

# ANNUAL REPORT

**beginning of financial year:** 22.09.2022

**end of the financial year:** 31.12.2022

**business name:** J.Molner AS

**register code:** 16579077

**street, building, apartment, farm:** Akadeemia tee 21/5

**city:** Tallinn

**county:** Harju maakond

**postal code:** 12618

**e-mail address:** jmolner@jmolner.com

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## Management report

J.Molner was founded on 22 September 2022. The Company was established as a holding company without independent economic activity. The purpose of establishing the Company was the initial public offering and admission to trading on the First North multilateral trading facility of the shares of The J. Molner Company OÜ. As the corporate form (private limited company) of The J.Molner Company OÜ did not allow it to make a public offering of the holding and apply for admission to trading, the Company was founded. The Company was established with non-monetary contributions the object of which was a 100% holding in J. Molner Company OÜ, thus the Company is the parent company of J. Molner Company OÜ.

In 2022, the Company did not perform any more activities apart from the acquisition of a 100% holding in The J. Molner Company OÜ as a share capital contribution, and the expenses incurred for conducting the IPO. In order to assess the economic results of the Company as a publicly traded company, we recommend reviewing the annual report of The J. Molner Company OÜ.

## The annual accounts

### Statement of financial position

(In Euros)

	31.12.2022	22.09.2022	Note
Assets			
Current assets			
Cash and cash equivalents	644 410	0	2
<b>Receivables and prepayments</b>	<b>124</b>	<b>0</b>	
Other receivables	124	0	
<b>Total current assets</b>	<b>644 534</b>	<b>0</b>	
Non-current assets			
<b>Investments in subsidiaries and associates</b>	<b>1 600 000</b>	<b>1 600 000</b>	
Shares of subsidiaries	1 600 000	1 600 000	
<b>Total non-current assets</b>	<b>1 600 000</b>	<b>1 600 000</b>	
<b>Total assets</b>	<b>2 244 534</b>	<b>1 600 000</b>	
Liabilities and equity			
Liabilities			
Current liabilities			
<b>Payables and prepayments</b>	<b>89 474</b>	<b>0</b>	
Trade payables	89 474	0	
<b>Total current liabilities</b>	<b>89 474</b>	<b>0</b>	
<b>Total liabilities</b>	<b>89 474</b>	<b>0</b>	
Equity			
Issued capital	1 686 001	1 600 000	4
Share premium	612 327	0	
Annual period profit (loss)	-143 268	0	
<b>Total equity</b>	<b>2 155 060</b>	<b>1 600 000</b>	
<b>Total liabilities and equity</b>	<b>2 244 534</b>	<b>1 600 000</b>	

## Income statement

(In Euros)

	22.09.2022 - 31.12.2022	Note
Other operating expense	-143 272	5
<b>Operating profit (loss)</b>	<b>-143 272</b>	
Interest income	4	
<b>Profit (loss) before tax</b>	<b>-143 268</b>	
<b>Annual period profit (loss)</b>	<b>-143 268</b>	

## Notes

### Note 1 Accounting policies

#### General information

The financial accounts of J.Molner AS for the financial year 2022 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 an abbreviated annual report of a small business.

The annual accounts have been prepared in Euros.

The principal accounting policies adopted are set out below.

#### 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).

#### Shares of subsidiaries and associates

Subsidiaries are companies controlled by the parent company. Control is presumed if the parent company holds, either directly or through subsidiaries, more than 50% of the voting rights of the subsidiary. Control also exists if the parent company holds 50% or less of the voting rights in the subsidiary, but the parent company: (1) actually controls more than 50% of voting rights under an agreement with other investors; (2) controls the company's financial and operational policy under the articles of association or an agreement; (3) is able to appoint or remove the majority of members of the management or the highest supervisory body (e.g. the management board or supervisory board or the company); or (4) is able to steer the decisions adopted at meetings of the management or the highest supervisory body.

An affiliate is a company over which the investor exercises a significant influence, and which is not a subsidiary of the investor. Significant influence is presumed to exist if the investor holds 20% to 50% of the voting shares of the company. In exceptional cases, significant influence can also exist if the investor company holds less than 20% of the associate. The existence of significant influence is characterized by the following elements: (1) representation in the executive management or a higher management body of the investment object; (2) participation in making business policy decisions of the investment object; (3) significant transactions between the investor and the investment object; (4) partial overlap between the investor and the management of the investment object; (5) exchange of technical information between the investor and the investment object.

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

The Company has not prepared consolidated financial statements, as it proceeded from the exception set forth in subsection 29 (3) of the Accounting Act.

#### Related parties

A related party is a person or a company that is related to the Company preparing the annual report to such an extent that the transactions between them might not be concluded under market conditions.

A person or a close family member of that person is related to the reporting company if that person:

- (1) is a member of the management of the reporting company or of its parent company; or  
 (2) has control or significant influence over the reporting company.

A company is related to the reporting company if one or several of the following conditions apply:

- (1) the company and the reporting company are under common control;  
 (2) one company is a company under the control of a third party and the other company is a company under the significant influence of this third party (or the individual or their close family member if the third party is an individual);  
 (3) the company has control or significant influence over the reporting company;  
 (4) the company is under the control or significant influence of the reporting company;  
 (5) companies that are under the control or significant influence of the reporting company or a member of the management of its parent company (or their close family members);  
 (6) companies whose management includes persons (or their close family members) who have dominant or significant influence over the reporting company.

## Note 2 Cash and cash equivalents

(In Euros)

	31.12.2022	22.09.2022
Cash and cash equivalents	644 410	0
<b>Total cash and cash equivalents</b>	<b>644 410</b>	<b>0</b>

## Note 3 Shares of subsidiaries

(In Euros)

Shares of subsidiaries, general information					
Subsidiary's registry code	Name of subsidiary	Country of incorporation	Principal activity	Ownership interest (%)	
				22.09.2022	31.12.2022
16049586	The J. Molner Company OÜ	Estonia	Research and development in the field of biotechnology	100	100

## Note 4 Share capital

(In Euros)

	31.12.2022	22.09.2022
Share capital	1 686 001	1 600 000
Number of shares (pcs)	1 686 001	1 600 000
Nominal value of shares	1 686 001	1 600 000

In the reporting year, the Company's shares were listed in the First North multilateral trading system of the Nasdaq Tallinn Stock Exchange. Thereby, 86,001 new shares were issued at a premium of 612,327 euros.

## Note 5 Miscellaneous operating expenses

(In Euros)

	22.09.2022 - 31.12.2022	22.09.2022 - 22.09.2022
Set-up fees	6 805	0
Advertising fees	11 623	0
Auditor's fees	17 850	0
Lawyer's fees	56 450	0
Nasdaq Baltic fees	16 261	0
Other	34 283	0
<b>Total miscellaneous operating expenses</b>	<b>143 272</b>	<b>0</b>

## Note 6 Related parties

(In Euros)

BOUGHT	22.09.2022 - 31.12.2022	22.09.2022 - 22.09.2022
	Services	Services
Subsidiaries	88 989	0
<b>Total bought</b>	<b>88 989</b>	<b>0</b>

Purchased services from the subsidiary are related to reimbursement of IPO expenses.

INDEPENDENT AUDITOR'S REPORT  
(Translation of the Estonian original)

To the Shareholders of J.Molner AS

Opinion

We have audited the financial statements of J.Molner AS (the Company), which comprise the balance sheet as at December 31, 2022, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and its financial performance 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 Financial Statements* section of our report. We are independent of the Company 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 financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, 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 Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

/digitally signed/

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March 9, 2023