



AXON HOLDING SE

REPORT AND FINANCIAL STATEMENTS

For the period from 23 October 2014 to 31 December 2015

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AXON HOLDING SE**OFFICERS AND PROFESSIONAL ADVISORS**

Board of Directors	Ladislav Timulak (appointed 23 October 2014, resigned 23 October 2014) Angeliki Englezou (appointed 23 October 2014, resigned 23 October 2014) Boris Krehel (appointed 3 December 2014) Michal Fresser (appointed 3 December 2014) Manti Giolanta Christou (appointed 03 December 2014) Daniel Legéň (appointed 20 May 2016)
Secretary	Cymanco Services Ltd
Independent Auditors	KPMG Limited Certified Public Accountants and Registered Auditors P.O. Box 40075 6300 Larnaca Cyprus
Banker	J&T BANKA, a.s.
Registered Office	4, Arch. Makariou & Kalogreon Nicolaidis Sea View City, Block C, 5th floor, flat 506 6016, Larnaca Cyprus
Registration number	SE 19

AXON HOLDING SE**BOARD OF DIRECTORS' REPORT**

The Board of Directors of AXON HOLDING SE (the "Company") presents to the members its first report together with the audited financial statements of the Company for the period from 23 October 2014 to 31 December 2015.

INCORPORATION

AXON HOLDING SE (the "Company") was incorporated in Cyprus on the 23 October 2014 as a European Public Limited Liability Company under the Companies Law, Cap. 113.

PRINCIPAL ACTIVITIES

The principal activity of the Company are the holding of investments and provision of financing services to other companies.

FINANCIAL RESULTS

The Company's financial results for the period from 23 October 2014 to 31 December 2015 are set out on page 7 to the financial statements. The net loss for the period attributable to the shareholders of the Company amounted to €110.190.

EXAMINATION OF THE DEVELOPMENT, POSITION AND PERFORMANCE OF THE ACTIVITIES OF THE COMPANY

The current financial position as presented in the financial statements is not considered satisfactory and the Board of Directors is making an effort to reduce the Company losses.

DIVIDENDS

The Board of Directors does not recommend the payment of a dividend.

MAIN RISKS AND UNCERTAINTIES

The main risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 14 to the financial statements.

FUTURE DEVELOPMENTS

The Board of Directors does not expect major changes in the principal activities of the Company in the foreseeable future.

SHARE CAPITAL**Authorised capital**

Under its Memorandum the Company fixed its share capital at 120.000 ordinary shares of nominal value of €1 each.

Upon incorporation on the 23 October 2014 the Company issued to the subscribers of its Memorandum of Association 120.000 ordinary shares of €1 each at par.

AXON HOLDING SE**BOARD OF DIRECTORS' REPORT** *(continued)***BRANCHES**

During the period from 23 October 2014 to 31 December 2015 the Company did not operate any branches.

BOARD OF DIRECTORS

The members of the Company's Board of Directors as at 31 December 2015 and at the date of this report are presented on page 1. All changes to the members of the Board of Directors throughout the period from 23 October 2014 to 31 December 2015 are presented on page 1.

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office.

EVENTS AFTER THE REPORTING PERIOD

The events that occurred after the reporting period are described in note 18 of the financial statements

RELATED PARTY TRANSACTIONS

Disclosed in note 13 to the financial statements.

INDEPENDENT AUDITORS

The independent auditors of the Company, KPMG Limited, have expressed their willingness to continue in office. A resolution giving authority to the Board of Directors to fix their remuneration will be submitted at the forthcoming Annual General Meeting.

By order of the Board of Directors,



Cymanco Services Ltd
Secretary

Larnaca, 24 June 2016



KPMG Limited
Chartered Accountants
Millenium Lion House
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P.O. Box 40075, 6300 Larnaca, Cyprus
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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

AXON HOLDING SE

Report on the financial statements

We have audited the accompanying financial statements of parent company AXON HOLDING SE (the "Company"), on pages 7 to 21, which comprise the statement of financial position as at 31 December 2015, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period from 23 October 2014 to 31 December 2015, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the financial statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113 as amended from time to time (the "Companies Law, Cap. 113"), and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Board Members:

N.G. Syrimis, A.K. Christofides, P.G. Loizou, A.M. Gregoriades, A.A. Demetriou,
D.S. Vakis, A.A. Apostolou, S.A. Loizides, M.A. Loizides, S.G. Sofocleous,
M.M. Antoniadis, C.V. Vasiliou, P.E. Antoniadis, M.J. Ha'los, M.P. Michael,
P.A. Pelatias, G.V. Markides, M.A. Papacosta, K.A. Papanicolaou, A.I. Shiammoutis,
G.N. Tziortzis, H.S. Charalambous, C.P. Anayiotos, I.P. Ghalanos, M.G. Gregoriades,
H.A. Kakoulis, G.P. Savva, C.A. Kalias, C.N. Kalis, M.H. Zavrou, P.S. Efa,
M.G. Lazarou, Z.E. Hadj Zacharias, P.S. Theophanous, M.A. Karantoni, C.A. Markides,
G.V. Andreou, J.C. Nicolaou, G.S. Prodromou, A.S. Sofocleous, G.N. Syrimis, T.J. Yiaseמידes

KPMG Limited, a private company limited by shares, registered in Cyprus under registration number HE 132822 with its registered office at 14, Esperidon Street, 1087, Nicosia, Cyprus.

Nicosia
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INDEPENDENT AUDITORS' REPORT**TO THE MEMBERS OF****AXON HOLDING SE***Independent auditors' responsibility (continued)*

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider the internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of parent company AXON HOLDING SE as at 31 December 2015, and of its financial performance and its cash flows for the period from 23 October 2014 to 31 December 2015 in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Companies Law, Cap. 113.

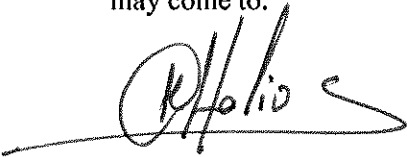
Report on other legal requirements

Pursuant to the requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009, L.42(I)/2009, as amended from time to time ("Law 42(I)/2009"), we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as it appears from our examination of these books.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of the information available to us and according to the explanations given to us, the financial statements give the information required by the Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors on pages 2 and 3 is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT**TO THE MEMBERS OF****AXON HOLDING SE****Other matter**

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of Law 42(I)/2009 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.



Michael J. Halios, BSc (Hons), CPA
Certified Public Accountant and Registered Auditor
for and on behalf of

KPMG Limited
Certified Public Accountants and Registered Auditors
P.O. Box 40075
6300 Larnaca
Cyprus

24 June 2016

AXON HOLDING SE

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOMEFor the period from 23 October 2014 to 31 December 2015

	Note	23/10/2014- 31/12/2015 €
Administrative expenses		<u>(25.376)</u>
Operating loss	4	<u>(25.376)</u>
Finance income		3.467
Finance expenses		<u>(88.281)</u>
Net finance expenses	5	<u>(84.814)</u>
Loss before tax		(110.190)
Tax	6	<u>-</u>
Loss for the period		<u>(110.190)</u>
Other comprehensive income		<u>-</u>
Total comprehensive expense for the period for the period		<u>(110.190)</u>

The notes on pages 11 to 21 are an integral part of these financial statements.


AXON HOLDING SE

STATEMENT OF FINANCIAL POSITION

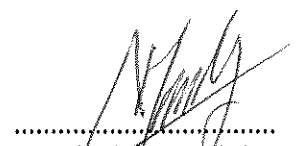
As at 31 December 2015

	Note	31/12/2015 €
Assets		
Investment in subsidiary	7	<u>350.013.950</u>
Total non-current assets		<u>350.013.950</u>
Other receivables	8	101.467
Cash and cash equivalents	9	<u>843</u>
Total current assets		<u>102.310</u>
Total assets		<u>350.116.260</u>
Equity		
Share capital	10	120.000
Reserves		<u>(110.190)</u>
Total equity		<u>9.810</u>
Liabilities		
Loans and borrowings	11	<u>350.101.950</u>
Total non-current liabilities		<u>350.101.950</u>
Other payables	12	<u>4.500</u>
Total current liabilities		<u>4.500</u>
Total liabilities		<u>350.106.450</u>
Total equity and liabilities		<u>350.116.260</u>

On 24 June 2016 the Board of Directors of AXON HOLDING SE approved and authorised these financial statements for issue.



.....
Daniel Legén
Director



.....
Manti Giolanta Christou
Director

The notes on pages 11 to 21 are an integral part of these financial statements.

AXON HOLDING SE

STATEMENT OF CHANGES IN EQUITY

For the period from 23 October 2014 to 31 December 2015

	Note	Share capital €	Retained earnings €	Total €
Comprehensive income				
Loss for the period		-	(110.190)	(110.190)
Issue of share capital	10	<u>120.000</u>	<u>-</u>	<u>120.000</u>
Balance at 31 December 2015		<u>120.000</u>	<u>(110.190)</u>	<u>9.810</u>

Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, during the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 17% will be payable on such deemed dividend to the extent that the ultimate shareholders at the end of the period of two years from the end of the year of assessment to which the profits refer are both Cyprus tax resident and Cyprus domiciled. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year at any time. This special contribution for defence is paid by the company for the account of the shareholders.

The notes on pages 11 to 21 are an integral part of these financial statements.

AXON HOLDING SE

STATEMENT OF CASH FLOWSFor the period from 23 October 2014 to 31 December 2015

	Note	23/10/2014- 31/12/2015 €
Cash flows from operating activities		
Loss for the period		(110.190)
Adjustments for:		
Interest income	5	(3.467)
Interest expense	5	<u>88.000</u>
Cash used in operations before working capital changes		<u>(25.657)</u>
Increase in other payables		<u>4.500</u>
Cash used in operations		<u>(21.157)</u>
Cash flows from investing activities		
Payment for acquisition of investments in subsidiaries	7	(350.013.950)
Loans granted		(115.000)
Loans repayments received		<u>17.000</u>
Net cash used in investing activities		<u>(350.111.950)</u>
Cash flows from financing activities		
Proceeds from issue of share capital		120.000
Proceeds from borrowings		<u>350.013.950</u>
Net cash generated from financing activities		<u>350.133.950</u>
Net increase in cash and cash equivalents		843
Cash and cash equivalents at beginning of the period		<u>-</u>
Cash and cash equivalents at end of the period	9	<u>843</u>

The notes on pages 11 to 21 are an integral part of these financial statements.

AXON HOLDING SE**NOTES TO THE FINANCIAL STATEMENTS**

For the period from 23 October 2014 to 31 December 2015

1. INCORPORATION AND PRINCIPAL ACTIVITIES

AXON HOLDING SE (the "Company") was incorporated in Cyprus on 23rd October 2014 as as a European Public Limited Liability Company under the Companies Law, Cap. 113. Its Registered Office is at 4, Arch. Makariou & Kalogreon, Nicolaides Sea View City, 5th floor, flat 506, P.C. 6016, Larnaca, Cyprus.

The principal activity of the Company are the holding of investments and provision of financing services to other companies.

2. BASIS OF PREPARATION**(a) Statement of compliance**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

The Company is not required by the Cyprus Companies Law, Cap.113, to prepare consolidated financial statements because the Company and its subsidiaries constitute a small sized group as defined by the Law and the Company does not intend to issue consolidated financial statements for the period from 23 October 2014 to 31 December 2015.

The European Union has concluded that since its 4th Directive requires parent companies to prepare separate financial statements, and since the Cyprus Companies Law, Cap. 113, requires the preparation of such financial statements in accordance with IFRS as adopted by the European Union, the provisions of International Financial Reporting Standard 10 'Consolidated Financial Statements' that require the preparation of consolidated financial statements in accordance with IFRS do not apply.

(b) Basis of measurement

The financial statements have been prepared under the historical cost convention.

(c) Adoption of new and revised International Financial Reporting Standards and Interpretations as adopted by the European Union (EU)

During the current period the Company adopted all the changes to International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 23 October 2015.

At the date of approval of these financial statements, Standards, Revised Standards and Interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these financial reporting standards in future periods will not have a significant effect on the financial statements of the Company.

(d) Use of estimates and judgments

The preparation of financial statements in accordance with IFRSs requires from Management the exercise of judgment, to make estimates and assumptions that influence the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are deemed to be reasonable based on knowledge available at that time. Actual results may deviate from such estimates.

AXON HOLDING SE

NOTES TO THE FINANCIAL STATEMENTSFor the period from 23 October 2014 to 31 December 2015**3. SIGNIFICANT ACCOUNTING POLICIES**

The estimates and underlying assumptions are revised on a continuous basis. Revisions in accounting estimates are recognised in the period during which the estimate is revised, if the estimate affects only that period, or in the period of the revision and future periods, if the revision affects the present as well as future periods.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in the following notes:

- Note 16 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Notes 7 and 3 "Impairment of investments in subsidiaries" - determine the recoverability of investments in subsidiaries whenever indicators of impairment are present.

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in notes:

- Note 14 - Financial instruments

(e) Functional and presentation currency

The financial statements are presented in Euro (€) which is the functional currency of the Company.

AXON HOLDING SE

NOTES TO THE FINANCIAL STATEMENTS

For the period from 23 October 2014 to 31 December 2015

3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently for all the years presented in these financial statements.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists where the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiaries are stated at cost, which includes transaction costs, less provision for permanent diminution in value, which is recognised as an expense in the period in which the diminution is identified.

Finance income

Interest income is recognised on a time-proportion basis using the effective method.

Finance expenses

Interest expense and other borrowing costs are recognised in profit or loss using the effective interest method.

Dividends

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company's shareholders.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

(i) Loans granted

Loans originated by the Company by providing money directly to the borrower are categorised as loans and are carried at amortised cost. This is defined as the fair value of cash consideration given to originate those loans as is determined by reference to market prices at origination date. All loans are recognised when cash is advanced to the borrower.

(ii) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank.

(iii) Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(iv) Other Payables

Other payables are stated at their nominal values.

AXON HOLDING SE**NOTES TO THE FINANCIAL STATEMENTS**

For the period from 23 October 2014 to 31 December 2015

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*Derecognition of financial assets and liabilities*Financial assets*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the contractual rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Any interest in such derecognized financial assets that is created or retained by the Company is recognised as a separate asset or liability

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Share capital

Ordinary shares are classified as equity.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

AXON HOLDING SE

NOTES TO THE FINANCIAL STATEMENTS

For the period from 23 October 2014 to 31 December 2015

4. OPERATING LOSS23/10/2014-
31/12/2015
€

Operating loss is stated after charging the following items:

Independent auditors' remuneration 4,500**5. NET FINANCE INCOME AND EXPENSES**23/10/2014-
31/12/2015
€Interest income 3,467Finance income 3,467Interest expense (88.000)
Sundry finance expenses (281)Finance expenses (88.281)Net finance expenses (84.814)**6. TAXATION**Reconciliation of tax based on the taxable income and tax based on
accounting losses:23/10/2014- 23/10/2014-
31/12/2015 31/12/2015
€Accounting loss before tax (110.190)Tax calculated at the applicable tax rates 12,50% (13.774)
Tax effect of expenses not deductible for tax purposes (12,01)% 13.236
Tax effect of loss for the for the period (0,49)% 538Tax as per statement of profit or loss and other comprehensive
income - charge -% -

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Due to tax losses sustained in the period, no tax liability arises on the Company. Tax losses may be carried forward for five years. Group companies may deduct losses against profits arising during the same tax year.

AXON HOLDING SE

NOTES TO THE FINANCIAL STATEMENTS

For the period from 23 October 2014 to 31 December 2015

7. INVESTMENT IN SUBSIDIARY

	31/12/2015 €
Balance at 23 October	-
Additions	<u>350.013.950</u>
Balance at 31 December	<u>350.013.950</u>

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Holding %</u>	31/12/2015 €
AXON Neuroscience SE	Slovak Republic	Neuroscience research	73,6%	<u>350.013.950</u>
				<u>350.013.950</u>

The investment in the subsidiary company is stated at cost.

8. OTHER RECEIVABLES

	31/12/2015 €
Loans receivable	<u>101.467</u>
	<u>101.467</u>

The loan was provided to PM Squared Ltd in the principal amount of € 115.000. The loan bears interest at 3% per annum and has a one year repayment date.

Loans receivable are not secured with collateral or any other guarantee.

The fair values of other receivables due within one year approximate to their carrying amounts as presented above.

AXON HOLDING SE

NOTES TO THE FINANCIAL STATEMENTS

For the period from 23 October 2014 to 31 December 2015

9. CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, the cash and cash equivalents comprise of the following:

	31/12/2015 €
Cash at bank	<u>843</u>
	<u>843</u>

10. SHARE CAPITAL

	31/12/2015 Number of shares	31/12/2015 €
Authorised		
Ordinary shares of €1 each	<u>120.000</u>	<u>120.000</u>
Issued and fully paid		
Issue of shares	<u>120.000</u>	<u>120.000</u>
Balance at 31 December	<u>120.000</u>	<u>120.000</u>

11. LOANS AND BORROWINGS

	31/12/2015 €
Non-current liabilities	
Non-convertible bond	<u>350.101.950</u>
 Maturity of borrowings:	
	31/12/2015 €
Between one and five years	<u>350.101.950</u>

On the 29 December 2015 the company issued 550 bonds of nominal value €1.000.000 per bond at an issue price of 63.6389% of the nominal value of the bond, € 350.013.950. The bond yield to maturity is determined as of the Issue Date by the difference between the nominal value of the Bond and its issue price. Interest of € 88.000 was recognized during the year. The bond maturity date is the 29 December 2020, with an option to the issuer for early repayment after no less than two (2) years from the Issue Date of the bond.

The exposure of the Company to interest rate risk in relation to financial instruments is reported in note 14 to the financial statements.

AXON HOLDING SE

NOTES TO THE FINANCIAL STATEMENTS

For the period from 23 October 2014 to 31 December 2015

12. OTHER PAYABLES

	31/12/2015 €
Accruals	4.500
	4.500

The fair values of other payables due within one year approximate to their carrying amounts as presented above.

The exposure of the Company to liquidity risk in relation to financial instruments is reported in note 14 to the financial statements.

13. RELATED PARTY TRANSACTIONS

The Company is controlled by PAPERLINE HOLDINGS LTD incorporated in Cyprus, which owns 99,995% of the Company's shares.

There were no related party transactions for the period under review.

14. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

Financial risk factors

The Company is exposed to the following risks from its use of financial instruments:

- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company's activities.

AXON HOLDING SE

NOTES TO THE FINANCIAL STATEMENTS

For the period from 23 October 2014 to 31 December 2015

14. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31/12/2015

	Loans and receivables €	Borrowings and other financial liabilities €	Total €
Financial assets not measured at fair value			
Loan receivable	101,467	-	101,467
Cash and cash equivalents	843	-	843
	<u>102,310</u>	<u>-</u>	<u>102,310</u>
Financial liabilities measured at fair value			
Financial liabilities not measured at fair value			
Non-convertible bond	-	350,101,950	350,101,950
	<u>-</u>	<u>350,101,950</u>	<u>350,101,950</u>

B. Financial risk management

(i) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

AXON HOLDING SE

NOTES TO THE FINANCIAL STATEMENTS

For the period from 23 October 2014 to 31 December 2015

14. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT *(continued)**(i) Liquidity risk (continued)*

The following are the contractual maturities of financial liabilities at the reporting date. The amounts are gross and are undiscounted, and include estimated interest payments:

31 December 2015	Carrying amounts €	Contractual cash flows €	Between 3-12 months €	Between 1-5 years €
Non-derivative financial liabilities				
Bond	350.101.950	550.000.000	-	550.000.000
Other payables	4.500	4.500	4.500	-
	<u>350.106.450</u>	<u>550.004.500</u>	<u>4.500</u>	<u>550.000.000</u>

(ii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At the reporting date the interest rate profile of interest-bearing financial instruments was:

	31/12/2015 €
<i>Fixed rate instruments</i>	
Financial assets	101.467
Financial liabilities	(350.101.950)
<i>Variable rate instruments</i>	
Financial assets	843
	<u>(349.999.640)</u>

Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while increasing the return to shareholders through the strive to improve the debt to equity ratio.

AXON HOLDING SE**NOTES TO THE FINANCIAL STATEMENTS**

For the period from 23 October 2014 to 31 December 2015

15. FAIR VALUES

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

16. CONTINGENT LIABILITIES

The Company had no contingent liabilities as at 31 December 2015.

17. COMMITMENTS

The Company had no capital or other commitments as at 31 December 2015.

18. EVENTS AFTER THE REPORTING PERIOD

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements, with the exception of the following:

- On the 17 May 2016 the subsidiary company AXON Neuroscience SE transferred its seat from the Slovak Republic to Cyprus

On 24 June 2016 the Board of Directors of AXON HOLDING SE approved and authorised these financial statements for issue.





AXON HOLDING SE

FINANCIAL STATEMENTS

For the period from 23 October 2014 to 31 December 2015

ADDITIONAL INFORMATION

AXON HOLDING SE

FINANCIAL STATEMENTS

For the period from 23 October 2014 to 31 December 2015

ADDITIONAL INFORMATION

	Schedule
Income statement	1
Administrative expenses	2
Finance income	3
Computation of corporate tax	4
Certificate	5

AXON HOLDING SE

INCOME STATEMENTFor the period from 23 October 2014 to 31 December 2015

		23/10/2014- 31/12/2015 €
	Schedule	
Administrative and selling expenses	2	<u>(25.376)</u>
Operating loss		<u>(25.376)</u>
Finance income		3.467
Finance costs		<u>(88.281)</u>
Net finance expenses	3	<u>(84.814)</u>
Loss before tax		<u>(110.190)</u>
Loss for the period		<u>(110.190)</u>

AXON HOLDING SE

ADMINISTRATIVE EXPENSES

For the period from 23 October 2014 to 31 December 2015

	23/10/2014- 31/12/2015 €
	Schedule
Registrar annual fee	350
Sundry expenses	214
Independent auditors' remuneration	4.500
Legal fees	4.799
Other professional fees	11.581
Secretarial fees	509
Directors' fees	2.023
Travelling	240
Notary fees	<u>1.160</u>
	1
	<u>25.376</u>

AXON HOLDING SE

FINANCE INCOME/COSTFor the period from 23 October 2014 to 31 December 2015

		23/10/2014- 31/12/2015 €
	Schedule	
Finance income		
Other interest income		<u>3,467</u>
		<u>3,467</u>
Finance expenses		
Interest expense		
Debenture interest		(88,000)
Sundry finance expenses		
Bank charges		<u>(281)</u>
		<u>(88,281)</u>
Net finance expenses	1	<u>(84,814)</u>

AXON HOLDING SE

COMPUTATION OF CORPORATE TAX

For the period from 23 October 2014 to 31 December 2015

	Schedule	€	€
Net loss before tax per income statement	1		(110.190)
<u>Add:</u>			
Registrar annual fee		350	
Legal fees		4.799	
Other professional fees		11.581	
Notary fees		1.160	
Bond interest expense		<u>88.000</u>	
			<u>105.890</u>
Net loss for the year			<u>(4.300)</u>

CALCULATION OF TAX LOSSES FOR THE FIVE YEAR PERIOD

Tax year	2010	2011	2012	2013	2014	2015
	€	€	€	€	€	€
Profits/(losses) for the tax year	-	-	-	-	-	(4.300)
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						

Net loss carried forward (4.300)

AXON HOLDING SE

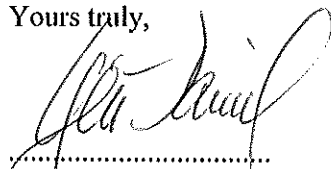
CERTIFICATE

For the period from 23 October 2014 to 31 December 2015

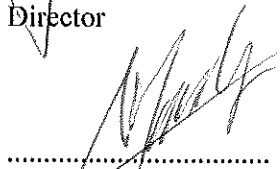
We hereby certify, to the best of our knowledge and belief, that:

- 1) The proceeds of all sales and all other income have been properly recorded as such in the books produced to KPMG Limited.
- 2) All expenses for the year under review represent expenses incurred wholly and exclusively for the Company's business and have been properly recorded as such in the books produced to KPMG Limited.
- 3) All transactions affecting the business for the period under review have been properly recorded in the books produced to KPMG Limited.
- 4) All reserves are properly shown and all necessary provisions have been duly made and shown as such in the books produced to KPMG Limited.
- 5) All assets and liabilities have been properly taken up as at 31 December 2015 in the books produced to KPMG Limited.
- 6) All investments in non-listed titles were presented to KPMG Limited at their fair value, as determined by the Company.
- 7) The Company had no contingent liabilities as at 31 December 2015.
- 8) No events have occurred and no facts have been discovered since the year-end, which could materially affect the true and fair view of these financial statements as at 31 December 2015.

Yours truly,



.....
Daniel Legéñ
Director



.....
Manti Giolanta Christou
Director

Larnaca, 24 June 2016.

