
2021

Annual Report



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Exciting times!

The transformation that began in 2020 has continued through 2021, as we brought more resources to the team, focusing the group on its core activities and at the same time defining new areas for investments and future growth.

In many ways, 2021 started as 2020 ended, where the ongoing COVID-19 situation put a lot of uncertainty on the markets. Despite this, we can state that ImmunoPharma and our group companies have continued the strong performance we have seen over the past few years.

We see that the increased focus on personal health during the pandemic period has impacted positively on the businesses we operate, and financially we see this in record numbers for the group on both revenue and earnings. We are confident this will accelerate in the time to come as we continue to build the company and new business areas.

During the last year, we have taken steps to increase focus on several of our businesses. Especially we see great progress in the Andosan business area as Ralf has spent considerable time on the process of bringing this to the next level. Both in respect to documenting the unique way Andosan stimulates the human body and in understanding the potential markets for Andosan. The unique way Andosan seems to interact with the human body opens up the possibility to be a powerful addition to many classical ways to treat severe health conditions. In this respect, we cooperate with some of the leading scientific players in the field of Natural Medicine. The preliminary results of this work were so encouraging that ImmunoPharma has in 2022 decided to spin this activity out into a new company, Mycotech Pharma AS, where all Andosan-related activities are allocated. In 2022 Mycotech Pharma will work to increase its financial abilities and has already attracted several new shareholders.

Based on the scientific findings of 2022 a regulatory strategy will be concluded within H2 2022 which then will lead to a regulatory approval process opening up markets like the US, Canada, and the EU

Towards the end of 2021, we also established a new company in the US, Nordic Healthy Living Inc., which will be our Direct-to-Consumer company focusing on the US consumer market. Our hero product is a joint health product that will be launched together with a bone health product during the third quarter of 2022. The bone and joint health category are an established, but still growing, market segment in the US, and we are extremely excited to see the response to these products and use the learnings from this initial project to launch more new consumer products in the US as time goes on. The business model is similar to the one we have seen being used by TG Montgomery in the Norwegian market; a model we know has provided great success for us in the past.

TG Montgomery and Eqology have both continued to deliver well throughout the year, and particularly Eqology is showing great development with increased revenue and profitability. This development continues into 2022, and we are very satisfied to see the great progress made by the Eqology team across the whole of Europe. TG Montgomery is working on a launch of a new product, and we are waiting in excitement to see how this will be received in the market during the fall of 2022.

According to the analytical firm "Research and Markets", one of the leading research firms covering the nutraceutical industry globally, the global dietary supplements market size is expected to reach USD 327.4 billion by 2030 and is expected to expand at a CAGR of 8.9%. Further, they say growing awareness regarding personal health and wellness owing to changing eating habits and hectic lifestyles is expected to drive

the demand for dietary supplements over the forecast period. Having these numbers in mind we strongly believe in the opportunity to grow our business further, taking advantage of the global growth combined with a well-adjusted product portfolio, adapted to the shifting trends in the consumer markets.

Looking at the market trends across our industry, we see the industry expects a mega trend in sustainable nutrition, focusing on, amongst other things, plant-based nutrition, immune health, weight management, and active ageing related products. We are well-positioned in several of these categories already and we are actively developing new opportunities in others which we plan on being able to launch over the next few years.

We use the opportunity to thank all who have contributed to the continued development of ImmunoPharma and the group companies, and particularly all the great employees and our valuable shareholders, but also all our partners who support us with great services and products that enable us to continue the growth path we are on. We look forward to working closely with all of you also in the years to come.

Oslo, June 22nd, 2022



Ralf Schmidt
CEO



Kjetil Ramsøy
Chairman

The ImmunoPharma Group

ImmunoPharma AS operates out of its head office in Oslo, Norway with subsidiaries in Norway, Sweden, Japan and USA.

ImmunoPharma AS was incorporated in 2009 to document and sell the Japanese-produced mushroom extract AndoSan. In late 2019, ImmunoPharma acquired the marketing and sales companies Eqology and TG Montgomery.

- Ongoing R&D efforts since 1998
- Unique immunomodulating mushroom extract ANDOSAN
- Demonstrated clinical effects of ANDOSAN
- Patented and protected IP
- R&D basis on longevity products based on chemical substances - NAD
- Target multi billion dollar market



Some of our products.

About TG Montgomery

TG Montgomery is a specialized seller and distributor of K2 Vitamin. TGM's emphasis is on maximizing profitability through a proprietary, fully automated, and easily scalable in-house marketing system. Through this platform, TGM is well-positioned to penetrate new attractive markets.

- Distributor of K2 vitamin.
- More than 20 000 active subscribers.
- Strong digitilization.
- A fully automated marketing system.
- Positioned to penetrate new attractive markets.

Vitamin K2

- One of our most popular products.
- Sold through subscriptions
- Supports bone structure, immune system, heart and muscles.

About Eqology

Eqology is a fast-growing Norwegian Network Marketing company established in 1998. Network Marketing means that they sell products directly to the consumers through the usual channels of resale. Eqology's philosophy is reflected in their products, which are produced using natural, highly effective ingredients. All Eqology's products are developed in collaboration with leading herbalists homeopaths and biochemists. Today, Eqology operates across 25 European countries.

- Dietary supplements.
- More than 40 000 active customers.
- Diversified and exclusive product portfolio.
- Topline growth of ~28.6 % Y/Y.

Omega-3

- High-quality Omega-3 from Arctic wild fish.
- A range of different products within the Omega-3 segment.
- Test kit which allows customers to measure and track Omega-3 levels over time.

About AndoSan™

AndoSan™ is a potent immune-modulating substance with wide-ranging potential applications. AndoSan's medicinal benefits have been clinically studied and documented in 20+ scientific publications. In a 2004 comparative study with other medicinal mushroom extracts, AndoSan stood out among several extracts because of its unique immunomodulatory properties. Further research is planned to document the medicinal benefits of this extract clinically.

- Developed through years of extensive research and testing.
- Extracted mushrooms and produced at fully owned factory in Japan.
- Promising effects on cancer and inflammatory conditions.
- Exclusive global distribution.

Board of Directors' Report

ImmunoPharma produces dietary supplements and herbal medicine and distributes these products directly to end consumers and business partners across 26 European countries. Our quest is to improve the quality of life by enabling people to do more, feel better and live longer.

OPERATIONS AND LOCATIONS

Founded in 2009 ImmunoPharma has had ongoing research and development with leading medical institutions demonstrating clinical effects on a wide range of health issues.

ImmunoPharma AS operates out of its head office in Oslo, Norway, and has subsidiaries in Norway, Sweden, USA and Japan. In total the group consists of twelve companies.

ImmunoPharma strives to enable humans to increase their life quality by improving and maintaining their natural immune response capabilities and allowing them to age with a high quality of life.

VISION

ImmunoPharma's vision is to become a leading advance biotech company based on medical approved natural substances.

FINANCIAL MATTERS

The financial statements of ImmunoPharma Group and the parent company, ImmunoPharma AS, have been prepared in accordance with the Generally Accepted Accounting Principles in Norway. The Board of Directors is of the opinion that the annual financial statements provide a true and fair view of the financial results for 2021 and financial position as at December 31st, 2021.

In accordance with the Norwegian accounting legislation requirements, the Board of Directors confirms that the requirements have been met for preparation of the accounts under the going concern assumption and that the accounts have been prepared on this basis.

COMMENTS TO THE CONSOLIDATED ACCOUNTS

Income Statement

Amounts in NOK mill.	2021	2020
Operating Revenue	390.9	316.3
EBITDA	16.1	28.2

The total operating income was MNOK 390.9 compared to MNOK 316.3 in 2020, which is an increase of 24%. Total equity per December 31st, 2021 is MNOK 243.9 compared to MNOK 138.0. Mainly driven by several successful capital raises and debt conversions. The Earnings Before Interest, Tax & Depreciation (EBITDA) was 16.1 compared to MNOK 28.2 in 2020, a decrease of 43%.

Operating loss was MNOK -49.3 in 2021 vs -35.5 in 2020. The operating result in 2021 is significantly impacted by goodwill amortization of MNOK 62.3 from the acquisitions of TG Montgomery and Eqology. Under Norwegian GAAP goodwill is amortized over a period of 5 years unlike IFRS where goodwill is not amortized but is tested annually for impairment. As a non-cash charge it will negatively affect operating results and net profit/loss for the 5 year period from the acquisition date.

Eqology is currently the largest contributor to the ImmunoPharma Groups total revenues. In 2021 Eqology delivered revenues of MNOK 343.4, up 28.6% from 2020 revenues of MNOK 266.7.

Balance Sheet, Working Capital and Cash Flow

As of the end of 2021 the equity ratio was 69.5% (2020: 35.3%) as a result of the aforementioned capital raises and debt conversions.

Cash generated by operations was MNOK -6.5 in 2021, and the operating profit constituted MNOK -49.3. The difference mainly concerns goodwill amortization. The Group's liquidity reserve at the end of 2021 amounted to MNOK 76.794.

Despite the growth and required investment in working capital the cash balances remain positive at the end of 2021. Close attention to cash management and profitability (EBITDA) have both contributed to this positive development. Working

capital management is a priority to ensure that the organization will sustain the growing investment required in working capital as the business continues to grow.

COMMENTS TO PARENT COMPANY ACCOUNTS

The total operating income was MNOK 11.5 compared to MNOK 0.97 in 2020 which is a more than a tenfold increase. The result after taxes was MNOK -37.9 in 2021 compared to MNOK 10.3 in 2020. The reduction of result after taxes is largely driven by write-down of long term investments of MNOK 27.9 (which is eliminated in the Group accounts). Equity in the parent company was MNOK 256.2 on December 31st, 2021 compared to MNOK 162.8 on December 31st, 2020.

DISTRIBUTION OF NET LOSS FOR THE YEAR

The Board proposes that the net loss for ImmunoPharma AS for the year of MNOK 38.7 is transferred from equity.

EVENTS AFTER BALANCE SHEET DATE

In May 2022, ImmunoPharma AS conducted an asset sale of Andosan and all Andosan-related business to its wholly owned subsidiary Mycotech Pharma AS.

The Group has also during the first half year of 2022 bought all outstanding shares in both TG Montgomery AS and Eqology AS.

There are no other material events that have taken place after the balance date which are not disclosed in this report.

TREASURY STOCK

Refer to note 10 - Equity under Parent Company for further information on changes in the holdings of treasury stock.

WORK ENVIRONMENT & PERSONNEL

ImmunoPharma has not experienced any working accidents throughout 2021. The company works actively, purposefully, and systematically to promote the purpose of keeping a good working environment for all employees. The activities include recruitment, pay, promotion, development, and protection against harassment and discrimination. The company aims to be an

including workplace.

The Group prohibits discrimination of any kind, including but not limited to discrimination based on sex, race, color, age, religion, sexual preference, marital status, national origin, disability, ancestry, political opinion, or any other basis prohibited by the laws that govern its operations.

No issues related to discrimination or gender equality were registered in 2021, and it is not considered necessary to take any further measures to ensure equal opportunities.

The Group shall conduct itself in a manner designed to ensure a healthy work environment where all employees feel safe and secure and are valued for the diversity that they bring to the business.

ImmunoPharma honors all domestic and international laws and regulations designed to protect the Company's personnel, and this ensures regulated working conditions related to working hours, holidays, remuneration, pensions, and discrimination. Employees should conduct themselves in a manner that is consistent with this policy.

The Group prohibits harassment. Employees are expected to treat one another with respect. "Harassment" includes any conduct likely to cause offense or humiliation to any person or that might, on reasonable grounds, be perceived by a reasonable person to place a condition on employment or on any opportunity for training or promotion.

No claims or accidents have been reported involving any Group employees in 2021.

ImmunoPharma is strongly opposed to all forms of corruption and is committed to undertaking business in accordance with the highest ethical standards, with a zero-tolerance policy for corruption or bribery. No issues related to ethics or corruption were registered in 2021.

EXTERNAL ENVIRONMENT

ImmunoPharma's policy is to operate its business in accordance with all applicable environmental laws and regulations to ensure protection of and minimal impact upon both the environment and climate change. All employees should conduct themselves in a manner that is consistent with this

policy. ImmunoPharma does not conduct business that pollutes the external environment beyond what is the normal result of a primarily office-based operation. The influence on the environment is predominantly through energy consumption, waste generation, and travel, and the Company is committed to minimizing these activities and their negative impact by implementing procedures to ensure that energy and materials are used efficiently and that waste and residual products are minimal.

RISK AREAS

The Board of Directors and Management conducts ongoing analysis of the risk factors facing the Company. An investment in equities implies risk and potential investors should carefully assess the risk outlined in this section, as well as the information contained elsewhere in this Annual Report with accompanying accounts and notes before deciding to invest in the Company's shares. If any of the following risks materialize, this could adversely affect the Company and/or its business, financial position, operating profit, liquidity, and/or prospects. The value of the Company's shares can be reduced, and investors may lose all or part of their investments. The order in which the risks are presented does not necessarily reflect the likelihood that they occur or the extent of their potential impact on the Company.

An investment in the Company's shares is only suitable for investors who understand risk factors associated with this type of investment and can afford a loss of all or part of the investment. The most significant risks that are known to the Company or as the Company considers material is described in this section.

OPERATIONAL RISK FACTORS

Activity Levels

The Company's business is exposed to the economic cycle in the market. Changes in the overall financial situation may affect the demand for the Company's products, thereby affecting the Company's financial position and profit. Since the Company's business is concentrated in a single industry, the Company may be more exposed to special economic, political, regulatory, environmental, or other developmental features than a company that has a more diverse business.

Competition and Strategic Choices

Competition is a constant threat to the Company's success. The competitive situation implies that high demands are set regarding the Company's board and management and the long-term strategic choices that have been made. There is a possibility that new companies can enter our markets and thereby increase the level of competition in the market. In such a situation, the company's market situation can be significantly more challenging and lead to an unforeseen decline in sales.

The competence of the Board and Management, and the ability to make the right strategic choices in a dynamic business environment can have a significant effect on the Company's future financial performance and position.

Protection and Ownership of Intellectual Property

The Company relies on intellectual property rights (IPR) and patents regulated by law, in addition to contractual restrictions, to protect important property rights. If these rights are not adequately protected, the Company's ability to compete and generate revenue may be adversely affected.

Furthermore, the Company may risk not obtaining adequate patent protection on the technology embodied in its products and manufacturing processes. There is also a risk of intrusion of IPR from third parties, which potentially impedes the Company's business or leads to losses for the Company. In such cases, expenses for legal counselors may be significant.

The Company's access and ability to use and claim rights related to its patents and other IPR developed by consultants or other collaborators on behalf of the Company relies on the ability of the Company to fulfil its payment obligations related to its patents, and agreements with affiliated third parties. Failure to make such payments as they mature may result in the Company being deprived of its patents and, in extreme consequence, the basis for continued operation.

Regulatory and Environmental Risk

The Company operates in different jurisdictions around the world. International operations increase the level of regulatory requirements and guidelines to which the Company must relate. Changes to

the regulations and environmental provisions in the relevant jurisdictions may therefore affect the Company's business. Approvals from the EU Commission, FDA, and similar authorities in other jurisdictions are necessary to be allowed to market the Company's products in Europe, the United States, and other relevant areas, respectively. It cannot be guaranteed that the Company will receive and/ or be able to obtain the future necessary permits to commercialize the products. Regulatory approvals can be withdrawn, denied, delayed, or limited for various reasons, and since regulatory agencies around the world have different approval requirements, this may have a negative effect on the Company.

Supply Risk

The Company's business is dependent on the continued supply of product. A large part of the Company's purchases is made from a small number of suppliers. As such the Company is dependent on these suppliers and their ability to produce and deliver goods in line with the demand and growth in demand. If the suppliers are not able to meet the requested demand this could affect the Company's turnover and profitability.

To ensure further access to raw materials, the Company has implemented significant measures in the last years to increase access to products by entering strategic contracts with new suppliers and contract manufacturers. These measures will reduce the risk associated with reliance on one or a few critical suppliers.

Disputes and Compensation Claims

The Company may from time to time be involved in disputes and/or legal actions that could lead to significant losses and/ or expenses for the Company and its business. No warranties can be made for the Company to succeed in litigation or disagreement with third parties.

Market Risk

ImmunoPharma has a diversified portfolio of products and business models. The structure of the Company provides an agile basis and flexibility to adapt to changes in the market and demand. Nevertheless, the different business models and businesses of ImmunoPharma do have risks relating to competitors and new entrants to its markets.

ImmunoPharma recognizes different type of competitors. For its Eqology business the risk of their business partners, and especially the larger ones, joining a competitor and for TG Montgomery the risk of new digital direct sales companies making entries into the same markets. Besides the overall risk of competitors and entrants competing with the products of ImmunoPharma.

The Board of directors considers ImmunoPharma to have a very innovative and attractive product offering, pursuing high standard products in all its businesses. Besides, the company offers very attractive compensation plans to all its partners and employees to retain continuity and provide further growth to the Company.

In addition to this, ImmunoPharma has a strong in-house product development focus and is committed to making investments to diversify its product offering further and invest in the end-to-end supply chain.

FINANCIAL RISK FACTORS

Liquidity Risk

ImmunoPharma manages liquidity risk by adequate reserves and committed (bank) facilities, and by continuously monitoring forecasted and actual cash flows.

Barring any unforeseen events, the management's assessment is that the Company's liquidity by the end of 2021, and updated forecasts for the short and medium term, indicate no immediate need for additional funding to meet our operational requirements. Any new investments, other than ordinary operations, may, however, entail the risk that future funding requirements will arise.

Currency Exchange Risk

The Group's expenses are mainly related to NOK, USD, JPN, and EUR, while revenues are largely in EUR. The exposure to currency risk is continuously monitored.

The Group's management and the Board have continuously assessed the risk and have not seen the need to implement additional measures to limit the currency risk. The Group operates with several currencies that impact different parts of the financials, which creates a partial natural foreign exchange rate hedging situation. However, if

necessary, financial instruments such as futures will be evaluated to reduce this exposure, especially in cases where credit will be given to major customers.

Credit Risk

The risk for losses on receivables is considered low, and historically such losses have been very low.

Interest Rate Risk

The Company is, to a limited extent, exposed to risk with regard to future interest rate fluctuations, beyond the above-mentioned currency exposure, and there are low deposit rates on surplus liquidity, which are managed based on a low-risk strategy. The Company's excess liquidity is placed on the account with its banks.

A significant increase in the overall interest rate level may adversely affect the Company's results. Increased interest rate risk can also affect capital costs and reduce the possibility of acquiring new capital in the future, if necessary.

Shareholder Condition

There are no provisions in the Company's articles of association that restrict the right to sell the Company's shares. There is no arrangement

for employee shares or agreements between shareholders that limit the ability to sell or exercise voting rights for the Company's shares. Nor is the Company a party to any agreements regarding shareholder relationships

Insurance for board members and general manager

The company has established liability insurance for the Board of Directors.

FUTURE DEVELOPMENT

The company's end goal is to be one of the world's leading advance biotech companies based on medical approved natural substances. This will be achieved through carefully selected strategic acquisitions and a diversified global business, to deliver more products of value and to simplify the operating model.

After the end of 2021, the Group has acquired all outstanding shares in both EQology AS and TG Montgomery AS, as already mentioned under Subsequent events.

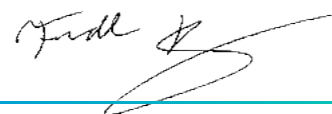
Going forward the Group has high expectations for the future with the continued development of Andosan, launch of new products in both Norway and the US, and the steady growth shown by Eqology.

Oslo, June 22nd, 2022

Board of Directors, ImmunoPharma AS



Kjetil Ramsøy
Chairman



Frode Marc Bohan
Board Member



Kim Øien
Board Member



Ralf Schmidt
CEO

Consolidated Financial Statements

STATEMENT OF PROFIT AND LOSS

Amounts in NOK 1000	Note	2021	2020
Revenues	2	390 769	316 258
Other income		91	325
Total revenues and other income		390 860	316 583
Cost of Goods Sold		-108 784	-83 249
Employee compensation	3	-38 793	-29 383
Depreciation and amortization	6, 7	-1 244	-1 454
Amortization of goodwill	6	-64 140	-62 279
Other operating expenses		-227 184	-175 751
Total Operating Expenses		-440 145	-352 116
Operating profit		-49 285	-35 533
Financial Income and Expenses			
Finance income	4	35 988	26 747
Finance costs	4	-9 970	-11 777
Net Financial Items		26 018	14 970
Operating result Before Tax		-23 267	-20 563
Tax on Ordinary Result	5	-2 741	-5 056
Ordinary Result After Tax		-26 008	-25 619
Extraordinary Income and Expenses			
Annual Net Profit		-26 008	-25 619
Brought Forward			
Shareholders		-25 389	-21 121
Non-controlling interest		-619	-4 498

ASSETS

Amounts in NOK 1000	Note	2021	2020
Non-current assets			
Deferred tax asset	5	10 454	12 845
Intangible assets	6	196 758	260 967
Property, plant and equipment	7	5 799	5 979
Other assets	8	6 256	7 381
Total non-current assets		219 267	287 172
Current assets			
Trade receivables		7 090	6 210
Other receivables		24 369	13 479
Inventories		23 719	10 958
Investments	9	-	32 045
Cash and cash equivalents		76 794	41 310
Total current assets		131 972	104 002
Total Assets		351 239	391 174

EQUITY AND LIABILITIES

Amounts in NOK 1000	Note	2021	2020
Equity			
Share capital	11	13 378	10 415
Share premium		302 175	173 708
Non-registered equity		-	-
Treasury stock	11	-13 088	-16 637
Other equity		-80 856	-54 695
Translation adjustment		-57	32
Non-controlling interest		22 389	25 200
Total Equity		243 941	138 023
Liabilities			
Non-current liabilities			
Interest-bearing debt	12	32 808	181 187
Deferred tax liabilities		27	0
Total non-current liabilities		32 835	181 187
Current liabilities			
Interest-bearing debt - current portion		-	0
Overdraft facilities		-	7 911
Trade payables		19 095	13 248
Taxes payable	5	300	0
Social security etc.		4 459	8 524
Other short-term liabilities		50 609	42 281
Total current liabilities		74 463	71 964
Total Debt		107 298	253 151
Total Equity and Liabilities		351 239	391 174

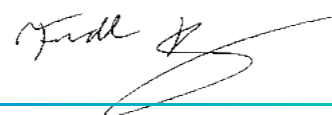
STATEMENT OF CHANGES IN EQUITY

Amounts in NOK 1000	Share Capital	Share Premium	Treasury Stock	Other Paid-in Equity	Other Equity	Trans-lation Adjust-ment	Non-Con-trolling Interest	Total
Equity as per January 1st, 2020	7 556	48 259	-16 637	108 754	-30 867	-16	44 224	161 273
Share issue	196	9 742	-	-	-	-	-	9 938
Share issue transaction costs	-	-1 468	-	-	-	-	-	-1 468
Registering shares	2 417	106 337	-	-108 754	-	-	-	-
Result for the period	-	-	-	-	-21 121	-	-4 498	-25 619
Currency translation differences	-	-	-	-	-	48	-	48
Share-based payment	-	-	-	-	309	-	128	437
Shares issued in exchange for non-controlling interest	246	10 838	-	-	-	-	-	11 084
Repurchased non-controlling interest	-	-	-	-	-3 004	-	-14 666	-17 670
Other changes non-controlling interest	-	-	-	-	-12	-	12	-
Equity December 31st, 2020	10 415	173 708	-16 637	-	-54 695	32	25 200	138 023
Share Issue	2 909	126 091	-	-	-	-	-	129 000
Share Issue Transaction Costs	-	-	-	-	-	-	-	-
Treasury stock issue	-	-	3 549	-	-	-	-	3 549
Result for the Period	-	-	-	-	-25 387	-	-619	-26 006
Currency Translation Differences	-	-	-	-	-	-89	-	-89
Share-Based Payment	-	-	-	-	60	-	-	60
Shares Issued and Exchanged for Non-Controlling Interest	54	2 376	-	-	-	-	-	2 430
Repurchased Non-Controlling Interest	-	-	-	-	-834	-	-2 192	-3 026
Other Changes Non-Controlling Interest	-	-	-	-	-	-	-	-
Equity December 31st, 2021	13 378	302 175	-13 088	-	-80 856	-57	22 389	243 941

Oslo, June 22nd, 2022
Board of Directors, ImmunoPharma AS



Kjetil Ramsøy
Chairman



Frode Marc Bohan
Board Member



Kim Øien
Board Member



Ralf Schmidt
CEO

STATEMENT OF CASH FLOW

Amounts in NOK 1000	Note	2021	2020
Operating Activities			
Result before income tax		-23 267	-20 563
Depreciation and amortization	6, 7	65 384	63 733
Share-based compensation		60	437
Realized gain of sale of shares	9	-29 186	-18 566
Non-cash interest		-	554
Net movement in long-term inventory rec		1 125	-7 381
Adjustment government grants		-	997
Gain on net asset disposal		-	-29
Taxes paid		-	-6
Changes in Working Capital Items			
Trade Receivables		-880	2 076
Other Receivables		-9 257	3 923
Inventories		-12 761	4 721
Trade Payables		5 847	-3 892
Social Security, etc.		-4 087	4 511
Other Short-Term Liabilities		553	-2 892
Net Cash Flow from/(used) Operating Activities		-6 468	27 623
Investing Activities			
Acquisition of subsidiary net of cash acquired		-	144
Acquisition of intangible assets	6	-578	-2 812
Acquisition of property, plant, and equipment	7	-417	-234
Sale of property, plant and equipment	7	-	330
Investment in shares		-1 147	-
Sale of shares		61 195	-
Net cash from/(used) in investing activities		59 053	-2 572
Financing Activities			
Share issues gross value		131 430	19 121
- whereof: debt conversion with no cash effect / non-cash contributions		-95 455	-11 083
Sale of treasury shares		2 277	-2 742
Payment of interest-bearing debt	12	-47 355	-6 716
Payment on credit facilities		-7 911	-2 423
Net cash from/(used) in financing activities		-17 014	-3 843
Net Change in Cash and Cash Equivalents		35 571	21 208
Net Foreign Exchange Difference		-87	40
Cash and Cash Equivalents at January 1 st		41 310	20 062
Cash and Cash Equivalents at December 31st		76 794	41 310

Notes to the Financial Statements

NOTE 1 ACCOUNTING PRINCIPLES

The annual accounts have been prepared for the Group for 2021 with comparative figures for 2020 for the Consolidated Statement of Income, Other Comprehensive Income, Financial Position, Cash Flows and Changes in Equity. These principles have been applied consistently throughout all periods presented unless otherwise stated in the description.

BASIS OF PRESENTATION

The consolidated financial statements of ImmunoPharma AS have been prepared pursuant to the provisions of the Norwegian Accounting Act and generally accepted accounting principles.

Changes in accounting policies due to new or amended standards are performed retroactively unless otherwise specifically determined by a current standard. Recurring effect requires that results from previous periods and opening balance for such period have been restated.

CONSOLIDATION PRINCIPLES

As at December 31st, 2021, ImmunoPharma is a group consisting of a parent company with subsidiaries.

The consolidated financial statements show the overall financial result and the total financial position when the parent company ImmunoPharma AS and its controlling ownership interests in other companies are presented as one financial unit. All companies have applied consistent principles, and all internal relationships between the companies have been eliminated. Wholly-owned subsidiaries have been consolidated 100 % line by line in the consolidated financial statements from the date on which the Group has control and is consolidated until the date that control ceases. If the Group has control but owns less than 100 % of its subsidiaries, the minority share of profit after tax and equity is presented on its own lines.

Business combinations are accounted for using the acquisition method. Acquisitions will be accounted for from the time the Group has control, normally from the date all public approvals are registered. Assets and liabilities are valued at fair value. The residual value of the acquisition will constitute goodwill. If there are non-controlling interests in the acquired company, these will receive their share of assets and liabilities transferred. Transactions with non-controlling interests will be recorded against equity.

FOREIGN CURRENCY TRANSLATION AND TRANSACTIONS

Functional Currency and Presentation Currency

The accounts are measured in the currency used primarily in the economic area in which the entity operates (functional currency). The accounts are presented in Norwegian kroner (NOK), which is also the functional currency of the parent company.

Transactions and Balances in Foreign Currency

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot exchange rates at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Translation of Foreign Operations

On consolidation, assets and liabilities of subsidiaries reported in their functional currencies are translated to NOK, the Group's presentation currency, at period-end exchange rates according to Norges Bank. Income and expense items are translated to NOKs at the average rate for the reporting periods.

Differences arising from the retranslation of opening net assets of subsidiaries, together with differences arising from the translation of the net results for the year for subsidiaries, are recognized in other comprehensive income, a component of equity.

TANGIBLE ASSETS

Tangible assets are valued at acquisition cost less accumulated depreciation and impairment losses. Acquisition costs include costs directly related to the acquisition of the asset. Depreciation is calculated on a straight-line basis based on the expected useful life of the assets, as well as the expected residual value. When incurring expenses related to the asset after the investment, expenses are capitalized to the extent that it is likely that the company will have future economic benefits from them and that the expenses can be measured reliably.

An annual assessment of the depreciation plan is made taking into account the remaining useful life and residual value. In case of changes in useful life and net asset value, the remaining depreciation plan is changed accordingly. Gains and losses on disposals of tangible fixed assets are recognized in the profit and loss account and make up the difference between the selling price and the book value.

INTANGIBLE ASSETS

Intangible assets purchased externally are measured at cost. Acquisition cost of intangible assets acquired in business acquisitions is measured at fair value at acquisition date. In subsequent measurement, intangible assets are measured at acquisition cost less accumulated amortization and accumulated impairment losses.

INVENTORIES

Inventories are measured based on the FIFO principle, and on the lowest value of historic cost and net realisable value.

NOTE 2 SUMMARY OF IMPORTANT ACCOUNTING PRINCIPLES CONT.

RECEIVABLES

Trade receivables and other receivables are initially recognised in the balance sheet at their nominal value, less provisions for anticipated losses on bad debts.

Provisions for losses are made on the basis of an individual assessment of the individual receivables, and such provision occurs if there are indications that the company will not be able to collect the nominal amount of the claim. The provision is recognized in the income statement in the period it arises.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash, bank deposits and maturities within three months of the date of placement.

SHARE CAPITAL

Share Capital

Ordinary shares are classified as equity. When issuing new shares, expenses associated with the issue are recorded as a reduction of equity.

Cost of Equity Transactions

Transaction costs directly related to equity transactions and tax effects on equity transactions are recognized directly in equity after deduction of tax.

GOVERNMENT GRANTS

Public grants are recognized in a systematic manner over the periods in which the company recognizes costs that the grant is intended to compensate for. Grants are presented as part of other operating expenses, i.e. net of associated costs.

TAXES

Tax Payable

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount recognised in the consolidated financial statements reflects the best estimate of the tax amount expected to be paid or received. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred Tax

Deferred taxes are based on the temporary differences that arise when taxation authorities recognise and measure assets and liabilities with rules that differ from the principles of the consolidated financial statements. They also arise on temporary differences resulting from tax losses carried forward.

No deferred tax is recognised for the initial recognition of goodwill and the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction it affects neither the accounting or taxable profit. The carrying amount of deferred tax assets is reviewed at each balance sheet date and is recognised only to the extent that probable sufficient taxable profits will be available to allow the assets to be recovered.

PENSIONS

The company operates a pension contribution scheme for employees. A defined contribution pension scheme is one under which members pay contributions to an independently administered fund, into which the group also pays contributions based upon a fixed percentage of the members' annual salaries. Members' benefits upon retirement are then determined by the amount of contributions paid into the fund, together with the performance of the investments into which those contributions have been invested. Members are able to choose the investments into which their contributions are invested, and as a result any risks associated with either the future value of benefits and the performance of the assets invested lie with the member.

PROVISIONS

Provisions arise when ImmunoPharma has legal or otherwise present obligations as a result of past events. The requirement for a provision is that the probability that the company will meet the obligation in the future is considered by the company to be over 50 %. In addition, it must be possible to estimate the amounts of the commitment reliably.

Provisions are measured at the present value of expected payments to meet the obligation. Accruals are made when the company has an actual or assumed obligation regarding accrued non-billed items that are likely to be paid and where the amount is adequately calculated. Accruals are made with pre-tax amounts that the company expects to pay and reflects market estimates of interest on the amounts and risks associated with the liability. Increases in accrual due to interest accruals are recognized as interest expenses.

REVENUE RECOGNITION

Revenue recognition for sale of goods is in general the time of delivery of the good, when the risks and rewards of ownership of the goods have been transferred to the customer. Services are recognized using the percentage of completion method over the period the services are provided.

CASH FLOW

Cash flow analysis is done according to the indirect method.

EVENTS AFTER THE BALANCE SHEET DATE

Events after the balance sheet date that provide information about conditions that existed on the balance sheet date or events indicating circumstances arising after the balance sheet date with accounting consequences, will be accounted for if significant.

NOTE 2 REVENUES

Geographical distribution of revenues:

<i>Amount in NOK 1000</i>	2021	2020
Norway	49 431	50 358
Austria	128 330	86 931
Denmark	62 332	62 105
Netherlands	68 708	53 898
Germany	28 838	17 038
Romania	7 437	9 979
Hungary	5 104	7 416
Italy	15 494	6 987
France	2 707	3 401
Sweden	2 449	3 040
Other	19 939	15 106
Total	390 769	316 259

NOTE 3 SALARIES AND AUDIT FEES

Pay roll expense for the year:

<i>Amount in NOK 1000</i>	2021	2020
Salary Cost	23 818	18 453
Employer Tax Cost	2 386	1 734
Pension costs - contribution plans	702	361
Other Personnel Cost	12 388	9 093
Government grant salaries	-501	-258
Total Personnel Cost	38 793	29 383

Audit fees for the year:

<i>Amount in NOK 1000</i>	2021	2020
Audit fees	635	475
Other services	294	211
Total Audit Fees	929	686

NOTE 4 FINANCE INCOME AND FINANCE COSTS

Finance income for the year:

<i>Amount in NOK 1000</i>	2021	2020
Interest Income	44	70
Gain on Marketable Securities	29 186	18 566
Foreign Exchange Gains	5434	7261
Other Financial Income	1 324	850
Total Finance Income	35 988	26 747

Finance costs for the year:

<i>Amount in NOK 1000</i>	2021	2020
Interest Expense	-1 239	-2 416
Foreign Exchange Losses	-8 516	-8 822
Other Financial Expenses	-215	-539
Total Finance Costs	-9 970	-11 777

NOTE 5 INCOME TAXES

Tax expense for the year:

<i>Amount in NOK 1000</i>	2021	2020
Taxes Payable	-323	-
Deferred Taxes	-2 418	-5 056
Total	-2 741	-5 056

Tax effect of temporary differences:

<i>Amount in NOK 1000</i>	2021	2020
Property, plant and equipment	149	61
Inventory	59	-
Receivables	223	78
Accruals	2 182	1 584
Tax loss carryforward	8 501	11 330
Total	11 114	13 053
Not Recognized	-687	-208
Net Deferred Tax Asset	10 427	12 845

NOTE 6 INTANGIBLE ASSETS*Amounts in NOK 1000*

	Goodwill	Software	Other	Total
Acquisition Cost				
January 1 st , 2020	311 666	-	354	312 020
Additions	-	2 812	-	2 812
Additions through business acquisitions	11 164	-	-	11 164
Reallocation of business comb values	-2 131	-	-	-2 131
Disposals	-	-	-	-
December 31st, 2020	320 699	2 812	354	323 865
Additions	-	550	28	578
Additions through business acquisitions	-	-	-	-
Disposals	-	-	-	-
December 31st, 2020	320 699	3 362	382	324 443
Accumulated Amortization				
January 1 st , 2020	-	-	-	-
Amortization and Impairments for Period	-62 279	-265	-354	-62 898
December 31st, 2020	-62 279	-265	-354	-62 898
Amortization and Impairments for Period	-64 140	-647	-	-64 787
Disposals	-	-	-	-
December 31st, 2021	-126 419	-912	-354	-127 685
Net Book Value				
December 31 st , 2021	194 280	2 450	28	196 758
December 31 st , 2020	258 420	2 547	-	260 967
January 1 st , 2020	311 666	-	354	312 020

Amortization periods:

- Goodwill – straight-line amortization over a period of 5 years
- Software – straight-line amortization over a period of 2-5 years.

NOTE 7 PROPERTY, PLANT AND EQUIPMENT

Amounts in NOK 1000	Property and Plant	Machinery, computers, furniture	Total
Acquisition Cost			
January 1 st , 2020	6 312	569	6 881
Additions	234	-	234
Additions from Business Combinations	-	-	-
December 31 st , 2020	6 546	268	6 814
Additions	13	404	417
Additions from Business Combinations	-	-	-
Disposals	-	-	-
December 31 st , 2021	6 559	672	7 231
Accumulated Depreciation			
January 1 st , 2019	-	-	-
December 31 st , 2020	-567	-268	-835
Depreciation for the Period	-547	-50	-597
December 31 st , 2021	-1 114	-318	-1 432
Net Carrying Amount			
December 31 st , 2021	5 445	354	5 799
December 31 st , 2020	5 979	-	5 979
January 1 st , 2020	6 312	569	6 881

The AndoSan factory in Japan, completed at the end of 2019, is depreciated on a straight-line basis over 10 years.

NOTE 8 OTHER ASSETS

Amounts in NOK 1000	2021	2020
Product Receivable	6 256	7 381
December 31 st	6 256	7 381

The Group entered a cooperation agreement with the former owner (ACE owned by the Ando family) of the patents and rights related to AndoSan in 2010. As part of the agreement all rights including but not limited to trade secrets, know-how and other intellectual property rights were transferred to the Group.

In 2016 the parties established a Japanese subsidiary, ImmunoPharma Nippon Ltd that would be the owner of the know-how and trade secrets related to the manufacturing of the various formulations of the product. ImmunoPharma AS is the owner of 67 % of the outstanding shares in the venture.

Since the inception of the agreement, the Group paid a number of advances and loans to ACE that in 2018 totaled Yen 100 million. The parties agreed in 2018 and in the amended agreement in 2020 that the Yen 100 million would be settled by delivery of AndoSan product to the Group. ACE is obligated to deliver 16 749 liters of AndoSan (or Yen 6000 per liter) under the agreement, with 13 610 liters remaining at the end of 2021.

NOTE 9 INVESTMENTS

Amounts in NOK 1000, except number of shares	2021	2020
Non-Current Assets (Lower of Cost or Market):		
Kaydence Pharma AS		
Number of Shares Held	0	93 115
Acquisition Cost	0	1 048
Cumulative Impairment	0	-582
Recognized Amount in Balance Sheet	0	466
Current Assets (Recognized at Fair Value Through Profit or Loss):		
NattoPharma:		
Number of Shares Held	0	1 735 122
Amount Recognized in Balance Sheet	0	13 013

The Group accepted an offer of NOK 35 per share for its 1 735 122 shares in February 2021. The Group received MNOK 60.7 for the shares in March of 2021.

NOTE 10 SUBSIDIARIES

Amounts in NOK 1000	Parent Company	Share Capital	Ownership	Equity 31.12.21	Net Profit/Loss 2021
Direct Subsidiaries					
TGM Montgomery AS ("TGM")	ImmunoPharma AS	2 242	98.87 %	83 020	31 598
Nordic Healthy Living AS ("NHL")	ImmunoPharma AS	200	100.00 %	20 061	-9 102
Nordic Healthy Living Inc. ("USA")	ImmunoPharma AS	8	100.00 %	8	-153
ImmunoPharma Japan Inc.	ImmunoPharma AS	22	67.00 %	209	63
Indirect Subsidiaries					
Naturlig Balanse og Helse AS	TG Montgomery AS	1 030	100.00 %	1 030	814
Naturlig Styrke AS	TG Montgomery AS	1 030	100.00 %	-5 305	4 076
Friskare Liv AB	TG Montgomery AS	49	100.00 %	940	242
Agaricus AS	NHL	250	100.00 %	-772	-458
Eqology AS	NHL/ImmunoPharma	5 484	70.91 %	15 452	18 347

The table above shows subsidiaries and one level down. There are additional subsidiaries of the indirect subsidiaries.

NOTE 11 EQUITY

	Number of Shares Issued	Treasury Stock	Number of Outstanding Shares
Shares issued and outstanding on 1 January 2020	75 559 905	(3 697 000)	71 862 905
Shares issued in acquisition of TGM and Eqology	24 167 561	-	24 167 561
Shares issued in purchase of non-controlling share Eqology	2 463 270	-	2 463 270
Shares issued in private placement	1 962 500	-	1 962 500
Treasury stock acquired by TGM purchase	0	-	0
Shares Issued and Outstanding on December 31st, 2020	104 153 236	(3 697 000)	100 456 236
Shares Issued in Acquisition of TGM and Eqology	29 083 134	150 000	29 233 134
Shares Issued in Purchase of Non-Controlling Share Eqology	540 080	132 665	672 745
Treasury stock issued for cash		506 000	506 000
Shares Issued and Outstanding on December 31st, 2021	133 776 450	(2 908 335)	130 868 115

The shares issued in the acquisition of TGM and Eqology were committed but classified as unregistered equity at December 31st, 2019. The shares finally registered in 2021 and were issued.

The private placement of 1 962 500 shares were issued at NOK 4.5 per share.

NOTE 12 INTEREST-BEARING DEBT

Amounts in NOK 1000	2021	2020
Bohan and Co - Sellers Credit TGM and Debt Assumption	15 231	68 493
Nicoline Invest AS - Seller Credit TGM	15 105	62 867
Nicoline Invest AS - Seller Credit Eqology	-	44 177
BG Consult AS	2 472	3 843
Credit Facility	-	1 807
Other Long-Term Loans	-	-
Total Interest-Bearing Debt	32 808	181 187

The sellers credit arising from the purchase of TGM in 2019 of MNOK 138.2 (equally divided between Bohan & Co and Nicoline Invest) is principal payment and interest free for a period of 2 years following the business combination. Frode Bohan, the owner of Bohan & Co, is a Board member in ImmunoPharma AS. Nicoline Invest AS is owned by the Board member Kim Øien.

The payable of MNOK 3.8 to BG Consult arising from the purchase of Eqology shares is payable in 3 equal installments in 2021, 2022, and 2023.

Non-monetary transactions:

The movements in the debt to Bohan & Co and Nicoline invest is due to offsetting receivables against the two companies against the sellers credit and also Bohan & Co assuming debt previously outstanding to third parties. There have been no cash payments on the loans in 2021.

NOTE 13 SHAREHOLDERS

Shareholder	Number of Shares	% of Total
1 BOHAN & CO AS	44 769 505,00	33,47 %
2 NICOLINE INVEST AS	24 838 604,00	18,57 %
3 GENZEB LIMITED	9 928 125,00	7,42 %
4 SIX SIS AG	9 553 170,00	7,14 %
5 UBS SWITZERLAND AG	6 348 157,00	4,75 %
6 EQUITY LABS SP. Z.O.O SKA	6 193 875,00	4,63 %
7 TG MONTGOMERY AS	2 673 697,00	2,00 %
8 UNIVERSAL EXPORTS AS	2 516 915,00	1,88 %
9 PRO AS	2 222 222,00	1,66 %
10 CREDIT SUISSE (SWITZERLAND) LTD.	2 214 533,00	1,66 %
11 VESTMARK RESEARCH CONSULTING AS	2 000 000,00	1,50 %
12 3LP NORGE AS	1 724 901,00	1,29 %
13 BGCONSULT AS	1 463 270,00	1,09 %
14 THEO INVESTMENTS AS	1 444 444,00	1,08 %
15 AVANZA BANK AB	1 412 275,00	1,06 %
16 SVENSKA HANDELSBANKEN AB	1 352 648,00	1,01 %
17 STEIN OLE VRENNE	1 000 000,00	0,75 %
18 MOMENTUM CONSULT & INVEST AS	1 000 000,00	0,75 %
19 CLEARSTREAM BANKING S.A.	834 920,00	0,62 %
20 ENG AS	741 250,00	0,55 %
Total 20 Largest Shareholders	124 232 511,00	92,87 %
Other Shareholders	9 544 134,00	7,13 %
Total Number of Outstanding Shares	133 776 645,00	100,00 %

Bohan & Co is owned by the Board member Frode Bohan (Ratusinska is the wife of Frode Bohan). Nicoline Invest and Nicoline Consult is owned by the board member Kim Øien.

TG Montgomery has purchased additional 200 thousand ImmunoPharma shares from Bohan & Co in 2019 that is not yet registered in VPS. TG Montgomery owns 3 697 000 ImmunoPharma shares including the unregistered purchase.

Parent Company Financial Statements

STATEMENT OF PROFIT AND LOSS

Amounts in NOK	Note	2021	2020
Revenue	2	11 478 057	965 888
Total Operating Income		11 478 057	965 888
Raw materials and consumables used	3	598 772	-15 473 420
Employee benefits expense	4	9 999 617	1 082 003
Depreciation and amortisation expenses	5	552 037	567 184
Other expenses	4	16 467 116	11 395 711
Total Operating Expenses		27 617 541	-2 428 521
Operating Profit		-16 139 484	3 394 409
Financial Income and Expenses			
Interest income from group companies		34 405	173 030
Other interest income		17 776	1 035
Other financial income		3 036 965	11 372 601
Write-down of long-term investments		27 891 058	0
Other interest expenses		41 066	125 740
Other financial expenses		106 486	866 911
Net Financial Items		-24 949 463	10 554 016
Operating result Before Tax		-41 088 947	13 948 425
Tax on Ordinary Result	12	-3 135 275	3 648 266
Ordinary Result After Tax		-37 953 672	10 300 159
Extraordinary Income and Expenses			
Annual Net Profit		-37 953 672	10 300 159
Brought Forward			
Loss brought forward	9	-37 953 672	-10 300 159
Net Brought Forward		37 953 672	10 300 159

STATEMENT OF FINANCIAL POSITION

Amounts in NOK	Note	2021	2020
Non-current assets			
Intangible assets			
Deferred tax assets	12	4 065 601	930 326
Total intangible assets		4 065 601	930 326
Property, plant and equipment			
Buildings and land	5	5 444 499	5 979 326
Equipment and other movables	5	85 500	0
Total property, plant and equipment		5 529 999	5 979 326
Non-current financial assets			
Investments in subsidiaries	6	202 871 446	245 397 238
Loan to group companies	13	99 117 614	45 182 745
Other long-term receivables	7	2 652 200	2 652 200
Total non-current financial assets		304 641 260	293 232 182
Total non-current assets		314 236 859	300 141 834
Current Assets			
Inventories	3	486 799	0
Debtors			
Accounts receivables	13	10 877 528	814 243
Other short-term receivables		2 118 866	766 194
Receivables from group companies	13	703 041	0
Total receivables		13 699 434	1 580 437
Investments			
Cash and cash equivalents	8	30 267 050	6 175 000
Total current assets		44 453 283	7 755 437
Total Assets		358 690 143	307 897 271

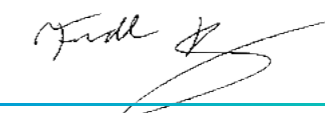
EQUITY AND LIABILITIES

Amounts in NOK	Note	2020	2019
Equity			
Paid-in capital			
Share capital	9	13 377 665	10 415 324
Treasury stock	9, 10	-3 464	0
Share premium reserve	9	302 175 408	173 707 505
Total paid-up equity		315 549 608	184 122 829
Retained earnings			
Uncovered loss	9	-59 383 565	-21 277 486
Total retained earnings		-59 383 565	-21 277 486
Total Equity		256 166 043	162 845 343
Liabilities			
Provisions			
Other non-current liabilities			
Other non-current liabilities		41 399 402	135 345 341
Total non-current liabilities		41 399 402	135 345 341
Current liabilities			
Trade payables	13	1 629 879	1 010 363
Public duties payable		1 915 382	143 766
Liabilities to group companies	13	55 983 165	6 756 846
Other current liabilities		1 596 272	1 795 612
Total current liabilities		61 124 698	9 706 587
Total Liabilities		102 524 100	145 051 928
Total Equity and Liabilities		358 690 143	307 897 271

Oslo, June 22nd, 2022
Board of Directors, ImmunoPharma AS



Kjetil Ramsøy
Chairman



Frode Marc Bohan
Board Member



Kim Øien
Board Member



Ralf Schmidt
CEO

Notes to the Financial Statements

NOTE 1 ACCOUNTING PRINCIPLES

The Financial Statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles for Small Companies.

FOREIGN CURRENCY

Monetary items are translated using the exchange rates at the balance sheet date.

SALES REVENUE

Sales revenues are recognized upon delivery. Revenue from services is recognized upon performance.

TAXES

The income tax expense is comprised of both tax payable for the period, and changes in deferred tax. Deferred tax is determined on the basis of existing temporary differences between accounting net income and tax net income, including year-end loss carry-forwards, calculated at 22 %. Temporary differences, both positive and negative, which will or are likely to reverse in the same period, are recorded as a net amount.

BALANCE SHEET CLASSIFICATION

Fixed assets are comprised of assets intended for long term ownership and use. The amortisation period for the real property acquired after 2009 has been unbundled in to one part relating to the structure and another part relating to fixed technical installation. Fixed assets are valued at cost. Fixed assets are recorded in the balance sheet and depreciated over the estimated useful economic life. Fixed assets are written down to recoverable amount when decreases in value are expected to be permanent. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. Impairments losses recognised are reversed when the basis for the impairment loss is no longer evident.

Current assets and liabilities are comprised of items receivable/ due within one year and items related to the inventory cycle. Current assets are valued at the lower of cost and market.

INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are reported in the annual accounts at cost, in accordance with accounting treatment for Small Companies, the criteria for which the group satisfies.

INVENTORY

Inventory is valued at the lower of cost and net sales value.

RECEIVABLES

Accounts receivables and other receivables are recorded in the balance sheet at nominal value less a provision for doubtful accounts. Provision for doubtful accounts is determined on the basis of an assessment of individual receivables.

PENSION LIABILITIES

The company operates a pension contribution scheme for employees.

GUARANTEES

Provision is made for estimated guarantee expenses. The allocation is recorded within Other Short Term Liabilities in the Balance Sheet.

NOTE 2 REVENUES

Geographical distribution of revenues:

Amount in NOK	2021
Type of Revenue	
Sale of Goods	-1 811 186
Other income	-9 666 871
Total	-11 478 057
Geographical Distribution of Revenue	
Norway	-11 478 057
Total	-11 478 057

NOTE 3 INVENTORIES

Inventories are measured based on the FIFO principle, and at the lowest value of historic cost and net realizable value. For raw materials and work-in-progress sales value of final goods is reduced by costs to complete and sell.

Amount in NOK	2021	2020
Raw Materials	-	-
Work-in-Progress	-	-
Finished Goods	486 799	-
Total	486 799	-

NOTE 4 SALARIES, NUMBER OF EMPLOYEES, OTHER COMPENSATION

Amounts in NOK	2021	2020
Salaries	8 691 607	960 380
Payroll tax	1 259 438	135 414
Pension costs	218 157	0
Employee benefits	9 432	7 252
Reduction of payroll SkatteFUNN	-179 018	-21 042
Total	9 999 617	1 082 003
Average Number of Employees	8	1

The Company meets the statutory requirements for a contribution pension plan and has established such a plan that meets the lawful requirement.

A bonus scheme for the CEO is established.

Compensation to management and Board members:

Amounts in NOK	General Manager	The Board
Salaries	2 300 000	250 000
Pension Costs	31 600	0
Other Compensation	22 298	0
Total Salaries	2 353 898	250 000

The compensation specification above includes Ralf Schmidt who replaced Kim Øien as CEO from the 1st of October 2022, and Kim Øien for the period he was CEO.

Audit fees excluding VAT:

Amounts in NOK	2021	2020
Audit Fees	88 500	91 500
Other Services	61 400	26 250
Total	149 900	117 750

NOTE 5 PROPERTY, PLANT AND EQUIPMENT

Amounts in NOK	Inventory	Factory and Property
Acquisition Cost on January 1 st , 2021	0	6 549 510
Acquisition During Period	90 000	12 709
Disposals During Period	0	0
Acquisition Cost on December 31 st , 2021	90 000	6 559 219
Accumulated Depreciation on December 31 st , 2021	-4 500	-1 114 720
Net Carrying Amount on December 31st, 2021	85 500	5 444 499
Depreciation for the Period	4 500	567 537

NOTE 6 SUBSIDIARIES

Amounts in NOK	Acquisition Cost	Percentage Ownership	Net Profit/Loss for the Period	Equity
TG Montgomery AS	221 112 741	98.87%	31 597 979	83 020 280
Nordic Healthy Living AS	26 836 750	100.00%	-9 101 806	20 061 324
ImmunoPharma Japan Inc.	0	66.67 %	62 804	208 861
Eqology AS	3 026 371	2.76 %	5 259 801	35 720 182
Nordic Healthy Living Inc. (USA)	8 341	100.00 %	-152 635	8 341

Transactions between the Group companies are done on an arms-length basis at prevailing market prices.

NOTE 7 LONG-TERM RECEIVABLES

Amounts in NOK	2021	2020
Other Receivables	2 652 200	2 652 200

NOTE 8 RESTRICTED CASH

Restricted cash in the amount of NOK 558 132 was included in the Company's cash and cash equivalents on December 31st, 2021.

NOTE 9 EQUITY CAPITAL

Amounts in NOK	Share Capital	Treasury Stock	Share Premium	Other Equity	Total Equity
As at 01.01.2021	10 415 324	0	173 707 505	-21 277 486	162 845 343
Capital increase	799 444	0	35 175 540	0	35 974 984
Debt converted to share capital	2 162 897	0	93 292 360	0	95 455 257
Purchase treasury stock	0	-3 464	0	-152 406	-155 870
Loss of the year	0	0	0	-37 953 672	-37 953 672
Pr. 31.12.2021	13 377 665	-3 464	302 175 405	-59 383 565	256 166 043

NOTE 10 OWN SHARES

The company has in 2021 acquired 34 638 shares at NOK 4,5 each in the market. The acquisition has been made to cover parts of purchase of Eqology shares in exchange for shares in ImmunoPharma AS.

Changes in the company's own shares	No of shares	Face value	Total (NOK)	Percent of the share capital
Carrying value 1.1.2021	0	0	0	0 %
Addition	34 638	0,1	3 464	0,03 %
Disposals	0	0	0	0 %
Pr. 31.12.2021	34 638		3 464	0,03 %

NOTE 11 SHAREHOLDERS

The Company's shares are registered in VPS and the ownership structure is available in public records. The largest shareholders are also disclosed in the Group's consolidated financial statements in note 14.

Shares and options owned by members of the board and CEO:

Name	Position in Company	Shares	% of Shares
Frode Marc Bohan (Bohan & Co AS)	Board Member	34 044 505	32.5 %
Kim Øien ¹⁾ (Nicoline Invest AS)	Board Member	16 669 160	18.0 %
Kjetil Ramsøy (Cinco Invest AS)	Chairman of the Board	700 000	0.5 %

¹⁾ Kim Øien was the CEO of the Company until October 2021.

Bohan & Co, the owner of the ImmunoPharma shares in the table above, is 100 % owned by Frode Bohan. Nicoline Invest and Nicoline Consult, the owner of the shares in the table above, is 100 % owned by Kim Øien. Kjetil Ramsøy owns 700 000 shares through his company Cinco Invest AS which he with related parties owns 100 %.

NOTE 12 TAXES

Taxes are recognized in the income statement when incurred, that is, the tax expense is based on the result before tax in the financial statements. Tax expense consists of taxes payable (tax on the years taxable income) and the change in deferred taxes for the year. Taxes on share issue costs recorded directly to equity is similarly recorded directly to equity.

This year's tax expense

Amounts in NOK	2021	2020
Entered tax on ordinary profit/loss		
Payable tax	0	0
Changes in deferred tax assets	-3 135 275	3 648 266
Tax expense on ordinary profits	-3 135 275	3 648 266
Taxable income		
Ordinary result before tax	-41 088 947	13 948 425
Permanant differences	30 373 593	-1 395 325
Changes in temporary differences	-1 826 858	2 505 324
Allocation of loss to be brought forward	0	-15 058 423
Taxable income	-12 542 212	0
Payable tax in the balance		
Payable tax on this year's result	-699 002	-2 252 696
Payable tax on received Group contribution	699 002	2 252 696
Total payable tax in the balance	0	0

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences.

	2021	2020	Difference
Tangible assets	-578 466	-305 324	273 142
Allocation and more	-100 000	-2 200 000	-2 100 000
Total	-678 466	-2 505 324	-1 826 858
Accumulated loss to be brought forward	-17 801 538	-5 259 326	12 542 212
Basis for deferred tax assets	-18 480 004	-7 764 650	10 715 354
Deferred tax assets (22 %)	-4 065 601	-1 708 223	2 357 378

NOTE 13 INTER-COMPANY ITEMS BETWEEN COMPANIES IN THE SAME GROUP ETC.

Amounts in NOK	Current Receivables		Loan to group companies	
	2021	2020	2021	2020
Companies in the same group	6 728 607	703 041	99 117 614	45 182 745
Total	6 728 607	703 041	99 117 614	45 182 745

Amounts in NOK	Account Payables		Liabilities to group companies	
	2021	2020	2021	2020
Companies in the same group	11 598	0	55 983 165	6 756 846
Total	11 598	0	55 983 165	6 756 846

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To the Shareholders' Meeting of IMMUNOPHARMA AS

Independent auditor`s report

Opinion

We have audited the financial statements of IMMUNOPHARMA AS (the company), showing a loss of NOK 37.953.672 in the financial statements of the company and a loss of NOK thousand 26.008 in the financial statements of the Group.

The financial statements comprise:

- The financial statements of the company, which comprise the balance sheet as at 31 December 2021, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the group, which comprise the balance sheet as at 31 December 2021, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements comply with applicable statutory requirements,
- The financial statements give a true and fair view of the financial position of the company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- The financial statements give a true and fair view of the financial position of the group as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 and the Group as required by laws and regulations and the International Ethics Standards Board for

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Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Directors' report. The purpose is to consider if there is material inconsistency between the information in the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or otherwise the information in the Board of Directors' report otherwise appears to be materially misstated. We are required to report that fact if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements

Our opinion on the Board of Director's report applies correspondingly for statements on Corporate Social Responsibility.

Responsibilities of the management for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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 and the Groups' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorforeningen.no/revisjonsberetninger>

Bærum, 23 juni 2022

Statsautorisert revisor Elin Helene Fjellberg

Elin Helene Fjellberg

State Authorised Public Accountant

(This document is signed electronically)