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**2022**

Annual Report



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# A New Chapter!

Dear Employees, Shareholders, and Partners,

We are thrilled to enter a new chapter in our company's journey within the thriving dietary supplement industry, and we want to share our remarkable progress and the exciting prospects that lie ahead.

Over the years, we have navigated the dynamic landscape of the dietary supplement industry with great success. Our presence in both the multi-level marketing (MLM) and direct-to-consumer (DTC) segments has solidified our position as a key player. By consistently delivering exceptional products and experiences, we have fostered strong brand loyalty and achieved substantial growth.

Eqology, operating in the MLM segment, has been instrumental in our accomplishments, thanks to our network of passionate independent distributors. Their dedication and efforts have driven remarkable sales and market penetration. Beyond revenue, the MLM model has empowered countless individuals to embrace entrepreneurship, transform their lives, and improve their well-being.

To meet growing customer demands, we have made significant investments in enhancing our supply chain. These improvements have enabled us to deliver products efficiently, adapt swiftly to market trends, and support our distributors in meeting customer needs effectively.

Additionally, our marketing strategies have evolved, embracing digital platforms and data analytics. By leveraging social media, online advertising, and targeted campaigns, we have refined our messaging, identified new customer segments, and heightened brand awareness. This has resulted in increased customer engagement, substantial revenue growth in the MLM channel, and improved market presence.

Our accomplishments are rooted in a strong corporate culture that encourages collaboration, innovation, and a shared sense of purpose. We value diversity, believing it fosters creativity and innovation, and we embrace the unique perspectives and experiences of our global team. Through effective communication, training, and collaborative initiatives, we have nurtured a culture that values teamwork, respect, and continuous improvement.

Simultaneously, our presence in the DTC segment in Scandinavia and the US has flourished, capitalizing on the rapid growth of e-commerce and the demand for high-quality dietary supplements. Leveraging digital expertise and cutting-edge technologies, we have expanded our reach, engaged a broader audience, and established direct relationships with customers. This direct engagement has provided invaluable insights, enabling us to adapt to evolving consumer preferences and tailor our offerings accordingly.

Our hero product in the US, JointFood with Tamasteen, has already made a significant impact in the market. This innovative formulation has garnered widespread acclaim for promoting joint health and overall well-being. The positive feedback and rapid adoption of JointFood with Tamasteen have exceeded our expectations, reaffirming the quality and efficacy of our products.

Moving forward, we have high aspirations for our company's growth in the US DTC market. Our unwavering commitment to product excellence, understanding of consumer preferences, and the demand for health and wellness solutions will drive our success.

Our marketing and sales teams continue to expand our reach, implement targeted campaigns, and leverage digital channels to raise brand awareness and capture market share. With a robust infrastructure

and supply chain capabilities, we are well-prepared to meet increasing demands and establish a strong foothold in this pivotal segment.

Recognizing the immense potential of our groundbreaking mushroom extract product, AndoSan, we have made the strategic decision to spin off Mycotech into a new entity dedicated to commercializing this remarkable innovation.

AndoSan has proven to be a game-changer in natural health solutions. Supported by extensive research and clinical studies, this mushroom extract has shown significant potential in areas such as anti-viral applications and support treatments for cancer. Its unique composition and powerful bioactive compounds have garnered attention from the scientific community and consumers.

By establishing a dedicated entity for AndoSan, we aim to fully capitalize on its potential and expedite its journey from the laboratory to the market. This spin-off will allow us to focus resources, talent, and expertise on maximizing the commercial viability of AndoSan, driving innovation, and accelerating its path to becoming a transformative healthcare solution.

The new entity will operate autonomously, supported by a team of scientists, researchers, and industry experts with deep knowledge of AndoSan's properties and applications. Leveraging their collective expertise, we will navigate the complex landscape of anti-viral therapeutics and cancer support treatments, forging strategic partnerships and pursuing regulatory approvals to bring this groundbreaking product to those in need.

We believe that the commercialization of AndoSan represents a tremendous opportunity, not only for our company but also for patients seeking natural supplements to traditional pharmaceutical interventions. With its potential to enhance immune response and serve as a natural support in cancer treatments, AndoSan can make a profound impact on countless lives.

As shareholders, your investment positions you to participate in this exciting venture. By spinning off Mycotech and establishing a new entity dedicated to AndoSan, we aim to unlock its full potential, create long-term value, and drive significant returns.

Looking ahead, the future holds tremendous promise for our company. Advancements in scientific research, increased consumer awareness of health and wellness, and the importance of self-care will continue to fuel the demand for dietary supplements. We remain dedicated to excellence, investing in research and development to set new industry standards and drive growth. Through strategic partnerships, our products will stay at the forefront of innovation, supported by scientific rigor and unparalleled quality.

Furthermore, we recognize the significance of sustainability and social responsibility. We are committed to minimizing our environmental footprint, exploring eco-friendly packaging solutions, and sourcing ethically produced ingredients. We pledge to give back to the communities we serve, supporting initiatives that promote health and well-being for all.

Thank you for being an integral part of our shared vision and for your trust in our company.

Oslo, June 21<sup>st</sup>, 2023



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

## About Nordic Healthy Living Inc.

Through Nordic Healthy Living Inc., ImmunoPharma continues to make strategic investments in the US market, capitalizing on the successful entry of its JointFood and BoneFood products into the largest dietary supplement market globally. The Centers for Disease Control and Prevention (CDC) reports that nearly 1 in 4 US adults has been diagnosed with arthritis, making it the leading cause of disability among adults for over 15 years. This trend indicates a growing number of consumers seeking vitamins and supplements not only to alleviate their current pain but also to maintain the overall health of their joints and bones.

Since its introduction in September 2022, JointFood with Tamasteen has been the flagship product, but BoneFood is also gaining traction as a complementary offering. The interdependence of joint mobility and bone health underscores the necessity for a product like BoneFood, which supports bone structure alongside joint function.

## 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 and Quramin
- More than 17 000 active subscribers.
- Strong digitization.
- 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 70 000 active customers.
- Diversified and exclusive product portfolio.
- Topline growth of ~26 % 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 Mycotech Pharma

In May 2022 ImmunoPharma sold all of its business and related assets in regards to AndoSan™ to its newly established subsidiary Mycotech Pharma AS in order to ensure focus and further development on this unique product.

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.

# 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 nine 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 2022 and financial position as at December 31st, 2022.

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.	2022	2021
Operating Revenue	482.1	390.9
EBITDA	14.3	16.1

The total operating income was MNOK 482.1 compared to MNOK 390.9 in 2021, which is an increase of 23%. Total equity per December 31st, 2022 is MNOK 204.4 compared to MNOK 243.9. This is a result of increased loss for this period caused by the groups focus on its US-operations and AndoSan through Nordic Healthy Living Inc. and Mycotech Pharma AS respectively. The Earnings Before Interest, Tax & Depreciation (EBITDA) was MNOK 14.3 compared to MNOK 16.1 in 2021, a decrease of 11 %. Adjusted for the operational loss in Nordic Healthy Living Inc and Mycotech Pharma AS, which the board considers largely to be investments for future growth financed directly through operational cash, the EBITDA for 2022 ended at MNOK 37.1.

Operating loss was MNOK -51.2 in 2022 vs -49.3 in 2021. The operating result in 2022 is significantly impacted by goodwill amortization of MNOK 64.2 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 2022 Eqology delivered revenues of MNOK 432.7, up 26% from 2021 revenues of MNOK 343.4.

### Balance Sheet, Working Capital and Cash Flow

As of the end of 2022 the equity ratio was 53.6% (2021: 69.5%) as a result of the aforementioned loss of the period.

Cash generated by operations was MNOK 22.8 in 2022, and the operating profit constituted MNOK -51.0. The difference mainly concerns goodwill amortization and changes in working capital.

The Group's liquidity reserve at the end of 2022 amounted to MNOK 105.4.

Cash management remains a high priority for the group and is being closely monitored in order to sustain the growth the group is experiencing and continuing to aim for.

## COMMENTS TO PARENT COMPANY ACCOUNTS

The total operating income was MNOK 21.1 compared to MNOK 11.5 in 2022. The result after taxes was MNOK 36.7 in 2022 compared to MNOK -37.9 in 2021. The improved result after taxes is largely driven by group contribution of MNOK 40 (which is eliminated in the Group accounts). Equity in the parent company was MNOK 305.3 on December 31st, 2022 compared to MNOK 256.2 on December 31st, 2021.

## DISTRIBUTION OF NET LOSS FOR THE YEAR

The Board proposes that the net profit for ImmunoPharma AS for the year of MNOK 36.7 is transferred to equity.

## EVENTS AFTER BALANCE SHEET DATE

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 2022. 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 2022, 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 2022.

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 2022.

## 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 Ecology 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 2022, 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.

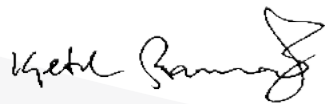
#### FUTURE DEVELOPMENT

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.

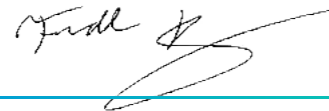
Going forward the Group has high ambitions for the future with increased focus on AndoSan through Mycotech Pharma AS, expected launch of new products in both Norway and the US, and the incredible growth that Eqology keeps on delivering.

Oslo, June 21<sup>st</sup>, 2023

Board of Directors, ImmunoPharma AS



Kjetil Ramsøy  
Chairman



Frode Marc Bohan  
Board Member



Kim Øien  
Board Member

# Consolidated Financial Statements

## STATEMENT OF PROFIT AND LOSS

Amounts in NOK 1000	Note	2022	2021
Revenues	2	482 039	390 769
Other income		29	91
<b>Total revenues and other income</b>		<b>482 068</b>	<b>390 860</b>
Cost of Goods Sold		-134 716	-108 784
Employee compensation	3	-52 143	-38 793
Depreciation and amortization	6, 7	-1 404	-1 244
Amortization of goodwill	6	-64 163	-64 140
Other operating expenses		-280 875	-227 184
<b>Total Operating Expenses</b>		<b>-533 301</b>	<b>-440 145</b>
<b>Operating profit</b>		<b>-51 233</b>	<b>-49 285</b>
<b>Financial Income and Expenses</b>			
Finance income	4	11 235	35 988
Finance costs	4	-9 723	-9 970
<b>Net Financial Items</b>		<b>1 512</b>	<b>26 018</b>
Operating result Before Tax		-49 457	-23 267
Tax on Ordinary Result	5	-10 231	-2 741
<b>Ordinary Result After Tax</b>		<b>-59 688</b>	<b>-26 008</b>
<b>Extraordinary Income and Expenses</b>			
<b>Annual Net Profit</b>		<b>-59 688</b>	<b>-26 008</b>
<b>Brought Forward</b>			
Shareholders		-61 170	-25 389
Non-voting equity interest		1 736	-
Non-controlling interest		-254	-619

## ASSETS

Amounts in NOK 1000	Note	2022	2021
<b>Non-current assets</b>			
Deferred tax asset	5	8 207	10 454
Intangible assets	6	131 991	196 758
Property, plant and equipment	7	5 252	5 799
Other assets	8	5 800	6 256
<b>Total non-current assets</b>		<b>151 250</b>	<b>219 267</b>
<b>Current assets</b>			
Trade receivables		8 288	7 090
Loan receivable		41 752	-
Other receivables		47 037	24 369
Inventories		27 472	23 719
Cash and cash equivalents		105 363	76 794
<b>Total current assets</b>		<b>229 912</b>	<b>131 972</b>
<b>Total Assets</b>		<b>381 162</b>	<b>351 239</b>

## EQUITY AND LIABILITIES

Amounts in NOK 1000	Note	2022	2021
<b>Equity</b>			
Share capital	10	13 865	13 378
Share premium		313 638	302 175
Treasury stock	10	-12 932	-13 088
Non-voting equity interest		25 411	-
Other equity		-135 455	-80 856
Translation adjustment		-541	-57
Non-controlling interest		202	22 389
<b>Total Equity</b>		<b>204 442</b>	<b>243 941</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest-bearing debt	11	69 831	32 808
Deferred tax liabilities	5	-	27
<b>Total non-current liabilities</b>		<b>69 831</b>	<b>32 835</b>
<b>Current liabilities</b>			
Interest-bearing debt - current portion		-	-
Overdraft facilities		-	-
Trade payables		31 211	19 095
Taxes payable	5	7 719	300
Social security etc.		9 112	4 459
Other short-term liabilities		58 847	50 609
<b>Total current liabilities</b>		<b>106 889</b>	<b>74 463</b>
<b>Total Debt</b>		<b>176 720</b>	<b>107 298</b>
<b>Total Equity and Liabilities</b>		<b>381 162</b>	<b>351 239</b>



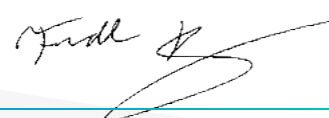
## STATEMENT OF CHANGES IN EQUITY

Amounts in NOK 1000	Share Capital	Share Premium	Treasury Stock	Other Paid-in Equity	Other Equity	Non-voting equity interest	Translation Adjustment	Non-Controlling Interest	Total
<b>Equity as per January 1<sup>st</sup>, 2021</b>	<b>10 415</b>	<b>173 708</b>	<b>-16 637</b>	<b>-</b>	<b>-54 695</b>	<b>-</b>	<b>32</b>	<b>25 200</b>	<b>138 023</b>
Share issue	2 909	126 091	-	-	-	-	-	-	129 000
Registering shares	-	-	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 in exchange for non-controlling interest	54	2 376	-	-	-	-	-	-	2 430
Repurchased non-controlling interest	-	-	-	-	-834	-	-	-2 192	-3 026
<b>Equity December 31<sup>st</sup>, 2021</b>	<b>13 378</b>	<b>302 175</b>	<b>-13 088</b>	<b>-</b>	<b>-80 856</b>	<b>-</b>	<b>-57</b>	<b>22 389</b>	<b>243 941</b>
Share Issue	487	11 463	-	-	-	-	-	-	11 950
Sale of non-voting equity interest	-	-	-	-	-	41 753	-	-	41 753
Reclass of equity interest from non-voting equity interest	-	-	-	-	18 078	-18 078	-	-	-
Treasury stock issue	-	-	156	-	-	-	-	-	156
Result for the Period	-	-	-	-	-61 170	1 736	-	-254	-59 688
Currency Translation Differences	-	-	-	-	-	-	-484	-	-484
Share-Based Payment	-	-	-	-	852	-	-	-	852
Sold non-controlling interest	-	-	-	-	9 338	-	-	456	9 794
Repurchased non-controlling interest TGM	-	-	-	-	72	-	-	-2 151	-2 079
Repurchase of non-controlling interest Eqology	-	-	-	-	-21 515	-	-	-20 238	-41 753
<b>Equity December 31<sup>st</sup>, 2022</b>	<b>13 865</b>	<b>313 638</b>	<b>-12 932</b>	<b>-</b>	<b>-135 201</b>	<b>25 411</b>	<b>-541</b>	<b>202</b>	<b>204 442</b>

Oslo, June 21<sup>st</sup>, 2023  
Board of Directors, ImmunoPharma AS



Kjetil Ramsøy  
Chairman



Frode Marc Bohan  
Board Member



Kim Øien  
Board Member

## STATEMENT OF CASH FLOW

Amounts in NOK 1000	Note	2022	2021
<b>Operating Activities</b>			
Result before income tax		-49 721	-23 267
Depreciation and amortization	6, 7	65 567	65 384
Share-based compensation		852	60
Realized gain of sale of shares		-	-29 186
Non-cash interest		142	-
Net movement in long-term inventory rec		456	1 125
Taxes paid		-328	-
<b>Changes in Working Capital Items</b>			
Trade Receivables		-1 198	-880
Other Receivables		-22 668	-9 257
Inventories		-3 753	-12 761
Trade Payables		12 116	5 123
Social Security, etc.		4 653	-4 087
Other Short-Term Liabilities		16 684	1 277
<b>Net Cash Flow from/(used) Operating Activities</b>		<b>22 802</b>	<b>-6 468</b>
<b>Investing Activities</b>			
Acquisition of subsidiary net of cash acquired		-	-
Acquisition of intangible assets	6	-107	-578
Acquisition of property, plant, and equipment	7	-143	-417
Sale of property, plant and equipment	7	-	-
Investment in shares		-	-1 147
Sale of shares		-	61 195
<b>Net cash from/(used) in investing activities</b>		<b>-250</b>	<b>59 053</b>
<b>Financing Activities</b>			
Share issues gross value		11 950	131 430
- whereof: debt conversion with no cash effect / non-cash contributions		-11 450	-95 455
Sale of treasury shares		156	2 277
Selling non-controlling interest		9 794	-
Repurchase of non-controlling interest		-2 079	-
Payment of interest-bearing debt	11	-1 871	-47 355
Payment on credit facilities		-	-7 911
<b>Net cash from/(used) in financing activities</b>		<b>6 500</b>	<b>-17 014</b>
<b>Net Change in Cash and Cash Equivalents</b>		<b>29 053</b>	<b>35 571</b>
Net Foreign Exchange Difference		-484	-87
Cash and Cash Equivalents at January 1 <sup>st</sup>		76 794	41 310
<b>Cash and Cash Equivalents at December 31<sup>st</sup></b>		<b>105 364</b>	<b>76 794</b>

# Notes to the Financial Statements

## NOTE 1 ACCOUNTING PRINCIPLES

The annual accounts have been prepared for the Group for 2022 with comparative figures for 2021 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 31<sup>st</sup>, 2022, 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 1 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>	2022	2021
South-Europe	27 109	16 546
North-Europe	153 071	147 465
East-Europe	28 404	19 707
West-Europe	257 517	206 888
Other European countries	1 898	163
USA	14 040	-
<b>Total</b>	<b>482 039</b>	<b>390 769</b>

## NOTE 3 SALARIES AND AUDIT FEES

Pay roll expense for the year:

<i>Amount in NOK 1000</i>	2022	2021
Salary Cost	33 731	23 818
Employer Tax Cost	5 102	2 386
Pension costs - contribution plans	1 481	702
Share-based compensation	852	60
Other Personnel Cost	11 442	12 328
Government grant salaries	-465	-501
<b>Total Personnel Cost</b>	<b>52 143</b>	<b>38 793</b>
Number of employees	32.7	21

Audit fees for the year:

<i>Amount in NOK 1000</i>	2022	2021
Audit fees	564	635
Other services	161	294
<b>Total Audit Fees</b>	<b>725</b>	<b>929</b>

## NOTE 4 FINANCE INCOME AND FINANCE COSTS

Finance income for the year:

<i>Amount in NOK 1000</i>	2022	2021
Interest Income	494	44
Gain on Marketable Securities	155	29 186
Foreign Exchange Gains	10 029	5 434
Other Financial Income	557	1 324
<b>Total Finance Income</b>	<b>11 235</b>	<b>35 988</b>

Finance costs for the year:

<i>Amount in NOK 1000</i>	2022	2021
Interest Expense	-153	-1239
Foreign Exchange Losses	-9311	-8516
Other Financial Expenses	-259	-215
<b>Total Finance Costs</b>	<b>-9 723</b>	<b>-9 970</b>

## NOTE 5 INCOME TAXES

Tax expense for the year:

<i>Amount in NOK 1000</i>	2022	2021
Taxes Payable	-7 747	-323
Deferred Taxes	-2 220	-2 418
<b>Total</b>	<b>-9 967</b>	<b>-2 741</b>

Tax effect of temporary differences:

<i>Amount in NOK 1000</i>	2022	2021
Property, plant and equipment	1 293	149
Inventory	220	59
Receivables	199	223
Accruals	1 964	2 182
Gain/loss account	(590)	-
Tax loss carryforward	9 033	8 501
<b>Total</b>	<b>12 119</b>	<b>11 114</b>
Not Recognized	-3 912	-687
<b>Net Deferred Tax Asset</b>	<b>8 207</b>	<b>10 427</b>

Recognized in the balance sheet:

Deferred tax assets	8 207	10 454
Deferred tax liabilities	-	-27
<b>Net Deferred Tax Asset</b>	<b>8 207</b>	<b>10 427</b>

## NOTE 6 INTANGIBLE ASSETS

<i>Amounts in NOK 1000</i>	Goodwill	Software	Other	Total
<b>Acquisition Cost</b>				
January 1 <sup>st</sup> , 2021	320 699	2 812	354	323 865
Additions	-	550	28	578
Additions through business acquisitions	-	-	-	-
Reallocation of business comb values	-	-	-	-
Disposals	-	-	-	-
<b>December 31<sup>st</sup>, 2021</b>	<b>320 699</b>	<b>3 362</b>	<b>382</b>	<b>324 443</b>
Additions	-	107	-	107
Additions through business acquisitions	-	-	-	-
Disposals	-	-	-354	-
Effects of changes of foreign currency	-	-	3	-
<b>December 31<sup>st</sup>, 2021</b>	<b>320 699</b>	<b>3 469</b>	<b>31</b>	<b>324 550</b>
<b>Accumulated Amortization</b>				
January 1 <sup>st</sup> , 2021	-62 279	-265	-354	-62 898
Amortization and Impairments for Period	-64 140	-647	-	-64 787
<b>December 31<sup>st</sup>, 2021</b>	<b>-126 419</b>	<b>-912</b>	<b>-354</b>	<b>-127 685</b>
Amortization and Impairments for Period	-64 163	-714	-	-64 877
Disposals	-	-	354	354
<b>December 31<sup>st</sup>, 2022</b>	<b>-190 582</b>	<b>-1 626</b>	<b>-</b>	<b>-192 208</b>
<b>Net Book Value</b>				
December 31 <sup>st</sup> , 2022	130 117	1 843	31	131 991
December 31 <sup>st</sup> , 2021	194 280	2 450	28	196 758

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
<b>Acquisition Cost</b>			
January 1 <sup>st</sup> , 2021	6 546	268	6 814
Additions	13	404	417
Additions from Business Combinations	-	-	-
Disposals	-	-	-
<b>December 31<sup>st</sup>, 2021</b>	<b>6 559</b>	<b>672</b>	<b>7 231</b>
Additions	-	143	143
Additions from Business Combinations	-	-	-
Disposals	-	-	-
<b>December 31<sup>st</sup>, 2022</b>	<b>6 559</b>	<b>815</b>	<b>7 374</b>
<b>Accumulated Depreciation</b>			
January 1 <sup>st</sup> , 2021	-567	-268	-835
Depreciation for the period	-547	-50	-597
<b>December 31<sup>st</sup>, 2021</b>	<b>-1 114</b>	<b>-318</b>	<b>-1 432</b>
Depreciation for the Period	-543	-147	-690
<b>December 31<sup>st</sup>, 2022</b>	<b>-1 657</b>	<b>-465</b>	<b>-2 122</b>
<b>Net Carrying Amount</b>			
<b>December 31<sup>st</sup>, 2022</b>	<b>4 902</b>	<b>350</b>	<b>5 252</b>
December 31 <sup>st</sup> , 2021	5 445	354	5 799
January 1 <sup>st</sup> , 2021	5 979	-	5 979

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	2022	2021
Product Receivable	5 800	6 256
<b>December 31<sup>st</sup></b>	<b>5 800</b>	<b>6 256</b>

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. Mycotech Pharma 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 2022.

## NOTE 9 SUBSIDIARIES

Amounts in NOK 1000	Parent Company	Share Capital	Ownership	Equity 31.12.22	Net profit/loss 2022
<b>Direct Subsidiaries</b>					
TG Montgomery AS ("TGM")	ImmunoPharma AS	2 242	100,00 %	27 095	164
Mycotech Pharma AS	ImmunoPharma AS	10 258	97,78 %	8 420	-11 398
Nordic Healthy Living AS ("NHL")	ImmunoPharma AS	200	100,00 %	20 442	381
Nordic Healthy Living Inc. (USA)	ImmunoPharma AS	8	100,00 %	-17 796	-17 634
<b>Indirect Subsidiaries</b>					
Friskare Liv AB	TG Montgomery AS	49	100,00 %	677	-238
Immunopharma Japan Ltd	Mycotech Pharma AS	22	67,00 %	152	-50
Eqology AS	NHL AS/Immunopharma AS	5 484	100,00 %	47 107	31 144

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

## NOTE 10 EQUITY

	Number of Shares Issued	Treasury Stock	Number of Outstanding Shares
Shares issued and outstanding on 1 January 2021	104 153 236	-3 697 000	100 456 236
Shares issued by debt conversion	29 083 329	150 000	29 233 134
Shares issued to purchase non-controlling share Eqology	540 080	132 665	672 745
Treasury stock issued for cash	-	506 000	506 000
<b>Shares Issued and Outstanding on December 31<sup>st</sup>, 2021</b>	<b>133 776 645</b>	<b>-2 908 335</b>	<b>130 868 115</b>
Shares issued by cash and debt conversion	4 877 777	-	4 877 777
Treasury stock issued for cash	-	34 638	34 638
<b>Shares Issued and Outstanding on December 31<sup>st</sup>, 2022</b>	<b>138 654 422</b>	<b>-2 873 697</b>	<b>135 780 530</b>

The private placement of 4 877 777 shares were issued at NOK 4.5 per share.

## NOTE 11 INTEREST-BEARING DEBT

Amounts in NOK 1000	2022	2021
Long-term debt to sellers of non-controlling Eqology shares*	41 753	-
Bohan & Co - sellers credit TGM and debt assumption	13 731	15 231
Nicoline Invest AS - seller credit TGM	13 104	15 105
BG Consult AS	1 101	2 472
Other long-term loans	142	-
<b>Total Interest-Bearing Debt</b>	<b>69 831</b>	<b>32 808</b>

\* The amount should be seen together with the *Loan Receivable* in the amount of 41 753.

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

### Non-monetary transactions:

A majority of the movements in the debt to Bohan & Co and Nicoline Invest AS is due to offsetting receivables against the two companies against the sellers credit. There have been no cash payments on the loans in 2022 except for a down-payment of MNOK 0.5 to Nicoline Invest AS.

**NOTE 12 SHAREHOLDERS**

Shareholder	Number of Shares	% of Total
1 Bohan & Co	41 274 505	29,8 %
2 Nicoline Invest AS	24 813 604	17,9 %
3 Genzeb Limited	13 428 125	9,7 %
4 Six Sis AG	8 632 077	6,2 %
5 Equity Labs SP. X.O.O SKA	8 193 875	5,9 %
6 UBS Switzerland AG	6 110 157	4,4 %
7 TG Montgomery AS	2 673 697	1,9 %
8 Svenske Handelsbanken AB	2 636 741	1,9 %
9 Universal Exports AS	2 516 915	1,8 %
10 Pro AS	2 222 222	1,6 %
11 Credit Suisse (Switzerland) Ltd.	2 169 533	1,6 %
12 Vestmark Research Consulting AS	2 000 000	1,4 %
13 Noxa AS	2 000 000	1,4 %
14 3LP Norge AS	1 724 901	1,2 %
15 BG Consult AS	1 463 270	1,1 %
16 Theo Investments AS	1 444 444	1,0 %
17 Avanza Bank AB	1 412 275	1,0 %
18 Stein Ole Vrenne	1 000 000	0,7 %
19 Momentum Consult & Invest AS	1 000 000	0,7 %
20 Clearstream Banking S.A.	834 920	0,6 %
<b>Total 20 Largest Shareholders</b>	<b>127 551 261</b>	<b>92,0 %</b>
<b>Other Shareholders</b>	<b>11 103 161</b>	<b>8,0 %</b>
<b>Total Number of Outstanding Shares</b>	<b>138 654 422</b>	<b>100 %</b>

Bohan & Co is owned by the Board member Frode Bohan.  
Nicoline Invest 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 3 073 697 ImmunoPharma shares including the unregistered purchase.

# Parent Company Financial Statements

## STATEMENT OF PROFIT AND LOSS

Amounts in NOK	Note	2022	2021
Revenue	2	14 553 562	11 478 057
Depreciation and amortisation expenses	5	6 505 101	552 037
<b>Total Operating Income</b>		<b>21 058 664</b>	<b>11 478 057</b>
Raw materials and consumables used	3	968 021	598 772
Employee benefits expense	4	15 477 736	9 999 617
Depreciation and amortisation expenses	5	195 872	552 037
Other expenses	4	11 099 271	16 467 116
<b>Total Operating Expenses</b>		<b>27 740 900</b>	<b>27 617 541</b>
<b>Operating Profit</b>		<b>-6 682 236</b>	<b>-16 139 484</b>
<b>Financial Income and Expenses</b>			
Interest income from group companies		199 000	34 405
Other interest income		3 943	17 776
Other financial income		42 352 596	3 036 965
Write-down of long-term investments		-	27 891 058
Other interest expenses		12 054	41 066
Other financial expenses		514 420	106 486
<b>Net Financial Items</b>		<b>42 029 065</b>	<b>-24 949 463</b>
Operating result Before Tax		35 346 828	-41 088 947
Tax on Ordinary Result	12	-1 386 190	-3 135 275
<b>Ordinary Result After Tax</b>		<b>36 733 018</b>	<b>-37 953 672</b>
<b>Extraordinary Income and Expenses</b>			
<b>Annual Net Profit</b>		<b>36 733 018</b>	<b>-37 953 672</b>
<b>Brought Forward</b>			
Loss brought forward	9	-36 733 018	37 953 672
<b>Net Brought Forward</b>		<b>36 733 018</b>	<b>-37 953 672</b>

## STATEMENT OF FINANCIAL POSITION

Amounts in NOK	Note	2022	2021
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Deferred tax assets	12	5 451 791	4 065 601
<b>Total intangible assets</b>		<b>5 451 791</b>	<b>4 065 601</b>
<b>Property, plant and equipment</b>			
Buildings and land	5	-	5 444 499
Equipment and other movables	5	70 500	85 500
<b>Total property, plant and equipment</b>		<b>70 500</b>	<b>5 529 999</b>
<b>Non-current financial assets</b>			
Investments in subsidiaries	6	211 785 387	202 871 446
Loan to group companies	13	139 691 508	99 117 614
Other long-term receivables	7	2 977 263	2 652 200
<b>Total non-current financial assets</b>		<b>354 454 158</b>	<b>304 641 260</b>
<b>Total non-current assets</b>		<b>359 976 449</b>	<b>314 236 859</b>
<b>Current Assets</b>			
Inventories	3	-	486 799
<b>Debtors</b>			
Accounts receivables	13	150 406	10 877 528
Other short-term receivables		962 546	2 118 866
Receivables from group companies	13	5 273 345	703 041
<b>Total receivables</b>		<b>6 386 297</b>	<b>13 699 434</b>
<b>Investments</b>			
Cash and cash equivalents	8	1 128 645	30 267 050
<b>Total current assets</b>		<b>7 514 942</b>	<b>44 453 283</b>
<b>Total Assets</b>		<b>367 491 391</b>	<b>358 690 143</b>

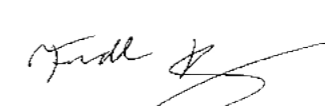
## EQUITY AND LIABILITIES

Amounts in NOK	Note	2022	2021
<b>Equity</b>			
<b>Paid-in capital</b>			
Share capital	9	13 865 442	13 377 665
Treasury stock	9, 10	-	-3 464
Share premium reserve	9	313 960 175	302 175 408
<b>Total paid-up equity</b>		<b>327 825 618</b>	<b>315 549 608</b>
<b>Retained earnings</b>			
Uncovered loss	9	-22 498 140	-59 383 565
<b>Total retained earnings</b>		<b>-22 498 140</b>	<b>-59 383 565</b>
<b>Total Equity</b>		<b>305 327 478</b>	<b>256 166 043</b>
<b>Liabilities</b>			
<b>Provisions</b>			
<b>Other non-current liabilities</b>			
Other non-current liabilities		28 078 462	41 399 402
<b>Total non-current liabilities</b>		<b>28 078 462</b>	<b>41 399 402</b>
<b>Current liabilities</b>			
Trade payables	13	1 288 174	1 629 879
Public duties payable		1 383 386	1 915 382
Liabilities to group companies	13	29 738 731	55 983 165
Other current liabilities		1 675 161	1 596 272
<b>Total current liabilities</b>		<b>34 085 451</b>	<b>61 124 698</b>
<b>Total Liabilities</b>		<b>62 163 913</b>	<b>102 524 100</b>
<b>Total Equity and Liabilities</b>		<b>367 491 391</b>	<b>358 690 143</b>

Oslo, June 21<sup>st</sup>, 2023  
Board of Directors, ImmunoPharma AS



Kjetil Ramsøy  
Chairman



Frode Marc Bohan  
Board Member



Kim Øien  
Board Member

# 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	2022
<b>Type of Revenue</b>	
Sale of Goods & Services	14 553 562
Other income	6 505 101
<b>Total</b>	<b>21 058 664</b>
<b>Geographical Distribution of Revenue</b>	
Norway	21 058 664
<b>Total</b>	<b>21 058 664</b>

## 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	2022	2021
<b>Raw Materials</b>	-	-
Work-in-Progress	-	-
Finished Goods	-	486 799
<b>Total</b>	-	<b>486 799</b>

## NOTE 4 SALARIES, NUMBER OF EMPLOYEES, OTHER COMPENSATION

Amounts in NOK	2022	2021
Salaries	12 322 503	8 691 607
Payroll tax	1 892 039	1 259 438
Pension costs	765 221	218 157
Employee benefits	497 973	9 432
Reduction of payroll SkatteFUNN	-	-179 018
<b>Total</b>	<b>15 477 736</b>	<b>9 999 617</b>
Average Number of Employees	8	8

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

### Compensation to management and Board members:

Amounts in NOK	General Manager	The Board
Salaries	2 066 410	5 692 754
Pension Costs	108 812	314 852
Other Compensation	75 886	9 223
<b>Total Salaries</b>	<b>2 251 108</b>	<b>6 016 829</b>

The company has not had a General Manager from the November 1<sup>st</sup> 2022.

### Audit fees excluding VAT:

Amounts in NOK	2022	2021
Audit Fees	89 000	88 500
Other Services	5 000	61 400
<b>Total</b>	<b>94 000</b>	<b>149 900</b>

## NOTE 5 PROPERTY, PLANT AND EQUIPMENT

Amounts in NOK	Equipment	Factory and Property
Acquisition Cost on January 1 <sup>st</sup> , 2022	90 000	6 549 510
Acquisition During Period	90 000	-
Disposals During Period	-	6 549 510
Acquisition Cost on December 31 <sup>st</sup> , 2022	90 000	-
Accumulated Depreciation on December 31 <sup>st</sup> , 2022	-19 500	-
<b>Net Carrying Amount on December 31<sup>st</sup>, 2022</b>	<b>70 500</b>	<b>-</b>
Depreciation for the Period	15 000	180 872

## NOTE 6 SUBSIDIARIES

Amounts in NOK	Acquisition Cost	Percentage Ownership	Net Profit/Loss for the Period	Equity
TG Montgomery AS	223 023 037	100.00 %	163 599	27 095 165
Nordic Healthy Living AS	26 836 750	100.00 %	380 732	20 442 055
Nordic Healthy Living Inc. (USA)	8 341	100.00 %	-17 634 246	-17 795 679
Mycotech Pharma AS	10 030 000	97.78 %	-11 398 297	8 419 883

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

## NOTE 7 LONG-TERM RECEIVABLES

Amounts in NOK	2022	2021
Other Receivables	2 977 263	2 652 200

## NOTE 8 RESTRICTED CASH

Restricted cash in the amount of NOK 536 836 was included in the Company's cash and cash equivalents on December 31st, 2022.

## NOTE 9 EQUITY CAPITAL

Amounts in NOK	Share Capital	Treasury Stock	Share Premium	Other Equity	Total Equity
As at 01.01.2022	13 377 665	-3 464	302 175 405	-59 383 565	256 166 043
Capital raises	487 778	-	11 462 219	-	11 949 997
Sale treasury stock	-	3 464	-	152 407	155 871
Stock based compensation	-	-	-	322 549	322 549
Profit of the year	-	-	-	36 733 018	36 733 018
Pr. 31.12.2022	13 865 442	-	313 637 626	-22 175 591	305 327 478

## NOTE 10 OWN SHARES

The company has in 2022 delivered 34 638 shares that were purchased in 2021 to cover parts of a Eqology AS share exchange.

Changes in the company's own shares	No of shares	Face value	Total (NOK)	Percent of the share capital
Carrying value 1.1.2022	34 638	0.1	3 463.8	0.02 %
Addition	-	-	-	0 %
Disposals	34 638	0.1	3 463.8	0.02 %
Pr. 31.12.2022	-	-	-	0 %

## 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	41 274 505	29.8 %
Kim Øien (Nicoline Invest AS)	Board Member	24 813 604	17.9 %
Kjetil Ramsøy (Cinco Invest AS)	Chairman of the Board	750 000	0.5 %

Bohan & Co, the owner of the ImmunoPharma shares in the table above, is 100 % owned by Frode Bohan.  
Nicoline Invest, the owner of the shares in the table above, is 100 % owned by Kim Øien.  
Kjetil Ramsøy owns 750 000 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	2022	2021
<b>Entered tax on ordinary profit/loss</b>		
Payable tax	-	-
Changes in deferred tax assets	-1 386 190	-3 135 275
<b>Tax expense on ordinary profits</b>	<b>-1 386 190</b>	<b>-3 135 275</b>
<b>Taxable income</b>		
Ordinary result before tax	35 346 828	-41 088 947
Permanant differences	-41 647 692	30 373 593
Changes in temporary differences	-3 236 770	-1 826 858
Allocation of loss to be brought forward	-	-
<b>Taxable income</b>	<b>-9 537 634</b>	<b>-12 542 212</b>
<b>Payable tax in the balance</b>		
Payable tax on this year's result	-	-699 002
Payable tax on received Group contribution	-	699 002
<b>Total payable tax in the balance</b>	<b>-</b>	<b>-</b>

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.

	2022	2021	Difference
Tangible assets	26 400	-578 466	-604 866
Profit and loss account	2 683 627	-	-2 683 627
Allocation and more	-151 723	-100 000	51 723
<b>Total</b>	<b>2 558 304</b>	<b>-678 466</b>	<b>-3 236 770</b>
Accumulated loss to be brought forward	-27 339 173	-17 801 538	9 537 634

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

Amounts in NOK	Current Receivables		Loan to group companies	
	2022	2021	2022	2021
Companies in the same group	5 273 345	6 728 607	139 691 508	99 117 614
<b>Total</b>	<b>5 273 345</b>	<b>6 728 607</b>	<b>139 691 508</b>	<b>99 117 614</b>

Amounts in NOK	Account Payables		Liabilities to group companies	
	2022	2021	2022	2021
Companies in the same group	-	11 598	29 738 731	55 983 165
<b>Total</b>	<b>-</b>	<b>11 598</b>	<b>29 738 731</b>	<b>55 983 165</b>



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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 36.733.018,42 in the financial statements of the company and a loss of NOK thousand 59.688 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 2022, 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 2022, 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 2022, 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 2022, 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

## Statsautorisert revisor Elin Helene Fjellberg

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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.

## Statsautorisert revisor Elin Helene Fjellberg

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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.

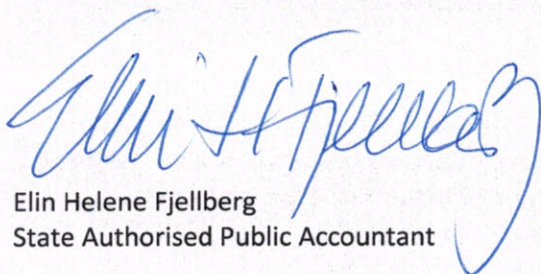
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

<https://revisorforeningen.no/revisjonsberetninger>

Bærum, 21 juni 2023

Statsautorisert revisor Elin Helene Fjellberg



Elin Helene Fjellberg  
State Authorised Public Accountant