



**Xanthus Holdings p.l.c.**

**168 St. Christopher Street**

**Valetta VLT1467 / Malta**

**Interim Consolidated Financial Statements**

**for the period from  
1 January to 30 June 2014**

Xanthus Holding p.l.c., Malta  
Interim Consolidated Financial Statements as of 30 June 2014

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

**Interim Consolidated Statement of Financial Position as of 30 June 2014**

**Assets**

	Notes	30 June 2014 kEUR	31 December 2013 kEUR
<b>A. <u>Non-current assets</u></b>		<b>0</b>	<b>0</b>
<b>B. <u>Current assets</u></b>			
I. Loans	6	3.544	3.365
II. Other investments	7	2.252	2.591
III. Other financial assets	8	10.000	9.848
IV. Cash and cash equivalents	9	21	20
<b>Total current assets</b>		<b>15.817</b>	<b>15.824</b>
<b>Total assets</b>		<b>15.817</b>	<b>15.824</b>

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

### Interim Consolidated Statement of Financial Position as of 30 June 2014

#### Shareholders' equity and liabilities

	Notes	30 June 2014 kEUR	31 December 2013 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		-5.467	-5.186
<b>Total shareholders' equity</b>		<b>14.160</b>	<b>14.441</b>
<b>B. <u>Liabilities</u></b>			
I. Liabilities due to related parties	11	1.559	1.251
II. Trade payables		19	21
III. Provisions	12	79	111
<b>Total liabilities</b>		<b>1.657</b>	<b>1.383</b>
<b>Total shareholders' equity and liabilities</b>		<b>15.817</b>	<b>15.824</b>

**Xanthus Holdings p.l.c., Malta**  
**Interim Consolidated Income Statement**  
**for the period from 1 January to 30 June 2014**

	<u>Notes</u>	1 January 2014 to 30 June 2014 <u>kEUR</u>	1 January 2013 to 30 June 2013 <u>kEUR</u>
<b>Continuing operations</b>			
<b>Investment revenues</b>			
Interest income	13	755	315
Other business related income	13	0	26
<b>Total investment revenues</b>		<b>755</b>	<b>341</b>
<b>Investment costs</b>			
Management fees		-82	-427
Interest expenses		-56	-17
Loss from fair value valuation of assets and liabilities	7	-339	-312
Impairment loss on assets	8	-424	0
Amortisation and impairment on film rights		0	-24
Other business related fees		-135	-143
<b>Total investment costs</b>		<b>-1.036</b>	<b>-923</b>
<b>Loss before taxes</b>		<b>-281</b>	<b>-582</b>
Income Taxes		0	0
<b>Loss for the period</b>		<b>-281</b>	<b>-582</b>
Basic and diluted earnings per share	14	-0,01	-0,03

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

### Interim Consolidated Statement of Comprehensive Income for the period from 1 January to 30 June 2014

	1 January 2014 to 30 June 2014 <u>kEUR</u>	1 January 2013 to 30 June 2013 <u>kEUR</u>
<b>Loss for the period</b>	<b>-281</b>	<b>-582</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	1
<i>Items that will not be reclassified subsequently to income statement:</i>	0	0
<b>Other comprehensive income (loss)</b>	<b>0</b>	<b>1</b>
<b>Total comprehensive income (loss)</b>	<b>-281</b>	<b>-581</b>
thereof loss attributable to shareholders' of the parent	-281	-581

# Xanthus Holdings p.l.c., Malta

## Interim Consolidated Statement of Changes in Shareholders' Equity for the period from 1 January to 30 June 2014

	Share capital		Accumulated losses	Foreign currency translation adjustment	Total shareholders' equity
	Shares thousands	Amount kEUR	Amount kEUR	Amount kEUR	Amount kEUR
<b>Balance 1 January 2013</b>	<b>19.758</b>	<b>19.758</b>	<b>-4.502</b>	<b>-130</b>	<b>15.126</b>
Loss for the period			-582		-582
Other comprehensive loss, net of tax				1	1
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-582</b>	<b>1</b>	<b>-581</b>
<b>Balance 30 June 2013</b>	<b>19.758</b>	<b>19.758</b>	<b>-5.084</b>	<b>-129</b>	<b>14.545</b>
<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 income, net of tax				-	-
<b>Total comprehensive income</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>

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

### Interim Consolidated Cash Flow Statement for the period from 1 January to 30 June 2014

	<u>Notes</u>	1 January 2014 to 30 June 2014 <u>kEUR</u>	1 January 2013 to 30 June 2013 <u>kEUR</u>
<b>Operating activities:</b>	18		
Loss for the period		-281	-582
<i>Adjustments:</i>			
Loss from valuation of financial assets		339	312
Impairment loss on assets		424	-
Other non cash income and expenses		-755	-289
Interest expenses recognised in the income statement		56	17
<i>Movements in working capital:</i>			
Change in assets, provisions and other payables from operating activities		137	14
Interests paid		-3	-5
<b>Cash flow used for operating activities</b>		<u><b>-83</b></u>	<u><b>-533</b></u>
<b>Investing activities:</b>			
<b>Cash flow from investing activities</b>		<u><b>0</b></u>	<u><b>0</b></u>
<b>Financing activities:</b>			
Proceeds from related party liabilities		105	1.012
Redemption of related party liabilities		-21	0
<b>Cash flow from/used for financing activities</b>		<u><b>84</b></u>	<u><b>1.012</b></u>
<b>Increase in cash and cash equivalents</b>		<u><b>1</b></u>	<u><b>479</b></u>
Opening balance of cash and cash equivalents		20	-463
<b>Closing balance of cash and cash equivalents</b>		<u><u><b>21</b></u></u>	<u><u><b>16</b></u></u>



## 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 of each financial year.

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.

The Company plans to collect the outstanding and due loans and purchase prices at year-end 2014.

## 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 2014 and adopted by the EU.

### **IFRS 10 Consolidated Financial Statements**

*IFRS 10* replaced the parts of *IAS 27* Consolidated and Separate Financial Statements that deal with consolidated financial statements and *SIC-12* Consolidation - Special Purpose Entities. *IFRS 10* changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in *IFRS 10* to explain when an investor has control over an investee. The effective date of *IFRS 10* was 1 January 2014 and was endorsed by the EU in April 2013. The first-time adoption did not have an effect on the consolidated financial statements of the Company.

### **IFRS 11 Interests in Joint Ventures**

*IFRS 11* replaced *IAS 31* Interests in Joint Ventures, and the guidance contained in a related interpretation, *SIC-13* Jointly Controlled Entities — Non-Monetary Contributions by Venturers, has been incorporated in *IAS 28* (as revised in 2011). *IFRS 11* deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under *IFRS 11*, there are only two types of joint arrangements — joint operations and joint ventures. The classification of joint arrangements under *IFRS 11* is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and

circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (e.g. joint venturers) have rights to the net assets of the arrangement. The most significant change in *IFRS 11* from *IAS 31* is the elimination of the proportionate consolidation method, requiring the use of the equity method of accounting for interest in joint ventures. The effective date of *IFRS 11* was on 1 January 2014 and was endorsed by the EU in April 2013. The first-time adoption did not have any effect on the consolidated financial statements of the Company.

### **IFRS 12 Disclosure of Interest in Other Entities**

This standard requires extensive disclosures regarding an entities interest in subsidiaries, joint ventures, associates and unconsolidated structured entities in order to assist users of the financial statements to evaluate the nature and risk associated with its interest in other entities and the effects of those interests on its financial statements. The standard is effective since 1 January 2014 and was endorsed by the EU in April 2013. The adoption of this standard did not have a material impact on the presentation of the Company's financial position and cash flows, but the standard impacts the extent of disclosures for the consolidated financial statements ending 31 December 2014 of the Company.

### **IAS 27 (amended 2011) Separate Financial Statements**

The consolidation principles previously part of *IAS 27* (2008) were amended and are now part of *IFRS 10* Consolidated Financial Statements. The objective of *IAS 27* is to prescribe the accounting requirements for investments in subsidiaries, joint ventures and associates when an entity decides to prepare separate financial statements. The standard became effective on 1 January 2014 and was endorsed by the EU in December 2012. First time application did not have a material effect on the consolidated financial statements of the Company.

### **IAS 28 (revised 2011) Investments in Associates and Joint Ventures:**

Within the scope of the publication of the new standard *IFRS 11* in May 2011, *IAS 28 Investments in Associates* was renamed and amended. Joint ventures, which fall under the definition of "Joint Arrangements" within the new standard *IFRS 11*, have to be capitalised according to the equity method pursuant to the amended *IAS 28*. The underlying approach to determining the existence of significant influence by an entity as well as the regulations regarding the application of the equity method remains unchanged. The new standard is effective since 1 January 2014 and was endorsed by the EU in December 2012. The first-time adoption of the amendments did not have any effects on the consolidated financial statements of the Company.

### **IAS 32 Offsetting Financial Assets and Financial Liabilities**

In December 2011, the IASB issued amendments to *IAS 32 Offsetting Financial Assets and Financial Liabilities*. The principles formulated in *IAS 32* for the offsetting remained unchanged, but have been supplemented by substantiating application guidelines. These illustrate in detail the meaning of the current legally enforceable right to offsetting and include exemplifying criteria under which a system generally geared for gross netting can lead to settle on a net basis. The amendments are applicable since 1 January 2014 and were endorsed by the EU in December 2012. The first-time adoption of the amendments did not have any effects on the consolidated financial statements of the Company.

### **(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***

*IFRS 9*, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. *IFRS 9* was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition. Taking into account the amendments of December 2011, *IFRS 9* is effective for annual periods beginning on or after 1 January 2018. The standard has not yet been endorsed by the EU.

Key requirements of *IFRS 9*:

- All recognised financial assets that are within the scope of *IFRS 39 Financial Instruments: Recognition and Measurement* are to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model, (as is the case for Xanthus Spec 1 Limited, Malta) whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principle and interest on the principle outstanding are generally measured at amortised cost at the end of the subsequent accounting periods. Currently Xanthus is measuring all loans under the amortised cost method and so when the Company fully adopts *IFRS 9* in this instance a material impact is not anticipated. In addition, under *IFRS 9*, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, *IFRS 9* requires that the amount of changes in the fair value of the financial liability, that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes 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. Previously under *IAS 39*, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

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.

### **3 Accounting Policies**

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

The Interim Consolidated Financial Statements as of 30 June 2014 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 2013. 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 2014 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 2014 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 2013, for the purposes of all other consolidated statements the last year-period from 1 January to 30 June 2013.

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 2014;
- an Interim Consolidated Income Statement for the period from 1 January to 30 June 2014;
- an Interim Consolidated Statement of Comprehensive Income for the period from 1 January to 30 June 2014;
- an Interim Consolidated Statement of Cash Flows for the period from 1 January to 30 June 2014;
- an Interim Consolidated Statement of Changes in Equity for the period from 1 January to 30 June 2014; 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 2013. 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 2013 for detailed information about the accounting policies applied for the Xanthus Group (Note 3).

The Interim Consolidated Financial Statements as of 30 June 2014 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 changes in the consolidation scope compared with 31 December 2013. That means, as of 30 June 2014, 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	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 2014 they amounted to kEUR 3,544 (31 December 2013: kEUR 3,365). As of 30 June 2014, all of the loans had a remaining outstanding period of less than one year (at 31 December 2013: all of the loans had also a remaining outstanding period of less 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:

Xanthus Holdings p.l.c., Malta  
Condensed Notes to the Interim Consolidated Financial Statements

	<b>30 June 2014</b>	<b>31 Dec 2013</b>
	kEUR	kEUR
Listed equity securities	893	1,232
Unlisted equity securities	1,359	1,359
<b>Total</b>	<b>2,252</b>	<b>2,591</b>

Listed equity investments are categorised as financial assets at fair value through profit or loss. At 30 June 2014 their fair value was derived from the quoted market price at the stock exchange resulting in a valuation loss of kEUR 339 (kEUR 312 in the period 1 January to 30 June 2013).

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 2014.

## 8 Other financial assets

The Other financial assets (kEUR 10,000 as of 30 June 2014 and kEUR 9,848 as of 31 December 2013) represent the purchase price receivable from the sale of shares in MERLINCOUNTRY GmbH, Berlin, Germany, and its subsidiaries in 2011. This purchase was due for payment by 31 December 2012; however it is still outstanding. Due to the delay in the redemption of the purchase price receivable and the long lasting negotiations with the debtor the management's revised its estimations of future cash flows and carried out an impairment test as of 30 June 2014. Therefore an impairment loss of kEUR 424 (previous period kEUR 0) was recognised for the six months period ended 30 June 2014 in the line item impairment loss on assets. The management of Xanthus Holdings plc. expects the outstanding payment within the next months. The purchase price receivable is secured by the shares sold in MERLINCOUNTRY GmbH.

## 9 Cash and cash equivalents

As of 30 June 2014 and 31 December 2013 Cash and cash equivalents totalled kEUR 21 and kEUR 20, respectively.

## 10 Shareholders' equity

As of 30 June 2014, 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 2014 and 31 December 2013 a total of 19,757,762 ordinary shares were issued and fully paid in.

	Number of shares		Subscribed capital	
	30 June 2014	31 Dec 2013	30 June 2014	31 Dec 2013
	'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 2014, Xanthus Group did not grant any share-based-payments.

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

As of 30 June 2014 Xanthus Group discloses short-term borrowings to related parties at an amount of kEUR 1,559 (31 December 2013: kEUR 1,251). We also refer to note 17 below.

## 12 Provisions

As of 30 June 2014 and 31 December 2013, Xanthus Group discloses provisions of kEUR 79 and kEUR 111, respectively. They primarily consist of outstanding invoices from lawyers, consultants and other third parties. As of 30 June 2014, the reported provisions are short term by nature.

## 13 Investment revenues

Xanthus Group recognised in the period from 1 January to 30 June 2014 an interest income of kEUR 755 (kEUR 315 for the period from 1 January to 30 June 2013), mainly due from the loans granted to other entities.

Other business related income (kEUR 0 in the period 1 January to 30 June 2014; kEUR 26 in the period from 1 January to 30 June 2013) refers to the cash revenues received from the world-wide use of the capitalised film rights.

## 14 Earnings per share

	1 January - 30 June 2014 EUR/Share	1 January - 30 June 2013 EUR/Share
<b>Total Earnings per Share</b>		
Basic Earnings per Share	-0.01	-0.03
Diluted Earnings per Share	-0.01	-0.03

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

	1 January - 30 June 2014 kEUR	1 January - 30 June 2013 kEUR
Net Profit attributable to Shareholders	-281	-582
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 2014 and 1 January to 30 June 2013, 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.

## 15 Litigations

The Xanthus Group is currently not involved in any legal claims.

## 16 Governing board and compensations

In the interim period 1 January to 30 June 2014, 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.

## 17 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 2014, DYVA Holding AG, Switzerland, held 55.37% of 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 bodies of the Xanthus Group (Board of Directors) and their close family members are deemed to be related parties from the point of view of Xanthus Holdings p.l.c., Malta, in the sense used in 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 564 as of 30 June 2014. This loan is granted for an unlimited period but the managing Board of the Group assumes a repayment in the remaining financial year 2014. In the six months period ended 30 June 2014 interest expenses in the amount of kEUR 19 were realized (kEUR 0 in the six months period ended 30 June 2013), the loan bears an interest rate of 10.5%. The outstanding amount of kEUR 564 is disclosed in the interim consolidated financial statements of position as of 30 June 2014 as Liabilities due to related parties. In addition, DYVA Holding AG, Zug, Switzerland, invoiced kEUR 10 to the Group for advanced third-party legal and consulting fees in the six months period ended 30 June 2014 (kEUR 0 in the six months period ended 30 June 2013). The amount of kEUR 10 is still outstanding as of 30 June 2014 and is also disclosed as Liabilities due to related parties in the Consolidated Statement of Financial Position.

Xanthus Advisory AG, Zug, Switzerland, a former subsidiary of DYVA Holding AG, Zug, Switzerland, performed comprehensive financial, legal, tax and business services to the Xanthus Group till 30 June 2013. Therefore, a service level agreement was closed on 3 May 2011 between the involved entities. In accordance with that agreement, XANTHUS SPEC 1 LIMITED, Malta,



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compensated Xanthus Advisory AG, Zug, Switzerland, for its services by kEUR 0 for the period 1 January to 30 June 2014 (kEUR 375 for the period 1 January to 30 June 2013).

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 new 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 82 for the period from 1 January to 30 June 2014 (kEUR 52 for the period from 1 January to 30 June 2013). As of 30 June 2014, outstanding balances existed in the amount of kEUR 12, which is disclosed as provision in the Interim Consolidated Statement of Financial Position as of 30 June 2014.

Joerg Lemberg, a member of the Board of Directors of Xanthus Holdings p.l.c., Malta, and also 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. The nominal purchase price amount of kEUR 10,000 bears a 6% interest rate since 1 July 2012, of which the Group recognised kEUR 800 during the financial year 2013 as interest income, and kEUR 400 for the period from 1 January to 30 June 2014. The receivable due from Merlin Holding GmbH (kEUR 10,000) is disclosed in the balance sheet as of 30 June 2014 as other financial asset in the current asset section (see also note 8). The Board of Directors of Xanthus Spec 1 Limited is in process to enforce legal action against Merlin Holding GmbH and its ultimate owner Mr. Joerg Lemberg, in order to collect its receivables.

As of 30 June 2014, 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 EUR 2 million. 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. Nevertheless the Group expects the final repayment by the end of the financial year 2014. The amortised cost as per 30 June 2014 amounts to kEUR 2,920 (31 December 2013: kEUR 2,778). 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.

BT Biofuels Europe GmbH, Berlin, one of the ultimate shareholder's company's, granted Xanthus Spec 1 Ltd., Malta, a secured loan of nominal kEUR 150 with an interest rate of 8% p.a. The respective interest expense during the first half of 2014 amounted to kEUR 2 (kEUR 5 for the first half of 2013) and is disclosed in the interim consolidated income statement for the period from 1 January to 30 June 2014. As of 30 June 2014 the outstanding liability amounted to kEUR 48 and is disclosed in the interim financial statements of position as Liabilities due to related parties.

Jimmy Lee, Dubai, one of the ultimate shareholder's, granted Xanthus Spec 1 Ltd., Malta, several secured loans in a total nominal amount of kEUR 862 with an interest rate of 8% p.a. The respective interest expense during the first half of 2014 amounted to kEUR 35 (kEUR 7 during the first half of 2013) and is disclosed in the interim consolidated income statement for the period from 1 January to 30 June 2014. As of 30 June 2014 the outstanding liability amounted to kEUR 938 and is disclosed in the interim financial statements of position as Liabilities due to related parties.

## 18 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 2014 kEUR	30 June 2013 kEUR
Cash and cash equivalents	21	16
<b>Total</b>	<b>21</b>	<b>16</b>

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 2014 kEUR	1 January - 30 June 2013 kEUR
Taxes received	0	0
Taxes paid	0	0

### Non-cash transactions

During the period 1 January to 30 June 2014, Xanthus Group did not enter into material non-cash investing and financing activities.

## 19 Additional information about employees

During the period from 1 January to 30 June 2014 and from 1 January to 30 June 2013, respectively no employees were engaged by Xanthus Group.

## 20 Events after the balance sheet date

No reportable events occurred after 30 June 2014.

## 21 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 24 September 2014.

Xanthus Holdings p.l.c., Malta  
Condensed Notes to the Interim Consolidated Financial Statements

**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 2014 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, 24 September 2014

Dr. Stefan Feuerstein

Claudio Morandi

René Muller