

**X $\alpha$ NTHUS**  
HOLDINGS PLC

168 St. Christopher Street  
Valetta VLT1467 / Malta

**Interim Consolidated Financial Statements**

**for the period from  
1 January to 30 June 2015**

Xanthus Holding p.l.c., Malta  
Interim Consolidated Financial Statements as of 30 June 2015

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**Xanthus Holdings p.l.c., Malta**

**Interim Consolidated Statement of Financial Position as of 30 June 2015**

**Assets**

	Notes	30 June 2015 kEUR	31 December 2014 kEUR
<b>A. <u>Non-current assets</u></b>			
Loans	6	2.143	2.032
<b>Total non-current assets</b>		<b>2.143</b>	<b>2.032</b>
 <b>B. <u>Current assets</u></b>			
I. Other investments	7	1.661	1.671
II. Other financial assets	8	6	9
III. Cash and cash equivalents	9	10	9
<b>Total current assets</b>		<b>1.677</b>	<b>1.689</b>
<b>Total assets</b>		<b>3.820</b>	<b>3.721</b>

## Xanthus Holdings p.l.c., Malta

### Interim Consolidated Statement of Financial Position as of 30 June 2015

#### Shareholders' equity and liabilities

	Notes	30 June 2015 kEUR	31 December 2014 kEUR
<b>A. <u>Shareholders' equity</u></b>	10		
I. Common stock		19.758	19.758
II. Accumulated amounts recognised directly in equity relating to currency translation adjustments		-131	-131
III. Accumulated losses		-18.339	-17.977
<b>Total shareholders' equity</b>		<b>1.288</b>	<b>1.650</b>
<b>B. <u>Liabilities</u></b>			
I. Liabilities due to related parties	11	2.293	1.875
II. Trade payables	12	88	35
III. Provisions	13	151	161
<b>Total liabilities</b>		<b>2.532</b>	<b>2.071</b>
<b>Total shareholders' equity and liabilities</b>		<b>3.820</b>	<b>3.721</b>

## Xanthus Holdings p.l.c., Malta

### Interim Consolidated Income Statement for the period from 1 January to 30 June 2015

	<u>Notes</u>	1 January 2015 to 30 June 2015 <u>kEUR</u>	1 January 2014 to 30 June 2014 <u>kEUR</u>
<b>Continuing operations</b>			
<b>Investment revenues</b>			
Interest income	14	111	755
Other business related income	14	8	0
<b>Total investment revenues</b>		<b>119</b>	<b>755</b>
<b>Investment costs</b>			
Management fees	18	-116	-82
Interest expenses	18	-90	-56
Loss from fair value valuation of assets and liabilities	7	-10	-339
Impairment loss on assets		0	-424
Amortisation and impairment on film rights		0	0
Other business related fees		-265	-135
<b>Total investment costs</b>		<b>-481</b>	<b>-1.036</b>
<b>Loss before taxes</b>		<b>-362</b>	<b>-281</b>
Income Taxes		0	0
<b>Loss for the period</b>		<b>-362</b>	<b>-281</b>
Basic and diluted earnings per share		-0,02	-0,01

## Xanthus Holdings p.l.c., Malta

### Interim Consolidated Statement of Comprehensive Income for the period from 1 January to 30 June 2015

	1 January 2014 to 30 June 2015 <u>kEUR</u>	1 January 2014 to 30 June 2014 <u>kEUR</u>
<b>Loss for the period</b>	<b>-362</b>	<b>-281</b>
<b>Other comprehensive income</b>		
<i>Items that will be reclassified subsequently to income statement</i>		
Unrealised gains (losses) from currency translation adjustments, net of tax	0	0
<i>Items that will not be reclassified subsequently to income statement:</i>	0	0
<b>Other comprehensive income (loss)</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income (loss)</b>	<b>-362</b>	<b>-281</b>
thereof loss attributable to shareholders' of the parent	-362	-281

# Xanthus Holdings p.l.c., Malta

## Interim Consolidated Statement of Changes in Shareholders' Equity for the period from 1 January to 30 June 2015

	Share capital		Accumulated	Foreign	Total
	Shares thousands	Amount kEUR	losses Amount kEUR	currency translation adjustment Amount kEUR	shareholders' equity Amount kEUR
<b>Balance 1 January 2014</b>	<b>19.758</b>	<b>19.758</b>	<b>-5.186</b>	<b>-131</b>	<b>14.441</b>
Loss for the period			-281		-281
Other comprehensive loss, net of tax				-	-
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-281</b>	<b>-</b>	<b>-281</b>
<b>Balance 30 June 2014</b>	<b>19.758</b>	<b>19.758</b>	<b>-5.467</b>	<b>-131</b>	<b>14.160</b>
<b>Balance 1 January 2015</b>	<b>19.758</b>	<b>19.758</b>	<b>-17.977</b>	<b>-131</b>	<b>1.650</b>
Loss for the period			-362		-362
Other comprehensive income, net of tax				-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-362</b>	<b>-</b>	<b>-362</b>
<b>Balance 30 June 2015</b>	<b>19.758</b>	<b>19.758</b>	<b>-18.339</b>	<b>-131</b>	<b>1.288</b>

## Xanthus Holdings p.l.c., Malta

### Interim Consolidated Cash Flow Statement for the period from 1 January to 30 June 2015

	Notes	1 January 2015 to 30 June 2015 kEUR	1 January 2014 to 30 June 2014 kEUR
<b>Operating activities:</b>	19		
Loss for the period		-362	-281
<i>Adjustments:</i>			
Loss from valuation of financial assets		10	339
Impairment loss on assets		-	424
Other non cash income and expenses		60	-755
Interest expenses recognised in the income statement		90	56
<i>Movements in working capital:</i>			
Change in assets, provisions and other payables from operating activities		46	137
Interests paid		-1	-3
<b>Cash flow used for operating activities</b>		<b>-157</b>	<b>-83</b>
<b>Investing activities:</b>			
<b>Cash flow from investing activities</b>		<b>0</b>	<b>0</b>
<b>Financing activities:</b>			
Proceeds from related party liabilities		197	105
Redemption of related party liabilities		-39	-21
<b>Cash flow from/used for financing activities</b>		<b>158</b>	<b>84</b>
<b>Increase in cash and cash equivalents</b>		<b>1</b>	<b>1</b>
Opening balance of cash and cash equivalents		9	20
<b>Closing balance of cash and cash equivalents</b>		<b>10</b>	<b>21</b>



## **1 General Information**

Xanthus Holdings p.l.c., Malta, (“the Company”) is a limited liability company incorporated on 21 March 2011 in Malta with a financial year end as of 31 December each year. It is the parent holding company of the Xanthus Group (herein referred to as “the Group”).

The Company is registered with the Registry of Companies in Malta, registration number C 52332 with its registered office at 168, St. Christopher Street, Valletta, VLT1467, Malta.

The principle purpose of Xanthus Holdings p.l.c., Malta, and the Xanthus Group is one of Investment. The objectives of the Company and the Group are to acquire and hold, buy and/or sell shares, stocks, bonds or securities of/or in any other company, any movable or immovable property, and to invest these funds, and the assets of the Company, and the Group as a whole in a matter such as deemed appropriate by the Board of Directors. This also includes the granting/advancing of money, extension of credit to companies and/or partnerships on such terms that the Company and the Group deem appropriate.

## **2 Application of new and revised International Financial Reporting Standards (IFRS) and new and revised IFRSs in issue but not yet effective**

### **(a) Application of new and revised IFRSs**

In publishing its financial statements the Group has applied all relevant new and revised IFRSs which were issued and published by the IASB and IFRIC as far as they were effective for business years commencing on, or after 1 January 2015 and adopted by the EU.

### **Annual Improvements to IFRSs 2011 – 2013 Cycle (Effective for annual periods beginning on or after 1 January 2015)**

The Annual Improvements include amendments to a number of IFRSs: IFRS 3 Business Combinations, IFRS 13 Fair Value Measurements and IAS 40 Investment Property.

The first-time adoption of these amendments does not have any material effect on the consolidated financial statements.

### **(b) New and revised IFRSs in issue but not yet effective**

The following relevant standards/amendments to standards and interpretations have been issued, but are not effective for the financial statements of the Company and have not been considered for early adoption by the Company.

### **IFRS 9 Financial Instruments (as revised in 2014) (Effective for annual periods beginning on or after 1 January 2018)**

The replacement project on financial instruments consists of the following three phases:

- Phase 1: Classification and measurement of financial assets and financial liabilities;
- Phase 2: Impairment methodology; and
- Phase 3: Hedge accounting.

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In July 2014, the IASB finalised the reform of financial instruments accounting and issued IFRS 9 (as revised in 2014), which will supersede IAS 39 *Financial Instruments: Recognition and Measurement* in its entirety upon the former's effective date.

Compared to IFRS 9 (as revised in 2013), the 2014 version includes limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments. It also adds the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit.

The completed IFRS 9 (as revised in 2014) contains the requirements for a) the classification and measurement of financial assets and financial liabilities, b) impairment methodology, and c) general hedge accounting.

*Phase 1: Classification and measurement of financial assets and financial liabilities*

With respect to the classification and measurement under IFRS 9, all recognised financial assets that are currently within the scope of IAS 39 will be subsequently measured at either amortised cost or fair value. Specifically:

- a debt instrument that (i) is held within a business model whose objective is to collect the contractual cash flows and (ii) has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding must be measured at amortised cost (net of any write down for impairment), unless the asset is designated at fair value through profit or loss (FVTPL) under the fair value option.
- a debt instrument that (i) is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets and (ii) has contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, must be measured at FVTOCI, unless the asset is designated at FVTPL under the fair value option.
- all other debt instruments must be measured at FVTPL.
- all equity investments are to be measured in the statement of financial position at fair value, with gains and losses recognised in profit or loss except that if an equity investment is not held for trading, an irrevocable election can be made at initial recognition to measure the investment at FVTOCI, with dividend income recognised in profit or loss.

IFRS 9 also contains requirements for the classification and measurement of financial liabilities and derecognition requirements. One major change from IAS 39 relates to the presentation of changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of that liability. Under IFRS 9, such changes are presented in other comprehensive income, unless the presentation of the effect of the change in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as FVTPL is presented in profit or loss.

*Phase 2: Impairment methodology*

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

*Phase 3: Hedge accounting*

The general hedge accounting requirements of IFRS 9 retain the three types of hedge accounting mechanisms in IAS 39. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify as hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is no longer required. Far more disclosure requirements about an entity's risk management activities have been introduced.

The work on macro hedging by the IASB is still at a preliminary stage – a discussion paper was issued in April 2014 to gather preliminary views and direction from constituents with a comment period ending on 17 October 2014.

*Transitional provisions*

IFRS 9 (as revised in 2014) is effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. If an entity elects to apply IFRS 9 early, it must apply all of the requirements in IFRS 9 at the same time, except for those relating to:

1. the presentation of fair value gains and losses attributable to changes in the credit risk of financial liabilities designated as at FVTPL, the requirements for which an entity may early apply without applying the other requirements in IFRS 9; and
2. hedge accounting, for which an entity may choose to continue to apply the hedge accounting requirements of IAS 39 instead of the requirements of IFRS 9.

An entity may early apply the earlier versions of IFRS 9 instead of the 2014 version if the entity's date of initial application of IFRS 9 is before 1 February 2015. The date of initial application is the beginning of the reporting period when an entity first applies the requirements of IFRS 9.

IFRS 9 contains specific transitional provisions for i) classification and measurement of financial assets; ii) impairment of financial assets; and iii) hedge accounting.

Due to the nature of the Company and its business model the amendments to *IFRS 9* are likely to have a significant impact on the Company's accounting of financial assets. At present, the Company has not opted for early adoption of this standard, thus the full potential impacts on the financial statements have not yet been fully assessed.

**IFRS 14 Regulatory Deferral Accounts (Effective for first annual IFRS financial statements with annual periods beginning on or after 1 January 2016)**

IFRS 14 specifies the accounting for regulatory deferral account balances that arise from rate-regulated activities. The Standard is available only to first-time adopters of IFRSs who recognised regulatory deferral account balances under their previous GAAP. IFRS 14 permits eligible first-time adopters of IFRSs to continue their previous GAAP rate-regulated accounting policies, with limited changes, and requires separate presentation of regulatory deferral account balances in the statement of financial position and statement of profit or loss and other comprehensive income. Disclosures are also required to identify the nature of, and risks associated with, the form of rate regulation that has given rise to the recognition of regulatory deferral account balances.

IFRS 14 is effective for an entity's first annual IFRS financial statements for annual periods beginning on or after 1 January 2016, with earlier application permitted.

It is expected that the first-time adoption of this standard will not have an effect on the consolidated financial statements.

### **IFRS 15 Revenue from Contracts with Customers (Effective for annual periods beginning on or after 1 January 2018)**

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. It will supersede the following revenue standards and interpretations upon its effective date:

- IAS 18 *Revenue*;
- IAS 11 *Construction Contracts*;
- IFRIC 13 *Customer Loyalty Programmes*;
- IFRIC 15 *Agreements for the Construction of Real Estate*;
- IFRIC 18 *Transfers of Assets from Customers*; and
- SIC 31 *Revenue-Barter Transactions Involving Advertising Services*.

As suggested by the title of the new Revenue Standard, IFRS 15 will only cover revenue arising from contracts with customers. Under IFRS 15, a customer of an entity is a party that has contracted with the entity to obtain goods or services that are an output of the entity's ordinary activities in exchange for consideration. Unlike the scope of IAS 18, the recognition and measurement of interest income and dividend income from debt and equity investments are no longer within the scope of IFRS 15. Instead, they are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* (or IFRS 9 *Financial Instruments*, if IFRS 9 is early adopted).

As mentioned above, the new Revenue Standard has a single model to deal with revenue from contracts with customers. Its core principle is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Far more prescriptive guidance has been introduced by the new Revenue Standard:

- Whether or not a contract (or a combination of contracts) contains more than one promised good or service, and if so, when and how the promised goods or services should be unbundled.
- Whether the transaction price allocated to each performance obligation should be recognised as revenue over time or at a point in time. Under IFRS 15, an entity recognises revenue when a performance obligation is satisfied, which is when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Unlike IAS 18, the new standard does not include separate guidance for 'sales of goods' and 'provision of services'; rather, the new standard requires entities to assess whether revenue should be recognised over time or a particular point in time regardless of whether revenue relates to 'sales of goods' or 'provision of services'.
- When the transaction price includes a variable consideration element, how it will affect the amount and timing of revenue to be recognised. The concept of variable consideration is broad; a transaction price is considered variable due to discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties and contingency arrangements. The new standard introduces a high hurdle for variable consideration to be recognised as revenue – that is,

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only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

- When costs incurred to obtain a contract and costs to fulfil a contract can be recognised as an asset. Extensive disclosures are required by the new standard.

Many entities across the different industries will likely be affected by IFRS 15 (at least to a certain extent). In some cases, the changes may be substantial and may require changes to the existing IT systems and internal controls. Entities should consider the nature and extent of these changes.

IFRS 15 is effective for reporting periods beginning on or after 1 January 2018 with early application permitted. Entities can choose to apply the standard retrospectively or to use a modified transition approach, which is to apply the standard retrospectively only to contracts that are not completed contracts at the date of initial application (for example, 1 January 2018 for an entity with a 31 December year-end).

Due to the nature of the Company and its business model the application of *IFRS 15* is likely to have no impact on the Company's accounting of financial assets. At present, the Company has not opted for early adoption of this standard.

**Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations (Effective for annual periods beginning on or after 1 January 2016)**

The amendments to IFRS 11 provide guidance on how to account for the acquisition of an interest in a joint operation in which the activities constitute a business as defined in IFRS 3 *Business Combinations*. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 36 *Impairment of Assets* regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations. The amendments to IFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016.

The first-time adoption will not have any effect on the consolidated financial statements.

**Amendments to IAS 1 Disclosure Initiative (Effective for annual periods beginning on or after 1 January 2016)**

The amendments to IAS 1 are made to remove existing barriers for the preparers in respect of the exercise of discretion in the presentation of financial (materiality, presentation of statement of financial position as well as the profit and loss statement or other comprehensive income).

The impact of the first-time adoption of this amendment is still being analysed and evaluated.

**Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation (Effective for annual periods beginning on or after 1 January 2016)**

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment.

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The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

- a) when the intangible asset is expressed as a measure of revenue. For example, an entity could acquire a concession to explore and extract gold from a gold mine. The expiry of the contract might be based on a fixed amount of total revenue to be generated from the extraction and not be based on time or on the amount of gold extracted. Provided that the contract specifies a fixed total amount of revenue to be generated on which amortisation is to be determined, the revenue that is to be generated might be an appropriate basis for amortising the intangible asset; or
- b) when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016.

The first-time adoption of these amendments will not have any effect on the consolidated financial statements.

**Amendments to IAS 19 Defined Benefit Plans: Employee Contributions (Effective for annual periods beginning on or after 1 February 2015)**

The amendments to IAS 19 clarify how an entity should account for contributions made by employees or third parties that are linked to services to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction of the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service either using the plan's contribution formula or on a straight-line basis; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service. A retrospective application is required.

The first-time adoption of these amendments will not have any effect on the consolidated financial statements.

**IFRIC 21 Levies (Effective for annual periods beginning on or after 17 June 2014)**

IFRIC 21 addresses the issue of when to recognise a liability to pay a levy. The interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period. IFRIC 21 requires retrospective application.

It is expected that the first-time adoption of this interpretation has no material effect on the consolidated financial statements.

**Annual Improvements to IFRSs 2010 – 2012 Cycle (Effective for annual periods beginning on or after 1 February 2015)**

The Annual Improvements include amendments to a number of IFRSs: IFRS 2 – Share-based Payments, IFRS 3 Business Combinations, IFRS 8 Operating Segments, IFRS 13 Fair Value

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Measurements, IAS 16 Property, Plant and Equipment, IAS 38 Intangible Assets and IAS 23 Related Party Disclosures.

The first-time adoption of these amendments will not have any material effect on the consolidated financial statements.

**Annual Improvements to IFRSs 2012 – 2014 Cycle (Effective for annual periods beginning on or after 1 January 2016)**

The Annual Improvements include amendments to a number of IFRSs: IFRS 5 Non-current assets held for sale and discontinued operations, IFRS 7 Financial instruments: disclosures, IAS 19 Employee Benefits and IAS 34 Interim financial reporting.

The first-time adoption of these amendments will not have material effects on the consolidated financial statements.

### **3 Accounting Policies**

#### **3.1 Statement of compliance**

The Interim Consolidated Financial Statements as of 30 June 2015 have been prepared in accordance with the International Financial Reporting Standards applicable to interim financial reporting as adopted by the EU. As permitted by International Accounting Standard 34 *Interim Financial Reporting*, the Board of Directors of the Company decided to publish a condensed version compared to the Consolidated Financial Statements as of 31 December 2014. All International Financial Reporting Standards applied by Xanthus Holdings p.l.c., Malta, have been adopted by the European Commission for use within the EU.

In the opinion of the Board of Directors of the Company, the Interim Consolidated Financial Statements as of 30 June 2015 include all adjustments to be applied on an on-going basis that are required to give a true and fair view of the results of operations, financial position and cash flows of the Xanthus Group.

#### **3.2 Basis of preparation**

The Company prepared Interim Consolidated Financial Statements for the period from 1 January to 30 June 2015 referred to as the “Xanthus Group”. As comparatives the Company disclosed for the purposes of the consolidated statement of financial position the numbers as of 31 December 2014, for the purposes of all other consolidated statements the last year-period from 1 January to 30 June 2014.

The Interim Consolidated Financial Statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* based on historical cost, except for financial instruments which have been measured at fair value in accordance with the appropriate IAS. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The following interim financial statements, in accordance with the fore mentioned reporting standard have been prepared:

- an Interim Consolidated Statement of Financial Position as of 30 June 2015;
- an Interim Consolidated Income Statement for the period from 1 January to 30 June 2015;
- an Interim Consolidated Statement of Comprehensive Income for the period from 1 January to 30 June 2015;

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- an Interim Consolidated Statement of Cash Flows for the period from 1 January to 30 June 2015;
- an Interim Consolidated Statement of Changes in Equity for the period from 1 January to 30 June 2015; and
- a set of accompanying explanatory (condensed) notes to these Interim Consolidated Financial Statements.

The Interim Consolidated Financial Statements have been prepared in Euro (EUR) as this is deemed the functional and reporting currency of the Company and Xanthus Group in accordance with IAS 21. In accordance with proper accounting practices rounding has been applied throughout to the nearest thousand (kEUR), therefore rounding differences may occur.

The Company applies the same accounting policies in its Interim Consolidated Financial Statements as were applied in its Consolidated Financial Statements as of 31 December 2014. The structure of the Statement of Financial Position follows the Current/Non-Current distinction, the classification in the Income Statement is based on the nature of expenses method (investment revenues and investment costs).

Please refer to the Notes to the Consolidated Financial Statements as of 31 December 2014 for detailed information about the accounting policies applied for the Xanthus Group (Note 3).

The Interim Consolidated Financial Statements as of 30 June 2015 have neither been audited nor reviewed.

### 3.3 Going Concern

The Board of Directors has, at the time of approving the Interim Consolidated Financial Statements, a reasonable expectation that the Company and the Xanthus Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the Interim Consolidated Financial Statements.

## 4 Scope of Consolidation

There are no material changes in the consolidation scope compared with 31 December 2014. On 18 June 2015 the place of incorporation of Xanthus Special Investment 1 Limited was changed from Cayman Islands to Malta. The proportions of the ownership interest have not changed. That means, as of 30 June 2015, Xanthus Holdings p.l.c., Malta, held shares in the following entities:

<u>Entity</u>	<u>Place of incorporation</u>	<u>Proportion of ownership interest</u> <u>%</u>
Xanthus Spec 1 Limited	Malta	100.0%
Xanthus Special Investment 1 Limited	Malta (former Cayman Islands)	100.0%
North Wall Productions Limited	Cayman Islands	100.0%

## 5 Segment Information

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Executive in order to allocate resources to the segments, and to assess their performance.



The investment operations of the Xanthus Group are conducted on a global basis, i.e. without differentiating between segments, such as geographical regions, or investment activities. Thus there is only one reportable segment to the Company's business. The Board of Directors has determined this on the following basis:

The purpose of the Company is one of investment. The Company has two major sources of revenue, the first deriving from its ability to acquire and hold, buy and/or sell shares, stocks, bonds or securities of or in any other company and any movable or immovable property, and to invest the funds and assets of the Company in such a manner as the Board may deem fit. The second stream consists of interest obtained from the granting/advancing money and/or credit given to companies or partnerships, on such terms that the company deems appropriate.

Both of these are streams of income, however, for the purposes of internal and external segmental reporting it would be impractical to distinguish between the two, since the granting/advancing of money and/or credit is only given to companies in which the Xanthus Group invest. This, therefore, does not constitute a separable segment. Thus, additional detailed segment information cannot be provided for.

## 6 Loans

Xanthus Group granted several interest-bearing loans to selected entities on a short- and mid-term basis. In most cases, the loans were given to entities in which Xanthus Group is or was invested. The loans are carried at amortised costs using the effective interest method. As of 30 June 2015 they amounted to kEUR 2,143 (31 December 2014: kEUR 2,032). As of 30 June 2015, all of the loans had a remaining outstanding period of more than one year (at 31 December 2014: all of the loans had also a remaining outstanding period of more than one year).

## 7 Other investments

The following table summarizes the several types of securities which are shown as Other investments and valued at their fair values:

	<b>30 June 2015</b>	<b>31 Dec 2014</b>
	kEUR	kEUR
Listed equity securities	913	923
Unlisted equity securities	748	748
<b>Total</b>	<b>1,661</b>	<b>1,671</b>

Listed equity investments are categorised as financial assets at fair value through profit or loss. At 30 June 2015 their fair value was derived from the quoted market price at the stock exchange resulting in a valuation loss of kEUR 10 (kEUR 339 in the period 1 January to 30 June 2014).

Unlisted equity instruments were categorised as financial assets available-for sale measured at cost because they do not have an active market and whose fair value cannot be reliably measured. Here, no changes occurred during the first six months ended 30 June 2015.

## 8 Other financial assets

The Other financial assets (kEUR 6 as of 30 June 2015 and kEUR 9 as of 31 December 2014) constitute several other assets including the purchase price receivable from the sale of a 94% share in

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MERLINCOUNTRY GmbH, Berlin, Germany, and its subsidiaries. The original purchase price receivable (kEUR 10,000) was due for payment by 31 December 2012; however the original purchase price plus interest is still outstanding as of 30 June 2015. Due to the delay in the redemption of the purchase price receivable and the on-going negotiations and garnishment order with the debtor as well as the filed insolvency without court decision yet, the management of Xanthus revised its estimations of future cash flows and carried out an impairment test as of 31 December 2014. At the year-end of 2014, the whole carrying amount was written-down and led to an impairment loss of kEUR 10,424. At 30 June 2015, the carrying amount of the purchase price receivable is EUR 1 (31 December 2014: EUR 1).

## 9 Cash and cash equivalents

As of 30 June 2015 and 31 December 2014 Cash and cash equivalents totalled kEUR 10 and kEUR 9, respectively.

## 10 Shareholders' equity

As of 30 June 2015, Xanthus Holdings p.l.c., Malta, has an authorised capital of 80,000,000 ordinary shares of par value of EUR 1.00, which do not entitle the subscriber to a fixed profit. As of 30 June 2015 and 31 December 2014 a total of 19,757,762 ordinary shares were issued and fully paid in.

	Number of shares		Subscribed capital	
	30 June 2015	31 Dec 2014	30 June 2015	31 Dec 2014
	'000	'000	kEUR	kEUR
Issued and fully paid capital: ordinary shares of par value EUR 1.00	19,758	19,758	19,758	19,758

In the period 1 January to 30 June 2015, Xanthus Group did not grant any share-based-payments.

## 11 Liabilities due to related parties (short-term)

As of 30 June 2015 Xanthus Group discloses short-term borrowings to related parties at an amount of kEUR 2,293 (31 December 2014: kEUR 1,875). We also refer to note 18 below.

## 12 Trade payables

Trade payables amount to a total of kEUR 88 as of 30 June 2015 (31 December 2014: kEUR 35). They consist primarily of unpaid expenses for services rendered.

## 13 Provisions

As of 30 June 2015 and 31 December 2014, Xanthus Group discloses provisions of kEUR 151 and kEUR 161, respectively. They primarily consist of estimated costs and outstanding invoices from lawyers, consultants and auditors. As of 30 June 2015, the reported provisions are short term by nature.

#### 14 Investment revenues

Xanthus Group recognised in the period from 1 January to 30 June 2015 an interest income of kEUR 111 (kEUR 755 for the period from 1 January to 30 June 2014), mainly due from the loans granted to other entities.

Other business related income (kEUR 8 in the period 1 January to 30 June 2015; kEUR 0 in the period from 1 January to 30 June 2014) refers to the cash revenues received from the world-wide use of film rights.

#### 15 Earnings per share

	1 January - 30 June 2015 EUR/Share	1 January - 30 June 2014 EUR/Share
<b>Total Earnings per Share</b>		
Basic Earnings per Share	-0.02	-0.01
Diluted Earnings per Share	-0.02	-0.01

The calculation of the Earnings per Share is based on the following data:

	1 January - 30 June 2015 kEUR	1 January - 30 June 2014 kEUR
Net Profit attributable to Shareholders	-362	-281
Weighted Average Number of Shares, for Basic and Diluted Earnings per Share	19,757,762	19,757,762

No diluted effects were comprised in the calculation of the diluted earnings per share, neither regarding the profit/loss for the interim periods from 1 January to 30 June 2015 and 1 January to 30 June 2014, respectively, nor concerning the number of shares because non-such instruments were used by the entity. Therefore, there were no dilutive effects on the Earnings per Share.

#### 16 Litigations

Regarding the discussions with Mr. Lemberg we refer to note 18. Besides this circumstance the Group was not involved in any legal claims as at 30 June 2015.

#### 17 Governing board and compensations

In the interim period 1 January to 30 June 2015, the Board of Directors of the Company comprised the following persons:

- Dr. Stefan Feuerstein
- Claudio Morandi
- René Muller

Thomas Jacobsen is Secretary of the Company.

The Board of Directors did not receive any remuneration for the period.

## 18 Related party transactions

According to IAS 24 “Related Party Disclosures” an entity is required to identify all relationships and transactions with related parties and individual persons, since the relationships can have an impact on net worth, financial and profit situation of the Xanthus Group.

Intergroup transactions, which are related parties in the sense of IAS 24, are eliminated in the preparation of Interim Consolidated Financial Statements of the Xanthus Group and will not be mentioned in this note. We refer to note 4 for the presentation of all subsidiaries.

As of 30 June 2015, DYVA Holding AG, Switzerland, held 55.37% of the voting shares (31 December 2012: 55.37%), Xanthus Advisory AG, Zug, Switzerland, 0.10% (31 December 2012: 0.10%), and other shareholders’ 44.53% (31 December 2011: 44.53%).

All members of the governing body of the Xanthus Group (Board of Directors) and their immediate family members are deemed to be related parties from the point of view of Xanthus Holdings p.l.c., Malta, in accordance with IAS 24.

The parent company of Xanthus Holdings p.l.c., Malta, **DYVA Holding AG**, Zug, Switzerland, granted a loan to the Group in the amount of kEUR 869 as of 30 June 2015. This loan is granted for an unlimited period but the managing Board of the Group assumes a repayment in the remaining financial year 2015. In the six months period ended 30 June 2015 interest expenses in the amount of kEUR 41 were realized (kEUR 19 in the six months period ended 30 June 2014), the loan bears an interest rate of 10.5%. The outstanding amount of kEUR 869 is disclosed in the interim consolidated financial statements of position as of 30 June 2015 as Liabilities due to related parties. In addition, DYVA Holding AG, Zug, Switzerland, invoiced kEUR 6 to the Group for advanced third-party legal and consulting fees in the six months period ended 30 June 2015 (kEUR 10 in the six months period ended 30 June 2014). This amount was paid as of 30 June 2015.

**Valreco AG**, Winterthur, Switzerland, a company controlled by Mr. Claudio Morandi, member of the Board of Directors of Xanthus Holdings p.l.c., Malta, entered into a Service Level Agreement with XANTHUS SPEC 1 LIMITED to provide administration and management services. In accordance with that agreement, XANTHUS SPEC 1 LIMITED, Malta, compensated Valreco AG, Winterthur, Switzerland, for its services by kEUR 116 for the period from 1 January to 30 June 2015 (kEUR 82 for the period from 1 January to 30 June 2014). As of 30 June 2015, no outstanding balances existed.

**Joerg Lemberg**, a member of the Board of Directors of Xanthus Spec 1 Limited, Malta, holds 75% of the shares in Merlin Holding GmbH, Berlin, Germany, which bought 94% of shares in MERLINCOUNTRY GmbH, Berlin, Germany, on 15 June 2011 from Xanthus Spec 1 Limited, Malta. The total nominal purchase price of kEUR 10,000 was due for payment by 31 December 2012. The respective negotiation with the debtor, represented by Xanthus Holding’s former Chairman, Mr. Joerg Lemberg, had to be terminated by the Company without any result in February 2013. Since then, the Company is consistently evaluating its legal options and initiated first steps to secure its rights and protect its assets. For these negotiations incurred expenses in the amount of kEUR 13, these were recognised during the financial year 2012. During the financial year 2013 an impairment loss in the amount of kEUR 1,617 was recognized. The nominal purchase price amount of kEUR 10,000 bears a 6% interest rate from 1 July 2012 to 31 December 2012 and an 8% interest rate since 1 January 2013, of which the Group recognised kEUR 400 during period from 1 January to 30 June 2014 as interest income (financial year 2013: kEUR 800). Due to the on-going garnishment order and the filed insolvency without court decision yet, the management believes that the gross amount of the purchase price receivable might not be collectable. Therefore an impairment loss for prudence reason of the asset was recognised as of 31 December 2014. The receivable due from Merlin Holding GmbH is disclosed in the balance sheet as of 31 December 2014 in the amount of EUR 1 as other financial asset in the current asset section (see also note 8).

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As of 30 June 2015, Xanthus Special Investment 1 Limited, Cayman Islands, discloses an outstanding loan issued to *Duesseldorf Rheinblick GmbH*, Berlin, Germany, a subsidiary of MERLINCOUNTRY GmbH, Berlin, Germany, at a nominal amount of kEUR 2,000 with an 8% interest rate. This loan was due for repayment by 31 December 2012. The respective negotiation with the debtor, represented by Xanthus Holding's former Chairman, Mr. Joerg Lemberg, had to be terminated by the Company without any result in February 2013. Since then, the Company is consistently evaluating its legal options and initiated first steps to secure its rights and protect its assets. The Board of Directors of Xanthus Special Investment 1 Limited filed a lawsuit on 27 May 2014 against Duesseldorf Rheinblick GmbH and its ultimate owner Mr. Joerg Lemberg, in order to collect its loan receivables. The court decision of the regional court of Cologne confirmed the outstanding loan receivable at the 21<sup>st</sup> of October 2014. The case is still under appeal therefore the Group expects the final repayment by the end of the financial year 2017. The amortised costs as of 30 June 2015 amount to kEUR 1,554 (31 December 2014: kEUR 1,478).

*Asiamerica Limited*, Malta, one of the ultimate shareholder's company's, took over the loan of BT Biofuels GmbH, Berlin, in 2014 and accounted the loan in their Financial Statements as of 31 December 2014. BT Biofuels GmbH granted Xanthus Spec 1 Ltd., Malta, a secured loan of nominal kEUR 150 with an interest rate of 8% p.a. A repayment in the amount of kEUR 103 was made in October 2013. The respective interest expense during the first half of 2015 amounted to kEUR 2 (kEUR 2 for the first half of 2014) and is disclosed in the interim consolidated income statement for the period from 1 January to 30 June 2015. As of 30 June 2015 the outstanding liability amounted to kEUR 39 and is disclosed in the interim financial statements of position as Liabilities due to related parties. Furthermore *Asiamerica Limited*, Malta, took over the loans of the Jimmy Lee (herein referred to as "First Lender") in 2014 and accounted the loan in their Financial Statements as of 31 December 2014. The First Lender granted Xanthus Spec 1 Limited, Malta, several secured loans in a total nominal amount of kEUR 862 with an interest rate of 8% p. a. Additionally *Asiamerica Limited*, Malta, granted during the period of 1 January to 30 of June 2015 several loans in the amount of kEUR 197. Furthermore *Asiamerica Limited*, Malta, invoiced kEUR 168 to the Group for mainly advanced third-party legal and consulting fees in the six months period ended 30 June 2015. This amount is treated as a loan and is disclosed in the interim financial statements of position as Liabilities due to related parties. The respective interest expense during the financial period from 1 January to 30 June 2015 amounted to kEUR 47 (30 June 2014: kEUR 35) and is disclosed in the Consolidated Income Statement for the period from 1 January to 30 June 2015.

As of 30 June 2015 the outstanding liability amounted to kEUR 1,385 and is disclosed in the interim financial statements of position as Liabilities due to related parties.

## 19 Additional information to the interim consolidated cash flow statement

The cash flows included in Investing and Financing activities are calculated on as-paid basis. The cash flows included in Operating Activities are determined indirectly starting from the earnings (loss for the period).

The closing balance of cash and cash equivalents in the Interim Consolidated Cash Flow Statement comprises the following items from the Consolidated Statement of Financial Position:

	30 June 2015	30 June 2014
	kEUR	kEUR
Cash and cash equivalents	10	21
<b>Total</b>	<b>10</b>	<b>21</b>

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Both interests received and taxes paid are included in operating activities. Interest received and paid are separate items in the interim consolidated statements of cash flows and can directly be taken from there. A breakdown of the tax payments can be seen in the following table.

	1 January - 30 June 2015	1 January - 30 June 2014
	<u>kEUR</u>	<u>kEUR</u>
Taxes received	0	0
Taxes paid	0	0

**Non-cash transactions**

We refer to note 18. Xanthus Group did not enter into other material non-cash investing and financing activities during the period 1 January to 30 June 2015,.

**20 Additional information about employees**

During the period from 1 January to 30 June 2015 and from 1 January to 30 June 2014, respectively no employees were engaged by Xanthus Group.

**21 Events after the balance sheet date**

No reportable events occurred after 30 June 2015.

**22 Authorization for issue**

The Board of Directors of Xanthus Holdings p.l.c., Malta, has discussed and approved the Interim Consolidated Financial Statements for issue in accordance with IFRS on 28 September 2015.

**Guarantee of the Management**

In all conscience we assure, as representative for the Board of Directors of Xanthus Holdings p.l.c., Malta, that the Interim Consolidated Financial Statements for the period ended on 30 June 2015 in compliance with IFRS and give a true and fair view of the Xanthus Group's Net Assets, Financial Position, and Results of Operations.

Malta, 28 September 2015

Dr. Stefan Feuerstein

Claudio Morandi

René Muller