

LIFECARE

Quarterly Report

Q1 2024



Contents

Contents..... 2

CEO’s Statement 3

Financials - Summary..... 6

Progress – Trials and Operations19

Financial calendar20

Share capital increase history.....21

Shareholders as of 22.02.2024.....22

Disclaimer23

Contact.....24

About Lifecare24

CEO's Statement

FROM PREPARATION TO PILOT PRODUCTION

Lifecare has been delivering milestones on a continuous basis over a long period. It has been a formidable year in terms of successful results from studies of the Sencell sensor and skillful preparations towards production. We have made wise investments in high-quality equipment that is particularly suitable for the company's production purpose. We are proud that we have now entered a new paradigm shift in Lifecare history and completed a successful pilot production.

PILOT PRODUCTION – MAJOR BREAKTHROUGH

Reports announced that we successfully reached the target for pilot production of the Sencell sensor in Q1. This is definitely a major breakthrough for the company.

In this process we have succeeded to overcome some challenging steps. Sophisticated 3D-printing of the Sencell sensor is carried out in a Scanning Electron Microscope (SEM). The SEM enables Lifecare to obtain the precision necessary to apply pressure sensing elements down to the scale of nanometer size. An essential part of the production preparations has been the programming of the software to run this part of the production. The steps of comprehensive coding and customization went according to plan. Hence the software program was able to successfully handle the part of the pilot production used by the SEM. The last part of the pilot production is also considered as finalized. This part of the production is the automated process of filling Lifecare's proprietary and patented glucose-reactive chemical solution in the nanosized chambers of the sensors. This will also apply the nano-porous membranes to seal the chambers after filling. This process was demonstrated with equipment from GeSim GmbH.

This milestone is in many ways more important to us than regulatory approval. The achievement confirms that we can produce our glucose monitoring sensor for humans and pets, paving the way for automated production and even volume production in due time. This completed trigger event means that we are a significant step closer to the goal of bringing this ground-breaking innovation from Norway to the global diabetes technology market. It will also strengthen our expectations of taking a position as a significant international manufacturer of continuous glucose monitors.

NEW PATENT GRANTED

In the end of Q1 The European Patent Office (EPO) notified that they will grant Lifecare a new patent. The patent relates to chemistry compositions and method for preparing the composition and use, specifically Lifecare's proprietary fluid composition reactive to glucose. This active fluid enables monitoring of glucose in Lifecare's miniaturized sensor-technology, by the means of osmotic pressure as the sensing principle, affecting and improving sensor lifetime, measurement response asymmetry and measurement sensitivity. Considering existing and granted patents for Lifecare's sensor technology, this strengthens our commercial position for accurate and continuous monitoring of glucose, for people and pets with diabetes until 2038.

UPLISTING

In March the Board of Directors decided to initiate the process to prepare Lifecare for an uplisting to the main market at Oslo Stock Exchange. If all goes as planned, Lifecare hope to uplist to the main list for trading in October 2024. We expect that the uplisting at OSE will further accelerate the overall growth of our company, attract, and secure a more flexible and even broader investor base that will support Lifecare in reaching our growth targets. We also expect that an uplisting will increase share liquidity and strengthen the profile of Lifecare.

At the recently held Annual General Meeting, it was decided to convert Lifecare AS to a Public Limited Liability Company (ASA), due to the company's plans to complete a listing on main list of Oslo Stock Exchange.

PARTIALLY UNDERWRITTEN RIGHT ISSUE

Two weeks ago, Lifecare's BoD proposed a partially underwritten right issue in the range between NOK 75 million and NOK 90 million. This will ensure preferential subscription rights for existing shareholders, with already underwritten guarantees a minimum of NOK 75 million. We want to ensure fair and equal treatment of our loyal base of shareholders, and the proposed rights issue is designed to do just that. One advantage of the guaranteed fundraising structure is that the company could confirm sufficient funding when the intentions was announced. Furthermore, a rights issue is a shareholder-friendly form of transaction as existing shareholders have preferential rights to subscribe in the offering. In addition, all participants in the rights-issue will be granted warrants for additional subscriptions in June 2025.

INVESTMENT IN REMOVAID

In the end of April Lifecare announced that the company have invested NOK 2 million through a private placement in RemovAid, a medical technology company based in Oslo. Lifecare now holds 81,1 % of the shares in RemovAid which has developed a unique user-friendly medical device for removal of subdermal implants.

To Lifecare RemovAid's medical device is an important part of the puzzle, bring forward solutions for the entire life cycle of our glucose sensor. Our CGM sensor will be injected under the skin and with some adjustments we envision that the RemoveAid's technology will be applicable for removal of the Sencell sensor from humans and animals. With Lifecare as the majority shareholder, RemovAid is positioned with expertise and capital for growth as an integrated part of the Lifecare Group.

OUTLOOK

Lifecare has gone from manual production to pilot production with machines. This will pave the way for an automated production by end of Q2 as scheduled. The development and process adjustments from pilot production to automated processes are complex, as all development steps towards the manufacturing are. In addition to necessary adjustments and debugging of processes, we are depending on the deliveries of final manufacturing equipment and cleanroom. The latter is expected to be delayed due to the political unrest in the Middle East, and subsequent disruption of supply routes.

Based on the progress of the pilot production, we are confident about the future roadmap and expect that the efficiency and quality of production will increase. Furthermore, the commercial goal of 2024 is to launch our CGM in the veterinary market. We expect to progress on the commercial preparations in Q3 2024.

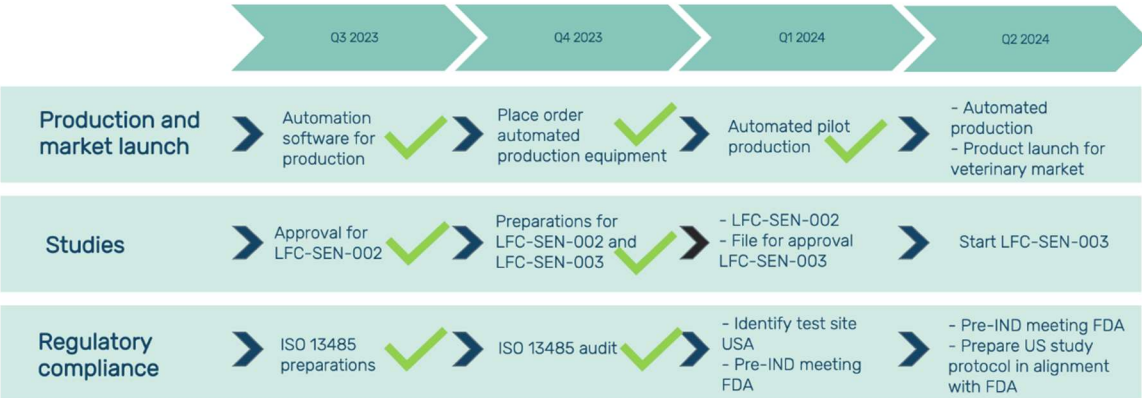
OUTLOOK SUMMARY

- Q2 Start LFC-SEN-002
- Q2 Automated production
- Q3 Conclude LFC-SEN-002
- 2H Submit study protocols (LFC-SEN-003) for regulatory approval
- 2H Launch in the veterinary market



Joacim Holter
CEO

Trigger event overview



Financials - Summary

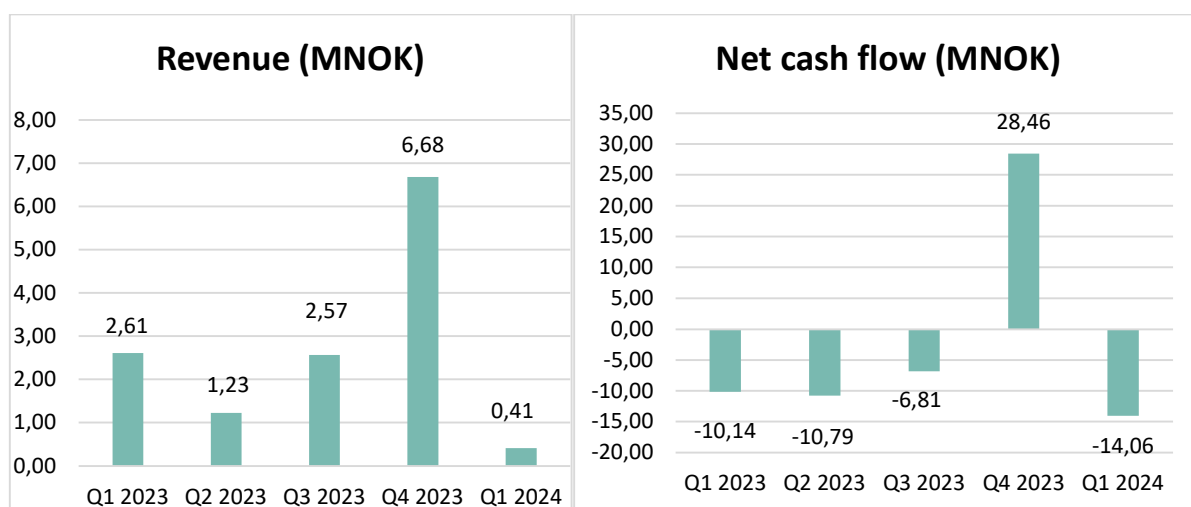
The Group's costs were stable compared to previous quarters, while we conclude a revenue in Q1 of 0,4 MNOK. Due to strategic priorities the third-party service capacity has been reduced to be able to allocate the Groups resources to our main and internal development projects. Consequently, the revenue decreased compared to Q1 2023.

Some of last year's consultancy cost are this year booked as salary and personal cost. Key personal that previously has worked as a consultant for the Group are now hired as full-time employees. This and more people in strategic new position in different part of the Groups companies cause an increase in salary and personal cost compared to last year.

The Group's cash position and equity Q1 2024 was at same level compared to Q1 2023.

KEY FINANCIAL

Financial statement 31 March 2024 unaudited (MNOK),	Q1 2024	Q1 2023
Revenue	0,41	2,61
Salaries and personnel costs	-8,25	-4,01
Other operating costs	-5,18	-4,98
Sum operating result	-13,02	-6,38
Net finance	0,18	-0,15
		0,00
Sum	-12,84	-6,53
Equity	55,51	49,90
Total Assets	72,24	65,80
Earning per share	-0,095	-0,053



STATEMENT OF COMPREHENSIVE INCOME, LIFECARE GROUP (UNAUDITED FIGURES)

NOK		Q1 2024	Q1 2023
<hr/>			
OPERATING INCOME		410 956	2 610 767
<hr/>			
SALARIES AND OTHER PERSONNELL EXP.	3,4,5	-8 249 616	-4 008 119
DEPRECIATION AND AMORTIZATION COSTS	6	-957 270	-432 910
OTHER OPERATING COSTS		-4 221 044	-4 302 074
<hr/>			
<i>OPERATING EXPENSES</i>		-13 427 931	-8 743 102
<hr/>			
OPERATING RESULT		-13 016 974	-6 132 335
<hr/>			
FINANCE INCOME		403 581	13 032
FINANCE COSTS		-225 288	-164 942
<hr/>			
<i>NET FINANCIAL ITEMS</i>		178 293	-151 910
<hr/>			
ORDINARY RESULT BEFORE TAXES		-12 838 682	-6 284 245
<hr/>			
TAXES		0	0
<hr/>			
ORDINARY RESULT		-12 838 682	-6 284 245
<hr/>			
ATTRIBUTABLE TO:			
<hr/>			
EQUITY HOLDERS OF THE PARENT		-12 842 437	
NON-CONTROLLING INTERESTS		3 756	
<hr/>			
		-12 838 682	
<hr/>			
Earning per share -basic and diluted (NOK)	8	-0,095	-0,053
<hr/>			
OTHER COMPREHENSIVE INCOME			
<hr/>			
EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN OPERATIONS		-107 684	-45 384
NET OTHER COMPREHENSIVE LOSS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		-107 684	-45 384
<hr/>			
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		-12 946 366	-6 329 629
<hr/>			

BALANCE SHEET, LIFECARE GROUP (UNAUDITED FIGURES)

NOK		Q1 2024	Q1 2023
LICENCES AND PATENTS		5 045 596	5 996 358
GOODWILL		7 228 275	7 330 832
TOTAL INTANGIBLE ASSETS	6	12 273 871	13 327 191
EQUIPMENT AND OTHER MOVABLES	6	4 406 480	3 021 992
INVESTMENTS IN AFFILIATED COMPANIES	7	-	-
TOTAL TANGIBLE ASSETS		11 230 851	6 821 049
RECEIVABLES		1 895 763	2 298 524
OTHER CURRENT FINANCIAL ASSETS		12 557 938	5 868 057
CASH AND CASH EQUIVALENTS	9	34 286 087	37 484 289
TOTAL CURRENT ASSETS		48 739 788	45 650 870
TOTAL ASSETS		72 244 511	65 799 110
TOTAL CONTRIBUTED EQUITY		135 539 427	87 453 295
TOTAL RETAINED EARNINGS		-80 027 378	-37 550 535
TOTAL EQUITY	10	55 512 049	49 902 760
DEFERRED TAX		1 640 914	1 640 914
OTHER NON-CURRENT DEBT	11	2 446 344	5 261 209
FINANCIAL LEASE LONG TERM		4 570 721	2 223 462
TOTAL NON-CURRENT LIABILITIES		8 657 979	9 125 585
ACCOUNTS PAYABLE		1 406 156	1 553 057
GOVERNMENT TAXES		442 633	138 125
OTHER CURRENT LIABILITIES		6 225 695	5 079 583
TOTAL CURRENT LIABILITIES		8 074 483	6 770 765
TOTAL EQUITY AND LIABILITIES		72 244 512	65 799 110

CASH FLOW, LIFECARE GROUP

NOK	Q1 2024	Q1 2023
CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX	-12 838 682	-6 284 245
TAXES PAID	-	-
DEPRECIATION	957 270	432 910
EMPLOYEE BENEFITS EXPENSE	3 690 706	918 683
CHANGE IN RESIVABLES	402 761	-1 182 938
CHANGE IN ACCOUNTS PAYABLE	146 901	-344 789
CHANGES IN OTHER ACCRUED INCOME AND EXPENDITURE	-6 689 881	-2 680 345
NET CASH FLOW FROM OPERATING ACTIVITIES	-14 330 925	-9 140 725
CASH FLOW FROM INVESTMENT ACTIVITIES:		
		-
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	-1 432 022	-3 248 526
PURCHASE OF INVESTMENT PROPERTY		-
PURCHASE OF EQUITY INSTRUMENTS		-
PURCHASE OF INTANGIBLE ASSETS		-
PURCHASE OF OTHER FINANCIAL ASSETS	1 053 319	-3 490 315
ACQUISITION OF SUBSIDIARY, NET OF CASH ACQUIRED		-
RECEIPT OF GOVERNMENT GRANTS		-
<i>NET CASH FLOW USED IN INVESTING ACTIVITIES</i>	<i>-378 703</i>	<i>-6 738 841</i>
CASH FLOW FROM FINANCING ACTIVITIES:		
PROCEEDS FROM ISSUE OF SHARE CAPITAL		
PROCEEDS FROM BORROWINGS	467 606	5 374 770
REPAYMENT OF BORROWINGS		-
PAYMENT OF PRINCIPAL PORTION OF LEASE LIABILITIES	65 355	136 793
DIVIDEND PAID TO EQUITY HOLDERS OF THE PARENT		
DIVIDEND PAID TO MINORITY INTERESTS	-	
NET CASH FLOW FROM FINANCING ACTIVITIES	532 961	5 511 563
<i>NET CURRENCY TRANSLATION EFFECT</i>	<i>117 601</i>	<i>221 888</i>
NET IN CASH AND CASH EQUIVALENTS	-14 176 667	-10 368 003
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	48 345 153	47 630 404
CASH AND CASH EQUIVALENTS AT END OF PERIOD	34 286 087	37 484 289

STATEMENT OF CHANGE IN EQUITY, LIFECARE GROUP

	Issued capital	Share premium	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interest	Total equity
As at 1 January 2024	53 946 297	76 006 997	-63 465 147	76 980	66 565 127	52 085	66 617 212
Profit for the period			-12 734 753		-12 734 753	3 756	-12 730 998
Issue of share capital	-	-			-		-
Other comprehensive income				33 809	33 809		33 809
Share-based payments			1 644 111		1 644 111		1 644 111
At 31 March 2024	53 946 297	76 006 997	-74 555 789	110 789	55 508 294	3 756	55 512 049

	Issued capital	Share premium	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interest	Total equity
As at 1 January 2023	47 146 297	40 306 997	-31 230 275	146 772	56 369 791	-	56 369 791
Profit for the period			-6 284 245	-9 240	-18 227 679		-18 227 679
Issue of share capital					-		-
Other comprehensive income				-1 092 229	-1 092 229		-1 092 229
Share-based payments			918 683		918 683		918 683
At 31 March 2023	47 146 297	40 306 997	-36 595 837	-954 697	49 902 760	-	49 902 760

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT

Note 1 Corporate information

Lifecare AS ("the Company" or "Parent") as the Parent Company and its subsidiary (together "the Group" is a clinical stage medical sensor company developing technology for sensing and monitoring of various body analytes. Lifecare's main focus is to bring the next generation of Continuous Glucose Monitoring ("CGM") systems to market.

Lifecare AS incorporated and domiciled in Norway and listed on Euronext Growth. The address of the registered office is Ytrebygdsvegen 215, 5258 Blomsterdalen, Bergen, Norway.

The interim consolidated financial statements cover the first quarter of 2024 ending 31st of March 2024.

Note 2 Basis for preparation and significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have consistently been applied in all periods presented. Amounts are in Norwegian kroner (NOK) The presenting currency of the Group and the Company is NOK.

Basis for preparation

The interim consolidated financial statements for the Group have been prepared in accordance with IFRS as adopted by the EU. The consolidated financial statements and the Company financial statements have been prepared on a historical cost basis.

Lifecare Group implements IFRS from 2023. Changes in accounting principles, including changes in the language of accounting, must as a general rule be made through a retrospective implementation, i.e. that previous years' accounts are restated so that they present the company's financial position as the new rules had always been applied.

The consolidated financial statements comprise Lifecare AS ("Lifecare" or "Company") and companies in which Lifecare AS has a controlling interest ("Lifecare Group" or "Group"). A controlling interest is normally obtained when the Group owns more than 50% of the shares in the company and can exercise control over the company. Minority interests are included in the Group's equity. Transactions between Group companies have been eliminated in the interim consolidated financial statement. Acquired subsidiaries are recognized in the consolidated financial statements based on the parent company's acquisition cost. Acquisition cost is assigned to identifiable assets and liabilities of the subsidiary, such as is listed in the consolidated financial statements at fair value at the time of acquisition. Any added value beyond what is attributable to identifiable assets and liabilities is recognized on the balance sheet as goodwill.

Foreign currency translation

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognized in the income statement as they occur during the accounting period.

Balance sheet classification

Current assets and short-term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / long term liabilities.

Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value.

Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

Research and development

Research costs are expensed as incurred. Internal development costs related to the Group's development of products are recognized in the income statement in the year incurred unless it meets the asset recognition criteria of IAS 38 "Intangible Assets". An internally generated asset arising from the development phase of an R&D project is recognized as an intangible asset if the Group can demonstrate:

- Its ability to use or sell the intangible assets
- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate technical, financial and other resources to complete the development and use of sell the asset
- The ability to measure reliably the expenditure during development

Uncertainties related to the regulatory approval process and results from on-going clinical trials, generally indicate that the criteria are not met until the time when marketing authorisation is obtained from relevant regulatory authorities. The Group has currently no development expenditure that qualifies for recognition under IAS 38.

Property, plant, and equipment

Property, plant, and equipment is capitalized and depreciated linearly over the estimated useful life. Significant fixed assets which consist of substantial components with dissimilar economic life have been unbundled; depreciation of each component is based on the economic life of the component. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net realizable value and value in use. In assessing value in use, the discounted estimated future cash flows from the asset are discounted are used.

Subsidiaries and investment in associates

Subsidiaries and investments in associates are valued at cost in the company accounts. Investments are valued as cost of shares in the subsidiary, less any impairment losses. An impairment loss is recognized if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contributions and other distributions from subsidiaries are recognized in the same year as they are recognized in the financial statement of the provider. If dividends / Group contribution exceeds withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

Significant accounting policies

Identifying a lease

At the inception of a contract, The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group (the Company) as a lessee

Separating components in the lease contract

For contracts that constitute, or contain a lease, the Group (the Company) separates lease components if it benefits from the use of each underlying asset either on its own or together with other resources that are readily available, and the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract. The Group (the Company) then accounts for each lease component within the contract as a lease separately from non-lease components of the contract.

Recognition of leases and exemptions

At the lease commencement date, the Group (the Company) recognizes a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the Group (the Company) recognizes the lease payments as other operating expenses in the statement of profit or loss when they incurred.

Lease liabilities

The lease liability is recognized at the commencement date of the lease. The Group (the Company) measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date.

The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Group (the Company) is reasonably certain to exercise this option.

The lease payments included in the measurement comprise of fixed lease payments (including in-substance fixed payments), less any lease incentives receivable. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

The Group (the Company) does not include variable lease payments in the lease liability. Instead, the Group (the Company) recognises these variable lease expenses in profit or loss when they occur.

Right-of-use assets

The Group measures the right-of use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. The cost of the right-of-use asset comprise:

- The amount of the initial measurement of the lease liability recognized
- Any lease payments made at or before the commencement date, less any incentives received
- Any initial direct costs incurred by the Group.

The Group (the Company) applies the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset.

The Group (the Company) applies IAS 36 Impairment of assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Pensions

The cost of a defined contribution pension scheme corresponds to the period's premium to the insurance company.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

Note 3 Payroll and related expenses

Salary costs	Q1 2024	Q1 2023
Salaries	5 469 489	3 144 287
Payroll tax	996 233	599 082
Pension costs	128 062	38 514
Other benefits	480 844	226 236
Total payroll	7 074 628	4 008 119
Share option expense employees	1 644 111	
Accrued social security tax on share option	-469 123	
Total employee share option cost	1 174 988	
Total employee benefit cost	8 249 616	4 008 119

Employees	Q1 2024	Q1 2023
Number of employees	33	25
Number of man-years	29	18,5

Management remuneration

The Group Management consists of the Group Directors. Group Directors are the CEO and the CSO.

	Salary	Total remuneration
Management		-
Joacim Holter (CEO)	625 000	625 000
Andreas Putzner (CSO)	554 620	554 620
Total remuneration	1 179 620	1 179 620

Note 4 Pension

Lifecare AS is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon").

The Company has a contribution pension scheme which complies with the Act on Mandatory company pensions.

Lifecare AS and its subsidiaries have defined contribution pension schemes, but the contribution is different.

For Lifecare As and Lifecare Veterinary AS (Norwegian employees) the contribution amounts to 5% of salary up to 12G and 18.1% of salary between 7.1G and 12G (G is Norwegian National Insurance basic amount).

For Lifecare Chemistry Limited and UK employees the contribution is 3% of base salary.
For Lifecare Laboratory GmbH and Lifecare Nanobiosensor GmbH (German employees) the contribution is between 7-15% of base salary.

Note 5 Share based option plan

Lifecare AS has granted share options to selected employees in Lifecare Group. The option gives the holder right to acquire shares from the company at an exercise price defined in the individual option agreements.

Option is granted under the plan for no consideration and carry no dividend or voting rights before exercise of the options.

The value of the options is determined by applying to the Black-Scholes option pricing model. The Black-Scholes model considers the share price at the grant date, time until execution, exercise price, risk-free interest rate and volatility.

Movement during the year	Number of options Q1 2024
As of 01.01.2024	4 369 173
Granted during the year	600 000
Exercised during the year	
Adjusted during the year	
Expired during the year	
As of 31.03.2024	4 969 173

Incentive program

Share options

In accordance with the authorization granted by the Annual General Meeting 6 May 2022, the Board of Directors of Lifecare AS has established a long-term incentive program and awarded a total of 2,544,173 share options in 2022.

In addition the authorization granted by the Annual General Meeting 6 May 2023, the Board of Directors of Lifecare AS has established a long-term incentive program and awarded a total of 1,825,000 share options in 2023 and 600,000 share options in 2024.

Each share option gives the right to acquire one share, based on vesting and exercisability terms. The vesting terms under the program includes performance targets and/or vesting dates. The options may only be exercised within time periods defined by the Board of Directors.

Strike price of options is equal to the volume weighted average share price (VWAP) of the Lifecare AS stock 10 consecutive trading days prior to the date of grant:

Strike Price (NOK)	Number of options
2,38	2,544,173
2,49	1,825,000
2,50	650,000
Total	4,969,173

All options laps 5 years after date of grant.

Options allocated to members of the Group management, based on individual vesting and performance target schedules:

<u>Name</u>	<u>Position</u>	<u>Number of options</u>	<u>Stike price (NOK)</u>
Joacim Holter	CEO	2 296 115	2,42
Andreas Pfützner	CSO	1 048 058	2,41

Note 6 Intangible assets, plant, equipment, and ROA

	Patents and licenses	Goodwill	Tangible assets	RIGHT OF USE ASSETS (IFRS 16)	Total
Cost 01.01.23	7 812 443	7 330 832	4 796 441	8 715 307	28 655 023
Purchased fixed assets			1 459 834		1 459 834
Asset consolidation					
Cost 31.12.23	7 812 443	7 330 832	6 256 275	8 715 307	30 114 857
Acc. depreciation	2 766 847	102 557	1 849 795	2 551 846	7 271 045
Book value 31.12.23	5 045 596	7 228 275	4 406 480	6 163 461	22 843 812
Depreciation 2023	233 084		245 420	478 766	957 270

Lifecare Group has recognized three of its office facilities as a leasing contract according to IFRS 16. Lease liabilities according to IFRS 16 is measured as the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate.

Office rent due within 12 months are classified as short-term.

The company elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases') and lease contracts for which the underlying asset is of low value ('low-value assets')

Note 7 Subsidiaries

Lifecare owns 100% of Lifecare Nanobiosensors GmbH. The subsidiary's result for the first quarter of 2024 was 0,064 MNOK and the equity was 0,349 MNOK. The company has been consolidated into the consolidated accounts with effect from 01.07.2021.

Lifecare owns 100% of Lifecare Laboratory GmbH. The subsidiary's result for the first quarter of 2024 was NOK -1,9 MNOK and the equity was 2,5 MNOK. The company is consolidated into the consolidated accounts with effect from 01.02.2022.

Lifecare owns 100% in Lifecare Chemistry Ltd. The subsidiary's result for 2023 was 0,030 MNOK and the equity was 0,388 MNOK. The company was established 03.11.22 and was consolidated into the consolidated accounts with effect from 01.12.2022.

Lifecare owns 80% of the shares in Lifecare Veterinary AS. The subsidiary's result for 2023 was 0,018 MNOK and the equity was 0,388 MNOK. The company was consolidated into the Group accounts with effect from 01.06.2023.

Note 8 Earnings per share

	Q1 2024	Q1 2023
Profit after tax	-12 838 682	-6 284 245
Weighted average numbers of outstanding shares during the year	134 865 742	117 865 742
Earning (loss) per share – basic and diluted (NOK)	-0,095	-0,053

Share options issued have a potential dilutive effect on earnings per share. No dilutive effect has been recognized as potential ordinary shares only shall be treated as dilutive if their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations. As the Group is currently loss-making an increase in the average number of shares would have anti-dilutive effects.

Note 9 Cash and cash equivalents.

	Q1 2024	Q1 2023
Cash	33 990 966	37 131 835
Short-term bank deposits	295 121	352 454
Cash and cash equivalents in the balance sheet	34 286 087	37 484 289

Note 10 Share capital and shareholders.

The share capital of Lifecare AS 31.03.24 consists of 134,865,742 ordinary shares of NOK 0.40, in total NOK 53,946,297. The main shareholders per 31.03.24 was:

Shareholder	Shares	Stake
Teigland Eiendom As	24 691 829	18,31 %
Lacal As	21 387 712	15,86 %
Verdipapirfondet Nordea Avkastning	8 753 413	6,49 %
Tjelta As	8 000 000	5,93 %
Spit Air As	3 087 735	2,29 %
Nordnet Livsforsikring As	2 732 046	2,03 %
Lt Finans As	2 500 000	1,85 %
Einarsen	2 434 000	1,80 %
Sandquist	2 266 283	1,68 %
Bnp Paribas	1 812 600	1,34 %
Deutsche Bank Aktiengesellschaft	1 800 229	1,33 %
Nexus Marketing	1 752 024	1,30 %
Andreassen	1 652 872	1,23 %
Westhawk As	1 500 000	1,11 %
Max Invest As	1 450 000	1,08 %
Other (Under 1% shares)	49 044 999	36,37 %
Total Shareholders	134 865 742	100 %

Primary insiders and related holdings	Q1 2024	Q1 2022	Stake 2024
Hanibal Invest AS (primary insider Hans Hekland)	200 000	200 000	0,15 %
Cimter AS (primary insider Joacim Holter)	1 331 355	1 331 355	0,99 %
Joacim Holter	292 998	317 997	0,22 %
Islay Venture GmbH (primary insider Andreas Pfützner)	1 800 299	2 620 499	1,33 %
Total shareholders	3 624 652	4 469 851	2,69 %

The CEO directly/indirectly owns 1.2% of the shares in the company.

The CSO indirectly owns 1,3 % of the shares in the company.

Note 11 Other long-term debt.

The Company has an obligation of NOK 2.3 million to Islay Ventures GmbH's in connection with the purchase of Lifecare Laboratory GmbH.

Progress – Trials and Operations

Status

- LFC-SEN-001 was finalized in 1H 2023. Data from the study confirm a solid clinical accuracy of our technology (Sencell). The mean average of absolute error (MARD) between Sencell and matched relative reference values in the study was 9,6%, meaning that our sensor technology is in line with the gold standard for glucose monitoring (range 5%-10%).
- The prototype sensors had reached an operational lifetime of more than 24 weeks (172 days), with a sensor chemistry shelf life of almost 27 weeks (187 days). This confirms both that our technology has a superior operational longevity compared to existing needle based CGM sensors.
- We have received approval to start LFC-SEN-002 from The Norwegian Food Safety Authority (NFSA). This study aims to investigate and document our technology longevity (in-vivo) and biocompatibility in-vivo. The study will be carried out in collaboration with The Norwegian University of Life Sciences (NMBU) located at Ås, Norway.
- January 2024 Lifecare Laboratory received the official ISO 13485 certification after a successful audit November 2023.
- Additional important manufacturing preparations have been executed, including ordering of customized production equipment: Scanning Electron Microscope Zeiss XB350, from Carl Zeiss IQS Deutschland GmbH, as well as BioScaffolder (“BS 3.3) and Nano-Plotter (“NP 2.1”) from the German supplier GeSiM GmbH
- Placed purchase order for cleanroom for the automated pilot production. The cleanroom will ensure that the airborne particles are maintained at a very low concentration to not interfere with crucial functions of sensor components which operate with micro and nano scales and technologies.
- Pilot production is finalized. 3D-printing of the Sencell sensor is carried out in a Scanning Electron Microscope (SEM). Customization and programming of the software that run the SEM-operation went according to plan. The last part of the pilot production is also considered as finalized. This part of the production is the automated process of filling Lifecare’s proprietary and patented glucose-reactive chemical solution in the nanosized chambers of the sensors. This will also apply the nano-porous membranes to seal the chambers after filling. This process was performed by equipment from GeSim GmbH.
- In the end of Q1 The European Patent Office (EPO) notified that they will grant Lifecare a new patent. The patent relates to chemistry compositions and method for preparing the composition and use, specifically Lifecare’s proprietary fluid composition reactive to glucose.

Recent progress

- The final delivery from the sub-supplier responsible for the wireless communication from Lifecare’s sensor to the read-out-device is as previously communicated delayed, affecting the start of study LFC-SEN-002.
- Placed purchase order for cleanroom for the automated pilot production. The cleanroom will ensure that the airborne particles are maintained at a very low concentration to not interfere with crucial functions of sensor components which operate with micro and nano scales and technologies.
- Lifecare have appointed Renete Kaarvik as Chief Financial Officer and she started 1st of May 2024. Introducing the CFO position will strengthen the company’s executive management and play an important role on forming the Groups financial strategies aligned with our growth strategy and strengthen the fundament for both the product and Group organization to the best of the shareholders’ interests.

Prospects

- The longevity-study LFC-SEN-002 is planned to start end of Q2 2024. We do not expect that the postponed start will affect the planned progress towards automated production and market readiness by end of Q2 2024.
- The BioScaffolder ("BS 3.3) has been delivered on-site testing at Gesim GmbH, while the equipment including the customized Nano-Plotter ("NP 2.1") will be delivered in Q2 2024.
- The Scanning Electron Microscopes, Zeiss XB350, from Carl Zeiss IQS Deutschland GmbH (Zeiss) will be delivered in Q2 2024.
- Progress on commercial preparations towards the veterinary market is expected in first half of 2024.
- Purchased cleanroom is scheduled to be delivered in Q2, but as previously mentioned this is expected to be delayed due to the political unrest in the Middle East, and subsequent disruption of supply routes.
- Submission for regulatory approval for LFC-SEN-003 is planned for 2H 2024.
- Timelines are depending on regulatory approvals and, internal and external manufacturing capabilities. This also includes political or security policy conditions that may affect shipment.

Financial calendar

FINANCIAL YEAR 2024:
27.08.2024 Semi-annual Report 1H
13.11.2024 Q3 Report

Share capital increase history.

Historic overview capital increase

	2018	2021	2022	2023
Total	33 MNOK	26,3 MNOK	45 MNOK	42,5 MNOK
Share price	1,33 NOK	1,70 NOK	2,50 NOK	2,50 NOK

Shareholders as of 06.05.2024

	No.of shares	%
TEIGLAND EIENDOM AS	24 691 829	18,31 %
LACAL AS	21 387 712	15,86 %
VERDIPAPIRFONDET NORDEA AVKASTNING	8 393 413	6,22 %
TJELTA AS	7 670 000	5,69 %
SPIT AIR AS	3 087 735	2,29 %
LT FINANS AS	2 500 000	1,85 %
EINARSEN EVEN HARALD	2 455 000	1,82 %
NORDNET LIVSFORSIKRING AS	2 247 399	1,67 %
BNP PARIBAS	1 812 600	1,34 %
DEUTSCHE BANK AKTIENGESELLSCHAFT	1 800 229	1,33 %
NEXUS MARKETING	1 724 221	1,28 %
ANDREASSEN KURT NORMANN	1 652 872	1,23 %
WESTHAWK AS	1 500 000	1,11 %
MAX INVEST AS	1 450 000	1,08 %
SANDQUIST PATRICIA RODRIGUES DA COSTA	1 373 124	1,02 %
CIMTER AS	1 331 355	0,99 %
CLEARSTREAM BANKING S.A.	1 098 829	0,81 %
NORDNET BANK AB	1 093 829	0,81 %
HEJMA AS	1 040 000	0,77 %
PROBE AS	905 012	0,67 %
Sum	89 215 159	66 %
Remaining shareholders (2000+)	45 650 583	34 %
Shares	134 865 742	100 %

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About Lifecare

Lifecare develops biosensor-technology for medical use. The biosensors are miniaturized to the size of a grain of rice due to the company's capacity to manipulate pressure-sensing elements in the nanoscale.

Our proprietary technologies have the potential to improve medical products by adding sensing functionalities to devices in all medical indications.

We have a particular focus on diabetes and are dedicated to helping the more than 500 million people living with diabetes.