

# ANNUAL REPORT 2024

# General Information

J. Molner AS and its subsidiaries, also referred to as "J. Molner" or "Group". The company is listed on the Nasdaq Baltic Alternative Market First North Tallinn.

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<b>Business Name:</b>	J. Molner AS
<b>Main Activity:</b>	Pharmaceutical development and services
<b>Commercial Registry Code:</b>	16579077
<b>Address:</b>	Akadeemia tee, 21/5, 12618, Tallinn
<b>Country</b>	Estonia
<b>Phone</b>	+372 6150 576
<b>E-mail:</b>	jmolner@jmolner.com
<b>Website:</b>	<a href="https://www.jmolner.com/">https://www.jmolner.com/</a>
<b>Reporting period:</b>	01.01.2024 - 31.12.2024
<b>Auditor:</b>	Grant Thornton Baltic OÜ
<b>Advisor:</b>	Ellex Raidla Advokaadibüroo OÜ

This document is the translation of the Estonian original.

# Who we are

J. Molner is a specialty generic pharmaceutical company with Estonian roots, focused on the development and manufacturing of high-quality generic medicines. We are dedicated to advancing sterile injectable, ophthalmic, and dermatological products, with a primary focus on the U.S. and Canadian markets.

In addition to our own product development, we provide expert services in drug development, analytical chemistry, and stability testing, helping our clients bring their pharmaceutical products to market effectively and with confidence.



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# Management Report





# 2024 Overview

In 2024, J. Molner made significant strides in strengthening its position in the generic pharmaceutical industry. We achieved FDA (Food and Drug Administration) approval for the first Estonian-developed ANDA (Abbreviated New Drug Application), Lidocaine Hydrochloride Topical Solution 4%, marking a major milestone in our expansion into the U.S. market. Additionally, we gained approval for Desoximetasone Ointment USP, 0.05%, which launched in early 2025. Further solidifying our U.S. presence, we entered into a new product development agreement and expanded our laboratory facilities by 40%, enhancing our ability to serve both our internal pipeline and client services. To support our growth, we expanded our Management Team with a President for North America and a Chief Financial Officer. We further secured a key agreement with the U.S. Centers for Medicaid and Medicare Services (CMS). With these achievements, J. Molner is well-positioned for continued growth and innovation.

## Financial Highlights

Revenue

**€2,294,628**

+272%

2023: €617,563

EBITDA

**€(1,827,186)**

+100%

2023: €(914,864)

Net Profit

**€(2,438,621)**

+125%

2023: €(1,085,185)



# Founder's statement

**Jason Grenfell-Gardner**

Founder and CEO



“

Estonia's intellectual depth can create lasting value in global markets that are also physical, not just digital.”

## Letter to shareholders

2024 was a remarkable year of transformation for J. Molner as we saw our first Estonian-developed generic drug launched, achieved meaningful revenue growth, and completed the build-out of our infrastructure. This project which has been in progress for just over four years has established the fundamental foundations for growth. Our task now is to continue building on this foundation to identify, develop, and launch drugs in the United States and Canada.

Of course, hard things are hard. This is particularly true when one is trying to build something to last based on complex systems in multiple regulated environments in tough times. It requires patience, focus, and an unwavering commitment to purpose and quality. It is shaped by difficult decisions, steady effort, and faith in the ability to confront uncertainty. We know this journey well, as we have worked step-by-step to build a new specialty generic pharmaceutical company with Estonian roots.



Today, we stand on the strength of what we have built together. Our team has achieved the first US drug approval for an Estonian pharmaceutical company, has transferred multiple drugs to manufacturing sites across the globe, and established the processes that take an idea in Tallinn to a patient in America. A J. Molner morning starts with manufacturers in the furthest reaches of Asia, continues to suppliers in Europe, and ends in the United States and Canada with our customers and North American manufacturers. What once felt difficult or was completely new, now feels purposeful and steady. This evolution hasn't been born from ease, but from persistence.

Estonia is often celebrated for its digital innovation, but there is another, quieter strength that defines this place: deep, fundamental knowledge. It is a resource as valuable as any natural one. Our success is a testament to this strength. We have shown that when Estonia's intellectual depth is applied with focus and perseverance, it can create lasting value in global markets that are also physical, not just digital. Building in the physical world requires more than just ideas - it demands rigor, process, and patience, qualities that are rooted in Estonia's culture and education.

Now that the processes are in place, we will continue to build with quiet strength, with patience, and with purpose.

We know that hard things are still hard, but our experience has shown that persistence and trust turn the hardest challenges into the deepest foundations. I am deeply proud of what our team has achieved and confident in what we will accomplish next. Together, we will continue to learn, adapt, and contribute to lasting solutions that serve global healthcare needs while building our Estonian pharmaceutical ecosystem.

Thank you for your trust and being part of our journey.

**Jason Grenfell-Gardner**  
Founder and CEO

# What we do

J. Molner operates through two complementary business units: our internal generic drug development and our specialized pharmaceutical services. On one side, we develop and commercialize high-quality sterile injectable, ophthalmic, and dermatology generic drugs, focusing on the U.S. and Canadian markets. This includes managing the entire lifecycle from formulation to regulatory approval and market launch. On the other side, we provide expert drug development services, analytical chemistry, and stability testing to pharmaceutical partners, helping them navigate complex regulatory pathways and ensure product quality. Together, these business units drive our mission to deliver reliable, accessible and, cost-effective pharmaceutical solutions.

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**38**

Employees

**326,895**

Units manufactured

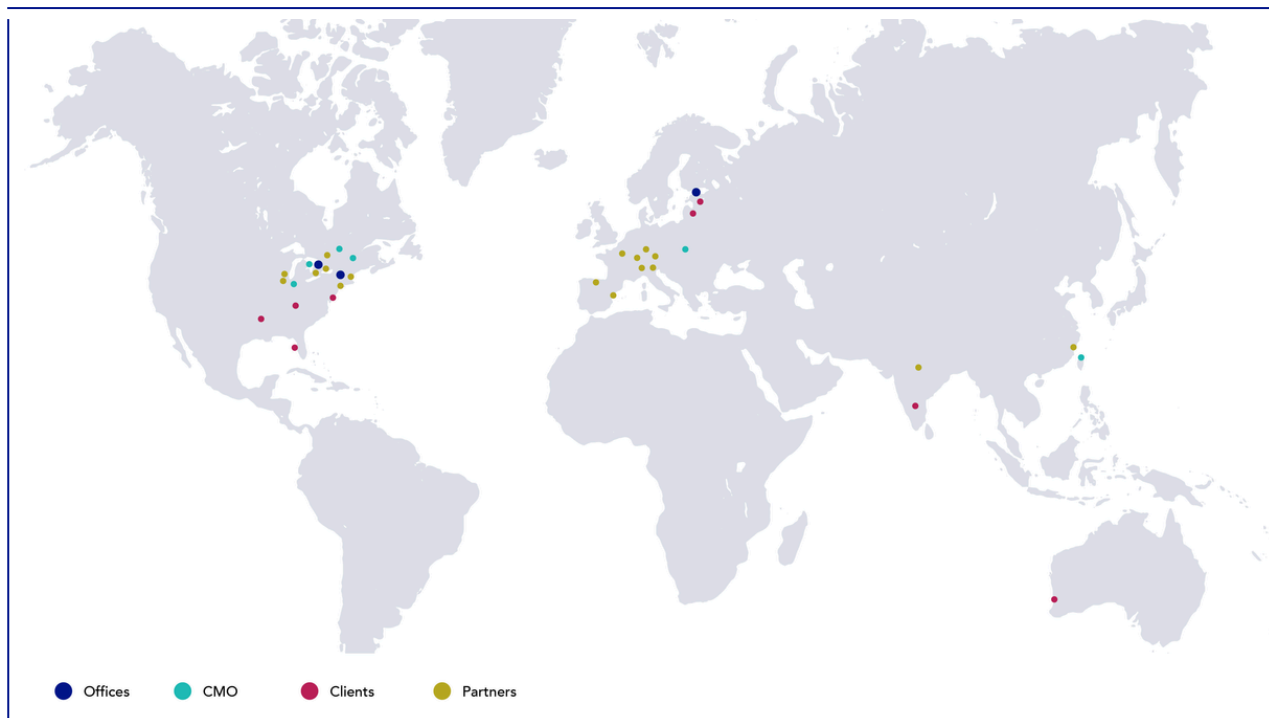
**2**

Commercial products

**21**

Clients

## Global reach



CMO - Contract manufacturing organization

## Our business segments

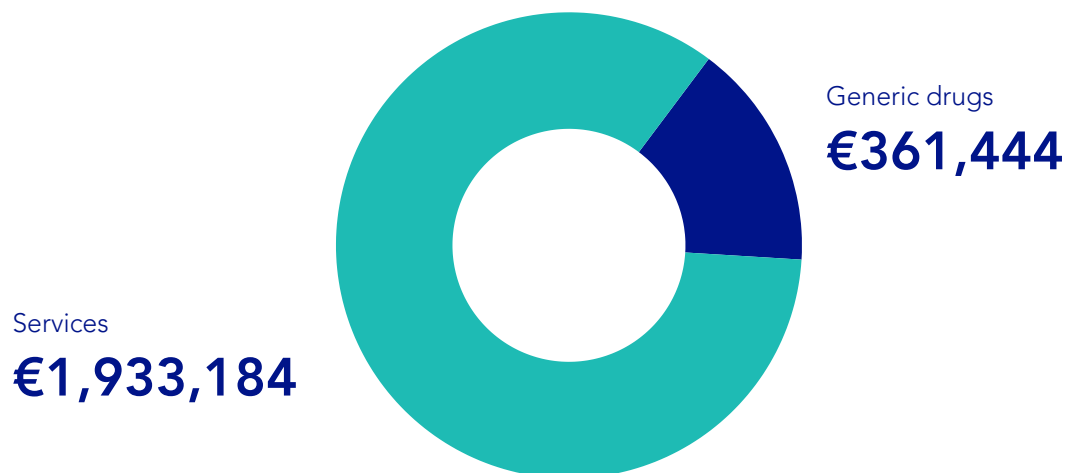
### Generic drugs

J. Molner is developing a portfolio of generic drug products for both the United States and Canadian markets. The portfolio consists of both in-house developed medicines as well as acquired and in-licensed products.

### Services

At J. Molner, our team is dedicated to providing services that help our clients accelerate development, strengthen internal capabilities, and achieve their goals. Our core services focus on drug development, analytical chemistry, and stability studies.

## Segmental revenue



## Our expertise



Injectables



Semi solids



Ophthalmic



# Development philosophy

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## Market factors

Our market strategy is driven by proactive supply chain management and strategic partnerships. We anticipate and prepare for supply challenges, ensuring continuity in the availability of essential medicines. By working with contract manufacturing organization (CMO) partners capable of condensed batch timelines, we maintain agility in production and market responsiveness. We continuously assess the market feasibility of emerging products, identifying opportunities that align with our expertise and long-tail strategy.

## Long tail strategy

Our long-tail strategy focuses on established markets and niche pharmaceutical products, ensuring a reliable supply of essential medicines. We target drugs with declining sources of supply, addressing critical gaps in the market. With a focus on moderate-volume production, we offer cost-effective solutions that meet high quality and current regulatory standards.

## Expertise and experience

Our expertise and experience span a wide range of pharmaceutical formulations, including semi-solids, liquids, sterile injectables, and sterile ophthalmic products. With deep industry knowledge and technical proficiency, we develop and manufacture complex dosage forms that meet stringent regulatory standards and patient needs.

# Operations

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J. Molner combines specialized in-house drug development with a flexible, high-quality manufacturing network. Our end-to-end operations cover in-house formulation, analytical development, validation, and complete ICH stability testing. We are EU-GMP (good manufacturing practice) release capable, hold an Establishment Drug License (DEL) in Canada, and benefit from a Mutual Recognition Agreement (MRA) with the FDA, ensuring smooth regulatory alignment and streamlined product release.

We ensure seamless technical transfer to vetted CMOs, conducting rigorous due diligence and maintaining long-term partnerships across a diversified manufacturing base. Our facilities are routinely inspected for quality, regulatory compliance, and operational readiness.

For distribution, we partner with a 3PL (Third Party Logistics) to manage order fulfillment, invoicing, and returns through a streamlined system. Our serialization process is fully enabled, ensuring full compliance with applicable regulations and complete traceability. By coupling in-house expertise with a scalable CMO network, J. Molner maintains efficiency, quality, and adaptability in delivering pharmaceutical solutions.

# Services

## Analytical development, remediation, and transfer

Ensure precise, compliant testing. We specialize in method scouting, de novo development, troubleshooting, remediation, validation, and transfer packages.

## In vitro release testing

We support semi-solid bioequivalence studies following SUPAC-SS guidance. We utilize advanced techniques like vertical diffusion cell (Franz Cell) and immersion cell testing to ensure reliable release profiles.

## Post Approval Change Management

We support our clients in efficiently implementing required post-approval changes. This includes conducting a thorough review of the existing ANDA and executing all necessary updates. In the case of manufacturing site changes, we perform due diligence on potential new manufacturers, select a suitable site, and complete its qualification.

We also lead the transfer of analytical methods and manufacturing processes, ensuring a smooth and compliant transition to the new site.

## Formulation and development

This service includes physicochemical characterization of the reference product, formulation development, and stress testing conducted during the R&D phase to determine the optimal and stable drug composition.

## ICH stability

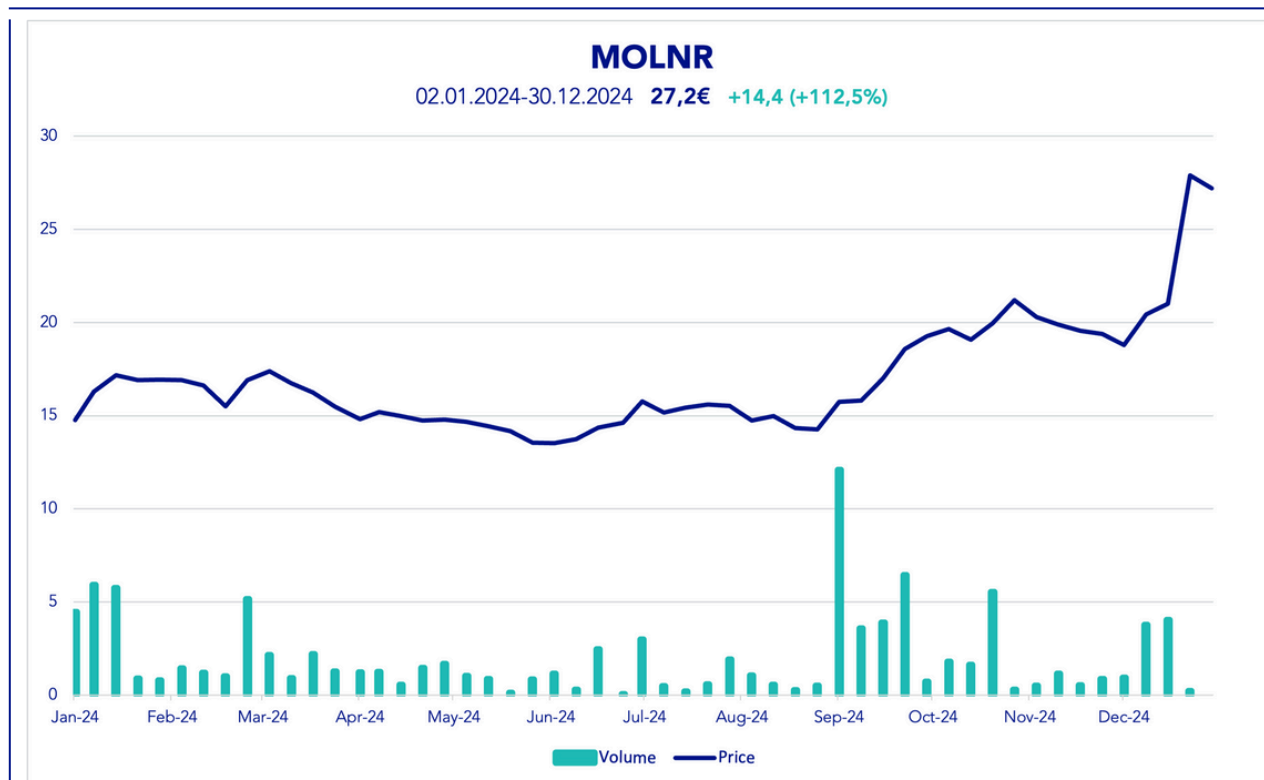
Covering climatic zones I to IV, this service provides stability data including stress, freeze-thaw, in-use stability, comparative studies, and forced degradation testing.



# J. Molner shares

The shares of J. Molner AS have been listed on the Nasdaq Baltic Alternative Market First North Tallinn since November 10, 2022. As of December 31, 2024, a total of 1,680,001 shares have been issued with a nominal value of EUR 1 per share, resulting in a total share capital of EUR 1,680,001.

All shares are of the same class and have no ownership restrictions. The Articles of Association of the Company do not stipulate any limitations on the transfer of shares. To the best of J. Molner AS's knowledge, there are no shareholder agreements in place that would restrict the transfer of securities.



Only Jason Grenfell-Gardner, the company's CEO and a member of the board, has a significant shareholding (more than 5%).

	2024 €	2023 €
Average price	16.61	8.49
Maximum price	28.60	13.75
Minimum price	10.80	5.00
Closing price as of December 31	27.20	13.75
Number of shares as of December 31	1,686,001	1,686,001
Number of shareholders as of December 31	512	504
Market value of the company at December 31 (Closing price * number of shares)	45,859,227	23,182,514
Earnings per share (EPS) (Profit / number of shares)	(0.69)	(1.55)



# Mission, Vision, Purpose



## Mission

We are dedicated to the high-quality development of generic drugs in the fields of sterile injectables, ophthalmic, and dermatological products, with a primary focus on the U.S. and Canadian markets. In addition, we offer our clients analytical chemistry services and cost-effective stability study solutions.



## Vision

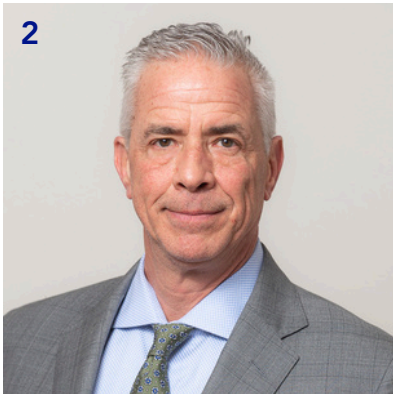
We are building a global pharmaceutical company with Estonian roots, focused on specialty medicines.



## Purpose

We save lives by developing the drugs the pharmaceutical industry forgot.

# Management Board

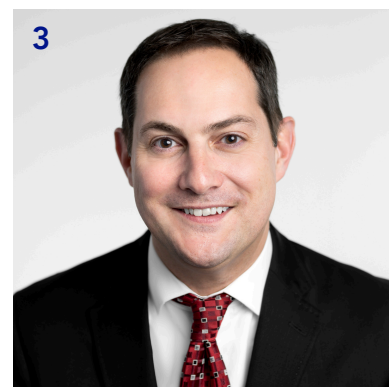


“

Our Management is  
the key to our success”

	Name	Role
1	Jason Grenfell-Gardner	Founder and CEO
2	David Berthold	President - North America
3	Sten Akel	Chief Financial Officer
4	Erik Berlin	Laboratory Director
5	Ursula Noor	Director of QA & RA

# Supervisory Board



	Name	Role
1	Yoann John Ricau	Supervisory board member
2	Karita Sall	Supervisory board member
3	Martin Louis Wilson	Supervisory board member



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# Financial Statements







# Financial Results

## Revenue

The Group's consolidated total revenue increased by 272% year-on-year, reaching EUR 2,294,628 in 2024 (2023: EUR 617,563).

	31.12.2024 €	31.12.2023 €	Change %
Generic drugs	361,444	-	-
Research and development in biotechnology	1,933,184	617,563	213%
<b>Total Revenue</b>	<b>2,294,628</b>	617,563	<b>272%</b>

## Research and Development Service Revenue

Revenue from research and development activities grew by 213% year-over-year, reaching EUR 1,933,184 in 2024 (2023: EUR 617,563). This includes pass-through revenues of EUR 1,099,535 in 2024 (2023: EUR 0). Excluding pass-through revenues, the year-over-year growth stood at 194%. Revenue growth reflects increased demand for the company's development expertise and research services.

## Generic drugs

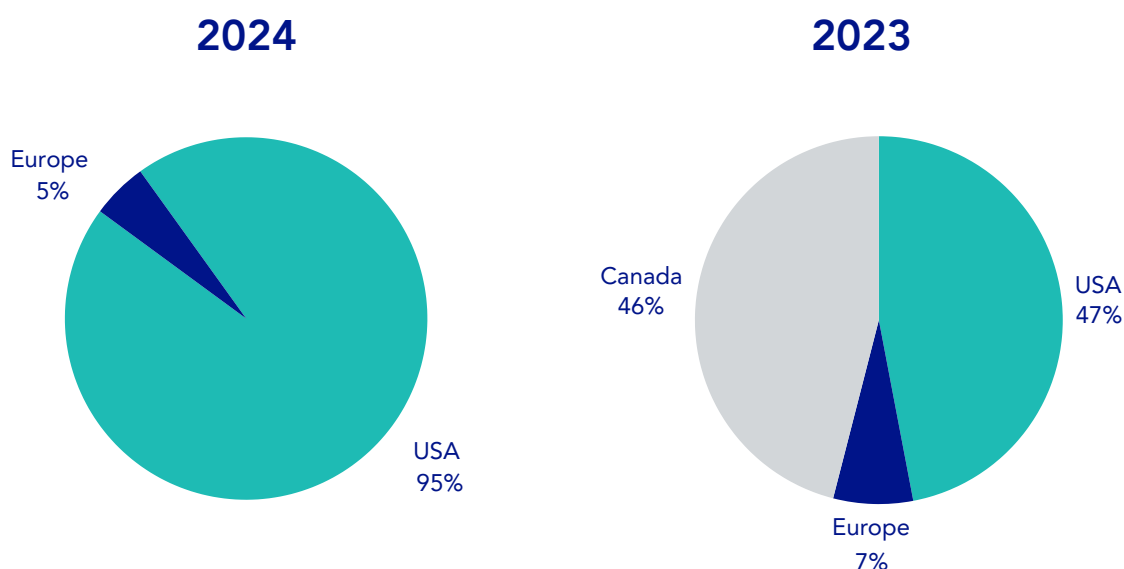
Revenue from generic drugs amounted to EUR 361,444 in 2024 (2023: EUR 0). This growth was driven by the successful launch of Hydrocortisone Butyrate Lotion, 0.1% in November 2023, which contributed to full year of sales in 2024. Additionally, in November 2024, the company introduced Lidocaine Hydrochloride Topical Solution USP, 4%.

## Geographical distribution

The geographical distribution of J. Molner's revenue shifted significantly in 2024:

- The U.S. market now accounts for 95% of total revenue (2023: 47%), fueled by strong growth in generic drug sales.
- The Canadian market share declined to 0% (2023: 46%), as product development projects for Canadian clients were completed in 2023, and 2024 development efforts were redirected toward serving U.S. clients.
- The European Union's contribution to total revenue decreased to 5% in 2024 (2023: 7%).





## Direct costs

In 2024, direct costs amounted to EUR 1,935,768, representing 84% of revenue (2023: EUR 324,958, 53% of revenue). Direct costs primarily include:

- Cost of goods sold
- Materials and services used for research and development
- Services directly related to the provision of development service revenues, including pass-through costs

Pass-through costs totaled EUR 1,102,892 in 2024 (2023: EUR 0). Excluding pass-through revenue and costs, the direct cost ratio would have been 70% of revenue.

## Other operating expenses

Operating expenses increased by 39%, reaching EUR 1,128,559 in 2024 (2023: EUR 811,948). The increase was primarily driven by higher regulatory and legal costs related to entering the U.S. pharmaceutical market, including FDA fees, pharmacovigilance, and legal consultations. The second-largest contributor to operating expenses was personnel-related costs, reflecting an increase in headcount.

## Employee expense

Over the past year, the J. Molner team expanded from an average of 27 employees in 2023 to 33 in 2024. As a result, personnel expenses increased significantly, reaching EUR 1,614,070 in 2024 (2023: EUR 1,059,938). The growth is primarily driven by the strategic expansion of the regulatory team, to strengthen the capabilities related to product launches.

To reflect the investment in the company's own product development, J. Molner capitalized 23% (EUR 370,211) of personnel costs in 2024 (2023: 44%, EUR 466,772).

## Interest expenses

The Group's interest expenses increased by 116% in 2024, reaching EUR 339,729 (2023: EUR 157,022). The rise in expenses is attributable to the growth in loan obligations, stemming from the need to finance the development of the company's proprietary products.

## Other income and expenses

Other operating income and expenses reflect the impact of currency rate fluctuations. Other operating income in 2024 amounted to EUR 80,814 (2023: EUR 21,079), while other operating expenses totaled to EUR 57,282 (2023: EUR 24,584).

## Cash flow

As of December 31, 2024, the J. Molner Group had a cash balance of EUR 215,550 (December 31, 2023: EUR 92,522).

### Operating Cash Flow

The Group's cash flow from operating activities in 2024 amounted to EUR (1,888,707) (2023: EUR (934,531)), reflecting increased team size as well as higher regulatory and legal expenses. As the company is still in the growth phase, constant cash resources are required, and it is not yet generating sufficient cash flow to sustain its operations independently.

### Investing Cash Flow

Cash flow from investing activities primarily consisted of capitalized development costs for intangible assets, totaling EUR (749,529) (2023: EUR (1,721,562)).

### Financing Cash Flow

In 2024, cash flow from financing activities amounted to EUR 2,761,264 (2023: EUR 2,025,819), providing essential funding for ongoing operations and development. To further support business growth, the Group entered into loan agreement in December 2024 amounting to USD 1,750,000.

## Financial ratios

	2024 €	2023 €
Current ratio	0.68	0.5
Net Working Capital	(482,564)	(475,228)
EBITDA	(1,827,186)	(914,864)
Equity Ratio, %	20.35	8.41
Net profit margin, %	(106.28)	(175.72)
Total Debt Ratio, %	0.8	0.92

# Consolidated statement of financial position

	Note	31.12.2024 €	31.12.2023 €
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	215,550	92,522
Receivables and prepayments	3,16	587,347	316,330
Inventories	4	219,176	72,242
<b>Total current assets</b>		<b>1,022,073</b>	<b>481,094</b>
<b>Non-current assets</b>			
Investments in subsidiaries and associates		262	263
Receivables and prepayments	3	9,415	9,595
Property, plant, and equipment	6	285,792	213,402
Intangible assets	7	3,228,189	2,426,307
<b>Total non-current assets</b>		<b>3,523,658</b>	<b>2,649,567</b>
<b>Total assets</b>		<b>4,545,731</b>	<b>3,130,661</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Loan liabilities	8,16	264,128	267,645
Payables and prepayments	9,10	1,240,509	688,677
<b>Total current liabilities</b>		<b>1,504,637</b>	<b>956,322</b>
<b>Non-current liabilities</b>			
Loan liabilities	8	2,116,257	1,911,170
<b>Total non-current liabilities</b>		<b>2,116,257</b>	<b>1,911,170</b>
<b>Total liabilities</b>		<b>3,620,894</b>	<b>2,867,492</b>
<b>Equity</b>			
<b>Equity held by shareholders and partners in parent company</b>			
Issued capital	11	1,686,001	1,686,001
Share premium		612,327	612,327
Other reserves		4,937,000	1,836,711
Retained earnings (loss)		(3,871,870)	(2,786,685)
Annual period profit (loss)		(2,438,621)	(1,085,185)
<b>Total equity held by shareholders and partners in parent company</b>		<b>924,837</b>	<b>263,169</b>
<b>Total equity</b>		<b>924,837</b>	<b>263,169</b>
<b>Total liabilities and equity</b>		<b>4,545,731</b>	<b>3,130,661</b>

# Consolidated income statement

		31.12.2024	31.12.2023
	Note	€	€
Revenue	12	2,294,628	617,563
Other income		80,814	21,079
Work performed by entity and capitalised		533,051	667,922
Raw materials and consumables used	13	(1,935,768)	(324,958)
Other operating expense	14	(1,128,559)	(811,948)
Employee expense	15	(1,614,070)	(1,059,938)
Depreciation and impairment loss (reversal)	6,7	(109,702)	(31,979)
Other expense		(57,282)	(24,584)
<b>Operating profit (loss)</b>		<b>(1,936,888)</b>	<b>(946,843)</b>
Interest expenses		(339,729)	(157,022)
Other financial income and expense		(162,004)	18,680
<b>Profit (loss) before tax</b>		<b>(2,438,621)</b>	<b>(1,085,185)</b>
<b>Annual period profit (loss)</b>		<b>(2,438,621)</b>	<b>(1,085,185)</b>
<b>Profit (loss) from shareholders and partners in parent company</b>		<b>(2,438,621)</b>	<b>(1,085,185)</b>



# Consolidated statement of cash flows

	Note	2024 €	2023 €
<b>Cash flows from operating activities</b>			
Receipts of sales of goods and rendering of services		1,844,412	498,480
Payments to suppliers for goods and services		(2,155,372)	(1,428,419)
Payments to employees		(779,805)	(609,082)
Other cash flows from operating activities		(797,942)	604,490
<b>Total cash flows from operating activities</b>		<b>(1,888,707)</b>	<b>(934,531)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment and intangible assets		(749,635)	(1,712,317)
Other cash payments to acquire other financial investments		-	(9,415)
Interest received		106	170
<b>Total cash flows from investing activities</b>		<b>(749,529)</b>	<b>(1,721,562)</b>
<b>Cash flows from financing activities</b>			
Loans received		2,761,264	1,812,304
Other cash inflows from financing activities		-	213,515
<b>Total cash flows from financing activities</b>		<b>2,761,264</b>	<b>2,025,819</b>
<b>Total cash flows</b>		<b>123,028</b>	<b>(630,274)</b>
Cash and cash equivalents at beginning of period	2	92,522	722,796
Change in cash and cash equivalents		123,028	(630,274)
<b>Cash and cash equivalents at end of period</b>	2	<b>215,550</b>	<b>92,522</b>

# Consolidated statement of changes in equity

	Equity held by shareholders and partners in parent company				Total €
	Issued capital €	Share premium €	Other reserves €	Retained earnings (loss) €	
<b>31.12.2022</b>	1,686,001	612,327	750,000	(2,786,685)	261,643
Restated balance 31.12.2022	1,686,001	612,327	750,000	(2,786,685)	261,643
Annual period profit (loss)	-	-	-	(1,085,185)	(1,085,185)
Changes in reserves	-	-	1,086,711	-	1,086,711
<b>31.12.2023</b>	1,686,001	612,327	1,836,711	(3,871,870)	263,169
Restated balance 31.12.2023	1,686,001	612,327	1,836,711	(3,871,870)	263,169
Annual period profit (loss)	-	-	-	(2,438,621)	(2,438,621)
Changes in reserves	-	-	3,100,289	-	3,100,289
<b>31.12.2024</b>	<b>1,686,001</b>	<b>612,327</b>	<b>4,937,000</b>	<b>(6,310,491)</b>	<b>924,837</b>

In the year of 2024, the voluntary reserve increased in the amount of EUR 3,059,945 and the option reserve of 40,344 euros are reflected in changes in other reserves.

# Notes to the consolidated financial statements

## 1. Accounting policies

### General information

The financial accounts of J. Molner AS for the financial year 2024 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 audited annual report of a small sized business. The interim accounts have been prepared in Euros. The principal accounting policies adopted are set out below.

### Changes in accounting policies or presentation of information

In 2024, the account other services (related to the main activity) were reclassified from the item Goods, raw materials, materials and services to the item Miscellaneous operating expenses. The account reflects various program fees related to the main activity and fees related to the maintenance of marketing authorizations and pharmacovigilance follow-up.

The expense is reflected in the item Miscellaneous operating expenses in the note line Other.

The correction has also been made in 2023 - the item Goods, raw materials, materials and services decreased by EUR 86,470, totaling EUR 324,958, and the item Miscellaneous operating expenses increased by EUR 86,470, totaling EUR 811,948.

### Preparation of consolidated statements

In the audited 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 audited 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

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 the 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 receivable, 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 an 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 EUR 1,350.

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 include also 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: EUR 1,350

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, licences, 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 recognised 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 recognised 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 applicable in Estonia, the annual profit of a company is not taxed in Estonia. A company's income tax liability arises upon the distribution of dividends or other profit distributions. The general tax rate on distributed profits is 20/80 (25% of the net amount); however, a lower rate of 14/86 applies to regular dividends.

Income tax is levied on profit distributions, fringe benefits, gifts, donations, reception expenses, expenses unrelated to business activities, and transfer pricing adjustments. The applicable tax rate is 20/80 of the taxable amount.

Due to the specifics of Estonia's taxation system, companies registered in Estonia do not have differences between the tax base and carrying values of assets, and therefore, no deferred tax assets or liabilities arise.

### Updated Tax Rates

Effective from 1 January 2024, Estonia's standard Value Added Tax (VAT) rate increased from 20% to 22%. Reduced VAT rates remained unchanged (9% and 5%).

As of January 1, 2025, the personal and corporate income tax rate in Estonia will increase from the current 20% to 22%, and the lower corporate income tax rate on regularly distributed profits will be cancelled.

## Related parties

The following are considered as related parties in the preparation of the annual report for J. Molner AS in 2024:

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

## 2. Cash

	31.12.2024	31.12.2023
	€	€
Cash	215,550	92,522
<b>Total cash</b>	<b>215,550</b>	<b>92,522</b>

## 3. Receivables and prepayment

	31.12.2024	Allocation by remaining maturity	
	€	Within 12 months	1-5 years
	€	€	€
<b>Accounts receivable</b>	<b>292,416</b>	<b>292,416</b>	<b>-</b>
<b>Tax prepayments and receivables</b>	<b>16,181</b>	<b>16,181</b>	<b>-</b>
<b>Prepayment</b>			
Deferred expenses	5,855	5,855	-
Other paid prepayments	282,310	272,895	9,415
<b>Total prepayments</b>	<b>288,165</b>	<b>278,750</b>	<b>9,415</b>
<b>Total receivables and prepayments</b>	<b>596,762</b>	<b>587,347</b>	<b>9,415</b>

	31.12.2023	Allocation by remaining maturity	
	€	Within 12 months	1-5 years
	€	€	€
<b>Accounts receivable</b>	<b>70,211</b>	<b>70,211</b>	<b>-</b>
<b>Tax prepayments and receivables</b>	<b>11,427</b>	<b>11,427</b>	<b>-</b>
<b>Prepayments</b>			
Deferred expenses	227,293	227,293	-
Other paid prepayments	16,994	7,399	9,595
<b>Total prepayments</b>	<b>244,287</b>	<b>234,692</b>	<b>9,595</b>
<b>Total receivables and prepayments</b>	<b>325,925</b>	<b>316,330</b>	<b>9,595</b>

## 4. Inventories

	31.12.2024	31.12.2023
	€	€
Raw materials	14,512	6,664
Merchandise	204,664	65,578
<b>Total Inventories</b>	<b>219,176</b>	<b>72,242</b>

## 5. Shares of subsidiaries

Share of subsidiaries, general information					
Subsidiary's registry code	Name of subsidiary	Country of incorporation	Principal activity	Ownership interest (%)	
				31.12.2024	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	USA	Wholesale	100	100
99-4998744	Nordisk Element LLC	USA	Sale of cosmetic products	100	-

Acquired ownership interest				
Subsidiary's registry code	Name of subsidiary	Acquired ownership interest	Acquisition date	Cost of acquired ownership interest
16049586	The J. Molner Company OÜ	100	06.09.2022	1,600,000
87-2118750	The J. Molner Company LLC	100	09.01.2023	467
99-4998744	Nordisk Element LLC	100	06.09.2024	-



## 6. Property, plant and equipment

	Computers and computer systems €	Other machinery and equipment €	Machinery and equipment €	Other property, plant and equipment €	Total €
<b>31.12.2022</b>					
Carried at cost	6,943	157,551	164,494	-	164,494
Accumulated depreciation	(231)	(25,448)	(25,679)	-	(25,679)
<b>Residual cost</b>	<b>6,712</b>	<b>132,103</b>	<b>138,815</b>	<b>-</b>	<b>138,815</b>
Acquisitions and additions	19,417	71,290	90,707	7,468	98,175
Depreciation	(3,848)	(19,491)	(23,339)	(249)	(23,588)
<b>31.12.2023</b>					
Carried at cost	26,360	228,841	255,201	7,468	262,669
Accumulated depreciation	(4,079)	(44,939)	(49,018)	(249)	(49,267)
<b>Residual cost</b>	<b>22,281</b>	<b>183,902</b>	<b>206,183</b>	<b>7,219</b>	<b>213,402</b>
Acquisitions and additions	3,197	60,266	63,463	50,336	113,799
Depreciation	(5,540)	(31,184)	(36,724)	(4,685)	(41,409)
<b>31.12.2024</b>					
Carried at cost	<b>29,557</b>	<b>289,107</b>	<b>318,664</b>	<b>57,804</b>	<b>376,468</b>
Accumulated depreciation	<b>(9,619)</b>	<b>(76,123)</b>	<b>(85,742)</b>	<b>(4,934)</b>	<b>(90,676)</b>
<b>Residual cost</b>	<b>19,938</b>	<b>212,984</b>	<b>232,922</b>	<b>52,870</b>	<b>285,792</b>

## 7. Intangible assets

	Computer software €	Concessions, patents, licenses, trademarks €	Other intangible assets €	Total €
<b>31.12.2022</b>				
Carried at cost	5,152	-	786,176	791,328
Accumulated depreciation	(772)	-	-	(772)
<b>Residual cost</b>	<b>4,380</b>	<b>-</b>	<b>786,176</b>	<b>790,556</b>
Acquisitions and additions	-	481,449	1,162,693	1,644,142
Depreciation	(516)	(7,875)	-	(8,391)
<b>31.12.2023</b>				
Carried at cost	5,152	481,449	1,948,869	2,435,470
Accumulated depreciation	(1,288)	(7,875)	-	(9,163)
<b>Residual cost</b>	<b>3,864</b>	<b>473,574</b>	<b>1,948,869</b>	<b>2,426,307</b>
Acquisitions and additions	-	976,754	1,151,176	2,127,930
Depreciation	(515)	(67,777)	-	(68,292)
Reclassification	-	-	(1,257,756)	(1,257,756)
<b>31.12.2024</b>				
Carried at cost	<b>5,152</b>	<b>1,458,203</b>	<b>1,842,289</b>	<b>3,305,644</b>
Accumulated depreciation	<b>(1,803)</b>	<b>(75,652)</b>	<b>-</b>	<b>(77,455)</b>
<b>Residual cost</b>	<b>3,349</b>	<b>1,382,551</b>	<b>1,842,289</b>	<b>3,228,189</b>

## 8. Loan commitments

	31.12.2024 €	Allocation by remaining maturity			Interest rate	Base currencies	Due date
		Within 12 months €	1-5 years €	Over 5 years €			
<b>Current loans</b>							
Short-term shareholder loan, EUR	92,169	92,169	-	-	5%	EUR	31.12.2024
Short-term shareholder loan, USD	171,959	171,959	-	-	5%	USD	31.12.2024
<b>Current loans total</b>	<b>264,128</b>	<b>264,128</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-current loans</b>							
Long-term loan	120,517	-	120,517	-	5%	USD	20.09.2026
Long-term loan, USD	535,644	-	535,644	-	7%	USD	06.04.2028
Long-term loan, USD	1,460,096	-	1,460,096	-	7%	USD	06.04.2028
<b>Non-current loans total</b>	<b>2,116,257</b>	<b>-</b>	<b>2,116,257</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Loan commitments total</b>	<b>2,380,385</b>	<b>264,128</b>	<b>2,116,257</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	31.12.2023 €	Allocation by remaining maturity			Interest rate	Base currencies	Due date
		Within 12 months €	1-5 years €	Over 5 years €			
<b>Current loans</b>							
Short-term shareholder loan, EUR	95,735	95,735	-	-	5%	EUR	31.12.2023
Short-term shareholder loan, USD	171,910	171,910	-	-	5%	USD	31.12.2023
<b>Current loans total</b>	<b>267,645</b>	<b>267,645</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-current loans</b>							
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
<b>Non-current loans total</b>	<b>1,911,170</b>	<b>-</b>	<b>1,911,170</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Loan commitments total</b>	<b>2,178,815</b>	<b>267,645</b>	<b>1,911,170</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 9. Payables and prepayments

	Note	31.12.2024 €	Within 12 months €
Trade payables		560,721	560,721
Employee payables	10	92,881	92,881
Tax payables		122,635	122,635
Other accrued expenses		460,422	460,422
Deferred income		3,850	3,850
<b>Total payables and prepayments</b>		<b>1,240,509</b>	<b>1,240,509</b>

	Note	31.12.2023 €	Within 12 months €
Trade payables		271,546	271,546
Employee payables	10	70,135	70,135
Tax payables		76,096	76,096
Other accrued expenses		247,716	247,716
Deferred income		23,184	23,184
<b>Total payables and prepayments</b>		<b>688,677</b>	<b>688,677</b>

In US, labor taxes are paid quarterly, by the last day of the month following the end of the quarter.

## 10. Employee payables

	31.12.2024 €	31.12.2023 €
Remuneration liability	68,916	50,012
Vacation pay liability	23,965	20,213
<b>Total employee payables</b>	<b>92,881</b>	<b>70,135</b>

## 11. Share capital

	31.12.2024 €	31.12.2023 €
Share capital	1,686,001	1,686,001
Number of shares (pcs)	1,686,001	1,686,001
Nominal value of shares	1	1

## 12. Net sales

	31.12.2024	31.12.2023
	€	€
<b>Net sales by geographical location</b>		
<b>Net sales in European Union</b>		
Estonia	51,440	4,746
Latvia	62,554	38,908
<b>Total net sales in European Union</b>	<b>113,994</b>	<b>43,654</b>
<b>Net sales outside of European Union</b>		
United States of America	2,173,227	287,862
Canada	7,407	286,047
<b>Total net sales outside of European Union</b>	<b>2,180,634</b>	<b>573,909</b>
<b>Total net sales</b>	<b>2,294,628</b>	<b>617,563</b>
<b>Net sales by operating activities</b>		
Research and development in the field of biotechnology	1,933,184	617,563
Sale of goods	361,444	-
<b>Total net sales</b>	<b>2,294,628</b>	<b>617,563</b>

## 13. Goods, raw materials, and services

	31.12.2024	31.12.2023
	€	€
Raw materials	117,747	42,435
Inventory write-off	79,286	2,724
Goods purchased for resale	470,646	107,978
Services purchased for resale	783,474	17,861
<b>Energy</b>		
Electricity	12,650	13,807
Heat energy	2,317	2,278
<b>Total energy</b>	<b>14,697</b>	<b>16,085</b>
Water supply services	1,032	829
Transportation expense	4,569	1,255
Leases	71,048	47,553
Other	392,999	88,238
<b>Total goods, raw materials, and services</b>	<b>1,935,768</b>	<b>324,958</b>

In 2024, the account Other services (related to the main activity) was reclassified from the item Goods, raw materials, materials and services to the item Miscellaneous operating expenses. The account reflects various program fees related to the main activity and fees related to the maintenance of marketing authorizations and pharmacovigilance. The correction has also been made in year 2023.



## 14. Miscellaneous operating expenses

	31.12.2024	31.12.2023
	€	€
Leases	48,553	39,293
<b>Energy</b>		
Electricity	10,177	19,658
Heat energy	1,864	3,329
<b>Total energy</b>	<b>12,041</b>	<b>22,987</b>
Water supply services	830	1,185
Miscellaneous office expenses	511,194	93,605
Travel expense	157,843	162,850
Training expense	45,710	237,868
State and local taxes	500	10,872
Other	351,888	243,288
<b>Total miscellaneous operating expenses</b>	<b>1,128,559</b>	<b>811,948</b>

In 2024, the account Other services (related to the main activity) was reclassified from the item Goods, raw materials, materials and services to the item Miscellaneous operating expenses.

The account reflects various program fees related to the main activity and fees related to the maintenance of marketing authorizations and pharmacovigilance.

The expense is reflected in the line Other in the note above. The correction has also been made in year 2023.

## 15. Labor expense

	31.12.2024	31.12.2023
	€	€
Wage and salary expense	1,225,904	787,676
Social security taxes	347,822	250,551
Option cost (reserv)	40,344	21,711
<b>Total labor expense</b>	<b>1,614,070</b>	<b>1,059,938</b>
Average number of employees in full time equivalent units	33	27
<b>Average number of employees by types of employment</b>		
Person employed under employment contract	32	26
Person providing service under law of obligations, except for self-employed person	1	1

## 16. Related parties

### Related party balances according to groups - short term

	Note	31.12.2024 €	31.12.2023 €
<b>Receivables and prepayments</b>			
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	3	-	7,399
<b>Total receivables and prepayments</b>		-	7,399
<b>Loan commitments</b>			
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	8	264,128	267,645
<b>Total loan commitments</b>		264,128	267,645

### Loan commitments

	Note	31.12.2022 €	Loans received repayments €	31.12.2023 €	Interest accrued for period €
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	8	274,178	19,426	267,645	12,891
<b>Total loan commitments</b>		274,178	19,426	267,645	12,891

	Note	31.12.2023 €	Loans received repayments €	31.12.2024 €	Interest accrued for period €
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	8	267,645	13,601	264,128	10,082
<b>Total loan commitments</b>		267,645	13,601	264,128	10,082

### Remuneration and other significant benefits calculated for members of management and highest supervisory body

	2024 €	2023 €
<b>Remuneration</b>	182,002	65,992

## 17. Non consolidated statement of financial position

	31.12.2024 €	31.12.2023 €
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	-	3,457
Receivables and prepayments	6,497	-
<b>Total current assets</b>	<b>6,497</b>	<b>3,457</b>
<b>Non-current assets</b>		
Investments in subsidiaries and associates	1,600,467	1,600,467
Receivables and prepayments	2,030,149	2,410,447
<b>Total non-current assets</b>	<b>3,630,616</b>	<b>4,010,914</b>
<b>Total assets</b>	<b>3,637,113</b>	<b>4,014,371</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Payables and prepayments	72,298	1,187
<b>Total current liabilities</b>	<b>72,298</b>	<b>1,187</b>
<b>Non-current liabilities</b>		
Loan liabilities	1,460,096	1,866,616
<b>Total non-current liabilities</b>	<b>1,460,096</b>	<b>1,866,616</b>
<b>Total liabilities</b>	<b>1,532,394</b>	<b>1,867,803</b>
<b>Equity</b>		
Issued capital	1,686,001	1,686,001
Share premium	612,327	612,327
Other reserves	62,055	21,711
Retained earnings (loss)	(173,471)	(143,268)
Annual period profit (loss)	(82,193)	(30,203)
<b>Total equity</b>	<b>2,104,719</b>	<b>2,146,568</b>
<b>Total liabilities and equity</b>	<b>3,637,113</b>	<b>4,014,371</b>

## 18. Non consolidated income statement

	31.12.2024	31.12.2023
	€	€
Other operating expense	(68,070)	(29,400)
Employee expense	(40,344)	(21,711)
<b>Total operating profit (loss)</b>	<b>(108,414)</b>	<b>(51,111)</b>
Interest expenses	(88,058)	(57,729)
Other financial income and expense	114,279	78,637
<b>Profit (loss) before tax</b>	<b>(82,193)</b>	<b>(30,203)</b>
<b>Annual period profit (loss)</b>	<b>(82,193)</b>	<b>(30,203)</b>

## 19. Non consolidated statement of cash flows

	2024	2023
	€	€
<b>Cash flows from operating activities</b>		
Payments to suppliers for goods and services	(3,457)	(118,004)
Other cash flows from operating activities	-	(25)
<b>Total cash flows from operating activities</b>	<b>(3,457)</b>	<b>(118,029)</b>
<b>Cash flows from investing activities</b>		
Loans given	-	(523,000)
Interest received	-	76
<b>Total cash flows from investing activities</b>	<b>-</b>	<b>(522,924)</b>
<b>Total cash flows</b>	<b>(3,457)</b>	<b>(640,953)</b>
Cash and cash equivalents at beginning of period	3,457	644,410
Change in cash and cash equivalents	(3,457)	(640,953)
Cash and cash equivalents at end of period	-	3,457



## 20. Non consolidated statement of changes in equity

	Issued capital €	Share premium €	Other reserves €	Retained earnings (loss) €	Total €
<b>31.12.2022</b>	1,686,001	612,327	-	(143,268)	2,155,060
Restated balance 31.12.2022	1,686,001	612,327	-	(143,268)	2,155,060
Annual period profit (loss)	-	-	-	(41,897)	(41,897)
Changes in reserves	-	-	21,711	11,694	33,405
<b>31.12.2023</b>	1,686,001	612,327	21,711	(173,471)	2,146,568
<b>Restated balance 31.12.2023</b>	1,686,001	612,327	21,711	(173,471)	2,146,568
Annual period profit (loss)	-	-	-	(82,193)	(82,193)
Changes in reserves	-	-	40,344	-	40,344
<b>31.12.2024</b>	<b>1,686,001</b>	<b>612,327</b>	<b>62,055</b>	<b>(255,664)</b>	<b>2,104,719</b>
Governing and material influence ownership interest value of financial position	<b>-1,600,467</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-1,600,467</b>
Governing and material influence on the value Of holdings under the equity method	<b>420,585</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>420,585</b>
<b>Restated non consolidated equity 31.12.2024</b>	<b>506,119</b>	<b>612,327</b>	<b>62,055</b>	<b>(255,664)</b>	<b>924,837</b>

In 2024, the change in reserves included a change in the share option reserve in the amount of EUR 40,344.

## 21. Continuity of operations

As at the end of the financial year, the current liabilities of Molner AS exceeded its current assets by EUR 482,564. Specifically, as of 31 December 2024:

- Current assets: EUR 1,022,073
- Current liabilities: EUR 1,504,637

The Company's management has assessed the situation and determined that, despite the financial indicators mentioned, the Company has sufficient resources and realistic plans to continue operations for at least the next 12 months from the date of approval of the financial statements. This conclusion is based on the following considerations:

- The Company has existing or planned financing arrangements.
- On 9 December 2024, the subsidiary of J. Molner AS, The J. Molner Company OÜ, increased its loan facility by up to USD 1,750,000, thereby ensuring the Company's ability to realize its assets and settle its obligations in the ordinary course of business.
- Management has not identified any other material conditions that would cast significant doubt on the Company's ability to continue as a going concern.

Based on the above, the management has concluded that the going concern assumption is appropriate, and therefore the financial statements have been prepared on a going concern basis.

## 22. Declaration of the Management Board

The Management Board has prepared the consolidated audited annual report of J. Molner for the financial year 2024 and confirms the accuracy of the data presented in the report.

Date of completion of the report: 21 April 2025

**Jason Michael Atticus Grenfell-Gardner**

Chairman of the Management Board

## 23. Independent Auditor's Report

### To the Shareholders of J. Molner AS

#### Opinion

We have audited the consolidated financial statements of J.Molner AS and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2024, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Estonian financial reporting standard.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Estonia) (ISA (EE)s). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (Estonia) (including International Independence Standards), 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.

#### Other information

Management is responsible for the other information. The other information comprises the Management report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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.

#### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements in accordance with Estonian financial reporting standard, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 ISA (EE)s 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 consolidated financial statements.

As part of an audit in accordance with ISA (EE)s, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Tarmo Rahkama  
Sworn Auditor  
License number 614

**Grant Thornton Baltic OÜ**  
License number 3  
Pärnu mnt 22, 10141 Tallinn  
April 21, 2025



## 24. Loss Coverage Proposal

The Management Board of J. Molner proposes to cover the loss for the financial year ended 31 December 2024 in the amount of €3,871,870 as follows:

	31.12.2024 €
Retained earnings (loss)	(3,871,870)
Annual period profit (loss)	(2,438,621)
<b>Total uncovered loss</b>	<b>(6,310,491)</b>
To be covered from profit of future periods	6,310,491
<b>Retained earnings after loss coverage</b>	<b>-</b>

## 25. Distribution of the Sales Revenue of the Parent Company

	EMTAK code	Revenue
Business consulting and other management consultancy services	70221	-

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**J. Molner AS**

[www.jmolner.com](http://www.jmolner.com)

[jmolner@jmolner.com](mailto:jmolner@jmolner.com)

+372 6 150 576

Akadeemia tee 21/5, Tallinn, 12618, Estonia