

Lifecare FY 2021

21 April 2022



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Highlights 2021

Regulatory approval for first-in-human pilot clinical trials

In February 2021 the German Federal Institute for Drugs and Medical Devices (BfArM) approved the trial protocol for Lifecares first-in-human Sencell study.

Restructuring the organization – controlling development operations

Operational disruptions at previous main development partner led to a restructuring of the organisation starting in Q2 2021. Direct control over all major development tasks established in the extended Lifecare Group focusing on preparations to execute clinical pilot trials in 1H 2022

Reinforced Patent Protection and IP

In July 2021 Lifecare was granted a European patent for the updated Sencell osmotic pressure sensor system. Strategic developments has entailed enhanced IP related to knowledge and processes.

Successful Capital Increase

Lifecare concluded a successful capital increase in October 2021 raising new equity of NOK 26.3 millions in a private placement. 6 of the 10 largest investors participated in the private placement.

2021 Delivering on our strategy

Lifecare (mother)

- Establishing wholly owned and controlled development departments by acquiring two companies
- Private placement 5 Oct. 2021: 26,3 MNOK
- Broadened the IP position

FY21 P/L	-16,1 MNOK
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FY21 Cash	20,2 MNOK
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Lifecare NanoBioSensors

- Included in the 2021 numbers from 1 Jul. 2021.
- Strong development focus, generating progress on milestones
- Attracting new employees
- Holds licence of Nano3DSense™

FY21 P/L	1,3 MNOK
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FY21 Cash	0,9 MNOK
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Lifecare Laboratory

- Access to highly qualified personnel
- Official acquisition date 27 Jan. 2022 - **not** included in the 2021 numbers.
- Third party customers generating revenue
- Main site for upcoming clinical studies

FY21 P/L	2,3 MNOK
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FY21 Cash	0 MNOK
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Consolidated Key Financial Figures

Lifecare

Consolidated Financial Statements

Period 1-12 2021	2021	2020
OPERATING INCOME	1 599 088	5 390 651
SALARIES AND OTHER PERSONNEL EXP.	-1 748 583	-702 977
DEPRECIATION AND AMORTIZATION COSTS	-598 058	-19 000
OTHER OPERATING COSTS	-15 182 873	-7 126 220
OPERATING EXPENSES	-17 529 514	-7 848 197
OPERATING RESULT	-15 930 426	-2 457 547
FINANCE INCOME	93 483	123 487
FINANCE COSTS	-142 532	-273 606
NET FINANCIAL ITEMS	-49 049	-150 118
ORDINARY RESULT BEFORE TAXES	-15 979 475	-2 607 665
TAXES	102 557	0
ORDINARY RESULT	-15 876 918	-2 607 665

Assets

Period 1-12 2021	2021	2020
LICENCES AND PATENTS	7 185 530	212 000
GOODWILL	1 538 357	
INTANGIBLE ASSETS	8 723 887	212 000
MACHINERY AND EQUIPMENT	29 740	
INVESTMENTS IN AFFILIATED COMPANIES		5 052
OTHER FIXED FINANCIAL ASSETS		
TOTAL FIXED ASSETS	29 740	5 052
RECEIVABLES	138 696	74 948
OTHER CURRENT FINANCIAL ASSETS	2 288 479	2 841 673
CASH AND CASH EQUIVALENTS	21 041 863	11 475 968
TOTAL CURRENTS ASSETS	23 469 037	14 392 588
TOTAL ASSETS	32 222 664	14 609 641

Liabilities

Period 1-12 2021	2021	2020
PAID UP EQUITY	39 193 659	32 511 268
RETAINED EQUITY	-14 948 093	-19 185 048
TOTAL EQUITY	24 245 566	13 326 220
DEFERRED TAX	1 538 357	
LONG-TERM NON INT.BEARING DEBT	2 696 976	
TOTAL LONG-TERM DEBT	4 235 333	0
ACCOUNTS PAYABLE	1 972 425	458 475
GOVERNMENT TAXES	243 528	93 107
OTHER CURRENT LIABILITIES	1 525 812	731 839
TOTAL CURRENT LIABILITIES	3 741 765	1 283 421
TOTAL EQUITY AND LIABILITIES	32 222 664	14 609 641

Cash Flow and selected notes

Lifecare Group

Period 1-12 2021	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES		
EBIT	-15 979 475	-2 607 665
TAXES PAID	0	0
DEPRECIATION	598 058	19 000
CHANGE IN CURRENT ASSETS	- 63 747	
CHANGE IN SHORT-TERM LIABILITIES	1 667 164	- 214 669
CURRENCY CONVERSION DIFFERENCES	5 689	
NET CASH FLOW FROM OPERATING ACTIVITIES	-13 772 311	-2 803 334
CASH FLOW FROM INVESTMENT ACTIVITIES		
NEW NON-CURRENT ASSETS	549 792	- 246 936
INVESTMENTS IN FIXED FINANCIAL ASSETS	-7 493 110	
NET CASH FLOW FROM INVESTMENT ACTIVITIES	-6 943 318	- 246 936
CASH FLOW FROM FINANCING ACTIVITIES		
NEW LONG TERM DEBT	2 696 976	0
NEW SHORT TERM DEBT	793 973	-263 963
PAID-IN EQUITY	26 790 575	201 205
DIVIDEND	0	0
NET CASH FLOW FROM FINANCING ACTIVITIES	30 281 524	-62 758
NET CASH FLOW TOTAL	9 565 895	-3 113 028
CASH AT BEGINNING OF THE PERIOD	11 475 968	14 588 996
CASH AT THE END OF THE PERIOD	21 041 863	11 475 968

Selected notes:

1. Operating income

The Lifecare Group has operating income of 1,6 MNOK, whereof Government refund (Skattefunn) represents 1,3 MNOK.

2. FIXED ASSETS	PATENTS AND LICENCES	GOODWILL	TANGIBLE ASSETS	TOTAL
COST 01.01.21	353 744		38 716	392 460
ASSET BUY			19 208	19 208
ASSET CONSOLIDATION	7 458 699	1 640 914	15 203	9 114 816
COST 31.12.21	7 812 443	1 640 914	73 127	9 526 484
ACC. DEPRECIATION	626 913	102 557	43 387	772 857
BOOK VALUE 31.12.21	7 185 530	1 538 357	29 740	8 753 627
DEPRECIATION 2021	485 169	102 557	10 332	598 058

Asset consolidation of NOK 7,5 mill relates to acquired value of a licence with a financial lifespan of 8 years. Goodwill of NOK 1,6 mill is technical goodwill related to added value of the acquisition and is set as the same value as deferred taxes at the consolidation. Duration depreciation is 8 years.

Selected notes cont.

3. Consolidation

Lifecare AS acquired Lifecare NanoBiosensors GmbH in late June 2021, this is incorporated in the group financial statements as of 01.07.21.

In August 2021, Lifecare AS entered into an agreement to purchase the laboratory business in Pfützner Science & Health Institute GmbH («PSHI») through the purchase of business or shares. Agreement on the purchase of the shares in PSHI was finally formalized on 27.01.2022 The lab is not included in the 2021 numbers.

4. EQUITY	SHARE-CAPITAL	SHARE PREMIUM RESERVE	RETAINED EQUITY	TOTAL EQUITY
01.01.2021	32 511 268		-19 185 048	13 326 220
SHARE CAPITAL INCREASE 14.09.21	495 257			495 257
SHARE CAPITAL INCREASE 05.10.21	6 187 134	20 108 184		26 295 318
TRANSFERRED TO UNCOVERED DEFICIT		-20 108 184	20 108 184	0
CONVERSION DIFFERENCES			5 689	5 689
RESULT 2021			-15 876 918	-15 876 918
31.12.2021	39 193 659	0	-14 948 093	24 245 566

5. MAJOR SHAREHOLDERS

	NO. OF SHARES	%
Teigland Eiendom AS	20 691 829	21,1 %
Lacal AS	14 187 712	14,5 %
Vpf Nordea Avkastning	8 222 700	8,4 %
Westhawk AS	3 376 722	3,5 %
Sandquist	2 410 068	2,5 %
Sum	48 889 031	49,9 %
Remaining shareholders	49 095 116	50,1 %
Shareholders	97 984 147	100,0 %

Outlook – Technology Development

Execution of first-in-human clinical pilot study

Priority and focus – planning for milestone achievement by end of 1H 2022

Basis for increased R&D activities; clinical and regulatory activities for product development of Sencell Glucose, as well as forming a basis for Sencell as a platform technology for continuous monitoring of other body analytes – beyond glucose.

Regulatory submissions, clinical trials and initial manufacturing preparations

Lifecare will submit applications for additional clinical studies in 2H 2022. Upcoming milestones includes a 3-month duration clinical study in 2H 2022 and initiating CE regulatory study by end 2022.

The Company aim to achieve CE mark for Sencell Glucose in 2023 and to initiate regulatory preparations for the US market by end of year 2023. The Company will focus to align the regulatory actions and implementation of a QMS taking initial manufacturing preparations into account.

Outlook - Activity and Costs

Capacity scale-up – headcount and manufacturing

Planning to increase staff at headquarters in Bergen and at Lifecare NanoBioSensors with both administrative commercial and scientific personnel, including personnel for production preparations. Currently no plans for additional staff at Lifecare Laboratory in Mainz.

Activity scale up and manufacturing preparations will increase costs

The development per Q1 2022 is according to schedule and according to costs, with well managed overhead costs.

Year on year cost will increase in line with clinical trial activities, initial production preparations and organisational development continuing with increased headcount. As previously indicated the Company will consider the need for additional financing in 2022.



Sencell Market Potential

The basis for the market potential is described in the document "SENCELL Market Assumptions and Commercial Potential, April 2022» available for downloading at www.lifecare.no

Direct costs of diabetes for adults reached USD 966 billion worldwide in 2021.

The global market for Continuous Glucose Monitoring is expected to reach USD 31 billion in 2026.

Expected significantly higher growth in patient population outside Europe and North America.

Assuming lower cost and longevity, accurate and user-friendly measurements - potential to increase the global patient population access to Continuous Glucose Monitoring

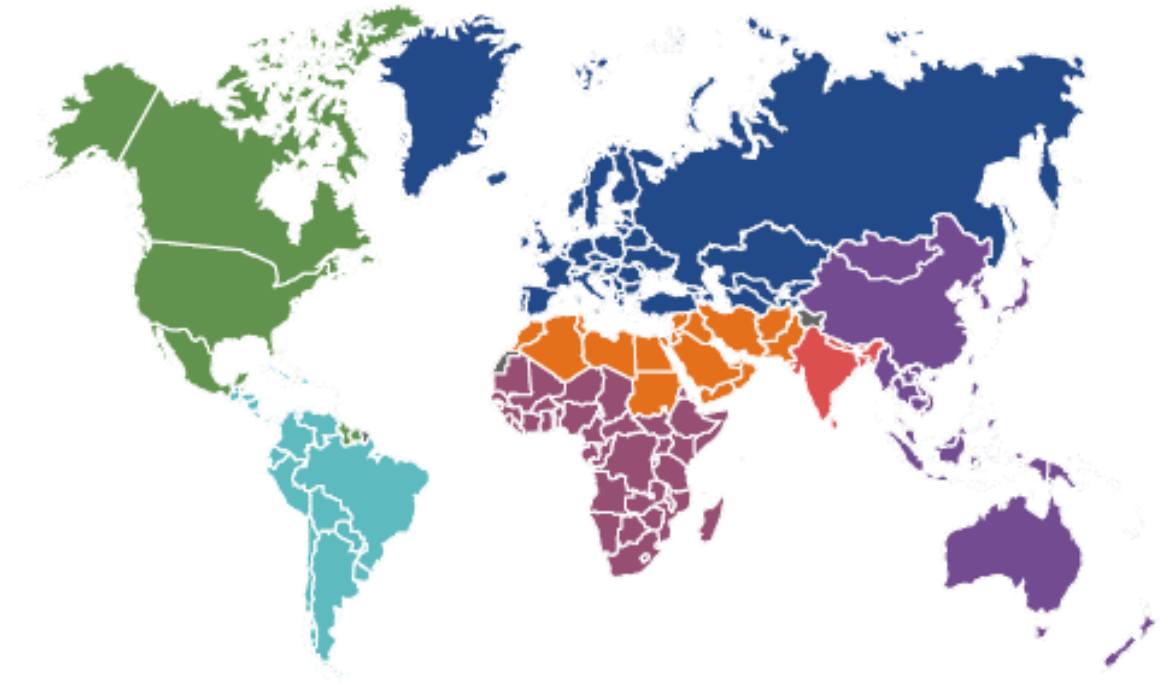
Global Total Patient Population

537M adults living with diabetes (2021), expected to increase to 643m (2030) and 784m (2040).

1/3rd of patients with diabetes need or should take insulin, the potential market for Continuous Glucose Monitoring (CGM) reached 179m patients in 2021.

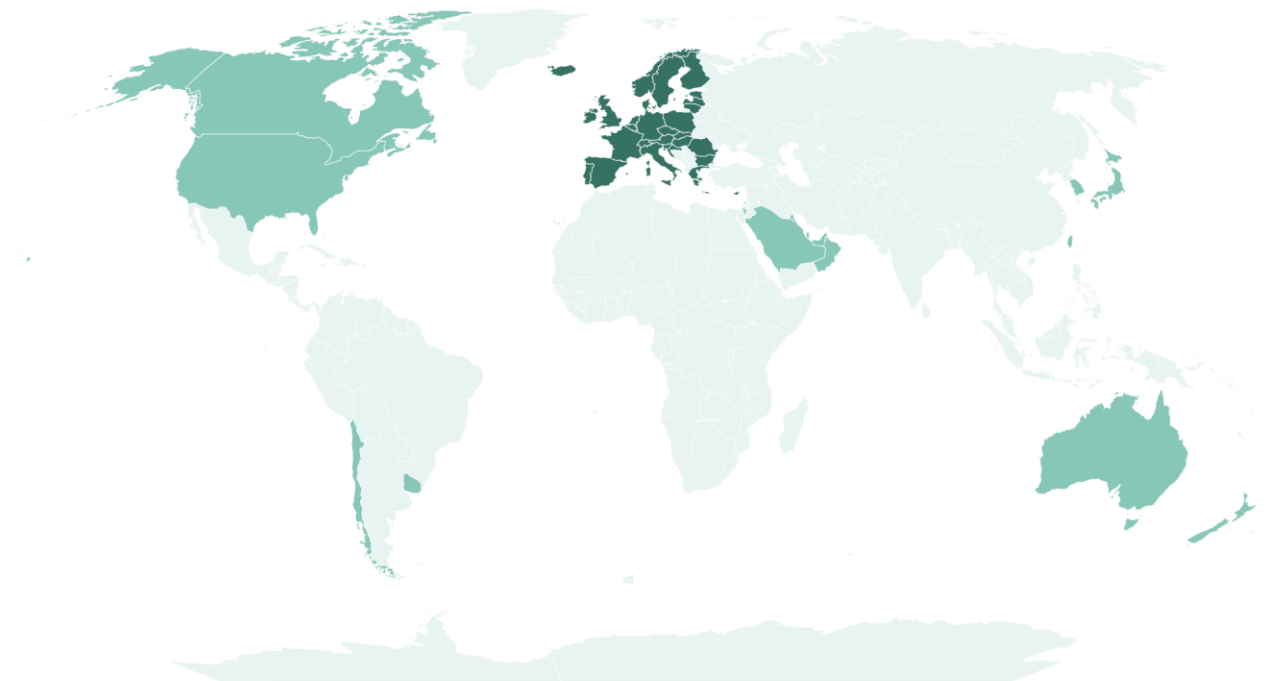
70% of the population in North America and Europe and 50% in rest of the world - is diagnosed = 100M diagnosed and in need of insulin therapy, representing the global potential market for Sencell.

Fair to assume that up to 20% of patients in high income countries have access to CGM today.



Sencell Potential Target Patient Population

Regions targeted by Lifecare	Population with diabetes	Primary Target Type 1	Primary Target Type 2	Total target population
EU, EEA, UK, CH	36 Mill	2,3 Mill	6,3 Mill	8,6 Mill
US, CA	51 Mill	2,7 Mill	7,2 Mill	9,9 Mill
High Income countries	29 Mill	2,1 Mill	5,6 Mill	7,7 Mill
Sum	116 Mill	7,1 Mill	19,1 Mill	26,2 Mill



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Sencell Potential Revenue

Sencell Market share assumptions:

	Low Case	Base Case	High Case
Primary Market (T1)	3%	5%	10%
Secondary Market (T2)	1%	3%	5%

The potential revenue calculation in this presentation is based on base case.

Definitions and assumptions:

Primary market: Type 1 diabetes patients (T1).

Secondary market: Type 2 diabetes patients (T2).

Assuming significantly cheaper price for patients compared to existing solutions.

Sales start aimed to be in 2024.

Aim generating positive cash in second year of sales.

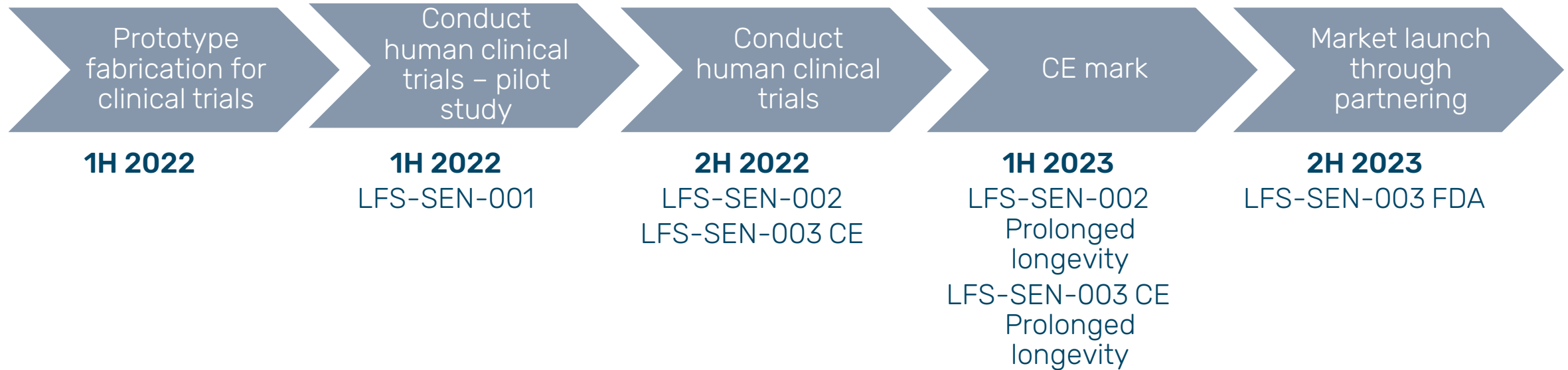
Calculating full reach of market penetration in year 2031.

Sencell Target Market – Potential Revenue Calculation

Market penetration Sencell Base Case	2024	2025	2026	2027	2028	2029	2030
Level of assumed market penetration - base case							
EU, UK, EEA and CH	5%	20 %	40 %	80 %	95 %	100 %	100 %
US and CA	0%	0 %	10 %	30 %	50 %	75 %	95 %
AU, CL, IL, JP, KR, KW, NZ, OM, QA, SA, SG, TW, AE, UY	0%	2 %	15 %	40 %	70 %	95 %	100 %
Penetration, primary target patient population (T1DM) - base case	0,1%	0,4%	1,1%	2,5%	3,6%	4,5%	4,9%
Penetration, secondary target patient population (T2DM) - base case	0,1%	0,2%	0,7%	1,5%	2,2%	2,7%	3,0%
Units sold, primary target market, EU,UK,EEA and CH '000 (2 per patient per year)	12	49	98	198	238	253	256
Units sold, primary target market, US and CA '000 (2 per patient per year)	0	0	28	86	146	221	284
Units sold, primary target market, High Inc selection '000 (2 per patient per year)	0	4	33	89	157	215	229
Units sold, secondary target market, EU,UK,EEA and CH'000 (2 per patient per year)	19	79	159	321	386	410	414
Units sold, secondary target market, US and CA '000 (2 per patient per year)	0	0	46	140	236	359	460
Units sold, secondary target market, High Inc selection '000 (2 per patient per year)	0	7	53	144	254	349	371
Total units sold, '000	31	139	418	979	1417	1807	2013
Annual sales per patient for Sencell, EUR (325 eur per unit)	650	650	650	650	650	650	650
Revenues, EURm EU, UK, EEA and CH	10	41	84	169	203	216	218
Revenues, EURm US and CA	0	0	24	74	124	188	242
Revenues, EURm High Inc	0	4	28	75	134	183	195
Revenues, EURm	10	45	136	318	460	587	654

Valuedriven Future Milestones

Lifecare Sencell



Clinical Studies

LFS-SEN-001

- Wired Needle Sensor
- 15 participants (10 healthy subjects & 5 patients with T1D)
- 3 days / proof of concept in humans

LFS-SEN-002

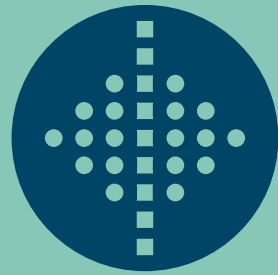
- Implanted Encapsulated Wireless Sensor
- 50 patients with type 1 or type 2 diabetes
- 3 months
- System performance + biocompatibility

LFS-SEN-003
CE Study

- Implanted Encapsulated Wireless Sensor
- 150 patients with type 1 or type 2 diabetes
- 3 months
- System performance + biocompatibility

LFS-SEN-004
US FDA

- Implanted Encapsulated Wireless Sensor
- 250 patients with type 1 or type 2 diabetes (non-caucasian)
- 3 months
- System performance + biocompatibility



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