



CONSOLIDATED INTERIM REPORT FOR THE 12 MONTHS OF 2023 (UNAUDITED)

beginning of reporting period: 01.01.2023

end of the reporting period: 31.12.2023

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Management Report

The Management Report has been prepared for the consolidated financial results of J. Molner AS, The J. Molner Company OÜ and The J. Molner Company LLC (hereinafter the "Group") for the 12 months of 2023. J. Molner AS was established on 22.09.2022 as a holding company without independent economic activity. The purpose of establishing J. Molner AS was to enable the initial public offering (IPO) and admission to trading on the First North multilateral trading system of the shareholding in The J. Molner Company OÜ. As the corporate form (private limited company) of The J. Molner Company OÜ does not allow it to make a public offering of the holding and apply for admission to trading, J. Molner AS as a public limited company was founded. J. Molner AS was established with non-monetary contribution, the object of which was a 100% holding in The J. Molner Company OÜ, thus J. Molner AS is the parent company of The J. Molner Company OÜ. The J. Molner Company Inc. is a subsidiary of The J. Molner Company OÜ. In the beginning of 2023, the U.S. entity The J. Molner Company LLC was acquired. The main purpose of the U.S. entity is the sale of the Group's products in the U.S. market.

In January 2023, the Group successfully passed its inspection of Eesti Ravimiamet. During the year of 2023, the Group continued the development of its own generic drugs and the provision of analytical chemistry and method development services to third parties. In terms of analytical and development services, the Group served customers from the United States, Canada, and Europe. In addition, the Group continued to return to the market three U.S. registered drugs owned by the Group since 2022. J. Molner has presented its first complete submission to the U.S. Food and Drug Administration in July 2023. Molner's generic topical drug, MOL-004, is subject to FDA review and may be eligible for approval in the first half of 2024. In September 2023 Group announced a licensing agreement to broaden its reach in the United States. The agreement involves licensing rights for five approved generic topical pharmaceutical products. Molner will lead the effort to reintroduce these products to the US market and will commercialize the products. Molner estimates that three of those products will be relaunched over the year 2024 and two of them in the first half of the year 2025.

In November 2023 J. Molner entered the US Market with Hydrocortisone Butyrate Lotion, 0.1%. "Our entrance into the US market with the Hydrocortisone Butyrate Lotion, 0.1% is a measured step forward for J. Molner AS," remarked Jason Grenfell-Gardner, Founder of J. Molner AS. "We look at this achievement as a direct result of our focus on meticulous planning and execution. It is a strong platform from which we will continue to deliver quality pharmaceuticals to meet patient needs globally."

For one drug product, the Group received its first ever new market approval from Health Canada in June 2023; the application for approval for the second drug product was submitted in March 2023. In April 2023, The Group entered into a licensing agreement with a Canadian pharmaceutical distributor to commercialize two injectable drug products in Canada, pending approval from Health Canada. In addition, the Group has entered into a licensing agreement with the same Canadian pharmaceutical distributor to develop two drug products at the Group's laboratory in Tallinn.

Important notes:

- The Group's business is not seasonal.
- The Group's activities are not accompanied by significant environmental and social impacts.
- Interest rates did not change significantly during the financial year and the period of preparation of the interim report.
- As J. Molner AS was founded using the 100% shareholding in The J. Molner Company OÜ as non-monetary contribution the consolidated comparative data is provided for period 01.10.2022-31.12.2022.

As per 31.12.2023 the total consolidated unaudited balance sheet of J. Molner AS was EUR 3,142,464 (as per 31.12.2022, EUR 1,746,410). The total consolidated balance sheet increased by 44% compared to the total consolidated balance sheet at the end of 2022. As per 31.12.2023, consolidated current assets amounted to EUR 492,896 (as per 31.12.2022 EUR 816,776), which is 16% of total assets (as per 31.12.2022 47%).

As per 31.12.2023 consolidated fixed assets amounted to EUR 2,649,567 (as per 31.12.2022 EUR 929,634), which is 84% of total assets (as per 31.12.2022 53%). As per 31.12.2023 the consolidated liabilities of J. Molner AS amounted to EUR 2,879,294 (as per 31.12.2022 EUR 1,484,767), which is 92% of the total balance sheet (as per 31.12.2022 85%). As per 31.12.2023 the consolidated equity was EUR 263,168 (as per 31.12.2022 EUR 261,643), which is 8% from total balance sheet (as per 31.12.2022 15%).

In 2023 the Group's investments to fixed assets were EUR 1,745,162, including completed Hydrocortisone Butyrate Lotion project EUR 481,449 and spent EUR 1,162,693 on research and development. Depreciation expenses for the 12-month of 2023 amounted to EUR 31,979.

In April 2023, J. Molner AS concluded an unsecured loan agreement which extended the existing credit facility of The J. Molner Company OÜ and under which J. Molner AS is entitled to draw down an additional loan with a principal of up to USD 2,000,000. The term of the loan is five years, and the interest is 7% p.a. As per 31.12.2023 the consolidated unaudited loan liabilities were EUR 2,178,815 (as per 31.12.2022 EUR 1,296,357), of which EUR 267,645 is short term liabilities (as per 31.12.2022 EUR 274,178) and EUR 1,911,170 (as per 31.12.2022 EUR 1,022,179) is long term liabilities. In 2023, a short-term loan in the amount of EUR 26,174 was repaid. In 2023 interest of the loans was EUR 157,022. In the period 01.10.2022-31.12.2022 the interest on loans was EUR 26,431 EUR.

As per 31.12.2023 the consolidated unaudited sales revenue was EUR 617,563, in the period 01.10.2022-31.12.2022 the consolidated unaudited sales revenue was EUR 22,987. Consolidated unaudited sales revenue for the second half of 2023 increased by 22% compared to the first half of 2023. In 2023 the consolidated unaudited loss was EUR 1,085,185, in period 01.10.2022-31.12.2022 the consolidated unaudited loss was EUR 318,612.

As per 31.12.2023 The Group had 26 employees, 1 member of the management board and 3 members of the supervisory board. In 2023 the consolidated unaudited labor costs amounted to EUR 1,059,938, of which EUR 21,711 was the costs of the option reserve provided to employees.

Financial Ratios	2023	H1 2023	2022
Current Ratio	0,51	1,86	1,77
Net Working Capital	-475 288	432 399	354 188
EBITDA	-914 865	-378 369	-392 813
Equity Ratio, %	8,37	38,87	14,98
Return on Total Assets, %	-175,72	-164,17	-1386,05
Total Debt Ratio, x	0,92	0,61	0,85

Current Ratio = Current assets / Current liabilities

Net Working Capital = Current assets - Current liabilities

EBITDA = Operating profit+Depreciation and impairment loss

Equity Ratio = Equity / Cost of Assets *100

Return on Total Assets = Net Profit / Revenue *100

Total Debt Ratio = Liabilities / Total liabilities and owners` equity

The consolidated interim accounts

Consolidated statement of financial position

(In Euros)

	31.12.2023	30.06.2023	31.12.2022	Note
Assets				
Current assets				
Cash and cash equivalents	92 522	675 300	722 796	2
Receivables and prepayments	328 133	248 704	84 592	3
Inventories	72 242	9 388	9 388	4
Total current assets	492 897	933 392	816 776	
Non-current assets				
Investments in subsidiaries and associates	263	263	263	
Receivables and prepayments	9 595	2 377	0	3
Property, plant and equipment	213 402	159 185	138 815	6
Intangible assets	2 426 307	1 243 576	790 556	7
Total non-current assets	2 649 567	1 405 401	929 634	
Total assets	3 142 464	2 338 793	1 746 410	
Liabilities and equity				
Liabilities				
Current liabilities				
Loan liabilities	267 645	277 483	274 178	8
Payables and prepayments	700 480	223 510	188 410	9,10
Total current liabilities	968 125	500 993	462 588	
Non-current liabilities				
Loan liabilities	1 911 170	928 670	1 022 179	8
Total non-current liabilities	1 911 170	928 670	1 022 179	
Total liabilities	2 879 295	1 429 663	1 484 767	
Equity				
Equity held by shareholders and partners in parent company				
Issued capital	1 686 001	1 686 001	1 686 001	
Share premium	612 327	612 327	612 327	
Other reserves	1 836 711	1 842 013	750 000	
Retained earnings (loss)	-2 786 685	-2 786 685	-2 468 073	
Reporting period profit (loss)	-1 085 185	-444 526	-318 612	
Total equity held by shareholders and partners in parent company	263 169	909 130	261 643	
Total equity	263 169	909 130	261 643	
Total liabilities and equity	3 142 464	2 338 793	1 746 410	

Consolidated income statement

(In Euros)

	2023	01.07.2023 - 31.12.2023	01.01.2023 - 30.06.2023	01.10.2022 - 31.12.2022	Note
Revenue	617 563	346 794	270 769	22 987	11
Other income	21 079	16 443	4 636	2 719	
Work performed by entity and capitalized	667 922	385 129	282 793	74 418	
Raw materials and consumables used	-411 428	-318 301	-93 127	-61 429	
Other operating expense	-725 478	-405 328	-320 150	-259 686	12
Employee expense	-1 059 938	-542 280	-517 658	-170 603	13
Depreciation and impairment loss (reversal)	-31 979	-22 521	-9 458	-3 701	6,7
Other expense	-24 584	-18 952	-5 632	-1 219	
Operating profit (loss)	-946 843	-559 016	-387 827	-396 514	
Interest expenses	-157 022	-100 053	-56 969	-26 431	
Other financial income and expense	18 680	18 410	270	104 333	
Profit (loss) before tax	-1 085 185	-640 659	-444 526	-318 612	
Reporting period profit (loss)	-1 085 185	-640 659	-444 526	-318 612	
Profit (loss) from shareholders and partners in parentcompany	-1 085 165	-640 659	-444 526	-318 612	

Consolidated statement of cash flows

(In Euros)

	2023	01.01.2023 - 30.06.2023	22.09.2022 - 31.12.2022
Cash flows from operating activities			
Receipts of sales of goods and rendering of services	548 480	205 681	24 999
Payments to suppliers for goods and services	-1 902 631	-714 684	-373 983
Payments to employees	-609 089	-264 531	-87 890
Other cash flows from operating activities	-251 289	-87 090	-69 662
Total cash flows from operating activities	-2 214 529	-860 624	-506 536
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	-432 319	-93 452	-96 837
Other cash payments to acquire other financial investments	-9 415	-2 377	0
Interest received	170	63	5
Total cash flows from investing activities	-441 564	-95 766	-96 832
Cash flows from financing activities			
Loans received	1 812 304	908 894	0
Proceeds from issuing shares	0	0	698 328
Other cash inflows from financing activities	213 515	0	0
Total cash flows from financing activities	2 025 819	908 894	698 328
Total cash flows	-630 274	-47 496	94 960
Cash and cash equivalents at beginning of period	722 796	722 796	627 836
Change in cash and cash equivalents	-630 274	-47 496	94 960
Cash and cash equivalents at end of period	92 522	675 300	722 796

Consolidated statement of changes in equity

(In Euros)

	Equity held by shareholders and partners in parent company				Total
	Issued capital	Share premium	Other reserves	Retained earnings (loss)	
22.09.2022	1 600 000	0	750 000	0	2 350 000
Reporting period profit (loss)	0	0	0	-2 786 685	-2 786 685
Issue of equity	86 001	612 327	0	0	698 328
31.12.2022	1 686 001	612 327	750 000	-2 786 685	261 643
Reporting period profit (loss)	0	0	0	-444 526	-444 526
Changes in reserves	0	0	1 092 013	0	1 092 013
30.06.2023	1 686 001	612 327	1 842 013	-3 231 211	909 130
Reporting period profit (loss)	0	0	0	-640 659	-640 659
Changes in reserves	0	0	-5 302	0	-5 302
31.12.2023	1 686 001	612 327	1 836 711	-3 871 870	263 169

* In 2023, the increase in the voluntary reserve in the amount of 1,065,000 euros and the option reserve in the amount of 21,711 euros are reflected in changes in other reserves.

Notes

Note 1 Accounting policies

General information

The financial accounts of J. Molner AS for the 12 months of financial year 2023 have been prepared in accordance with the Estonian financial reporting standard. The Estonian financial reporting standard is established by the Accounting Act of the Republic of Estonia, which is supplemented by the guidelines issued by the Accounting Standards Board.

This is a consolidated unaudited interim report of a small sized business.

The interim accounts have been prepared in Euros.

The principal accounting policies adopted are set out below.

Preparation of consolidated statements

In the consolidated report, all subsidiaries are consolidated line by line. All claims and liabilities within the group, transactions between group companies and unrealized profits and losses resulting from them have been eliminated.

Separate non-consolidated main statements of the consolidating entity (parent company) are published in the appendices to the interim consolidated financial statements. The parent company's basic reports have been prepared using the same accounting principles that have been applied in the preparation of the consolidated interim report, except for investments in subsidiaries and affiliates, which are reflected in the unconsolidated report using the acquisition cost method.

A company over which the parent company has control is considered a subsidiary company. A subsidiary is considered to be under the control of the parent company if the parent company directly or indirectly owns more than 50% of the subsidiary's voting shares or parts or is otherwise able to control the subsidiary's operational and financial policy.

Financial assets

The company has the following financial asset: cash. Financial assets are initially recognized at cost, this being the fair value of the consideration given. The acquisition cost includes all expenditures directly related to the purchase of the financial asset. All regular purchases and sales of financial assets in market value are recognized on the transaction date. Following initial recognition, financial assets are measured based on their type either at fair value, at acquisition cost or at amortized cost.

Financial assets are derecognized when the company loses the right to receive cash flows from the financial asset or it transfers the financial asset, the cash flows from the financial assets and the majority of risks and rewards to other parties.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet and in the cash flow statement include cash in bank accounts (except overdraft).

Foreign currency transactions and assets and liabilities denominated in a foreign currency

The company's functional currency is Euro, all other currencies are deemed foreign currencies. Transactions denominated in foreign currencies are recorded on the basis of the foreign currency exchange rates of the European Central Bank officially valid on the transaction date. Monetary assets and liabilities (receivables paid in cash and loans) denominated in foreign currency are translated at balance sheet date into Euros based on the official foreign exchange rates of the European Central Bank. Gains and losses on foreign currency revaluations are recognized in the income statement in the corresponding accounting period. Non-monetary assets and liabilities denominated in foreign currencies, which are not carried at fair value (eg. prepayments, property, plant and equipment and intangible assets), are not revalued at balance sheet date, but instead are recorded with the exchange rate of the European Central Bank that was valid on the transaction date.

Shares of subsidiaries and associates

A company over which the parent company has a dominant influence is considered a subsidiary company. Dominant influence is assumed if the parent company directly or through subsidiaries owns more than 50% of the subsidiary's voting rights. Dominant influence also exists if the parent company owns 50% or less of the voting power in the subsidiary, but the parent company: (1) has actual controlling influence over more than 50% of the voting power by agreement with other investors; (2) has a dominant influence over the company's financial and operating policy based on the articles of association or contract; (3) can appoint or recall the majority of the members of the executive management and higher management bodies (e.g. the company's management board and supervisory board); or (4) can determine the decisions of executive management and senior management meetings.

Investments in subsidiaries are recorded on the balance sheet using the acquisition cost method.

Receivables and prepayments

Accounts receivable are receivables arising from ordinary business transactions of the company. Accounts receivables are recorded using the amortized cost method (i.e. nominal value less impairment loss).

The collectability of the accounts receivable is considered separately by each customer. Accounts receivables, which partly or fully are not expected to be collected, are expensed, and reported in the income statement as "Other operating expense". Receivables, collection of which is not feasible nor economically justified, are considered to be non-collectible and written-off from the balance sheet.

Receipt of doubtful receivables previously written down is recognized as a decrease in the expense of doubtful receivables.

Inventories

Inventories are initially recognized at cost which comprises costs of purchase, production costs and other costs incurred in bringing the inventories to their present location and condition.

Inventories are expensed using the FIFO method.

Inventories are measured in the balance sheet at the lower of cost or net realizable value. Net realizable value is the estimated selling price of a annual report product in the ordinary course of business less the estimated costs of completion and those necessary to make the sale.

Plant, property and equipment and intangible assets

Property, plant, and equipment are assets used in the company's own business activities with a useful life exceeding one year and the cost of at least 1,350 Euros.

A property, plant and equipment are initially recorded at cost which comprises the purchase price and other costs directly attributable to the acquisition that are necessary for bringing the asset to its operating condition and location. Property, plant, and equipment are carried in the balance sheet at acquisition cost, less accumulated depreciation, and any accumulated impairment losses.

If the major components of an item of property, plant and equipment have significantly different useful lives, these components shall be recognized initially as separate items of property, plant and equipment and separate depreciation rates shall be assigned to them depending on their useful lives.

An intangible asset is initially recorded at a cost which comprises the purchase price and other costs directly attributable to the acquisition. An intangible asset is carried in the balance sheet at its cost, less accumulated amortization, and any accumulated impairment losses.

Pharmaceutical products in development are recorded as unfinished projects. Once products in development are approved for sale, the amounts will be allocated to product rights and will be amortized. Unfinished projects also include product acquisition costs representing product rights obtained from third parties possessing regulatory approvals in respective markets, however, production of which has not yet started. Product acquisition costs are reclassified as intangible assets in use and will be amortized once products are commercialized.

Minimal acquisition cost 1350**Useful life by assets group (years)**

Assets group name	Useful life
Machinery and equipment	5-20
Other property, plant, and equipment	2-5
Concessions, patents, licenses, trademarks	10

The company performs an impairment test at each balance sheet date on those assets where there is any indication of potential impairment.

An impairment test is performed to determine the recoverable amount of an asset, which is the higher of the two indicators – fair value of an asset (less costs to sell) and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the use of an asset and from the disposal at the end of its useful life.

When an impairment test is not feasible for an individual asset because the cash flows being generated by the asset are indistinguishable from the cash flows of the rest of the entity, an impairment test shall be performed for the cash-generating unit to which the asset belongs.

Assets are written down to their recoverable amount if the recoverable amount of the asset is lower than its carrying amount. The impairment loss is recognized on an accrual basis as an expense in the income statement under "Depreciation and impairment loss".

Products in development are subject to the annual impairment testing. These valuations reflect, among other things, the impact of changes to the development programs, the projected development and regulatory time frames and the current competitive environment.

Recording of property, plant and equipment and intangible assets is finished in case of disposal of the asset or in case the economic benefits are no longer expected from use or sale of the asset.

The straight-line method is used for depreciating property, plant, and equipment. The depreciation rates are assigned to each item of property, plant and equipment or major component separately, based on the useful life of the specific item.

The straight-line method is used for amortizing intangible assets. The amortization rates are assigned to each item of intangible asset, based on the useful life of the specific item.

Leases

Lease transactions, where all material risks and rewards from the ownership of an asset are transferred to the lessee, are treated as finance lease. All other lease transactions are treated as operating leases.

Operating lease payments are recorded as expenses based on straight-line method over the entire lease period.

Financial liabilities

Financial liabilities (trade payables, received loans, accrued expenses) are initially measured at cost, which is the fair value of consideration received. The initial cost of financial liabilities includes all direct transaction costs. Subsequently the financial liabilities are recorded at amortized cost.

The amortized cost of short-term liabilities, in general, is equal to their nominal value. Therefore, they are recognized in the amount required to settle the liability. For calculating the amortized cost of long-term financial liabilities, the effective interest rate method is used.

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

A financial liability is classified as long-term in the balance sheet if it is due more than 12 months after the balance sheet date. All other liabilities are classified as short-term.

Revenue recognition

Revenue from the sale of goods is recognized when all significant risks related to ownership of goods are transferred to the buyer, the sales revenue and transaction costs can be reliably measured and the receipt of payment from the transaction is probable. Revenue from services is recognized in the period the services are rendered, assuming that the receipt of payment from the transaction is probable and the sales revenue and the expenses related to providing the services can be reliably measured.

Taxation

According to the Income Tax Act, Estonian companies are not subject to pay income tax on the annual period profit. Income tax is paid on distribution of dividends, fringe benefits, gifts, donations, receptions costs, expenses not related to business activities and transfer pricing adjustments. The tax rate is 20/80 of the taxable amount.

Related parties

The following are considered as related parties in the preparation of the annual accounts for J. Molner AS:

- owner;
- members of management board;
- companies under control or significant influence of individuals or their close relatives.

Note 2 Cash and cash equivalents

(In Euros)

	31.12.2023	30.06.2023	31.12.2022
Cash and cash equivalents	92 522	675 300	722 796
Total cash and cash equivalents	92 522	675 300	722 796

Note 3 Receivables and prepayments

(In Euros)

	31.12.2023	Allocation by remaining maturity	
		Within 12 months	1 - 5 years
Accounts receivable	70 211	70 211	0
Accounts receivable	70 211	70 211	0
Tax prepayments and receivables	11 427	11 427	0
Prepayments	256 090	246 495	9 595
Deferred expenses	239 096	239 096	0
Other paid prepayments	16 994	7 399	9 595
Total receivables and prepayments	337 728	328 133	9 595

	30.06.2023	Allocation by remaining maturity	
		Within 12 months	1 - 5 years
Accounts receivable	118 189	118 189	0
Accounts receivable	118 189	118 189	0
Tax prepayments and receivables	12 195	12 195	0
Prepayments	120 697	118 320	2 377
Deferred expenses	90 318	90 318	0
Other paid prepayments	30 379	28 002	2 377
Total receivables and prepayments	251 081	248 704	2 377

	31.12.2022	Allocation by remaining maturity	
		Within 12 months	1 - 5 years
Accounts receivable	2 622	2 622	0
Accounts receivable	2 622	2 622	0
Tax prepayments and receivables	16 855	16 855	0
Prepayments	65 115	65 115	0
Deferred expenses	22 814	22 814	0
Other paid prepayments	42 301	42 301	0
Total receivables and prepayments	84 592	84 592	0

Note 4 Inventories

(In Euros)

	31.12.2023	30.06.2023	31.12.2022
Raw materials	72 242	9 388	9 388
Raw materials	72 242	9 388	9 388
Total Inventories	72 242	9 388	9 388

Note 5 Shares of subsidiaries

(In Euros)

Shares of subsidiaries, general information					
Subsidiary's registry code	Name of subsidiary	Country of incorporation	Principal activity	Ownership interest (%)	
				31.12.2022	31.12.2023
16049586	The J. Molner Company OÜ	Estonia	Research and development in the field of biotechnology	100	100
87-2118750	The J. Molner Company LLC	United States of America	Wholesale	0	100

Note 6 Property, plant and equipment

(In Euros)

					Total
	Computers and computer systems	Other machinery and equipment	Machinery and equipment	Other property, plant and equipment	
22.09.2022					
Carried at cost	0	114 153	114 153	0	114 153
Accumulated depreciation	0	-21 156	-21 156	0	-21 156
Residual cost	0	92 997	92 997	0	92 997
Acquisitions and additions	6 943	43 398	50 341	0	50 341
Other acquisitions and additions	6 943	43 398	50 341	0	50 341
Depreciation	-231	-4 292	-4 523	0	-4 523
31.12.2022					
Carried at cost	6 943	157 551	164 494	0	164 494
Accumulated depreciation	-231	-25 448	-25 679	0	-25 679
Residual cost	6 712	132 103	138 815	0	138 815
Acquisitions and additions	19 301	10 270	29 571	0	29 571
Other acquisitions and additions	19 301	10 270	29 571	0	29 571
Depreciation	-1 503	-7 698	-9 201	0	-9 201
30.06.2023					
Carried at cost	26 244	167 821	194 065	0	194 065
Accumulated depreciation	-1 734	-33 146	-34 880	0	-34 880
Residual cost	24 510	134 675	159 185	0	159 185
Acquisitions and additions	116	61 020	61 136	7 468	68 604
Other acquisitions and additions	116	61 020	61 136	7 468	68 604
Depreciation	-2 345	-11 793	-14 138	-249	-14 387
31.12.2023					
Carried at cost	26 360	228 841	255 201	7 468	262 669
Accumulated depreciation	-4 079	-44 939	-49 018	-249	-49 267
Residual cost	22 281	183 902	206 183	7 219	213 402

Note 7 Intangible assets

(In Euros)

	Computer software	Concessions, patents, licenses, trademarks	Unfinished projects and prepayments	Total
22.09.2022				
Carried at cost	5 152	0	564 309	569 461
Accumulated depreciation	-601	0	0	-601
Residual cost	4 551	0	564 309	568 860
Acquisitions and additions	0	0	221 867	221 867
Depreciation	-171	0	0	-171
31.12.2022				
Carried at cost	5 152	0	786 176	791 328
Accumulated depreciation	-772	0	0	-772
Residual cost	4 380	0	786 176	790 556
Acquisitions and additions	0	0	453 278	453 278
Depreciation	-258	0	0	-258
31.12.2023				
Carried at cost	5 152	0	1 239 454	1 244 606
Accumulated depreciation	-1 030	0	0	-1 030
Residual cost	4 122	0	1 239 454	1 243 576
Acquisitions and additions	0	481 449	1 162 693	1 644 142
Depreciation	-258	-7 875	0	-8 391
31.12.2023				
Carried at cost	5 152	481 449	1 948 869	2 435 470
Accumulated depreciation	-1 288	-7 875	0	-9 163
Residual cost	3 864	473 574	1 948 869	2 426 307

Note 8 Loan commitments

(In Euros)

	31.12.2023	Allocation by remaining maturity			Interest rate	Base currencies	Due date
		Within 12 months	1 - 5 years	Over 5 years			
Current loans							
Short-term shareholder loan, EUR	95 735	95 735			5%	EUR	31.12.2022
Short-term shareholder loan, USD	171 910	171 910			5%	USD	31.12.2022
Current loans total	267 645	267 645					
Non-current loans							
Long-term loan	44 554		44 554		5%	USD	20.09.2026
Long-term loan, USD	1 866 616		1 866 616		7%	USD	06.04.2028
Non-current loans total	1 911 170		1 911 170				
Loan commitments total	2 178 815	267 645	1 911 170				

	30.06.2023	Allocation by remaining maturity			Interest rate	Base currencies	Due date
		Within 12 months	1 - 5 years	Over 5 years			
Current loans							
Short-term shareholder loan, EUR	95 735	95 735			5%	EUR	31.12.2022
Short-term shareholder loan, USD	181 748	181 748			5%	USD	31.12.2022
Current loans total	277 483	277 483					
Non-current loans							
Long-term loan	829		829		5%	USD	20.09.2026
Long-term loan, USD	927 841		927 841		7%	USD	06.04.2028
Non-current loans total	928 670		928 670				
Loan commitments total	1 206 153	277 483	928 670				

	31.12.2022	Allocation by remaining maturity			Interest rate	Base currencies	Due date
		Within 12 months	1 - 5 years	Over 5 years			
Current loans							
Short-term shareholder loan, EUR	93 447	93 447			5%	EUR	31.12.2022
Short-term shareholder loan, USD	180 731	180 731			5%	USD	31.12.2022
Current loans total	274 178	274 178					
Non-current loans							
Long-term loan	1 022 179		1 022 179		5%	USD	20.09.2026
Non-current loans total	1 022 179		1 022 179				
Loan commitments total	1 296 357	274 178	1 022 179				

Note 9 Payables and prepayments

(In Euros)

	31.12.2023	Within 12 months	Note
Trade payables	283 349	283 349	
Employee payables	70 135	70 135	10
Tax payables	76 096	76 096	
Other payables	247 716	247 716	
Other accrued expenses	247 716	247 716	
Prepayments received	23 184	23 184	
Deferred income	23 184	23 184	
Total payables and prepayments	700 480	700 480	

	30.06.2023	Within 12 months	Note
Trade payables	58 319	58 319	
Employee payables	78 537	78 537	10
Tax payables	72 756	72 756	
Prepayments received	13 898	13 898	
Deferred income	11 696	11 696	
Other received prepayments	2 202	2 202	
Total payables and prepayments	223 510	223 510	

	31.12.2022	Within 12 months	Note
Trade payables	72 813	72 813	
Employee payables	46 270	46 270	10
Tax payables	48 808	48 808	
Other payables	18 316	18 316	
Other accrued expenses	18 316	18 316	
Prepayments received	2 203	2 203	
Other received prepayments	2 203	2 203	
Total payables and prepayments	188 410	188 410	

Note 10 Employee payables

(In Euros)

	31.12.2023	30.06.2023	31.12.2022
Remuneration liability	50 012	46 385	33 265
Vacation pay liability	20 123	32 153	13 005
Total employee payables	70 135	78 538	46 270

Note 11 Net sales

(In Euros)

	2023	01.07.2023 - 31.12.2023	01.01.2023 - 30.06.2023	01.10.2022 - 31.12.2022
Net sales by geographical location				
Net sales in European Union				
Estonia	4 746	2 346	2 400	18 619
Latvia	38 908	19 588	19 320	1 517
Total net sales in European Union	43 654	21 934	21 720	20 136
Net sales outside of European Union				
United States of America	287 862	38 813	249 049	2 851
Canada	286 047	286 047	0	0
Total net sales outside of European Union	573 909	324 860	249 049	2 851
Total net sales	617 563	346 794	270 769	22 987
Net sales by operating activities				
Research and development in the field of biotechnology	617 563	346 794	270 769	22 987
Total net sales	617 563	346 794	270 769	22 987

Note 12 Miscellaneous operating expenses

(In Euros)

	2023	01.07.2023 - 31.12.2023	01.01.2023 - 30.06.2023	01.10.2022 - 31.12.2022
Energy	22 987	20 956	2 031	1 920
Electricity	19 658	17 891	1 767	1 773
Heat energy	3 329	3 065	264	147
Water supply services	1 185	1 087	98	41
Miscellaneous office expenses	93 605	33 961	59 644	13 527
Travel expense	162 850	82 031	80 819	20 280
Training expense	237 868	178 232	59 636	11 082
State and local taxes	10 872	6 259	4 613	6 500
Other	196 111	82 803	113 309	206 336
Total miscellaneous operating expenses	725 478	405 328	320 150	259 686

Note 13 Labor expense

(In Euros)

	2023	01.07.2023 - 31.12.2023	01.01.2023 - 30.06.2023	01.10.2022 - 31.12.2022
Wage and salary expense	787 676	418 665	369 011	127 896
Social security taxes	250 551	128 918	121 633	42 707
Option costs (reserv)	21 711	-5 303	27 014	0
Total labor expense	1 059 938	542 280	517 658	170 603
Average number of employees in full time equivalent units	27	27	24	19
Average number of employees by types of employment:				
Person employed under employment contract	26	26	24	19
A person providing a service based on a debt-law contract, issued including self-employed persons	1	1	0	0

Note 14 Related parties

(In Euros)

Related party balances according to groups

SHORT TERM	31.12.2023	30.06.2023	31.12.2022
Payables and prepayments			
Management and higher supervisory body and individuals with material ownership interest and material influence of management	7 399	27 641	0
Total payables and prepayments	7 399	27 641	0
Receivables and prepayments			
Management and higher supervisory body and individuals with material ownership interest and material influence of management	0	0	2 509
Total payables and prepayments	0	0	2 509

LOAN COMMITMENTS	31.12.2022	30.06.2023	Repayments of loans received	31.12.2023	Interest accrued for period	Note
Management and higher supervisory body and individuals with material ownership interest and material influence of management	274 178	277 483	26 174	267 645	12 891	8
Total loan commitments	274 178	277 483	26 174	267 645	12 891	

Remuneration and other significant benefits calculated for members of management and highest supervisory body				
	2023	01.07.2023 - 31.12.2023	01.01.2023 - 30.06.2023	22.09.2022 - 31.12.2022
Remuneration	65 992	33 037	32 955	14 466

Note 15 Non-consolidated statement of financial position

(In Euros)

	31.12.2023	30.06.2023	31.12.2022
Assets			
Current assets			
Cash and cash equivalents	3 457	25 788	644 410
Receivables and prepayments	0	5 429	124
Total current assets	3 457	31 217	644 534
Non-current assets			
Investments in subsidiaries and associates	1 600 000	1 600 000	1 600 000
Receivables and prepayments	2 410 447	1 434 647	0
Total non-current assets	4 010 447	3 034 647	1 600 000
Total assets	4 013 904	3 065 864	2 244 534
Liabilities and equity			
Liabilities			
Current liabilities			
Payables and prepayments	720	0	89 474
Total current liabilities	720	0	89 474
Non-current liabilities			
Loan liabilities	1 866 616	925 687	0
Total non-current liabilities	1 866 616	925 687	0
Total liabilities	1 867 336	925 687	89 474
Equity			
Issued capital	1 686 001	1 686 001	1 686 001
Share premium	612 327	612 327	612 327
Other reserves	21 711	27 014	0
Retained earnings (loss)	-143 268	-143 268	0
Annual period profit (loss)	-30 203	-41 897	-143 268
Total equity	2 146 568	2 140 177	2 155 060
Total liabilities and equity	4 013 904	3 065 864	2 244 534

Note 16 Non-consolidated income statement

(In Euros)

	2023	01.07.2023 - 31.12.2023	01.01.2023 - 30.06.2023	22.09.2022 - 31.12.2022
Other operating expense	-29 400	-6 510	-22 890	-143 272
Employee expense	-21 711	5 303	-27 014	0
Total operating profit (loss)	-51 111	-1 207	-49 904	-143 272
Interest income	0	0	0	4
Interest expenses	-57 729	-30 203	-5 385	0
Other financial income and expense	78 637	38 390	13 392	0
Profit (loss) before tax	-30 203	11 694	-41 897	-143 268
Annual period profit (loss)	-30 203	11 694	-41 897	-143 268

Note 17 Non-consolidated statement of cash flows

(In Euros)

	2023	01.01.2023 - 30.06.2023	22.09.2022 - 31.12.2022
Cash flows from operating activities			
Payments to suppliers for goods and services	-118 004	-117 645	-53 898
Other cash flows from operating activities	-25	-25	-24
Total cash flows from operating activities	-118 029	-117 670	-53 922
Cash flows from investing activities			
Other cash payments to acquire other financial investments	-523 000	-501 000	0
Interest received	77	48	4
Total cash flows from investing activities	-522 923	-500 952	4
Cash flows from financing activities			
Proceeds from issuing shares	0	0	698 328
Total cash flows from financing activities	0	0	698 328
Total cash flows	-640 952	-618 622	644 410
Cash and cash equivalents at beginning of period	644 410	644 410	0
Change in cash and cash equivalents	-640 952	-618 622	644 410
Cash and cash equivalents at end of period	3 457	25 788	644 410

Note 18 Non-consolidated statement of changes in equity

(In Euros)

	Issued capital	Share premium	Other reserves	Retained earnings (loss)	Total
22.09.2022	1 600 000	0	0	0	1 600 000
Restated balance 22.09.2022	1 600 000	0	0	0	1 600 000
Annual period profit (loss)	0	0	0	-143 268	-143 268
Issue of equity	86 001	612 327	0	0	698 328
31.12.2022	1 686 001	612 327	0	-143 268	2 155 060
Governing and material influence ownership interest value of financial position	0	0	0	0	0
Governing and material influence on the value of holdings under the equity method	0	0	0	0	0
Restated non- consolidated equity 31.12.2022	1 686 001	612 327	0	-143 268	2 155 060
Annual period profit (loss)	0	0	0	-41 897	-41 897
Changes in reserves	0	0	27 014	0	27 014
30.06.2023	1 686 001	612 327	27 014	-185 165	2 140 177
Governing and material influence ownership interest value of financial position	0	0	0	0	0
Governing and material influence on the value of holdings under the equity method	0	0	0	0	0
Restated non- consolidated equity 30.06.2022	1 686 001	612 327	27 014	-185 165	2 140 177
Annual period profit (loss)	0	0	0	11 694	11 694
Changes in reserves	0	0	-5 303	0	-5 303
31.12.2023	1 686 001	612 327	21 711	-173 471	2 146 568

Note 18 Continuity of operations

As of 31.12.2023, the Group's net assets are negative in the amount of 579,832 euros and do not meet the requirements of the Commercial Code. On March 27, 2024, the shareholder of The J. Molner Company OÜ adopted a decision to increase the voluntary reserve capital of The J. Molner Company OÜ, formed on September 28, 2022, by 580,000 euros. Additionally has the shareholder of The J. Molner Company OÜ adopted a resolution on 27 March 2024 whereby the voluntary reserve capital of The J. Molner Company OÜ formed on 28th September 2022 is retrospectively increased as of 29th February 2024 by EUR 579,945. Thus, bringing the Group's equity capital into line with the requirements of the Commercial Code.

As of 31.12.2023, the Group's short-term liabilities exceed the total amount of current assets by 475,228 euros. On 09.01.2024, The J. Molner Company OÜ, a subsidiary of J. Molner AS, additionally increased the loan credit in the amount of up to 2,750,000 USD. This ensures that the Group can realize its assets and meet its obligations in the course of normal business operations. According to the management, the Group continues to operate.

Signatures

The board has prepared the unaudited interim report of J Molner AS for 12 months of the 2023 financial year and confirms the correctness of the data in the report.

The report's completion date is: 27.03.2024.


Jason Michael Atticus Grenfell-Gardner
Member of the Board

