



Coreo AG
Semi-Annual Report
30. June 2016

INTERIM BALANCE SHEET as of 30 June 2016

Coreo AG, Frankfurt am Main

AKTIVA

| | EUR | Business Year EUR | Previous Year EUR |
|--|-------------------|----------------------|----------------------|
| A. Long-term assets | | | |
| I. Intangible assets | | | |
| 1. Concessions, industrial and similar rights and assets, and licenses to such rights and assets | | 12,760.02 | 1,272.00 |
| II. Tangible assets | | | |
| 1. Other plant, factory and office equipment | | 10,209.74 | 12,599.00 |
| III. Financial assets | | | |
| 1. Shares in related companies | 0.00 | | 1.00 |
| 2. Shareholdings | 16,488,115.02 | | 18,316,710.91 |
| 3. Loans to companies with which a shareholding relationship exists | | | |
| | <u>1.00</u> | 16,488,116.02 | 1.00 |
| B. Current assets | | | |
| I. Receivables and other assets | | | |
| 1. Trade receivables | 34.90 | | 34.90 |
| 2. Amounts due from related companies with which a shareholding relationship exists | 1.00 | | 1.00 |
| 3. Other assets | <u>513,835.32</u> | 513,871.22 | 3,429.79 |
| II. Cash on hand and bank balances | | 280,973.68 | 1,179,219.38 |
| C. Prepaid expenses and deferred charges | | 7,772.73 | 19,237.42 |
| | | <u>17,313,703.41</u> | <u>19,532,506.40</u> |

INTERIM BALANCE SHEET as of 30 June 2016

Coreo AG, Frankfurt am Main

PASSIVA

| | EUR | Business Year EUR | Previous Year EUR |
|---|------------------|----------------------|----------------------|
| A. Equity capital | | | |
| I. Subscribed capital | | 6,240,000.00 | 6,240,000.00 |
| II. Capital reserves | | 19,826,080.86 | 19,826,080.86 |
| III. Retained earnings | | | |
| 1. Other retained earnings | | 12,544,585.38 | 12,544,585.38 |
| IV. Loss balance carried forward | | 19,196,126.91- | 13,646,835.88- |
| V. Net loss | | 2,262,174.41- | 5,549,291.03- |
| B. Accruals | | | |
| 1. Other provisions | | 73,670.00 | 86,120.00 |
| C. Liabilities | | | |
| 1. Trade amounts payable | | | |
| | 73,020.33 | | 27,351.17 |
| - thereof with a remaining period of up to one year EUR 73,020.33 (EUR 27,351.17) | | | |
| 2. Other current liabilities | <u>14,648.16</u> | 87,668.49 | 4,495.90 |
| - thereof for taxes EUR 11,289.89 (EUR 3,749.27) | | | |
| - thereof for social security costs EUR 775.47 (EUR 746.63) | | | |
| - thereof with a remaining period of up to one year EUR 14,648.16 (EUR 4,495.90) | | | |
| | | <hr/> | <hr/> |
| | | 17,313,703.41 | 19,532,506.40 |
| | | <hr/> <hr/> | <hr/> <hr/> |

PROFIT AND LOSS STATEMENT as of 01.01.2016 until 30.06.2016

Coreo AG, Frankfurt am Main

| | EUR | Business Year EUR | Previous Year EUR |
|--|------------------|----------------------|----------------------|
| 1. Sales revenues | | <u>137.07</u> | <u>2,188.11</u> |
| 2. Total Output | | 137.07 | 2,188.11 |
| 3. Other operating income | | | |
| a) Income from the disposal of fixed assets and from write-ups on fixed assets | 5,074.24 | | 148,168.05 |
| b) Income from the reversal of accruals | 0.00 | | 16,893.83 |
| c) Income from the release of provisions | <u>1,466.45</u> | 6,540.69 | 8,821.75 |
| - thereof revenues from currency conversion EUR 53.42- (preceding year EUR 394.21) | | | |
| 4. Material costs | | | |
| a) Cost for consumables, supplies and for purchased goods | | 0.63- | 0.00 |
| 5. Personnel costs | | | |
| a) Wages and salaries | 123,125.42 | | 191,361.44 |
| b) Social security contributions | | | |
| - thereof from pension provision EUR 1,584.00 (preceding year EUR 3,564.00) | <u>11,074.63</u> | 134,200.05 | 22,597.87 |
| 6. Depreciation and amortization | | | |
| a) of intangible assets and property, plant and equipment | 2,812.08 | | 6,781.77 |
| b) on current assets to the extent that these exceed standard levels | | | |
| | <u>0.00</u> | 2,812.08 | 28,222.21 |
| Transfer | | 130,333.74- | 72,891.55- |

PROFIT AND LOSS STATEMENT as of 01.01.2016 until 30.06.2016

Coreo AG, Frankfurt am Main

| | EUR | Business Year EUR | Previous Year EUR |
|---|--------------|----------------------|----------------------|
| Transfer | | 130,333.74- | 72,891.55- |
| 7. Other operating expenses | | | |
| a) Occupancy costs | 28,826.46 | | 78,732.87 |
| b) Insurance, contributions and taxes | 12,215.72 | | 21,019.33 |
| c) Repairs and maintenance | 725.54 | | 1,038.12 |
| d) Vehicle costs | 3,884.79 | | 236.58 |
| e) Advertising and travel expenses | 8,422.11 | | 18,944.77 |
| f) Miscellaneous operating expenses | 291,510.76 | | 311,858.45 |
| g) Losses from the disposal of assets | 626.00 | | 32,964.35 |
| h) Losses from devaluation or from the disposal of assets and adjustments on claims | 11,666.70 | | 0.00 |
| i) Other expenses within ordinary business activities | <u>32.73</u> | 357,910.81 | 1,744,928.18 |
| - thereof expenses from currency translation EUR 32.73 (preceding year EUR 202.61) | | | |
| 8. Income from other securities and loans forming part of financial assets | | 5,500.02 | 11,000.04 |
| 9. Miscellaneous interest and similar revenues | | 30,732.26 | 38,497.11 |
| 10. Depreciation on financial assets and marketable securities | | 1,810,157.83 | 3,316,167.76 |
| Transfer | | 2,262,170.10- | 5,549,284.81- |

PROFIT AND LOSS STATEMENT as of 01.01.2016 until 30.06.2016

Coreo AG, Frankfurt am Main

| | EUR | Business Year EUR | Previous Year EUR |
|---|-----|----------------------------|----------------------------|
| Transfer | | 2,262,170.10- | 5,549,284.81- |
| - thereof from extraordinary depreciations EUR 1,810,157.83 (preceding year EUR 3,316,167.76) | | | |
| 11. Interest and similar expenses | | 0.00 | 2.24 |
| - thereof from related companies EUR 0.00 (preceding year EUR -0.01) | | | |
| 12. Taxes on income and earnings | | <u>4.31</u> | <u>3.98</u> |
| 13. Pre-tax earnings | | <u>2,262,174.41-</u> | <u>5,549,291.03-</u> |
| 14. Net loss | | <u><u>2,262,174.41</u></u> | <u><u>5,549,291.03</u></u> |

Coreo AG, Frankfurt am Main

Appendix for the business year 30.06.2016

General information

The present annual financial statement was created in accordance with par. 242 et seq. and 264 et seq. HGB (German Commercial Code) in the version of the Bilanzrechtsmodernisierungsgesetz (German Accounting Law Modernization Act) as well as the applicable provisions of the AktG (German Companies Act).

The company is a small limited liability company in terms of § 267, clause 1 HGB (German Commercial Code). The financial relief for small sized limited liability companies has partly been claimed.

For the profit and loss statement, the total cost method was created according to § 275 par. 2 HGB (German Commercial Code). The indication of individual balance sheet items was adjusted to the requirements of the company according to § 265 section 6 HGB (German Commercial Code).

Accounting policies

The **intangible transfers assets** acquired against payment are accounted at acquisition costs and are reduced by scheduled straight-line depreciation over their expected useful lives of 3 to 5 years.

Tangible assets are shown at acquisition cost and, if depreciable, reduced by scheduled straight-line depreciation over their useful lives of 3 to 15 years.

Low-value property items with a value or euro 410.00 are fully depreciated in the year of acquisition. Financial assets are recorded at their acquisition costs or at the lower assignable value. Unscheduled write-downs on financial assets are only accomplished on foreseeable permanent depreciations.

The **financial investments** are valued at cost or at fair value if lower. Extraordinary depreciations are only carried out for financial assets because a lasting reduction in value is to be expected.

Receivables and other assets are normally recognized at the lower of nominal value or fair value at the balance sheet date.

Cash and accounts with credit institutions are shown at their fair value.

The **other accrued liabilities** are rated in a settlement amount which is necessary in accordance with prudent business principles according to § 253 section 1, sentence 2 HGB (German Commercial Code) and take into account all recognizable risks and uncertain obligations. In so far as it is necessary, future cost increases are taken into account. In case of accrued liabilities with a remaining time to maturity of more than one year, a discounting according to § 253 section 2 HGB (German Commercial Code) is carried out.

Liabilities are shown on the liabilities side at their settlement value.

Receivables and liabilities denominated in foreign currencies are recognised with the corresponding average spot exchange rate at the time of the transaction. Foreign-currency denominated assets and liabilities with a remaining time to maturity of one year or less, are recognised according to § 256a sentence 2 HGB (German Commercial Code) without consideration of the acquisition cost and realization principle at the average spot exchange rate at the reporting date. In case of a remaining time to maturity of more than one year, the average spot exchange rate at the reporting date according to § 256a sentence 1 HGB (German Commercial Code) is only applied if that rate for assets is lower and for liabilities higher than the corresponding current rate at the date of the business transaction.

Long-term assets

Development of the fixed assets is shown in the fixed assets movement schedule.

Disclosures of shareholdings:

| | Capital share % | | Equity | | Result | Year |
|--|-----------------------|------|--------|------|--------|------|
| | | | | | | |
| New Asia Investments Pte. Ltd. Pte. Ltd.), Singapur | 19.2 | TSGD | 5,573 | TSGD | -1.478 | 2015 |
| NAMOS GmbH, Dresden | 26.0 | TEUR | -1,061 | TEUR | - 67 | 2014 |
| Lumiphore Inc., Berkeley, USA | 21.4 | TUSD | -291 | TUSD | - 100 | 2015 |

Assets analysis

Development of fixed assets

| | Cost of acquisition/ manufacture | | | | | Depreciation | | | | Carrying value | |
|--|----------------------------------|------------------|------------------|-------------------|----------------------|---------------------|---------------------|-------------------|---------------------|----------------------|----------------------|
| | 1.1.2016 | Additions | Reclassification | Disvestures | 30.06.2016 | 1.1.2016 | Additions | Disvestures | 30.06.2016 | 30.06.2016 | 31.12.2015 |
| | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR |
| I. Intangible assets | | | | | | | | | | | |
| Acquired concessions, commercial property rights and similar rights and values as well as licences at such rights and values | 17,816.94 | 13,040.34 | 0.00 | 11,887.25 | 18,970.03 | 16,544.94 | 978.32 | 11,313.25 | 6,210.01 | 12,760.02 | 1,272.00 |
| II. Tangible assets | | | | | | | | | | | |
| Factory and office equipment | 97,296.07 | 0.00 | 0.00 | 6,050.83 | 91,245.24 | 84,697.07 | 1,833.76 | 5,495.33 | 81,035.50 | 10,209.74 | 12,599.00 |
| III. Financial assets | | | | | | | | | | | |
| 1. Shares in related companies | 415,528.83 | 0.00 | 0.00 | 415,528.83 | 0.00 | 0.00 | 415,527.83 | 415,527.83 | 0.00 | 0.00 | 1.00 |
| 2. Loans to related companies | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3. Investments | 26,207,362.37 | 0.00 | 0.00 | 107,865.74 | 26,099,496.63 | 7,890,651.46 | 1,799,460.89 | 78,730.74 | 9,611,381.61 | 16,488,115.02 | 18,316,710.91 |
| 4. Loans to companies with which a shareholding relationship exists | 166,605.72 | 5,500.02 | 0.00 | 0.00 | 172,105.74 | 166,604.72 | 5,500.02 | 0.00 | 172,104.74 | 1.00 | 1.00 |
| | <u>26,789,496.92</u> | <u>5,500.02</u> | <u>0.00</u> | <u>523,394.57</u> | <u>26,271,602.37</u> | <u>8,057,256.18</u> | <u>2,220,488.74</u> | <u>494,258.57</u> | <u>9,783,486.35</u> | <u>16,488,116.02</u> | <u>18,316,712.91</u> |
| | <u>26,904,609.93</u> | <u>18,540.36</u> | <u>0.00</u> | <u>541,332.65</u> | <u>26,381,817.64</u> | <u>8,158,498.19</u> | <u>2,223,300.82</u> | <u>511,067.15</u> | <u>9,870,731.86</u> | <u>16,511,085.78</u> | <u>18,330,583.91</u> |

Receivables and other assets

Other assets include receivables with more than one year to maturity with euro 0.00 (previous year: EUR 12,872,826.93).

Equity capital

The share capital of the company amounts to a total of euro 6,240,000.00 on the balance sheet reporting date.

The share capital of Coreo AG is divided into 6,240,000 shares which are all made out to the bearer.

According to the resolution of the Annual General Meeting on 31 May 2016, the Chief Executive Officer is authorised with approval of the Supervisory Board to increase the share capital of the company of EUR 6,240,000.00 by EUR 10,400,000.00 up to a total of EUR 16,640,000.00 by issuing 10,400,000 new bearer shares with an equivalent amount in the share capital of EUR 1.00 against a cash contribution or contribution-in-kind.

The Chief Executive Officer is entitled to increase the capital in one or maximum three tranches and to register the capital increase in the Commercial Register. The implementation period is six month after the capital increase is resolved. It may extend to three months if a suit against the capital increase is filed.

Accruals

The other provisions relate mainly to global risk provisioning for the investment portfolio, overdue vacation allowances, reporting costs as well as outstanding purchase invoices.

Liabilities

| | 30.06.2016 | | 31.12.2015 | |
|---|---------------|--|---------------|--|
| | Total TEUR | Residual maturity up to 1 year TEUR | Total TEUR | Residual maturity upt o 1 year TEUR |
| Liabilities from deliveries and services | 73 | 73 | 27 | 27 |
| Other liabilities | 15 | 15 | 4 | 4 |
| | <u>88</u> | <u>88</u> | <u>31</u> | <u>31</u> |

Disclosures and explanations with regard to items of the profit and loss statement

Other operating income

The other operating income essentially contains income from the disposal of financial assets.

Other operating expenses

The other operating expenses relate mainly to external services, advertising and travelling costs, room costs as well as costs for lawyers and consultants.

Other information

Bodies of the company

Chief executive officer in the business year:

- Mr Norbert Neef, lawyer, Berlin, until 30.06.2016
- Mr Marin N. Marinov, Dipl.-Ing., Hofheim, since 02.05.2016

Members of the supervisory board in 2016:

- Mr Stefan Schütze, lawyer (LL.M. in Mergers and Acquisitions), Frankfurt am Main, (chairman)
- Mr Axel-Günter Benkner, economist and Dipl.-Kfm., Nidderau (vice chairman), since 31.05.2016
- Dr. Friedrich Schmitz, CEO of CE Asset Management AG Meilen, Munich, since 31.05.2016
- Mr Diplom-Betriebswirt Achim Lindner, Kulmbach (chairman), until 31.05.2016
- Mr Bernd Förtsch, CEO of Börsenmedien AG, Kulmbach (vice chairman), until 31.05.2016

Frankfurt am Main, 4 August 2016

Chief Executive Officer

Marin N. Marinov