and 2017. Baker Tilly audited the 2016 Financial Statements and the 2017 Financial Statements and issued in each case an unqualified auditor’s report or audit opinion (*uneingeschränkter Bestätigungsvermerk*). Baker Tilly is a member of the German Chamber of Public Accountants (*deutsche Wirtschaftsprüferkammer*).

MHA MacIntyre Hudson, Chartered Accountants and Statutory Auditors, New Bridge Street House, 30-34 New Bridge Street, London EC4V 6BJ, United Kingdom (“**MHA**”) was appointed as the statutory auditor of Aladdin Ltd. for the year ended 31 December 2017. MHA audited the 2017 Aladdin Ltd. Financial Statements and issued in an unqualified auditor’s report. MHA is registered by the Institute of Chartered Accountants in England and Wales.

5. THE ADMISSION OF THE SHARES TO TRADING

5.1. Admission to the Dusseldorf Stock Exchange and Commencement of Trading, Costs

The shares in Aladdin Blockchain Technologies Holding SE are currently traded on the open market of the Dusseldorf Stock Exchange (*Börse Düsseldorf*). The Company applied for the admission of its shares to trading on the regulated market segment (*regulierter Markt*) of the Dusseldorf Stock Exchange (*Börse Düsseldorf*), on 19 September 2018.

The listing approval for inclusion to trading is expected to be announced on or around 24 September 2018. Commencement of trading (*Notierungsaufnahme*) of Aladdin Blockchain Technologies Holding SE's 7,597,000 shares with ISIN DE000A12ULL2 and DE000A2G8XZ8 on the regulated market segment (*regulierter Markt*) of the Dusseldorf Stock Exchange (*Börse Düsseldorf*) is expected to take place on or around 26 September 2018. The 3,853,000 shares with ISIN DE000A2LQ7Y5 will be included in the ISIN DE000A12ULL2 from 1 January 2019 on and are expected to be traded on the regulated market segment of Dusseldorf Stock Exchange from 2 January 2019 on, unless the Company and the shareholders holding such shares agree on a cancellation of the lock note to an earlier date, upon which these shares may be included in the ISIN DE000A12ULL2 at an earlier date respectively.

The costs related to the listing of the shares are expected to total approximately EUR 200,000. Investors will not be charged expenses by Aladdin Blockchain Technologies Holding SE or S&MC.

This prospectus does not relate to an offering of shares. Accordingly, neither Aladdin Blockchain Technologies Holding SE nor any shareholder of Aladdin Blockchain Technologies Holding SE will receive any proceeds from the issuance of shares.

5.2. Information on the Shares of the Company

Each share in Aladdin Blockchain Technologies Holding SE carries one vote at the General Meeting. The Company's shareholders do not have different voting rights.

5.3. Class of shares, currency and governing legislation

The Articles of Association provide for one class of shares.

The shares of the Company are denominated in Euro and created in accordance with and are subject to the laws of the Federal Republic of Germany.

5.4. Form and representation of shares

All shares of the Company are no-par value bearer Shares (*auf den Inhaber lautende Stückaktien*). Pursuant to the Sec. 4 (2) of the Articles of Association the right of the shareholders to demand issuance of individual share certificates is excluded.

All shares of the Company are represented by one or several global certificates deposited with Clearstream Banking AG with its registered seat in Frankfurt / Main, Germany.

5.5. ISIN / WKN / Trading Symbol

The International Securities Identification Numbers (ISIN) of the shares of the Company are:
DE000A12ULL2,
DE000A2LQY5
DE000A2G8XZ8.

The German Securities Codes (*Wertpapierkennnummer, WKN*) of the shares of the Company are:

A12ULL
A2LQ7Y
A2G8XZ.

The trading symbol is NMI.

5.6. Transferability and Lock-up Agreements

All Shares of the Company are freely transferable in accordance with the legal requirements for bearer shares. There are no prohibitions on disposal or restrictions with respect to the transferability of the Company's shares.

The 3,853,000 shares with ISIN DE000A2LQ7Y5 bear a lock note (*Veräußerungssperre*) preventing such shares from being traded via a stock exchange. Such shares may, however, be transferred without any restrictions outside a stock exchange. This lock note will expire by the end of 31 December 2018 and from 1 January 2019 on the shares will be included in the existing ISIN DE000A12ULL2 and will also be tradeable via a stock exchange, unless the Company and the shareholders holding such shares agree on a cancellation of the lock note to an earlier date, upon which these shares may be included in the ISIN DE000A12ULL2 at an earlier date respectively

Shares of the Company are subject to the following Lock-up Agreements:

The shareholders holding the 1,150,000 shares with ISIN DE000A2G8XZ8 have agreed with the Company upon subscription that such shares may not be traded on a stock exchange until 31 December 2018.

In addition, the shareholders holding the 3,853,000 shares with ISIN DE000A2LQ7Y5 have agreed with the major shareholder of the Company, Mr. Wade Menpes-Smith, not to sell their shares until 31 December 2018.

5.7. Material Interests of Persons regarding the Admission, including Conflict of Interests

The Company and its shareholders have an interest in the admission to trading of the Company's shares on the regulated market, as the admission to trading in a regulated market is expected to have a positive impact on the liquidity of the Company's shares on the stock exchange.

S&MC which will apply together with the Company for the Admission has an interest in the admission to trading of the Company's shares on the regulated market, as it is entitled to a commission for its services related thereto.

Besides these interests, there are no other interests or potential conflicts of interest known to the Company that are material to the Admission.

6. DIVIDEND POLICY, DIVIDEND DISTRIBUTION

6.1. General Provisions Relating to Profit Allocation and Dividend Payments

Shareholders' shares in the Company's distributable profits are determined in proportion to their interest in the Company's share capital.

Distribution of dividends for a given financial year is generally determined by a process in which the Board of Directors submits a proposal for the distribution of dividends to the annual General Meeting held within the first six months of the subsequent financial year. The general meeting then adopts a resolution on such distribution with simple majority of the votes cast without being bound by the proposal of the Board of Directors. Under German law, dividends may only be paid from the distributable profit (*Bilanzgewinn*) as reported in the Company's annual financial statements prepared in accordance with the accounting principles set out in the German Commercial Code (*Handelsgesetzbuch*). The annual financial statements of the Company are approved by the Board of Directors unless the Board of Directors refers the approval to the General Meeting. When calculating the distributable profit, the profit or loss for the financial year (*Jahresüberschuss/-fehlbetrag*) must be adjusted for profits or losses carried forward (*Gewinn-/Verlustvorträge*) from previous financial years as well as for withdrawals from and transfers to reserves. Certain reserves are required to be set by law and must be deducted when calculating the distributable profit. When passing a resolution concerning the application of the distributable profit, the annual General Meeting may allocate further amounts to the revenue reserves, or carry them forward as profit.

With regard to profit sharing, there are no restrictions or special procedures for securities owners abroad. If the Board of Directors approves the Company's financial statements, it may, pursuant to Sec. 58, para. 2 of the German Stock Corporation Act (*Aktiengesetz*), transfer up to 50% of the profit for the financial year remaining after deducting any transfers to statutory reserves and any losses carried forward to non-statutory reserves.

Dividends resolved by the General Meeting are due three business days after the date of the relevant General Meeting, unless otherwise provided in the dividend resolution or in the Company's articles of association, in compliance with the rules of the respective clearing system. Details on dividend payments and the respective paying agents nominated by the Company will be published in the Federal Gazette (*Bundesanzeiger*) after each annual General Meeting.

Shareholders' claims to the payment of the dividend become statute-barred after three years, whereby the limitation period does not start until the conclusion of the year in which the eligible person becomes aware of the circumstances justifying the dividend claim, or would have become aware thereof if it had not been for gross negligence. Dividends for which the payment claim has become statute-barred remain with the Company.

Since the Company conducts its operations through its subsidiary, its ability to pay future dividends will depend on the transfer of distributable profits from its subsidiary. The determination of the subsidiary's ability to pay dividends is made in accordance with applicable law and will depend on the respective subsidiary's earnings, its economic and financial position, and other factors. These particularly include its liquidity requirements, its future prospects, market trends, and fiscal, statutory and other general framework conditions. The profit available for distribution is calculated according to the Company's annual financial statements prepared in accordance with the accounting principles set out in the German Commercial Code (*Handelsgesetzbuch*).

6.2. Dividend Policy and Earnings Per Share

Aladdin Blockchain Technologies Holding SE currently intends to retain all available funds and future earnings, if any, to provide capital to its subsidiary Aladdin Ltd. to support its operations and to develop the business and the technology pursued by the business model of Aladdin. Aladdin Blockchain Technologies Holding SE currently does not intend to pay cash dividends in the foreseeable future. Any future determination to pay dividends will be made in accordance with applicable laws, and will depend upon, among other factors, on Aladdin Blockchain Technologies Holding SE's results of operations, financial condition, contractual restrictions and capital requirements. Aladdin Blockchain Technologies Holding SE's future ability to pay dividends may be limited by the terms of any future debt or preferred securities.

The Company has not distributed any dividends for the period covered by the historical financial information.

The table below shows the Company's net loss for the year on the basis of the Financial Statements 2016 and the Financial Statements 2017 as well as the earnings per share (rounded). Earnings per share are calculated by dividing net profit attributable to shareholders for the respective financial year by the average number of the shares outstanding.

	For the financial year ended 31 December	
	2016	2017
	(audited, except as noted)	
	<hr/>	
Net profit for the year (in EUR)	-95,691.41	-25,858.66
Number of shares outstanding (unaudited) ¹	300,000	300,000 ²
Earnings per share (in EUR, rounded, unaudited)	-0.32	-0.09

¹ Number of ordinary shares in issue as per 31 December of each fiscal year.

² The issue of 1,150,000 new shares issued by way of the capital increase resolved on 3 November 2017 became effective after the reporting period by entry of the capital increase into the commercial register of the Company on 3 January 2018.

Further information regarding dividend rights can be found in the "16. Description of Share Capital" - "16.9 General provisions on the use of profits and dividend payments".

7. CAPITALIZATION AND INDEBTEDNESS, STATEMENT ON WORKING CAPITAL

The following tables set forth the Group's actual capitalization and indebtedness as of 30 June 2018. Investors should note that the information shown in the tables below is provided on a consolidated basis whereas the historical financial information contained elsewhere in this Prospectus is referring to Aladdin Blockchain Technologies Holding SE and Aladdin Blockchain Technologies Ltd., respectively, on a stand-alone basis, as the consolidation of the Group only occurred as recently as March 2018. The following information has been derived from the Company's internal accounting system and has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union and is unaudited.

Investors should read the tables below in conjunction with "8. Selected Financial Information" and "10. Management's Discussion and Analysis of Net Assets, Financial Position and Results of Operations".

7.1. Capitalization

	As of 30 June 2018 (unaudited) in EUR
Total Current debt	273,859
Thereof guaranteed	0
Thereof secured	0
Thereof unguaranteed/unsecured	273,859
Total Non- Current debt (excluding current portion of long term debt)	0
Thereof guaranteed	0
Thereof secured	0
Thereof unguaranteed/unsecured	0
Shareholder's Equity	4,963,170
Share capital	11,450,000
Legal Reserve	0
Other reserve ⁽¹⁾	(6,484,830)
Total	5,236,340

⁽¹⁾ Includes the capital reserve as of 30 June 2018 of the Company in the amount of EUR 48,627.2 thousand which were subject to adjustment under IFRS rules for treatment of reverse acquisitions and resulting in a negative consolidation of capital with the outcome of a negative amount of the capital reserve of EUR -3,623,367. "Other reserve" further includes retained earnings of Aladdin as of 30 June 2018 in the amount of EUR -2,863,463.

7.2. Indebtedness

As of 30 June 2018
(unaudited)
in EUR

A	Cash	749,993
B	Cash equivalents	0.00
C	Trading Securities	0.00
D	Liquidity (A)+(B)+(C)	749,993
E	Current financial Receivable	280,315
F	Current bank debt	0
G	Current portion of non-current debt	0
H	Other current financial debt	0
I	Current financial debt (F)+(G)+(H)	0
J	Net current Financial Indebtedness (I)-(E)-(D)	(1,030,308)
K	Non-current bank loans	0
L	Bonds Issued	0
M	Other non-current loans	0
N	Non-current Financial Indebtedness (K)+(L)+(M)	0
O	Net - Financial Indebtedness (J)+(N)	(1,030,308)

7.3. Indirect and contingent indebtedness

The Group's total contractual obligations, which are also referred to as "indirect liabilities", amounted to kEUR 152 as of 30 June 2018. These comprise mainly to obligations under the agreement with Elemental Concept Ltd. which provides software development services to the Company (see "13. Material Contracts"). The Group did not have any material contingent liabilities as of 30 June 2018.

7.4. Statement on Working Capital

At the date of this Prospectus, the Company is of the opinion that it does not have sufficient working capital for its present requirements to cover the costs for the next twelve months.

Relative Timing

At the current rate of expenditure, Aladdin expects to only have sufficient working capital until the beginning of November 2018. The capital increase against cash contributions resolved by the general shareholders meeting of the Company on 3 November 2017 with gross proceeds of EUR 6.2 million was initially budgeted to last for a period of 12 months and therefore, this relative timing is in line with the budgeted working capital.

Shortfall

The current estimated monthly run rate of Aladdin's operating expenses is presently scheduled with EUR 250,000.00 until the end of 31 December 2018. The substantial amount of the operating expenses relates to expenditure for software development for Aladdin's software technology solutions. The Company intends to expand and to accelerate its software development activities from 1 January 2019 which would result in an increase of monthly operating expenses to EUR 400,000 starting from 1 January 2019. This would result in a shortfall in working capital for the next twelve month from the date of this Prospectus of approximately EUR 3.5 million.

Action Plan

The Company intends to rectify the shortfall in working capital by additional raise of equity financing in the second half of 2018, presumably in October 2018. Therefore, the Company intends to resolve on a capital increase and issue new shares in the Company against cash contributions by making use of its authorised capital under the articles of association, which provides the Company with the flexibility to resolve on a capital increase without convening a shareholders' general meeting. The exact timing and further details of the proposed capital increase have not been set yet and are still under consideration of the Board of Directors of the Company. At present, it is likely that the Company will consider a capital increase against cash contributions under exclusion of subscription rights of up to 10% of the existing share capital in a first step in October 2018 with proposed proceeds sufficient to cover the working capital requirements under its current business planning for at least the next twelve months from the date of this Prospectus.

Due to the previous success of the Company in raising capital in November 2017 combined with a successful first half year in 2018 in terms of development of its Software solutions, the Company is very confident in its ability to raise the required capital to satisfy its working capital requirements for the next twelve months from the date of this Prospectus.

Implications

If the Company was not successful in raising additional equity capital by the issue of new shares from a capital increase against cash contributions in October 2018, the Company would slow down its software development activities resulting in materially less operational expenses. As the

Company has no binding commitments towards its external software development partner, the service fees to do which form the substantial portion of Aladdin's software development expenses, Aladdin would be free to so without violation existing agreements with its software development partner. Such slow-down in software development would allow the Company the relative timing until the end of January 2019. During this period, the Company would then continue to seek implementing a capital increase against cash contributions while at the same time it would elaborate on alternative financing opportunities, such as financing by subordinated loans from existing shareholders. As the Company is in a very early stage, the Company does not consider bank financing a viable route. If finally, until January 2019 the Company would not be able to secure equity or alternative financing through subordinated shareholders loans, the Company is likely to have to file for insolvency by the beginning of February 2019. However, the Company believes that this possibility is unlikely to occur.

8. SELECTED FINANCIAL INFORMATION

The following selected historical financial information for Aladdin is based on the audited financial statements of Aladdin Blockchain Technologies Holding SE for the fiscal years ended 31 December 2016 and 2017 (“**Financial Statements 2016 and 2017**”), both of which are reproduced elsewhere in this Prospectus, and should be read together with them. The Financial Statements 2016 and 2017 were prepared in accordance with German Generally Accepted Accounting Standards (German GAAP) as set forth in the German Commercial Code (HGB). The Financial Statements 2016 and 2017 were audited by Baker Tilly and were issued in each case with an unqualified auditor's report. The Company fulfils the requirements of a small or medium sized enterprise (SME) pursuant to Art. 2 para. 1 letter f of the Prospectus Directive. In accordance with the legal requirements thereunder, the Company has included historical financial information for the previous two fiscal years in this Prospectus. The Financial Statements 2016 and 2017 only provide very limited information as the operating business of Aladdin in its present form only commenced by the Company's acquisition of all shares in its subsidiary Aladdin Ltd. in March 2018.

The following selected historical financial information for Aladdin is further based on audited financial statements of Aladdin Blockchain Technology Ltd. for the fiscal years ended 31 December 2017 (“**Aladdin Ltd. Financial Statements**”). Aladdin Ltd. Financial Statements were prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as adopted in the European Union. Aladdin Ltd. Financial Statements were audited by MHA and were issued with an unqualified auditor's report. As Aladdin Ltd. was only established in November 2017 itself, Aladdin Ltd.'s financial statements only offer a limited amount of information.

Prior to the acquisition of all shares in Aladdin Ltd. in March 2018, Aladdin did not exist as a "group" for the purpose of preparing consolidated financial statements under International Financial Reporting Standards (IFRS). Consequently, the Company does not have consolidated financial statements for the previous fiscal years and has drawn up its financial statements under German GAAP.

As Aladdin will prepare consolidated financial statements going forward, such consolidated financial statements may not be comparable with the Financial Statements 2016 and 2017.

Where financial data below is labelled “audited”, this means that it has been taken from the audited financial statements mentioned above. The label “unaudited” is used in the below tables to indicate financial data that has not been taken from the audited financial statements mentioned above but was taken either from Aladdin's accounting or controlling records, or is based on calculations of these figures. In order to ensure that figures given in the text and the tables sum up to the totals given, the numbers are commercially rounded to the nearest whole number or in some cases to such number that facilitates the summing up. As a result of rounding effects, the aggre-

gated figures in the tables may differ from the totals shown. Financial information presented in parentheses denotes the negative of such number presented. In respect of financial data set out in the main body of the Prospectus, both a dash (“-”) or a zero (“0”) are used to signify either unavailable figures or figures which are either exactly zero or have been rounded to zero.

The following summary of financial information should be read together with the “9. Selected Narrative Pro Forma Information”, “10. Management and Analysis of Net Assets, Financial Position and Results of Operations” and “14. Summarised Business Plan” as well as the financial statements and the related notes contained in “21. Financial Information” and the additional financial information contained elsewhere in this Prospectus.

8.1. Aladdin Blockchain Technologies Holding SE

8.1.1. Selected Income Statement Data

	For the 12 months ended 31 December	
	2017 (audited) EUR	2016 (audited) EUR
Other operating expenses	-25,858.66	-95,691.41
Income after taxes	-25,858.66	-95,691.41
Net loss	-25,858.66	-95,691.41
Accumulated loss carried forward	-104,392.31	-8,700.90
Balance-sheet loss	-130,250.97	-104,392.31

8.1.2. Selected Data from the Balance Sheet

	As of 31 December	
	2017 (audited) EUR	2016 (audited) EUR
Assets	6,396,771.46	203,383.69
Current Assets ⁽¹⁾	6,393,127.66	203,383.69
Equity	169,749.03	195,607.69
Subscribed capital	300,000.00	300,000.00
Balance-sheet loss	-130,250.97	-104,392.31
Contributions made towards the authorized capital increase	6,210,000.00	0.00
Accruals	14,530.00	7,776.00
Liabilities	2,492.43	0.00

- (1) The line item “Current assets” is not shown as an aggregated figure in the underlying annual financial statements, but instead has been broken down into the line items “Receivables and other assets” and “Bank balances”. The respective figure shown in the table above next to “Current Assets” is the sum of the respective line items “Receivables and other assets” and “Bank balances” derived from the underlying financial statements.

8.1.3. Selected Data from the Cash Flow Statement

	For the 12 months ended 31 December	
	2017 (audited) kEUR	2016 (audited) kEUR
Cash flow from operating activities	-21	-96
Cash flow from financing activities	6,211	0
Cash and cash equivalents at the start of the period	202	298
Cash and cash equivalents at the end of the period	6,392	202

8.2. Aladdin Blockchain Technology Ltd

8.2.1. Selected Income Statement Data

	For the period ended 31 December 2017 (audited) GBP
Revenue	-
Other operating charges	41,984
Operating Loss	-41,984
Finance Income	-
Finance Expense	-
Loss before tax expense	-41,984
Tax Expense	-
Loss and total comprehensive income for the financial period	-41,984

8.2.2. Selected Data on Financial Position

	As of 31 December 2017 (audited) GBP
Non-current assets	
Property, plant and equipment	2,092
Intangible assets	863,050
	865,142
Current assets	
Trade and other receivables	8,682
Cash and cash equivalents	-
	8,682
Total assets	873,824
Current liabilities	
Trade and other payables	915,807
Total liabilities	915,807
Net liabilities	(41,983)
Equity	
Share capital	1
Retained earnings	(41,984)
Total equity	(41,983)

8.2.3. Selected Data from the Cash Flow Statement

	For the period ended 31 December 2017 (audited) GBP
Net cash inflow from operating activities	424,366
Net cash outflow from investing activities	(865,265)
Net cash inflow from financing activities	440,899

9. SELECTED NARRATIVE PRO FORMA INFORMATION

9.1. Introduction

The Company started business in its present form only recently when the Company acquired all shares in Aladdin Ltd. in March 2018, which were contributed to the Company by way of a capital increase against contribution in kind ("**Aladdin Acquisition**"). Aladdin Ltd. itself was only established in November 2017. To implement the Aladdin Acquisition, the shareholders' general meeting of the Company resolved on 7 March 2018 to increase the share capital from EUR 1,450,000.00 by an amount of EUR 10,000,000.00 to EUR 11,450,000.00 through the creation and issuance of 10,000,000 ordinary bearer shares with no par value with a notional value of EUR 1.00 per new share. The issue price per share was EUR 5.3976. The new shares were issued against contribution in kind and were subscribed by the then existing shareholders of Aladdin Ltd. which transferred their shares in Aladdin Ltd. to the Company as a contribution in kind. The capital increase was registered with the commercial register on 13 March 2018. Since the Aladdin Acquisition, the Company acts as a holding company. The business operations are conducted by Aladdin Ltd., which though the Aladdin Acquisition became the only subsidiary of the Company.

Prior to the Aladdin Acquisition, Aladdin did not exist as a "group" for the purpose of preparing consolidated financial statements under International Financial Reporting Standards (IFRS). Consequently, the Company does not have consolidated historical financial statements for the previous fiscal years and has drawn up its individual financial statements under German GAAP. As the Company will prepare consolidated financial statements going forward and will draw these up in the future under IFRS, such consolidated financial statements will not be comparable to the historical financial information of the Company prepared under German GAAP.

Due to the Aladdin Acquisition, the Company has prepared the following narrative pro-forma analysis comprising certain consolidated pro-forma information for the statement of income for the period from 1 January 2017 to 31 December 2017 of the Company as well as certain consolidated pro-forma information on the statement of financial position as of 31 December 2017 of the Company (the "**Narrative Pro-Forma Analysis**"). Aladdin Ltd. itself was established in November 2017.

The purpose of the Narrative Pro-Forma Analysis is to present the material effects the completion of the Aladdin Acquisition would have had on:

- certain items of a hypothetical consolidated statement of income based on the historical financial statements of the Company as of and for the fiscal year ended 31 December

2017 if Aladdin had already existed in the structure created through the completion of the Aladdin Acquisition;

- certain items of a hypothetical consolidated statement of financial position as of 31 December 2017 based on the historical financial statements of the Company as of and for the fiscal year ended 31 December 2017 if Aladdin had already existed in the structure created through the completion of the Aladdin Acquisition.

The Narrative Pro-Forma Analysis has been prepared for illustrative purposes only. Given its nature, the Narrative Pro-Forma Analysis merely describes a hypothetical situation and is based on assumptions, and it therefore does not represent the actual net assets, financial position and results of operations of Aladdin. It is also not intended to forecast the net assets, financial position and results of operations of Aladdin on any future date. The Narrative Pro-Forma Analysis Information is only meaningful in conjunction with the financial statements of the Company as of and for the fiscal year ended 31 December 2017 and the financial statements of the Aladdin Ltd. as of and for the fiscal year ended 31 December 2017.

Financial information referred to in the following Narrative Pro-Forma Analysis have been determined in accordance with IFRS. As the Company neither prepared consolidated financial statements for the fiscal year ended 31 December 2017 nor prepared its individual financial statements for this period under IFRS, certain adjustments were made to the historical financial statements of the Company for the fiscal year ended on 31 December 2017 prepared in accordance with German GAAP for the purpose of the Narrative Pro-Forma Analysis.

Investors should note that the following Narrative Pro-Forma Analysis has not been prepared in accordance with the IDW Accounting Practice Statement: Preparation of Pro Forma Financial Information (*IDW AcPS AAB 1.004*) (*IDW Rechnungslegungshinweis: Erstellung von Pro-Forma-Finanzinformationen (IDW RH HFA 1.004)*) as promulgated by the Institute of Public Auditors in Germany (*IDW, Institut der Wirtschaftsprüfer in Deutschland e.V.*). The following Narrative Pro-Forma Analysis has also neither been audited nor reviewed by an independent auditor. Thus, any pro-forma financial information referred to in the following Narrative Pro-Forma Analysis is unaudited.

9.2. Historical Financial information

The Narrative Pro-Forma Analysis was prepared on the basis of the following historical financial information:

- audited individual financial statements of the Company as of and for the fiscal year ended 31 December 2017 prepared in accordance with German GAAP.

- audited individual financial statements of Aladdin Ltd. as of and for the fiscal year ended 31 December 2017 prepared in accordance with IFRS.

9.3. Conversion of the financial statements of the Company to the Methods of Presentation, Recognition and Measurement under IFRS

For the purpose of the Narrative Pro-Forma Analysis the historical financial information of the Company in the form of the audited individual financial statements of the Company as of and for the fiscal year ended 31 December 2017 prepared in accordance with German GAAP have been converted and re-classified into line items under IFRS. This has resulted in the following re-classifications:

Financial position

The balance sheet has been re-named into statement of financial position.

- Receivables and other assets in the amount of EUR 925, which were accounted for as current assets in the historical financial information, have been re-classified as non-current assets under IFRS in the same amount.
- In the current assets, deferred items in the amount of EUR 3,643.80 are shown under “other current assets” under IFRS.
- The line item “Contributions made towards the capital authorized capital increase” was re-classified as “Capital reserve” under IFRS in the same amount.
- The line item “balance sheet loss” in the amount of EUR -130,250.97 was converted into the line item “Retained earnings” under IFRS in the same amount.
- The line item “Accruals” in the amount of EUR 14,530.00 was re-classified under IFRS and is shown under “Other current provisions” in the amount of EUR 80 and “other current liabilities” in the amount of EUR 14,450.00.
- “Payables to shareholders” in the amount of EUR 619.69 are shown under “Current liabilities to a capital investor” under IFRS in the same amount.

Income statement

The line item “other operating expenses” in the amount of EUR -25,859 was re-classified under IFRS into other operating expenses in the amount of EUR -9,934 and administrative expenses in the amount of EUR -15,925 und aggregated in the line item “Operating expense” in the amount of EUR -25,589. The line item “Income after taxes” is shown under “result of the period” and the line item “Net loss” was converted into “Total comprehensive income” and accounted for at the same amount as in the historical financial information, respectively.

9.4. Adjustment of the financial statements of Aladdin Ltd. to Methods of Presentation, Recognition and Measurement of the Company used Aladdin Ltd.

Aladdin Ltd. accounts in GBP and thus its financial statements under IFRS are drawn up in the currency of GBP. For the purpose of the Narrative Pro-Forma Analysis all financial information referred in GBP in the audited individual financial statements of Aladdin Ltd. as of and for the fiscal year ended 31 December 2017 were converted into Euro at an exchange rate as of 31 December 2017 of EUR 1.12615 for 1 GBP.

Further, in the statement of income the line item “other operating charges” is shown under “other operating expenses”

9.5. Proceedings and Assumptions used for Preparation

The Narrative Pro-Forma Analysis has been prepared based on the assumption that the completion of the Aladdin Acquisition by the Company including the implementation of the capital increase by the Company through contribution in kind of the shares in Aladdin Ltd. took place and was completed on 1 January 2017 for the presentation of the impact of the Aladdin Acquisition on the income statement of the Company and on 31 December 2017 for the impact of the Aladdin Acquisition on the financial position of the Company. As Aladdin Ltd. was incorporated only in November 2017, the impact on the income statement of the Company only started from that date.

The Narrative Pro-Forma Analysis has been further prepared based on the assumption that the completion of the capital increase against cash contributions resolved on 3 November 2017 from EUR 300,000.00 by an amount of up to EUR 1,150,000.00 to up to EUR 1,450,000.00 by issuing of up to 1,150,000 ordinary bearer shares for an issue price of EUR 5.40 per new share against cash contributions with gross proceeds of EUR 6.21 million (“**Cash capital Increase**”) took place and was completed on 1 January 2017 for the presentation of the impact of the Cash Capital Increase on the income statement of the Company and on 31 December 2017 for the impact of the Cash Capital Increase on the financial position of the Company.

For the purposes of the Narrative Pro-Forma Analysis it is been further assumed that the Aladdin Acquisition does not meet the requirements of an business combination according to IFRS 3, but instead should be treated for accounting purposes as a reverse asset acquisition to which IFRS 2 applies. This conclusion is based on the assumption that the Company did not form a business within the meaning of IFRS 3 when acquiring all shares in Aladdin Ltd, because it did, prior to the Aladdin Acquisition, not engage in any substantial activity other than the identification of a suitable business. Consequently, for this Narrative Pro-Forma Analysis, Aladdin Ltd. has been treated – solely for accounting purposes - as the accounting acquirer in the Aladdin Acquisition, whereas the Company represents the accounting acquire; this does however not change the fact, that the

Company remains the entity responsible for preparing consolidated statements as the legal acquirer. In this context, it was further assumed, that the transaction represents a so called share-based payment transaction according to IFRS 3.E1 rather than a business combination. Thus, the Company has applied IFRS 2 to the Aladdin Acquisition as a so called “share-based payment transaction”. Consequently, the Aladdin Acquisition was accounted for the purpose of this Narrative Pro-Forma Analysis in the consolidated financial statements of the Company 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 the Company and re-capitalisation of the equity of Aladdin Ltd. It was assumed that Aladdin Ltd. has received net assets from the Company (in the form of cash held by the Company and the listing status of the Company). Applying IFRS 2 Aladdin Ltd. had to further measure 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 the Company’s identifiable net assets represent a service received by Aladdin Ltd, the cost of which were to be recognized as an expense through profit and loss.

9.6. Narrative Pro-forma analysis of Impact of Aladdin Acquisition on statement of income

Revenues/ Operating Income

In the reporting period, neither the Company nor Aladdin Ltd. generated any revenue or other operating income. This is due to the fact that the Company’s primary business activity in the reporting period was to identify a suitable business concept and Aladdin Ltd. was only incorporated in November 2017 and is a very early stage technology company. The consolidated pro-forma amount of revenues or other operating income was EUR 0.

Operating Expenses

In the reporting period, the Company incurred operating expenses in the amount of EUR -25,859 and Aladdin Ltd. incurred other operating expenses in the amount of EUR -47,280, resulting in aggregated operating expenses in the amount of EUR -73,139 (net of pro-forma adjustments). The other operating expenses were increased by pro-forma adjustments with respect to the application of IFRS 2 in connection with the Aladdin Acquisition by EUR -2,101,886 reflecting listing expenses, resulting in a total of operating expenses for Aladdin in the amount of EUR -2,175,025.

Losses/ Earnings before income taxes

In the absence of generated income, the operating expenses resulted in consolidated pro-forma Losses before taxes for Aladdin of EUR -2,175,025 and in a consolidated pro-forma Loss and

total comprehensive income for the financial period of EUR -2,175,025 (in each case including pro-forma adjustments).

Loss carry forward

The consolidated pro-forma loss carry forward for Aladdin for the period amounted to EUR -104,392.31 and equals the amount accounted for the period by the Company in its historical financial information.

9.7. Narrative Pro-forma analysis of Impact of Aladdin Acquisition on financial position

Non-Current Assets

As of 31 December 2017, the Company had non-current assets in the amount of EUR 925. Had the Aladdin Acquisition occurred at 31 December 2017, the Company had further non-current assets in the form of shares in affiliated companies in the amount of EUR 53,976,000. Within the pro-forma consolidation, adjustments through a consolidation of capital EUR -53,976,000 were made, resulting in consolidated pro-forma amount of EUR 0 for shares in affiliated companies. In addition, Aladdin Ltd. had non-current assets in the amount of EUR 974,279 relating to property plant and equipment in the amount of EUR 2,355 and intangible assets in the amount of EUR 971,924. This results in a total of consolidated pro-forma non-current assets in the amount of EUR 975,204 as of 31 December 2017 (including pro-forma adjustments).

Current Assets

As of 31 December 2017, the Company had current assets in the amount EUR 6,392,203 in the form of cash and cash equivalents and other current assets in the amount of EUR 3,644 resulting in total current assets of EUR 6,395,846. Aladdin Ltd. had current assets in the amount of EUR 9,777. This results in consolidated pro-forma current assets in the amount of EUR 6,405,623 as of 31 December 2017.

Equity

The total equity of the Company as of 31 December 2017 was EUR 6,379,749. The total equity of Aladdin Ltd. as of the same date was EUR -47,280. Through the Aladdin acquisition and adjustments made under IFRS 2 within the pro-forma consolidation, the total consolidated pro-forma equity of the Company comprises of consolidated pro-forma subscribed capital of EUR 11,450,000, consolidated pro-forma capital reserve of EUR -2,968,251 and consolidated pro-forma retained earnings of EUR -2,149,167 resulting in a consolidated pro-forma total equity of Aladdin as of 31 December 2017 of EUR 6,332,582 (including pro-forma adjustments).

Subscribed capital

The subscribed capital of the Company was EUR 300,000. Due to the Cash Capital Increase which only became effective on 3 January 2018 and thus was not reflected in the historical financial information in this line item, the subscribed capital was increased by an amount of EUR 1,150,000 to EUR 1,450,000. Through the Aladdin Acquisition, the subscribed capital of the Company was further increased by EUR 10,000,000. Thus the pro-forma subscribed share capital of the Company as of 31 December 2017 was EUR 11,450,000. The subscribed share capital of Aladdin Ltd. had to be eliminated within the pro-forma consolidation. Thus, the consolidated pro-forma subscribed share capital was EUR 11,450,000 as of 31 December 2017.

Capital reserve

As of 31 December 2017, the reclassified capital reserve of the Company including the impact of the Cash Capital Increase was EUR 5,060,000. Through the Aladdin Acquisition, the pro-forma capital reserve of the Company was further increased by EUR 44,000,000 equal to the amount of the issue price of EUR 5.40 per new share issued in the Aladdin Acquisition less EUR 1.00 per new share which was allocated to the subscribed share capital, resulting, after further adjustments, in a pro-forma capital reserve of the Company of EUR 49,036,000. Aladdin Ltd. had no capital reserve as of 31 December 2017. Through the impact of the Aladdin Acquisition within the pro-forma consolidation and the adjustments made in this respect under IFRS 2 as described in detail above, EUR -52,004,251 were booked against the consolidated capital reserve, resulting in a negative consolidated pro-forma capital reserve of EUR -2,968,251 as of 31 December 2017.

Retained earnings

As of 31 December 2017, the retained earnings of the Company were EUR -130,251. Aladdin Ltd. had retained earnings of EUR -47,280. Through the impact of the Aladdin Acquisition on the pro-forma consolidation and the adjustments made in this respect as described in detail above, the (negative) retained earnings were increased by EUR -1,971,636. This resulted in consolidated pro-forma retained earnings of EUR -2,149,167 as of 31 December 2017.

Non-current liabilities

As of 31 December 2017, the non-current liabilities of the Company were EUR 0. Aladdin Ltd. had also non-current liabilities of EUR 0, which results in consolidated pro-forma non-current liabilities of EUR 0 as of 31 December 2017.

Current liabilities

As of 31 December 2017, the current liabilities of the Company were EUR 17,023 and included other current liabilities of EUR 14,450, trade payables of EUR 1,873, current liabilities to a capital investor of EUR 620 and other current provision of EUR 80. Aladdin Ltd. had trade and other payables in the amount of EUR 1,031,336. This resulted in consolidated pro-forma trade payables of EUR 1,033,209 and consolidated pro-forma current liabilities of EUR 1,048,359 as of 31 December 2017.

Total liabilities

As of 31 December 2017, the total liabilities of the Company were EUR 17.023. Aladdin Ltd. had total liabilities in the amount of 1,031,336. This resulted in consolidated pro-forma total liabilities of EUR 1,048,359 as of 31 December 2017.

10. MANAGEMENT'S DISCUSSION AND ANALYSIS OF NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

Investors are advised to read the following description and analysis of Aladdin's net assets, financial position and results of operations in connection with the sections entitled "9. *Selected Narrative Pro Forma Information*", "14. *Summarised Business Plan*", "12. *Business*", "3. *Risk Factors*" and "21. *Financial Information*". The following section contains forward-looking statements, which are subject to risks, uncertainties and other factors liable to cause actual events to deviate from the information contained in or suggested by such forward-looking statements (see "3. *Risk Factors*" and "4. *General Information*" - "4.3. *General Information - Forward-Looking Statements*").

The financial information contained in this section is based on the audited financial statements of Aladdin Blockchain Technologies Holding SE for the fiscal years ended 31 December 2016 and 2017 ("**Financial Statements 2016 and 2017**") prepared in accordance with German Generally Accepted Accounting Standards (German GAAP) in accordance with the German Commercial Code (HGB). The Company fulfils the requirements of a small or medium sized enterprise (SME) pursuant to Art. 2 para. 1 letter f of the Prospectus Directive. In accordance with the legal requirements thereunder, the Company has included historical financial information for the previous two financial years in this Prospectus.

Investors are advised that the Financial Statements 2016 and 2017 only provide very limited information on the Company as the business of Aladdin in its present form only commenced by the Company's acquisition of all shares in its subsidiary Aladdin Ltd. in March 2018.

The financial information contained in this section is further based on audited financial statements of Aladdin Blockchain Technology Ltd. for the fiscal years ended 31 December 2017 ("**Aladdin Ltd. Financial Statements**"). Aladdin Ltd. Financial Statements were prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted in the European Union. As Aladdin Ltd. was only incorporated in November 2017, Aladdin Ltd.'s Financial Statements only cover the period from its incorporation in November 2017 until 31 December 2017 and thus offer a very limited amount of information.

Prior to the acquisition of all shares in Aladdin Ltd. in March 2018, Aladdin did not exist as a "group" for the purpose of preparing consolidated financial statements under International Financial Reporting Standards (IFRS). Consequently, the Company does not have consolidated financial statements for the previous fiscal years and has drawn up its financial statements under German GAAP.

Where financial information below is labelled "audited", this means that it has been taken from the audited financial statements mentioned above.

10.1. Overview

The Company was incorporated under the name AE Zwölfte Vermögensverwaltungs SE in 2014 and changed its name into AE New Media Holding SE in 2015, before it was renamed Aladdin Blockchain Technologies Holding SE in March 2018. Throughout the period covered by the historical financial information included in this Prospectus, the Company did not engage in any substantial business activities. In this period, the focus of the Company was the development of a business model and the identification of an opportunity to acquire a company with a suitable business. Thus, Aladdin started business in its present form only recently when the Company acquired all shares in Aladdin Ltd. in March 2018, which were contributed to the Company by way of a capital increase against contribution in kind (“**Aladdin Acquisition**”).

Since the Aladdin Acquisition, the Company acts as a holding company. The business operations are conducted by its sole subsidiary Aladdin Ltd.

Aladdin Ltd. is an early-stage software company developing technology for the healthcare market. Aladdin is seeking to use big data, the blockchain, artificial intelligence (AI) and machine-learning technologies to improve preventative medicine and the efficiency of delivering healthcare. The Company’s ultimate goal is to improve health outcomes through insights gained from the analysis of large volumes of health and lifestyle data, and the provision of technology to help patients to manage their own health. It is also developing technology to assist healthcare-related organisations operate as efficiently and cost-effectively as possible. The Company wants to build a healthcare ecosystem made up of patients, healthcare providers, insurers and pharmaceutical companies, where various technologies will help these participants work more efficiently together while putting control in the hands of patients to take charge of their own health.

The implementation of Aladdin’s business model which is intended to be rolled out in several stages will require a substantial amount of additional financing. As Aladdin does not generate any income from its operations yet and is cash flow negative it depends on the funds provided to it by investors in the form of equity financing. So far, only losses have been generated. In the short and medium term, Aladdin will continue to be unprofitable according to its planning. As long as Aladdin does not generate income from its operating activities, the Company is permanently dependent on additional equity financing, as debt financing is unlikely to be available to the Company unless revenue streams have been exploited so far.

10.2. Key Factors influencing the Net Assets, Financial Condition and Results of Operation

The Company believes that the following key factors and trends laid out in this section have affected the development of its net assets, financial results and business operation in the periods for which financial information is presented in this Prospectus:

- *Ability to cost control while identifying opportunity to acquire a business*

The Company was established in the year 2014 and has since been seeking to identify an opportunity to acquire a business. Thus, until the Aladdin Acquisition, the Company only generated losses incurred by expenses relating to legal, accounting and other advisors' fees. In the absence of income, the key factor for the Company was therefore controlling its costs to ensure that it could maintain as a company going forward without running out of liquidity.

- *Ability to raise additional capital to prepare Aladdin Acquisition*

When the Company identified Aladdin Ltd. as a potential acquisition opportunity, it had to raise additional equity capital beforehand of the Aladdin Acquisition in November 2017 to allow a going concern assumption and provide sufficient working capital once Aladdin Ltd. was acquired.

- *Additional key factors influencing the Net Assets, Financial Condition and Results of Operation going forward*

Since the Company has only recently started the business operations in its present form through the Aladdin Acquisition, the Company's net assets, financial position and results of operations will going forward are and will be subject to a range of additional factors and trends as well as influences. These additional key factors and trends that the Company believes will in the future affect the development of its net assets, financial results and business operation are described in more detail in "12.6. Business - Key Factors for Aladdin's Business".

10.3. Factors that influence comparability of financial information

Prior to the Aladdin Acquisition in March 2018, Aladdin did not exist as a "group" for the purpose of preparing consolidated financial statements under International Financial Reporting Standards (IFRS). Consequently, the Company does not have consolidated historical financial statements for the previous fiscal years and has drawn up its financial statements under German GAAP. As the Company will prepare consolidated financial statements going forward and will draw these up under IFRS, such consolidated financial statements will not be comparable to the historical financial information of the Company prepared under German GAAP.

Because the Company had not engaged in substantial business activities during the period covered by the historical financial information, future financial information may only be comparable to a limited extent.

10.4. Results of Operations

The following table provides an overview of the Company's results of operations for the periods indicated below:

	For the 12 months ended 31 December	
	2017 (audited) EUR	2016 (audited) EUR
Other operating expenses	-25,858.66	-95,691.41
Income after taxes	-25,858.66	-95,691.41
Net loss	-25,858.66	-95,691.41
Accumulated loss carried forward	-104,392.31	-8,700.90
Balance-sheet loss	-130,250.97	-104,392.31

Other operating expenses

In 2016, other operating expenses amounted to EUR -95,691.41. In addition to costs of the preparation of the audit of the financial statements by the Company's auditor and legal costs for the preparation and advice with respect to the annual shareholders meeting, this item in 2017 in particular included the costs for external legal advisors as to the preparation of the prospectus for the public offering of the entire share capital in the Company on 7 April 2016. The purpose of the public offering of the then entire share capital by the Company was the inclusion to trading of the shares in the Company on the open market (*Freiverkehr*) of the Düsseldorf Stock Exchange which took place on 22 April 2016. No funds were raised through the public offering. In 2017, other operating expenses decreased from EUR -95,691.41 in 2016 by 73% to EUR -25,858.66. This item included primarily recurring costs incurred by the Company for office rent, the annual auditor and costs connected to the preparation of the annual accounts.

As the Company did not employ any employees during the fiscal years 2016 and 2017 and did not engage in other activities, no expenses other than Other operating expenses occurred.

Income after taxes

As the Company has not generated any income in the fiscal years 2016 and 2017, the amount of the other operating expenses (2016: EUR -95,691.41 and 2017: EUR -25,858.66) equals the respective amount of income after taxes. In the absence of income, no income taxes were due.

Net loss

The net loss for the fiscal year 2017 amounted to EUR -25,858.66 compared to EUR -95,691.41 for the fiscal year 2016. This equals an decrease of Net loss of 72.98 %. Because the Company did not generate any income in the years 2016 and 2017, the amount of the operating expenses

in both fiscal years is equal to the respective amount of other operating expenses. The decrease of the Net loss from 2016 to 2017 is caused by the one-time impact of the costs incurred by the Company with respect to its listing on the open market of the Düsseldorf Stock Exchange.

Accumulated loss carried forward

The Accumulated loss carried forward for the fiscal year 2016 in the amount of EUR -8,700.90 is the result of the limited activities of the Company since its incorporation in the year 2014. This amount reflects all other operating expenses incurred by the Company since its incorporation. For 2017 Accumulated loss carried forward increased to EUR -104,392.31 which is the result of the loss carried forward from the previous period in the amount of EUR -8,700.90 and the other operating expenses incurred in the period between 1 January to 31 December 2016 in the amount of EUR -95,691.41 in the absence of any generated income.

Balance Sheet loss

The Balance sheet loss for the fiscal year 2016 was EUR -104,392.31 and is the result of losses carried forward from previous periods in the amount of -8,700.90 and the Other operating expenses in the amount of EUR -95,691.41. The relatively high amount of balance sheet loss compared to the loss carried forward from previous periods was caused by the one-time impact of expenses for the listing on the open market. The Balance sheet loss for the fiscal year 2017 was EUR -130,250.97 and is the result of losses carried forward from previous periods in the amount of EUR -104,392.31 and the Other operating expenses incurred in 2017 in the amount of EUR -25,858.66. Although the total amount of Balance sheet loss has increased by 24.77 % from EUR -104,392.31 for 2016 to EUR -130,250.97 for 2017, at the same time the Net loss decreased from EUR -95,691.41 for the fiscal year 2016 to EUR -25,858.66 for the fiscal year 2017.

10.5. Net assets

The following table provides an overview of the Company's balance sheet as of the dates indicated below:

	As of 31 December	
	2017	2016
	(audited)	(audited)
	EUR	EUR
Assets	6,396,771.46	203,383.69
Current assets ⁽¹⁾	6,393,127.66	203,383.69
Equity	169,749.03	195,607.69
Subscribed capital	300,000.00	300,000.00
Balance-sheet loss	-130,250.97	-104,392.31
Contributions made towards the authorized capital increase	6,210,000.00	0.00
Accruals	14,530.00	7,776.00
Liabilities	2,492.43	0.00

⁽¹⁾ The line item "Current assets" is not shown as an aggregated figure in the underlying annual financial statements, but instead has been broken down into the line items "Receivables and other assets" and "Bank balances". The respective figure shown in the table above next to "Current Assets" is the sum of the respective line items "Receivables and other assets" and "Bank balances" derived from the underlying financial statements.

Assets

As of 31 December 2016, the total Assets of the Company were EUR 203,383.69. The Current assets completely consisted of bank balances, which originated from payments of cash contributions for the issue of new shares in previous fiscal years, and accounts receivable in the amount of EUR 925.00 (deposit for office rent). As of 31 December 2017, the total Assets were EUR 6,396,771.46. The increase in current assets reflects the successful raise of additional equity financing in November 2017, by which the Company issued 1,150,000 new shares and received gross proceeds in cash of EUR 6,210,000.00. Besides current assets, the Company had no non-current assets as of the end of the respective reporting periods described above.

Current Assets

As of 31 December 2016, the Current assets of the Company were EUR 203,383.69 and consisted of bank balances as well as accounts receivable in the amount of EUR 925.00. As of 31 December 2017, the Current assets were 6,393,127.66 and also consisted of bank balances and accounts receivable in the amount of EUR 925.00. The increase between 31 December 2016 and 31 December 2017 was caused by the successful raise of equity capital by the Company through a capital increase against cash contributions with gross proceeds of in cash of EUR 6,210,000.00.

Equity

The total Equity decreased from EUR 195,607.69 as of 31 December 2016 by 13.22 % to EUR 169,749.03 as of 31 December 2017. The decrease was due to a net loss of EUR -25,858.66 incurred for the fiscal year 2017. Whereas the Company secured additional equity financing in November 2017, the registration of the capital increase was not completed by 31 December 2017 and thus did not have an impact on the total equity reported in the balance sheet as of 31 December 2017. The capital increase was registered with the commercial register on 3 January 2018, shortly after the end of the reporting period.

Subscribed capital

The Subscribed capital was EUR 300,000.00 as of 31 December 2016 and as of 31 December 2017. Whereas the Company secured additional equity financing in November 2017 by the issue of new shares against cash contributions, the registration of the capital increase was not completed by 31 December 2017 and thus did not have an impact on subscribed capital. Had the capital increase resolved on 3 November 2017 been registered with the commercial register before 31 December 2017, the subscribed capital as of 31 December 2017 had been increased by EUR 1,150,00.00, equalling the numbers of new shares issued multiplied by the proportionate amount in the share capital of EUR 1,00 per new share.

Balance-sheet loss

The Balance-sheet loss increased from EUR -104,392.31 by 31 December 2016 by EUR 25,858.66 (24,77 %) to EUR -130,250.97 as of 31 December 2017. The increase of the balance sheet loss resulted from operating expenses in the same amount while no income was generated by the Company during the fiscal year 2017.

Contributions made towards the authorized capital increase

As of 31 December 2016, this line item was zero. As of 31 December 2017, Contributions made towards the authorized capital increase were EUR 6,210,000.00. The line item and its respective increase results from the capital increase against cash contributions resolved by the general meeting of the Company on 3 November 2017. Due to the registration of such capital increase with the commercial register of the Company on 3 January 2018, and thus after the reporting period for the financial statements for the period ended 31 December 2017, the capital increase and related issue of new shares only became effective after the end of the relevant reporting period. Therefore, the gross proceeds of the capital increase were not allocated to the subscribed capital in the amount of EUR 1,150,000.00 to the subscribed capital and in the remaining amount to the capital reserve of the Company, but instead under the balance sheet item Contributions made towards the authorized capital increase.

Accruals

As of 31 December 2016, Accruals were EUR 7,776.00 and consisted of EUR 4,165 for costs of the auditors and EUR 3,451 for costs related to tax returns and preparation of the annual accounts. As of 31 December 2017, Accruals were EUR 14,530.00 and consisted of EUR 1,190 for costs relating to tax returns, EUR 4,760 for costs relating to the preparation of the annual accounts and EUR 8,500 for costs relating to the audit of the financial statements.

Liabilities

As of 31 December 2016, the Company had no Liabilities. As of 31 December 2017, Liabilities were EUR 2,492.43 and consisted primarily of liabilities relating to costs for commercial register for the entry of the capital increase, and office rent.

10.6. Financial Position

The following table shows selected information from the statements of cash flow of the Company for the financial years as indicated below.

	For the 12 months ended 31 December	
	2017 (audited) kEUR	2016 (audited) kEUR
Cash flow from operating activities	-21	-96
Cash flow from financing activities	6,211	0
Cash and cash equivalents at the start of the period	202	298
Cash and cash equivalents at the end of the period	6,392	202

Cash flow from operating activities

Cash flow from operating activities decreased from kEUR -96 in the fiscal year 2016 by 78.13 % to kEUR -21 in the fiscal year 2017. The decrease resulted from less outgoing payments by the Company due to less incurred operating expenses. Whereas the Company paid expenses relating to the listing of its shares in the open market of the Düsseldorf Stock Exchange as one-time impacts, operating expenses were reduced in the fiscal year 2017 and primarily related to office rent and costs incurred for preparation of annual accounts.

Cash flow from financing activities

Cash flow from financing activities was zero in the fiscal year 2016 and kEUR 6,211 in the fiscal year 2017. These incoming cashflows resulted in total from the funds provided by the investors participating in the capital increase against cash contributions resolved on 3 November 2017.

Cash and cash equivalents at the start of the period

Whereas the position of Cash and cash equivalents at the start of the fiscal year 2016 was kEUR 298, this amount was reduced by kEUR 96 (32.21 %) to kEUR 202 at the beginning of the fiscal year 2017. The decrease in cash and cash equivalents resulted from the payment of expenses to advisors mainly incurred in connection with the listing of the shares of the Company on the open market of the Düsseldorf Stock Exchange.

Cash and cash equivalents at the end of the period

Whereas the position of Cash and cash equivalents at the end of the fiscal year 2016 was kEUR 202 and is equal to the amount of Cash and cash equivalents at the start of the fiscal year 2017, this item increased to kEUR 6,392 at the end of the of the fiscal year 2017. The item consists of the cash received from the capital increase resolved on 3 November 2017 in the amount of kEUR 6,211 and remaining cash from bank balances in the amount of kEUR 181.

10.7. Investments

Investments related to the period 1 January to 31 December 2016

In the fiscal year 2016, the Company did not make any material investments.

Investments related to the period 1 January to 31 December 2017

In the fiscal year 2017, the Company did not make any material investments. In December 2017, Aladdin Ltd., which at that time was not part of the Group, acquired from 5 Mobile Technology Limited certain software and intellectual property rights relating to the blockchain technology and artificial intelligence created and developed by 5 Mobile Technology Limited for a consideration of GBP 827,000.

Investments related to the period since 1 January 2018

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

On 7 March 2018 Company acquired all shares in Aladdin Ltd. The shares were not acquired against cash consideration, but instead were contributed to the Company by way of a capital increase against contribution in kind. Therefore, the general meeting of the Company resolved to increase the share capital from EUR 1,450,000.00 by an amount of EUR 10,000,000.00 to EUR 11,450,000.00 through the creation and issuance of 10,000,000 ordinary bearer shares with no par value each with a notional value of EUR 1.00 against contribution in kind. The subscription

rights of the existing shareholders of the Company were excluded and the contributing shareholders of Aladdin Ltd. subscribed for the new shares. The issue price per share was EUR 5.3976 (see “13. Material Contracts” - “13.5. Contribution agreement regarding the contribution of all shares in Aladdin Blockchain Technologies Ltd”).

Since the beginning of the current fiscal year, Aladdin Ltd. has invested approximately GBP 1,074,730 GBP in software development activities under the agreement with Elemental Concept.

Besides the recent investments above, the Board of Directors has made no firm commitments on any significant future investment. Accordingly, Aladdin currently does not require funding for such investments.

10.8. Quantitative and Qualitative Description of Market Risks

10.8.1. Default Risk

Aladdin is exposed to default risk arising from its collaboration agreement with Aladdin Intel Ltd. Hong Kong. Under this agreement Aladdin is entitled to licence fees on 31 December 2018 in the amount of USD 1 million. Aladdin is further entitled to future licence fees from this business partner resulting from other forms of the monetisation of its software solutions (see “13. Material Contracts” - “13.1 Licensing Agreement with Aladdin Intel Ltd. Hong Kong and Shenzhen Guo Yi Hui Hospital Management Co.”). In addition, the Company has granted a loan to Aladdin Intel Ltd. Hong Kong in the amount of EUR 1.5 million. Besides this, the Company has not entered into agreements with customers that already provide for payments for the benefit of the Company. Thus, there is a significant concentration of credit risk within the Group.

10.8.2. Liquidity Risk

While Aladdin has no material debts, the Group currently does not generate revenues and depends on financing from its shareholders. Hence, the Company is subject to liquidity risks with respect to future financing. The capability of the Group to attract new equity financing through the issue of new shares might be adversely impacted by market conditions. The Group monitors the risk of liquidity shortfalls daily. The monitoring takes into account the outgoing cash flows which are primarily incurred through the development of the software for the applications. The Group seeks to ensure that sufficient liquidity is available at all times to cover future obligations at all times. To meet its working capital requirements for the next twelve month, the Company is dependent on securing further financing until the beginning of November 2018 in the amount of EUR 3.5 million.

10.8.3. Currency Risks

Aladdin is exposed to currency risks due to its international business activities outside of the Eurozone. Changes in exchange rates can therefore have an impact on the future consolidated financial statements. Effects of exchange rate fluctuations resulting from the translation of the financial statements of its subsidiary Aladdin Ltd., which sets up its financial statements in GBP and trades in GBP and USD, while the Company trades in EUR, having a different functional currency into the reporting currency will be recognized in equity in the future consolidated financial statements of the Company. Foreign exchange differences that result from exchange rate changes when translating monetary balance sheet items in foreign currency will be recognized in the Company's future consolidated statement of comprehensive income under other operating expenses or income.

10.9. Additional Information from Aladdin Ltd. Unconsolidated Annual Financial Statements prepared in Accordance with IFRS as of and for the Year ended 31 December 2017

Aladdin Ltd. is a private limited company incorporated and domiciled in the United Kingdom. Since it was incorporated in November 2017, its first fiscal year began on 8th November 2017 and ended on 31 December 2017. The financial statements are presented in pounds Sterling (GBP). This is the functional currency of Aladdin Ltd. The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and IFRS Interpretation Committee ('IFRS IC') interpretations as adopted by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The following IFRS standards and IFRS IC interpretations issued by the IASB have not been early adopted: IFRS 4 'Insurance contracts', IFRS 9 'Financial instruments', IFRS 12 'Recognition of Deferred Tax Assets for Unrealised Losses', IFRS 15 'Revenue from contracts with customers' and IFRS 16 'Leases'.

Results of operations

The following table provides an overview of Aladdin Ltd.'s results of operations for the period indicated below:

	For the period ended 31 December 2017 GBP (Audited)
Revenue	-
Other operating charges	41,984
Operating loss	(41,984)
Finance income	-
Finance expense	-
Loss before tax expense	(41,984)
Tax expense	-
Loss and total comprehensive income for the financial period	(41,984)

As Aladdin Ltd. has not generated any revenues, the amount of revenue is GBP 0. Due to other operating charges in the amount of GBP -41,984, which primarily related to costs for software development, this resulted in an operating loss of Aladdin Ltd. of GBP -41,984 and a loss and total comprehensive income for the financial period in the same amount.

Net Assets

The following table provides an overview of the Aladdin Ltd.'s balance sheet as of the date indicated below:

	31 December 2017 GBP (audited)
Non-current assets	
Property, plant and equipment	2,092
Intangible assets	863,050
	865,142
Current assets	
Trade and other receivables	8,682
Cash and cash equivalents	-
	8,682
Total assets	873,824
Current liabilities	
Trade and other payables	915,807
Total liabilities	915,807
Net liabilities	(41,983)

Equity	
Share capital	1
Retained earnings	(41,984)
Total equity	(41,983)

As of 31 December 2017, Aladdin Ltd. had non-current assets in the amount of GBP 865,142. These consisted of computer hardware accounted for as property, plant and equipment in the amount of GBP 2,092 and intangible assets referring to intellectual property in the amount of GBP 863,050. The intellectual property in the form of software relating to Aladdin's current business, was primarily developed by a company named 5 Mobile Technology Limited prior to the incorporation of Aladdin Ltd. The intellectual property was acquired by Aladdin Ltd from 5 Mobile Technology Limited for a consideration of GBP 827,000 and was accounted for acquisition cost in the intangible assets as of 31 December 2017. Intangible assets further consist of additional GBP 36,050 for activated software development which occurred until the end of the year 2017.

As of 31 December 2017, Aladdin Ltd. had total liabilities in the amount of GBP 915,807 which in full comprised of trade and other payables in the same amount. Trade and other payables primarily consisted of trade payables for software development services in the amount of GBP 356,807 and outstanding liabilities to shareholders for loans provided by them in the amount of GBP 559,000.

The net liabilities as of 31 December 2017 of GBP-41,983 are the result of the total assets in the amount of GBP 873,824 and the total liabilities in the amount of GBP 915,807 and thus equal the amount of the operating loss of Aladdin Ltd. for the fiscal year ended on 31 December 2017 of GBP -41,984 less one GBP for the paid in share capital. The same amount is also reflected in the retained earnings.

As of 31 December 2017, the total equity was GBP -41,983. This resulted from Aladdin Ltd.'s share capital of GBP 1 and the operating loss of Aladdin Ltd. for the fiscal year ended on 31 December 2017 of GBP -41,984.

Financial position

	For the period ended 31 December 2017 (audited) GBP
Net cash inflow from operating activities	424,366
Net cash outflow from investing activities	(865,265)
Net cash inflow from financing activities	440,899

For the period ended 31 December 2017, the net cash inflow from operating activities was GBP 424,366 and resulted from the increase in trade payables, which relates to trade payables

due from the transfer of intellectual property. The net cash outflow from investing activities was GBP -865,265 and was caused by the acquisition of intellectual property from 5 Mobile Technology Limited. The net cash inflow from financing activities was GBP 440,899 and resulted from loans provided by shareholders.

11. MARKETS AND COMPETITION, REGULATORY ENVIRONMENT

11.1. Markets

Aladdin is seeking to fundamentally change today's healthcare environment. The Group envisages the use of big data, blockchain, artificial intelligence (AI) and machine-learning technologies to improve preventative medicine and the efficiency of delivering healthcare. While Aladdin intends to be a global company, Aladdin is initially targeting the markets of the PR China and India - the world's largest healthcare markets in terms of patient numbers.

11.1.1. *Blockchain, Artificial Intelligence and Machine Learning in the Healthcare Industry*

The following provides a brief description of the markets for blockchain, artificial intelligence and machine learning applications in the healthcare industry including their potential for growth and development.

A study by IBM which surveyed 200 healthcare executives (both payers and providers) in 16 countries showed that 16% of the surveyed healthcare executives had solid plans to implement a commercial blockchain solution in 2017 ("**Early Implementers**"), while 56% expected to by 2020. 72% of the Early Implementers expected a high impact from blockchain-enabled medical records whereas 56% of the other surveyed healthcare institutions believe so. The respondents identified four areas where blockchain could introduce new business models or significant efficiencies that could contribute to the quality of care. These were, in addition to medical/health records, medical data device integration, adverse event safety and clinical trial records. IBM expects that over time, blockchains that bridge these areas and integrate the data would have even greater impact (*source: IBM*).

According to IBM, a number of use cases, proofs of concepts and pilots involving identity management and electronic health records are underway already. For example, in Estonia, considered by most to be the most advanced "blockchain nation" in terms of government and citizen services, all medical health records are already stored online. They are not yet blockchain-enabled. In 2016, Estonia announced its intention to secure health records on a blockchain that would provide real-time visibility to individuals and institutions. Experts have cautioned that the privacy, security and regulatory hurdles are so high that, even in Estonia where citizens already carry a unique ID, enabling medical records on blockchains could take considerable time (*source: IBM*).

Despite a keen focus on business model innovation, fewer than one in ten healthcare organizations surveyed in the study by IBM are expecting significant disruption. IBM believes that this may be in part because some areas like electronic health records could take longer to clear regulatory

hurdles. Patient-centric models being advocated could be blocked by the fact that in some jurisdictions, patients aren't allowed to "own" their data (*source: IBM*). Nevertheless, Forbes expects blockchain to disrupt healthcare going forward by alleviating the multiple issues that can currently be observed in the industry. Doctors and providers could access a common database of health information - no matter what electronic medical system they use. Further, Forbes expects blockchain to offer higher security and privacy and less admin time for doctors as well as better sharing of research results to facilitate new drug and treatment therapies for disease (*source: Forbes*).

Forbes expects blockchain to have multiple attributes that can enhance healthcare operations. These are in the areas of: medical data management and data security (through secure permissioned access and immutable audit trail of change and access to medical data); medical research (increasing the amount of high quality accessible medical data can help the advancement of medical research); drug development and supply chain integrity (help to reduce the size and value of the counterfeit market); claims and billing management (medicare fraud caused more than USD 30 million in losses in the United States in 2016, and blockchain-based systems could help minimize it). In addition, blockchain could reduce admin costs for billing by eliminating the need for intermediaries with automated activities and more efficient processing. Conceptually a healthcare smart-contract application could help payers reduce the claims processing and payment time from days to minutes (*source: Forbes*).

According to BIS Research, the uptake of the technology could save the healthcare industry up to USD 100 billion per year by 2025 in data breach related costs, IT costs, operations costs, support function and personnel costs, counterfeit related frauds and insurance frauds. One of the biggest beneficiaries of the technology would be the pharmaceutical companies that lose approximately USD 200 billion to counterfeit drugs each year. By enabling complete visibility and transparency throughout the drug supply chain, blockchain would enable tracking of drugs to their point of origin and thus help eliminate falsified medication, reducing revenue loss by up to USD 43 billion annually for pharma companies. The global blockchain in the healthcare market is expected grow at a compound annual growth rate (CAGR) of 63.85% from 2018 to 2025, to reach a value of USD 5.61 billion by 2025. The use of blockchain for healthcare data exchange would contribute the largest market share throughout the forecast period, expected to reach a value of USD 1.89 billion by 2025. The use of blockchain is expected to solve the most widespread problem in healthcare information systems related to interoperability and non-standardization that has created data silos in the industry. The market for blockchain in health insurance is expected to witness the fastest growth rate across applications, with a CAGR of 70.2%. BIS Research attributed this to the use of blockchain to reduce IT and operational costs in insurance process and to reduce healthcare related frauds that cost the healthcare market billions of dollars each year (*source: BIS Research*).

According to MarketsandMarkets the size of the market for blockchain as a service was valued at USD 350 million in 2017. The blockchain as a service industry is made up of vendors, such as Aladdin, who provide back-end infrastructure and development tools-as-a service to application and solution developers at an individual or enterprise scale. MarketsandMarkets expects the market size to reach USD 15,455 million by 2023, at a compound annual growth rate (CAGR) of 90.1% during the forecast period from 2018 to 2023 (*source: MarketsandMarkets*).

For Draper & Dash emerging trends like artificial intelligence (AI) and machine learning (ML) look set to provide early adopters and forward-thinking firms deep insights and advanced analytics that could radically transform and revolutionise healthcare. While integrating such technologies with existing systems may be challenging, potential benefits could include predictive and prescriptive analytics, driven by rules-based and structured algorithms that are designed to deliver better business outcomes, streamlined processes, reallocation of resources and improved patient care (*source: Draper & Dash*).

Digital Health Age expects AI to drive breakthroughs in the field of clinical research, genomic and precision medicine in turn creating wide ranging opportunities for the healthcare artificial intelligence industry globally. Digital Health Age expects the medical imaging & diagnosis sector to hit the revenue of over USD 2.5 billion by 2024, owing to its ability to identify cancer at initial phase by detecting the rapid proliferation of tumor cells. Enhanced use of artificial intelligence in this sector is expected to further accelerate healthcare artificial intelligence market revenue. According to Digital Health Age the UK healthcare artificial intelligence market is forecast to cross the revenue margin of USD 800 million by 2024 and will further boost the Europe industry size over the years to come. Further, Digital Health Age projects the healthcare artificial intelligence industry in China to record a CAGR of 45% from the period of 2017 to 2024, steered by the launching of new technologies such as artificial intelligence and big data analytics across the healthcare sector (*source: Digital Health Age*).

According to Accenture, when combined, key clinical health AI applications can potentially create USD 150 billion in annual savings for the United States healthcare economy by 2026. Accenture expects growth in the AI health market to reach USD 6.6 billion by 2021 (equalling a compound annual growth rate of 40%). In just the next five years, the health AI market is expected to grow more than tenfold. According to Accenture, growth is already accelerating, as the number of healthcare-focused AI deals went up from less than 20 in 2012, to nearly 70 by mid-2016 (*source: Accenture*).

On 11 April 2018 the U.S. Food and Drug Administration permitted marketing of the first medical device to use artificial intelligence to detect greater than a mild level of the eye disease diabetic retinopathy in adults who have diabetes. The device, called IDx-DR, is a software program that uses an artificial intelligence algorithm to analyze images of the eye taken with a retinal camera

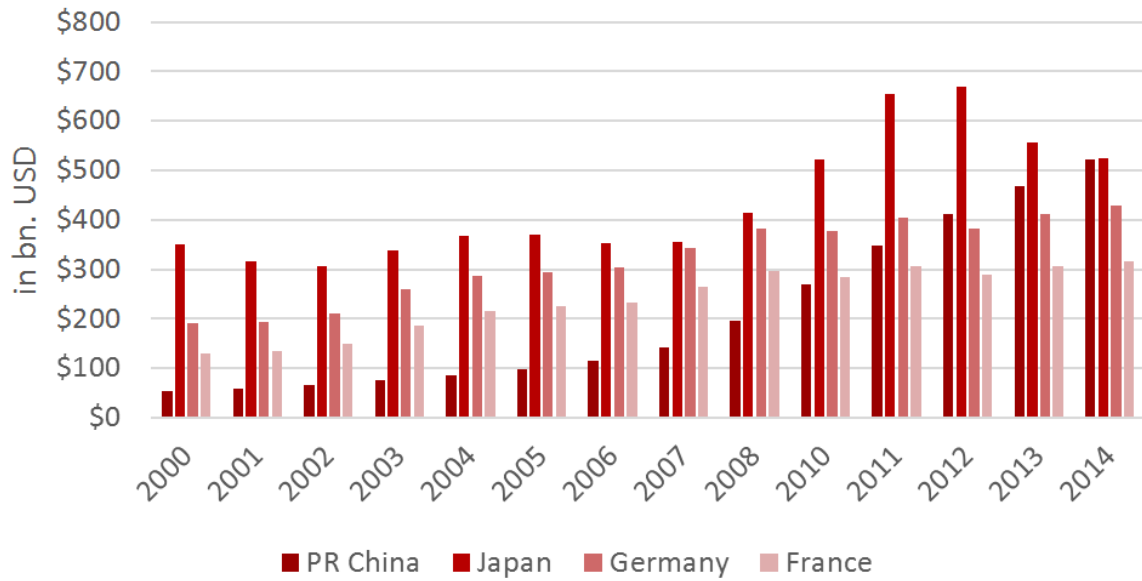
called the Topcon NW400. A doctor uploads the digital images of the patient's retinas to a cloud server on which IDx-DR software is installed. If the images are of sufficient quality, the software provides the doctor with one of two results: (1) "more than mild diabetic retinopathy detected: refer to an eye care professional" or (2) "negative for more than mild diabetic retinopathy; re-screen in 12 months." If a positive result is detected, patients should see an eye care provider for further diagnostic evaluation and possible treatment as soon as possible. IDx-DR is the first device authorized for marketing that provides a screening decision without the need for a clinician to also interpret the image or results, which makes it usable by health care providers who may not normally be involved in eye care. (*source: FDA*).

Verily Life Sciences LLC, an company belonging to the Alphabet group, in partnership with Duke University School of Medicine and Stanford Medicine, announced on 19 April 2017 the initiation of the Project Baseline study, a longitudinal study that will collect broad phenotypic health data from approximately 10,000 participants, who will each be followed over the course of at least four years. The study is the first initiative of Project Baseline, a broader effort designed to develop a well-defined reference, or "baseline," of health as well as a rich data platform that may be used to better understand the transition from health to disease and identify additional risk factors for disease. Beyond this initial study, Project Baseline endeavors to test and develop new tools and technologies to access, organize and activate health information (*source: Verily*).

11.1.2. Selected Information on the Chinese Health Market

The rapidly aging population of the PR China and the resulting massive expansion of state health programs are increasing the attention of the Chinese health industry worldwide. The World Health Organisation (WHO) estimates that the Chinese health sector will grow up to 20 % annually in the next decade. The International Trade Association expects an increase from USD 594 billion in 2015 to USD 1,100 billion in 2020 and thus nearly a doubling.

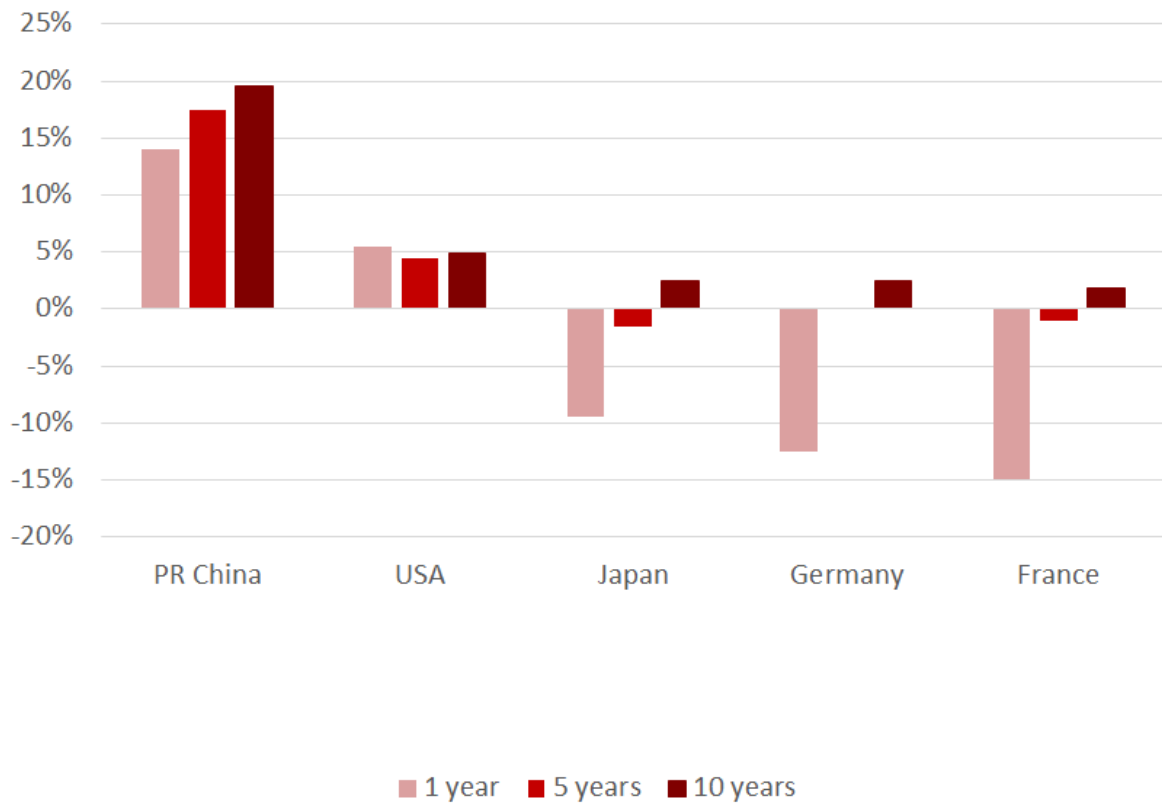
Total health expenditure in the four largest health markets (excluding the USA)



Source: WHO

The PR China's compound annual growth rate (“CAGR”) is expected to pick up over the course of time, while established economies such as Germany, France and Japan are beginning to see declines. The CAGR of the US is expected to remain stable at 5 %.

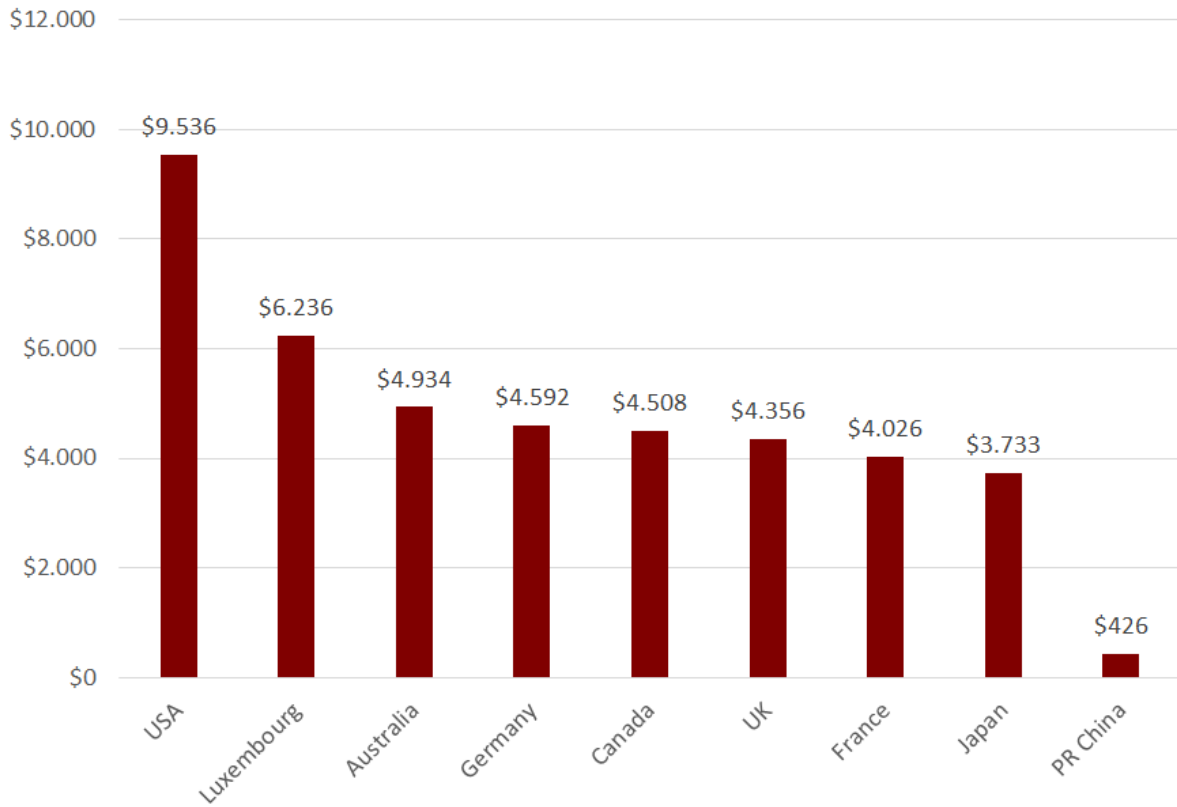
Compound annual growth rate (CAGR) for the five largest health markets



Source: WHO

However, the low absolute amount of per capita health expenditure in the PR China relativises the PR China's high CAGR. The absolute amount of per capita health expenditure in the PR China was only USD 426 in the year 2015. This amount corresponds to only approximately 10 % of other industrialised nations' absolute amount of per capita health expenditure.

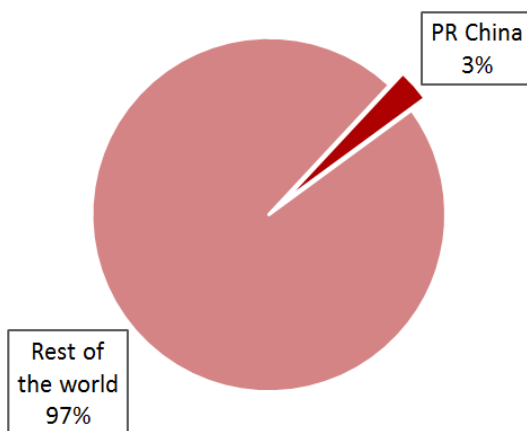
Per capita health expenditure in 2015 in USD



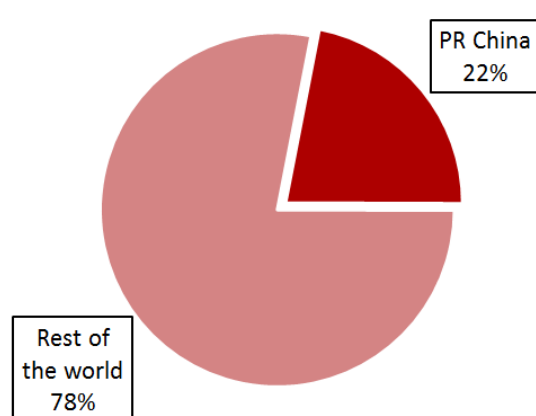
Source: WHO

The expenditures of the PR China for the health sector account for only 3% of the world's health expenditure, although the Chinese population currently represents about 22% of the global population.

PR China's share of global health expenditure



PR China's share of global population



Source: WHO

As early as 2030, Chinese society is expected to be the oldest in the world - by 2050, almost one in four Chinese will have reached the age of 65 or above - with a life expectancy of 80 years on

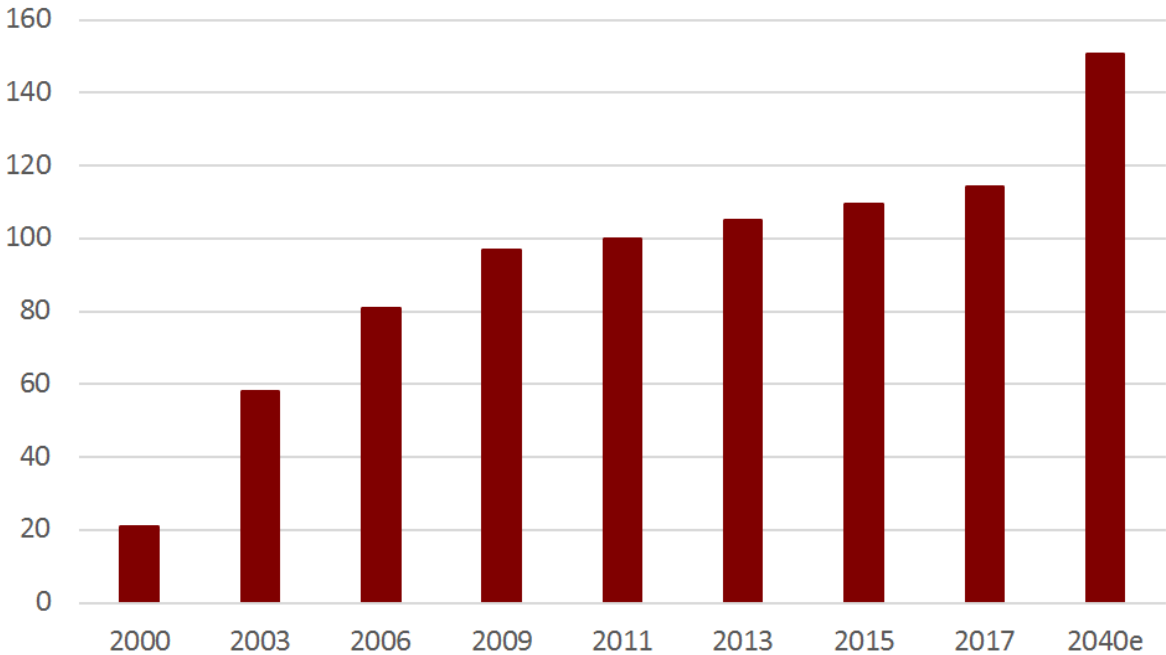
average. The old-age dependency ratio, i.e. the number of people above the age of 65 per 100 people of working age, is intended to rise from the current 13.7 to 46.7.

Aladdin believes the demographic development coupled with a rising income curve as well as the increasing spread and use of new technologies as major growth drivers of the Chinese healthcare market.

Problems of an aging society and solutions

In aging and ever-richer societies, "common diseases" are spreading. 11.6% of adult Chinese people already suffer from diabetes, or about 110 million people. The PR China has overtaken the US in absolute terms. That lack of education, precautions and treatment options may distort this number.

Type 2 diabetes in the PR China (in millions)

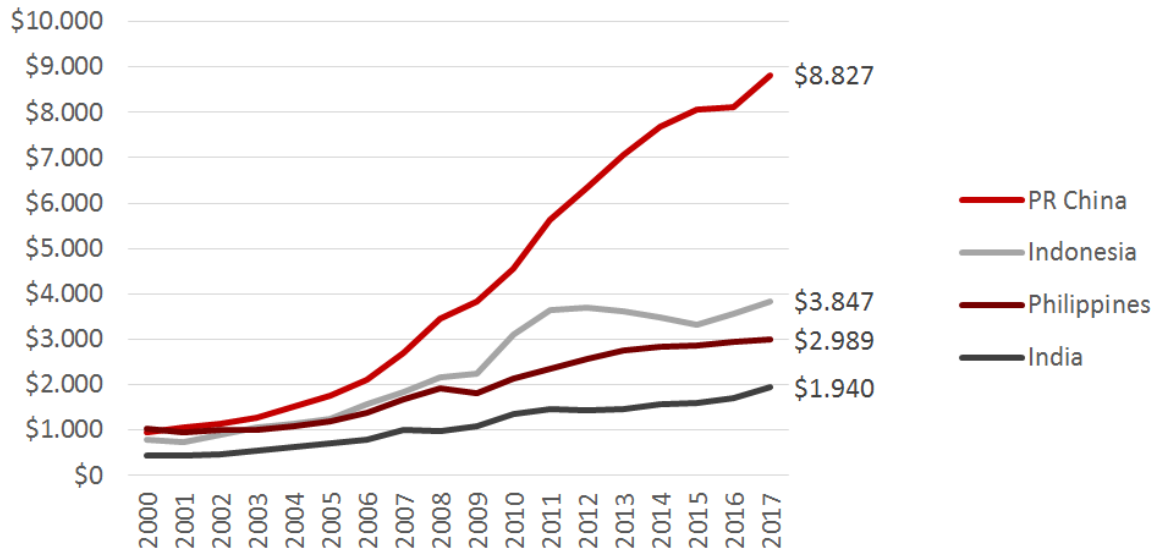


Source: International Diabetes Federation

11.1.3. Selected Information on the Indian Health Market

The Indian health market may see a three times expansion in value over the next five years, growing to USD 372 billion by 2022. The value of the sector in 2016 was USD 110 billion. Therefore, it is expected to see a compound annual growth rate of 22%. There is scope for enhancing healthcare services as the GDP per capita within India is rising rapidly, growing 38% over the last 17 years. The Indian government intends to increase the total health expenditure from the current level of 1.15% of the GDP to 2.5% of the GDP (source: Assocham, World Bank).

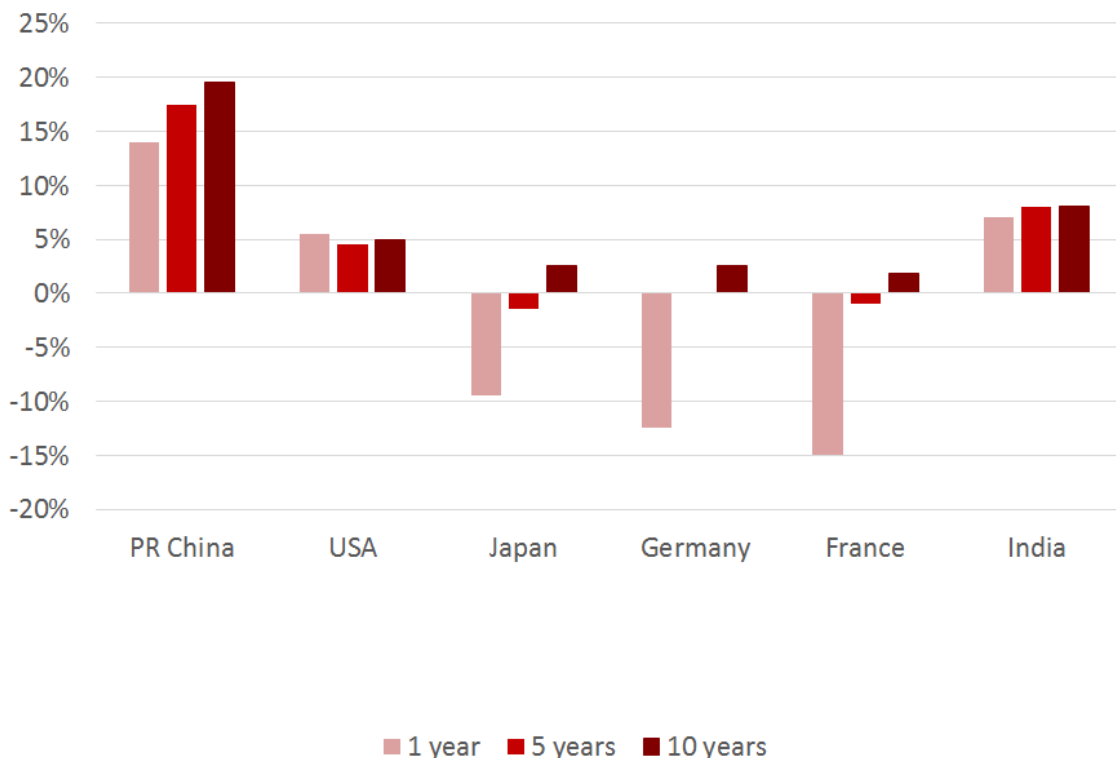
GDP per capita 2000 to 2017 in USD



Source: World Bank

India's CAGR is expected to remain at approximately 7-8% over the next 10 years, outpacing established economies. Although just three per cent of today's global GDP, it is expected that India's trend growth should see it overtake Japan and Germany to become the world's third-largest economy within the next decade.

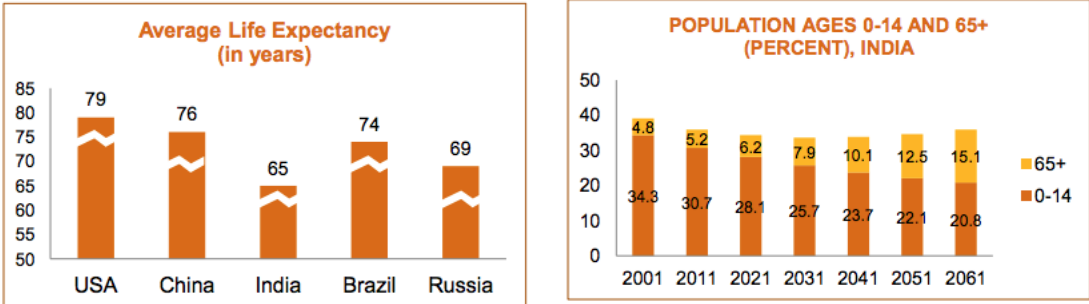
Compound annual growth rate (CAGR)



Source: WHO

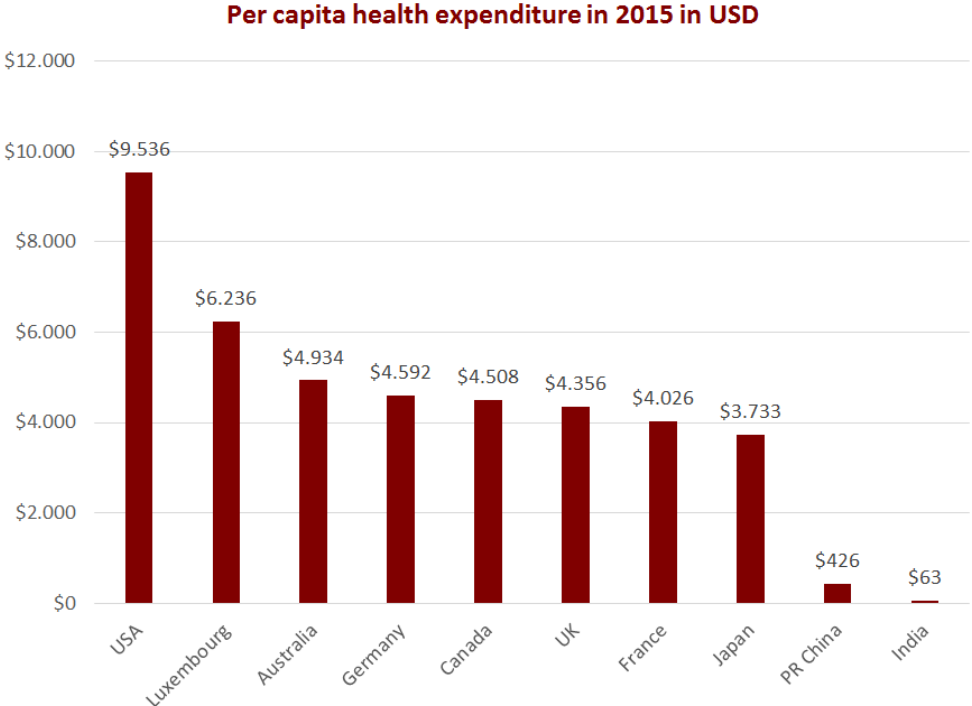
Growth factors in demand for healthcare services include: a growing population, increasing urbanisation and improved life expectancy. India's population is equal to 1.3 billion and exhibited a 17.6% decadal growth from 2001 to 2011. The number of urban agglomerations increased from 384 towns to 475 from 2001 to 2011. 265 million persons, constituting 70% of the total urban population, live in these urban agglomerations/towns.

India's life expectancy increased from 60.2 years in 2000 to 66.2 years in 2012 as a result of concerted efforts to tackle communicable diseases. As a result, the proportion of the elderly in India's population is expected to rise and to increase to 8% by the year 2031. This will have several implications as the elderly population needs greater healthcare facilities, which is expected to require higher health care expenditures than other population groups.

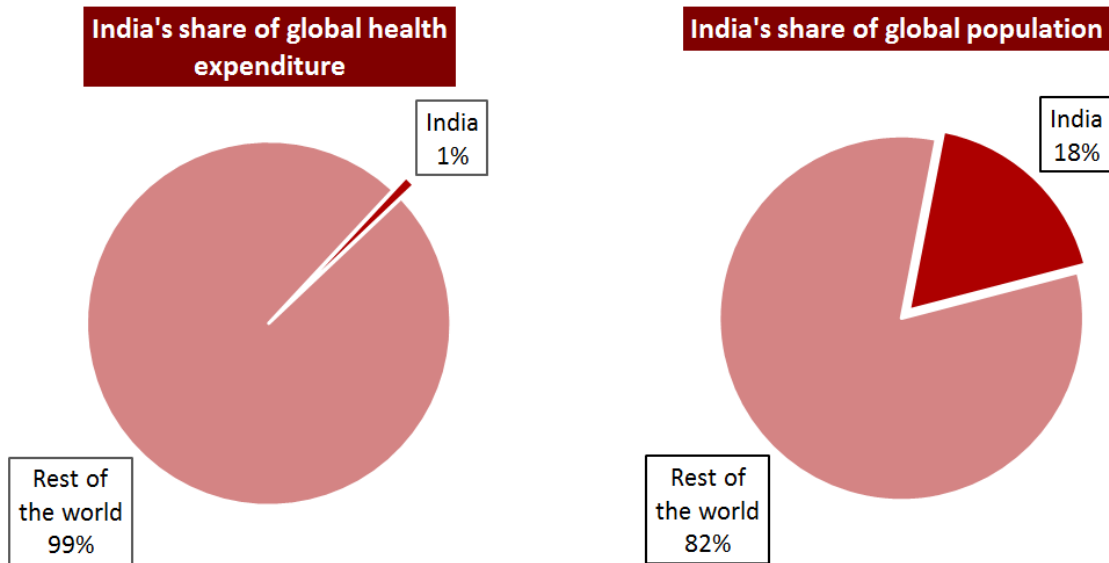


Source: PwC

The expenditures of India for the health sector account for only 1% of the global health expenditure, although the Indian population currently represents approximately 17% of the global population.



Source: WHO



Source: WHO

India has come under intense scrutiny for its poor health expenditure per capita. India expects to raise its public health spending by 11% in its next annual budget. This combined with the increase in GDP per capita and the growth of the Indian economy is expected to be the major driver of the Indian healthcare market.

Diabetes imposes a significant economic impact for countries, healthcare systems, and for individuals with diabetes and their families. The estimated global healthcare expenditure on diabetes by people with diabetes aged 20 to 79 years grew from USD 232 billion spent in 2007 to USD 727 billion spent in 2017 (source: *International Diabetes Federation*)

Moreover, the economic burden of diabetes is expected to continue to grow. It is projected that the global healthcare expenditure on diabetes by people with diabetes aged 20 to 79 years will reach USD 776 billion by 2045. This represents a 7% growth. When using the age group 18 to 99 years, the global healthcare expenditure on diabetes is expected to reach USD 958 billion.

The 2045 projections are very conservative, as they assume that the mean expenditure per person and diabetes prevalence rate remain constant, while only demographic changes are observed. This dynamic is supported by the observation that countries with the largest health expenditure will experience a very small population growth (source: *International Diabetes Federation*).

The PR China and India are already in the top five countries globally for total healthcare expenditure on diabetes in 2017.

Top 10 countries for total healthcare expenditure on diabetes in 2017 (20-79 years)

Rank	Countries	Total healthcare expenditure*
1	United States of America	348
2	China	110
3	Germany	42
4	India	31
5	Japan	28
6	Brazil	24
7	Russian Federation	20
8	Mexico	19
9	France	18
10	Canada	15

* in billion International Dollars (ID)

Source: *International Diabetes Federation*

11.2. Competition

Aladdin is in an early phase and has not yet generated any revenues. Although Aladdin wants to be a pioneer, there are parallels to other companies as well as overlaps with features of other companies' solutions. Efforts to improve healthcare are stimulating start-ups and the funding environment. Aladdin assumes that there are approximately 80 companies in the PR China alone working on AI-based healthcare applications. Aladdin expects such parallels and overlaps to grow over time.

Aladdin's potential competitors include Chinese healthcare technology companies, blockchain specialists as well as other companies and big data analytics and artificial intelligence (AI) providers.

11.2.1. Chinese Healthcare Technology Companies

On the Chinese market, several companies pursue business models in the healthcare technology sector. Aladdin does not believe these business models to be directly comparable to its own. However, Aladdin believes the market success of some of these companies to underline the interest of Chinese users in mobile health solutions and thus the market potential of the e-health sector in China. Such companies include Ping An, Tencent, Baidu, WeDoctor and Alibaba.

The most direct competition to Aladdin on the Chinese market may come from the listed Ping An Healthcare and Technology with the platform "Ping An Good Doctor". Currently, Ping An Healthcare and Technology is the largest provider of mobile healthcare solutions on the Chinese market. Its parent company Ping An Insurance (Group) is China's largest insurer by market value. The main focus of Ping An Good Doctor's services is the procurement of doctor-patient contacts and the provision of AI-based diagnostic services with the support of an internal medical team. In addition, a marketplace for health-related articles and services is offered. The business model of Ping An Good Doctor differs from Aladdin in particular in the focus of data analysis, which in Ping An Good Doctor is primarily in the immediate diagnostic service for the individual patient, while Aladdin focuses on AI-based data analysis to gain general knowledge for research institutions, insurance companies, etc. Furthermore, user acquisition at Ping An Good Doctor takes place through direct customer acquisition as an intermediary service for medical contacts and appointments, while Aladdin mediates its services via the hospital cooperation partners, who in turn register the patients in order to be able to use the electronic health record services.

Tencent's WeChat Intelligent Healthcare solution lets users book appointments and make payments to healthcare providers via an instant messaging app. In 2017, Tencent also launched an System using artificial intelligence (AI) which diagnoses endoscopic images in seconds via comparisons with its database of over one billion images. The number of WeChat's users is estimated to be 110 million. In 2015, Baidu launched Baidu Doctor, a healthcare app for booking appointments and communicating directly with doctors. Baidu is the largest search engine provider in the PR China. Baidu has also launched Melody, an AI-based solution which integrates with Baidu Doctor. Melody asks the patient a series of questions to narrow down the diagnosis, before referring the patient to a doctor or recommending a course of treatment.

WeDoctor's platform houses 2,700 hospitals, 220,000 physicians, 15,000 pharmacies and 27 million active users. Via a portal, WeDoctor offers remote online counselling, doctor and hospital appointments and electronic prescriptions. In May 2018, WeDoctor attracted funding in the amount of USD 500 million from investors bringing WeDoctor to a valuation of USD 5.5 billion. In previous financing rounds, Tencent and Goldman Sachs invested among others.

Alibaba's listed subsidiary Ali Health is using blockchain technology to reconcile the medical records of hospitals and health centres in Changzhou, PR China. The system will also provide traceability of changes, in addition to tamper resistance. Whilst this program is in its infancy, the bulk of Ali Health's business relates to medical e-commerce and product tracing. It has a number of relationships with multinational pharmaceutical companies including GlaxoSmithKline, Astra-Zeneca and Sanofi. Alibaba filed the second largest-number of blockchain patents in 2017. Apart from its involvement in the healthcare sector via its subsidiary Ali Health, Alibaba is driving blockchain solutions in a variety of industries.

11.2.2. Other Blockchain Specialists

With regard to using blockchain for healthcare applications, the companies MedRec, Grapevine and Medicalchain are amongst the most established. MedRec is based on the Ethereum blockchain and lets patients share their data with healthcare providers via smart contracts, giving them a cryptographic record of who has had access to their medical records. Like Aladdin, London-based start-up Medicalchain is also using Hyperledger Fabric to let patients grant access to (and track views and modifications to) their data to doctors, hospitals, laboratories and insurers. Medicalchain is also launching a cryptotoken, 'MedTokens', which can be spent within the ecosystem on insurance payments or healthcare products. Grapevine aims to use blockchain to create a standardised data exchange, particularly for electronic healthcare records, but also for other sectors including education, finance and energy. Grapevine launched an initial coin offering (ICO) in the summer of 2018. Patientory is a US-based healthcare technology start-up which aims to connect doctors, care providers and patients to access, store and transfer healthcare data on the same platform. Patientory will disaggregate healthcare records, meaning that only users with the appropriate access key can recall the data for viewing or sharing. Patientory held an initial coin offering (ICO) for an Ethereum based coin, which is intended to facilitate payments between community members.

Iryo is a Slovenian blockchain start-up that seeks to standardize electronic health records through the use of openEHR; openEHR is an open domain-driven platform for developing flexible e-health systems. Iryo wants to make medical records a carrier instrument that is uncoupled from identity and basically remains under the control of the owner, in this case the patient. Access to medical data is made possible through the use of blockchain and modern encryption protocols. The release of a patient app is scheduled for the fourth quarter of 2018. Iryo envisages the implementation for a network of special clinics in Slovenia in the first quarter of 2019.

11.2.3. Other Competition

In the UK, Babylon Healthcare has an application which provides users with a range of features including appointment bookings, remote consultations (including the dispensing of prescriptions) and an artificial intelligence service which enables users to send symptoms to the application, which will respond with AI-generated healthcare advice. As of April 2018, Babylon also has a partnership with Tencent in China to roll this artificial intelligence solution out via the WeChat messaging service. Babylon is in the process of rolling out solutions in the US and the Middle-East.

Flatiron Health provides a platform which aggregates both structured and unstructured oncology data from a wide variety of sources. Data interrogation via its own analytics engine provides ac-

tionable insights to assist cancer researchers and care providers to improve patient outcomes. Flatiron was acquired by Roche in February 2018.

While not specific to healthcare applications, there are also numerous big data analytics and artificial intelligence providers who are significantly more established than Aladdin and have annual budgets for research and development significantly larger than Aladdin. These include IBM, Microsoft, SAP, Oracle, VMware and DeepMind amongst others.

11.3. Regulatory Environment

11.3.1. Regulatory Environment in the PR China

Aladdin's business activities are subject to various regulatory requirements under the law of the PR China, especially in the field of data protections and cyber securities. The following provides a brief overview of regulations in the PR China that are applicable to Aladdin's business activities in terms of data protections and cyber securities. Right to personal information is recognized under the General Rules of Civil Law effective in 2017. Although there is no codified data protection and cyber security law, piecemeal rules exist in various laws, administrative regulations, and managerial measures. The Cyber Security Law effective in 2017, as one of the most important legislation in this field, provides for principle obligations of network operators to protect personal data and cyber security.

11.3.1.1. Application of Cyber Security Laws

The Cyber Security Law regulates behaviours of network operators, which is defined broadly to include any owner, constructor, and operator of any network in China. The term "network" is interpreted broadly to include any computer system comprised of two or more interconnected computers or computer terminals, including both internet and intranet. Aladdin operates a medical recording system which collects and processes personal information. Therefore, it is a network operator and, thus, governed by the Cyber Security Law and related regulations in the same field.

11.3.1.2. Cyber Security Obligations

The Cyber Security Law sets out a number of obligations on network operators to maintain the security and stability of the network they operate. These key obligations are summarised below:

- Technical and Managerial Measures

According to the Cyber Security Law, network operators must follow a "multi-level protection scheme" ("**MLPS**") to protect networks from interference, disruption or unauthorized access and preventing network data from being disclosed, stolen or tampered (Art. 21 of

the Cyber Security Law). The MLPS requirements are provided for under the Managerial Measure for Information Security Multi-level Protections (the “**MLPS Measure**”), which is a managerial measure enacted by the Department of Public Security, illustrating the different levels of technical and managerial obligations which network operators must follow depending on the criticalness of the networks. These technical and managerial measures include (i) formulating internal IT risk management policies, (ii) appointing persons responsible for managing cyber security matters and allocating cyber security responsibilities, (iii) implementing technical measures to prevent computer viruses, network attacks, network intrusions and other acts endangering cyber securities and (iv) monitoring and recording network operation status and cyber security incidents, (v) preserving web logs for no less than six months and adopting managerial measures such as data classification, back-up and encryption of important data.

- Contingency plan for cyber security incidents:

Network operators are required to adopt and implement contingency plans for cyber security incidents and carry out cyber security authentication, inspection and risk evaluation accordingly (Art. 25 and Art. 26 of the Cyber Security Law). For an event that threatens cyber security, the operators concerned must initiate the contingency plan, take corresponding remedial actions, and report to the government and affected individuals as required.

11.3.1.3. *Personal Data Protections*

The collection, process, use, and disposal of personal data in China are subject to data protection laws in the PR China, including, in particular, the Cyber Security Law. Generally speaking, network operators must comply with the principles of legality, reasonability and necessity in the process of collecting and using personal information (Art. 41 of the Cyber Security Law).

- Collection of Personal Data

Any collection or use of personal data must have legal grounds. These grounds could be genuine business reason or legal requirements. Additionally, unless a collection is legally required, usually network operators must seek data subjects’ informed consents to collect personal data. This requires that network operators inform data subjects of the scope of data collection, purpose of collection and the policy about data protection and then give data subjects meaningful selections to decide whether to consent to the collection.

Network operators must only collect personal data which are necessary for providing the services they render to data subjects. In other words, net operators must not collect excessive amount of personal data which is irrelevant to their services. Personal data which

network operators collect must only be used for performing the services with respect to which the personal data are collected.

- Confidentiality

Network operators must not disclose, distort or damage the collected personal data. Disclosure of personal data without prior consent from data subjects is not allowed. Subject to conditions, personal data may be anonymized before being disclosed to third parties.

Moreover, network operators are required to adopt technical and managerial measures to protect personal information from being disclosed, damaged or lost. Once such incidents occurred or are likely to occur, network operators must take immediate remedial measures, and inform the same to relevant government authorities and affected data subjects.

- Retention

Network operators can retain personal data until the purpose to collect such data is fulfilled. Network operators are required to erase personal data in their possession if such data are no longer in use or relevant data subjects withdraw their consents unless network operators are legally required to retain certain personal data or have legitimate right to do so.

- Data subject's rights

Under the Cyber Security Law, data subjects have the right to request that network operators (i) to provide a copy of their personal data in network operators' possession, (ii) to update their personal data; and (iii) to erase their personal data if they withdraw their consents --- network operators must respect such request unless they have legitimate reasons, or legally required, to retain some personal data.

11.3.2. Regulatory Environment in India

The following provides a brief overview of data privacy laws in India that are applicable to Aladdin's proposed business activities in India.

11.3.2.1. Data Privacy and Protection Law in India

Presently, apart from the Constitution of India, privacy rights are indirectly recognized under various sector-agnostic statutes such as the Indian Penal Code 1860, the Information Technology Act 2000 ("IT Act") etc. There are certain sensitive sectors such as banking, insurance, telecom etc. that have their specific regulations to address aspects of data privacy. Recently, in the Jus-

tice *KS Puttaswamy v Union of India* case (Privacy Case), the Supreme Court of India declared privacy as a fundamental right that is protected under the Constitution of India. This, however, is enforceable against the State and State-actors alone.

The collection, processing or use of personal data or information in India is primarily covered under Sections 43A and 72A of the IT Act. The Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (“**SPDI Rules**”) formulated under Section 43A of the IT Act stipulate regulations in relation to processing of ‘sensitive personal data or information’.

The points discussed below provide the general requirements of data privacy and protection which are of particular relevance for organizations dealing with health data in India.

- Sensitive Personal Data or Information

As per Section 43A of IT Act, a body corporate in India, processing, dealing or handling any sensitive personal data or information (“**SPDI**”) in a computer source, is required to implement and maintain reasonable security practices and procedures. The SPDI Rules defines SPDI to inter alia include passwords, financial information, physical, physiological and mental health condition, medical records and history etc. Therefore, medical and health records amount to SPDI in Indian context. It is important to note that SPDI excludes any information that is freely available or accessible in public domain.

Further, the SPDI Rules define ‘personal information’ as any information that relates to a natural person, which directly or indirectly, along with other information, is capable of identifying such person. The blockchain technology is fairly new in Indian context, and laws are still evolving in India on how the technology needs to be regulated. If blockchain technology used by Aladdin will have anonymized health records of patients in India, the SPDI Rules may not be applicable to such information. This would however need to be analysed carefully so that the anonymized record cannot with any other available information identify a patient.

- Processing of Medical and Health Records

An entity can collect medical and health records or any other SPDI from an information provider only for lawful purpose and if collection of such information is considered necessary for the specific purpose.

In addition to the IT Act and SPDI Rules, generally health records are subject to confidentiality and privacy standards applicable to medical practitioners in India, particularly under the Electronic Health Record Standards for India, 2016 released by the Department of

Health and Family Welfare and the Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002.

– Collection of Medical and Health Records

Broadly, under the IT Act, an entity that collects SPDI is required to obtain prior written consent in writing from the information provider for use of such SPDI. Further, the information provider should be informed of the following before collection of SPDI from him/her:

- (i) the fact that information is collected;
- (ii) the purpose of collection;
- (iii) intended recipients; and
- (iv) the name and address of the agency that collects, and the agency that will retain the SPDI.

– Retention of SPDI

An entity cannot retain the SPDI longer than required for the purpose, unless such retention is required by applicable laws.

– Rights of Information Provider

The information provider has the right to review SPDI on request and get it updated or corrected, if it is found to be inaccurate or deficient. The information provider also has a right to withdraw consent in writing sent to the body corporate. In case consent is not provided or is withdrawn later, the body corporate has the option not to provide goods or services for which information was sought.

– Privacy Policy

A body corporate or any person on its behalf that collects, stores, possesses, deals with or handles SPDI must have a privacy policy, and such privacy policy must be available to information provider. The policy needs to be published on the website of the body corporate or person on its behalf, and must provide:

- (i) clear and easily accessible statements of its practices and policies;
- (ii) type of SPDI collected;
- (iii) purpose of collection and usage of such information;

- (iv) disclosure of information; and
- (v) reasonable security practices and procedures followed by it as per the SPDI Rules.

– Disclosure of SPDI

SPDI can be transferred to third parties only with prior consent from the information provider, except where such disclosure is required by law. Government agencies may obtain SPDI from the body corporate without information provider's consent if it is required for verification of identity, prevention, detection, investigation including cyber incidents, prosecution and punishment of offences. The body corporate cannot publish SPDI, and the third party that has received the SPDI cannot transfer it further.

– Transfer of SPDI

A body corporate or any person on its behalf may transfer SPDI subject to the transferee (whether situated within or outside India) providing same level of protection to the SPDI as prescribed under the SPDI Rules, and if such transfer is necessary for performance of a lawful contract or with consent of the information provider.

– Reasonable Security Practices

A body corporate or any person on its behalf will be considered to have complied with reasonable security practices or procedures if they have implemented such security practices and standards and have comprehensive documented information security programme and information security policies that contain managerial, technical, operational and physical security control measures that are commensurate with the information to be protected and the nature of business. The SPDI Rules prescribe international standard IS/ISO/IEC 27001 on 'Information Technology - Security Techniques - Information Security Management System - Requirements' as one such standard the entities can follow and are deemed to comply with reasonable security practices or procedures. Organizations can also follow other IS/ISO/IEC codes as may be approved and notified by the Central Government for effective implementation.

In case of breach, the entity will need to demonstrate that they have implemented adequate security control measures as per the policies. Further, audit of reasonable security practices or procedures needs to be conducted by an auditor annually and when the organization undertakes a significant upgradation of its process and computer source.

- Grievance Redressal

Body corporates in India are required to address discrepancies and grievances of information provider with respect to processing of information in a time bound manner. For this, body corporates are required to designate a grievance officer and publish his name and contact details on its website. The grievance officer is required to address the complaints as soon as possible and not later than one month from the date of receipt of grievance.

- Penalties

Under Section 43A of the IT Act, if a body corporate is negligent in implementing and maintaining reasonable security practices and procedures, which causes wrongful loss or wrongful gain to any person, then such body corporate will be liable to pay damages by way of compensation not exceeding INR 50,000,000 (Indian Rupees Fifty million) (approx. USD 800,000). On the other hand, Section 72A of the IT Act prescribes criminal liability for disclosure of 'personal information' in breach of lawful contract or without the information provider's consent with an intention to cause wrongful loss or wrongful gain and is punishable with imprisonment which could extend to 3 (three) years or with fine up to INR 500,000 (Indian Rupees Five hundred thousand) (approx. USD 8,000), or both.

11.3.2.2. *Proposed Changes to Data Privacy Regime in India*

The Privacy Case highlighted the need to have a dedicated data privacy regime in India to regulate the collection and processing of an individual's information by both State and non-State actors. Therefore, in July 2017, the Government of India constituted an expert committee (Committee) under the Chairmanship of retired Supreme Court judge, Justice B N Srikrishna, to study various issues relating to data protection in India and to suggest the contours of a new data protection legislation. On 27 July 2018, the Committee released the draft of the Personal Data Protection Bill, 2018 ("**Draft Bill**") along with Committee's report. The Draft Bill is subject to comments from the Ministry of Electronics and Information Technology, Government of India. Thereafter, the Draft Bill will be placed before the legislature for discussions before it is passed.

The Draft Bill is largely inspired from the European Union's General Data Protection Regulation (GDPR), with certain variations. If the Draft Bill is passed, it will significantly change the data privacy landscape in India.

Further, on 21 March 2018, the Ministry of Health and Family Welfare released the draft of the Digital Information Security in Healthcare Act (DISHA) in public domain for inviting comments. DISHA aims to secure the privacy and confidentiality of digital health data (DHD) in India. So far, India does not have a separate legislation governing DHD, and provisions of the IT and the SPDI

Rules primarily govern any e-health data collected, stored and processed by relevant entities. DISHA is also a draft bill as of the date of this Prospectus and will need to be placed before the legislature before it becomes a law. If enacted, DISHA will be another law in addition to the Draft Bill (if enacted) that will govern DHD in India.

11.3.3. Regulatory Environment in Europe

Aladdin's planned business activities are subject to various regulatory requirements under European law. In particular, data protection and health care provisions are affected. The following provides a brief overview of regulations in the European Union ("EU") that are applicable to Aladdin's business activities. In terms of regulatory requirements in the field of data protection, the EU sets high standards in comparison to other jurisdictions in which Aladdin operates its business.

11.3.3.1. Data Protection Law

The collection, processing and other use of personal data is regulated by both, European and national legislation. As of May 25, 2018 data protection at the European level is governed by the General Data Protection Regulation ("GDPR"). The GDPR is directly applicable in all EU Member states and does not need any implementation act. Aside from that, the GDPR provides for several opening clauses, e.g. for processing personal data in an employment context, allowing national legislators to issue stricter provisions.

The GDPR does not only apply to companies residing in the EU. In the following cases it also applies to the processing of personal data of data subjects by companies not residing in the EU: (1) the processing of personal data relating to offering goods or services, irrespective of whether a payment is required; (2) processing activities relating to the monitoring of data subjects' behaviour as far as the behaviour takes place within the EU.

In general, the GDPR regulates when and how personal data may be collected (lawfulness), for which purposes it may be processed (purpose limitation), for how long it may be stored (storage limitation) and to whom and how it may be transferred (integrity and confidentiality). In order to comply with data protection requirements, particular measures need to be adopted. The following items illustrate the general requirements of data protection and selected areas which are of particular relevance for companies dealing with health data:

- Legal basis for processing health data

In general, any processing of personal data is subject to a legal basis. Processing special categories of personal data such as data concerning health is generally prohibited under the GDPR (Art. 9 sec. 1 GDPR).

However, an exception is made if the data subject has given explicit consent to the processing of those personal data for one or more specific purposes (Art. 9 sec. 2 lit. b) GDPR). Consent must be given prior to the processing and requires an affirmative action of the data subject. Data subjects must be clearly informed about the scope of the consent and the controlling entity. Further, consent may be withdrawn by the data subject at any time and without any reason, meaning that if the data subject withdraws the consent, the controlling entity is required to delete the data immediately and is not allowed to process them anymore.

Besides, processing health data can be lawful if it is necessary for the management of health or social care systems (Art. 9 sec. 2 lit. h) GDPR). However, this exception only applies if data is processed by or under the responsibility of a professional subject to the obligation of professional secrecy under the EU or Member State law or by another person also subject to an obligation of secrecy. In practice, processing would need to be carried out at least under the responsibility of a doctor or medical personnel.

Processing patient's health data is generally subject to the doctor's or medical personnel's professional secrecy. In Germany, for example a violation of the professional secrecy may result in criminal sanctions. However, patient's health data can be processed if either data is only processed by third parties that are engaged in the activities of the doctor/medical personnel who is under professional secrecy or if the data subject consents to such processing by releasing the medical practitioner from his/her secrecy obligation.

In any case, personal data may be only processed for the purpose for which the data was initially collected. If a company intends to further process data for a purpose other than that for which the personal data was collected, the company needs to provide information about that further processing. In some cases, processing would not be covered by the initial legal basis anymore – e.g. when the consent only covers the initial purpose- the company would need to rely on another applicable legal basis. However, the GDPR clarifies that e.g. processing of personal data for scientific research purposes may be considered compatible with the initial purpose (Art. 5 sec. 1 lit. b) GDPR).

– Information obligations

Companies processing personal data are required to inform the data subjects transparently about each processing, the legal basis for it, the data categories processed, data subjects affected, retention periods, recipients of data and the contact information of the controlling entity and the data protection officer, if applicable. In practice, this information is provided within a privacy policy to data subjects prior to processing, either by implementing it on a website or by providing the policy in a hard copy.

Where personal data have not been obtained from the data subject directly, exception from the information obligations exist: E.g. where the provision of such information would involve a disproportionate effort, in particular for processing for scientific research in so far as the information obligation is likely to render impossible or seriously impair the achievement of the objectives of that processing (Art. 14 sec. 5 lit. b) GDPR).

- Data protection officer (“**DPO**”)

Processing special categories of data such a health data on a large scale requires designating a DPO (Art. 37 sec. 1 lit. c) GDPR). According to data protection authorities in the EU, it is assumed that if the company is engaging more than 10 persons with the processing of personal data a processing on a “large scale” takes place. In particular, a doctor or a medical practitioner with fewer than 10 employees is deemed to not process health data on a “large scale”.

The DPO can be either a staff member of the controlling company or an external expert fulfilling the tasks on the basis of a service contract. In each case, the DPO must have expert knowledge of data protection law.

- Record of processing activities

Every company processing personal data is required to maintain a record of processing activities presenting an overview of all processing activities of the controlling company containing information such as, *inter alia*, the purposes of processing, a description of the categories of data subjects and categories of personal data (Art. 30 GDPR). The record of processing is not required for companies employing fewer than 250 persons.

- Data protection impact assessment

Processing that is likely to result in a high risk to the rights and freedoms of a natural person requires a prior assessment of the impact of the envisaged processing operations on the protection of personal data. This is in particular the case if special categories of data, containing health data are processed on a large scale (Art. 35 sec. 3 lit. b) GDPR). Referring to the aforementioned regarding the data protection officer, a large scale of processing is assumed when more than 10 employees are engaged with the processing of personal data.

- Data subject’s rights

Data subjects have several rights under the GDPR, for example the right to erasure, right of access and right to data portability. Each controlling company needs to make sure that those rights are fulfilled. Specific technologies such as the blockchain technology compli-

cate complying with those rights: The blockchain technology consists of data that build on one another and are never deleted. Thus, the controlling entity using blockchain would be never capable of fulfilling the right to erasure. An exception of the right to erasure is made where processing is necessary for reasons of public interest in the area of public health- in particular, when processing is necessary for the management of health or social care systems and where professionals that are subject to secrecy obligations process health data (Art. 17 sec. 3 lit. c) GDPR). Further, the right to erasure is restricted where processing is necessary for scientific research purposes in so far as the right to erasure is likely to render impossible or seriously impair the achievement of the objectives of that processing (Art. 17 sec. 3 lit. d) GDPR). In this context, the legal situation is very uncertain. There are even opinions within legal authors questioning the application of the GDPR to blockchain technologies because it is not fully clarified whether the blockchain uses personal data or not.

– Fines

Under the GDPR companies violating data protection can be fined up to 4% of the total worldwide annual turnover or up to €20 Million (whichever is higher; Art. 83 sec. 5 GDPR). This is the maximum fine that can be imposed for the most serious infringements e.g. not having sufficient consent to process data or violating the obligation regarding data subject's rights. There is a tiered approach to fines e.g. a company can be fined 2% of the total worldwide annual turnover or €10 Million (whichever is higher, Art. 83 sec. 4 GDPR) for not having their record of processing activities or the data protection impact assessment in order.

12. BUSINESS

12.1. Business Overview

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. Therefore the Company intends to build a healthcare ecosystem made up of patients, healthcare providers, insurers and pharmaceutical companies, where Aladdin's software technologies shall help the participants work more efficiently and cost effectively together while putting control in the hands of patients to take charge of their own health and allowing them easier access to healthcare. The Company's ultimate goal is to improve health outcomes, in particular with respect to largely spread diseases such as diabetes and certain other chronic diseases, through insights gained from the analysis of large volumes of health and lifestyle data. Aladdin's software solutions are based on the blockchain technology and its principles which Aladdin seeks to introduce to the healthcare industry in various applications. Aladdin believes that the utilization of mathematical and cryptographic algorithms will engender trust between all involved participants in the healthcare industry by ensuring that shared information is auditable and tamper-proof.

Aladdin is still not generating revenues with its technology and expects first revenues from the licensing of one of its software solutions by the end of 2018. While Aladdin has further identified various routes to monetization it believes that substantial pre-investment in terms of development efforts will be required to attract healthcare market participants to join its envisaged blockchain technology based ecosystem.

Aladdin intends to be a global enterprise, that currently targets two of the largest healthcare markets in the world, the PR China and India. In the PR China a first application based on Aladdin's technology has currently been soft-launched by two hospitals belonging to Beijing Guo Yi Hui Hospital Group. In India, Aladdin has entered into a co-operation agreement with the online healthcare market provider OurHealthMate with the aim to build a big-data platform for medical records and health data of Indian patients.

Aladdin Ltd., the Group's operational subsidiary, has 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 before. Through this transaction, the founder of Aladdin Ltd. and CEO of the Company, Mr. Wade Menpes-Smith, became the Company's largest shareholder.

12.2. Aladdin's Business Model

The present healthcare environment consists of several different participants, including patients, doctors, hospitals, pharmacies, pharmaceutical companies and health insurers. Aladdin believes that in the market it targets, these parties currently do not interact efficiently, because all participants are operating on separate software systems of varying complexity. As a result, Aladdin 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.

Build a new healthcare ecosystem: The Company intends to build a brand new blockchain technology based healthcare ecosystem made up of patients, doctors, hospitals, pharmacies, pharmaceutical companies and health insurers that offers benefits to all participants and will create multiple routes to monetization for Aladdin. To create this ecosystem Aladdin strives to establish and lead a consortium of participants such as doctors, hospitals, health insurers, pharmaceutical companies to build the solutions developed by Aladdin, based on blockchain principles and technology. As the consortium lead, Aladdin envisages to be responsible for inspiring and driving the adoption of blockchain technologies amongst members towards a common vision and one that benefits all. Aladdin assumes that the blockchain technology will utilize mathematical and cryptographic algorithms to engender trust between all transacting participants by ensuring that shared information is auditable and tamper-proof.

Disrupt the current healthcare environment: In the current health care environment, a patient will go to his doctor, will potentially after the initial diagnosis being referred to a specialist doctor or a hospital, then will have to buy prescribed medication at a pharmacy and finally has to seek reimbursement from his health insurance. Aladdin seeks to disrupt the existing system to the benefit of all participants by introducing solutions based on the blockchain technology, allowing each participant to track the medical records of the patient. Each transaction or change to the medical record (e.g. diagnosis, referral to another doctor or hospital, prescription of medication and claim for reimbursement with insurer) would be automatically logged and secured on the blockchain where it is validated by the consortium members.

Aladdin believes, that:

- *Patients* will benefit, because they will be relieved from administrative burden and from providing the same information to multiple service providers. In addition, it would allow that insurers can pay hospitals and pharmaceuticals directly discharging patients from reimbursable expenses in the first place.
- *Hospitals* and doctors will benefit, because they can share data and interact in a more effective way with patients, as well as with each other. This would increase their ability to

interact with other hospitals, improving the quality and efficiency of care they can provide to patients. Aladdin envisages that participating hospitals will be at the forefront of innovation in the industry and as a result, will see an increased number of patients wanting to use the hospitals, due to the draw of being part of the Aladdin ecosystem and all the benefits this brings. Hospitals will also significantly improve efficiency in accounting and administrative processes.

- *Health insurers* will benefit, because they will be at the forefront of innovation within the industry, while enjoying more efficiency in their day to day processes. Health insurers will be able to trust information provided to it by consortium members. Insurers will also benefit from time and costs savings through a more efficient claims and payment system. Health insurers will also be able to price premiums for health insurance policies with increasing accuracy and be able to adjust their underlying risk modules as a result of an increase in the secure sharing of patient data.
- *Pharmaceutical companies* will benefit, because they will find themselves at the forefront of innovation within the industry, with remarkable benefits operating within an ecosystem with trusted and secured information. The Aladdin ecosystem intends to reduce the likelihood of counterfeit medications and to increase the security and efficiency of the prescription and payment process.

Build trust in the health care industry by providing prototype technology: Aladdin has developed a prototype blockchain consortium in the United Kingdom with three members which it believes brought the proof of concept that its technology provides for an immutable audit trail of access and changes to patients' medical records. To facilitate this first prototype consortium, Aladdin has developed a software solution that can be used on mobile devices allowing patients and hospitals to make appointments and to share and amend medical records. This application has been soft-launched by Aladdin's licensee in the PR China. Aladdin will further validate this prototype and using it to demonstrate to future consortium members that they can operate successfully on a permissioned and secure Aladdin ecosystem.

Generate revenues from different monetisation routes: Aladdin believes that its software allows multiple routes to monetisation.

- Aladdin has licensed parts of its technology in the form of a mobile application for making appointments between doctors and patients to a partner in Hong Kong which will pay licence fees. In addition, Aladdin will be entitled to a certain percentage of future subscription fees from hospitals and users using the app.

- Aladdin’s partner in Hong Kong will earn commission on any products/services sold in the intended healthcare marketplace. This would include sales of health/life insurance, drugs and wellness products. Aladdin will be entitled to 20% of the commission fees.
- Aladdin expects to be able to sell bulk uploads of anonymised data to insurance companies, pharmaceutical companies and governmental organisations interested in medical and lifestyle data.
- The Company also expects to be able to provide analytics-as-a-service to generate actionable insights from analysing the data itself, which it would aim to sell to governments and commercial organisations.
- Aladdin also considers charging future members a fee to join its blockchain ecosystem. This is likely to be in the form of a blockchain-as-a-service subscription, which would provide members with the tools to become a node and participate in the blockchain.
- Aladdin has not yet finalised how it will monetise its blockchain applications. Another method it is considering is to charge a small percentage of any transactions that take place on its ecosystem.

12.3. Strategy

To implement its business model, Aladdin applies the following strategic objections:

Putting control in the hands of patients by applying the blockchain technology

Aladdin’s first app, recently launched in the PR China, supports patient record-sharing and medical appointment booking. By giving patients control over who can see their records, Aladdin aims to improve the efficiency of diagnosis and treatment. Aladdin seeks that its solutions shall also encourage patients to engage with their treatment plans and make lifestyle improvements to benefit their health.

Using blockchain to improve efficiency and data security

Aladdin is developing blockchain technology to help healthcare providers and insurers to work together more efficiently. In Aladdin’s opinion, decentralized availability and tamper resistance make blockchain technology ideal for storing highly sensitive data, such as contracts or healthcare data. The Company has taken several steps to ensure that data is held and processed in a secure manner. Aladdin’s intended big data platform uses a HIPAA5-compliant Cloudera-based data storage platform. The Company has also implemented HIPAA best practice controls for all technology components of the system, including user interfaces and server-side software.

Expand the Aladdin ecosystem by effectively engaging partners

The key to Aladdin's success is to effectively engage partners to form part of its ecosystem. Aladdin has held workshops and will continue to do so in the future with insurers and pharmaceuticals in the PR China, to fully understand the obstacles they experience in their current processes under the existing health care environment. Aladdin uses workshops to explain its vision for the health care industry and how its blockchain solutions will lead to significant efficiencies for their businesses. From the workshops, Aladdin can also develop an understanding of the volume of transactions each member processes in its regular course of business, to quantify the value our blockchain vision can bring to health insurers and pharmaceutical companies.

Improve health outcomes from analysis of large quantities of health and lifestyle-related data.

The Company's long-term goal is to make use of the large quantities of health and lifestyle-related data stored in patient healthcare records. With a current population of 1.4bn, the Company's initial focus on the PR China gives it the potential to access a significant number of medical records. Aladdin seeks to either sell the (anonymised) data to third parties (e.g. insurers, pharmaceutical companies) or to offer analytics-as-a-service by undertaking its own analysis of anonymised data using software technologies such as artificial intelligence (AI) and machine learning to identify patterns and trends of diseases. In particular, the Company is aiming to build the world's largest structured diabetes and pre-diabetes data repository. Treating diabetic patients takes up a material percentage of national healthcare budgets around the world even though in many cases, Type 2 diabetes is avoidable. Through analysis of its future database, Aladdin hopes to be able to generate insights that could help in the prevention and treatment of the disease.

12.4. Technological Background of Aladdin's software solutions

Aladdin's software technology is based on the blockchain technology. A blockchain is a decentralized, distributed digital ledger that is used to record transactions across many computers so that the record cannot be altered retroactively without the alteration of all subsequent blocks and the consensus of the network. So in a blockchain no data can be deleted or changed, but only new data can be added to the blockchain. This allows the participants to verify and audit transactions inexpensively. Furthermore, it is possible to release data for certain users or to limit the usage rights. All of these security measures ensure that different participants in a network can interact safely and confidently without having to rely on an existing mutual trust. A blockchain database is managed autonomously using a peer-to-peer network and a distributed timestamping server. The most well-known characteristic application area for the blockchain technology is currently the employment as digital currency (Bitcoin, Ethereum, etc.); however the principle can be applied to any kind of data.

An extension that now supports most of the current blockchain protocols is the inclusion of so-called smart contracts, that is, predefined if-then relationships (e.g.: if the doctor is changed, then the old doctor will not be allowed to read or amend the medical record).

Aladdin's initial software solutions are based on the Hyperledger blockchain architecture. Hosted by the Linux Foundation, the Hyperledger project is a collection of open source distributed ledger technologies (DLT). Members of the project include established technology companies (e.g. Cisco, IBM, Intel and SAP), banks (e.g. J.P. Morgan, Wells Fargo, BNY Mellon) and a range of DLT specialists such as R3 and ConsenSys. The umbrella organisation aims to develop DLT collaboratively, with a view to improving both performance and adoption of the technology. The Aladdin blockchain is built on the most developed of these projects, the so called Hyperledger Fabric. Fabric is a permissioned (private) blockchain architecture, meaning that prospective network participants must be given access by a central authority before they join the network. This contrasts with most blockchain ecosystems, most notably Bitcoin and similar cryptocurrencies, which operate completely open blockchain architectures, enabling unknown identities to both transact with each other and contribute to the maintenance of the information stored within the ledger. The platform is modular, meaning that users can bolt-on additional functionalities, either through their own internal development, or via additional open-source code. Smart contracts are one of the key functionalities of the architecture. These are triggered when a change happens outside of the blockchain, causing corresponding updates to the ledger. As a result, Fabric is highly customisable, providing optionality for levels of privacy (how much transaction information is available to the public or other network participants), and even how consensus is formed. Of these consensus mechanisms, Practical Byzantine Fault Tolerance (PBFT) is the most common, and it is this method that Aladdin uses. PBFT is where each node maintains its own internal ledger of past events, and modifies this ledger upon receipt of new information. The node then shares the outcome of the modification with all other nodes for comparison. Consensus is then achieved as each node votes for the version of events that they calculated, with the most voted outcome being committed to the blockchain. The level of customisation available has contributed to the uptake of Fabric across the ecosystem. Well publicised examples using the Fabric framework include the London Stock Exchange piloting its use to maintain shareholder records for unlisted small companies in Italy, a Royal Bank of Canada scheme to use the technology for cross-border interbank settlements between Canada and the US, and Maersk (with IBM) improving the efficiency of supply-chains.

Of the other Hyperledger frameworks, Sawtooth (contributed by Intel) is of potential interest to Aladdin, as the Proof of Elapsed Time consensus mechanism is arguably less CPU intensive, which could help the scalability of the network in the future. However, Fabric currently has higher levels of adoption and development, and provides all the functionality currently required by Aladdin.

12.5. Aladdin's Software Solutions

Aladdin develops software solutions to store and manage highly sensitive medical data. The existing and planned complementary software solutions are intended to include a big data platform, a doctor and patient app, AI-based analysis tools and, at a later stage, a healthcare marketplace.

12.5.1. Big data platform

In the short-term perspective, the core element of Aladdin's envisaged healthcare ecosystem is a proprietary big data platform where Aladdin stores all the data. The data is of different nature and origin. These include amongst others Medical records, findings, laboratory results and X-rays. In the future, the inclusion of vital data from external sources (e.g. fitness tracker, third party apps) is being considered.

The joint venture between Aladdin Intel Ltd. Hong Kong and Shenzhen Guo Yi Hui Hospital Management Co. Ltd. has soft-launched the apps for patients, doctors and hospital administrators (see "12. Business" - "12.7 Sales and Marketing" - "12.7.1 People's Republic of China"). In anticipation of the app launch, two initial hospitals have signed up and have agreed to transfer a copy of their patient records to a big data platform set up in the PR China by the joint venture. The hospitals will initially transfer approximately one million medical records. Each hospital will still legally need to hold a copy of their patient records, so the big data platform will hold duplicate records.

With respect to the Indian healthcare market, Aladdin has entered into a collaboration agreement with OHM (see "13 Material Contracts - 13.3 Collaboration Agreement with My Fitness Wallet PVT Ltd."). In phase 1 of the agreement Aladdin shall establish a big data platform for 500,000 medical records of Indian patients in the second half of 2018, the collection of medical data within the Indian market rising up to an envisaged number of five million patient records by the end of 2020. Aladdin plans to use AI and machine learning techniques to analyse the data with the aim of enabling early detection and prevention of chronic diseases in India. Also as part of the agreement, Aladdin will design a blockchain application for the Indian healthcare market and both partners will look to build a healthcare ecosystem that encompasses hospitals, insurers, pharmaceutical companies and healthcare institutions.

12.5.2. Healthcare app

Aladdin has developed a software solution in the form of an app that intends to enable doctors, hospital administrators and patients to view and amend healthcare records. Aladdin views this app as a gateway to access and gather medical records on its big data platform. The app appears in three versions that differ in terms of functionalities. Each is tailored to the individual user

group. Patients will be able to set controls on who can access their medical records, define and manage access rights. The patient-facing app will further allow patients to book appointments, upload/download medical records and search for doctors. As a patient will typically see a variety of doctors at various institutions over the lifetime, there will be a number of patient records held by each institution. The more records a patient has access to, the easier it is for different doctors to get access to records made by other doctors that are relevant to the patient's treatment. The doctor and hospital administrator versions of the app will show appointment bookings and enable access to medical records. Aladdin intends to add to the app functionality features, such as lifestyle data, by which with the focus on improving a patients' engagement with their treatment plan. Administrators can track the timing and type of access to medical records through an audit trail.

12.5.3. Haoma

The Company intends to develop and launch a software solution it named Haoma. Haoma is an ecosystem which will offer a number of healthcare-related blockchain apps. As opposed to mining-based blockchains typically used for cryptocurrencies, Aladdin intends to use a permissioned blockchain meaning that only those entities that are deemed legitimate are allowed to join the network. Legitimacy will be determined by the blockchain consortium, though Aladdin will initially control this process itself. The distributed nature of a blockchain network means that each node (or ledger) will have a complete record of all transactions undertaken by network participants, removing the need for a centralised authority to administer the data. To ensure all nodes have the same record of transactions, a consensus mechanism is used to agree on the one version of the truth. Aladdin uses Hyperledger blockchain technology.

The first of Aladdin's networks will create an audit trail for patient medical records in China, documenting when a record is accessed or amended, by whom and from where. The proof of concept has been successfully delivered in the United Kingdom in July 2018 through a prototype blockchain consortium. Aladdin intends to use the proof of concept via its business partner in Hong Kong in the PR China (see "*13. Material Contracts*" - "*13.1 Licensing Agreement with Aladdin Intel Ltd. Hong Kong and Shenzhen Guo Yi Hui Hospital Management Co.*" and "*12. Business*" - "*12.7 Sales and Marketing*" - "*12.7.1 People's Republic of China*").

Any view of or amendment to medical records on the big data platform will trigger a smart contract. This will add the audit event information to the appropriate hospital node. Once approved, the audit event will be broadcasted to all nodes to commit the transaction to the blockchain network, i.e. not the actual data but details about who, when, how and what has been accessed or appended. Hospital administrators and doctors will be able to view the medical record audit trail.

12.5.4. Zurvan

To leverage economies of scale, Aladdin is developing and marketing a proprietary Blockchain-as-a-Service (BaaS) solution under the name Zurvan. Zurvan is intended to consist of a blockchain consortium management tool as well as an orchestration tool. Through the management tool participants and their access rights can be defined. Another software tool orchestrates the processes on a technical level. This includes the incorporation of additional network subscribers, including the facility as new hubs. This software solution would enable any entity to easily join an Aladdin-managed blockchain network and to begin to transact immediately. Currently, adding a new node to a pre-existing blockchain network is a heavily manual process. It essentially involves shutting down the network (during which time no records would be processed), modifying the underlying architecture to include a new node, and restarting the system. Initially, Aladdin will decide who can join the consortium of its ecosystem, but once it is fully up and running, the consortium itself is intended to decide who is able to join the network and host a node.

Aladdin intends to have a version of Zurvan made available for testing (alpha version) by the end of 2018.

12.5.5. Further blockchain consortia

Once the audit blockchain network has been launched, Aladdin intends to launch four blockchain consortia within the Haoma ecosystem in 2019, intending to address the following issues:

- hospital operational transparency, e.g. charging between hospitals,
- hospital referrals, e.g. from primary care to a specialist,
- medical supply chain, e.g. this could track pharmaceutical products from manufacture to dispensing, to ensure that counterfeit drugs do not make their way into the supply chain,
- health insurance.

12.5.6. Health Data analysis software

Aladdin's long-term goal is to make use of the large quantities of health and lifestyle-related data stored in patient healthcare records. With a population of 1.4 billion, Aladdin's initial focus on the PR China gives it the potential to access a large number of records. In particular, Aladdin is aiming to build the world's largest structured diabetes and pre-diabetes data repository. Treating diabetic patients takes up a material percentage of national healthcare budgets even though in many cases, Type 2 diabetes is avoidable. Through analysis of its database, Aladdin hopes to be able to generate insights that could help in the prevention and treatment of the disease.

12.6. Key Factors for Aladdin's Business

As Aladdin is currently in an early stage of its business development its business depends on certain technologies and commercial contracts, although Aladdin is of the opinion that it may replace or substitute such contracts if necessary.

Aladdin's business is dependent on the blockchain technology and its software solution (see "12. Business" - "12.4 Technical Background of Aladdin's software solutions" and "12. Business" - "12.5 Aladdin's Software Solutions"). With regard to the development of its technology and software solutions Aladdin's business depends on the Master Service Agreement with Elemental Concept 2016 Limited (see: "13. Material Contracts" - "13.6 Master Service Agreement with Elemental Concept 2016 Limited").

Aladdin's access to the market in the Peoples Republic of China depends on the license agreement with Aladdin Intel Ltd. Hong Kong and Shenzhen Guo Yi Hui Hospital Management Co. (see "13. Material Contracts" - "13.1 Licensing Agreement with Aladdin Intel Ltd. Hong Kong and Shenzhen Guo Yi Hui Hospital Management Co."). In addition, Aladdin's access to the market in the Republic of India currently depends on the collaboration agreement with My Fitness Wallet PVT Ltd (see: "13. Material Contracts" - "13.3 Collaboration Agreement with My Fitness Wallet PVT Ltd.>").

12.7. Sales and Marketing

In order to gain access to the healthcare markets, Aladdin relies on numerous collaborations and intends to form consortia that take over the market presence and distribution of Aladdin's software solutions. On the other hand, the medical competence is fed through this channel. The focus of Aladdin is initially on the large markets of the PR China and India.

12.7.1. People's Republic of China

Aladdin is not directly represented on the Chinese market. To bring its technology to the Chinese healthcare market, Aladdin has entered into a licence agreement with the third party company Aladdin Intel Ltd. Hong Kong with corporate seat in Hong Kong ("**Aladdin Intel HK**", see "13. Material Contracts" - "13.1 Licensing Agreement with Aladdin Intel Ltd. Hong Kong and Shenzhen Guo Yi Hui Hospital Management Co."). Although Aladdin Intel HK also uses the name "Aladdin", Aladdin Intel HK is not part of the Group and not a related party of Aladdin. Aladdin Intel HK has formed a joint venture with the Chinese hospital company Beijing Guo Yi Hui Hospital Management Co. Ltd. The joint venture is named Shenzhen Guo Yi Hui Hospital Management Co. Ltd. In the course of the joint venture, Aladdin Intel Ltd. Hong Kong has granted a sub-licence to Shenzhen Guo Yi Hui Hospital Management Co. Ltd.

Beijing Guo Yi Hui Hospital Management Co. Ltd. is an operator of private clinics in the PR China. With a participation in 44 hospitals, the Beijing Guo Yi Hui group has approximately ten thousand beds. Through the licensing of its software to Aladdin Intel HK, Aladdin intends to gain access to 26.5 million inpatients and 4 million outpatients. Aladdin Intel HK will provide the software solutions it has licensed from Aladdin by way of a sub-licence to Shenzhen Guo Yi Hui Hospital Management Co. Ltd. Under the joint venture initially two hospitals of the Beijing Guo Yi Hui group will accompany the pilot project, each forming a data node for the blockchain network. Aladdin reached a first milestone in June 2018 with the delivery of the doctor, patient and administrator apps to Aladdin Intel HK which it introduced it to the joint venture. With this "soft launch" Aladdin strives for the proof of concept in the current second phase, whereby the audit trail, which cannot be changed from the blockchain usage, is proven. Aladdin will receive licence fees from Aladdin Intel HK, which in turn will receive licence fees from Shenzhen Guo Yi Hui Hospital Management Co. Ltd.

12.7.2. India

Aladdin has entered into the announced the signing of an agreement with the Indian health market-place OurHealthMate (OHM). Approximately 28 thousand accredited doctors and health care providers offer medical services on OHM. OHM allows users to rate doctors, book appointments and pay for treatments. In addition, OHM offers the upload and storage of electronic health records.

12.8. Customers and suppliers, business partners

12.8.1. Customers

Aladdin is presently not intending to engage in direct contractual relationships with patients, but intends to deliver its software solutions to other businesses through various channels. Aladdin has identified various routes for its software solutions to monetise, such as licence fees, transactions fees, fees from Blockchain-as-a-Service or from the sale of anonymised data to health insurers or governments. Aladdin has so far entered into a licence agreement targeting the Chinese market with Aladdin Intel HK, a third party not related to the Group, which has sub-licensed Aladdin's software solutions to a joint venture it has formed with an operator of a hospital chain in the PR China. With OurHealthmate, Aladdin entered into a cooperation agreement targeting the Indian market.

12.8.2. Suppliers

Currently, all software development activities of Aladdin are provided on the basis of a contractual agreement with the software development company Elemental Concept (see “13. Material Contracts” - “13.6 Master Services Agreement with Elemental Concept 2016 Limited”). Aladdin pays for the services provided by Elemental Concept a monthly fee depending on the scope of services provided.

The Company has further outsourced the build and maintenance of its big data platform to Cazena Inc., a service provider for cloud-based big data platforms. The big data platform is based on the software Cloudera. Aladdin pays a monthly fee for the services provided by Cazena.

In the future and subject to additional funding, Aladdin also intends to build in-house software development capacities.

12.9. Employees

Aladdin’s business is at a very early stage. Aladdin did not employ employees in the fiscal years ended 31 December 2017 and 31 December 2016. As of the date of this Prospectus and excluding the members of the Board of Directors of the Company, Aladdin employs 1 employee.

Aladdin had no pension commitments as of the date of this Prospectus.

12.10. Patents, Trademarks and Domains

12.10.1. Patents

As of the date of this prospectus, Aladdin does not hold any patents.

12.10.2. Trademarks

Aladdin Ltd. has filed applications for European Union-wide registration of three figurative marks “ALADDIN” on 2 March 2018 which it intends to use within the scope of its business. Each of the three applications has been opposed by third parties. Aladdin is of the opinion, that its use of the trademarks does not violate third party rights, as none of the third parties uses the trademark “Aladdin” in the classification used by Aladdin. As at the date of this Prospectus, Aladdin Ltd. and the third parties opposing the applications are in negotiations on the conclusion of co-existence agreements (*Abgrenzungsvereinbarungen*) with respect to such figurative marks, which would allow each party the use of the mark “Aladdin” in its determined business.

12.10.3. Domains

Aladdin is the owner of the following internet domains:

- aladdinid.com;
- aladdinid.co.uk;
- aladdinid.de.

12.11. Legal and Arbitration Proceedings

The three applications for European Union-wide registration of three figurative marks “ALADDIN” which Aladdin Ltd. has filed on 2 March 2018 have been opposed by third parties (see “12 Business” - “12.10 Patents, Trademarks and Domains” - “12.10.2 Trademarks”). Apart from that, Aladdin was not and is not involved in legal disputes.

As of the date of this prospectus, neither the Company nor Aladdin Ltd. are and during a period covering the previous twelve months neither the Company nor Aladdin Ltd. were subject to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had in the recent past, significant effects on the financial position or the profitability of the Company or Aladdin Ltd.

12.12. Insurances

As Aladdin has just started its business activities recently it had not taken out insurance policies as of the date of this Prospectus. Aladdin intends to take out a number of customary insurance policies (including a directors’ and officers’ (D&O) insurance and a business liability insurance) once its first software solutions will be introduced to the market.

13. MATERIAL CONTRACTS

13.1. Licensing Agreement with Aladdin Intel Ltd. Hong Kong and Shenzhen Guo Yi Hui Hospital Management Co. Ltd.

On 20 October 2017, Aladdin Ltd. entered into a licensing agreement, as licensor, with Aladdin Intel Ltd. Hong Kong, with corporate seat in Hong Kong (“**Licensee**”) and Shenzhen Guoyihui Hospital Management Co. Ltd. with corporate seat in Shenzhen, PR China (“**Sub-Licensee**”) as sub-licensee (“**Shenzhen Licensing Agreement**”).

According to the Shenzhen Licensing Agreement the Licensee has been established to market Aladdin Ltd.’s technology and computer infrastructures in China and Hong Kong. The Sub-Licensee is the direct contractor with some partners of China Universal Health Industries Groups (“**CUH**”) and shall distribute Aladdin Ltd.’s products to hospitals and clinics throughout China and shall access CUH’s data base with approximately 100 million members and its hospital network, which consists of an additional approximately 100 million individuals.

With the Shenzhen Licensing Agreement Aladdin Ltd. grants the Licensee - and for the benefit of the Licensee, the Sub Licensee - the exclusive right to use the Aladdin Ltd.’s technology and computer infrastructure in order to ensure that the Licensee and Sub-Licensee can enter into cooperation agreements with partners of the CUH and other groups.

The Licensee shall pay to Aladdin Ltd. royalty fees equalling a certain percentage of the gross value of all sales, whether generated by the Licensee or the Sub-Licensee that are facilitated by the use of Aladdin Ltd.’s technology and computer infrastructure and relate to medical records subscriptions, e-commerce and data sales. The Licensee must pay to Aladdin Ltd., whether by quarterly payments or by lump sum or by combination of the two, a minimum royalty fee of USD 1 million which is intended to be invoiced at the end of 2018 and paid at the beginning of 2019.

The Licensee has guaranteed to procure medical records of a minimum number of 400,000 persons over the first months after execution of the Shenzhen Licensing Agreement, of further 4 million persons until October 2018 and of 24 million persons until October 2020. Additionally, the Licensee and Sub-Licensee have warranted that they will use Aladdin Ltd.’s technology and computer infrastructure exclusively for the purpose of entering into and operating with the intended agreements with the Chinese partners and that they will not use the technology or software for any other purpose.

The license is granted for a term of ten years but can be terminated earlier by either party on the service of six months’ prior written notice or by Aladdin Ltd. if the Licensee or Sub-Licensee is in

material breach of the agreement and fails to remedy such breach within 30 days of written notice from Aladdin Ltd. The Licensing Agreement is subject to the laws of Hong Kong.

13.2. Convertible loan agreement with Aladdin Intel Ltd. Hong Kong

On 22 January 2018, the Company entered into a convertible loan agreement (“**Convertible Loan Agreement**”), as lender, with Aladdin Intel Ltd. Hong Kong, with corporate seat in Hong Kong (“**Borrower**”). Although the Borrower also uses the name “Aladdin”, the Borrower is not part of the Group and not a related party of Aladdin. The convertible loan amounted to EUR 1,500,000 without interest (“**Convertible Loan**”). The Convertible Loan was fully outstanding as of the date of this Prospectus. The Convertible Loan or a portion of it shall be converted into shares in the Borrower. The Company shall notify the Borrower at any point up to 22 January 2020 what amount of the Convertible Loan shall be converted. The number and conversion price of the shares in the Borrower issued upon such a conversion shall be determined by the parties.

The Convertible Loan Agreement is governed by the laws of Germany.

13.3. Collaboration Agreement with My Fitness Wallet PVT Ltd.

Aladdin Ltd. and My Fitness Wallet PVT Ltd. (“**My Fitness Wallet**”) with registered office in the Republic of India have entered into a collaboration agreement on 13 June 2018 (“**Collaboration Agreement**”). My Fitness Wallet is a technology company which operates the medical appointment portal OurHealth-Mate.com (“**OHM**”), enabling bookings and payments over the internet as well as allowing the users and healthcare providers to upload and share medical data and medical reports. It is recognised by clinicians of the Indian Medical Council and has access to their databases, ensuring that they only work with accredited healthcare providers. OHM is India’s largest healthcare marketplace with 30,000 doctors and 250,000 medical services on their system. The Collaboration Agreement sets out the terms and conditions upon which the parties have agreed to work together to create a new healthcare ecosystem for India and to rise up to 5 million electronic medical records on the platform by the end of 2020.

Until the fourth quarter of 2018, Aladdin Ltd. agreed to establish an electronic platform for patient records from India to gather significant amount of medical data via OHM and My Fitness Wallet has to upload its existing medical records onto OHM.

Under the Collaboration Agreement no party is entitled to charge the other party for the provision of services and is responsible for its own costs incurred.

In terms of intellectual property rights developed or created by a party within the project, each party grants the other party a non-exclusive and royalty-free license during the project.

The term of the Collaboration Agreement is until 31 May 2020 unless it is terminated earlier in accordance with its terms. Either party may terminate the Collaboration Agreement with immediate effect under certain circumstances, for instance if the other party fails to pay any amount due under this agreement and remains in default not less than 30 days after being notified in writing or if the other party suspends or ceases, or threatens to suspend or cease, to carry on all or a substantial part of its business.

The Collaboration Agreement is governed by the laws of England and Wales.

13.4. Deed of Assignment of Intellectual Property Rights with 5 Mobile Technology Limited

On 6 December 2017 Aladdin Ltd. and 5 Mobile Technology Limited ("**5 Mobile Technology**") with corporate seat in the Republic of Seychelles have entered into a deed of assignment of intellectual property rights ("**IP Assignment**"). 5 Mobile Technology was founded by Mr. Wade Menpes-Smith, the Company's CEO and largest shareholder.

Under the IP Assignment 5 Mobile Technology assigned to Aladdin Ltd. absolutely with full title guarantee all its right, title and interest in and to its intellectual property rights set out in, embodied in or arising out of the blockchain technology and artificial intelligence created and developed by 5 Mobile Technology for the secure storage of health records and associated data for use by patients and professionals ("**Assigned IP Rights**"). The Assigned IP Rights include all patents, rights to inventions, copyrights and related rights, trademarks and service marks, business names and domain names, rights in get-up, goodwill and the right to sue for passing of rights in designs, database rights, rights to use and protect the confidentiality of, confidential information (including business know-how and trade secrets) and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

Aladdin Ltd. has agreed to pay GBP 1.00 and to assume a repayment claim in the total amount of EUR 500,000 against 5 Mobile Technology in respect of monies loaned for the purpose of supporting 5 Mobile Technology in the development of its business. Additionally, Aladdin Ltd. has accepted the transfer of certain outstanding trade liabilities in relation to the technology build from 5 Mobile Technology.

Amongst other things 5 Mobile Technology has warranted that it is the sole legal and beneficial owner and owns all the rights and interest in the Assigned IP Rights, that it has not licensed or assigned any of the Assigned IP Rights, that they are free from any security interest, option, mortgage, charge or lien and that the exploitation of the Assigned Rights will not infringe the

rights of any third party. Additionally, 5 Mobile Technology has agreed to indemnify Aladdin Ltd. against all liabilities, costs, expenses, damages and losses suffered or incurred by Aladdin Ltd. arising out of or in connection with the breach of these warranties.

Furthermore, 5 Mobile Technology has agreed to a non-compete undertaking for a period of five years in the areas of health care software, applications and blockchain development in the global healthcare market.

The IP Assignment and any dispute or claim arising out of or in connection with it is governed by the laws of England and Wales.

13.5. Contribution agreement regarding the contribution of all shares in Aladdin Blockchain Technologies Ltd

On 8 March 2018, the shareholders of Aladdin Ltd. and the Company entered into a share transfer and contribution agreement ("**ABT Contribution Agreement**").

Under the Aladdin Ltd. Contribution 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 the Company with economic effect as of 1 January 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 in the Company. The new Shares were created by way of a capital increase against contribution in kind from EUR 1,450,000.00 by EUR 10,000,000.00 to EUR 11,450,000.00 passed by the General Meeting. In the ABT Contribution Agreement, the shareholders of Aladdin Ltd. undertook to subscribe to the new shares immediately after the capital increase has been passed by way of subscription certificates (*Zeichnungsscheine*).

The ABT Contribution Agreement was subject to certain conditions precedent, which were fully satisfied. The Contribution Agreement is governed by the laws of the Republic of Germany.

13.6. Master Services Agreement with Elemental Concept 2016 Limited

On 3 December 2017, Aladdin Ltd. entered into a master services agreement, as customer, with Elemental Concept as service provider ("**Master Services Agreement**").

Under the Master Services Agreement Aladdin Ltd. shall have the right to obtain certain IT/technical and consultancy services from Elemental Concept. Elemental Concept shall provide such services in accordance with detailed plans agreed by the parties in accordance with the Master Services Agreement (each a "**Statement of Work**"). Aladdin Ltd. shall pay to Elemental

Concept the respective sums payable for the provided work as set out in a Statement of Work in accordance with the Master Services Agreement. The parties have entered into three Statements of Work.

Pursuant to the Statement of Work dated 10 December 2017 Elemental Concept shall provide amongst others strategic business and other general consulting services to Aladdin Ltd. Such services shall include amongst others services to be provided amongst others by Mr. Bimal Shah, member of the Board of Directors. For retention of the services of Mr. Bimal Shah and others Aladdin Ltd. shall pay GBP 10,000.00 per month to Elemental Concept as from 15 December 2017 until the termination of the Statement of Work.

Aladdin Ltd. shall own all intellectual property rights in the output of the works provided by Elemental Concept and grants Elemental Concept, or shall procure the direct grant to Elemental Concept of a fully paid-up worldwide, non-exclusive and royalty-free perpetual and irrevocable license to use, copy and modify the output of the works provided by Elemental Concept. Elemental Concept will have the right to use the output of the works provided by it in other projects that are not related to Aladdin Ltd.'s primary market place. On termination or expiry of the Master Services Agreement such provisions, amongst others, shall continue in force.

Aladdin Ltd. is subject to a non-solicitation clause pursuant to which it shall not, without the prior written consent of Elemental Concept, at any time from the date on which any works provided by Elemental Concept commence to the expiry of six months after the completion of such works, solicit or entice away from Elemental or employ or attempt to employ any person who is, or has been, engaged as an employee, consultant or subcontractor of Elemental Concept in the provision of such works.

The Master Services Agreement has commenced on 15 December 2017 and shall continue for an indefinite period unless either party gives to the other party not less than six months written notice to terminate the Master Services Agreement. Such notice shall be served no earlier than 15 December 2018. Either party may terminate the Master Services Agreement with immediate effect under certain circumstances, for instance if the other party commits a material breach of the Master Services Agreement and fails to remedy that breach within a period of 30 days after being notified or if the other party suspends or threatens to suspend payment of its debts.

In the event of a change of control in either Elemental Concept or Aladdin Ltd., Aladdin Ltd. shall have inter alia the right to define the continuation of the agreement and to acquire from Elemental Concept such business assets that are necessary to continue its business and operations.

14. SUMMARISED BUSINESS PLAN

14.1. Executive Summary

Aladdin is a new generation healthcare technology services company that has set out to transform global pre-disease prediction, disease diagnosis, and health data management. Aladdin seeks to transform these areas and deliver results through a suite of technologies that are driven by proprietary blockchain, AI and machine learning software applications.

Aladdin initially is focusing on the development of blockchain solutions intending to build trust in the sharing of medical data, thereby creating an ecosystem of medical and lifestyle data. Aladdin's longer-term focus is developing machine learning (ML) and artificial intelligence (AI) tools that can be applied to the significant repository of medical and lifestyle data to facilitate the development of preventative care and optimise healthcare spending.

Aladdin's first software solution has been licensed to a partner for roll-out in the PR China. Aladdin has also announced entry into the Indian healthcare market in June 2018, and it plans to expand into other Asian markets.

Aladdin is still not generating revenues with its technology and expects first revenues from the licensing of one of its software solutions by the end of 2018. While Aladdin has further identified various routes to monetization, it believes that substantial pre-investment in terms of development efforts will be required to attract healthcare market participants to join its envisaged blockchain-technology-based ecosystem.

Aladdin Ltd., the Group's operational subsidiary, has 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 before.

14.2. Strategic objectives and key assumptions

To achieve its long-term goal to become a healthcare technology company with a focus in big data analytics, Aladdin achieves to gain access to patient data by its shorter-term focus of 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. Aladdin has determined as a key assumption of its strategic objectives, that in the market it targets, these parties currently do not interact efficiently, because all participants are operating on separate software systems of varying complexity. Aladdin 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.

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

Aladdin believes that the key benefits of its technologies and tools are significant cost savings for government healthcare, hospitals, speeding of medical insurance claims, more accurate disease prediction and a much higher level of health data security.

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

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

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

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

To achieve its short and long-term goals, Aladdin is developing the following software solutions:

Application and Marketplace

With its applications, Aladdin intends to revolutionise the healthcare experience for patients and their healthcare service providers. Therefore, Aladdin has developed software applications with a focus on improving patients' engagement with their treatment plan. Another application includes

software for the establishment of an internet marketplace for approved regulated medical products and services made readily available to healthcare professionals. Aladdin does not intend to run the marketplace itself, but merely to provide the underlying software technology by licencing it to the provider of the marketplace.

The key assumption is that consumers (patients, hospitals, insurers, pharmaceuticals) would benefit from an application which uploads, records and shares health medical and lifestyle data securely and seek the benefits of gaining the ability to transact efficiently within the healthcare ecosystem.

Function of the software solutions, introduction to the market and possible monetization can be summarised as follows:

- Patients can share their comprehensive medical records securely and instantly with their doctors, which enables more accurate and efficient diagnoses. Approved and regulated medical products and services are made readily available to healthcare professionals and patients via the marketplace.
- To facilitate market adoption, Aladdin’s medical professional and merchant partners will introduce the application to their patients and teams.
- Mobile and desktop interfaces will interact with an application layer, built using a highly scalable and fault tolerant microservices architecture. This same architecture allows the addition of functionality and services to the overall platform without impacting existing components.

Monetization

For the application, Aladdin intends to participate through franchise or license fees from the use of the application by patients. Aladdin expects subscription fees to be paid for the use of the application of USD 1.00 per patient per month. Aladdin will participate with a franchise fee of 7.5% in such subscription fees, which will be charged by its business partner to the users of the application or the participating hospitals which are encouraging their patients to use the application.

Aladdin further expects to receive additional license- or franchise fees for each transaction within the marketplace. Later, as the ecosystem becomes established, Aladdin believes to be in a position to participate in joining fees and monthly fees from sellers of healthcare products who use the platform.

Healthcare ecosystem infrastructure (Haoma) and Genesis

Aladdin intends to address the market demand in improving operational efficiency by cutting waste and bringing transparency and trust to the healthcare sector globally.

The key assumption is that the healthcare industry has a demand for a more secure and accountable environment for storing and sharing health and lifestyle data. Aladdin believes that in the market it targets, the parties currently do not interact efficiently, because all participants are operating on separate software systems of varying complexity. The inefficient access to key information, in turn, results in the lack of trust between all participants of the healthcare system, and creates a significant administrative burden and costs for each participant. Aladdin believes that the health care industry wants to engender trust between its participants and gain from the efficiencies that improved trust and security can bring.

Aladdin plans to develop a blockchain-based healthcare ecosystem to bring a secure environment where patients, healthcare professionals and insurers can interact more effectively with each other. Designed with effective governance and protection for patient privacy, the system provides instant access to the electronic medical record (EMR) with the patient's consent, as well as an immutable audit trail to access and edition of the EMR.

As part of the plan to roll out Aladdin healthcare ecosystem, Aladdin expects to launch a blockchain backed audit trail network named "Genesis" that allows medical institutions to integrate with their existing record management system. Aladdin believes that a tamper-proof audit trail for medical records will improve governance and transparency surrounding medical data access within the hospitals, thereby engendering the trust of the ecosystem, and incentivising medical institutions to share their data for transaction purpose.

Aladdin sees Genesis as the catalyst for creation of a blockchain backed ecosystem which will improve the immutability of audit trail of access and change to medical records on the Aladdin platform. This is seen as the first step towards Haoma.

The development of Genesis progresses steadily in 2018. A proof concept based on Hyperledger Fabric was launched in July 2018. It is a permissioned network that serves as a medical record audit trail, the first of its kind.

Genesis consists of 3 nodes (for example 3 hospitals), where each transaction written to the blockchain, records: the action performed, the owner of the medical record, the user that interacts with the record and the date and time this action occurred. It ensures any interaction with medical records is logged as a secure, immutable transaction, which cannot be tampered with. Network participants can be added by invitation only and benefit from a consistent, decentralised view of the full audit trail. Each transaction once recorded is distributed to each node, resulting in every node having an identical log of the audit trail.

As a result, the sensitive electronic medical records remain confidential and can be audited at any point in time. Genesis offers confidence to all network participants, guaranteeing that the full activity is undisputed and can be used as evidence in the event of repudiation.

Aladdin expects the launch of Genesis at two hospitals in the PR China managed by the Beijing Guo Yi Hui Health Management Ltd and the Shenzhen Guo Yi Hui Hospital Management Co. Ltd. It will be followed by a second consortium in India, where it is intended that OurHealthMate will attach Genesis to its existing platform ensuring immutability of audit trail of access and change to medical records on the Aladdin platform.

Aladdin expects that with appropriate anonymisation, the data collected by Genesis could supply the development of artificial intelligence (AI) and machine learning (ML) capabilities, adding significant value to participating institutions.

Monetization

Initially Aladdin will offer its technologies for free, to encourage participants to join its ecosystem, and to gathering health and lifestyle data. Aladdin intends to monetize Haoma by charging participants a subscription fee for using the blockchain at a later stage.

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

Healthcare data and medical research (Airyaman)

Aladdin’s long-term goal is to gather a large quantity of health and lifestyle-related data in its big data platform and utilise these data in the anonymised form, to improve medical researches, analytics and services.

As a key assumption, Aladdin believes the success of Genesis and Haoma, and development and deploy of big data technologies will enable Aladdin to collect, store, transform and combine an enormous amount of medical and non-medical data from a wide range of sources With these data Aladdin is expected to apply machine learning (ML) and artificial intelligence (AI) technologies to further medical research and create tools which result in efficiencies and savings for the healthcare industry.

Aladdin’s initial focus on the PR China, which currently has a population of 1.4bn, is expected to gain Aladdin access a significant number of medical and non-medical records. Aladdin expects to collect data as shown in the chart below:

Health condition data	Interventions data	Behavioural data	Population segments data
Medical history	Medical interventions	Physical activities	Demographic
Diagnoses	Non-clinical interventions	Dietary & hydration habits	Socio-economic
Physical diagnostics	Allied health interventions	Sleep	Climate/geographic
Genetics			

Aladdin intends to use the data as follows:

– Research

Subject to ongoing success in the gathering of medical health records, Aladdin expects as a key assumption to be equipped with one of the largest healthcare data repositories in the world and thus sees itself in a prime position to identify effective preventive medicine practices to optimise healthcare spending and generate savings for states.

Aladdin intends to use the data to create actionable insight for commercial organisations to help them develop and deploy personalised insurance and health products.

– Analytics

With its intended analytics services based on its big data platform, Aladdin targets Insurance companies for pricing and marketing purpose, pharmaceutical companies for research purposes. In addition, Aladdin expects that its data repository, coupled with machine learning technology, will facilitate the research and development of preventative care.

– Machine Learning (ML) and Artificial Intelligence (AI) tools

Advancing diagnosis accuracy by developing AI-based software Aladdin has developed a prototype artificial intelligence-based automated software for detection of diabetic retinopathy (DR) screen tool in the United Kingdom which it believes brought the proof of concept that its technology improves the diagnosis accuracy compared with diagnosis made by human ophthalmologists. Aladdin will further validate this prototype and look to launch the product worldwide in the next 6-12 months.

Further to this, Aladdin is developing Optical Character Recognition (OCR) and Natural Language Processing (NLP) tools which shall provide Aladdin the ability to convert scanned images of text, such as that found within medical records, to electronic text so that digitized data can be searched, indexed and retrieved. A generic OCR software would only convert the data from this record to simple text, which cannot be used for predictive machine learning algorithms without additional complex and human supervised processing. Aladdin's medical OCR engine instead intends to provide the ability to recognize, capture and output both tabular and text medical data, ensuring a significantly higher conversion accuracy for medical and healthcare records compared with other generic OCR products available on the market.

By this, Aladdin believes to be in position to process electronic medical records for research and analytics. Aladdin aims that its machine learning algorithms can fully utilize

this output data without any further processing needed, providing instant actionable insights.

Monetization:

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

Blockchain as a Service (Zurvan)

Aladdin believes as a key assumption, that a gap exists in the BaaS market, as key players in that market, like IBM, Oracle and Azure currently focus on providing a platform that ties users into their infrastructure.

To bridge this gap, Aladdin is developing a proprietary BaaS product. It consists of a proprietary blockchain consortium management tool as well as an orchestration tool, which will facilitate the rapid expansion of the Aladdin ecosystem.

- The blockchain consortium management tool enables the consortia to manage their blockchain network, rules and permissions and participants.
- The orchestration tool enables a system administrator to install, maintain and scale up a blockchain network automatically, while the user administration tools will enable a system administrator to manage user permissions across the network.
- Monetization:

Aladdin believes that it will be able to monetize the intellectual property that it acquires through the process of deploying the blockchain network through licensing to its platforms out to companies that want to host their own blockchain networks. Aladdin would charge per node for BaaS, significantly undercutting the competition (such as IBM), who Aladdin believes is significantly overpriced. Another opportunity is to spin off the BaaS business to exist on a standalone business.

14.3. Short term implementation

Aladdin intends to implement its strategic objections in the short term on or around the dates given below as follows:

- 1. Build blockchain technology and support tools to manage healthcare consortiums in China and India (fourth quarter of 2018).
- Build blockchain ecosystems for hospitals and healthcare institutions so they can share information and transact quickly and securely between multiple parties. Proof of concept in China, India, United Kingdom (first quarter of 2019).
- Build Significant data repositories and generate new superior pre-disease and disease diagnosis using AI. Focus: Retinal AI multi-disease diagnosis. This a gradual, continuous process which has already begun. Aladdin aims to have a repository of up to 1m EMRs by the end of the fourth quarter of 2018 and 10m EMRs by the end of the fourth quarter of 2019.
- The data repositories facilitate the development of advanced AI-based applications for pre-diagnosis and diagnosis of chronic disease. Aladdin has already developed prototype tools for diabetic retinopathy images. Aladdin intends to develop these for other areas in the healthcare market (cancer, Alzheimer), targeting the end of the second quarter 2019.
- Healthcare Blockchain as a Service. Creating mass adoption capability for hospitals and healthcare institutions to set up and operate blockchain efficiently. Aladdin intends to provide these solutions within the fourth quarter of 2018.
- Complete a cloud agnostic Blockchain as a Service, so thousands of healthcare institutions and hospitals can join a blockchain network or create their own at the click of a button. Key to gaining critical mass. Aladdin intends to provide these solutions within the second quarter of 2019.

14.4. Impact of variations in major assumptions on the business plan

Application and Marketplace

Based on observing the market and speaking to the members of the industry, Aladdin forms a key assumption that patients in the markets Aladdin targets currently feel that they do not have control over their health and lifestyle data, as it is spread across many uncoordinated sources. Based on that, Aladdin further assumes participants within the healthcare sector, namely, patients, hospitals, insurers and pharmaceutical companies have a demand to an application which allows uploads, records and shares health medical and lifestyle data securely, and facilitates transactions efficiently within the healthcare ecosystem.

The impact of a failure of its consumer/business facing software application would be minimal to Aladdin's business plan. Aladdin believes that the health care industry has enough incentive from the benefits that can be gained from the other software solutions, namely Airyaman and Haoma.

Aladdin further believes, that its software applications can be translated and integrated to function in any country and market globally. Therefore, if adoption in one market does not occur, Aladdin believes it can be taken to another.

Healthcare ecosystem infrastructure (Haoma)

The key assumption is that the healthcare industry has a need for a more secure and accountable environment for storing and sharing health and lifestyle data, also that the industry wants to engender trust between its participants and that they want to gain and share from the efficiencies that improved trust and security can bring.

The impact of a failure of Haoma would be significant to Aladdin in two dimensions. Firstly Aladdin assumes substantial revenues to be generated from Haoma, and its delay will result in further fundraising requirement. Secondly Haoma is a key leverage for gathering the data required for Airyaman, Aladdin's healthcare data and medical research software solutions. Therefore a delay in delivering Haoma will have a knock-on effect

Aladdin believes that the risk of failing to validate this assumption is low, as the healthcare industry requires the efficiencies gained from improved trust and security to continue to develop and grow. The Company would focus then on bringing a blockchain environment to the pharmaceutical supply chain, as Aladdin anticipates this is an area where the technology is required. Aladdin also expects that the value Airyaman brings will be sufficient to incentivise medical institutions to commit data to the Aladdin ecosystem.

Healthcare data and medical research (Airyaman)

The success of Airyaman depends on two key assumptions. Firstly, we expect Haoma will serve as a catalyst for gathering the data required by Airyaman. Secondly, Aladdin assumes that big data technologies will enable Aladdin to collect, store, transform and combine an enormous amount of medical and non-medical data from a wide range of sources and that with this data Aladdin can apply machine learning and artificial intelligence to further medical research and create tools which result in efficiencies and savings for the healthcare industry.

Aladdin has determined to be commonly accepted a as fact that the medical industry has a demand for artificial intelligence and machine learning technologies. Medical researchers depend on these technologies to further knowledge and bring significant efficiencies to areas of diagnosis and preventative care. This demand is reflected by the business models of other software com-

panies. Recently, the US Food and Drug Administration approved the first AI powered software to replace specialized doctor in interpreting medical imagery.

Aladdin considers a failure of this assumption unlikely, however the risk involved in Airyaman is one of competition. A number of large technology companies, e.g. IBM, Google, and Microsoft, have all made significant investments in the medical artificial intelligence and machine learning area.

Blockchain as a Service (Zurvan)

Aladdin believes as a key assumption, that a gap exists in the BaaS market, as key players in that market, like IBM, Oracle and Azure currently focus on providing a platform that ties users into their infrastructure.

Aladdin believes that the likelihood of the above assumption being incorrect is small. According to third-party research, the BaaS market is expected to grow from USD 623.0 million in 2018 to USD 15 billion by 2023, at a Compound Annual Growth Rate (CAGR) of 90.1% during the forecast period, according to Markets and Markets, a research firm.

Aladdin sees Zurvan as a significant future revenue stream with material cashflow impact. However, as a standalone tool, its impact on the delivery of Aladdin's core business would be limited.

14.5. Road to profitability, short-term funding requirements,

Aladdin expects that significant financial resources, primarily to be used for further software development activities, will be required before its business will become profitable. Aladdin follows a "build the market" strategic approach which means that it believes it has to convince the current participants in the healthcare market to adopt its software solutions in the first place, before it will be able to charge for its software solutions. Aladdin assumes that the more participants it can convince to join its intended healthcare ecosystem, the more attractive the healthcare ecosystem will become resulting in the willingness of the participants to pay for the solutions of services offered by Aladdin. As of the date of the Prospectus, Aladdin is not in the position to predict, when it will become profitable at all or how much additional financing it believes it will require to reach profitability.

At the current rate of expenditure, Aladdin expects to only have sufficient working capital only until the beginning of November 2018. The capital increase against cash contributions resolved by the general shareholders meeting of the Company on 3 November 2017 with gross proceeds of EUR 6.2 million was initially budgeted to last for a period of 12 months and therefore, this relative timing is in line with the budgeted working capital.

The current estimated monthly run rate of Aladdin's operating expenses is presently scheduled with EUR 250,000.00 until the end of 31 December 2018. The substantial amount of the operating expenses relates to expenditure for software development for Aladdin's software technology solutions. The Company intends to expand and to accelerate its software development activities from 1 January 2019 which would result in an increase of monthly operating expenses to EUR 400,000 starting from 1 January 2019. This would result in a shortfall in working capital for the next twelve months from the date of this Prospectus of approximately EUR 3.5 million.

The Company intends to rectify the shortfall in working capital by an additional raise of equity financing in the second half of 2018, presumably in October 2018.

15. GENERAL INFORMATION ON THE COMPANY AND THE GROUP

15.1. Formation, Incorporation, Registered Office, Commercial Name, Financial Year

The Company is a European company (*Societas Europaea, SE*) incorporated in Germany and governed by German law.

The Company was founded as a shelf company in the form of a European company (*Societas Europaea, SE*) by a certain notarial incorporation deed dated 10 April 2014 under the legal name AE Zwölfte Vermögensverwaltungs SE. The Company was registered with the commercial register of the local court (*Amtsgericht*) of Dresden, Germany, under the number HRB 33498 on 17 July 2014. The founding shareholders were Contwo Limited with its corporate seat in Birmingham, United Kingdom, and Confidenta AG with its corporate seat in Dresden, Germany. The initial share capital of the Company amounted to EUR 120,000.00. The original object of the Company was the holding and management of assets and liabilities.

On 24 November 2015 the General Meeting resolved to change the legal name of the Company to AE New Media Innovations SE.

By resolution of the General Meeting dated 11 January 2016 the corporate seat of the Company was relocated from Dresden, Germany, to Berlin, Germany. Since 25 January 2016 the Company is registered with the commercial register of the local court (*Amtsgericht*) of Charlottenburg, Germany, under the number HRB 173762.

On 7 March 2018 the General Meeting resolved to change the legal name of the Company to Aladdin Blockchain Technologies Holding SE. The Group primarily operates under the commercial name “Aladdin”.

The registered office of the Company is at Unter den Linden 10, 10117 Berlin, Germany. The telephone number of the Company’s registered office is +49 30 700 140 449.

The financial year of the Company is the calendar year. The duration of the Company is unlimited.

15.2. History and formation of Aladdin

The following table presents the key milestones in the history of Aladdin:

April 2014	Contwo Limited with its corporate seat in Birmingham, United Kingdom, and Confidenta AG with its corporate seat in Dresden, Germany, founded the Company as a shelf company in the form of a European company
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(*Societas Europaea, SE*) with its corporate seat in Dresden, Germany, under the legal name AE Zwölfte Vermögensverwaltungs SE with a share capital of EUR 120,000.00.

November 2015 By way of the resolution of the General Meeting as of 24 November 2015 the share capital of the Company has been increased from EUR 120,000.00 by an amount of EUR 180,000.00 to EUR 300,000.00.

Further, by way of the resolution of the General Meeting as of 24 November 2015 the legal name of the Company was changed to AE New Media Innovations SE.

November 2017 By way of the resolution of the General Meeting as of 3 November 2017 the share capital of the Company has been increased from EUR 300,000.00 by an amount of up to EUR 1,150,000.00

Aladdin Blockchain Technologies Ltd with its corporate seat in London, United Kingdom, has been incorporated on 8 November 2017 by Mr Wade Menpes-Smith as its sole shareholder.

March 2018 In March 2018 the shareholders of Aladdin Ltd. contributed all of their shares in Aladdin Ltd. as contributions in kind to the Company with economic effect as of 1 January 2018 against the issuance of 10,000,000 new Shares. Such Shares were created by the resolution of the General Meeting as of 7 March 2018.

Further, by way of the resolution of the General Meeting as of 7 March 2018 the legal name of the Company was changed to Aladdin Blockchain Technologies Holding SE.

15.3. Corporate Purpose

The object of the Company is the development and operation of innovative business concepts and technologies with growth potential in the field of medical health care through the introduction of a decentralized, digital archive for health data and the development and marketing of blockchain technologies (Sec. 2 (1) of the Articles of Association).

The Company is entitled to conduct all transactions and take all measures which serve or are suitable for serving the purpose of the Company directly or indirectly. The Company may to this end in particular establish branches, businesses and companies in Germany and abroad and acquire other businesses and companies in Germany or abroad or participate in such businesses and companies as well as dispose of such businesses, companies and participations. Further, the

Company is entitled to assume the management of the aforementioned and other businesses and companies, to lease companies or businesses and to conclude enterprise agreements. Participations in other companies or enterprises are generally intended to be entrepreneurial participations in which the Company can influence the entrepreneurial activity due to a majority shareholding or in any other way (Sec. 2 (2) of the Articles of Association).

The Company may exercise the object of the Company directly or also partially or completely indirectly via subsidiaries and/or companies in which it holds an interest. The Company may also outsource its entire operating activities to companies in which it holds an interest and limit its own activities to assuming holding functions (Sec. 2 (3) of the Articles of Association).

15.4. Group Structure

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

15.5. Information on Substantial Subsidiaries

The sole subsidiary of the Company is Aladdin Blockchain Technologies Ltd having its registered office address at 24-26 Baltic Street West, Barbican, London, EC1Y 0UR, United Kingdom (“**Aladdin Ltd.**”). The following overview includes certain financial data as well as key company information relating to Aladdin Ltd as of the date of this prospectus (if not indicated otherwise).

Aladdin Ltd. is the operational company of the Group. Aladdin Ltd.’s field of activity is providing technological solutions to the healthcare industry. Aladdin Ltd. is specialising in technologies such as blockchain and machine learning/ artificial intelligence (AI).

The Company 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 the financial year 2017 Aladdin Ltd. incurred a loss arising out of ordinary activities, after tax, in the amount of GBP 39,461.14. In the financial year 2017 the Company held no shares in Aladdin Ltd. and has, thus, not received any dividends for the financial year 2017 from Aladdin Ltd. As of 31 December 2017, the amount of the debts owed to and by the Company with regard to Aladdin Ltd. was zero. As of the date of this Prospectus, Aladdin Ltd. owes to the Company under a loan agreement the amount of GBP 2,498,353.

15.6. Publications, Paying Agent, Depository Agent

Announcements by the Company shall be made in accordance with the Articles of Association by publication in the German Federal Gazette (*Bundesanzeiger*), unless mandatory statutory provisions provide otherwise. Information may also be transmitted to shareholders by means of remote data transmission under the conditions provided for by law.

Notices relating to the approval of this Prospectus or any supplements thereto will be published in the manner stipulated for the Prospectus in compliance with the provisions of the German Securities Prospectus Act (*Wertpapierprospektgesetz*), i.e. by way of publication at the Company's website: <https://aladdinid.com> under the section "Investor Relations" and by making printed copies available free of charge at the Company's registered office at Unter den Linden 10, 10117 Berlin, Germany during regular business hours.

The paying agent is BankM, a dependant branch of FinTech Group Bank AG, with its business address at Mainzer Landstr. 61, 60329 Frankfurt/ Main, Germany.

The depository agent is Clearstream Banking AG with its registered seat in Frankfurt/Main, Germany, and with business address at Mergenthalerallee 61, 65760 Eschborn, Germany.

16. DESCRIPTION OF SHARE CAPITAL

16.1. Share Capital and Shares

The Company's share capital currently amounts to EUR 11,450,000.00. It is divided into 11,450,000 bearer shares with no par value (*Stückaktien*), each such share with a notional value of EUR 1.00. The share capital has been fully paid in. The shares were created pursuant to German law.

The Articles of Association provide for one class of Shares. The Shares are issued under German law and are subject to the provisions of the Articles of Association, German law and all other applicable laws.

16.2. Development of Share Capital

The following section provides an overview on the development of the Company's share capital:

At the date of incorporation of the Company the share capital of the Company amounted to EUR 120,000.00 divided into 120,000 ordinary registered shares with a nominal amount of EUR 1.00 each.

The General Meeting held on 24 November 2015 resolved to convert the then existing registered shares in the Company with a nominal amount of EUR 1.00 each into bearer shares with no par value and to change the Articles of Association of the Company accordingly. On 24 November 2015 the General Meeting also resolved to increase the share capital from EUR 120,000.00 by an amount of EUR 180,000.00 to EUR 300,000.00 through the creation and issuance of 180,000 ordinary bearer shares with no par value each with a notional value of EUR 1.00 against contribution in cash. The issue price per Share was EUR 1.00. The capital increase has been registered with the commercial register on 25 January 2016. The newly issued Shares were entitled to dividends from 1 January 2016.

On 3 November 2017 the General Meeting resolved to increase the share capital from EUR 300,000.00 by an amount of up to EUR 1,150,000.00 to up to EUR 1,450,000.00 through the creation and issuance of up to 1,150,000 ordinary bearer shares with no par value each with a notional value of EUR 1.00 against contribution in cash. The subscription rights of the shareholders of the Company were excluded. The issue price per Share was EUR 5.40. The capital increase was fully implemented. The capital increase has been registered with the commercial register on 3 January 2018. The newly issued Shares are entitled to dividends from 1 January 2018.

On 7 March 2018 the General Meeting resolved to increase the share capital from EUR 1,450,000.00 by an amount of EUR 10,000,000.00 to EUR 11,450,000.00 through the creation and issuance of 10,000,000 ordinary bearer shares with no par value each with a notional value of EUR 1.00 against contribution in kind. The subscription rights of the shareholders of the Company were excluded. The issue price per share was EUR 5.3976. The capital increase has been registered with the commercial register on 13 March 2018. The newly issued Shares are entitled to dividends from 1 January 2017. Due to this transaction, more than 10% of the share capital of the Company has been paid for with assets other than cash. For further information on the transaction please see “13. Material Contracts” - “13.5 Contribution agreement regarding the contribution of all shares in Aladdin Blockchain Technologies Ltd”.

16.3. Authorized Capital

As of the date of this prospectus, the Board of Directors is authorized to increase the share capital of the Company by up to EUR 5,725,000.00 by issuing up to 5,725,000 bearer shares with no par value against cash and/or in kind contributions on one or several occasions in the period up to 13 March 2023 pursuant to Sec. 4 (4) of the Articles of Association (“**Authorized Capital 2018/I**”).

The Board of Directors is authorized to exclude the statutory subscription right of shareholders in the following cases: a) to exclude fractional amounts from shareholders' subscription rights; b) if the issue price of the new shares is not insignificantly lower than the stock exchange price and the total number of shares issued under exclusion of subscription rights does not exceed 10% of the share capital, either at the time this authorization takes effect or at the time it is exercised. This figure includes shares issued or to be issued to service bonds with warrants or convertible bonds, insofar as the bonds were issued in analogous application of Sec. 186 (3) sentence 4 AktG under exclusion of subscription rights; c) if the capital increase is effected against contributions in kind for the purpose of acquiring companies or interests in companies; d) to the extent necessary to grant the holders of warrants, convertible bonds and convertible profit-participation rights issued by the Company and its subsidiaries a subscription right to new shares to the extent to which they would be entitled after exercising their option or conversion rights; e) for the purpose of introducing the Company's shares on a foreign stock exchange and in this connection also for servicing an over-allotment option granted to the issuing banks.

The new shares are entitled to dividends from the beginning of the financial year in which they are issued. The Board of Directors is also authorized to determine the further details of the implementation of capital increases from Authorized Capital 2018/I and the conditions of the share issue, in particular the issue price. The issue price of the shares must be at least EUR 1.00. The Board of Directors is authorized to amend the wording of the Articles of Association accordingly

after complete or partial implementation of the increase of the share capital from Authorized Capital 2018/I or after expiry of the period for the utilization of the authorized capital.

16.4. Authorisation to issue convertible securities, exchangeable securities or securities with warrants

The General Meeting did not authorize the Board of Directors to issue any convertible securities, exchangeable securities or securities with warrants.

16.5. Authorisation to acquire and sell treasury shares

The acquisition and sale of treasury shares in the Company are subject to the provisions of Sec. 5 of the SE Regulation in connection with Sec. 71 et seq. of the German Stock Corporation Act. The General Meeting did not authorize the Board of Directors to acquire or sell treasury shares beyond such provisions' scope of application.

16.6. Form and Transfer of the Shares

The Shares are represented by several global share certificates (*Globalurkunden*) without dividend coupons, which are deposited with Clearstream Banking AG, having its corporate seat in Frankfurt/ Main, Germany, and its business address at Mergenthalerallee 61, 65760 Eschborn, Germany.

The Shares may be freely transferred pursuant to legal regulations applicable to bearer shares. For restrictions of the trading of the shares via a stock exchange see "5. *The Admission of the Shares of Trading*" - "5.6 *Transferability and Lock-up Agreements*".

16.7. General provisions on changes in the share capital

According to Sec. 5 and 59 of the SE Regulation in conjunction with Sec. 182 (1) of the German Stock Corporation Act (*Aktiengesetz*), the share capital of a European company (*Societas Europaea, SE*) may be increased through a resolution of the general shareholders' meeting which is passed with a majority of at least three-fourths of the share capital represented when the resolution is passed, to the extent that the articles of association of a European company (*Societas Europaea, SE*) do not determine other majority requirements. In accordance with Sec. 5 and 59 of the SE Regulation in conjunction with Sec. 202 (2) and (3) of the German Stock Corporation Act (*Aktiengesetz*) the general shareholders' meeting may also resolve on the creation of authorised capital. The creation of authorised capital requires a resolution passed with a majority of at least three-fourths of the share capital represented authorising the Board of Directors to issue shares up to a certain amount within a period of no more than five years following registration of

the amendment to the articles of association. The nominal amount of authorised capital may not exceed half of the share capital existing at the time when the authorisation is issued. Pursuant to Sec. 5 and 59 of the SE Regulation in conjunction with Sec. 193 (1) of the German Stock Corporation Act (*Aktiengesetz*), the general shareholders' meeting may also resolve on creating contingent capital for purposes of issuing shares (i) to holders of convertible bonds or other securities granting rights to subscribe for shares; (ii) as consideration in the context of a merger with another company; or (iii) for the purpose of offering them to managers and employees. In each case, a resolution passed with a majority of at least three-fourths of the share capital represented at the adoption of the resolution is required. The nominal amount of the contingent capital may not exceed 10% of the share capital which exists at the time when the resolution is passed if the contingent capital is created for the purpose of issuing shares to managers and employees, and in all other cases it may not exceed half of the existing share capital. In the aforementioned cases, no further justification is required to exclude the shareholders' subscription rights. The general shareholders' meeting of a European company (*Societas Europaea, SE*) may also resolve on a share capital decrease. Such resolution requires a majority of not less than three fourths of the share capital represented at the passing of the resolution, pursuant to Sec. 5 and 59 of the SE Regulation in conjunction with Sec. 222 (1) of the German Stock Corporation Act (*Aktiengesetz*).

16.8. General provisions on subscription rights

Pursuant to Sec.5 of the SE Regulation in conjunction with Sec. 186 of the German Stock Corporation Act (*Aktiengesetz*), shareholders are generally entitled to subscription rights to the new shares to be issued in a capital increase (including convertible bonds, warrant-linked bonds, profit participation rights or participating bonds). Subscription rights are freely transferable and may be traded on German stock exchanges during a specified period prior to the expiration of the subscription period. However, shareholders do not have a right to request admission to trading for subscription rights. The general shareholders' meeting may exclude subscription rights with a majority of the votes cast and a simultaneous majority of at least three-fourths of the share capital represented at the adoption of the resolution. Furthermore, according to Sec. 186 (4) of the German Stock Corporation Act (*Aktiengesetz*), the exclusion of shareholders' subscription rights also requires a proper notice and a written report from the Board of Directors that justifies and demonstrates that the Company's interest in excluding subscription rights outweighs the interest of the shareholders being granted such subscription rights. The exclusion of subscription rights is, in particular, allowed if the share capital is increased against cash contributions, the amount of the capital increase does not exceed 10% of the existing share capital and at the same time the issue price of the new shares is not substantially lower than the stock exchange price. Subscription rights serve the purpose of maintaining the shareholders' existing percentage share in the share capital and preserving their voting power. Where shareholders' subscription rights are excluded, the limit set out in Sec. 255 (2) of the German Stock Corporation Act (*Aktiengesetz*) must be

complied with at all times, i.e., the fixed issue price of the new shares may not be "inappropriately low". The new shares may only be offered at a price which fully compensates for the loss of the holding in the net asset value of the Company of the shareholder which has been excluded from subscription rights. In this context, the issue price for the new shares must always be based on the real value of the Company. In the case of a contingent capital increase, general shareholders' subscription rights are excluded by its very nature. For the purposes of shareholder protection, the nominal amount of the contingent capital may not exceed half of the share capital, irrespective of the application purpose. If the contingent capital serves to grant subscription rights to a particular group of addressees, the nominal amount may not exceed 10% of the share capital.

16.9. General provisions on the use of profits and dividend payments

Shareholders' share in the Company's profits is determined according to their respective interests in the Company's share capital. According to German law, dividends may only be distributed from the distributable profit (*Bilanzgewinn*) of the Company as reported in the Company's annual financial statements prepared in accordance with the accounting principles of the German Commercial Code (*Handelsgesetzbuch*). When calculating the distributable profit, the profit or loss for the financial year (*Jahresüberschuss/-fehlbetrag*) must be adjusted for profits or losses carried forward (*Gewinn-/Verlustvorträge*) from previous financial years as well as for withdrawals from and transfers to reserves. Certain reserves are required to be set by law and must be deducted when calculating the distributable profits. The resolution concerning the distribution of a dividend as well as its level and timing for a financial year is the responsibility of the annual general shareholders' meeting which must be convened within the first six months of the subsequent financial year and which decides on the Board of Director's proposal concerning the profit allocation. When passing a resolution concerning the allocation of the distributable profit, the annual general shareholders' meeting may allocate further amounts to the profit reserves or carry them forward as profit. Dividends resolved by the annual general shareholders' meeting are due three business days after the date of the relevant general shareholders' meeting, unless otherwise provided in the dividend resolution or in the Articles of Association, in compliance with the rules of the respective clearing system. Dividends are paid for the benefit of the shareholders to the custodian banks via Clearstream.

16.10. General provisions on the liquidation of the Company

Apart from liquidation following insolvency proceedings, the Company may be liquidated, in particular, by a resolution of the general shareholders' meeting to dissolve the Company followed by a liquidation procedure. The resolution of the general shareholders' meeting requires a majority of not less than three-fourths of the share capital represented at the passing of the resolution (Sec. 63 of the SE Regulation, Sec. 262 (1) no. 2 of the German Stock Corporation Act (*Aktiengesetz*)).

Pursuant to Sec.63 of the SE Regulation in conjunction with Sec. 271 of the German Stock Corporation Act (*Aktiengesetz*), in the event of the Company's liquidation, the assets remaining after all liabilities of the Company have been satisfied are divided among the shareholders in proportion to their interest in the Company's share capital. Certain restrictions provided by the German Stock Corporation Act (*Aktiengesetz*), in particular restrictions for the benefit of creditors, must be observed.

16.11. Takeover Bids

After the shares of the Company become admitted to trading on the regulated market (*regulierter Markt*) of the Dusseldorf Stock Exchange (*Börse Düsseldorf*), the Company will become subject to the provisions of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*). Under the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*), any shareholder whose portion of voting rights reaches or exceeds 30% of the voting rights of the Company must publish this fact, including the percentage of his share of the voting rights, without undue delay and no later than seven calendar days after this event by announcing this on the internet and by means of an electronic information distribution system for financial information and must subsequently submit a mandatory takeover offer directed at all holders of the shares of the Company unless an exemption from this obligation has been granted. The German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*) contains a number of provisions which are supposed to ensure that the shareholding is attributed to the person who actually controls the voting rights relating to the shares. If the notification about reaching or exceeding the 30% threshold or the submission of the public mandatory offer does not occur, during the time until such submission occurs, the shareholder is precluded from exercising any rights relating to these shares (including the voting rights and the right to receive dividends) and must pay interest to the shareholders of the target company. Furthermore, a fine can be imposed. Shareholders who already hold at least 30% of the voting rights in the Company or to whom at least 30% of the voting rights in the Company are attributed prior to the admission of the shares to trading on the regulated market are exempt from these requirements.

16.12. Squeeze-Out and Sell-Out Rights

16.12.1. Squeeze-out under the German Stock Corporation Act (*Aktiengesetz*)

Pursuant to Sec.9 (1) lit. c (ii) of the SE Regulation in conjunction with the provisions of Sec. 327a et seq. of the German Stock Corporation Act (*Aktiengesetz*) regarding the so-called "squeeze-out" process, the general shareholders' meeting of a German European company (*Societas Europaea*, SE) may resolve, at the request of a shareholder holding at least 95% of the voting share

capital ("**Principal Shareholder**"), on the transfer of the shares of the remaining minority shareholders to the Principal Shareholder in exchange for an appropriate cash compensation. The amount of the cash compensation to be granted to the minority shareholders must take into account the circumstances of the Company at the time the resolution is adopted by the general shareholders' meeting. The amount of the compensation is determined by the full enterprise value which is normally determined using the capitalised earnings method (*Ertragswertverfahren*).

16.12.2. Squeeze-out under the German Transformation Act (*Umwandlungsgesetz*)

The shareholding requirements for a squeeze-out are lowered if the squeeze-out takes place in connection with the merger of a subsidiary into the parent company. According to Sec.9 (1) lit. c (ii) of the SE Regulation in conjunction with Sec. 62 (5) of the German Transformation Act (*Umwandlungsgesetz*) the general shareholders' meeting of a transferring stock corporation may, within three months after the signing of the merger agreement, adopt a squeeze-out resolution in accordance with Sec. 327a of the German Stock Corporation Act (*Aktiengesetz*) if the acquiring company is a German stock corporation, partnership limited by shares (*Kommanditgesellschaft auf Aktien*) or a European company (*Societas Europaea, SE*) having its seat in Germany that holds at least 90% of the registered share capital. After registration of the squeeze-out with the commercial register, the merger can be implemented without a further resolution by the general shareholders' meeting of the subsidiary. The squeeze-out procedure, including the option on the part of the minority shareholders to review the appropriateness of the cash compensation, is essentially identical to that under the German Stock Corporation Act (*Aktiengesetz*) described above.

16.12.3. Integration (*Eingliederung*)

Pursuant to the provisions of Sec.9 (1) lit. c (ii) of the SE Regulation in conjunction with the provisions of Sec. 319 et seq. of the German Stock Corporation Act (*Aktiengesetz*) regarding the so-called integration process (*Eingliederung*), the general shareholders' meeting of a European company (*Societas Europaea, SE*) may pass a resolution on the integration into another company if the future principal company holds at least 95% of the shares in the company to be integrated. The existing shareholders in the integrated company have a claim for reasonable compensation which must as a general rule be granted in the form of own shares in the principal company. The amount of the compensation must be determined using the so-called merger value ratio (*Verschmelzungswertrelation*) between the two companies, i.e., the exchange ratio which would be considered reasonable in the event of merging the two companies. In contrast to the rules governing squeeze-outs, integration is only possible if the future principle company is a stock corporation domiciled in Germany.

16.12.4. Squeeze-Out Rights and Sell-Out Rights in Connection with Takeover Bids

16.12.4.1. Squeeze-out under the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz)

Pursuant to the provisions of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*), a bidder holding at least 95% of the voting share capital in a target company (within the meaning of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*)) after a public takeover offer or a mandatory offer can generally file a motion with the district court (*Landgericht*) of Frankfurt am Main for the transfer of the remaining voting shares in exchange for the grant of a reasonable compensation by means of a court order within three months after expiration of the acceptance period. A resolution of the general shareholders' meeting is not necessary. The type of compensation must correspond to the consideration offered in the takeover offer or the mandatory offer; cash compensation must always be offered as an alternative. The consideration offered in connection with the takeover offer or the mandatory offer is deemed to be reasonable if the bidder has acquired shares equal to at least 90% of the share capital affected by the offer. In addition, shareholders have a sell-out right. During squeeze-out proceedings under the takeover law initiated upon the motion of the bidder, the provisions on a squeeze-out under the German Stock Corporation Act (*Aktiengesetz*) do not apply, and they are only applicable after a final conclusion of the squeeze-out proceedings under takeover law.

16.13. Provisions Preventing a Change of Control

The Articles of Association do not contain any provisions that would have the effect of delaying, deferring or preventing a change in control of the Company.

16.14. Manager's Transactions, Insider Dealing and Market Manipulation

The European legal regime under the Market Abuse Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, repealing Directive 2003/6/EC on insider dealing and market manipulation, entered into force on 3 July 2016 (the "**MAR**") and is directly applicable in Germany. On 30 June 2016 certain provisions of the German Securities Trading Act (*Wertpapierhandelsgesetz*, the "**WpHG**") were revised or amended to align German market abuse rules with the MAR and to transpose the Market Abuse Directive 2014/57/EU (the "**MAD**") and the Commission Implementing Directive (EU) 2015/2392 into national law.

The MAR applies to financial instruments admitted to trading on a regulated market, MTF or OTF, or for which a request for admission to trading on a regulated market or MTF has been made,

derivatives (including CDS and CFDs) based on such financial instruments and behaviour or transactions relating to the auctioning of emission allowances or other products based thereon. Spot commodity contracts in general, related derivatives and behaviour in relation to benchmarks fall only into the scope in connection with market manipulation. Permitted trading of an entity's own shares under buy-back programmes and the trading for the stabilization of securities fall outside the scope. The prohibitions and requirements under the MAR apply also to actions and omissions committed in a third country outside the EU.

16.14.1. *Managers' Transactions*

The MAR includes specific notification requirements for certain managers' transactions. Pursuant to Sec.19 of the MAR, persons discharging managerial responsibilities, i.e., persons within an issuer who are a member of the administrative, management or supervisory body of that issuer, or a senior executive who is not a member of the aforementioned bodies, but who has regular access to inside information relating directly or indirectly to that issuer and power to take managerial decisions affecting the future developments and business prospects of that issuer, as well as persons closely associated with them, shall notify the issuer and the competent authority of every transaction conducted on their own account relating to shares or other debt instruments of the issuer or to derivatives or other financial instruments linked thereto once a total amount of EUR 5,000 has been reached within a calendar year. The persons closely associated with persons discharging managerial responsibilities include spouses or any person considered to be equivalent to a spouse in accordance with national law, dependent children and other relatives who have lived in the same household for at least one year at the time of the transaction. Legal entities in which the aforementioned persons perform management functions, which are controlled by such a person, which are formed for the benefit of such persons or whose financial interests largely conform to those of such persons, are also subject to the disclosure requirements.

16.14.2. *Insider Dealing*

The MAR prohibits insider dealings. Pursuant to Sec.14 of the MAR, a person shall not (i) engage or attempt to engage in an insider dealing, (ii) recommend that another person engage in insider dealing or induce another person to engage in insider dealing, or (iii) unlawfully disclose inside information.

Sec. 8 of the MAR defines an "insider" as any person who possesses inside information as a result of (i) being a member of the administrative, management or supervisory bodies of the issuer; (ii) having a holding in the capital of the issuer; (iii) having access to the information through the exercise of an employment, profession or duties; or (iv) being involved in criminal activities; or (v) any person who possesses inside information under circumstances other than those aforementioned where that person knows or ought to know that it is inside information. For the purposes of

the MAR, insider dealing arises where the insider uses inside information by (i) acquiring or disposing of, for its own account or for the account of a third party, directly or indirectly, financial instruments to which that inside information relates; or (ii) cancelling or amending an order concerning a financial instrument to which the inside information relates, where the order was placed before the person concerned possessed the inside information. Recommending that another person engage in insider dealing, or inducing another person to engage in insider dealing arises where the insider (i) recommends, on the basis of the inside information, that another person acquire or dispose of financial instruments to which that inside information relates, or induces that person to make such an acquisition or disposal; or (ii) recommends, on the basis of the inside information, that another person cancel or amend an order concerning a financial instrument to which that inside information relates, or induces that person to make such a cancellation or amendment, and (iii) the person using the recommendation or inducement knows or ought to know that it is based upon inside information. Unlawful disclosure of inside information arises where the insider discloses the inside information to any other person, except where the disclosure is made in the normal exercise of an employment, a profession or duties. Such unlawful disclosure of inside information includes also the onward disclosure of aforementioned recommendations or inducements where the person disclosing the recommendation or inducement knows or ought to know that it was based on inside information.

The MAR contains a list of actions which are considered to be legitimate behaviour and are, therefore, explicitly exempted from the aforementioned prohibition of insider dealings. These exemptions particularly include the situation where, with respect to an acquisition or disposal, a legal person (i) has established, implemented and maintained adequate and effective internal arrangements and procedures that effectively ensure that neither the natural person who made the decision on its behalf to acquire or dispose of financial instruments to which the information relates, nor another natural person who may have had an influence on that decision, was in possession of the inside information; and (ii) has not encouraged, made a recommendation to, induced or otherwise influenced the natural person who, on behalf of the legal person, acquired or disposed of financial instruments to which the information relates. Also the situation where the person has obtained the inside information in the conduct of a public takeover or merger with a company and uses that inside information solely for the purpose of proceeding with that merger or public takeover shall be exempted, provided that at the point of approval of the merger or acceptance of the offer by the shareholders of that company, any inside information has been made public or has otherwise ceased to constitute inside information. However, an infringement of the prohibition of insider dealing may still be deemed to have occurred if the competent authority establishes that there was an illegitimate reason for the orders to trade, transactions or behaviours concerned.

16.14.3. Market Manipulation

Pursuant to Sec. 15 of MAR, no person shall engage in or attempt to engage in a market manipulation. For the purposes of the MAR, market manipulation includes, among others, the following activities:

- (i) entering into a transaction, placing an order to trade or any other behaviour which gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of, a financial instrument; or secures, or is likely to secure, the price of one or several financial instruments at an abnormal or artificial level, unless the person entering into a transaction, placing an order to trade or engaging in any other behaviour establishes that such transaction, order or behaviour have been carried out for legitimate reasons, and conform with certain accepted market practice as expressively specified in the MAR;
- (ii) entering into a transaction, placing an order to trade or any other activity or behaviour which affects or is likely to affect the price of one or several financial instruments, which employs a fictitious device or any other form of deception or contrivance, or
- (iii) disseminating information through the media, including the internet, or by any other means, which gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of, a financial instrument or secures, or is likely to secure, the price of one or several financial instruments at an abnormal or artificial level, including the dissemination of rumours, where the person who made the dissemination knew, or ought to have known, that the information was false or misleading.

Where the person concerned is a legal person, the above shall apply accordingly to those natural persons who participate in the decision to carry out activities for the account of the legal person concerned.

16.14.4. Sanctions

In case of infringement of the provisions enumerated in Sec. 30 (1) (a) of the MAR, the administrative sanctions under the WpHG include, among others, an order to cease certain conduct, the disgorgement of the profits gained, a public warning indicating the responsible person and the withdrawal or suspension of the authorisation of person supervised by the BaFin. The BaFin may also impose administrative pecuniary sanctions up to EUR 15,000,000 or, in case of legal entities, 15% of the total revenues gained in the previous financial year or up to three times the amount of the profits gained or losses avoided because of the infringement. In addition, criminal offences are sanctioned with an imprisonment of up to five years and/or a fine.

In the case of breaches in relation to notification requirements for certain managers' transactions the BaFin may impose administrative pecuniary sanctions of up to a maximum amount of EUR 500,000 in the case of a physical person and in the case of legal persons a maximum amount of EUR 1,000,000.

16.15. Notification of the Acquisition or Disposal of Major Shareholdings

After the shares of the Company become admitted to trading on the regulated market (*regulierter Markt*) of the Dusseldorf Stock Exchange (*Börse Düsseldorf*), the Company will become subject to the provisions of the German Securities Trading Act (*Wertpapierhandelsgesetz*) on notification requirements with respect to holdings in shares and certain instruments. Sec. 33 of the German Securities Trading Act (*Wertpapierhandelsgesetz*) provides that any shareholder who, through acquisition, sale or otherwise, reaches, exceeds or falls below 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of the voting rights in a listed company whose country of origin is Germany must notify the respective issuer and the BaFin without undue delay, but no later than four trading days after the event, of having reached, exceeded or fallen below the respective threshold and must also disclose the amount of its current share of the voting rights. The prescribed time limit commences at the time when the shareholder required to give the notification has actual knowledge or should have had knowledge under the circumstances that its share of voting rights reached, exceeded or fell below the stated thresholds. It is assumed that the shareholder required to give the notification has gained knowledge about his shareholding two trading days after the reaching, exceeding or falling below the aforementioned thresholds. Deviating from this, in case the percentage of voting rights has reached, exceeded or fallen below the thresholds due to a change of the total number of voting rights, the notification period begins at the point when the shareholder required to give the notification learns that the threshold is met, however no later than the publication of the change of the total number of voting rights by the issuer. The German Securities Trading Act (*Wertpapierhandelsgesetz*) defines "holding" as the existence of an unconditional claim related to a transfer of shares without an undue delay or a respective obligation. Sec. 34 of the German Securities Trading Act (*Wertpapierhandelsgesetz*) contains various rules which are supposed to ensure that the shareholding is attributed to the person who actually controls the voting rights relating to the shares. For example, shares held by a third person will be attributed to another person if that other person exercises control over the person holding the shares. This also applies to shares which are held by a third person on behalf of another person or a person controlled by such other person as well as voting rights which the person can exercise free of instructions as a proxy. Corresponding disclosure obligations towards the issuer and the BaFin apply to reaching, exceeding, or falling below the above mentioned thresholds, except for the threshold of 3%, when the relevant shareholder directly or indirectly holds instruments (i) which either, on maturity, give their holder an unconditional right to acquire already issued shares carrying voting rights in the issuer or the discretion as to his right to acquire such shares in the

issuer or (ii) which are referenced to already issued shares of the issuer carrying voting rights and have similar economic effect to the instruments mentioned under (i), irrespective of whether or not they confer a right to a physical settlement (Sec. 38 of the German Securities Trading Act (*Wertpapierhandelsgesetz*)). In particular such instruments comprise transferable securities, options, futures, swaps, forward rate agreements and contracts for differences. The number of voting rights relevant for the notification requirement is generally calculated by reference to the full nominal amount of shares underlying the instrument, except where the instrument provides exclusively for a cash settlement. Moreover, pursuant to Sec. 39 of the German Securities Trading Act (*Wertpapierhandelsgesetz*), the notification obligation applies if the sum of the voting rights in one issuer, which are to be taken into account pursuant to Sec. 33 (1) sentence 1 or (1a) of the German Securities Trading Act (*Wertpapierhandelsgesetz*) and Sec. 38 (1) sentence 1 of the German Securities Trading Act (*Wertpapierhandelsgesetz*), reaches, exceeds or falls below the above mentioned thresholds, except for the threshold of 3%. The notification shall be made by using a mandatory standard form in either German or English and sent either in writing or via fax. The issuer must publish this notification without undue delay, but no later than three trading days after receipt of the notification in the various media distributed across the entire EEA (*Medienbündel*) in accordance with Sec. 20 of the German Securities Trading Reporting and Insider List Ordinance (*Wertpapierhandelsanzeige- und Insiderverzeichnisverordnung*) and submit the publication to the BaFin. The issuer must also transmit the notification to the company register (*Unternehmensregister*) maintained electronically by the German Federal Ministry of Justice within the meaning of Sec. 8b of the German Commercial Code (*Handelsgesetzbuch*) for storage without undue delay, but not prior to the publication. In case of non-compliance with the disclosure obligation, for example failing to file a notice or providing false information, the shareholder is precluded from exercising the rights relating to these shares (including voting rights and the right to receive dividends) for the duration of the failure in accordance with the provisions of Sec. 44 of the German Securities Trading Act (*Wertpapierhandelsgesetz*). If the disclosure requirements are violated in a wilful or grossly negligent manner, any rights relating to the shares will be suspended for a six-month period even if accurate and complete disclosure is ultimately made. Furthermore, a fine can be imposed in the case of non-compliance with the disclosure requirements, and the BaFin will publish its measures and sanctions taken on its website. Moreover, pursuant to Sec. 43 of the German Securities Trading Act (*Wertpapierhandelsgesetz*), a shareholder reaching or exceeding 10% or more of the voting rights relating to shares of an issuer must inform the issuer of the objective being pursued through the acquisition of voting rights and the sources of the funds used for the purchase, in each case within 20 trading days from such shareholder acquiring the relevant percentage of the shares. In particular, the shareholder must disclose whether it intends to (i) pursue any strategic objectives with respect to the company (as opposed to profits from trading in the shares), (ii) acquire further voting rights within the following twelve months, (iii) exert any influence or control over the company's management or supervisory board and (iv) make any significant changes to the company's capital structure, espe-

cially with respect to debt-to-equity ratio and dividend policy. However, the company may waive that obligation in its articles of association. If the above objectives change, such change needs to be disclosed to the issuer within 20 trading days of such change.

17. GOVERNING BODIES, SENIOR MANAGEMENT AND FOUNDERS

17.1. Management Structure

The Company is organized as a European company (*Societas Europaea, SE*). The governing bodies of the Company are the Board of Directors, the Managing Director and the General Meeting. The Company has a one-tier corporate governance structure. The powers of the governing bodies are stipulated in the SE Regulation, the German SE Implementation Act (*SE-Ausführungsgesetz, SEAG*), the German Stock Corporation Act (*Aktiengesetz*) and the Articles of Association. The Board of Directors has the right to adopt rules of procedure for the Board of Directors pursuant to Sec. 9 (5) of the Articles of Association. As of the date of the Prospectus no such rules of procedure for the Board of Directors are in place. Further, the Board of Directors has adopted rules of procedure for the Managing Director(s) pursuant to Sec. 11 (4) of the Articles of Association.

17.2. Board of Directors

Pursuant to Sec. 7 (1) of the Articles of Association, the Board of Directors consists of three members who are elected by the General Meeting. Currently, the members of the Board of Directors are, Mr Wade Menpes-Smith, Mr Bimal Shah and Mr Alexander Badenoch. Mr Wade Menpes-Smith is also the Managing Director. The remaining members of the Board of Directors are non-managing directors. The members of the Board of Directors are appointed by the General Meeting with a simple majority of the votes cast (Sec. 7 (1), 14 (2) of the Articles of Association).

The Board of Directors elects a Chairman and a Deputy Chairman from among its members in accordance with Sec. 8 (1) of the Articles of Association. Declarations of the Board of Directors shall be made by the Chairman or, in his absence, by the Deputy Chairman. The Board of Directors manages the Company, determines the basic principles of its activities and supervises their implementation in accordance with Sec. 6 (1) of the Articles of Association.

The Chairman of the Board of Directors shall convene a meeting of the Board of Directors at least every three months, stating the items on the agenda, in accordance with Sec. 9 (1) of the Articles of Association. As a rule, the Board of Directors passes its resolutions at the meetings of the Board of Directors pursuant to Sec. 9 (2) of the Articles of Association. The Board of Directors is quorate if all its members participate in the passing of a resolution pursuant to Sec. 9 (3) of the Articles of Association. Absent members of the Board of Directors may also participate in the passing of resolutions by having written votes submitted by members of the Board of Directors present pursuant to Sec. 9 (3) of the Articles of Association. By order of the Chairman of the Board of Directors, resolutions may also be passed outside meetings in writing, by fax, e-mail,

verbally or by telephone or by a combined resolution if this is necessary due to urgency or if no member of the Board of Directors objects to this procedure pursuant to Sec. 9 (2) of the Articles of Association. The Board of Directors appoints the Managing Director(s), convenes General Meetings, prepares the submissions of resolutions of the General Meetings, manages the accounting and establishes a monitoring system against developments that could jeopardize the Company's continued existence. It places an audit order with an auditor, examines the approval of the annual financial statements and, if necessary, indicates the loss of half of the share capital and the existence of a reason for insolvency. The members of the Board of Directors may make amendments to the Articles of Association if these are limited to their wording pursuant to Sec. 6 (3) of the Articles of Association. They can also attend the General Meeting.

17.2.1. Members of the Board of Directors

As of the date of this Prospectus, the Board of Directors consists of the following members:

Name	Position	First Appointed as member of the Board of Directors	Latest Appointment as member of the Board of Directors / Term of office
Wade Menpes-Smith	Chairman (<i>Verwaltungsratsvorsitzender</i>), Managing Director (<i>Geschäftsführender Direktor</i>)	3 November 2017	3 November 2017 for a term ending at the end of the annual General Meeting which resolves on the discharge of the members of the Board of Directors for the financial year 2021
Bimal Shah	Deputy Chairman (<i>stellvertretender Verwaltungsratsvorsitzender</i>)	3 November 2017	3 November 2017 for a term ending at the end of the annual General Meeting which resolves on the discharge of the members of the Board of Directors for the financial year 2021
Alexander Badenoch	Member of the Board of Directors	3 November 2017	3 November 2017 for a term ending at the end of the annual General Meeting which resolves on the discharge of the members of the Board of Directors for the financial year 2021

Mr Wade Menpes-Smith

Mr Wade Menpes-Smith was born on 22 September 1965. He has extensive experience in evaluating new disruptive technologies in the software, healthcare and consumer internet sectors having worked in the United Kingdom, Europe, China and South East Asia for over 25 years. Mr Wade Menpes-Smith started his career as manager in a family office in 1985, where he learned about real estate, private and publicly traded investments in the United Kingdom and Europe. He also worked in the family's textile business in the United Kingdom and Portugal where he gained extensive understanding manufacturing supply chains and entrance into new markets. In 1997 he was an original co-founder of the SWGI hedge fund which went on to become a successful hedge fund listed on the Bermuda Stock exchange. He founded the first internet company to stream real time equity and bond quotes from Eastern Europe's stock markets. Between 1992 and 1999 he continued his career as managing director and owner of Berkeley Capital SA, a private equity business which focused on value driven publicly traded equity investments in emerging markets, including Brazil, Russia and Poland. His experience has allowed him to be a member of boards of several companies such as RINGS Inter Capital Russia, where he was responsible for helping stream line operations and raising capital on European and US markets. He thereby raised over USD 1 Billion in across multiple sectors in Eastern Europe via new IPOs in Berlin, Frankfurt and USA between 1996 and 1999. Since 2000 Mr Wade Menpes-Smith is operating Langdale, an investment vehicle that has been investing in start-up, early stage and value driven opportunities in China and Asia. These investments consisted of both private and publicly traded businesses. He is currently both an investor and board director of Xanadu Technology Co. Ltd, a Chinese Company that deploys digital infrastructure in Chinese colleges and public utilities across China.

Mr Bimal Shah

Mr Bimal Shah was born on 11 January 1975. He has a degree in law from the Cardiff University (United Kingdom) and qualified as a chartered accountant with an ACA certificate by the Institute of Chartered Accountants in England and Wales. After working as an audit manager at Beavis Walker, Mr Bimal Shah continued his career working as corporate tax manager for KPMG. While working for QinetiQ Plc between 2003 and 2007 in various positions including investment director, corporate finance manager and finance director, he was involved in the management of acquisitions and in management and finance turning around two subsidiary companies from loss making to profit making and gained experience as finance director for five divisions totalling 3,000 employees. Mr Bimal Shah gained further work experience as part time Chief Financial Officer for Sciemus Ltd, an insurance risk fund, where he also worked on day to day management by inter alia negotiating and concluding deals to manage funds and successfully raising £ 2 million in equity. He acquired

further key leadership skills including overseeing growth in turnover from £ 500,000 to £ 20,000,000 in four years, restructuring the management team to cope with rapid growth and setting up operations in Dubai, Holland, USA, Canada, Norway while working as Chief Financial Officer for Nomad Digital Ltd, the world leader in providing real time broadband connectivity to trains. Before founding Elemental Concept in 2016 and serving as Chief Executive Officer since then, he worked as Chief Executive Officer between 2012 and 2016 for Leo Tech, a software development company, which in that time transformed from a Singapore based company with 35 staff and a turnover of £ 500,000 and one client to multinational with 150 staff in 3 countries and a turnover of £ 12,000,000. There Mr Bimal Shah extended his management skills including delegation and motivation of employees. Amongst other tasks, he changed the strategy to create a technology consultancy established in the area of innovation and digital transformation and oversaw growth that has seen deals signed and systems built and delivered for numerous multinationals.

Mr Alexander Badenoch

Mr Alexander Badenoch was born on 10 June 1946. He qualified as a fellow chartered accountant (FCA) in 1970, after working for Ernst & Young as a chartered accountant for more than five years. Between 1971 and 1973, Mr Alexander Badenoch spent working as an investment research analyst for Fielding, Newson-Smith and Co of which six months were spent as an institutional salesman. As of 1973, Mr Alexander Badenoch has been running his own contract recruitment business. Starting with the recruitment firm Dunlop & Badenoch in 1973, Alexander Badenoch co-founded Badenoch & Clark in 1979, which was the largest British independent temporary and contract recruitment company with eight offices in the United Kingdom, specialising in the placement of accountants, lawyers, bankers and IT staff. When Badenoch & Clark was sold to Modis (now part of Adecco) in 2000, the company had a turnover of approximately GBP 120 million and pre-tax profits of approximately GBP 12 million. Since 2000, Mr Alexander Badenoch is the director of the Venn Group, which is currently the largest British independent contract recruitment company specialising in finance, IT staff and lawyers, with its head office in London and six regional offices, employing just under 400 permanent staff. The Venn Group's turnover this year is expected to be in excess of GBP 120 million.

The members of the Board of Directors can be contacted via the Company's business address at Unter den Linden 10, 10117 Berlin, Germany.

17.2.2. Other Mandates of the Members of the Board of Directors

Within the previous five years the members of the Board of Directors have been members of the administrative, management or supervisory bodies or partners of entities not relating to the Group as follows:

Name of Director	Position	Entity	Until
Wade Menpes-Smith	Director	5 Mobile Technology Ltd	ongoing
Bimal Shah	Director	Leotech Consulting Ltd	30 November 2016
	Director	Leotech Services Pte Ltd	30 November 2016
	Director	Teleraill Networks Ltd	ongoing
	Founder/Chief Executive Officer	Elemental Connect Ltd	ongoing
	Founder/ Chief Executive Officer	Elemental Concept 2016 Ltd	ongoing
Alexander Badenoch	Director	Venn Group Limited	ongoing
	Director	Chasedene Limited	ongoing
	Director	Cedardell Limited	ongoing

There are no arrangements or understandings with major shareholders, customers, suppliers or others with respect to which any member of the Board of Directors was selected.

17.2.3. Remuneration and benefits of the Members of the Board of Directors

In the financial year 2017, the members of the Board of Directors did not receive any remuneration and benefits from the Company.

Mr Wade Menpes-Smith, the Managing Director of the Company and a member of its Board of Directors, has entered into a consultancy contract with Aladdin Ltd. The consultancy agreement provides for a monthly fee of GBP 12,500. Under this consultancy contract, Mr. Menpes-Smith received GBP 12,500.00 the financial year 2017 and in 2018 until the date of this Prospectus, GBP 112,500.

On 3 December 2017, Aladdin Ltd and Elemental Concept 2016 Ltd. have entered into a Master Services Agreement (see "13. Material Contracts" - "13.6 Master Services Agreement with Elemental Concept 2016 Limited"). The member of the Board of Directors of the Company, Mr Bimal Shah holds 40% of the shares in Elemental Concept 2016 Ltd. In the financial year 2017 payments for services under the Master Services Agreement made to Elemental Concept 2016 Ltd. amounted to GBP 54,318. In the current financial year 2018, payments for services under the Master Services Agreement made to Elemental Concept 2016 Ltd. amounted to GBP 1,074,730 until the date of this Prospectus.

No amounts were set aside to provide pension retirement or similar benefits to the members of the Board of Directors.

17.2.4. Shareholdings of the Members of the Board of Directors

Mr Wade Menpes-Smith directly holds 4,170,000 shares in the Company, i.e. 36.42% of the shares in the Company and he holds further 574,000 shares in the Company, i.e. 5.01% of the shares in the Company, through entities controlled by him, including 5 Mobile Technology Limited, as of the date of this Prospectus. Mr Wade Menpes-Smith has no options to acquire shares in the Company as of the date of this Prospectus.

As of the date of this Prospectus, Mr Bimal Shah does not directly hold any shares in the Company. As of the date of this Prospectus, Mr Bimal Shah holds 320,000 shares in Elemental Concept, i.e. 40% of the share capital of Elemental Concept, which in turn holds 114,500 Shares, i.e. 1.00% of the share capital of the Company. Mr Bimal Shah has no options to acquire shares in the Company as of the date of this Prospectus.

Mr Alexander Badenoch holds 600,000 shares in the Company, i.e. 5.24% of the shares in the Company, as of the date of this Prospectus. Mr Alexander Badenoch has no options to acquire shares in the Company as of the date of this Prospectus.

17.3. Managing Director

The managing directors of the Company are appointed by the Board of Directors and may be removed by resolution of the Board of Directors pursuant to Sec. 11 (1) and (2) of the Articles of Association. A managing director who is also a member of the Board of Directors may only be dismissed for cause pursuant to Sec. 11 (2) of the Articles of Association. The managing directors represent the Company in and out of court in accordance with Sec. 11 (5) of the Articles of Association. If several managing directors are appointed, the general representation of the active representation by all managing directors and the sole power of representation for passive representation shall apply in principle. If only one managing director is appointed, he shall conduct the business solely in accordance with Sec. 11 (5) of the Articles of Association. If several managing directors are appointed, the Company shall be represented jointly by two managing directors or by one managing director together with an authorised signatory pursuant to Sec. 11 (5) of the Articles of Association. The Board of Directors may regulate representation differently, in particular order the power of sole representation or exempt from the restrictions of Sec. 181 Alt. 2 BGB pursuant to Sec. 11 (6) of the Articles of Association. The power of representation of the managing directors cannot be restricted externally. Internally, however, the managing directors are bound by the instructions of the Board of Directors.

17.3.1. Current staffing of the Managing Director

On the date of the prospectus, Mr Wade Menpes-Smith is the sole managing director of the Company (the “**Managing Director**”).

Mr Wade Menpes-Smith was appointed as Managing Director by resolution of the Board of Directors for a term of five years as of 3 November 2017. He represents the Company in accordance with the Articles of Association. Mr Wade Menpes-Smith conducts the business of the Company, but his management only relates to the day-to-day administration of the Company.

For further information on Mr Wade Menpes-Smith see “17. Governing Bodies, Senior Management and Founders” - “17.2 Board of Directors” - “17.2.1 Members of the Board of Directors”.

17.3.2. Other Mandates of the Managing Director

There are no arrangements or understandings with major shareholders, customers, suppliers or others with respect to which Mr Wade Menpes-Smith was selected as Managing Director.

For information on the other mandates of the Managing Director see “17. Governing Bodies, Senior Management and Founders” - “17.2 Board of Directors” - “17.2.2 Other Mandates of the members of the Board of Directors”.

17.3.3. Remuneration and benefits of the Managing Director

In the financial year 2017, the Managing Director did not receive any remuneration and benefits from a member of the Group. No amounts were set aside to provide pension retirement or similar benefits to the Managing Director.

17.3.4. Shareholdings of the Managing Director

For information on the shareholdings of the Managing Director see “17. Governing Bodies, Senior Management and Founders” - “17.2 Board of Directors” - “17.2.4 Shareholdings of the Members of Board of Directors”.

17.4. Senior Management

The senior management of the Company is formed by Mr Hamish Badenoch, director of Aladdin Ltd.

Mr Hamish Badenoch is the director of Aladdin Ltd. since 1 December 2017. He was born on 13 June 1991. He has a degree in economics and politics from the University of Newcastle (United

Kingdom) and qualified as a chartered accountant with an ACA certificate by the Institute of Chartered Accountants in England and Wales. While working as a recruitment consultant for the Venn Group between 2013 and 2014, Mr Hamish Badenoch developed its own portfolio of clients within the recruitment sector. He continued its career working in audit/consulting for Deloitte from 2014 until 2017. While being annually promoted with high ratings from performance reviews, Mr Hamish Badenoch gained key leadership skills to manage, including delegation, mentoring and motivation of employees. Amongst other things, Mr Hamish Badenoch was involved in the management of the audit strategy and end to end logistics of audit engagements utilising effective planning and organisational skills to improve the quality of the audit files and efficiency of the engagement. He managed teams of up to 15 people on a FTSE100 client, whilst coordinating with specialist departments and international component teams to ensure smooth advancement of the audits and to meet agreed deadlines. Excellent interpersonal skills and the ability to form good working relationships have allowed him to undertake the take-on-processes of new clients, building fee proposals with the partner and preparing Audit Committee reports.

Mr Hamish Badenoch can be contacted via the Company's business address at Unter den Linden 10, 10117 Berlin, Germany.

Within the previous five years Mr Hamish Badenoch has not been a member of the administrative, management or supervisory bodies or partners of entities not relating to the Group. There are no arrangements or understandings with major shareholders, customers, suppliers or others with respect to which Mr Hamish Badenoch was selected.

In the financial year 2017, Mr Hamish Badenoch did not receive any remuneration and benefits from a member of the Group.

Mr Hamish Badenoch provides his services to Aladdin Ltd. on the basis of a service agreement which commenced on 1 January 2018 with a salary of GBP 60,000.00 per annum. No amounts were set aside to provide pension retirement or similar benefits to Mr Hamish Badenoch.

Mr Hamish Badenoch directly holds 600,000 Shares, i.e. 5.24% of the share capital of the Company and does not indirectly hold additional Shares, as of the date of this Prospectus. Mr Hamish Badenoch does not have any option to acquire Shares as at the date of this Prospectus.

Mr Hamish Badenoch has agreed with the major shareholder of the Company, Mr Menpes-Smith, not to trade his shares in the Company prior to 1 January 2019.

17.5. General Meeting

The general meeting of the Company's shareholders (*Hauptversammlung*) ("**General Meeting**") is the meeting of shareholders and is convened by the Board of Directors. As a rule, the General

Meeting is convened once a year by the Board of Directors (annual General Meeting). Pursuant to Sec. 54 (1) of the SE Regulation a European company (*Societas Europaea, SE*) shall hold a general meeting at least once each calendar year, within six months of the end of its financial year. The statutory provisions apply to the notice period pursuant to Sec. 12 (3) of the Articles of Association. If the well-being of the Company so requires, an extraordinary General Meeting shall be convened in accordance with Sec. 6 (2) of the Articles of Association. Shareholders who together hold at least 5% of the share capital may also request in writing that the Board of Directors convenes a General Meeting.

The General Meeting shall be held at the registered office of the Company or at the registered office of a German stock exchange or in any German municipality with more than 100,000 inhabitants in accordance with Sec. 12 (1) of the Articles of Association.

The annual General Meeting is chaired by a person designated by the Board of Directors pursuant to Sec. 13 (1) of the Articles of Association. The Board of Directors may appoint third parties to chair the meeting, irrespective of whether they belong to the Company. An executive director, a member of the Board of Directors or the acting notary may not be appointed to chair the General Meeting.

When resolutions are passed by the General Meeting, each share grants one vote pursuant to Sec. 14 (1) of the Articles of Association. The voting right arises only with the complete payment of the contribution. There are no restrictions on voting rights. Voting rights may be exercised by proxy in accordance with Sec. 14 (4) of the Articles of Association. Text form (Sec. 126 BGB) is required and sufficient for the power of attorney. Deviations may be specified in the invitation to the General Meeting. The Board of Directors may take precautions to be able to exercise participation and the exercise of voting rights also by electronic communication pursuant to Sec. 14 (5) of the Articles of Association.

Resolutions of the General Meeting are passed by a simple majority of the votes cast, unless there are mandatory provisions to the contrary, in accordance with Sec. 14 (2) of the Articles of Association. If the law prescribes a capital majority in addition to the majority of votes for resolutions of the General Meeting, a simple majority of the share capital represented at the passing of the resolution pursuant to Sec. 14 (3) of the Articles of Association shall suffice, to the extent permitted by law.

Only those shareholders are entitled to participate in the General Meeting and to exercise their voting rights who register with the Company prior to the expiry of the statutory period before the General Meeting by presenting special proof of their shareholding at the address specified in the invitation pursuant to Sec. 12 (4) of the Articles of Association. The special proof of share ownership must be in text form (Sec. 126b BGB) and must refer to the beginning of the twenty-first day before the Annual General Meeting. It must be provided by confirmation of the custodian bank in

German or English and must be received by the Company at the address specified for this purpose in the invitation within the period pursuant to Sec. 123 (3) the German Stock Corporation Act (*Aktiengesetz*). The invitation may provide for a shorter period of days for receipt of the registration and proof of share ownership

17.6. Founders

The Company was founded by Contwo Limited with its corporate seat in Birmingham, United Kingdom, and Confidenta AG with its corporate seat in Dresden, Germany (the “**Founders**”).

The objects of Contwo Limited are (i) to carry on business as a general commercial company and (ii) to carry on any other trade or business which, in the opinion of the board of directors, is advantageous to the company and to do all other things as are incidental or conducive to the attainment of the objects of the company.

The object of Confidenta AG is the management of own assets, in particular through the establishment, acquisition, holding and sale of participations and through the acquisition, holding, sale and letting of real estate.

17.7. Certain Information Regarding the Members of the Board of Directors, the Managing Director, the Senior Management and the Founders

In the previous five years neither any member of the Board of Directors nor the Managing Director nor Mr Hamish Badenoch has been convicted in relation to fraudulent offences. Furthermore, neither any member of the Board of Directors nor the Managing Director nor Mr Hamish Badenoch has been associated with bankruptcies, receiverships or liquidations in the previous five years. In the previous five years, neither any member of the Board of Directors nor the Managing Director nor Mr Hamish Badenoch has been publicly incriminated and/or sanctioned by regulatory authorities (including designated professional bodies), nor has any member of the Board of Directors or the Managing Director or Mr Hamish Badenoch ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

There are no family relationships between any of the members of the Board of Directors and/or the Managing Director and/or Mr Hamish Badenoch and/or the Founders, except for the following: Mr Alexander Badenoch is the father of Mr Hamish Badenoch, director of Aladdin Ltd. If the interests of Aladdin Ltd. should diverge from those of the Company, conflicts of interest may arise for Mr Alexander Badenoch and/or Mr Hamish Badenoch.

The Company's Managing Director and member of the Board of Directors, Mr Wade Menpes-Smith, is a major shareholder of the Company (see "17. Governing Bodies, Senior Management and Founders" - "17.2 Board of Directors" - "17.2.4 Shareholdings of the Members of Board of Directors"). If the interests of Mr Wade Menpes-Smith as a major shareholder (e.g. with respect to increasing the value of the shares held by him and/or the distribution of dividends) should diverge from those of the Company (e.g. retention of earnings), conflicts of interest may arise for Mr Wade Menpes-Smith. Further, Mr Wade Menpes-Smith is not bound by any form of general non-compete arrangement. This means that Mr Wade Menpes-Smith and any investment vehicles used by him are generally free to pursue opportunities outside Aladdin, including opportunities that compete directly or indirectly with Aladdin. If the interests of Mr Wade Menpes-Smith should diverge from those of Aladdin, conflicts of interest may arise for Mr Wade Menpes-Smith.

Except as disclosed above, there are no conflicts of interest or potential conflicts of interest between the members of the Board of Directors and the Managing Director and Mr Hamish Badenoch and the Founders vis-à-vis the Company and their private interests, membership in governing bodies of companies or other obligations.

There are no service contracts between a member of the Board of Directors or the Managing Director on the one side and the Company or any member of the Group on the other side providing for benefits upon termination of employment.

17.8. Corporate Governance

The German Corporate Governance Code (the "**Code**"), contains recommendations and suggestions for the management and supervision of German listed companies based on internationally and nationally acknowledged standards for good and responsible corporate governance relating to shareholders and shareholders' meetings, management and supervisory boards, transparency, accounting and the auditing of financial statements. While the recommendations or suggestions of the Code are not mandatory, Sec. 9 (1) lit. c (ii) of the SE Regulation in conjunction with Sec. 161 of the German Stock Corporation Act (*Aktiengesetz*) requires the management and supervisory boards of a listed European company to disclose each year which recommendations were and will be followed and which recommendations were not or will not be followed. This disclosure must be made permanently accessible to shareholders. However, deviations from the suggestions contained in the Code need not be disclosed.

The recommendations and suggestions of the Code are tailored to German stock corporations (*Aktiengesellschaften*) with a dual board system, i.e. a management board (*Vorstand*) and a supervisory board (*Aufsichtsrat*). According to articles 43-45 of the SE Regulation in conjunction with Sec. 20 et seq. of the German SE Implementation Act (*SE-Ausführungsgesetz, SEAG*), the Company has opted for the internationally widespread system of management and governance

by a single body, the Board of Directors. The members of the Board of Directors are jointly accountable for the management of the Company, determine the Company's business strategies and monitor the implementation of the said strategies by the Managing Director. The Managing Director manages the Company's daily business, represents the Company towards third parties and are bound by instructions from the Board of Directors.

In order to adapt the single body system to the Code, the Company will apply those parts of the Code that shall apply to the supervisory board (*Aufsichtsrat*) to the Board of Directors and those parts of the Code that apply to the management board (*Vorstand*) to the Managing Director.

As of the date of this Prospectus the Company does not comply with the Code. Prior to the admission of the Company's shares to trading on the regulated market of Dusseldorf Stock Exchange (*Börse Düsseldorf*), the Company is under no obligation to issue a declaration regarding the compliance with the Code. Accordingly, the Company's Board of Directors has not yet made a declaration pursuant to Sec. 9 (1) lit. c (ii) of the SE Regulation in conjunction with Sec. 161 of the German Stock Corporation Act (*Aktiengesetz*).

Once the shares are admitted to trading on the regulated market, the Company will comply with its obligation to issue, publish and make permanently available to the shareholders a declaration in accordance with Sec. 9 (1) lit. c (ii) of the SE Regulation in conjunction with Sec. 161 of the German Stock Corporation Act (*Aktiengesetz*) in the course of the current fiscal year. The Company's Board of Directors and Managing Director endorse the Code's aims of fostering responsible and transparent corporate governance and control to achieve a sustained increase in shareholder value. Therefore, the Company plans to document in its declaration that it is largely compliant with the Code's recommendations. The Board of Directors and Managing Director are still in the process of coordinating the details in this regard.

18. SHAREHOLDER STRUCTURE

On the basis of the notifications received by the Company as of the date of this prospectus in accordance with the German Securities Trading Act (*Wertpapierhandelsgesetz - WpHG*) and pursuant to information provided by the respective shareholders, the following shareholders directly hold more than 3% of the Shares as of the date of this prospectus.

The percentage values shown in the table below are based on the amount of voting rights last notified to the Company by the respective shareholder in relation to the Company's share capital as of the date of the prospectus. It should be noted that the number of voting rights last notified could have changed since such notifications were submitted to the Company without requiring the relevant shareholder to submit a corresponding voting rights notification if no notifiable thresholds have been reached or crossed:

Shareholder	Shareholding in the Company (in %)
Wade Menpes-Smith	41.43 ⁽¹⁾
J.H.B. Beteiligungen GmbH	3.97
Rajinder Sohal	4.98
Alexander Badenoch	5.24
Minnie Dara Badenoch	5.24
Hamish Badenoch	5.24
Amelia Badenoch	5.24
James Badenoch	5.24
R&H Trust Co (Jersey) Ltd ⁽²⁾	9.78
Montrachet Investments S.A.	5.66
Other shareholders ⁽³⁾	7.98
Total	100.00

⁽¹⁾ Mr Wade Menpes-Smith holds directly 36.42% of the shares in the Company. In addition, he indirectly holds further 5.01% of the shares in the Company through entities controlled by him as follows: 5 Mobile Technology Limited holds 2.39% of the shares in the Company and Aladdin Intel Ltd holds 2.62% of the shares in the Company.

⁽²⁾ R&H Trust Co (Jersey) Ltd holds 9.78% of the shares in the Company as trustee for the benefit of Minnie Dara Badenoch. Due to the legal form of R&H Trust Co (Jersey) Ltd no attribution of voting rights to Minnie Dara Badenoch takes place.

⁽³⁾ Other shareholders refer to shareholders holding less than three percent of the shares in the Company. Aggregated percentage given for other shareholders not necessarily

equals the free float of the Company which is defined by the relevant stock exchange and may also include shareholders holding more than 3% of the shares in the Company.

Mr Wade Menpes-Smith directly holds 36.42% and indirectly through companies controlled by him additional 5.01% of the voting rights in the Company. Depending on the level of shareholder attendance at the annual General Meetings or extraordinary General Meetings, Mr Wade Menpes-Smith may be able to adopt and implement or prevent the adoption of resolutions which require a simple majority or even higher majorities of the votes cast or the share capital present solely through the exercise of its own votes in the Company. Furthermore, Mr Wade Menpes-Smith may prevent a General Meeting from adopting resolutions which require a qualified majority of the votes cast (see “3. Risk Factors” - “3.3 Risks Relating to the Shares, the Admission and the Shareholder Structure” - “3.3.1 Following the Listing, Mr Wade Menpes-Smith, the Company's managing director and a member of the board of directors of the Company, will retain a significant interest in the Company and his interests may conflict with those of the Company's other shareholders”).

All of the Shares confer the same voting rights.

19. RELATED PARTY TRANSACTIONS

The following describes the transactions and legal relationships that existed between the Company on the one hand and related parties (in the meaning of IAS 24) on the other hand in the financial years ended on 31 December 2016 and 31 December 2017, and in the current financial year up to the date of the Prospectus.

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

On 3 December 2017 Aladdin Ltd and Elemental Concept 2016 Ltd. have entered into a Master Services Agreement (see “13. Material Contracts” - “13.6 Master Services Agreement with Elemental Concept 2016 Limited”). The member of the Board of Directors of the Company, Mr Bimal Shah holds 40% of the shares in Elemental Concept 2016 Ltd. In the financial year 2017 payments for services under the Master Services Agreement made to Elemental Concept 2016 Ltd. amounted to GBP 54,318. In the current financial year 2018, payments for services under the Master Services Agreement made to Elemental Concept 2016 Ltd. amounted to GBP 1,074,730 until the date of this Prospectus.

On 6 December 2017 Aladdin Ltd. and 5 Mobile Technology Limited have entered into a deed of assignment of intellectual property rights (see “13. Material Contracts” - “13.4 Deed of Assignment of Intellectual Property Rights with 5 Mobile Technology Limited”). 5 Mobile Technology Limited is controlled by Mr Wade Menpes-Smith, the Managing Director of the Company and a member of its Board of Directors. Under this agreement, Aladdin Ltd. has paid to 5 Mobile Technology Limited and/or assumed liabilities in the aggregate amount of GBP 827,000, which were paid in January 2018.

Mr Wade Menpes-Smith, the Managing Director of the Company and a member of its Board of Directors, has entered into a consultancy agreement with Aladdin Ltd. and received payments thereunder in the amount of GBP 12,500 in the financial year 2017 and GBP 112,500 in 2018 until the date of this Prospectus.

As of the date of this Prospectus, Aladdin Intelligent Data Ltd., with registered office in the United Kingdom, a shareholder of the Company and an entity owned by Mr Wade Menpes-Smith, the Managing Director of the Company and a member of its Board of Directors, owes to the Company under a loan agreement EUR 716,000.

As of the date of this Prospectus, Aladdin Ltd. owes to the Company under an intercompany loan agreement the amount of GBP 2,498,353.

20. TAXATION IN THE FEDERAL REPUBLIC OF GERMANY

This section contains a summary of certain important German tax principles that may be relevant in connection with the acquisition, holding, and transfer of shares in the Company. The following outline does not purport to contain comprehensive or exhaustive information. This summary is based on the tax laws applicable in Germany as at the date of this Prospectus, including selected provisions of treaties concluded between Germany and other countries for the avoidance of double taxation (double taxation treaties). In both areas, the provisions may change at short notice, in some cases even with retroactive effect. In addition to a brief discussion regarding the taxation of the Company, the explanations relate exclusively to the corporate income tax, personal income tax, solidarity surcharge, church tax and trade tax to which the shareholders of a stock corporation domiciled in Germany may be subject with respect to dividends and capital gains, and the inheritance or gift tax that may arise in connection with shares, and cover only some aspects of these types of tax. The individual tax circumstances of any particular shareholder and any other taxes for which he may be liable will not be addressed in this context.

This section is no substitute for the individual advice provided to each particular shareholder. All potential purchasers of shares are therefore urged to consult a tax advisor. Only tax advisors are in a position to adequately take into account the special tax situation of the individual shareholder - e.g., with respect to the disposal or gratuitous transfer of shares and a possible refund of the German withholding tax on investment income (*Kapitalertragsteuer*) paid.

20.1. Taxation of the Company

The Company's taxable income, whether distributed or retained, is generally subject to German corporate income tax at a uniform rate of 15% plus the solidarity surcharge of 5.5% thereon, resulting in a total tax rate of 15.825%.

Dividends and other shares in profits which the Company receives from domestic and foreign corporations are generally not subject to corporate income tax; however, 5% of this type of income are deemed to be a non-deductible business expense and are thus taxable. The same applies generally to profits earned by the Company from the sale of shares in another domestic or foreign corporation. Losses incurred from the sale of such shares are not deductible for tax purposes, regardless of the percentage of shares held. Different rules apply to free-floating dividends i.e., dividends earned on direct shareholdings in a distributing corporation equal to less than 10% of its share capital at the start of the respective calendar year ("**Portfolio Dividends**"). Portfolio Dividends are fully taxed at the corporate income tax rate (plus solidarity surcharge thereon). The acquisition of a shareholding of at least 10% is deemed to have occurred at the beginning of the calendar year. Capital gains arising from the disposal of shares held by the Company are effectively 95% tax exempt.

In addition, the Company is subject to trade tax (*Gewerbesteuer*). The trade tax rate depends on the local municipalities in which the Company maintains its permanent establishments. Depending on the local multiplier (*Hebesatz*) of the municipality, the trade tax rate ranges between 7% and approximately 17% of the taxable trade income.

For trade tax purposes, dividends received from domestic and foreign corporations and capital gains from the sale or disposal of shares in other corporations are treated in principle in the same manner as for corporate income tax purposes. However, shares in profits received from domestic and foreign corporations are effectively 95% exempt from trade tax only if, inter alia, the company that is receiving the dividends has held or holds a stake of at least 15% in the share capital of the company making the distribution at the beginning or - in the case of foreign corporations - since the beginning of the assessment period. In the case of distributing companies within the meaning of Article 2 of Council Directive 2011/96/EU of November 30, 2011 on the common system of taxation applicable in the case of parent companies and subsidiaries of different member states, as amended (the "**Parent-Subsidiary Directive**"), domiciled in another member state of the European Union, a stake of 10% at the beginning of the assessment period is sufficient. Additional limitations apply with respect to shares in profits received from foreign corporations domiciled outside the European Union which do not qualify as corporations within the meaning of Article 2 of the Parent-Subsidiary Directive deductible. Under these rules, net interest expenses (interest expenses minus interest income in any given fiscal year) are generally only deductible up to 30% of the taxable EBITDA (taxable earnings adjusted for, in particular, interest expenses, interest income, and certain depreciation and amortization), although there are certain exceptions to this rule. The interest barrier rules do not apply in any given fiscal year (i) if the annual net interest expense is less than €3.0 million, (ii) if the respective entity is not or only partially part of a consolidated group, or (iii) if the respective entity is part of a consolidated group but its equity ratio is no more than two percentage points below the equity ratio of the consolidated group. For the eligibility of exemption (ii), the entity must prove that it did not pay more than 10% of the net interest expense to shareholders with a (direct or indirect) shareholding in the entity of more than 25% or to an associated person. For the eligibility of exemption (iii), the entity must prove that the entity itself and any other company of the consolidated group did not pay more than 10% of the net interest expense to shareholders with a (direct or indirect) shareholding in a group company of more than 25% or to an associated person. Interest expense that is not deductible in any given fiscal year may be carried forward to subsequent fiscal years of the Company (interest carryforward) and will increase the interest expense in those subsequent years. Under certain conditions, non-offsettable EBITDA may also be carried forward to subsequent fiscal years (EBITDA carryforward). For the purpose of trade tax, however, the deductibility of interest expenses is further restricted to the extent that the sum of certain trade taxable add back items exceeds €100,000.00. In such cases 25% of the interest expenses, to the extent they were deducted for corporate income tax purposes, are added back for purposes of the trade tax base; consequently, in these cases the deductibility is limited to 75% of the interest expenses.

Losses of the Company can be carried forward to subsequent fiscal years and used to fully offset taxable income for corporate income tax and trade tax purposes only up to an amount of €1.0 million. If the taxable income for the year or taxable profit subject to trade taxation exceeds this threshold, only up to 60% of the amount exceeding the threshold may be offset by tax loss carryforwards. The remaining 40% are subject to taxation (minimum taxation). The rules also provide for a tax loss carryback in an amount of up to €1.0 million to the previous year with regards to corporate income tax. Unused tax loss carryforwards may generally be carried forward for an unlimited period of time.

If more than 50% of the subscribed capital or voting rights of the Company are directly or indirectly transferred to an acquirer (including parties related to the acquirer) within five years or comparable circumstances occur, all tax loss carryforwards and interest carryforwards are forfeited. A group of acquirers with aligned interests is also considered to be an acquirer for these purposes. In addition, any current annual losses incurred prior to the acquisition will not be deductible. If more than 25% up to and including 50% of the subscribed capital or voting rights of the Company are transferred to an acquirer (including parties related to the acquirer) or comparable circumstances occur, a proportional amount of tax loss carryforwards, unused current losses and interest carryforwards are forfeited. While the Federal Constitutional Court (*Bundesverfassungsgericht*) on 29 March 2017 ruled that the relevant provision of the German Corporate Tax Act (*Körperschaftsteuergesetz*) on this pro-rata forfeiture is unconstitutional, such decision only covers the time period up to and including 31 December 2015. Therefore, the Federal Constitutional Court (*Bundesverfassungsgericht*) ruled that a retroactive implementation of a new provision substituting the unconstitutional legislation will only be required for the period from 1 January 2008 up to and including 31 December 2015. However, the ruling of the Federal Constitutional Court (*Bundesverfassungsgericht*) does not address whether the loss expiry rules are compliant with the German Constitution (*Grundgesetz*) to the extent more than 50% of the subscribed capital or voting rights are transferred. This question is, however, addressed in several cases that are still pending with the Federal Fiscal Court (*Bundesfinanzhof*). Furthermore, the Federal Constitutional Court (*Bundesverfassungsgericht*) did not determine whether the loss expiry rules applicable since 2016 comply with the constitutional principle of equality in light of the enactment of the Going Concern Tax Loss Carryforward (as defined below). Therefore, it is currently unclear if and to what extent the German legislator may further amend the pertinent loss expiry rules.

The rules on the forfeiture of tax loss carryforwards, unused current losses and interest carryforwards do not apply to share transfers where (i) the acquirer directly or indirectly holds a participation of 100% in the transferring entity, (ii) the seller directly or indirectly holds a participation of 100% in the receiving entity, or (iii) the same natural or legal person or commercial partnership directly or indirectly holds a participation of 100% in the transferring and the receiving entity. Furthermore, tax loss carryforwards, unused current losses and interest carryforwards taxable in

Germany will not expire to the extent that they are covered by built in gains taxable in Germany at the time of such acquisition.

20.2. Taxation of Shareholders

Shareholders are taxed in particular in connection with the holding of shares (taxation of dividend income), upon the sale of shares (taxation of capital gains) and the gratuitous transfer of shares (inheritance and gift tax).

20.2.1. Taxation of Dividend Income

In the future, the Company may pay dividends out of a tax recognized contribution account (*steuerliches Einlagenkonto*). To the extent that the Company pays dividends from the tax-recognized contribution account (*steuerliches Einlagenkonto*), the dividends are not subject to withholding tax, personal income tax (including the solidarity surcharge and church tax, if any) or corporate income tax, as the case may be. However, dividends paid out of a tax-recognized contribution account lower the acquisition costs of the shares, which may result in a higher amount of taxable capital gain upon the shareholder's sale of the shares. Special rules apply to the extent that dividends from the tax-recognized contribution account exceed the then lowered acquisition costs of the shares (the details are outlined below).

20.2.2. Withholding Tax

Dividends distributed by the Company that are not paid out of the tax-recognized contribution account (*steuerliches Einlagenkonto*) are subject to a deduction at source (withholding tax) at a 25% rate plus a solidarity surcharge of 5.5% on the amount of withholding tax (amounting in total to a rate of 26.375%) and church tax (*Kirchensteuer*), if applicable. The basis for determining the dividend withholding tax is the dividend approved for distribution by the Company's general meeting.

In general, dividend withholding tax is withheld regardless of whether and, if so, to what extent the shareholder must report the dividend for tax purposes and regardless of whether the shareholder is a resident of Germany or of a foreign country.

As the Company's shares are admitted to be held in collective safe custody (*Sammelverwahrung*) with a central securities depository (*Wertpapiersammelbank*) pursuant to Sec. 5 of the German Act on Securities Accounts (*Depotgesetz*) and are entrusted to such central securities depository for collective safe custody in Germany, the Company is not responsible for withholding the withholding tax; rather, it is, for the account of the shareholders, the responsibility of one of the following entities in Germany authorized to collect withholding tax to do so and to remit it to the relevant

tax authority: (i) a domestic bank or financial service institute, a domestic securities trading company or a domestic securities trading bank (including the domestic branches of foreign banks or financial service institutes) that holds the shares in custody or that manages them and that pays out or credits the shareholders' investment income or that pays the investment income to a foreign entity, or (ii) the central securities depository holding the collective deposit shares in custody if it pays the investment income to a foreign entity and (iii) the Company itself if and to the extent shares held in collective safe custody (*girosammelverwahrt*) by the central securities depository (*Wertpapiersammelbank*) are treated as stock being held separately (so-called "*abgesetzte Bestände*").

The Company assumes responsibility for the withholding of taxes on distributions at source, in accordance with statutory provisions. This means that the Company is released from liability for the violation of its legal obligation to withhold and transfer the taxes at source if it provides evidence that it has not breached its duties intentionally or grossly negligently.

Where dividends are distributed to a company resident in another member state of the EU within the meaning of Article 2 of the EC Directive 2011/96/EU of 30 November 2011, as amended (the "**Parent-Subsidiary Directive**"), the withholding of the dividend withholding tax may not be required, upon application, provided that additional requirements are met (withholding tax exemption). This also applies to dividends distributed to a permanent establishment located in another EU Member State of such a parent company or of a parent company that is tax resident in Germany if the interest in the dividend-paying subsidiary is part of the respective permanent establishment's business assets. An important prerequisite for the exemption from withholding at source under the Parent-Subsidiary Directive is that the shareholder has directly held at least 10% of the Company's registered share capital continuously for one year and that the German Federal Central Office of Taxation (*Bundeszentralamt für Steuern*, with its registered office in Bonn-Beuel, An der Kuppe 1, 53225 Bonn, Germany) has certified to the creditor of the dividends, based upon an application filed by such creditor on the officially prescribed form, that the prerequisites for exemption have been met.

The dividend withholding tax rate for dividends paid to other shareholders without a tax residence in Germany will be reduced in accordance with the applicable double taxation treaty, if any, between Germany and the shareholder's country of residence, provided that the shares are neither held as part of the business assets of a permanent establishment or a fixed base in Germany nor as part of the business assets for which a permanent representative in Germany has been appointed. The reduction in the dividend withholding tax is generally obtained by applying to the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*) for a refund of the difference between the dividend withholding tax withheld, including the solidarity surcharge, and the amount of withholding tax actually owed under the applicable double taxation treaty, which is usually 5-15%. A reduced withholding tax rate (according to the applicable double taxation treaty) may be

applicable, if the shareholder applied for an exemption at the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*). A full exemption from the German dividend withholding tax may also be possible under the applicable double taxation treaty, if the shareholder has directly held at least 10% of the Company's registered share capital and if further prerequisites are met. Forms for the refund and exemption procedure may be obtained from the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*), as well as German embassies and consulates.

Corporations that are not tax residents in Germany will receive upon application a refund of two fifths of the dividend withholding tax that was withheld and remitted to the tax authorities subject to certain requirements. This applies regardless of any further reduction or exemption provided under the Parent- Subsidiary Directive or a double taxation treaty.

Foreign corporations will generally have to meet certain stringent substance criteria defined by statute in order to receive an exemption from or (partial) refund of German dividend withholding tax.

Pursuant to a special rule on the restriction of withholding tax credit, the above mentioned relief in accordance with the applicable double taxation treaty as well as the credit of withholding tax described in "20. Taxation in the Federal Republic of Germany" - "20.3 Taxation of Dividends of Shareholders with a Tax Residence in Germany" for shares held as private and as business assets is subject to the following three cumulative prerequisites: (i) the shareholder must qualify as beneficial owner of the shares in the Company for a minimum holding period of 45 consecutive days occurring within a period of 45 days prior and 45 days after the due date of the dividends, (ii) the shareholder has to bear at least 70% of the change in value risk related to the shares in the Company during the minimum holding period without being directly or indirectly hedged, and (iii) the shareholder must not be required to fully or largely compensate directly or indirectly the dividends to third parties. Should one of the three prerequisites not be fulfilled, the following applies:

- As regards the taxation of dividends of shareholders with a tax residence in Germany, three fifths of the withholding tax imposed on the dividends must not be credited against the shareholder's (corporate) income tax liability, but may, upon application, be deducted from the shareholder's tax base for the relevant assessment period. A shareholder that has received gross dividends without any deduction of withholding tax due to a tax exemption without qualifying for a full tax credit has to notify the competent local tax office accordingly and has to make a payment in the amount of the withholding tax deduction which was omitted. The special rule on the restriction of withholding tax credit does not apply to a shareholder whose overall dividend earnings within an assessment period do not exceed EUR 20,000 or that has been the beneficial owner of the shares in the Company for at least one uninterrupted year upon receipt of the dividends.

- As regards the taxation of dividends of shareholders without a tax residence in Germany who applied for a full or partial refund of the withholding tax pursuant to a double taxation treaty, no refund is available. This restriction does not apply to a shareholder (i) that holds directly at least 10% of the shares in the Company and that is subject to (corporate) income tax in the country of its tax residence without any exemptions, (ii) or that has been the beneficial owner of the shares in the Company for at least one uninterrupted year upon receipt of the dividends, or (iii) if the applicable tax rate pursuant to the applicable double taxation treaty is at least 15%.

20.3. Taxation of Dividends of Shareholders with a Tax Residence in Germany

20.3.1. Individuals who hold the Shares as Private Assets

For individuals who are tax resident in Germany (generally, individuals whose domicile or usual residence is located in Germany) and who hold shares as private assets, the withholding tax of 25% plus solidarity surcharge of 5.5% thereon, resulting in a total tax rate of 26.375% (plus church tax, if any) will generally serve as a final tax. In other words, once deducted, the shareholder's income tax liability on the dividends will be settled, and he or she will no longer have to declare them on his or her annual tax return (the "**Flat Tax**").

The purpose of the Flat Tax is to provide for separate and final taxation of capital investment income earned; in other words, taxation that is irrespective of the individual's personal income tax rate. Shareholders may apply to have their capital investment income assessed in accordance with the general rules and with an individual's personal income tax rate if this would result in a lower tax burden. In this case, the base for taxation would be the gross dividend income less the savers' allowance of EUR 801 (EUR 1,602 for jointly filing individuals). Any tax and solidarity surcharge already withheld would be credited against the income tax and solidarity surcharge so determined and any overpayment refunded. Income-related expenses cannot be deducted from capital gains in either case. The only deduction that may be made is the savers' allowance of EUR 801 (EUR 1,602 for jointly filing individuals) on all private capital income. Furthermore, dividend income can only be offset by losses from capital income, except for losses generated by the disposal of shares.

If the individual owns (i) at least 1% of the shares in the Company and is able to exercise, by virtue of professional activity (*berufliche Tätigkeit*) for the Company, a significant entrepreneurial influence on the business activity of the Company or (ii) at least 25% of the shares, the tax authorities may approve upon application that the dividends are taxed under the partial-income method (see below "*20. Taxation in the Federal Republic of Germany*" - "*20.3. Taxation of Dividends of Shareholders with a Tax Residence in Germany*" - "*20.3.4 Sole Proprietors (Individuals)*").

Entities required to collect withholding taxes on capital investment income are required to likewise withhold the church tax on payments to shareholders who are subject to church tax, unless the shareholder objects in writing to the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*) against the sharing of his or her private information regarding his or her affiliation with a religious denomination (*Sperrvermerk*). If church tax is withheld and remitted to the tax authority as part of the withholding tax deduction, then the church tax on the dividends is also deemed to be discharged when it is deducted. The withheld church tax cannot be deducted in the tax assessment as a special expense; however, 26.375% of the church tax withheld on the dividends is deducted from the withholding tax (including the solidarity surcharge) withheld. If no church taxes are withheld along with the withholding of the withholding tax, the shareholder who owes church tax is required to report his or her dividends in his or her income tax return. The church tax on the dividends will then be imposed during the assessment.

As an exemption, dividend payments that are funded from the Company's tax-recognized contribution account (*steuerliches Einlagekonto*) and are paid to shareholders who are tax resident in Germany whose shares are held as private assets, do - contrary to the above - not form part of the shareholder's taxable income. If the dividend payment funded from the Company's tax-recognized contribution account (*steuerliches Einlagekonto*) exceeds the shareholder's acquisition costs, negative acquisition costs will arise which can result in a higher capital gain in case of the shares' disposal (cf. below). This will not apply if (i) the shareholder or, in the event of a gratuitous transfer, its legal predecessor, or, if the shares have been gratuitously transferred several times in succession, one of his legal predecessors at any point during the five years preceding the (deemed, as the case may be,) disposal directly or indirectly held at least 1% of the share capital of the Company (a "**Qualified Participation**") and (ii) the dividend payment funded from the Company's tax-recognized contribution account (*steuerliches Einlagekonto*) exceeds the acquisition costs of the shares. In such a case of a Qualified Participation, a dividend payment funded from the Company's tax-recognized contribution account (*steuerliches Einlagekonto*) is deemed a sale of the shares and is taxable as a capital gain if and to the extent the dividend payment funded from the Company's tax-recognized contribution account (*steuerliches Einlagekonto*) exceeds the acquisition costs of the shares. In this case the taxation corresponds with the description in "20. Taxation in the Federal Republic of Germany" - "20.5 Taxation of Capital Gains" made with regard to shareholders maintaining a Qualified Participation.

20.3.2. Shares Held as Business Assets

The Flat Tax does not apply to dividends from shares held as business assets of shareholders who are tax resident in Germany. In this case, the taxation is based on whether the shareholder is a corporation, an individual or a partnership. The withholding tax withheld and paid to the tax authorities, including the solidarity surcharge, is credited against the income or corporate income tax and the solidarity surcharge of the shareholder and any overpayment will be refunded.

Dividend payments that are funded from the Company's tax-recognized contribution account (*steuerliches Einlagekonto*) and are paid to shareholders who are tax resident in Germany whose shares are held as business assets are generally fully tax-exempt in the hands of such shareholder. To the extent the dividend payments funded from the Company's tax-recognized contribution account (*steuerliches Einlagekonto*) exceed the acquisition costs of the shares, a taxable capital gain should occur. The taxation of such gain corresponds with the description in "20. Taxation in the Federal Republic of Germany" - "20.5 Taxation of Capital Gains" made with regard to shareholders whose shares are held as business assets (however, as regards the application of the 95% exemption in case of a corporation this is not undisputed).

20.3.3. Corporations

Dividends received by corporations tax resident in Germany are generally exempt from corporate income tax and solidarity surcharge; however 5% of the dividends are treated as a non-deductible business expenses and, as such, are subject to corporate income tax (plus the solidarity surcharge) with a total tax rate of 15.825%.

Portfolio Dividends are fully taxed at the corporate income tax rate (plus solidarity surcharge thereon). The acquisition of a shareholding of at least 10% during a calendar year is deemed to have occurred at the beginning of the respective calendar year. Participations which a shareholder holds through a commercial partnership are attributable to the shareholder only on a pro rata basis at the ratio of the interest share of the shareholder in the assets of the relevant partnership.

Business expenses actually incurred and having a direct business relationship to the dividends may be fully deducted.

The amount of any dividends (after deducting business expenses related to the dividends) is fully subject to trade tax, unless the corporation held at least 15% of the Company's registered share capital at the beginning of the relevant tax assessment period, entitling it to an intercorporate privilege for trade tax purposes. In the latter case, the aforementioned exemption of 95% of the dividend income applies analogously for trade tax purposes.

20.3.4. Sole Proprietors (Individuals)

If the shares are held as part of the business assets of a sole proprietor (individual) with his or her tax residence in Germany, 40% of any dividend is tax exempt (so called partial income method). Only 60% of the expenses economically related to the dividends are tax deductible. The partial income method will also apply when individuals hold the shares indirectly through a partnership (with the exception of individual investors who hold their shares through partnerships that are neither commercial partnerships nor deemed to be commercial partnerships). However, the par-

tial-income method does not apply with respect to church tax (if applicable). If the shares are held as business assets of a domestic commercial permanent establishment, the full amount of the dividend income (after deducting business expenses that are economically related to the dividends) is also subject to trade tax, unless the taxpayer held at least 15% of the Company's registered share capital at the beginning of the relevant tax assessment period. In the latter case, the net dividends (after deducting directly related expenses) are exempt from trade tax. However, trade tax is generally credited - fully or in part - as a lump sum against the shareholder's personal income tax liability.

20.3.5. Partnerships

If the shareholder is a partnership, the personal income tax or corporate income tax, as the case may be, and the solidarity surcharge are levied at the level of each partner rather than at the level of the partnership. The taxation of each partner depends upon whether the partner is a corporation or an individual. If the partner is a corporation, then the dividend is generally 95% tax exempt; however, dividends from an indirect shareholding representing less than 10% of the share capital for the relevant partner are fully subject to taxation (see above, "20. Taxation in the Federal Republic of Germany" - "20.3. Taxation of Dividends of Shareholders with a Tax Residence in Germany" - "20.3.3 Corporations"). If the partner is an individual and the shares are held as business assets of the partnership, only 60% of the dividend income is subject to income tax; in this case the partial-income method does not apply as regards church tax (if applicable) (see above, "20. Taxation in the Federal Republic of Germany" - "20.3. Taxation of Dividends of Shareholders with a Tax Residence in Germany" - "20.3.4 Sole Proprietors (Individuals)").

Additionally, if the shares are held as business assets of a domestic permanent establishment of a commercial or deemed to be commercial partnership, the full amount of the dividend income is generally also subject to trade tax at the level of the partnership. In the case of partners who are individuals, the trade tax that the partnership pays on his or her proportion of the partnership's income is generally credited as a lump sum - fully or in part - against the individual's personal income tax liability. If the partnership held at least 15% of the Company's registered share capital at the beginning of the relevant tax assessment period, the dividends (after the deduction of business expenses economically related thereto) should generally not be subject to trade tax. However, in this case, trade tax should be levied on 5% of the dividends to the extent they are attributable to the profit share of such corporate partners to whom at least 10% of the shares in the Company are attributable on a look-through basis, since such portion of the dividends should be deemed to be non-deductible business expenses. The remaining portion of the dividend income attributable to other than such specific corporate partners (which includes individual partners and should, according to a literal reading of the law, also include corporate partners to whom, on a look-through basis, only portfolio participations are attributable) should not be subject to trade tax.

20.3.6. Financial and Insurance Sector

Special rules apply to companies operating in the financial and insurance sector (see below, “20. Taxation in the Federal Republic of Germany” - “20.6 Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds”).

20.4. Taxation of Dividends of Shareholders without a Tax Residence in Germany

The dividends paid to shareholders (individuals and corporations) without a tax residence in Germany are taxed in Germany, provided that the shares are held as part of the business assets of a permanent establishment or a fixed base in Germany or as part of the business assets for which a permanent representative in Germany has been appointed. The withholding tax (including solidarity surcharge) withheld and remitted to the German tax authorities is credited against the respective shareholder’s personal income tax or corporate income tax liability, and any overpayment will be refunded. The same applies to the solidarity surcharge. These shareholders are essentially subject to the same rules applicable to tax resident shareholders, as discussed above.

In all other cases, the withholding of the dividend withholding tax discharges any tax liability of the shareholder in Germany. A refund or exemption is granted only as discussed in the section on dividend withholding tax above (see above “20. Taxation in the Federal Republic of Germany” - “20.2. Taxation of Shareholders” - “20.2.2 Withholding Tax”).

Dividend payments that are funded from the Company’s tax-recognized contribution account (*steuerliches Einlagekonto*) are generally not taxable in Germany.

20.5. Taxation of Capital Gains

20.5.1. Taxation of Capital Gains of Shareholders with a Tax Residence in Germany

20.5.1.1. Shares Held as Private Assets

Gains on the sale of shares that are held as private assets by shareholders with a tax residence in Germany, and which were acquired after December 31, 2008, are generally taxable regardless of the length of time held. The tax rate is (generally) a uniform 25% plus the 5.5% solidarity surcharge thereon (resulting in an aggregate tax rate of 26.375%) as well as any church tax, if applicable.

The taxable capital gains are the difference between (a) the proceeds from the disposal of shares after deducting the direct sales costs and (b) the acquisition cost of the shares. Under certain conditions, prior payments from the tax-recognized contribution account (*steuerliches Ein-*

lagekonto) may lead to reduced acquisition costs of the shares held as private assets and, as a consequence, increase the taxable sales gain. Losses on the sale of shares can only be used to offset gains made on the sale of shares during the same year or in subsequent years.

If the shares are held in custody or administered by a domestic bank or financial service institute, a domestic securities trading company or a domestic securities trading bank (including the domestic branches of foreign banks and financial service institutes), or if such entity or branch sells the shares and pays out or credits the capital gains (each a “**Domestic Paying Agent**”), said Domestic Paying Agent withholds a withholding tax of 25% plus 5.5% solidarity surcharge thereon and any church tax (if applicable) and remits this to the tax authority; in such a case, the tax on the capital gain will generally be discharged. If the shares were only held in custody or administered by the respective Domestic Paying Agent continuously after acquisition, the amount of tax withheld is generally based on the difference between the proceeds from the sale, after deducting expenses directly related to the sale, and the amount paid to acquire the shares. However, the withholding tax rate of 25% plus the 5.5% solidarity surcharge thereon and any church tax (if applicable), will be applied to 30% of the gross sales proceeds if the shares were not administered by the same custodian bank since acquisition and the original cost of the shares cannot be verified or such verification is not admissible. In this case, the shareholder is entitled to, and in case the actual gain is higher than 30% of the gross proceeds must, verify the original costs of the shares in his or her annual tax return.

Entities required to collect withholding taxes on capital investment income are required to likewise withhold the church tax for shareholders who pay church taxes, unless the shareholder objects in writing to the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*) against the sharing of his or her private information regarding his or her affiliation with a denomination (*Sperrvermerk*). If church tax is withheld and remitted to the tax authority as part of the withholding tax deduction, then the church tax on the capital gain is also deemed to be discharged when it is deducted. The withheld church tax cannot be deducted in the tax assessment as a special expense; however, 26.375% of the church tax withheld on the capital gain is deducted from the withholding tax (including the solidarity surcharge) withheld.

A shareholder may request that all his or her items of capital investment income, along with his or her other taxable income, be subject to the progressive income tax rate instead of the uniform tax rate for private capital investment income if this lowers his or her tax burden. The base for taxation would be the gross income less the savers' allowance of EUR 801 (EUR 1,602 for jointly filing individuals). The prohibition on deducting income-related costs and the restrictions on offsetting losses also apply to tax assessments based on the progressive income tax rate. Any tax already withheld would be credited against the income tax so determined and any overpayment refunded.

One exception to this rule is that a shareholder's capital gains are subject to the partial-income method and not the Flat Tax. Consequently, 60% of the proceeds from the sale of shares are subject to the individual income tax rate, if the shareholder, or his or her legal predecessor in case of acquisition without consideration, has directly or indirectly held shares equal to at least 1% of the Company's share capital at any time during the previous five years. 60% of the expenses economically related to the proceeds of the sale of shares are tax-deductible.

In the case of a Qualified Participation, withholding tax (including the solidarity surcharge) is also withheld by the Domestic Paying Agent. The tax withheld, however, is not treated as a final tax. Hence, the shareholder is obliged to declare the gains from the sale in his or her income tax return. The withholding tax (including solidarity surcharge) withheld and remitted to the German tax authorities is credited against the respective shareholder's personal income tax or corporate income tax liability in the tax assessment, and any overpayment will be refunded.

20.5.1.2. *Shares Held as Business Assets*

The Flat Tax does not apply to proceeds from the sale of shares held as business assets by shareholders tax resident in Germany. If the shares form part of a shareholder's business assets, taxation of the capital gains realized will then depend upon whether the shareholder is a corporation, sole proprietor or partnership. Dividend payments that are funded from the Company's tax-recognized contribution account (*steuerliches Einlagekonto*) reduce the original acquisition costs. In case of a sale of shares, a higher taxable capital gain can arise herefrom. If the dividend payments exceed the shares' book value for tax purposes, a taxable capital gain can arise.

- Corporations: In general, capital gains earned on the sale of shares by corporations domiciled in Germany are exempt from corporate income tax (including the solidarity surcharge) and trade tax, irrespective of the stake represented by the shares and the length of time the shares are held; however, 5% of the capital gains are treated as a non-deductible business expense and, as such, are subject to corporate income tax (plus the solidarity surcharge thereon) and to trade tax.
- Sole proprietors (individuals): If the shares were acquired after 31 December 2008 and form part of the business assets of a sole proprietor (individual) who is tax resident in Germany, 60% of the capital gains on their sale are subject to the individual's personal tax rate plus the solidarity surcharge thereon (partial income method). Correspondingly, only 60% of losses from such sales and 60% of expenses economically related to such sales are deductible. For church tax, if applicable, the partial income method does not apply. If the shares are held as business assets of a commercial permanent establishment located in Germany, 60% of the capital gains are also subject to trade tax. The trade tax is fully or partially credited as a lump sum against the shareholder's personal income tax liability.

- Commercial Partnerships: If the shareholder is a partnership, personal income tax or corporate income tax, as the case may be, is assessed at the level of each partner rather than at the level of the partnership. The taxation of each partner depends upon whether the respective partner is a corporation or an individual. If the partner is a corporation, the tax principles applying to capital gains which are outlined in subsection 1 apply. If the partner is an individual, the tax principles applying to capital gains that are outlined in subsection 2 apply. Upon application and provided that additional prerequisites are met, an individual who is a partner can obtain a reduction of his or her personal income tax rate for profits not withdrawn from the partnership. In addition, capital gains from the sale of shares attributable to a permanent establishment maintained in Germany by a commercial partnership, or deemed to be commercial partnership are subject to trade tax at the level of the partnership. As a general rule, only 60% of the gains in this case are subject to trade tax to the extent the partners in the partnership are individuals, while 5% are subject to trade tax to the extent the partners are corporations and shares are sold. Under the principles discussed above, losses on sales and other reductions in profit related to the shares sold are generally not deductible or only partially deductible, if the partner is a corporation. If the partner is an individual, the trade tax the partnership pays on his or her share of the partnership's income is generally credited as a lump sum - fully or in part - against his or her personal income tax liability, depending on the tax rate imposed by the local municipality and certain individual tax-relevant circumstances of the taxpayer.

Special rules apply to capital gains realized by companies active in the financial and insurance sectors, as well as pension funds (see below, “20. Taxation in the Federal Republic of Germany” - “20.6 Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds”).

If a Domestic Paying Agent is involved, the proceeds from the sale of shares held as business assets are generally subject to the same withholding tax rate as those of shareholders whose shares are held as private assets (see “20. Taxation in the Federal Republic of Germany” - “20.5. Taxation of Capital Gains” - “20.5.1 Taxation of Capital Gains of Shareholders with a Tax Residence in Germany” - “20.5.1.1 Shares Held as Private Assets”). However, the Domestic Paying Agent may refrain from withholding the withholding tax if (i) the shareholder is a corporation, association or estate with its tax residence in Germany, or (ii) the shares form part of the shareholder's domestic business assets, and the shareholder informs the Domestic Paying Agent of this on the officially prescribed form and meets certain additional prerequisites. If the Domestic Paying Agent nevertheless withholds taxes, the withholding tax withheld and remitted (including the solidarity surcharge and church tax, if applicable) will be credited against the shareholder's income tax or corporate income tax liability (including the solidarity surcharge and church tax, if applicable) and any excess amount will be refunded.

20.5.1.3. Taxation of Capital Gains of Shareholders without a Tax Residence in Germany

Capital gains realized by a shareholder with no tax residence in Germany are subject to German income tax only if the selling shareholder holds a Qualified Participation or if the shares form part of the business assets of a permanent establishment in Germany or of business assets for which a permanent representative is appointed.

Most double taxation treaties provide for an exemption from German taxes and assign the right of taxation to the shareholder's country of tax residence in the former case.

20.6. Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds

Dividends paid to and capital gains realized by certain companies in the financial and insurance sector are, as an exception to the aforementioned rules, fully taxable.

This applies to dividends from as well as gains from the disposal of shares in the trading portfolio within the meaning of § 340e (3) German Commercial Code of credit institutions and financial services institutions, and shares that are, upon acquisition of the shares, allocable to the current assets of a financial enterprise within the meaning of the German Banking Act that is directly or indirectly held by a credit institution or financial services institution to more than 50%. The same applies to shares held as investments by life insurers, health insurers and pension funds. If the stake held at the beginning of the relevant assessment period is 15% or higher, subject to certain conditions, the dividends can be fully exempted from trade tax.

20.7. Inheritance and Gift Tax

The transfer of shares to another person by inheritance or gift is generally subject to German inheritance or gift tax only if:

- (i) the decedent, donor, heir, beneficiary or other transferee maintained his or her domicile or habitual abode in Germany, or had its place of management or registered office in Germany at the time of the transfer, or is a German citizen who has spent no more than five consecutive years (this term is extended to ten years for German expatriates with U.S. residence) prior to the transfer outside Germany without maintaining a residence in Germany (special rules apply to certain former German citizens who neither maintain their domicile nor have their habitual abode in Germany);
- (ii) the shares were held by the decedent or donor as part of business assets for which a permanent establishment was maintained in Germany or for which a permanent representative in Germany had been appointed; or

- (iii) the decedent or donor, either individually or collectively with related parties, held, directly or indirectly, at least 10% of the Company's registered share capital at the time of the inheritance or gift.

The fair value represents the tax assessment base. In general that is the stock exchange price. Dependent on the degree of relationship between decedent or donor and recipient, different tax-free allowances and tax rates apply.

The few German double taxation treaties relating to inheritance tax and gift tax currently in force usually provide that the German inheritance tax or gift tax can only be levied in the cases of (i) above, and also with certain restrictions in case of (ii) above. Special provisions apply to certain German nationals living outside of Germany and former German nationals.

20.8. The Proposed Financial Transactions Tax

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). However, Estonia has since stated that it will not participate. The Commission's Proposal is currently under review, and a revised proposal is expected to be published in the course of 2017.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the shares (including secondary market transactions) in certain circumstances. The issuance and subscription of shares should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the shares where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders are advised to seek their own professional advice in relation to the FTT.

20.9. Other Taxes

No German transfer tax, value-added tax, stamp duty or similar taxes are assessed on the purchase, sale or other transfer of shares. Provided that certain requirements are met, an entrepreneur may, however, opt for the payment of value-added tax on transactions that are otherwise tax-exempt. Net wealth tax is currently not imposed in Germany.

21. FINANCIAL INFORMATION

The following English language financial statements prepared in accordance with German GAAP as of and for the fiscal year ended 31 December 2017 and 31 December 2016 of Aladdin Blockchain Technologies Holding SE, Berlin, are translations of the respective German language audited financial statements.

21.1. Audited Financial Statements of Aladdin Blockchain Technologies Holding SE, Berlin for the fiscal year ended 31 December 2017 (prepared in accordance with German GAAP)

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21.2. Audited Financial Statements of Aladdin Blockchain Technologies Holding SE, Berlin (at that time operating under the name "AE New Media Innovation SE", Berlin) for the fiscal year ended 31 December 2016 (prepared in accordance with German GAAP)

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21.3. Audited Financial Statements of Aladdin Blockchain Technologies Ltd, London for the fiscal year ended 31 December 2017 (IFRS)

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Audited Financial Statements of Aladdin Blockchain Technologies Holding SE, Berlin for the fiscal year ended 31 December 2017 (prepared in accordance with German GAAP)

Balance Sheet

Balance Sheet as of December 31, 2017

ASSETS	12/31/2017		12/31/2016
	EUR	EUR	EUR
A. Current Assets			
I. Receivables and other assets	925.00		925.00
II. Bank balances	<u>6,392,202.66</u>		<u>202,458.69</u>
		6,393,127.66	203,383.69
B. Deferred Item		3,643.80	0.00
		<u>6,396,771.46</u>	<u>203,383.69</u>
<hr/>			
Equity and Liabilities	12/31/2017		12/31/2016
	EUR	EUR	EUR
A. Equity			
I. Subscribed capital		300,000.00	300,000.00
II. Balance-sheet loss		<u>-130,250.97</u>	<u>-104,392.31</u>
		169,749.03	195,607.69
B. Contributions made towards the authorized capital increase		6,210,000.00	0.00
C. Accruals		14,530.00	7,776.00
D. Liabilities			
1. Trade payables	1,872.74		0.00
2. Payables to shareholders	<u>619.69</u>		<u>0.00</u>
		2,492.43	0.00
		<u>6,396,771.46</u>	<u>203,383.69</u>

Income Statement

Income Statement for the Period January 1, 2017 to December 31, 2017

	2017 EUR	2016 EUR
1. other operating expenses	-25,858.66	-95,691.41
2. Income after taxes	-25,858.66	-95,691.41
3. Net loss	-25,858.66	-95,691.41
4. accumulated loss carried forward	-104,392.31	-8,700.90
5. Balance-sheet loss	-130,250.97	-104,392.31

Changes in Equity Statement

Equity Statement

	share capital	outstanding contribution	balance- sheet loss	Equity
	kEUR		kEUR	kEUR
1/1/2016	300	0	-9	291
Net loss	0	0	-96	-96
12/31/2016	300	0	-105	195
1/1/2017	300	0	-105	195
Net loss	0	0	-25	-25
12/31/2017	300	0	-130	170

Cash Flow Statement

Cash Flow Statement

	2017 kEUR	2016 kEUR
	<hr/>	<hr/>
Operating activities		
Net loss	-26	-96
+/- Changes in accruals	7	0
+/- Changes in other assets	-4	0
+/- Changes in other liabilities	2	0
Cash flow from operating activities	<hr/> -21	<hr/> -96
Financing activities		
+ payments shareholders	1	0
+ payment for considerations towards authorized capital increase	6,210	0
Cash flow from financing activities	<hr/> 6,211	<hr/> 0
Cash changes in cash and cash equivalents (Cash flow from operating activities and financing activities)	<hr/> 6,190	<hr/> -96
Cash and cash equivalents at the start of the period	<hr/> 202	<hr/> 298
Cash and cash equivalents at the end of the period	<hr/> <hr/> 6,392	<hr/> <hr/> 202
Composition of the financial resources	12/31/2017 kEUR	12/31/2016 kEUR
Bank balances	<hr/> 6,392	<hr/> 202

Notes

General Remarks

Aladdin Blockchain Technologies Holding SE's annual financial statements have been prepared in accordance with the regulations of the HGB (*Handelsgesetzbuch*, German Commercial Code) and the supplementary regulations of the AktG (*Aktiengesetz*, German Stock Corporation Act).

Information which can be optionally included in either the balance sheet or the notes are, as a whole, included in the notes.

The income statement was prepared in accordance with the aggregate cost method.

Aladdin Blockchain Technologies Holdings SE, Berlin, qualifies as a very small corporation under § 267a Para 1 HGB.

The company makes use of the simplification options allowed regarding the preparation of the annual financial statements.

Information regarding the identification by the Registry Court

Company name acc. to registry court:	Aladdin Blockchain Technologies Holding SE
Registered office acc. to registry court:	Berlin
Register:	District Court Charlottenburg
Court:	Registry Court
Register no.:	HRB 173762 B

Information regarding accounting and valuation methods

Accounting and valuation principles

Receivables and other assets have been recognized at nominal values or with lower fair value at balance sheet day. Identifiable individual risks are taken into account using specific valuation allowances.

Bank balances and cash in hand have been recognized at nominal values.

Contributions made towards the authorized capital increase have been recognized at nominal values of the received gross issue proceeds at the end of the business year.

Other provisions have been built for all uncertain liabilities. All identifiable risks have been considered.

Liabilities have been recognized at their respective settlement amounts.

Deviating accounting and valuation methods compared to previous year

There has been no fundamental shift from accounting and valuation methods compared to the previous year.

Information regarding the balance sheet

Information about class of shares

The subscribed capital of EUR 300,000.00 is divided into:

Subscribed Capital		EUR	
300,000.00	shares of common stock at nominal accounting value of	1.00	300,000.00

The shares are issued in bearer form.

Capital increase

The General Meeting dated November 3, 2017 resolved 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. The capital increase was fully implemented and entered to the registry court on January 3, 2018.

Contributions made towards the authorized capital increase

The item “contributions made towards the authorized capital increase” displays the gross issue proceeds of EUR 6,210,000.00 received up to the end of the business year attributable in the amount of EUR 1,150,000.00 to the share capital and of EUR 5,060,000.00 to the capital reserve (agio).

Authorized capital

The authorized capital as of November 24, 2015 (increase of share capital until 30 December 2020 up to EUR 150,000.00) has been cancelled by the General Meeting dated March 7, 2018.

With the approval of the General Meeting of the same date the administrative board is authorized to increase the share capital one or more times until March 13, 2023 up to EUR 5,725,000.00 to

Bimal Shah
(since November 3, 2017) practised profession: COO (Business Operations)

Alexander Brunton Badenoch
(since November 3, 2017) practised profession: Director (Commercial and Financial Development)

The fee of said members of the administrative board was EUR 0 in the year under review.

Events of Particular Significance

After the end of the business year there were the following reportable events:

The extraordinary general meeting dated March 7, 2018 took the following decisions:

- The Company's share capital is increased 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. The Company's conclusion of the transfer agreement was approved.

- Creation of a new authorized capital 2018/I totalling up to EUR 5,725,000.00 to be made against contribution in cash and/or kind until March 13, 2023.
- 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.

Proposition resp. Decision for the Appropriation of the Result

Management proposes the following appropriation of the result:

The net loss totals EUR 25,858.66.

The net loss is carried forward to new amount.

Information about the existence of a shareholding in the Company which has been communicated to the Company according to § 20 Para 1 or 4 AktG

The DOMANI Family Office SA headquartered in Lugano, Switzerland, has communicated to us according to § 20 Para 1, 3, 4 and 5 AktG that it does no longer possess a majority stake according to § 16 Para 1 AktG - and, consequently, also not more than a quarter of the shares in AE New Media Innovations SE (now: Aladdin Blockchain Technologies Holding SE).

The Aladdin Intel Ltd headquartered in London, UK, has communicated to us according to § 20 Para 1 and 4 AktG that it possesses a majority stake according to § 16 Para 1 AktG - and, consequently, also more than a quarter of the shares in AE New Media Innovations SE (now: Aladdin Blockchain Technologies Holding SE).

Report of the managing director on Relations with Affiliated Companies

According to § 312 Para 3 AktG the managing director declares the following:

The managing director has prepared a report on relations with affiliated companies and finally concludes:

“In the reporting period there were no reportable issues.”

Signature of the managing director

Berlin, May 4, 2018

signed Wade Menpes-Smith

Auditors' Report

To the Aladdin Blockchain Technologies Holding SE, Berlin

We have audited the annual financial statements, comprising the balance sheet, the income statement, the notes to the financial statements, the cash flow statement and the equity statement, together with the bookkeeping system, of the Aladdin Blockchain Technologies Holding SE, Berlin, (formerly: AE New Media Innovations SE, Berlin) for the business year from January 1, 2017 to December 31, 2017. The maintenance of the books and records and the preparation of the annual financial statements in accordance with German commercial law and supplementary provisions of the articles of incorporation are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB ("Handelsgesetzbuch", "German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and supplementary provisions of the articles of incorporation and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting.

Munich, May 4, 2018

Baker Tilly GmbH & Co. KG

Wirtschaftsprüfungsgesellschaft

(Düsseldorf)

signed Stahl

signed Abel

Wirtschaftsprüfer

Wirtschaftsprüfer

(German Public Auditor)

(German Public Auditor)

(The German authoritative version includes the Auditor's signatures)

Audited Financial Statements of Aladdin Blockchain Technologies Holding SE, Berlin at that time operating under the name “AE New Media Innovation SE”, Berlin for the fiscal year ended **31 December** 2016 (prepared in accordance with German GAAP)

Balance Sheet

Balance Sheet as of December 31, 2016

	12/31/2016	12/31/2015
ASSETS	EUR	kEUR
A. Current Assets		
I. Receivables and other assets	925.00	1
II. Bank balances	202,458.69	298
	<u>203,383.69</u>	<u>299</u>

	12/31/2016	12/31/2015
Equity and Liabilities	EUR	kEUR
A. Equity		
I. Subscribed capital	300,000.00	300
II. Balance-sheet loss	-104,392.31	-9
	<u>195,607.69</u>	<u>291</u>
C. Accruals	7,776.00	8
	<u>203,383.69</u>	<u>299</u>

Income Statement

Income Statement for the Period January 1, 2016 to December 31, 2016

	2016 EUR	2015 kEUR
1. other operating expenses	-95,691.41	-9
2. Income after taxes	-95,691.41	-9
3. Net loss	-95,691.41	-9
4. accumulated loss carried forward	-8,700.90	0
5. Balance-sheet loss	-104,392.31	-9

Changes in Equity Statement

Equity Statement

	share capital	outstanding contribution	balance- sheet loss	Equity
	kEUR		kEUR	kEUR
1/1/2015	120	-90	0	30
re-issuance of treasury stock	180	90	0	270
Net loss	0	0	-9	-9
12/31/2015	300	0	-9	291
1/1/2016	300	0	-9	291
Net loss	0	0	-96	-96
12/31/2016	300	0	-105	195

Cash Flow Statement

Cash Flow Statement

	30.12.2016	31.12.2015
	kEUR	kEUR
Operating activities		
Net loss	-96	-9
+/- Changes in accruals	0	7
Cash flow from operating activities	-96	-2
Financing activities		
+ payments shareholders	0	180
+ payment outstanding nominal capital	0	90
Cash flow from financing activities	0	270
Cash changes in cash and cash equivalents		
(Cash flow from operating activities and financing activities)	-96	268
Cash and cash equivalents at the start of the period	298	30
Cash and cash equivalents at the end of the period	202	298
Composition of the financial resources		
	kEUR	kEUR
Bank balances	202	298

Notes

General Remarks

AE New Media Innovations SE's annual financial statements have been prepared in accordance with the regulations of the HGB (*Handelsgesetzbuch*, German Commercial Code) and the supplementary regulations of the AktG (*Aktiengesetz*, German Stock Corporation Act).

Information which can be optionally included in either the balance sheet or the notes are, as a whole, included in the notes.

The income statement was prepared in accordance with the aggregate cost method.

AE New Media Innovations SE, Berlin, qualifies as a very small corporation under § 267a Para 1 HGB.

The company makes use of the simplification options allowed regarding the preparation of the annual financial statements.

Information regarding the identification by the Registry Court

Company name acc. to registry court:	AE New Media Innovations SE
Registered office acc. to registry court:	Berlin
Register:	District Court Charlottenburg
Court:	Registry Court
Register no.:	HRB 173762 B

Information regarding accounting and valuation methods

Accounting and valuation principles

Receivables and other assets have been recognized at nominal values or with lower fair value at balance sheet day.

Bank balances have been recognized at nominal values.

Other provisions have been built for all uncertain liabilities. All identifiable risks have been considered.

Deviating accounting and valuation methods compared to previous year

There has been no fundamental shift from accounting and valuation methods compared to the previous year.

Information regarding the balance sheet

Information about class of shares

Subscribed Capital		EUR	
300,000.00	shares of common stock at nominal accounting value of	1.00	300,000.00

The shares are issued in bearer form.

Authorized capital

The General Meeting is authorized to increase the share capital one or more times until December 30, 2020 up to EUR 150,000 to be made against contributions in cash and/or kind by issuing up to EUR 150,000 new no-par bearer shares.

Income Statement

Details on the Continuation of the Net Result

The following presentation shows the continuation of the net results:

Items of the Appropriation of the Result	amount EUR
- Net loss	95,691.41
- Loss carryforwards from previous year	<u>8,700.90</u>
= Balance sheet loss	104,392.31

Other Information

Average number of staff employed during the business year

The Company has not employed staff during the reporting period.

Names of Managing Directors and Members of the Administrative Board

During the completed business year the current business of the Company was run by the following persons:

Fritz Alex Wick

practised profession: Business consultant
(Corporate Finance)

As agreed, the managing directors received no fee for their activities in the year under review.

The administrative board was formed in the completed business year by the following persons:

Dr. Ulrich Jork

practised profession: lawyer

Constantin Felbinger

practised profession: Director (Marketing)

The fee of said members of the administrative board was EUR 0 in the year under review.

Events of Particular Significance

After the end of the business year there were no following reportable events:

Proposition resp. Decision for the Appropriation of the Result

Management proposes the following appropriation of the result:

The net loss totals EUR 95,691.41.

The net loss is carried forward to new amount.

Information about the existence of a shareholding in the Company which has been communicated to the Company according to § 20 Para 1 or 4 AktG

The DOMANI Family Office SA headquartered in Lugano, Switzerland, has communicated to us according to § 20 Para 1 and 4 AktG that it does possess a majority stake according to § 16 Para 1 AktG - and, consequently, also a quarter of the shares in AE New Media Innovations sE owns.

Report of the managing director on Relations with Affiliated Companies

According to § 312 Para 3 AktG the managing director declares the following:

The managing director has prepared a report on relations with affiliated companies and finally concludes:

“In the reporting period there were no reportable issues.”

Signature of the managing director

Berlin, June 28, 2017

signed Fritz Alex Wick

Auditors' Report

To the AE New Media Innovations SE, Berlin

We have audited the annual financial statements, comprising the balance sheet, the income statement, the notes to the financial statements, the cash flow statement and the equity statement, together with the bookkeeping system, of the: AE New Media Innovations SE, Berlin, for the business year from January 1, 2016 to December 31, 2016. The maintenance of the books and records and the preparation of the annual financial statements in accordance with German commercial law and supplementary provisions of the articles of incorporation are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB ("Handelsgesetzbuch", "German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and supplementary provisions of the articles of incorporation and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting.

Munich, June 29, 2017

Baker Tilly GmbH Wirtschaftsprüfungsgesellschaft

(formerly: Baker Tilly Roelfs AG Wirtschaftsprüfungsgesellschaft)

signed Stahl

signed Abel

Wirtschaftsprüfer

Wirtschaftsprüfer

(German Public Auditor)

(German Public Auditor)

Audited Financial Statements of Aladdin Blockchain Technologies Ltd, London for the fiscal year ended **31 December** 2017 (IFRS)

Statement of Financial Position

Statement of Financial Position as at 31 December 2017

	Note	2017 £
Non-current assets		
Property, plant and equipment	6	2,092
Intangible assets	7	863,050
		865,142
Current assets		
Trade and other receivables	8	8,682
Cash and cash equivalents		-
		8,682
Total assets		873,824
Current liabilities		
Trade and other payables	9	915,807
Total liabilities		915,807
Net liabilities		(41,983)
Equity		
Share capital	10	1
Retained earnings		(41,984)
Total equity		(41,983)

The financial statements on pages 4 to 14 were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

H A Badenoch
Director

Date: 9 August 2018

Statement of Comprehensive Income

Statement of Comprehensive Income for the Period ended 31 December 2017

	Note	2017 £
Revenue		-
Other operating charges	4	41,984
Operating loss		(41,984)
Finance income		-
Finance expense		-
Loss before tax expense		(41,984)
Tax expense	5	-
Loss and total comprehensive income for the financial period		(41,984)

Statement of Changes in Equity

Statement of Changes in Equity for the Period ended 31 December 2017

	Share capital	Retained earnings	Total
	£	£	£
Loss for the financial period	-	(41,984)	(41,984)
Shares issued	1	-	1
Balance at the end of period	1	(41,984)	(41,983)

Statement of Cash Flows

Statement of Cash Flows for the Period ended 31 December 2017

	2017 £
<hr/>	
Cash flows from operating activities	
Loss after taxation	(41,984)
Depreciation	123
(Increase) in trade and other receivables	(8,682)
Increase in trade and other payables	474,909
<hr/>	
Cash generated from operations	424,366
Corporation tax paid	-
<hr/>	
Net cash inflow from operating activities	424,366
<hr/>	
Cash flows from investing activities	
Purchase of property, plant and equipment	(2,215)
Purchase of intangible assets	(863,050)
<hr/>	
Net cash outflow from investing activities	(865,265)
<hr/>	
Cash flows from financing activities	
Shareholders loan	440,898
Shares issued	1
<hr/>	
Net cash inflow from financing activities	440,899
<hr/>	
Net movement in cash and cash equivalents in the period	
Cash and cash equivalents at beginning of period	-
<hr/>	
Cash and cash equivalents at end of period	-
<hr/>	

Notes

Notes to the Financial Statements

1 General information

Aladdin Blockchain Technologies Ltd (the 'Company'), is a private limited company incorporated and domiciled in the United Kingdom, registration number 11053972. The registered office is 24-26 Baltic Street West, Barbican, London EC1Y 0UR.

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

2 Accounting policies

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

Basis of preparation

The financial statements for the period ended 31 December 2017 are presented in pounds Sterling (GBP). This is the functional currency of the Company. These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and IFRS Interpretation Committee ('IFRS IC') interpretations as adopted by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

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

New standards and interpretations not yet adopted

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

- IFRS 4 'Insurance contracts'
- IFRS 9 'Financial instruments'
- IFRS 12 'Recognition of Deferred Tax Assets for Unrealised Losses'
- IFRS 15 'Revenue from contracts with customers'
- IFRS 16 'Leases'

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

Significant accounting policies

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

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

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

Going concern

Whilst the directors have considered the going concern position of the Company and whilst the Company is currently operating at a loss being its first period of trading, it has the support of the parent company. Having reviewed the forecasts for the coming year, the director has a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future.

Revenue

Revenue represents amounts recoverable from customers for the rendering of services during the period. Revenue is measured at the fair value of consideration received or receivable excluding Value Added Tax. Revenue is recognised when the amount can be reliably measured and it is probable that future economic benefits will flow.

Contingent liabilities

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

Property, plant and equipment

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

IT Equipment	over 3 years
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Depreciation on assets under construction commences when they are available for use. Repairs and maintenance costs arising on property, plant and equipment are charged to the income statement as incurred.

Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired separately from a business are carried initially at cost. An intangible asset acquired as part of a business combination is recognised outside goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably. The estimated useful life of the intangible asset is as follows:

Intellectual property indefinite

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

Impairment of non-financial assets

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

Provisions

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

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

sion covers residual lease commitments up to the end of the lease and is after allowing for existing or expected sublet rental income.

Financial instruments

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

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

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

Trade and other payables are measured at amortised cost.

Tax expense

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

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

Share capital

Ordinary shares are classified as equity.

Critical accounting estimates and judgements

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

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

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

Impairment of non-financial assets

Intangible assets are tested for impairment annually or when there is an indication that the asset may be impaired. Property, plant and equipment and intangible assets are tested for impairment if events or changes in circumstances, assessed at each reporting period, indicate that their carrying amount may not be recoverable.

Impairment losses are recognised and measured as the excess of the carrying value of the assets over their recoverable amount. An asset’s recoverable amount is the higher of its fair value less costs of disposal and its value in use. Previously recognised impairment losses, other than those attributable to goodwill, are reviewed for possible reversal at each reporting date and, if the asset’s recoverable amount has increased, all or a portion of the impairment is reversed.

3 Staff costs

The average monthly number of employees including the directors during the financial period was 2.

The directors did not receive any emoluments for services to the company during the period.

4 Operating charges

Loss before taxation is stated after charging:

	2017
	£
Depreciation of property, plant and equipment (note 5)	123
Amortisation of intangible assets (note 6)	-
	123

Auditor’s remuneration payable to MHA MacIntyre Hudson in respect of audit fees for the period ended 31 December 2017 was £2,000. There were no fees payable for other services.

5 Tax expense

Tax expense comprises:

	2017
	£
Current tax comprising UK corporation tax expense at 19% based on taxable profits for the financial period	-
Deferred tax credit	-

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

	2017
	£
Loss before tax expense	(41,984)
Tax expense at UK standard rate of 19%	(7,977)
Tax losses for which no deferred income tax asset was recognised	7,977
	-

Deferred tax

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

6 Property, plant and equipment

	Computer equipment £	Total £
Cost		
Additions	2,215	2,215
Disposals	-	-
At end of period	2,215	2,215
Accumulated depreciation		
Depreciation charge for the period	123	123
Disposals	-	-
At end of period	-	-
Net book amount at end of period	2,092	2,092

7 Intangible assets

	Intellectual property £
Cost	
Additions	863,050
Disposals	-
At end of period	863,050
Accumulated amortisation	
Amortisation charge for the period	-
Disposals	-
At end of period	-
Net book amount at end of period	863,050

At 31 December 2017 there were no indications of impairments. The intellectual property was acquired in December 2017.

8 Trade and other receivables

	2017 £
Other receivables	8,682
	8,682

Other receivables are primarily denominated in sterling.

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

9 Trade and other payables

	2017 £
Trade payables	356,807
Shareholders' loans	559,000
	915,807

Trade and other payables are primarily denominated in sterling.

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

10 Share capital

	2017 £
Called up, allotted and unpaid : 1 Ordinary shares of £1	1

Upon incorporation, the 1 Ordinary subscriber share was issued with a nominal value of £1, with full voting and dividend rights. Amounts as yet unpaid on the called up share capital total £1.

11 Financial instruments

Financial risk management

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

- Trade and other receivables (note 8) - The balance primarily represents amounts due in respect of services provided for which payment has not yet been received.

- Trade and other payables (note 9) - The balance primarily represents trade payables, accruals and amounts due, for which payment has not yet been made.

Interest rate risk management

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

Foreign currency risk

The major part of the company's transactions are in sterling. The directors' loan is denominated in foreign currencies, mainly in Euros. However this was settled in January 2018.

Credit risk

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

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

Liquidity risk

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

Financial assets and liabilities by category

	Loans and receivables at amortised cost £	Other financial liabilities at amortised cost £
Assets		
Trade and other receivables	8,682	-
Cash and cash equivalents	-	-
Liabilities		
Trade and other payables	-	915,807

12 Related party transactions

During the period, the director W A Menpes-Smith provided consultancy services to the Company for £12,500. At the period end, the whole amount was owed to him. He resigned as a director on 11 December 2017.

The Intellectual Property was developed by 5 Mobile Technology Limited prior to the incorporation of the Company. The directors of 5 Mobile Technology Limited are also directors of the Company. The Intellectual Property was subsequently transferred to Aladdin Blockchain Technologies Ltd for a consideration of £827,000. At the year end the whole amount was outstanding. As part of the consideration, the shareholders agreed to grant the Company a loan for £440,898. This is shown in note 9 above. The loan was settled in January 2018.

13 Ultimate parent undertaking

The Company is incorporated in England and Wales.

The Company's immediate parent undertaking is Aladdin Blockchain Technologies Holding SE, a Company registered in Germany.

14 Events after the balance sheet date

There were no reportable post balance sheet events.

Auditors' Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALADDIN BLOCKCHAIN TECHNOLOGIES LIMITED

Opinion

We have audited the financial statements of Aladdin Blockchain Technologies Ltd for the period ended 31 December 2017, which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes numbered 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ('IFRS') as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit and cash flows for the period then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt

the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors for the financial statements

As explained more fully in the statement of directors' responsibilities set out on page 1, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Jason Mitchell (Senior Statutory Auditor)

For and on behalf of

MHA MacIntyre Hudson

Chartered Accountants and Statutory Auditors
Reading

Date: 9 August 2018

22. GLOSSARY

£, GBP	Means the legal currency of the United Kingdom.
€, EUR, Euro	Means the currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the Euro, as amended.
2016 Financial Statements	Means the Audited Financial Statements of Aladdin Blockchain Technologies Holding SE (at that time operating under the name “AE New Media Innovation SE”), Berlin for the fiscal year ended 31 December 2016 (prepared in accordance with German GAAP).
2017 Financial Statements	Means the Audited Financial Statements of Aladdin Blockchain Technologies Holding SE, Berlin for the fiscal year ended 31 December 2017 (prepared in accordance with German GAAP).
5 Mobile Technology	Means 5 Mobile Technology Limited.
ABT Contribution Agreement	Means the transfer and contribution agreement of 8 March 2018 entered into by the shareholders of Aladdin Ltd. and the Company.
Admission	Means the admission of the Shares to trading on the regulated market of the Dusseldorf Stock Exchange (<i>Börse Düsseldorf</i>).
AktG	Means the German Stock Corporation Act (<i>Aktiengesetz, AktG</i>).
Aladdin or Group	Means the Company together with its subsidiary Aladdin Ltd.
Aladdin Acquisition	Means the acquisition of all shares in Aladdin Ltd. in March 2018 by the Company by way of a capital

	increase against contribution in kind.
Aladdin Ltd.	Means Aladdin Blockchain Technologies Ltd, with its registered office address at 24-26 Baltic Street West, Barbican, London, EC1Y 0UR, United Kingdom.
Aladdin Ltd. Financial Statements	Means the audited financial statements of Aladdin Blockchain Technology Ltd. for the fiscal years ended 31 December 2017.
Articles of Association	Means the articles of association of the Company.
Assigned IP Rights	Means with respect to the IP Assignment all 5 Mobile Technology's right, title and interest in and to its intellectual property rights set out in, embodied in or arising out of the blockchain technology and artificial intelligence created and developed by 5 Mobile Technology for the secure storage of health records and associated data for use by patients and professionals assigned by 5 Mobile Technology to Aladdin Ltd. absolutely with full title guarantee under the IP Assignment.
Authorized Capital 2018/I	Means the authorized capital of the Company pursuant to Sec. 4 (4) of the Articles of Association.
BaFin	Means German Federal Financial Supervisory Authority (<i>Bundesanstalt für Finanzdienstleistungsaufsicht</i>).
Baker Tilly	Means Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft (Düsseldorf), Munich office, Nymphenburger Straße 3b, 80335 Munich, Germany.
BGB	Means the German Civil Code (<i>Bürgerliches Gesetzbuch, BGB</i>).
Board of Directors	Means the board of directors (<i>Verwaltungsrat</i>) of the Company.

Borrower	Means Aladdin Intel Ltd. Hong Kong, with corporate seat in Hong Kong.
bn.	Means billion.
CDS	CDS is an abbreviation for credit default swaps.
CEO	CEO is an abbreviation for Chief Executive Officer.
CFD	CFD is an abbreviation for contracts for difference.
Clearstream	Means Clearstream Banking AG, having its corporate seat in Frankfurt/ Main, Germany, and its business address at Mergenthalerallee 61, 65760 Eschborn, Germany.
Code	Means the German Corporate Governance Code (<i>Deutscher Corporate Governance Kodex</i>).
Collaboration Agreement	Means the collaboration agreement between Aladdin Ltd. and My Fitness Wallet dated 13 June 2018.
Company	Means Aladdin Blockchain Technologies Holding SE (a European company (<i>Societas Europaea</i> , SE), incorporated in Germany and governed by the laws of Germany, having its registered office at Unter den Linden 10, 10117 Berlin, Germany, and registered with the commercial register of the local court of Charlottenburg (<i>Amtsgericht Charlottenburg</i>) under number HRB 173762 B).
Convertible Loan	Means the convertible loan in the amount of amounted EUR 1,500,000 without interest under the Convertible Loan Agreement.
Convertible Loan Agreement	Means the convertible loan agreement entered into on 22 January 2018 by and between the Company as lender and with Aladdin Intel Ltd. Hong Kong, with corporate seat in Hong Kong as

	borrower.
COO	COO is an abbreviation for Chief Operating Officer.
CUH	Means China Universal Health Industries Groups.
e	Means estimate.
EEA	EEA is an abbreviation for European Economic Area.
Elemental Concept	Means Elemental Concept 2016 Limited, 22 Great James Street, London, England, WC1N 3ES, United Kingdom.
Elements	Means the disclosure requirements of the Summary of the Prospectus.
EU Prospectus Regulation	Means Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements.
Financial Statements 2016 and 2017	Means the 2017 Financial Statements together with the 2016 Financial Statements.
Flat Tax	Means, once deducted, the shareholder's income tax liability on the dividends will be settled, and he or she will no longer have to declare them on his or her annual tax return
Founders	Means the founders of the Company, that is, Contwo Limited with its corporate seat in Birmingham, United Kingdom, registered with the Companies House Cardiff, England, under registration number 06663878 and Confidenta AG with its corporate seat in Dresden, Germany registered with the commercial register of the local court of Dres-

	den under registration number HRB 20214.
GDP	Means gross domestic product.
General Meeting	Means the general meeting (<i>Hauptversammlung</i>) of the Company's shareholders.
Group	See "Aladdin".
HKD	Means the legal currency of Hong Kong Special Administrative Region of the People's Republic of China.
IAS	IAS is an abbreviation for International Accounting Standards.
ICO	Means initial coin offering.
ID	See "International Dollar"
IFRS	IFRS is an abbreviation for International Financial Reporting Standards, as adopted by the European Union.
International Dollar	An international dollar would buy in the cited country a comparable amount of goods and services a U.S. dollar would buy in the United States of America.
IP Assignment	Means the deed of assignment of intellectual property rights entered into by Aladdin Ltd. and 5 Mobile Technology dated 6 December 2017.
kEUR	Means thousands of Euro.
Licensee	Means Aladdin Intel Ltd. Hong Kong with its corporate seat in Hong Kong.
Listing Agent or S&MC	Means Small & Mid Cap Investment Bank AG.
MAD	Means Market Abuse Directive 2014/57/EU.
Managing Director	Means the managing director (<i>Geschäftsführender Direktor</i>) of the Company.

MAR	MAR means Market Abuse Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, repealing Directive 2003/6/EC on insider dealing and market manipulation, entered into force on 3 July 2016.
Master Services Agreement	Means the master services agreement entered into on 3 December 2017 by and between Aladdin Ltd. as customer and Elemental Concept as service provider.
MHA	Means MHA MacIntyre Hudson, Chartered Accountants and Statutory Auditors, New Bridge Street House, 30-34 New Bridge Street, London EC4V 6BJ, United Kingdom.
MiFID	Means the Directive 2004/39/EC of 21 April 2004 on markets in financial instruments.
MTF	MTF is an abbreviation for multi-trading facility.
My Fitness Wallet	Means My Fitness Wallet PVT Ltd. with registered office in the Republic of India.
OTF	OTF is an abbreviation for organised trading facility.
OHM	Means the website OurHealthMate.com.
Parent-Subsidiary Directive	Means Council Directive 2011/96/EU of November 30, 2011 on the common system of taxation applicable in the case of parent companies and subsidiaries of different member states, as amended.
Principal Shareholder	Means a shareholder holding at least 95% of the voting share capital of a German European company (<i>Societas Europaea, SE</i>).
Prospectus	Means this document.
Qualified Participation	Means that the shareholder or, in the event of a

	gratuitous transfer, its legal predecessor, or, if the shares have been gratuitously transferred several times in succession, one of his legal predecessors at any point during the five years preceding the (deemed, as the case may be,) disposal directly or indirectly held at least 1% of the share capital of the Company.
RMB	Means the legal currency of the People's Republic of China.
S&MC	See "Listing Agent".
SE Regulation	Means the Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European company (SE).
Senior Management	Means the senior management of the Company which is formed by Mr Hamish Badenoch, director of Aladdin Ltd.
Shares	Means the 11,450,000 existing bearer shares in the Company.
Shenzhen Licensing Agreement	Means the licensing agreement between Aladdin Ltd., the Licensee as well as the Sub-Licensee dated 20 October 2017.
Statement of Work	Means detailed plans agreed by the parties to the Master Services Agreement regarding the provision of certain IT/technical and consultancy services from Elemental Concept to Aladdin Ltd. in accordance with the Master Services Agreement
Sub-Licensee	Means Shenzhen Guoyihui Hospital Management Co. Ltd.
Summarised Business Plan	Means the narrative business plan of the Company included herein.
USD	Means the legal currency of the United States of America.

WpHG

Means German Securities Trading Act (*Wertpapierhandelsgesetz*).

23. RECENT DEVELOPMENT AND OUTLOOK

Recent development

Aladdin started business in its present form only recently when the Company acquired all shares in Aladdin Ltd. in March 2018, which were contributed to the Company by way of a capital increase against contribution in kind.

On 3 January 2018 the capital increase by EUR 1,450,000.00 against contribution in cash with an issue of 1,150,000 ordinary bearer shares at an issue price of 5.40 per new share, which the general meeting of the Company had resolved on 3 November 2017 was registered in the commercial register and became fully effective.

On 7 March 2018 the general meeting of the Company resolved to increase the share capital from EUR 1,450,000.00 by an amount of EUR 10,000,000.00 to EUR 11,450,000.00 through the creation and issuance of 10,000,000 ordinary bearer shares with no par value each with a notional value of EUR 1.00 against contribution in kind. Subject of the contribution in kind were all shares in Aladdin Ltd; the former shareholders of Aladdin Ltd. transferred their shares in Aladdin Ltd and subscribed for new shares from the capital increase. The subscription rights of the shareholders of the Company were excluded. The issue price per share was EUR 5.3976. The capital increase was registered with the commercial register on 13 March 2018. Through this transaction, Aladdin Ltd. became the sole subsidiary of the Company.

Since the Aladdin Acquisition, the Company's operating results have been impacted negatively, due to the expenses for ongoing software development incurred by Aladdin Ltd as follows: As Aladdin does not generate any income yet, operating losses per month in the amount of approx. EUR 250,000 occur in line with the business plan of the Company. This results in a nearly corresponding amount of negative cash flow from operating activities.

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

On 12 June 2018, the Company announced the commencement of the delivery of the first phase under the licence agreement with Aladdin Intel HK, its licensee, which has onto delivered the first phase software to its joint venture, the Shenzhen Guo Yi Hui Hospital Management Co.Ltd. The first phase of the software includes the initial launch of patient, doctor and administrator applications, designed to improve patients' engagement with healthcare professionals and the launch of a big data platform within the PR China to securely store medical data.

On 13 June 2018, Aladdin Ltd. entered into a collaboration agreement with My Fitness Wallet PVT Ltd. My Fitness Wallet is a technology company which operates the medical appointment

portal OurHealth-Mate.com. The collaboration agreement has the aim to set up a big data platform. On 31 July 2018 Aladdin announced the facilitation of the first 25,000 anonymised electronic medical records onto its big data platform.

On 3 August 2018 Aladdin launched what it believes is the proof of concept of its blockchain based technology under the name "Genesis". Genesis provides that any interaction with medical records is logged as a secure, immutable transaction that cannot be tampered with. All network participants to the blockchain can be added by invitation only and benefit from a consistent, decentralised view of the full audit trail. Genesis consists of 3 nodes (for example 3 hospitals), where each transaction written to the blockchain, records the following: the action performed, the owner of the medical record, the user that interacts with the record and the date and time this action occurred. Each transaction once recorded is distributed to each node, resulting in every node having an identical log of the audit trail.

On 6 August 2018 Aladdin decided to make one of its software solutions an open source software with the aim to enhance its credibility in the health care market. Aladdin believes that open sourcing parts of its software will result in a vast peer review process that engenders trust within the blockchain community.

By August 2018, Aladdin has uploaded approximately 240,000 electronic medical records of patients from China on its big data platform.

Also in August 2018, Aladdin announced that one of its software solutions, an AI/ machine learning software prototype, which uses an artificial intelligence--based grading algorithm to detect referable diabetic retinopathy, was able to identify diabetes patients from healthy patients to a certain degree. From using 37,266 retinal images Aladdin was able to teach the prototype with the following high reliability: Accuracy to distinguish Normal/Diabetic Retinopathy: 94.3% and Accuracy to distinguish Non-Proliferative/Proliferative: 96.7%. Furthermore, the prototype was able to distinguish the different stages of diabetes (None, Mild, Moderate, Severe, Proliferative) to 84.1% accuracy.

Except as mentioned above, no significant change in Aladdin's financial or trading position has occurred since 31 December 2018.

Outlook

Aladdin intends to further develop its technology in accordance with its business plan. As the Company expects first revenue streams from its third party licensee not before 2019 and intends to expand and to accelerate its software development activities from beginning of 2019 which would result in an increase of monthly operating expenses to EUR 400,000 starting from 1 Janu-

ary 2019, the Company identified a shortfall in working capital for the next twelve months from the date of this Prospectus of approximately EUR 3.5 million. Therefore, the Company considers to raise additional equity financing in the second half of 2018, presumably in October 2018. It is likely that the Company will resolve on a capital increase and issue new shares in the Company against cash contributions by making use of its authorised capital under the articles of association, which provides the Company with the flexibility to resolve on a capital increase without convening a shareholders' general meeting. The exact timing and further details of the proposed capital increase have not been set yet and are still under consideration of the Board of Directors of the Company. At present, it is likely that the Company will consider a capital increase against cash contributions sufficient to cover the working capital requirements under its current business planning for at least the next twelve months from the date of this Prospectus. Due to the previous success of the Company in raising capital in November 2017 combined with a successful first half year in 2018 in terms of development of its software solutions, the Company is very confident in its ability to raise the required capital to satisfy its working capital requirements for the next twelve months from the date of this Prospectus.