

Freyherr International Group plc

Annual Report and Financial Statements

For the period ended 31 December 2018

Company Registration No. 11160911 (England and Wales)

Freyherr International Group plc

Company Information

Directors	T Frelih L Freyer E Tavčar Benković B Eržen A M Burke	(Appointed 30 January 2019) (Appointed 30 January 2019) (Appointed 20 February 2019) (Appointed 10 April 2019) (Appointed 10 April 2019)
Secretary	D K Papworth	
Company number	11160911	
Registered office	No. 1 London Bridge London SE1 9BG	
Auditor	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD	
Lawyers	Howard Kennedy LLP No. 1 London Bridge London SE1 9BG	

Freyherr International Group plc

Contents

	Page
Directors' report	1
Directors' responsibilities statement	2
Independent auditor's report	3 - 5
Balance sheet	6
Notes to the financial statements	7 - 8

Freyherr International Group plc

Directors' Report

For the period ended 31 December 2018

The directors present their annual report and financial statements for the period from incorporation on 22 January 2018 to 31 December 2018.

Principal activities

The company was dormant during the period.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

D K Papworth	(Appointed 22 January 2018 and resigned 20 February 2019)
T Frelih	(Appointed 30 January 2019)
L Freyer	(Appointed 30 January 2019)
E Tavčar Benković	(Appointed 20 February 2019)
B Eržen	(Appointed 10 April 2019)
A M Burke	(Appointed 10 April 2019)

Auditor

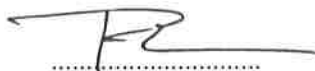
Kingston Smith LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



.....
T Frelih

Director 30.5.2019

Date:

Freyherr International Group plc

Directors' Responsibilities Statement

For the period ended 31 December 2018

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Freyherr International Group plc

Independent Auditor's Report

To the Members of Freyherr International Group plc

Opinion

We have audited the financial statements of Freyherr International Group plc (the 'company') for the period ended 31 December 2018 which comprise the Profit And Loss Account, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Freyherr International Group plc

Independent Auditor's Report (Continued)

To the Members of Freyherr International Group plc

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Freyherr International Group plc

Independent Auditor's Report (Continued)

To the Members of Freyherr International Group plc

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's members as a body, for our work, for this report, or for the opinions we have formed.



Jonathan Sutcliffe (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

31 May 2019

Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Freyherr International Group plc

Balance Sheet

As at 31 December 2018

	Notes	2018 £	£
Debtors	2	0.01	
Net current assets			<u>0.01</u>
Net assets			<u>0.01</u>
Called up share capital	3		<u>0.01</u>
Total equity			<u>0.01</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 30.5.2019..... and are signed on its behalf by:



T Frelih
Director

Company Registration No. 11160911

Freyherr International Group plc

Notes to the Financial Statements

For the period ended 31 December 2018

1 Accounting policies

Company information

Freyherr International Group plc is a public company limited by shares incorporated in England and Wales. The registered office is No. 1 London Bridge, London, United Kingdom, SE1 9BG.

1.1 Accounting convention

The consolidated financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, IFRIC interpretations and the Companies Act 2006 as applicable to companies reporting under IFRS.

The financial statements are prepared in sterling, which is the functional currency of the company.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The directors expect there will be a cash requirement of around £250,000 to cover obligations and liabilities as they fall due over the twelve months period from the approval of the accounts. During this period, directors are confident that the cash flows of the subsidiary undertakings will be sufficient to meet these obligations as they fall due. If required, directors are also confident in the ability to raise external institutional investment to support the company.

As such, the directors have reasonable expectation that the company has sufficient resources to meet its liabilities as they fall due for at least one year from the date of approval of the accounts and accordingly continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Reporting period

The reporting period is for a period of less than one year to align the company's year end to other group companies at the end of its first period of account.

1.4 Financial instruments

Basic financial instruments are measured at cost. The company has no other financial instruments or basic financial instruments measured at fair value.

1.5 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

2 Debtors

Amounts falling due within one year:

Unpaid share capital

2018

£

0.01

Freyherr International Group plc

Notes to the Financial Statements (Continued)

For the period ended 31 December 2018

3 Called up share capital

	2018 £
Ordinary share capital	
Issued	
1 Ordinary shares of £0.01 each	0.01
	<u>0.01</u>

On incorporation 1 ordinary share of £0.01 was issued at par.

4 Events after the reporting date

Acquisition of Freyherr d.o.o.

On 20 February 2019, the company acquired 100% of the issued share capital of Freyherr d.o.o., a company incorporated and registered in Slovenia. This occurred through a share for share exchange whereby the company issued 24,999,989 new ordinary shares of £0.01 each for £0.03 per share in exchange for a 99% holding in Freyherr d.o.o., and purchased the remaining 1% subsequently for consideration of £870.

Acquisition of minority interest of Freyherr Pharma d.o.o. (formerly INAM d.o.o., name change effective 7 May 2019)

On 9 April 2019, Freyherr d.o.o., a wholly owned subsidiary of the company, entered into a share purchase agreement with Olium d.o.o., a company incorporated and registered in Slovenia, to purchase a 30% minority interest of Freyherr Pharma d.o.o., a company incorporated and registered in Slovenia. The consideration is payable on admission of the Ordinary shares of Freyherr International Group plc to trading on the NEX Exchange Growth Market and shall be satisfied by:

(i) the issue of such number of new Ordinary shares which shall equal the sum of €500,000 divided by the price per Ordinary share as at admission;

(ii) the grant of share options in respect of 236,743 Ordinary shares at an exercise price per share equal to €1.584, subject to certain vesting terms, and;

(iii) the grant of share options in respect of such number of Ordinary shares as shall be equal to the sum of €375,000 divided by the the price per Ordinary share as at admission, subject to certain vesting terms. The share options are also subject to certain terms regarding the continuous service of key personnel of Olium d.o.o..

Loan conversion

On 10 April 2019, Freyherr d.o.o., a wholly owned subsidiary of the company, converted a loan of €400,000 owed to Gedala Limited, a company incorporated and registered in Cyprus, by issue of 252,525 new fully paid ordinary shares of £0.01 each in the capital of Freyherr International Group plc to Gedala Limited.

All shares issued in respect of all of the above post balance sheet events rank pari passu with existing ordinary shares.

Re-registration as a public limited company

On 26 April 2019, the company re-registered from a private limited to a public limited company. In this process the name of the company changed from Freyherr International Group Limited to Freyherr International Group plc.

