PROSPECTUS

Lifecare ASA

(A public limited liability company incorporated under the laws of Norway)
Listing of the Company's Shares on Oslo Børs, alternatively Euronext Expand
Public Offering of up to 1,000,000 Offer Shares

This prospectus (the "**Prospectus**") has been prepared by Lifecare ASA (the "**Company**", or "**Lifecare**", and together with its subsidiaries, the "**Group**") solely for use in connection with (i) a retail offering to the public in Norway, Sweden and Denmark (the "**Offering**") of up to 1,000,000 shares in the Company (the "**Offer Shares**"); and (ii) the admission to trading (the "**Listing**") of the Company's shares, each with a par value of NOK 5.20 (the "**Shares**") on Oslo Børs, a stock exchange operated by Oslo Børs ASA ("**Oslo Børs**" or the "**Oslo Stock Exchange**"), alternatively Euronext Expand, a regulated market operated by Oslo Børs.

The final number of Offer Shares will be determined following an application period and will be set by the Company, in consultation with Carnegie AS acting as manager for the Offering (the "**Manager**"). The application period for the Offering (the "**Application Period**") will commence at 09:00 (CEST) on 8 October 2024 and close at 16:30 (CEST) on 15 October 2024. The Application Period may, at the Company's sole discretion, in consultation with the Manager, and for any reason, be extended beyond the set times, but will in no event be extended beyond 16:30 (CEST) on 24 October 2024. The Offer Price to be paid for each Offer Share in the Offering is NOK 20, representing a discount of approximately 9% to the Value Weighted Average Price (VWAP) of the Shares on Euronext Growth Oslo on 2 October 2024. See Section 14 "The terms of the Offering" for further information.

The Shares have been admitted to trading on Euronext Growth Oslo (formerly Merkur Market), a multilateral trading facility operated by Oslo Børs, since 10 July 2018 under the ticker code 'LIFE' and with ISIN NO0013355859. On 30 August 2024, the Company applied for the Shares to be admitted to trading and listing on Oslo Børs, alternatively Euronext Expand. The Company's listing application was approved by Oslo Børs on 27 September 2024. Upon Listing, the Shares will be deregistered from Euronext Growth Oslo and will be admitted to trading through the facilities of Oslo Børs, alternatively Euronext Expand. Trading in the Shares on Oslo Børs, alternatively Euronext Expand, is expected to commence on or about 22 October 2024, under the ticker code 'LIFE'.

The Shares are, and the Offer Shares will be, registered in the Norwegian Central Securities Depository (the "**VPS**") in book-entry form. All Shares rank in parity with one another and carry one vote.

The distribution of this Prospectus in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any restrictions. See Section 16 *"Selling and transfer restrictions"*. The Offer Shares are being offered only in those jurisdictions in which, and only to those persons to whom, such an offer may lawfully be made.

Investing in the Shares involves a high degree of risk. Prospective investors should read the entire Prospectus and, in particular, consider Section 2 *"Risk Factors"* when considering an investment in the Company.

Manager:

Carnegie AS

The date of this Prospectus is 3 October 2024

IMPORTANT NOTICE

This Prospectus has been prepared by the Company in connection with the Offering and the Listing of the Shares on Oslo Børs, alternatively Euronext Expand. The Company has engaged Carnegie AS to act as Manager in connection with the Offering and the Listing.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Prospectus has been prepared solely in the English language. This Prospectus has been approved by the Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*) (the "**Norwegian FSA**"), as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The information contained herein is current as at the date hereof and is subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment of the Shares and which arises or is noted between the time when the Prospectus is approved by the Norwegian FSA and the listing of the Shares on Oslo Børs, alternatively Euronext Expand, will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make any representation concerning the Group or in connection with the Listing, the Offering or the Shares other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company, the Manager or by any of their affiliates, representatives or advisors.

The distribution of this Prospectus and the sale of Offer Shares in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, subscribe or sell any Shares in any jurisdiction in which such offer or sale would be unlawful. Neither this Prospectus nor any advertisement or any other material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about, and to observe, any such restrictions. In addition, the Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 16 *"Selling and transfer restrictions".*

Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its content is prohibited.

In making an investment decision, prospective investors must rely on their own examination, analysis of, and enquiry into, the Group, including the merits and risks involved. None of the Company, the Manager nor any of their respective representatives or advisers, is making any representation to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

All sections of the Prospectus should be read in context with the information included in Section 4 *"General information"*. Investing in the Shares involves certain risks. See section 2 *"Risk factors"*. For definitions of certain other terms used throughout this Prospectus, see Section 18 *"Definitions and glossary"*.

This Prospectus shall be governed by, and construed in accordance with, Norwegian law. The courts of Norway, with Oslo City Court as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Prospectus.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

All of the members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and all of the members of the senior management of the Company (the "**Management**") are not residents of the United States. Further, virtually all of the Company's assets and the assets of the Board Members and members of Management are located outside the United States. As a result, it may be impossible or difficult for investors in the United States to effect service of process upon the Company, the Board Members and members of Management in the United States or to enforce against the Company or those persons judgments obtained in U.S. courts, whether predicated upon civil liability provisions of the federal securities laws or other laws of the United States.

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or the Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway.

Similar restrictions may apply in other jurisdictions.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will during any period in which it is neither subject to Sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934 (the "**U.S. Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owners of Shares, or to any prospective purchaser designated by any such registered holder, upon the request of such holder, beneficial owner or prospective owner, the information required to be delivered pursuant to Rule 144A(d)(4) of the U.S. Securities Act ("**Rule 144A**"). The Company will also make available to each such holder or beneficial owner, all notices of shareholders' meetings and other reports and communications that are made generally available to the Company's shareholders. The Company is not currently subject to any periodic reporting or other information requirements of the U.S. Exchange Act.

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1 SUMMARY

INTRODUCTION

Warning..... This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. An investment in the Shares involves inherent risk and the investor could lose all or part of its invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

Securities..... The Company has one class of shares in issue. The Shares are registered in book-entry form with the VPS and have ISIN NO0013355859.

Issuer..... The Company's legal and commercial name is Lifecare ASA. The Company's registered office is located at Ytrebygdsvegen 215, 5258 Blomsterdalen, Norway and the Company's main telephone number is +47 94 83 82 42. The Company's website can be found at www.lifecare.no. The content of the Company's website is not incorporated by reference into, nor does it otherwise form part of, this Prospectus. The Company's contact details are as follows; e-mail: post@lifecare.no or telephone: (+47) 94 83 82 42.

Competent authority..... The Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*), with registration number 840 747 972 and registered address at Revierstredet 3, 0151 Oslo, Norway, and telephone number +47 22 93 98 00 has reviewed and, on 3 October 2024, approved this Prospectus.

KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

Corporate information..... The Company is a public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company was incorporated in Norway on 4 September 2006, its registration number in the Norwegian Register of Business Enterprises is 990 251 657 and its Legal Entity Identifier (LEI) is 254900D88MYGZ7JD5P39.

Principal activities..... The Company's principal activities pursuant to its articles of association are to undertake development, production, licensing and sale of medical equipment and technology, and everything connected with this.

Major shareholders……

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. The following table sets forth shareholders owning 5% or more of the shares in the Company as of 1 October 2024.

Table – Overview of major shareholders

#	Shareholders	Number of Shares	Percentage
1	Lacal AS	2,203,362	14.67%
2	Teigland Eiendom AS	2,101,214	13.99%
3	Tjelta AS	898,738	5.98%

Key managing directors……

The Company's Management consists of 3 individuals. The names of the members of the Management and their respective positions are presented in the below table.

Table – Overview of Management

Name	Position
Joacim Holter	CEO
Andreas Pfützner	CSO
Renete Kaarvik	CFO

Statutory auditor……

The Company’s auditor is Ernst & Young AS, with registration number 976 389 387 and business address at Stortorvet 7, 0155 Oslo, Norway.

What is the key financial information regarding the issuer?

The tables below set out the key financial information pertaining to the Company's consolidated statements for the financial years ended 31 December 2023, 31 December 2022, 31 December 2021 as well as for the six months periods ended 30 June 2024 and 30 June 2023.

Key financial information - statement of profit and loss:

Amounts in NOK thousand	YTD 30 June 2024 [1)]	YTD 30 June 2023 [1)]	FY 2023	FY 2022	FY 2021
Revenue and other income	6 850	3 840	13 086	22 135	1 599
Operating expenses	-38 556	-19 709	-48 434	-39 039	-17 530
Operating profit/loss	-31 706	-15 869	-35 348	-16 904	-15 931
Profit/loss for the period	-31 233	-16 656	-35 206	-17 201	-15 878

(1) Unaudited

Key financial information - statement of the financial position:

Amounts in NOK thousand	30 June 2024 [1)]	30 June 2023 [1)]	31 December 2023	31 December 2022	31 December 2021
Total assets	152 240	53 547	86 390	75 099	32 222
Total equity	98 825	41 211	66 455	56 436	24 246

(1) Unaudited

Key financial information - statement of cash flow:

Amounts in NOK thousand	YTD 30 June 2024 [1)]	YTD 30 June 2023 [1)]	FY 2023	FY 2022	FY 2021
Net cash flow from operating activities	-25 761	-21 309	-36 004	-18 206	-13 772
Net cash flow from investing activities	-4 036	373	-1 215	-9 198	-6 943
Net cash flow from financing activities	82 819	0	37 935	53 771	30 282

(1) Unaudited

What are the key risks that are specific to the issuer?

Material risk factors……

- The Company's success depends on its ability to develop technology and products that achieve market acceptance, and any inability to do so could have a material adverse effect on the Company.
- Should the Company be unable to secure long-term commitment from third parties for the development and commercialization of the Company's technology and products, the Company may not be able to generate revenue and may not become profitable.
- The Company's competitors have substantial resources, and should the Company not be able to compete against current or future competitors, or follow technolgical innovations, this could have a material adverse effect on the Company.

- Should the Company not be able to enter into or maintain satisfactory agreements with third-party suppliers for the conduct of clinical studies, this could have a material adverse effect on the Company.
- Failure by third-party suppliers to deliver components to the Company at the required level could disrupt the manufacturing of the Company's products.
- Failure to secure or retain coverage or adequate reimbursement for the Company's products by third-party payors, and an inability of patients to be able to access the product, could adversely affect the Company.
- The Company is to large extent dependent on one technology, and if the Company is not succesful in developing and commercializing its product, this could have a material adverse effect on the Company.
- Cyber-attacks, malicious internet-based activity, online and offline fraud, and other similar activities can lead to significant interruptions to the Company's operations and loss of sensitive data, and as such harm the Company.
- Failure by the Company to obtain regulatory approvals or certifications with respect to its products could have a material adverse effect on the Company.
- Failury or delay by the Company in adapting to changes in the regulatory environment, or failure to maintain regulatory compliance, could have a material adverse effect on the Company.
- The Company may not be able to protect the intellectual property and know-how upon which it depends.
- Clinical testing is expensive and can take years to complete, and any significant failure or delay in the conduct of clinical studies may adversely impact the Company.
- The Company's operations have consumed substantial amounts of cash since its inception, and should the Company not be able to obtain the necessary funding going forward, this could have a material and adverse effect on the Company.

KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

Type, class and ISIN……	All of the Shares are ordinary shares in the Company and have been created under the Norwegian Public Limited Companies Act. The Shares are registered in book-entry form with the VPS and have ISIN NO0013355859.
Currency, par value and number of securities……	The Shares will be traded in NOK on Oslo Børs, alternatively Euronext Expand. As of the date of this Prospectus, the Company's share capital is NOK 78,112,907.60 divided into 15,021,713 Shares, each with a nominal value of NOK 5.20.
Rights attached to the securities……	The Company has one class of shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all shares in that class provide equal rights in the Company, including the right to dividends. Each of the Shares carries one vote.
Transfer restrictions……	The Shares are freely transferable. The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Shares. Share transfers are not subject to approval by the Board of Directors.
Dividend and dividend policy……	The Company does not have a dividend policy, as the Company is currently in a growth phase where the financial resources are spent on research and development. A didivend policy will be provided when the Company has sustainable revenues.

Where will the securities be traded?

The Shares have been admitted to trading on Euronext Growth Oslo (formerly Merkur Market), a multilateral trading facility operated by Oslo Børs, since 10 July 2018 under the ticker code 'LIFE' and with ISIN NO0013355859. On 30 August

2024, the Company applied for the Shares to be admitted to trading and listing on Oslo Børs, alternatively Euronext Expand. The Company's listing application was approved by Oslo Børs on 27 September 2024. Upon Listing, the Shares will be deregistered from Euronext Growth Oslo and will be admitted to trading through the facilities of Oslo Børs, alternatively Euronext Expand. Trading in the Shares on Oslo Børs, alternatively Euronext Expand, is expected to commence on or about 22 October 2024, under the ticker code 'LIFE'. The Company has not applied for admission to trading of the Shares on any other stock exchange, regulated market or multilateral trading facility (MTF).

What are the key risks that are specific to the securities?

Material risk factors……

- The Company may in the future decide to issue new shares to fund its business plan, finance investments or for other purposes, in which case the holding of existing shareholders that do not participate in the issuance will be diluted.

KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

Under which conditions and timetable can I invest in this security?

Terms of the Offering

The Offering consists of an offering of up to 1,000,000 Offer Shares, each with a nominal value of NOK 5.20. The Offer Price to be paid for each Offer Share in the Offering is NOK 20, representing a discount of approximately 9% to the Value Weighted Average Price (VWAP) of the Shares on Euronext Growth Oslo on 2 October 2024.

The Offer Shares are being offered to the public in Norway, Sweden and Denmark subject to a minimum amount per application of NOK 10,500 and an upper limit per application of NOK 2,000,000 for each investor. Multiple applications by one applicant in the Offering will be treated as one application with respect to the maximum application limit.

Timetable in the Offering

The timetable set out below provides certain indicative key dates for the Offering (subject to extensions):

Timetable	**Key dates**
Application Period commences	09:00 (CEST) on 8 October 2024
Nordnet application period ends	23:59 (CEST) on 14 October 2024
Application Period ends	16:30 (CEST) on 15 October 2024
Publication of the results of the Offering	On or about 16 October 2024
Notification of allocation in the Offering	On or about 16 October 2024
Payment Date in the Offering	On or about 18 October 2024
Registration of new share capital pertaining to the Offering	On or about 18 October 2024
Delivery of the Offer Shares in the Offering	On or about 22 October 2024
Commencement of trading in the Shares on Oslo Børs, alternatively Euronext Expand	On or about 22 October 2024

Note that the Company, together with the Manager, reserve the right to extend the Application Period at its sole discretion. In the event of an extension of the Application Period, the allocation date, the payment due dates and the date of delivery of Offer Shares may be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange, alternatively Euronext Expand, will not necessarily be changed.

Admission to trading

Trading in the Shares on Oslo Børs, alternatively Euronext Expand, is expected to commence on or about 22 October 2024, under the ticker code 'LIFE'.

Distribution plan

In the Offering, no allocations will be made for a number of Offer Shares representing an aggregate value of less than NOK 10,500 per applicant.

The Company, in consultation with the Manager, reserves the right to limit the total number of applicants to whom Offer Shares are allocated in the Offering if the Company deems this to be necessary in order to keep the number of shareholders in the Company at an appropriate level. If the Company should decide to limit the total number of applicants to whom Offer Shares are allocated, the applicants to whom Offer Shares are allocated will be determined on a random basis by using an automated simulation procedure and/or other random allocation mechanisms.

Dilution	The issuance of the Offer Shares in the Offering may result in a maximum number of Shares in the Company of 16,021,713, which will correspond to a dilution for the existing shareholders of approximately 6.24%. This is based on the assumption that the Company issues the maximum number of Offer Shares at the Offer Price and that none of the existing Shareholders subscribe for any Offer Shares in the Offering.
Total expenses of the Listing and Offering	The Company's total costs expenses of the Listing and the Offering (provided the Offering is subscribed in full and completed) are estimated to amount to approximately NOK 4 million.

Why is this prospectus being produced?

Reasons for the Listing……	This Prospectus is being prepared in connection with the Listing of the Shares on Oslo Børs, alternatively Euronext Expand, and the Offering.
Use of proceeds	The Company intends to use the net proceeds from the Offering for its continued R&D activities and investments in machines and equipment, to support continued business development.
Conflicts of interest	As far as the Company is aware, there are no material conflicts of interest pertaining to the Offering or the Listing.

1 SAMMANFATTNING (SWEDISH SUMMARY)

INLEDNING

Varningar..... Denna sammanfattning bör betraktas som en introduktion till Prospektet. Varje beslut om att investera i värdepapperen bör baseras på en bedömning av hela Prospektet från investerarens sida. En investering i Bolagets Aktier innebär en risk och investerare kan förlora hela eller delar av det investerade kapitalet. Om talan väcks i domstol angående informationen i Prospektet kan investeraren som är kärande, enligt nationell rätt bli tvungen att stå för kostnaderna för översättning av Prospektet innan de rättsliga förfarandena inleds. Civilrättsligt ansvar kan endast åläggas de personer som lagt fram sammanfattningen, inklusive översättningar därav, men endast om sammanfattningen är vilseledande, felaktig eller oförenlig med övriga delar i Prospektet eller om den inte, tillsammans med de andra delarna av Prospektet, ger nyckelinformation för att hjälpa investerare när de överväger att investera i värdepapperen.

Värdepappren..... Bolaget har endast ett aktieslag. Aktierna är registrerade i värdeandelsregister hos VPS och har ISIN NO0013355859.

Emittent..... Bolagets legala och kommersiella namn är Lifecare ASA. Bolagets registrerade kontorsadress är Ytrebygdsvegen 215, 5258 Blomsterdalen, Norge och Bolagets telefonnummer är +47 94 83 82 42. Bolagets webbplats finns tillgänglig på www.lifecare.no. Webbplatsen innehåll har inte inkorporerats genom hänvisning och är inte en del av detta Prospekt. Bolaget har följande kontaktuppgifter; e-postadress: post@lifecare.no eller telefon: (+47) 94 83 82 42.

Behörig myndighet..... Den norska Finansinspektionen (Nw.: *Finanstilsynet*), med organisationsnummer 840 747 972 och registrerad adress Revierstredet 3, 0151 Oslo, Norge, och telefonnummer +47 22 93 98 00 har granskat och den 3 oktober 2024, godkänt detta Prospekt.

NYCKELINFORMATION OM EMITTENTEN

Vem är emittent av värdepappren?

Bolagsinformation..... Bolaget är ett norskt publikt aktiebolag, organiserat och bildat enligt norsk rätt i enlighet med den norska lagen om publika aktiebolag. Bolaget bildades i Norge den 4 september 2005, med organisationsnummer 990 251 657 i det norska verksamhetsregistret och LEI-kod 254900D88MYGZ7JD5P39.

Huvudsaklig verksamhet... Bolagets huvudsakliga verksamhet i enlighet med bolagsordningen är att utveckla, producera, licensera och sälja medicinsk utrustning och teknik samt därmed förenlig verksamhet.

Större aktieägare..... Aktieägare som innehar 5% eller mer av Aktierna har en andel i Bolagets aktiekapital som är anmälningspliktigt enligt den norska lagen om värdepappershandel. I nedanstående tabell framgår de aktieägare som äger 5% eller mer av aktierna i Bolaget per den 1 oktober 2024.

Tabell – Översikt över större aktieägare

#	Aktieägare	Antal Aktier	Andel
1	Lacal AS	2 203 362	14.67%
2	Teigland Eiendom AS	2 101 214	13.99%
3	Tjelta AS	898 738	5.98%

Ledande befattningshavare

Bolagsledningen består av 3 personer. Namnen på medlemmarna i ledningen och deras respektive positioner framgår av tabellen nedan.

Tabell – Översikt över ledande befattningshavare	
Namn	**Position**
Joacim Holter	Verkställande direktör
Andreas Pfützner	Strategichef
Renete Kaarvik	Ekonomichef

Auktoriserad revisor……

Bolagets revisionsbolag är Ernst & Young AS, med registreringsnummer 976 389 387 och verksamhetsadress Stortorvet 7, 0155 Oslo, Norge.

Vilken är den finansiella nyckelinformationen för emittenten?

Tabellerna nedan visar finansiell nyckelinformation avseende Bolagets konsoliderade rapporter för de räkenskapsår som slutar den 31 december 2023, 31 december 2022 och den 31 december 2021, samt sexmånadersperioderna som slutar den 30 juni 2024 och den 30 juni 2023.

Finansiell nyckelinformation - Resultaträkning:

Belopp i NOK tusen	1 januari – 30 juni 2024 [1)]	1 januari – 30 juni 2023 [1)]	Räkenskapsåret 2023	Räkenskapsåret 2022	Räkenskapsåret 2021
Intäkter och övriga inkomster	6 850	3 840	13 086	22 135	1 599
Driftskostnader	-38 556	-19 709	-48 434	-39 039	-17 530
Rörelseresultat	-31 706	-15 869	-35 348	-16 904	-15 931
Resultat för perioden	-31 233	-16 656	-35 206	-17 201	-15 878

(1) Ej reviderade

Finansiell nyckelinformation - Balansräkning:

Belopp i NOK tusen	30 juni 2024 [1)]	30 juni 2023 [1)]	31 december 2023	31 december 2022	31 december 2021
Totala tillgångar	152 240	53 547	86 390	75 099	32 222
Eget kapital	98 825	41 211	66 455	56 436	24 246

(1) Ej reviderade

Finansiell nyckelinformation - Kassaflöden:

Belopp i NOK tusen	1 januari – 30 juni 2024 [1)]	1 januari – 30 juni 2023 [1)]	Räkenskapsåret 2023	Räkenskapsåret 2022	Räkenskapsåret 2021
Nettokassaflöde från den löpande verksamheten	-25 761	-21 309	-36 004	-18 206	-13 772
Nettokassaflöde från investeringsverksamheten	-4 036	373	-1 215	-9 198	-6 943
Nettokassaflöde från finansieringsverksamheten	82 819	0	37 935	53 771	30 282

(1) Ej reviderade

Vilka nyckelrisker är specifika för emittenten?

Väsentliga riskfaktorer……

- Bolagets framgång beror på dess förmåga att utveckla teknik och produkter som får marknadsacceptans, och en brist på sådan förmåga kan ha en väsentlig negativ inverkan på Bolaget.
- Om Bolaget inte lyckas säkra långsiktiga åtaganden från tredje parter för utveckling och kommersialisering av Bolagets teknik och produkter, kan Bolaget eventuellt inte generera några intäkter och bli lönsamt.
- Bolagets konkurrenter har betydande resurser, och om Bolaget inte kan konkurrera mot nuvarande eller framtida konkurrenter, eller hänga med i tekniska innovationer, kan detta ha en väsentlig negativ inverkan på Bolaget.
- Om Bolaget inte kan ingå eller upprätthålla tillfredsställande avtal med tredje parts leverantörer för genomförande av kliniska studier, kan detta ha en väsentlig negativ inverkan på Bolaget.
- Om tredje parts leverantörer inte kan leverera komponenter till Bolaget på den nivån som krävs kan detta störa tillverkningen av Bolagets produkter.
- Om Bolaget inte lyckas behålla tillräcklig marginal eller erhålla adekvat ersättning för Bolagets produkter från tredje parts betalare, och om patienter inte kan få tillgång till produkten, kan detta ha en negativ inverkan på Bolaget.
- Bolaget är i stor utsträckning beroende av en teknik, och om Bolaget inte lyckas med att utveckla och kommersialisera sin produkt, kan detta ha en väsentlig negativ inverkan på Bolaget.
- Cyberattacker, skadlig internetbaserad aktivitet, online- och offline-bedrägerier och andra liknande aktiviteter kan leda till betydande avbrott i Bolagets verksamhet och förlust av känslig data, och därmed skada Bolaget.
- Om Bolaget misslyckas att erhålla regulatoriska godkännanden eller certifieringar för sina produkter kan detta ha en väsentlig negativ inverkan på Bolaget.
- Misslyckande eller förseningar från Bolagets sida att anpassa sig till förändringar i den regulatoriska miljön, eller att upprätthålla regulatorisk efterlevnad, kan ha en väsentlig negativ inverkan på Bolaget.
- Bolaget kanske inte kan skydda den immateriella egendom och kunskap som Bolaget är beroende av.
- Kliniska tester är kostsamma och kan ta år att slutföra, och varje betydande misslyckande eller försening i genomförandet av kliniska studier kan negativt inverka Bolaget.
- Bolagets verksamhet har förbrukat betydande medel sedan starten, och om Bolaget inte kan få den nödvändiga finansieringen framöver, kan detta ha en väsentlig negativ inverkan på Bolaget.

NYCKELINFORMATION OM VÄRDEPAPPREN

Vilka är värdepapprens viktigaste egenskaper?

Värdepapperstyp, kategori och ISIN-kod ……	Alla Aktier i Bolaget är stamaktier och emitterade i enlighet med den norska lagen om publika aktiebolag. Aktierna är registrerade i värdeandelsregistret i VPS under ISIN NO0013355859.
Valuta, kvotvärde och antal värdepapper ……	Aktierna kommer att handlas i NOK på Oslo Børs, alternativt Euronext Expand. Per dagen för detta Prospekt är Bolagets aktiekapital 78 112 907,60 NOK fördelat på 15,021,713 Aktier, envar med ett kvotvärde om 5,20 NOK.
Rättigheter som sammanhänger med värdepapperen……	Bolaget har ett aktieslag och samtliga aktier medför lika rätt i Bolaget i enlighet med den norska lagen om publika aktiebolag inkluderande rätt till utdelning. Varje Aktie berättigar till en röst.
Överlåtelserestriktioner……	Aktierna är fritt överlåtbara. Bolagsordningen innehåller inga överlåtelserestriktioner eller bestämmelser om förköpsrätt avseende Aktierna. Aktieöverlåtelser är inte föremål för styrelsens godkännande.
Utdelning och utdelningspolicy ……	Bolaget har ingen fastställd utdelningspolicy eftersom Bolaget befinner sig i en tillväxtfas där finansiella resurser spenderas på forskning och utveckling. En utdelningspolicy kommer att antas när Bolaget har tillräckliga intäkter.

Var kommer värdepappren att handlas?

Aktierna är upptagna till handel på Euronext Growth Oslo (tidigare Merkur Market), en mutliateral handelsplattform (MTF) som drivs av Oslo Børs, sedan den 10 juli 2018 under kortnamn 'LIFE' och med ISIN NO0013355859. Den 30 augusti 2024 ansökte Bolaget om att Aktierna ska tas upp till handel på Oslo Børs, alternativt Euronext Expand. Bolagets ansökan godkändes av Oslo Børs den 27 september 2024. Vid Noteringen kommer Aktierna att avregistreras från Euronext Growth Oslo och tas upp till handel genom Oslo Børs, alternativt Euronext Expands, förtjänst. Handel i Aktierna på Oslo Børs, alternativt Euronext Expand, förväntas inledas på eller omkring den 22 oktober 2024, under kortnamn 'LIFE'. Bolaget har inte ansökt om upptagande till handel av Aktierna vid någon annan börs, reglerad marknad eller multilateral handelsplattform (MTF).

Vilka nyckelrisker är specifika för värdepappren?

Väsentliga riskfaktorer……	• Bolaget kan i framtiden besluta att emittera nya aktier för att finansiera sin affärsplan, finansiera investeringar eller för andra ändamål, vilket skulle innebära att befintliga aktieägare som inte delar i sådana emissioner kommer att spädas ut.

NYCKELINFORMATION OM ERBJUDANDET AV VÄRDEPAPPER TILL ALLMÄNHETEN OCH UPPTAGANDET TILL HANDEL PÅ EN REGLERAD MARKNAD

På vilka villkor och enligt vilken tidplan kan jag investera i detta värdepapper?

Villkor för Erbjudandet…… Erbjudandet omfattas av ett erbjudande om högst 1 000 000 Erbjudandeaktier, envar med ett kvotvärde om 5,20 NOK. Teckningskursen att betalas för varje Erbjudandeaktie i Erbjudandet är NOK 20, vilket motsvarar en rabatt om cirka 9% mot det volymviktade genomsnittspriset (VWAP) för Aktierna på Euronext Growth Oslo den 2 oktober 2024.

Erbjudandeaktierna erbjuds till allmänheten i Norge, Sverige och Danmark med ett minsta belopp per teckning om 10 500 NOK och ett övre tak per teckning om 2 000 000 NOK för varje investerare. Flera teckningar från samma investerare i Erbjudandet kommer att behandlas som en teckning med hänsyn till den högsta tillåtna teckningen.

Tidplan för Erbjudandet…… I nedanstående tidplan anges de viktigaste datumen för Erbjudandet (med förbehåll för eventuella förlängningar):

Tidplan	**Key dates**
Teckningsperioden påbörjas	09:00 (CEST) den 8 oktober 2024
Nordnets teckningsperiod avslutas	23:59 (CEST) den 14 oktober 2024
Teckningsperioden avslutas	16:30 (CEST) den 15 oktober 2024
Offentliggörande av utfall från Erbjudandet	På eller omkring den 16 oktober 2024
Meddelande om tilldelning i Erbjudandet	På eller omkring den 16 oktober 2024
Likviddag i Erbjudandet	På eller omkring den 18 oktober 2024
Registrering av nytt aktiekapital med hänsyn till Erbjudandet	På eller omkring den 18 oktober 2024
Leverans av Erbjudandeaktier i Erbjudandet	På eller omkring den 22 oktober 2024
Första dag för handel på Oslo Børs, alternativt Euronext Expand	På eller omkring den 22 oktober 2024

Notera att Bolaget, tillsammans med Manager, förbehåller sig rätten att självständigt förlänga Teckningsperioden. För det fall Teckningsperioden förlängs kommer tilldelningsdatum, sista datum för betalning och leveransdatum avseende Erbjudandeaktierna justeras på motsvarande sätt, datum för Noteringen och första dag för handel på Oslo Börs, alternativt Euronext Expand kommer inte nödvändigtvis att ändras.

Upptagande till handel…… Handel i Aktierna på Oslo Børs, alternativt Euronext Expand, förväntas påbörjas på eller omkring den 22 oktober 2024, under kortnamn 'LIFE'.

Tilldelning…… I Erbjudandet kommer ingen tilldelning ges avseende Erbjudandeaktier som representerar ett sammanlagt värde av mindre än 10 500 NOK per ansökan.

Bolaget, i samråd med Manager, förbehåller sig rätten att begränsa det totala antalet investerare som får tilldelning av Erbjudandeaktier i Erbjudandet om Bolaget anser att detta är nödvändigt för att hålla antalet aktieägare i Bolaget på en lämplig nivå. Om Bolaget beslutar att begränsa det totala antalet investerare som får tilldelning av Erbjudandeaktier, kommer tilldelningen att göras på ett slumpmässigt sätt genom användning av en automatiserad simuleringsprocedur och/eller andra slumpmässiga tilldelningsmekanismer.

Utspädning.....	Emissionen av Erbjudandeaktier i Erbjudandet innebär att antalet Aktier i Bolaget kan uppgå till högst 16 021 713, vilket motsvarar en utspädning för existerade aktieägare om cirka 6,24%. Uträkningen baseras på antagandet att Bolaget emitterar det högsta antalet Erbjudandeaktier till Teckningskursen och att inga existerande Aktieägare tecknar Erbjudandeaktier i Erbjudandet.
Totala kostnader för Noteringen och Erbjudandet.....	Bolagets totala kostnader för Noteringen och Erbjudandet (under förutsättning att Erbjudandet fulltecknas och fullgörs) estimeras uppgå till cirka 4 000 000 NOK.

Varför upprättas detta prospekt

Motiv för Noteringen.....	Prospektet förbereds i samband med Noteringen av Aktierna på Oslo Børs, alternativt Euronext Expand, och Erbjudandet.
Användning av emissionslikviden.....	Bolaget avser att använda nettolikviden från Erbjudandet till fortsatta forsknings- och utvecklingsaktiviteter samt investeringar i maskiner och utrustning för att stödja den fortsatta affärsverksamheten.
Intressekonflikter.....	Såvitt Bolaget känner till finns det inga väsentliga intressekonflikter som rör Erbjudandet och Noteringen.

2 RISK FACTORS

An investment in the Company and the Shares, including the Offer Shares, involves inherent risk. Investors should carefully consider the risk factors and all information contained in this Prospectus, including the financial statements and related notes. The risks and uncertainties described in this Section 2 "Risk factors" are the material known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Company and the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

The risk factors included in this Section 2 "Risk factors" are presented in a limited number of categories, where each risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative effect for the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in loss of all or part of an investment in the Shares.

2.1 Risks related to the business of the Company and the industry in which it operates

2.1.1 The Company's products and technology may not gain sufficient market acceptance

The Company is a clinical stage medical sensor company developing technology for sensing and monitoring of various body analytes, including its Sencell osmotic sensing technology for glucose detection. The Company is, according to management's knowledge, the only Company that uses the osmotic sensing technology targeting continuous analyte monitoring. As a company in the early, pre-commercial phase, it faces a significant risk of not achieving sufficient market acceptance. This means that the Company's products and technology must not only be introduced but also broadly accepted and adopted by key players in the medical device industry, healthcare providers, and the medical community at large. The Company's technology, despite its potential, is unproven in a commercial setting, and its clinical benefits may not be clearly demonstrated yet. Market acceptance could be hindered by technological challenges, high implementation costs, or competition from existing solutions that are already established and trusted. As a clinical-stage company, the lack of an established track record means that the Company's ability to convince stakeholders of the value and reliability of its products is still uncertain. Without the market acceptance, which requires regulatory approval, commercial partnerships, and a proven business model, the Company's products may not gain traction. If the Company fails to secure these partnerships or does not develop and execute a successful commercialization and distribution strategy, its products, including the Sencell sensor, may not be widely adopted. This would have significant adverse effects on the Company's financial condition, operations, and long-term prospects.

2.1.2 The Company may be unable to secure long-term commitment from third parties for the development and commercialization of the Company's technology and products

To commercialize the Company's technology and products, the Company is dependent on entering into partnership agreements with leading participants within the health care/medical device sector who will be responsible for the further development, application and commercialization of the Company's technology and products. Such partnerships are key to the successful commercialization of the Company's technology and products, and are also important in order to enhance R&D efforts and gain access to new technologies. For example, the Company has a close collaboration with the University of Bath (UK) for further development of the chemical composition for use in its Sencell sensor. There is, however, a risk that the Company may not be able to enter into such partnerships in the future, or that partners or other contractual parties of the Company may not be able to utilize the Company's technology to manufacture products that can be sold to the healthcare market, obtain the necessary regulatory approvals for the products or generate sufficient demand for the products, in which case the Company may not be able to generate revenue and may not become profitable. Further, any event of breach of such agreements by either

party could lead to the Company's products not being successfully commercialized, subject the Company to litigation or otherwise negatively affect the Company.

2.1.3 Substantial competition could materially affect the Company's financial performance

The Company competes with many companies which have substantially greater financial resources, larger research and development staffs, more extensive marketing and manufacturing organizations, and more experience in the regulatory process than Lifecare. The Continuous Glucose Monitoring (CGM) device market for human usage is highly competitive with several healthcare companies controlling a large market share, such as, inter alia, the following: Dexcom, Inc (approx. USD 3.6 billion in sales in 2023), Medtronic Plc (approx. USD 2.5 billion in 2024 full-year revenue from its diabetes offering) and Abbott Laboratories (approx. USD 5.8 billion in revenue from its diabetes care reporting segment in 2023). The Company also competes with academic institutions, government agencies, and other research organizations that may be involved in research, development, and commercialization of technologies and products similar to those of Lifecare. A number of companies, medical researchers and existing medical device companies are pursuing new delivery devices, delivery technologies, sensing technologies, procedures, drugs and other therapies for the monitoring, treatment and prevention of diabetes. Any technological breakthroughs in diabetes monitoring, treatment or prevention could reduce the potential market for the Company's current main product less competitive or obsolete altogether. As such, there is a risk that Lifecare will not be able to compete against current or future competitors, such as the aforementioned, or otherwise follow technological innovations, in which case this could have a material adverse effect on the Company's business, financial condition, and results of operations.

2.1.4 The Company relies, and will continue to rely, upon third-parties for clinical trials

In order for the Company's products to eventually be commercialized, the Company must carry out clinical studies designed to evaluate the safety, efficacy and performance of the medical device or technology. As such, the Company is reliant upon entering into and maintaining satisfactory agreements with third-party suppliers, such as contract research organisations ("**CRO's**") to manage and conduct these studies. A CRO typically organizes the trial protocol, recruits patients, manages regulatory compliance, collects, stores and analyzes clinical trial data, prepares documentation to regulatory authorities etc. There is a risk that the Company may not be able to enter into agreements with such suppliers on reasonable terms due to factors such as increased demand for services or lack of availability. This reliance on third parties introduces a potential vulnerability in the Company's operations, as the inability to secure favorable agreements could negatively affect the progress of clinical trials and, subsequently, the Company's ability to bring products to market. Additionally, should the Company need to amend or change providers for the conduct of clinical studies, for example, due to underperformance or changes in regulatory requirements, this may impact the timelines of such studies. The need for changes may arise from unforeseen circumstances, such as operational inefficiencies of the provider, financial instability, or disagreements on contractual terms. Any such change could result in delays, which may hinder the progress of product commercialization and affect the Company's overall market strategy. Any such outcome could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows, time to market, and overall prospects.

2.1.5 Dependence on a limited number of third-party suppliers for the components of the Company's products could harm the business of the Company

The Company relies on third-party suppliers to supply some of the components of its products, as some components are manufactured by third parties. Suppliers must be able to provide components in sufficient quantities, in compliance with regulatory requirements and quality control standards, in accordance with agreed upon specifications, at acceptable costs and on a timely basis. Disruptions could strain the ability of the Company's suppliers to deliver components in a manner that meets the requirements. Currently, the Company does not depend on any specific suppliers and aims to be indepenent on specific suppliers going forward as future dependency may expose the Company to risks, including limited control over pricing, availability, quality and delivery schedules. Failure of suppliers to deliver components at the required level could disrupt the manufacturing of the Company's products, which could adversely affect the Company's business, financial condition and operating results.

2.1.6 The Company will to some extent depend on reimbursement by third-party payors

The Company plans to derive a large part of its revenue from sales of its Continuous Glucose Monitoring (GCM) device to the human market. Patients who receive treatment for their medical conditions and their healthcare providers

generally rely on third party payors to reimburse all or part of the costs associated with their medical treatment, including healthcare providers' services. As a result, access to coverage and adequate reimbursement by third-party payors is essential to the acceptance of the Company's products by people with diabetes. Similarly, healthcare providers may choose not to order a product unless third-party payors cover and reimburse a substantial portion of the product. Coverage determinations and reimbursement levels of both the Company's products and the healthcare provider's performance of the insertion and removal procedures are critical to the commercial success of the Company's main product. Failure to secure or retain coverage or adequate reimbursement for the Company's products, including the related insertion and removal tool and procedures, by third-party payors, and an inability of patients to be able to access the product, could adversely affect the Company's business, financial condition and operating results.

2.1.7 The Company is to a large extent dependent on one technology

The Company's proprietary sensor technology, referred to as "Sencell", is suitable for identifying and monitoring the occurrence of a wide range of analytes and molecules in the human body as well as in pets. The current focus is on developing the next generation of Continuous Glucose Monitoring (CGM) system. As such, the business strategy is highly dependent on the successful development and commercialization of related products. Market acceptance could be negatively impacted by many factors, amongst others, inaccuracy, duration and safety of the device, benefits compared to competing products, loss of regulatory approval or certifications, adverse publicity or other adverse events. If the Company is not successful in developing and commercializing the product, it could negatively impact the sales potential, strategic objectives and profitability, which would adversely affect the Company's business, financial condition and operating results.

2.1.8 Compromised information technology systems could lead to disruption of the Company's operations

The Company processes proprietary, confidential, and sensitive data, including personal data, intellectual property and trade secrets. Additionally, the Company relies on third-parties and technologies to operate critical business systems to process sensitive information in a variety of contexts. The Company's ability to monitor these third parties' information security practices is limited, and these third parties may not have adequate information security measures in place. Cyber-attacks, malicious internet-based activity, online and offline fraud, and other similar activities threaten the confidentiality, integrity, and availability of the Company's sensitive information and information technology systems, and those of the third parties which the Company relies upon. Such threats are prevalent and continue to rise, are increasingly difficult to detect, and come from a variety of sources. Such threats can lead to significant interruptions to the Company's operations, loss of sensitive data and income, reputational harm, and diversion of funds. While the Company has implemented security measures designed to protect against security incidents, there is a risk that these measures may not be effective.

2.1.9 Failure to manage potential acquisitions of complementary products or technologies could harm the Company's business

The Company may seek opportunities to grow its business through acquisitions of complementary products or technologies. For example, the Company acquired RemovAid AS in April 2024 (as further described in section 10.6.1.3), through which it secured technology for a solution for the removal of the Sencell sensor. Such acquisitions may involve unanticipated cost associated with the acquisitions (such as costs related to litigation, tax or other claims against the acquired entity), risks associated with entering new business markets and assimilating the acquired products or technologies into the Group. For example, there is a risk that the products or technologies obtained through such acquisitions are not of the expected quality or that they are not, in whole or in part, compatible with the Group's business. Further, the work required to integrate an acquired entity with the business of the Group could require substantial focus from the Group's management (and/or external advisors), which could shift focus away from the Group's operations and otherwise be costly. The failure to manage acquisitions, or the failure to integrate them with the existing business, could therefore harm the Company's business, financial condition and operating results.

2.1.10 The Company is reliant on key personnel and the ability to attract new, qualified personnel

The Company is highly dependent upon having a highly qualified scientific team. The loss of key personnel might impede the achievement of the scientific development due to the loss of specific knowledge, experience, or skills that are crucial for the Company's progress. Such key personnel may be responsible for ensuring that research and

development are conducted correctly and to high standards. Their absence can increase the risk of errors in research, which could lead to failed clinical trials. Additionally, key individuals in management roles, such as the CEO, CSO, or other senior positions, may also be critical to the Company's success. Their departure can create uncertainty and a lack of strategic direction. Although the Company has employment agreements, any personnel may terminate their employment at any time. Competition for key personnel with the experience that is required is intense and is expected to continue to increase. There is a risk that the Company will not be able to recruit new key personnel in the future. Furthermore, replacing key personnel may take an extended period of time. Any failure to attract or retain such personnel could result in the Company not being able to successfully implement its business plan and could impact the compliance of the Company's quality system and thereby the compliance of the Company's development work, which again could have a material and adverse effect on the Company's business, financial condition, results of operations, cash flows, time to market and prospects.

2.1.11 The Company has incurred operating losses since inception and may never achieve or maintain profitability

Since inception, the Company has incurred operating losses. In 2023, the Group's net profit before tax was NOK 35.2 million, and in 2022, the net loss before tax was NOK 17.2 million. The Company has financed its operations mainly through equity and, to some extent, public grants, and will continue to be dependent on such funding going forward. The Company has devoted its financial resources to research and development including preclinical studies and clinical trials. To implement the business strategy the Company needs to, among other things, complete the product development, gain regulatory approval or certification and prepare the commercial launch. The Company has never been profitable from operations and do not expect to be profitable for the next years. The Company expects expenses to increase as the above-mentioned objectives are pursued. The extent of future operating losses and the timing of profitability are highly uncertain. The Company expects to continue to incur losses the next few years. The size of the future losses will depend on the future expenses and the ability to generate revenue. The Company expects to launch its first product in the veterinary market this year, but the revenue is expected to be limited the first years. The Company may never succeed with commercializing its products, and even if it does, it may not be able to generate sufficient revenue to cover its losses or to achieve profitability. Failure to become and remain profitable would depress the value of the Company and could impair the ability to raise capital, expand the business, maintain the development efforts, obtain regulatory approvals or certificates, diversify the product offerings or continue operations.

2.1.12 The Company may not achieve necessary funding capital requirement

Since inception, the Company's operations have consumed substantial amounts of cash. The Company will continue to spend cash on further product development, clinical studies, production and product preparations. The exact amount needed is unknown. Additionally, unanticipated costs may arise. As of 30 June 2024, the Company's cash position was NOK 101 million. The Company expects to have sufficient capital at least for the next 12 months. However, the Company may require additional capital. Such additional capital or financing will depend on both the condition of the Company and its operating results, as well as market conditions. The Company may not be able to obtain additional capital on satisfactory terms or at all. Should the Company not achieve necessary funding capital requirement, it could have a material and adverse effect on the Company's business, financial condition, results of operations, cash flows, time to market and prospects.

2.1.13 The Company is subject to fluctuations in the exchange rates, which may impact cash flow and financial results

The value of non-Norwegian currency denominated revenue and costs will be affected by changes in currency exchange rates or exchange control regulations. The Company undertakes various transactions in foreign currencies and is consequently exposed to fluctuations in exchange rates. The exposure arises largely from the clinical trials and research expenses. The Company is mainly exposed to fluctuations in GBP and EUR. The Company does not engage in hedging transactions to protect against uncertainty in future exchange rates between particular foreign currencies and the NOK. Any loss due to currency fluctuations is likely to affect the Company's cash flow and financial results.

2.2 Regulatory risks and risks related to laws and regulations

2.2.1 Failure to obtain and maintain required regulatory clearances, certification and approvals could prevent the Company from commercializing its products

The Company is dependent upon obtaining regulatory approvals or certifications in order to market a medical technological device. Without such regulatory approval or certification, the Company will not be able to go to the market with its products. Regulatory bodies like the European Medicines Agency (EMA) and the U.S. Food and Drug Administration (FDA) enforce stringent standards that medical devices must meet before they can be legally sold. Regulatory approvals ensure that the medical device has been rigorously tested for safety. Certification also verifies that the device performs as intended and provides the medical benefits it claims. This validation helps build trust with both healthcare providers and patients. The process of obtaining such regulatory approvals or certifications can be costly and time-consuming, and there is a risk that the Company may not be able to obtain these approvals or certifications on a timely basis, or at all for its products. In addition, the regulatory authorities may change approval or certification policies, adopt additional regulations or revise existing regulations, or take other actions which may prevent or delay approval or certification of the Company's products or product modifications. Any delay in, or failure to receive or maintain, approval or certifications for the Company's products could have a material adverse effect on the business, financial position, results of operations, cash flows, time to market and prospects.

2.2.2 Even if the Company obtains regulatory approval, the Company's products will remain subject to regulatory scrutiny

Lifecare's products are subject to continuous and additional requirements of different national and regional regulatory authorities. These requirements include submissions of safety and other post-marketing information, reports, registration and listing requirements, good manufacturing practices, or good manufacturing processes ("**GMP**")[1] requirements relating to quality control, quality assurance and corresponding maintenance of records and documents, and recordkeeping. Even if marketing approval is granted, the approval may be subject to limitations on the indicated uses for which the product may be marketed or to conditions of approval, or contain requirements for costly post-marketing testing and surveillance. The different regulatory authorities closely regulate the post-approval marketing and promotion of medical products.

In addition, late discovery of previously unknown problems with the Company's products, manufacturing processes, or failure to comply with regulatory requirements, may lead to various adverse results, including, but not limited to, restrictions on such products, manufacturers or manufacturing processes, requirements to conduct post-marketing clinical trials, withdrawal of the products from the market, refusal to approve pending applications or supplements to approve applications that the Company submits and refusals to permit the import or export of the Company's products.

The regulatory authorities' policies may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of the Company's products. If the Company is slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if the Company is not able to maintain regulatory compliance, it may lose any marketing approval that it may have obtained, which would adversely affect the Company's business, prospects and ability to achieve or sustain profitability.

2.2.3 The Company faces an inherent business risk of liability claims in the event that the use or misuse of the compounds results in personal injury

The Company faces an inherent risk of product liability as a result of the clinical testing of its products, and will face an even greater risk if it commercializes any products. For example, the Company may be sued if its products cause or are perceived to cause injury or are found to be otherwise unsuitable during clinical testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability or a breach of warranties. If

[1] "Good Manufacturing Practices" is defined as practices that are required in order to conform to guidelines recommended by agencies that control authorization and licensing for manufacture and sale of food, drug products, and active pharmaceutical products. These guidelines provide minimum requirements that a pharmaceutical or a food product manufacturer must meet to assure that the products are of high quality and do not pose any risk to the consumer or public. Good manufacturing practices, along with good laboratory practices and good clinical practices, are overseen by regulatory agencies in the United States, Canada, Europe, China, as well as other countries.

the Company cannot successfully defend itself against product liability claims, it may incur substantial liabilities or be required to limit commercialization of its products. Even successful defense would require significant financial and management resources.

2.2.4 The success, competitive position and future revenues will depend in part on the Company's ability to protect intellectual property and know-how.

The success of the Company depends on the Company's ability to obtain and maintain patent protection for its products, methods, processes and other technologies, to preserve trade secrets, to prevent third parties from infringing proprietary rights of the Company and to operate without infringing the proprietary rights of third parties. To date, the Company holds certain exclusive patent rights in major markets, however, the Company cannot predict the degree and range of protection any patents will afford against competitors and competing technologies, including whether third parties will find ways to invalidate or otherwise circumvent the patents, if and when additional patents will be issued, whether or not others will obtain patents claiming aspects similar to those covered by the Company's patents and patents applications, whether the Company will need to initiate litigation or administrative proceedings, or whether such litigation or proceedings are initiated by third parties against the Company which may be costly or whether third parties will claim that the Company's technology infringes upon their rights. Should the Company not be able to protect its intellectual property and know-how, it could have a material and adverse effect on the Company's business, financial condition, results of operations, cash flows, time to market and prospects. The patents may have different geographical jurisdictions, entailing geographic limitations and the potential for different regulations and interpretations.

The Company will rely on, to a certain degree, its trademarks to distinguish its products. In the event that the Company's trademarks are infringed upon, the Company could be forced to rebrand its products, which could result in loss of brand recognition. The Company also relies on trade secrets, know-how and technology, which are not protectable by patents. The company tries to protect this information by entering into confidentiality agreements and intellectual property assignment agreements with its officers, employees, temporary employees and consultants regarding intellectual property and proprietary technology. Should the Company not be able to protect its intellectual property and know-how, it could have a material and adverse effect on the Company's business, financial condition, results of operations, cash flows, time to market and prospects.

2.2.5 Any significant delay of clinical studies may adversely impact the Company's ability to obtain regulatory approval for its main product

Before obtaining regulatory approvals for the commercial sale of the Company's main product, the Company must demonstrate through lengthy, complex and expensive clinical trials that its product is safe and effective for use in humans. The Company has finalized its first clinical development study confirming proof of concept in humans and has concluded a successful sensor longevity experiment. The Company is dependent on performing a clinical study confirming integrity and longevity of the sensors. Clinical testing is expensive and can take years to complete, and its outcome is inherently uncertain. Any significant delay or failure in the conduct of clinical studies may adversely impact the Company's ability to obtain regulatory approval for and commercialize its main product, which could have a material and adverse effect on the Company's business, financial condition, results of operations, cash flows, time to market and prospects.

2.2.6 The Company's patent protection could be reduced due to non-compliance

Obtaining and maintaining the Company's patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by government patent agencies, and the Company's patent protection could be reduced or eliminated for non-compliance with these requirements. While an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. If the Company fails to maintain the patents and patent applications covering its proprietary technologies, competitors might be able to enter the market earlier with similar products or technology, which would have an adverse effect on the Company's business.

The medical device industry in general, and the glucose testing sector of this industry in particular, is characterized by the existence of a large number of patents and frequent litigation based on assertions of patent infringement. Furthermore, there may be additional patents issued to third parties of which the Company is presently unaware that may relate to aspects of our technology that such third parties could assert against the Company. In addition, because patent applications can take many years to issue, there may be patent applications that are currently pending and unknown to the Company, which may later result in issued patents that third parties could assert against the Company. Any litigation or claim against the Company, even those without merit, may incur a substantial cost to the Company, stop the development and commercialization measures and harm the Company's reputation.

2.2.7 The Company may be subject to claims challenging the inventorship of its patents and other intellectual property

The Company may be subject to claims that former employees, collaborators or other third parties have an interest in the Company's patent rights, trade secrets, or other intellectual property as an inventor or co-inventor. Inventorship disputes may arise from conflicting obligations of employees, consultants or others who are involved in developing the Company's medical devices or other technologies. Litigation may be necessary to defend against these and other claims challenging inventorship or patent rights, trade secrets or other intellectual property. If the Company fails in defending any such claims, in addition to paying monetary damages, it may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, intellectual property that is important to the Company's medical devices and other technologies. Even if the Company is successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees. Any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

2.2.8 Legislative or regulatory healthcare reforms may make it difficult and costly to obtain regulatory clearance, certification or product approval

Recent political, economic and regulatory influences are subjecting the healthcare industry to fundamental changes. The future sales of the Company's products will depend in part on the availability of coverage and reimbursement from third-party payors such as government health administration authorities, private health insurers, health maintenance organizations and other healthcare-related organizations. Any new proposals, legislation and regulations designed to contain or reduce the cost of healthcare may result in decreased reimbursement for medical devices, which may further exacerbate industry-wide pressure to reduce the prices charged for medical devices. This could harm the Company's ability to market its products and generate sales.

Additionally, some countries may introduce or expand their existing regulation of medical devices in the future. Regulatory requirements continue to differ significantly among countries. The Company expects this global regulatory environment to continue to evolve, which could impact the cost, the time needed to approve, and ultimately, the Company's ability to obtain and maintain future approvals or certifications for its products. These impacts may be adverse on the Company's operating results and financial condition.

2.2.9 The Company is subject to stringent and evolving regulations related to data privacy and security

The Company receives personal data and other sensitive information, including proprietary and confidential business data, trade secrets, intellectual property, information about trial participants in connection with clinical trials, and sensitive third-party data. The data processing activities subjects the Company to numerous data privacy and security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy and security policies, contractual requirements, and other obligations relating to data privacy and security. Adherence to these obligations may impact the Company's business and ability to provide its products and services. Actual or perceived failure to comply with such obligations could lead to regulatory investigations or actions, litigation (including class claims) and mass arbitration demands, fines and penalties, disruptions of business operations, reputational harm, loss of revenue or profits, loss of future customers or sales, and other adverse business consequences.

2.2.10 The Company may be subject to infringements to trademark

The Company has not registered its trademark, including the Lifecare name, brand and logo, and the Sencell name. As such, the Company may not have exclusive right to use these trademarks in connection with its production. Additionally, lack of registration could impede the brand recognition and the Company's ability to protect its

trademarks. The Company does not intend to market its product with the Sencell name. If claims on infringements are made, and the Company fails in defending any such claims, a litigation could result in substantial costs and be a distraction to management and other employees, which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

2.3 Risks related to the Shares and the Listing

2.3.1 Future issuances of shares may dilute the holdings of shareholders and could materially affect the price of the Shares

The Company's principal source of liquidity up to date has been equity issuances in the capital market supplemented by public grants and external revenue from laboratory services. The Company is a growth company where investments in R&D, quality assurance, production equipment and facilities as well as general business development is necessary to secure future growth and profitability, and the Company may as such need to raise further financing in the future in order to fully fund its business plan. As such, the Company may in the future decide to issue new shares in order to fund its business, finance investments, in connection with unanticipated liabilities or expenses or for any other purposes. Any such share issue could reduce the proportionate ownership and voting interests of holders of Shares, as well as the earnings per Share and the net asset value per Share, and could also have a material adverse effect on the market price of the Shares, and as such negatively affect shareholders of the Company who are not able to participate in such share issuances.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the Offering and the Listing of the Company's Shares on Oslo Børs, alternatively Euronext Expand, as described herein.

The Board of Directors of Lifecare ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that to the best of their knowledge, the information contained in the Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

3 October 2024

The Board of Directors of Lifecare ASA

Morten Foros Krohnstad
(Chair)

Hans Johan Hekland	Lutz Walter Heinemann	Trine Teigland
(Board member)	*(Board member)*	*(Board member)*

Tone Kvåle
(Board member)

4 GENERAL INFORMATION

4.1 Important investor information

4.1.1 Approval of the Prospectus

This Prospectus has been approved by the Norwegian FSA, as competent authority under Regulation (EU) 2017/1129 (the EU Prospectus Regulation). The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation (EU) 2017/1129 (the EU Prospectus Regulation), and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

4.1.2 Other important investor information

This Prospectus serves as a listing prospectus only. This Prospectus does not contain any offer, or invitation to purchase, subscribe or sell any of the securities described herein, and no shares, beneficial interests or other securities are being offered or sold in any jurisdiction pursuant to this Prospectus.

The information contained herein is current as of the date hereof and subject to change, completion and amendment without notice. In accordance with Article 23 of the Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment of the Shares and which arises or is noted between the time when the Prospectus is approved by the Norwegian FSA and the listing of the Shares on Oslo Børs, will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus shall under any circumstance imply that there has not been any change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

No person is authorized to give information or to make any representation concerning the Group or in connection with the Listing other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorized by the Company or by any of its affiliates, representatives or advisers.

Neither the Company nor any of its affiliates, representatives or advisers is making any representation, express or implied, to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

Investing in the Shares involves a high degree of risk. See Section 2 *"Risk factors"*.

Capitalised terms contained in this Prospectus shall have the meanings ascribed to them in Section 18 *"Definitions and glossary"*, save where the context indicates otherwise.

4.1.3 Websites

No information has been incorporated by reference to, or forms part of, this Prospectus, or has been approved by the Norwegian FSA. Without limitation, no other content of the Company's website or content of any website accessible from hyperlinks on the Company's website (or any other website), is incorporated into, or forms part of this Prospectus, or has been approved by the Norwegian FSA.

4.2 Presentation of financial and other information

4.2.1 Financial information

The Company has prepared audited annual consolidated financial statements for the financial year ended 31 December 2023 in accordance with the International Financial Reporting Standards ("**IFRS**") as adopted by the EU, with comparative figures for the financial year ended 31 December 2022 (the "**IFRS Financial Statements**"), attached hereto as Appendix 2. Further, the Company has prepared audited annual consolidated financial statements for each of the financial years ended 31 December 2022 and 2021 in accordance with Norwegian Generally Accepted Accounting Principles ("**NGAAP**"), attached hereto as Appendix 3 and 4, respectively (the "**NGAAP Financial**

Statements"). The IFRS Financial Statements and the NGAAP Financial Statements are together referred to as the "**Annual Financial Statements**". The Annual Financial Statements have been audited by RSM Norge AS ("**RSM**").

Further, the Company has prepared interim consolidated financial statements for the six-month period ended 30 June 2024, with comparable figures for the six-month period ended 30 June 2023, in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU ("**IAS 34**"), attached hereto as Appendix 5 (the "**Interim Financial Statements**"). The Interim Financial Statements have been subject to a limited review by Ernst & Young AS ("**EY**").

Other than set out above, neither RSM or EY have audited, reviewed or produced any report or any other information provided in the Prospectus.

The Annual Financial Statements and the Interim Financial Statements are together referred to as the "**Financial Information**".

4.2.2 Currency presentation

In this Prospectus, all references to "**NOK**" are to the lawful currency of Norway. References to "**EUR**" are to the official common currency of the European Union.

4.2.3 Rounding

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.2.4 Alternative performance measures (APMs)

The Group does not present any measures or ratios in this Prospectus that might be considered as alternative performance measures (APMs) as defined by the European Securities and Markets Authority (ESMA) in the ESMA Guidelines on Alternative Performance Measures 2015/1057.

4.3 Third party information

In this Prospectus, the Group has used industry and market data from independent industry publications and market research as set out in footnotes to Section 6 *"Industry and Market Overview"* and Section 7 *"Business of the Group"* and other publicly available information. While the Group has compiled, extracted and reproduced industry and market data from external sources, the Group has not independently verified the correctness of such data. Unless otherwise indicated, such information contained in the Prospectus related to markets, market sizes, market shares and market positions are the views of the Group, informed by multiple sources, including market studies, annual financial statements and other presentations published by listed companies operating within the same industry as the Group does or may do in the future.

The Group confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Group is aware and is able to ascertain from information published by these third party providers, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Group does not intend, and does not assume any obligations to update industry or market data set forth in the Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Group has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently unpredictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the

researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

The Group cautions prospective investors not to place undue reliance on the above mentioned data. Unless otherwise indicated in the Prospectus, any statements regarding the Group's competitive position are based on the Company's own assessment and knowledge of the market in which it operates.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Group's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 *"Risk factors"* and elsewhere in this Prospectus.

4.4 Cautionary note regarding forward-looking statements

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and anticipated financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" and, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. They may include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Group, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Group's future business development and financial performance, and the industry in which the Group operates.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry in which the Group operates, may differ materially from those made in, or suggested by, the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. Important factors that could cause those differences include, but are not limited to:

- Market and industry development
- Competitive situation
- Development of and attractiveness of the Group’s products and technology
- Ability to execute on and finance its operations, development, and production
- Regulatory processes and changes in the regulatory environment, as well as laws and regulations
- Sentiment in capital and credit markets which may have an impact on the Group’s ability to finance its operations
- The political environment

The risks that could affect the Group's future results and could cause results to differ materially from those expressed in the forward-looking statements are discussed in Section 2 *"Risk factors".*

The information contained in this Prospectus, including the information set out under Section 2 *"Risk factors",* identifies additional factors that could affect the Group's financial position, operating results, liquidity and performance. Prospective investors in the Shares are urged to read all sections of this Prospectus and, in particular, Section 2 *"Risk factors"* for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates when considering an investment in the Group.

These forward-looking statements speak only as at the date on which they are made. The Group undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Group or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

5 DIVIDENDS AND DIVIDEND POLICY

5.1 Dividend policy

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will comply with the legal restrictions set out in the Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45 (the "**Norwegian Public Limited Liability Companies Act**") (see Section 5.2 *"Legal constraints on the distribution of dividends"*) and take into account the Company's capital requirements, including capital expenditure requirements, the Company's financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Liability Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

Further, the tax legislation of an investor's Member State and of the Company's country of incorporation (Norway) may have an impact on the income received from the Shares, see Section 15 *"Taxation"*.

The Company does not have a dividend policy, as the Company is currently in a growth phase where the financial resources are spent on research and development. A didivend policy will be provided when the Company has sustainable revenues.

The Company has not paid any dividends on its Shares for the financial years ended 31 December 2023, 2022 and 2021.

5.2 Legal constraints on the distribution of dividends

Dividends may be paid in cash, or in some instances as dividends in kind. The Norwegian Public Limited Liability Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Limited Liability Companies Act provides that the Company may distribute dividends to the extent that the Company's net assets following the distribution are sufficient to cover (i) the Company's share capital, (ii) the Company's reserve for valuation variances and (iii) the Company's reserve for unrealised gains. Any receivables of the Company which are secured through a pledge over the Company's Shares and the aggregate amount of credit and security which, pursuant to Sections 8-7 through to 8-10 of the Norwegian Public Limited Liability Companies Act fall within the limits of distributable equity are to be deducted from the distributable amount.
- The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the previous financial year, provided, however, that the registered share capital as at the date of the resolution to distribute dividends shall be applied. Following approval of the annual accounts for the last financial year, the General Meeting may also authorise the Board of Directors to declare dividends on the basis of the Company's annual accounts.
- Dividends may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date no older than six months before the date of the General Meeting's resolution.
- Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound in light of the risk and scope of the Company's business.

Pursuant to the Norwegian Public Limited Companies Act, the time when an entitlement to dividend arises depends on what was resolved by the general meeting of shareholders when it resolved to issue new shares in the company. A subscriber of new shares in a Norwegian public limited liability company will normally be entitled to dividends from the time when the relevant share capital increase is registered with the Norwegian Register of Business Enterprises. The Norwegian Public Limited Liability Companies Act does not provide any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 15 *"Taxation".*

5.3 Manner of dividend payments

Any future payments of dividends on the shares will be made in the currency of the bank account of the relevant shareholder registered with the VPS and will be paid to the shareholders through the VPS. Shareholders registered in the VPS who have not supplied the VPS with details of their bank account, will not receive payment of dividends unless they register their bank account details with DNB Bank ASA (address: DNB Bank ASA, DNB Markets Registrars department, Dronning Eufemias gate 30, 0021 Oslo, Norway) as the Company's VPS registrar (the "**VPS Registrar**"), and transfer fees may apply for payments made in such manner. The exchange rate(s) that is applied when determining any future payments of dividends to the relevant shareholder's currency will be the exchange rate of the relevant bank on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar.

6 INDUSTRY AND MARKET OVERVIEW

6.1 Market overview

The Continuous Glucose Monitoring ("**CGM**") device market has experienced significant growth due to the increasing prevalence of diabetes, technological advancements, and the rising demand for effective diabetes management solutions. It is estimated by the International Diabetes Federation (IDF) that c. 537 million adults were living with diabetes in 2021 and that the number of adults living with diabetes is projected to grow to c. 643 million by 2030 and 783 million by 2045[2]. Among these, a small number of the world population living with diabetes utilize CGM devices, varying by region and country.

End-users of CGM devices are individuals living with diabetes who rely on glucose monitoring for management of their disease, however, alternative use cases are being explored such as, for athletes, critically ill patients and pets. CGM systems provide real-time data and alerts, which for many individuals living with diabetes, are vital for managing blood glucose levels effectively. The diabetes prevalence is highest among adults, and as such, represents the largest segment. However, diabetes, mainly Type 1 Diabetes, also occurs among children and represents an important segment for CGM systems.

Diabetes patients can be found all around the world, as such development, production and sale of CGM devices happens globally and is an international market. Currently, the largest markets for CGM devices are (1) North America, due to high diabetes prevalence, advanced healthcare infrastructure and strong technology adoption, and (2) Europe, due to growing awareness of benefits of CGM devices and supportive reimbursement policies. Furthermore, the Asia-Pacific region is characterized by growing the fastest, due to rising diabetes prevalence, increasing healthcare expenditure and awareness campaigns, although there are variations across the region. Several of the largest healthcare companies internationally provide a diabetes product offering, such as Dexcom, Inc., Medtronic PLC, Abbott Laboratories, Senseonics Holdings, Inc. and Roche.

Lifecare is a pre-commercial company, as such the revenue is limited and mainly relates to sales of laboratory services, public grants and income related to rent of office space. Please see details included in the below tables.

Overview of revenue and other income:

Amounts in NOK thousand	FY 2023	FY 2022	FY 2021
Revenue from laboratory services	3 886	6 778	0
Public grants	3 439	5 420	1 275
Other income	5 761	9 937	324
Total revenue and other income	**13 086**	**22 135**	**1 599**

Overview of revenue and other income by geographical market:

Amounts in NOK thousand	FY 2023	FY 2022	FY 2021
Norway	4 381	5 420	1 275
Germany	8 657	16 715	324
UK	48	0	0
Total revenue and other income	**13 086**	**22 135**	**1 599**

2 Source: International diabetes federation (IDF): https://diabetesatlas.org/atlas/tenth-edition/

6.2 Market segments

Lifecare operates within several market segments, primarily focused on developing advanced sensor technologies for continuous monitoring of glucose levels. Please see below for main market segments:

1. Continuous Glucose Monitoring (CGM)

Lifecare's primary market segment is the development of the Sencell technology, a next-generation CGM system. The Sencell technology uses osmotic pressure-based sensors to provide continuous and accurate glucose monitoring for people with diabetes. Lifecare aims to improve quality of life for diabetes patients by offering a more reliable and implantable non-invasive and long-term glucose monitoring solution.

Currently, most approved CGM devices on the market, such as those from Dexcom, Medtronic, and Abbott, are attached to the skin with a small needle that penetrates the skin to measure glucose levels based on glucose oxidase technologies. These devices typically have a sensor lifespan of 7-15 days[3]. In contrast, Senseonics offers an implantable alternative, the Eversense, which utilizes a fluorescent chemical reaction to measure glucose levels and has a longer lifespan of up to 180 days (Eversense Diabetes Eversense E3® CGM SYSTEM).

Lifecare's Sencell technology represents a different approach. It is an implantable device that uses osmotic pressure-based technology to monitor glucose levels. Sencell aims for a longevity of 172 days, and uniquely, the device is the size of a grain, making it much smaller than current alternatives. This innovation could potentially offer a more convenient and long-term solution for continuous glucose monitoring compared to existing technologies.

2. Veterinary market

In addition to human applications, Lifecare is targeting expansion into the veterinary market for its CGM technology. Lifecare targets to provide similar benefits of continuous and accurate glucose monitoring for pets with diabetes.

The veterinary market is significantly less regulated, compared to the human market, in addition to the fact that there are no solutions for animals that have achieved real success. Against this background, it is Lifecare's expectation that we will be able to enter the veterinary market relatively quickly, including that we are technologically well positioned to capture a significant part of this market. As Lifecare expect to be able to initiate production of sensors and CGM systems in 2024, we are preparing the operations to enter the veterinary market in 2024 for commercial reasons, as well as to gain manufacturing and product experience useful for the further development and planning towards the human market.

3. Research and development

Furthermore, Lifecare invests significantly in R&D, focusing on enhancing its core technologies and exploring new applications for its sensors. Lifecare has made significant strides in advancing its operations and expanding its technological offerings. Firstly, the company has signed a lease agreement for a 1,000 square meter production and laboratory facility in Mainz, Germany. This site will serve as Lifecare's main production hub, dedicated to the volume manufacturing of the Sencell sensor. Secondly, in early 2024, Lifecare became the majority shareholder in RemovAid AS, a company known for developing a unique, user-friendly medical device for the removal of subdermal implants. Lifecare view RemovAid's medical device as an important part of the puzzle, bringing forward solutions for the entire life cycle of Lifecare's glucose sensor.

6.3 Key drivers and trends

Key market drivers

1. Increasing prevalence of diabetes

The rising global prevalence of diabetes significantly drives the demand for advanced glucose monitoring solutions like Sencell. Several million individuals require glucose monitoring to manage their condition which underscores the need for reliable, accurate and patient friendly CGM systems.

[3] Sources: https://www.freestyle.abbott/us-en/compare-cgms.html, https://www.dexcom.com/en-ZA/faqs/how-long-can-i-wear-dexcom-g7-sensor, https://www.medtronic.com/ca-en/diabetes/home/products/cgm-systems/guardian-sensor-3.html#:~:text=Guardian%E2%84%A2%20Sensor%20(3)%20can,and%20accurate%20sensor%20glucose%20values.

2. Technological advancements

Innovations in sensor technology enhance the accuracy and convenience of glucose monitoring. The increasing prevalence of diabetes, and the challenges that comes with having diabetes, highlights the importance of technological advancements that increase the availability of reliable and precise glucose monitoring, as well the development of minimally invasive CGM devices. CGM device development that focuses on longevity and minimizing sensors, while also maintaining reliable monitoring, is important to facilitate a more convenient life for diabetics using CGM devices to monitor glucose.

3. Regulatory approvals and clinical validation

Important for all CGM device development and the market adoption of new devices are successful clinical trials and regulatory approvals. Progress in clinical studies and confirmation of the sensor's reliability, through regulatory approvals, is imperative to gain confidence in the efficacy and safety of the device. Successful clinical trials and regulatory approval increase the likelihood of market penetration.

4. Increasing health awareness

The importance of diabetes management and the benefits of CGM devices compared to finger pricks for monitoring of glucose levels, encourages patients and healthcare providers to adopt and recommend CGM technologies. Many individuals with diabetes continue to use finger prick testing to monitor their blood glucose levels, even though continuous glucose monitoring (CGM) devices are available. While finger prick tests provide accurate glucose readings, they only reflect glucose levels at the moment the sample is taken. CGM technology offers significant advantages, such as the convenience of tracking glucose levels over time, making it easier to monitor trends and adjust insulin dosages or lifestyle habits accordingly. Additionally, continuous monitoring allows users to detect rapidly changing glucose levels earlier, providing an opportunity for timely intervention that might not be possible with less frequent finger prick testing. This is supported by studies conducted on the use of CGM technology for patients with type 1 diabetes. Among other, Karter et al. (2021) found that real-time continuous glucose monitoring is linked to better glycemic control and fewer acute metabolic events in patients using insulin[4].

5. Integration with digital health platforms

The increasing degree of integration of CGM systems with e.g., digital health platforms and mobile applications, enhances user experience and data management by providing patients with real-time data and the opportunity to share them with healthcare providers. While daily diabetes management is primarily the responsibility of the individual, integrating with digital health platforms offers a valuable opportunity to share data with healthcare professionals. This can potentially lead to more frequent and accurate follow-ups, allowing for better support and guidance in managing the condition.

6. Supportive reimbursement schemes and adoption of coverage from private insurers

While it varies regionally, several countries have reimbursement schemes for certain diabetic aid solutions, and especially for those living with Type 1 Diabetes but also for certain cases of Type 2 Diabetes. In Europe, there are widespread reimbursement schemes across most countries. National healthcare systems that provide robust coverage for Type 1 and some Type 2 diabetes patients, are particularly common in Western and Northern Europe. In the Asia-Pacific region, coverage varies more and is more region-specific. In North America, and particularly in the US, public and private insurance coverage is more common. In the US, Medicare (public insurance scheme) covers certain CGM devices for eligible patients with insulin-dependent diabetes, and in terms of private insurers, there are some providing coverage, often aligning with Medicare guidelines.[5]

Key market trends

1. Non-invasive monitoring solutions

4 Karter, A. J., Parker, M. M., Moffet, H. H., Gilliam, L. K., & Dlott, R. (2021). Association of real-time continuous glucose monitoring with glycemic control and acute metabolic events among patients with insulin-treated diabetes. JAMA, 325(22), 2273–2284. https://doi.org/10.1001/jama.2021.6530

5 https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5467100/

Developing non-invasive or minimally invasive CGM devices is currently a strong trend. Such solutions target to reduce discomfort and alleviate the burden for patients dependent on glucose level monitoring. Traditional blood glucose monitoring, which involves pricking the fingertip with a small lancet to draw blood samples multiple times a day, can be uncomfortable or even painful for some individuals with diabetes. In contrast, CGM devices use a small needle inserted under the skin to continuously measure glucose levels, or, like Sencell, an implant under the skin. Many people with diabetes find these alternatives less painful and appreciate the reduction in the need for frequent finger pricks[6]. Furthermore, finger pricks can be experienced as inconvenient as it may require the individuals with diabetes to interrupt their day to collect finger prick samples.

2. Wearable technology integration

CGM devices are increasingly being integrated with other wearables, such as phones, smartwatches and fitness trackers. Firstly, the integration allows for fewer devices needed at all times, and secondly the integration with other wearables with built-in health technologies has the potential to provide valuable insights to users' health data and enhances CGM system functionality.

3. Expanding applications beyond diabetes

One of the most recent trends in the CGM market is applications beyond diabetes. This includes glucose monitoring for critically ill patients or for healthy athletes.

The potential benefits of CGM devices for athletes can be e.g.:

- To optimize performance based on monitoring of glucose levels during workouts and competitions. Monitoring can help determine optimal energy levels, and understanding each individual's response to various intensities of workouts. Based on such analysis, the athletes might be able to adapt nutrition and energy intake based on what best suits their body.
- To provide analytical data to discover trends or patterns in glucose fluctuations from different workouts, stress levels, food and sleep. Such analysis can contribute to improved workout outcomes.

6.4 Competitive situation

The CGM devices market for human usages is characterized by being highly competitive with several well-known healthcare companies controlling a large market share. Among these are the following:

- Dexcom, Inc.: A company solely focused on developing, manufacturing, producing and distributing continuous glucose monitoring devices for diabetes management. Well-recognised for their Dexcom G6 and G7 systems used by many diabetics around the world. It operates internationally and in 2023 had USD c. 3.6 billion in sales.
- Medtronic Plc: A major player in the CGM market, known for their Guardian Connect system and MiniMed series. Their CGM devices are integrated with insulin pump systems, providing comprehensive diabetes management solutions. 2024 full-year revenue (Medtronic reports in non-standard fiscal year) from their diabetes offering was USD c. 2.5 billion.
- Abbott Laboratories: Offer the FreeStyle Libre CGM system, which is well-known for its affordability and ease of use. In 2023 Abbott Laboratories reported revenue of USD c. 5.8 billion from their diabetes care reporting segment, which includes CGM devices, software, blood glucose and ketone monitoring systems, and flash glucose monitoring systems.

For veterinary usage, several of the larger diabetic product providers for human usage have started venturing into the veterinary market, including some specialising in the veterinary market only.

6.5 Regulatory environment

Below is a summary of certain laws, rules, regulations, certifications and standards applicable to the Group and its activities. The summary has been included for illustrative purposes only and is not intended as an exhaustive

6 Finger pricks remain necessary for making diabetes treatment decisions if there is a discrepancy between the symptoms experienced or expectations, and the readings provided by the CGM device.

description of all laws, rules, regulations, certifications and standards applicable to the Group. In addition to the rules summarized below, the Group is generally subject to, among others, company and tax laws which are not described in this section of the Prospectus.

Legal and regulatory framework

Regulatory approval is required to perform clinical trials. The Company received regulatory approval for the first-in-human Sencell clinical study LFC-SEN-001 from the German Federal Institute for Drugs and Medical Devices (BfArM). The clinical trial was performed in Germany. The Company has received approval for the second study, LFC–SEN-002 from the Norwegian Food Safety Authority (NFSA). This study is carried out in collaboration with the Norwegian University of Life Sciences (NMBU) located at Ås, Norway. All necessary approvals have been obtained to complete this study on dogs. NFSA considers that the purpose of the experiment and the use of animals are satisfactorily described in the application and that the necessary requirements in the Laboratory Animal Regulations are met.

The LFC-SEN-002 study will form the basis for the planned regulatory study LFC-SEN-003 that will provide data to confirm a claim for CE-mark for the Sencell device.

To bring Sencell CGM to the veterinary market, the Company has received regulatory clarifications from the Norwegian Medicines Agency. As a governmental decision-making body, the Norwegian Medicines Agency are responsible to evolve and safeguard public and animal health by ensuring efficacy, quality, and safety of medicines and medical devices, administering and enforcing the Norwegian Medical Devices Regulations. The Norwegian Medicines Agency considers Lifecare's microchip nanosensor (Sencell CGM) as non-medicinal product and has confirmed that no specific regulations exist for medical devices for animals in Norway. Consequently, the Sencell CGM will not be subject to any specific regulatory requirements for veterinary use, and hence launch in the veterinary market in Norway. In relation to the governing legislation, a launch in the veterinary market in Norway will depend on compliance with the Product Liability Act (Nw. Produktansvarsloven). Other than compliance with directives related to product safety and product liability, there is no regulation of veterinary medical devices at the EU level. According to *"Note on the regulation of veterinary medical devices in the EU: A review of the current situation and its impact on animal health and safety" (Animal Welfare 2020, 29: 37-43)* only six EU member states regulate veterinary medical devices (Belgium, Croatia, Czeck Republic, Germany, Hungary and Slovakia), however in a limited manner.

Lifecare's veterinary medical device is expected to be aligned with the general EU directives and said national legislation. The base for Lifecare's product development is aligned with the International Standard for Human Medical Devices (ISO 13485) requirements.

Certifications and standards

The Group's products will be subject to certification according to national and international laws and regulations. Currently, the Group has one product that is in the commercial phase, RemovAid. The product is manufactured in accordance with applicable regulation and approvals, and has obtained the CE mark. RemovAid is certifed according to ISO 13485. The ISO 13485 is an international standard that specifies requirements for a quality management system (QMS) specific to the medical device industry. It is designed to ensure that organizations can demonstrate their ability to provide medical devices and related services that consistently meet customer and regulatory requirements.

To obtain the CE-mark for the osmotic-pressure based sensor technology, the Company depends on ISO certification. The Company has prioritized to implement the general ISO 9001 as it forms the basis for the medical device-specific ISO 13485, which in turn is the fundament for the regulatory sensor approval. Lifecare Laboratory has already obtained ISO 9001 and ISO 13485 certifications.

Health & safety

The med tech industry is governed by stringent health and safety laws to ensure the well-being of patients, healthcare professionals, and users of medical devices. Key regulatory frameworks include the ISO 13485, which outlines the requirements for a quality management system specific to medical devices, emphasizing risk management and regulatory compliance throughout the product lifecycle and the European Medical Device Regulation (MDR), which sets comprehensive guidelines for the design, manufacture, and distribution of medical devices, focusing on safety and performance. It mandates rigorous clinical evaluation, post-market surveillance, and traceability.

Occupational health and safety regulations vary by country. These regulations ensure that workplaces, including those involved in the production and testing of medical devices, adhere to safety standards to protect employees from potential hazards.

Environmental

The Group is not subject to environmental licenses or regulations. Lifecare Laboratories GmbH is approved by German authorities (Ethical Review Committee and BfARM) to conduct clinical trials. The Group does not have production facilities that produce waste considered harmful to the environment.

Governmental, economic, fiscal, monetary or political policies

Anti-corruption and anti-bribery laws

The Group is subject to national, international and worldwide anti-corruption and anti-bribery laws. For example, the Norwegian anti-corruption legislation is amongst the strictest in the world, and prohibits all forms of corruption, including bribery, facilitation payments and trading in influence. The legislation also prohibits corruption performed indirectly through agents, consultants, or other intermediaries. The legislation applies to all Norwegian citizens and companies, as well as foreign companies and individuals residing in Norway, for corruption committed in Norway and abroad, regardless of whether the action is a criminal offence in the other country where it is taking place or not. The Group has implemented an anti-corruption policy.

Tax legislation and accounting rules

The Group is subject to prevailing tax legislation, treaties and regulations in the jurisdictions in which it operates, and the interpretation and enforcement thereof, including relating to transfer pricing. In addition, the Group is also subject to the accounting rules and regulations in Norway, the UK and Germany. The Group prepares its consolidated accounts according to IFRS.

Data protection and data privacy regulations

The Group receives, stores and processes personal information and other user data through its business activities in Norway, the UK and Germany. This makes the Group exposed to data protection and data privacy laws and regulations it must comply with, which all imposes stringent data protection requirements and provides high possible penalties for noncompliance. For example, the EU General Data Protection Regulation (GDPR) imposes a number of obligations on the Group, including the use of cookies and transfer of personal data outside the EU/EEA.

Other national or international policies

The Group is not aware of any other national or international policies or factors that currently materially affect the Group's operations.

7 BUSINESS OF THE GROUP

7.1 Introduction to Lifecare

Lifecare is a clinical stage medical sensor company developing technology for sensing and monitoring of various body analytes. Lifecare enables osmotic pressure as sensing principle, combined with the ability to manipulate Nano-granular Tunnelling Resistive sensors ("NTR") on the sensor body for read-out of pressure variations. Lifecare's sensor technology is referred to as "Sencell" and is suitable for identifying and monitoring the occurrence of a wide range of analytes and molecules in the human body and in pets. With an increasing number of people in the world diagnosed with diabetes, where only a fraction has access to continuous glucose monitors (CGM), Lifecare's main focus is to bring the next generation of CGM systems to the market. With the Sencell sensor, Lifecare aims to improve diabetes management for humans and pets.

The Lifecare Group employs in total 28 full time employees and 11 part time employees.

Lifecare is the parent company and administrative body of the Group with seven full time employees and two part time employees. The Company has organized its operational development activities through its subsidiaries. An overview of the Company's subsidiaries is set out below:

Company	Country of incorporation	Holding (in %)
Lifecare NanoBioSensors GmbH	Germany	100
Lifecare Laboratory GmbH	Germany	100
Lifecare Chemistry Ltd	United Kingdom	100
Lifecare Veterinary AS	Norway	80
RemovAid AS	Norway	89.6

Lifecare NanoBioSensors GmbH ("**Lifecare NanoBioSensors**") is located in Reutlingen, Germany, with seven full time employees. The entity is responsible for the development and production of Lifecare's sensors and sensor-systems including electronics and read-out technology. Lifecare NanoBioSensors has licensed the Nano3DSense production method, which makes it possible to produce pressure-sensor elements at nanoscale printed on Lifecare's micro sensors. The production method for the nano sensor elements has been a crucial element in the process of miniaturizing the sensors from centimetres to millimetres. This miniaturization ensures that the sensors are suitable for implantation in the subcutaneous tissue in humans and pets.

Lifecare Laboratory GmbH ("**Lifecare Laboratory**") is located in Mainz, Germany, with seven fulltime and eight part time employees. The entity is responsible for key development tasks of sensors, chemistry validation and system evaluation, as well as performing studies and analyzing data generated from experiments both in a laboratory setting and with patients. The laboratory also provides commercial services related to clinical research and tests for the pharmaceutical and biotechnical industries during the process of approval of drugs and medical devices, as well as general laboratory services for medical institutions. In 2023 the laboratory was ISO 9001 and ISO 13485 certified.

Lifecare Chemistry Ltd ("**Lifecare Chemistry**") is located in Bristol, UK, with three full time employees. The entity is a spin-off from Lifecare's long-standing research collaboration with professor Tony James at the University of Bath and his research team. Tony James has a wide-ranging experience within the field of supramolecular chemistry and is the named inventor of 25 international patents.

Lifecare Chemistry was established to strengthen the existing research cooperation and secure Lifecare's ownership to the scientific, strategic, and operational developments of Lifecare's improved analyte specific chemical receptors.

Lifecare Veterinary AS ("**Lifecare Veterinary**") is located in Bergen, Norway, with one full time employee and one part time employee The entity was established to execute Lifecare's plans to adopt the Sencell technology for use in the veterinary market. Lifecare Veterinary has a close cooperation with the Norwegian University of Life Sciences for veterinary specific R&D, including market-oriented studies that will strengthen both the veterinary and the human market preparations of the technology.

RemovAid AS ("**RemovAid**") is located in Bærum, Norway, with three full time employees. The entity is an ISO 13485 certified company specialized in the development, manufacture and distribution of medical devices which remove subdermal implants. Based on its proprietary and patented technology the company has developed a class IIa medical device to remove single-rod contraceptives. The product is CE approved under MDR 2017/745 and distributed for sale in Norway as the pilot country. Lifecare acquired 89.6% of the shares in RemovAid in 2024.

7.2 Competitive strengths

Lifecare's technology has the potential to change the lives of patients with various diseases by enabling multi-biomarker sensing based on very small sensors. The Company's main focus is to develop the smallest glucose sensor in the world, with a potential to improve the lives of more than 500 million people and several million pets living with diabetes.

The standard method to measure the glucose level is the blood glucose meter (BGM), which requires a blood sample from a finger prick to provide a single glucose reading. BGM was introduced to the market in the 1970's and is still the standard treatment for patients with diabetes. The first continuous glucose monitor (CGM) device was introduced in the market in 1999, representing a tremendous improvement for patients with diabetes. CGM's provide real-time access to glucose levels and trends through devices like readers, smartphones, or other smart wearables. Delivery of continuous and accurate glucose readings is critical for effective diabetes care. Accurate glucose readings are essential for patients who need to adjust insulin doses to prevent both short- and long-term complications.

99% of the current systems monitor glucose levels in interstitial fluid in the subcutaneous tissue based on glucose-oxidase measurement technology by means of needle-based sensors. A measurement result is usually obtained every five minutes and transmitted to a receiving handheld or smart phone. Glucose oxidase technologies have interference and accuracy issues, and a limiting longevity due to consumption of chemistry. The longest lasting sensors based on glucose oxidase technology has an operational lifetime of up to 15 days, with a cost of between USD 1,500–4,500 a year/per patient (source: "When You Can't Afford a Continuous Glucose Monitor", Healthline.com 10 May 2021 – (https://www.healthline.com/diabetesmine/when-you-cant-afford-a-cgm). There is a medical need for small glucose sensors with improved measurement properties. Ideally, such sensors would be implanted and used for longer time periods. One company, Eversense, has developed a glucose monitoring device based on the flouresence method with a longevity of up to 180 days. This device represents less than 1% of the market (source: Closer Look Memorandum 1Q2023 Industry Roundup 2 July 2024, https://www.closeconcerns.com). The cost of the Eversense technology and sensor is approximately USD 2,900 per 6 months/per patient (source: https://www.eversensecgm.com/cost-and-insurance/).

Lifecare has developed a small and implantable glucose sensor that monitors glucose-induced changes in an osmotic pressure chamber for continuous glucose monitoring. The sensor, Sencell, represents a next-generation solution for glucose monitoring in type 1 diabetics and certain insulin-treated type 2 diabetics. In clinical trials, Sencell has demonstrated accuracy comparable to the latest model from current GCM systems in the market.[7] The sensor aims to be the smallest in the market, it will be injected under the skin by a syringe-like device and offer real-time monitoring for a minimum of six months. Glucose data will be transferred wirelessly to a smart device, without the need of a unpractical transmitter. The expected annual cost for a patient is USD 2,000.

Sencell's superior sensor longevity, potentially improved accuracy, and improved convenience should appeal to many patients. The Sencell sensor will also be made available to the veterinary market. Currently, monitoring of glucose is not available to pets, which entails a significant business opportunity for Lifecare.

7.3 Strategy and objectives

Diabetes patients must continuously monitor their blood glucose levels, creating a steady demand for glucose sensors that require regular replacement, thereby ensuring predictable revenue streams for established market players. Both physicians and patients strongly prefer continuous glucose monitoring (CGM) systems due to their convenience,

[7] See presentation included on: https://lifecare.no/wp-content/uploads/2023/06/Sencell-LFS-SEN-001-ADA-2023-final52.pdf

reduced discomfort, improved glycemic control, reduced diabetes-related complications, and overall enhancement of quality of life.

Lifecare is developing technology for sensing and monitoring of various body analytes, with the main focus of bringing the next generation of Continuous Glucose Monitoring ("CGM") systems to market and help more than 500 million people and several million pets living with diabetes.

To reach its objectives, Lifecare's business strategy revolves around innovation in CGM technology, clinical development, strategic partnerships, diversification across human and veterinary markets and the opportunity of broader application of the sensor technology.

The technology

Lifecare's vision is to change lives through medical technology. Based on years of research and international networking, the Company has established a basis consisting of three comprehensive technology elements. The core feature is Lifecares proprietary Sencell osmotic sensing technology for glucose detection. The core technology is protected in the form of three active patents that include extended osmotic pressure, measurement with sensor based on two chambers with pressure sensor and the biochemical composition used to identify changes in glucose levels.

In addition, the Company has secured a license for Nano3DSenseTM, a manufacturing method for production of nanoscaled pressure-based sensor using focused electron radiation. This means that the Company is able to print strain sensors in the nanoscale to ensure production of Sencell sensors at the size of a grain of rice.

The Sencell sensor, which aims be the smallest glucose monitoring sensor in the world and designed to be highly accurate and reliable, is expected to set the sensor apart from existing solutions in the market. Some engineering efforts remain to scale the sensor down to its commercial form.

Strategic partnerships

Lifecare works with acknowledged research and development partners across Europe to enhance the R&D efforts, gain access to new technologies. Lifecare has a close collaboration with the University of Bath, UK for further development of the chemical composition for use in Sencell. The chemical composition is a core part of the technology and forms the basis for accurate, reliable and immediate measurement of glucose. Lifecare collaborates with the Goethe University of Frankfurt (Germany) for further developments of the nanoscale pressure sensor technology, including microelectronic interfaces and similar. Another important collaboration is with the Norwegian University of Life Sciences (Norway) that ensures veterinary specific R&D, including market-oriented studies that will strengthen both the veterinary and the human market preparations of the technology.

Lifecare has also a strategic cooperation with OneTwo Analytics AB, a Swedish-based company specializing in data analytics of diabetes data. The strategic cooperation will provide Lifecare access to OneTwo's portfolio of comprehensive Artificial Intelligence and Machine Learning based software for self-monitoring and automatic interpretation of CGM data. Furthermore, OneTwo will develop a user-friendly mobile application compatible with both iOS and Android platforms. This app will facilitate seamless data transmission from the Sencell sensors to cloud servers and enable bi-directional communication with the customized analytical software. The digital infrastructure will as a starting point serve the veterinary sector and also retain compatibility for potential human healthcare applications.

Clinical stage development

Clinical studies typically follow a series of standard phases designed to evaluate the safety, efficacy, and performance of a medical device or technology. The standard phases normally comprise a preclinical phase, with the objective of assessing the safety, feasibility, and basic functionality of the device or technology in a controlled laboratory setting. The outcome of this phase is to collect data to support an application for clinical trials. The next phase is normally the pilot/feasability study, with the objective of evaluating the initial safety and performance of the device in a small group of human subjects. This phase should provide information to refine the device and design larger trials. The following phase is larger scale testing, to gather more comprehensive data on the device's safety, efficacy, and optimal

usage. The study should provide definitive evidence on the device's effectiveness and safety, which forms the basis for regulatory submissions.

Being a clinical-stage company, Lifecare is actively involved in clinical trials and regulatory approval processes. Successfully navigating these stages is crucial for bringing the products to market and gaining credibility in the medical community. Sencell has generated promising data in a preclinical setting and in initial clinical trials. Lifecare is currently performing clinical trials in dogs, and has recently successfully the first veterinary patient of the longevity trials as per the original study protocol The next step will be to confirm accuracy, reliability, and safety in a larger clinical setting with humans to obtain regulatory approval for product marketing.

In a veterinary context, the Norwegian Medicines Agency has classified the Sencell sensor as a medical device rather than a "non-medicinal product." Since there are no specific regulations for medical devices intended for animals in Norway, the Sencell sensor can be marketed and sold in Norway without any specific permissions, taking legislation related to product liability into account. European legislation related to veterinary medical products are primarily in line with Norwegian legislation and consequently the Company have reason to expect uniform processes towards the European market.

Extended possibilities

There are currently no good solutions for monitoring of animals glucose level. This opens a new and significant business opportunity for Lifecare, based on the same technology and the same platform that will be used in the human market. As the veterinary market is significantly less regulated compared to the human market, Lifecare expects to enter the veterinary market relatively quickly. The Company is currently preparing to enter the veterinary market, with the aim of establishing a commercial structure by year end 2024. This will enable the Company to gain experience from manufacturing and logistics as well as product experience for further development and planning towards the human market. This dual approach not only broadens the market potential but also diversifies risk and revenue streams. By addressing the needs of both markets, Lifecare can leverage its technology across a wider customer base.

With the acquisition of 89.6% of RemovAid in 2024, Lifecare has secured a unique user-friendly medical device for removal of subdermal implants. The Sencell sensor will be injected under the skin, and with some manufacturing adjustments, RemovAid is envisioned applicable for the removal of the Sencell sensor from humans and pets. The acquisition has also enabled access to a new market for Lifecare, as RemovAid is already sold to a number of health clinics in Norway as a user-friendly tool for removing contraceptives. Lifecare intends to continue to manufacture and distribute the tool to the contraceptive market both in Norway and abroad, with a specific focus on Sub-Saharan Africa, which represents a large market for this type of contraceptives.

Production

Lifecare has already established a pilot production of the Sencell sensor. Automated production will be set up during the second half of 2024. Currently, the production takes place at Lifecare NanoBioSensors in Mainz, Germany. A large-scale production line will be established in a new facility in 2025.

Lifecare is not dependent on external manufacturers and will ensure that there are several suppliers who can deliver the components required to produce the Sencell sensor. Lifecare focuses on maintaining high production standards and efficiency.

Commercialisation

Lifecare acknowledges the necessity of partnering with a larger, established player to effectively commercialize its main product Sencell and ensure compatibility with existing devices. Lifecare has entered into an agreement with Sanofi, granting Sanofi the right of first refusal for the Sencell technology in exchange for certain milestone payments. These payments are not considered material to the Company. This partnership reflects the Company’s strategy to collaborate with industry leaders to bring their advanced technology to market, demonstrating their commitment to innovation and patient care. Lifecare intends to establish industrial partnerships both within the veterinary and human markets. The main markets are expected to be Europe and the USA.

Remaining challenges and continuous improvement

The aim is to provide the smallest glucose monitoring sensor in the world. The Company has invested in technology and machines to produce nanoscale pressure-sensor elements to miniaturize the sensors, however, some engineering efforts remain to scale the sensor down to the commercial form. A prototype sensor is currently being used as part of the longevity trials in dogs, and the Company will continue its efforts to further reduce the size of the sensor. Lifecare is committed to continuous improvement of the sensor technology, ensuring it remains cutting-edge and scalable. This involves ongoing R&D to enhance the accuracy, reliability, and usability of the CGM system.

Lifecare also aims to provide a tool to be able to remove the Sencell sensor. The RemovAid tool is envisioned applicable for the removal of the sensor from humans and pets, however, some manufacturing adjustments needs to be made, as the tool is currently designed to remove single-rod contraceptives.

Broader application

While the primary focus is on glucose monitoring, the sensor technology is also adaptable for identifying and monitoring various analytes and molecules in the body. This broad applicability allows Lifecare to potentially expand into other areas of medical diagnostics and monitoring.

Financial target

Lifecare has set a clear strategic financial goals focused on transitioning from research and development to the commercialization of its sensor technology. The Company's primary goal is to initiate automated production and product launch in the veterinary market. At the same time, the Company will prepare to get the next study approved, which consist of testing the sensor in a larger clinical setting with humans. The success of these efforts is crucial for Lifecare to bring its CGM systems to market.

With the capital increase in June 2024, Lifecare has significantly strengthened its equity and cash position, positioning itself better for the upcoming production phase. In order to complete its R&D activities, the larger scale CE study, and obtain approval for its products the Company is most probably dependent on further capital increases. . It is uncertain when the Company will be profitable, however Lifecare ultimately aims to provide its shareholders with a competive return on their investment, either through dividend payments and/or capital appreciation as the Company grows and commercializes its technology.

7.4 History and important events

The table below provides an overview of key events in the history of the Company:

Year	Event
1980's	Olav Ellingsen discovered a link between glucose levels and osmotic pressure after his son, suffering from diabetes, experienced severe swelling and bulging eyeballs due to high glucose levels. Insulin injections relieved the symptoms, leading Ellingsen to realize that monitoring osmotic pressure could accurately reflect glucose levels. This discovery is the foundation of Lifecare's Sencell solution.
1986	The first Lifecare AS was established, with the purpose to develop a patented artificial pancreas.
1998	Lifecare's development was shifted to focus on development of implantable sensor to measure and monitor the glucose level by osmotic pressure, based on the original invention of Olav Ellingsen. Conceptual focus on development of membrane for exclusion of glucose as base for measuring of variations of osmolarity within a cell, referred to as an "osmotic membrane".
1999	Approved patent: "Method for monitoring the level of an osmotically active component in body fluid and device for carrying out said method".
1999	R&D cooperation established with SINTEF, Trondheim, Norway.
2002	Pre-clinical studies of sensor for measurements and monitoring of the glucose with osmotic membrane, in cooperation with SINTEF and St. Olavs Hospital in Trondheim, Norway.

2005	R&D cooperations with the University of Glasgow / Kelvin Nanotechnologies Ltd and Centre Swiss for Electronics and Microtechnology (CSEM).
2006	Strategic restructuring led to the incorporation of todays Lifecare, with the purpose to develop the glucose sensor Sencell.
2007	Feasibility study on use of fluid reactive to glucose to induce osmolarity changes – establishment of the concept of an osmotic sensor.
2009 – 2012	Industrial research project at Vestfold University College (Department of Micro- and Nanosystems Technology), Norway, supervised by Associate Professor Erik Johannessen, Professor Henrik Jacobsen, and Professor Tor Inge Tønnessen, leading to the Doctoral Thesis "Osmotic sensor for blood glucose monitoring applications" by Olga Krushinitskaya (Ph.D).
2011	Approved patent: Apparatus and method for measuring augmented osmotic pressure in a reference cavity.
2014	Lifecare engaged Prof. Dr. Dr. Andreas Pfützner as consultant CSO, being a medical doctor and globally recognized expert in the development of medical devices in diabetes technology.
2015 -2016	Lifecare carried out pre-clinical studies of the sensor in pigs.
2017	Lifecare entered a Product Development Agreement with Sanofi, ensuring milestone-based funding contributions, in return of a right of first refusal to negotiate allowing an exclusive opportunity to license the Sencell technology.
2018	Lifecare was listed on Euronext Growth.
2021	Lifecare acquired CantiMed UG and restructured the company to Lifecare NanoBioSensors GmbH.
2021	Approved patent: Interstitial fluid osmotic pressure measuring device system and method.
2022	Lifecare acquired the laboratory of Pfützner Science & Health Institute GmbH and incorporated the entity as Lifecare Laboratory GmbH.
2022	Successful, high quality in-vitro test results with the miniaturized Sencell.
2022	Lifecare innovations categorized by European Commission's Innovation Radar as "Market Ready" and among top 14% of innovations in scientific projects receiving financial grants from the European Commission.
2022	Successful private placement raising gross proceeds of NOK 45 million.
2022	Incorporation of Lifecare Chemistry Ltd.
2023	Finalization of clinical development study confirming accurate sensor performance in humans.
2023	Incorporation of Lifecare Veterinary AS.
2023	Successful private placement raising gross proceeds of NOK 42.5 million.
2023	The Norwegian Food Safety Authority awarded all necessary approvals to start working on the second Sencell clinical study.
2024	Approved patent: Fluid composition, method for preparing the composition and use.
2024	Established pilot production of the Sencell sensor, paving the way for automated production.
2024	Acquisition of 89.6% in RemovAid
2024	Successful partially underwritten rights issue raising gross proceeds of NOK 90 million.
2024	Strategic partnership with OneTwo Analytics to make glucose data from the sensor accessible.

7.5 Business operations

Lifecare's headquarter is in Bergen, Norway. The research and development activities are performed in Mainz and Reutlingen in Germany, while the chemistry lab is in Bristol, UK. The German subsidiary Lifecare Laboratory is responsible for sensor and chemistry validation and processing in-vitro and in-vivo test results. Lifecare NanoBioSensors develops and manufactures Lifecare's sensors and sensor systems, including electronics and read-out technology.

The technology

Measuring glucose levels is a crucial part of the daily routine for patients with diabetes. Based on these measurements, millions of insulin dosage decisions are made globally each day, significantly impacting both the short- and long-term well-being of patients. Over the past two decades, various systems for continuous glucose monitoring (CGM) have emerged. These systems typically monitor glucose levels in the interstitial fluid of subcutaneous tissue using glucose-oxidase technology through needle-based sensors. Measurements are generally taken every five minutes and transmitted to a receiving device such as a handheld or smartphone. Continuous glucose monitoring is an improved method of monitoring for patients with diabetes, compared to blood meassurments based on fingersticks (BGM). Both BGM and CGM have error margins (MARD) compared to reference laboratory measurements. The MARD of BGM is in the range of 5-10% (source: https://support.levels.com/article/63-sensor-accuracy), while the CGM market leaders Abbot and Dexcom claim a MARD between 9 and 10% (source: https://www.healthline.com/diabetesmine/dexcom-vs-abbott-freestyle-libre-cgm-function-accuracy-and-cost). In addition to the lower accuracy of CGM's compared to BGM, existing CGM's also face issues with interference of substances beyond glucose, and require replacement every 7 to 15 days (source: CGM Device Comparison | American Association of Clinical Endocrinology (aace.com); The Difference Between BGM and CGM | Shield HealthCare) . The challenges of interference, accuracy, and frequent replacement in current glucose sensors can create significant hurdles for users, impacting their health management, convenience and overall quality of life. For instance, interference from medications, physical activity, or environmental factors may cause erroneous readings, making it difficult for users to confidently manage their blood glucose levels. Inaccurate readings may lead to incorrect insulin dosing or other diabetes management decisions, potentially resulting in hyperglycemia (high blood sugar) or hypoglycemia (low blood sugar), both of which can be dangerous. Additionall, the need to frequently replace sensors may be inconvenient, cause skin irritation and/or discomfort, particularly for users who find the insertion process painful or difficult. In relation to infererence and accuracy, there is a medical need for smaller glucose sensors with enhanced measurement properties that can be implanted and used for extended periods.here is a medical need for smaller glucose sensors with enhanced measurement properties that can be implanted and used for extended periods.

Lifecare's innovative solution is the small, implantable Sencell glucose sensor that monitors glucose-induced changes in an osmotic pressure chamber, providing continuous glucose monitoring. The Sencell CGM technology leverages underlying osmotic pressure principles based on biochemical reactions. In this system, glucose molecules bind to other molecules within an accessible chamber (glucose permeable membrane), creating a pressure increase that can be measured for monitoring glucose levels. This process is fully reversible: as glucose concentrations decrease, glucose molecules detach, and the osmotic pressure declines accordingly. There is a linear relationship between the glucose concentration in the surrounding fluid and the measurable osmotic pressure within the chamber. Crucially, this technology does not consume any molecules when generating the signal, enabling long-term usage of the sensor within the body. The operational lifespan of the sensor is at least six months.

Lifecare is advancing device miniaturization by adopting nano-granular tunneling resistive sensors. The Company has licensed the Nano3Dsense® production method, which makes it possible to produce pressure sensing elements at nanoscale printed on Lifecare's micro sensors. The production method for the nanosensor is important in the process of miniaturizing the sensors from centimetres to millimetres. This miniaturization ensures that the sensors are suitable for implantation in the subcutaneous tissue in humans and pets.

Clinical development

From its incorporation until initiating its first clinical trials, Lifecare conducted extensive laboratory research to develop and refine continuous glucose monitoring using osmotic pressure technology. Preclinical studies demonstrated the feasibility and potential efficacy of monitoring glucose levels through osmotic pressure changes, validating the sensor's basic operating principles and proving its concept in a biological environment. Lifecare also carries out both in vitro studies and in vivo clinical trials, essential for the development and validation of the Sencell sensor. These trials will ensure that the Sencell sensor is safe, effective, and ready for clinical use and market entry.

Pre-clinical studies

Pre-clinical studies for measuring and monitoring glucose with an osmotic membrane began in 2002, prior to Lifecare's incorporation. These studies were conducted in cooperation with SINTEF and St. Olavs Hospital in Trondheim, Norway. By 2007, the concept of an osmotic sensor was established, with a feasibility study demonstrating how glucose-reactive fluid could induce osmolarity changes. From 2009 to 2012, an industrial research project at the Department of Micro- and Nanosystems Technology at Vestfold University College culminated in a doctoral thesis titled "Osmotic Sensor for Blood Glucose Monitoring Applications."

In vitro studies

In vitro studies are beeing conducted to evaluate the Sencell sensor's operating principles during development. In 2022, trials with the miniaturized Sencell were concluded as successful. Since then, the size of the core osmotic pressure chamber has been reduced by more than 95% without any loss of osmotic pressure signal. Sensors with miniaturized chambers have been tested in vitro, showing comparable results to previous experiments with larger chambers.

In vivo pre-clinical and clinical trials

In 2015-2016, Lifecare conducted in vivo pre-clinical studies of the Sencell sensor in pigs, gathering preliminary data to refine the sensor's design and improve its accuracy and reliability.

Lifecare's first-in-human clinical development study (LFC-SEN-001) was finalized in May 2023. This study aimed to obtain a clear proof-of-concept in humans and provide data for signal read-out and accuracy. Conducted at Lifecare Laboratories in Mainz, Germany, the study used a wired version of the sensor embedded in a needle, which was implanted in both healthy subjects and subjects with diabetes. The sensors were implanted for up to three days to ensure strong and reliable signal readouts for developing predictive algorithms for the final product.

Data from this study confirmed the solid clinical accuracy of Sencell technology, with a mean absolute relative difference (MARD) of 9.6% between Sencell and matched reference values. This MARD value aligns with the highest standard for glucose monitoring (5%-10%), which is needed to be is acceptable for therapeutic decisions, such as insulin dose adjustments, subject to regulatory approval. Lifecare disclosed the study results in June 2023 at the American Diabetes Conference in San Diego.

In vitro longevity trial

To verify the sensor's longevity and confirm its unprecedented robustness, Lifecare extended the experiment for a few of the sensors from the in vivo clinical trial concluded in May 2023 into a longevity trial. This extended experiment, conducted in vitro, demonstrated an operational lifetime of over 24 weeks (172 days) and a sensor chemistry shelf life of more than 16 months. These results confirm that the Sencell technology offers superior longevity compared to existing needle-based CGM sensors and showcases the encouraging stability of the sensor's chemistry. This experiment validates Sencell's potential to provide long-term and accurate glucose monitoring for people with diabetes, significantly reducing the need for frequent sensor replacements.

In vivo longevity study in dogs

Lifecare is currently conducting a longevity study (LFS-SEN-002) in dogs in collaboration with the Norwegian University of Life Sciences (NMBU) with approval from the Norwegian Food Safety Authority (NFSA). This study, which began in June 2024, aims to assess the longevity and biocompatibility of the Sencell technology in vivo. In addition to validate the longevity, it evaluates whether the sensor provokes an immune response, causes irritation, or leads to other negative tissue interactions. The study uses wireless readout technology and has generated substantial data from the implanted sensors. To validate the results, Freestyle Libre glucose monitor from Abbott is applied in the study for reference purposes. In September 2024, the Company announced the successful completion of the first

veterinary patient of the longevity trials. Lifecare's veterinary team at NMBU removed the implant from the dog after 12 weeks, in accordance with the regulatory approved protocol. The dog is in good health, showing no signs of discomfort related to the implant.

Next phase

Following the LFC-SEN-002 trials, Lifecare will prepare and file for approal for the LFC-SEN-003, a CE study for clinical use. The purpose of this study will be to collect solid data for the technical files needed to claim the CE-mark for Sencell for the human market. Depending on the final outcome of LFC-SEN-002, Lifecare might consider to execute LFC-SEN-003 in two phases: LFC-SEN-003A as a short clinical study with a limited number of patients to be followed up with LFC-SEN-003B as the final CE study for clinical use. The LFC-SEN-003 will be executed in two or more locations, of which one location will be in Mainz, Germany with Pfützner Science and Health Institut and diabetes-senter as the main venue. Additional locations will likely be in one or several Nordic countries. Final conclutions related to number of studyplaces and number of patients will depend on statistical considerations and feedback from regulatory authorities.

7.6 Current sales

As the Company is still in a development phase, there are no revenues from sale of the Sencell sensor. In the period from 2021 and to current date, the revenues and income have consisted of proceeds from sale of laboratory services performed by Lifecare Laboratory, rental income and public grants.

Set out below is the disaggregation of the Group’s revenue from laboratory services, public grants including tax refunds and rental income, extracted from the Company's annual financial statements for the years ended 31 December 2023, 2022 and 2021.

	Financial year ended 31 December		
Amounts in NOK thousand	2023	2022	2021
Revenue from laboratory services	3 886	6 778	0
Public grants	3 439	5 420	1 275
Other income	5 761	9 937	324
Total revenue and other income	**13 086**	**22 135**	**1 599**

7.7 Additional opportunities

With the acquisition of RemovAid AS in 2024, Lifecare has secured technology for a solution for the removal of the Sencell sensor. RemovAid has developed a unique, user-friendly medical device for removing subdermal implants. The Sencell sensor, which will be injected under the skin, can be removed using RemovAid's technology with some adjustments. RemovAid is an ISO 13485 certified company specializing in the development, manufacturing, and distribution of medical devices for removing subdermal implants. Utilizing its proprietary and patented technology, the company has developed a Class IIa medical device to remove single-rod contraceptives. This product is CE approved under MDR 2017/745 and was first distributed for sale in Norway in 2023. RemovAid has established a specialized production line and has seen recurring, albeit low, sales in 2024.

Despite being in the early stages of commercialization, RemovAid has laid a solid foundation for further development. Lifecare plans to leverage RemovAid's technology for the gentle and efficient removal of the Sencell sensor, while also ensuring the success of RemovAid's existing product in the contraceptive implant removal market.

7.8 Property, plant, equipment and infrastructure

Currently, Lifecare’s tangible assets related to property, plant, and equipment consist mainly of office and laboratory equipment, including scanning electron microscope, bioprinter and Nano-plotter. The Company rents its office and

laboratory facilities. Lifecare recently established a pilot production for the Sencell sensor, and will expand with the infrastructure needed for large-scale production. This includes setting up a production facility equipped to manufacture the sensors to high standards of quality and consistency.

The new production facility will be located near the existing location in Mainz, Germany. Lifecare has signed a lease agreement for nearly 1,000 sqm in a new building under construction, with the premises expected to be ready for takeover in mid-2025. In the meantime, an intermediate production line will be established at the existing facilities in Mainz. The first production line will automate key production processes at the nano and micro scale, ensuring high-quality sensor and system reproducibility.

To oversee the manufacturing preparations, Lifecare has appointed a Vice President of Manufacturing and Production Manager, and will hire additional staff with industrial experience. Preparations, which began in the first half of 2023, have already led to significant internal progress toward production readiness. The Company expects to start the first automated production operations in the second half of 2024.

This first line of automated production represents a significant milestone in the development of the Sencell sensor for several reasons. Firstly, confirming manufacturability is essential for commercialization. Secondly, advancements in production preparations are necessary to gain competence, experience, and data for the technical documentation required for future CE marking. Thirdly, reaching the milestone of automated production will position Lifecare as market-ready, independent of the progression of the CE marking process.

7.9 Certifications

Lifecare's core mission is to bring an implantable medical device that can measure and monitor glucose to market, which makes robust quality measures crucial across the organization. The Company's Quality Management System (QMS) is integral to ensuring compliance with health and safety standards and obtaining approvals from relevant regulatory bodies.

Lifecare Laboratory is ISO 9001 and ISO 13485 certified, underscoring its commitment to safety and quality processes that meet the regulatory requirements specific to the medical device industry. Similarly, RemovAid is ISO 13485 certified and has a CE-approved medical device. The CE marking signifies that RemovAid's device complies with EU standards for medical devices as outlined in the Medical Devices Regulation (MDR) 2017/745.

7.10 Patents and trademarks

Lifecare holds several important patents that are central to its innovative glucose monitoring technology:

- Apparatus and Method for Measuring Augmented Osmotic Pressure in a Reference Cavity was granted in 2018 (2013 in the USA). This patent pertains to a device for monitoring changes in osmotic pressure in response to concentration changes of specific dissolved solute particles. The patent expires in 2030.

- Interstitial Fluid Osmotic Pressure Measuring Device System and Method was granted in 2011. This patent describes a sensor design aimed at improving signal amplitude, increasing the accuracy of subcutaneous glucose assessments, and enhancing sensor longevity and resistance to environmental interferences. It also allows for the measurement of other analytes in addition to glucose. The patent expires in 2038.

- Fluid Composition, Method for Preparing the Composition and Use was granted in 2024. This patent covers the modular chemical composition used in Lifecare's miniaturized sensor technology. The active fluid enables glucose monitoring through osmotic pressure, improving sensor lifetime, measurement response symmetry, and sensitivity. This technology supports miniaturization and long-term continuous in vivo monitoring without patient discomfort or reduced quality of life. The patent expires in 2037.

- A new patent for conceptual chemistry composition including modular receptor molecules was filed in May 2024. The patent applicated relates to a new conceptual chemistry composition that includes modular receptor molecules for detecting a wide range of diseases or conditions. This chemistry invention comprises various

receptors (cellular, biological, artificial, synthesized, oligonucleotides, inorganic receptor layers, etc.) designed to induce changes in osmotic pressure. The purpose of this invention is to identify and/or monitor diseases or conditions associated with acute or chronic disorders, such as cardiovascular disease, metabolic disorders, infections, immune diseases, among others, in addition to Lifecare's primary focus on diabetes. This patent application signals Lifecare's expansion beyond glucose monitoring, aiming to become a broader sensor company. While maintaining its core mission of providing better solutions for people with diabetes, this move aligns with Lifecare's overarching goal of improving lives through medical technology. The patent filing underscores Lifecare's ambition to leverage its platform technology for the identification and monitoring of a wide range of acute and chronic disorders.

While the above-mentioned patents form the backbone of Lifecare's proprietary technology, RemovAid 's product was patented in 2020. The patent expires in 2036.

7.11 Legal proceedings

The Company is currently involved in a dispute with a former consultant who claims the right to exercise stock options. The initial proceedings at the district court have been appealed. The Company has obtained a legal assessment and expects the claim to be dismissed. The costs associated with this claim are considered insignificant. See also item 8.5 below.

Except for the above-mentioned case, neither the Company nor any member of the Group, is or has been, during the course of the preceding 12 months, involved in any other legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability. The Company is not aware of any other such proceedings which are pending or threatened.

7.12 Material contracts

Neither the Company nor any other member of the Group has entered into any material contracts outside the ordinary course of business for the two years prior to the date of this Prospectus. Further, the Group has not entered into any other contract outside the ordinary course of business that contains any provision under which any member of the Group has any obligation or entitlement that is material to the Group as the date of this Prospectus.

7.13 Dependencies

Lifecare’s success and market position is heavily dependent on its robust portfolio of patents and certifications, as further described in sections 7.9 "Certifications" and 7.10 "Patents and trademarks". Lifecare's patents safeguard its unique technologies and methodologies, preventing competitors from replicating their innovations. This protection allows Lifecare to maintain a competitive edge in the highly competitive medical device market. The patents grant Lifecare exclusive rights to its inventions, enabling the company to capitalize on its R&D investments by exclusively marketing and profiting from its proprietary technologies for a defined period. In addition, certifications, such as ISO 9001, ISO 13485, and CE marking, are essential for regulatory compliance. These certifications demonstrate that Lifecare adheres to international standards for quality and safety, which is crucial for gaining approval from regulatory bodies and entering global markets. Such certifications ensure that Lifecare's products meet stringent quality and safety standards, which is critical for building trust with healthcare providers and patients. This assurance is fundamental for the adoption and widespread use of Lifecare's medical devices. Additionally, patents and certifications enhance Lifecare’s credibility and reliability, facilitating partnerships with other companies, research institutions, and healthcare organizations. These collaborations can accelerate innovation and market entry.

Additionally, Lifecare is dependent on a commercial partnership, as described in section 7.3 above. Lifecare’s current focus is to develop the next generation Continuous Glucose Monitor (CGM) and does not have an internal commercial department. As such, the Company is dependent on entering into partnership agreements with leading participants within the health care/medical device sector who will be responsible for the commercialization of the Company's products both within the human market and the veterinary market.

The Company’s operations consume capital and will continue to spend capital on further product development, clinical studies to prepare for CE certification, production and product preparations. As of 30 June 2024, the Company’s cash position is good, and the Company expects to have sufficient capital at least for the next 12 months. However, to continue its operations, the Company will most probably require additional capital.

8 CAPITALISATION AND INDEBTEDNESS

8.1 Introduction

This Section 8 "Capitalisation and indebtedness" provides information about the Group's unaudited consolidated capitalisation and net financial indebtedness on an actual basis as at 31 July 2024. The figures are unaudited management accounts.

There have been no material changes to the Group's combined capitalisation and net financial indebtedness, as presented in sections 8.2 and 8.3 below, since 31 July 2024.

8.2 Capitalisation

The following table sets forth information about the Group's unaudited consolidated capitalisation as at 31 July 2024:

	As at 31 July 2024 [1)]
In NOK 1000	
Total current debt:	
Guaranteed	0
Secured	0
Unguaranteed and unsecured	41 635 [2)]
Total current debt	**41 635**
Total non-current debt:	
Guaranteed	0
Secured	0
Unguaranteed and unsecured	11 519 [3)]
Total non-current debt:	**11 519**
Shareholder equity:	
Share capital	87 629
Legal reserves	0
Other reserves	0
Total shareholder equity	**87 629**
Total capitalisation	**140 783**

1) Source: Unaudited management accounts.

2) The ungaranteed and unsecured amount consist of current lease liabilities (NOK 2 126 808) and other current liabilities (NOK 33 572 652) including account payable (NOK 5 935 184).

3) The ungaranteed and unsecured amount consist of non-current lease liabilities (NOK 10 291 377) and other non-current liabilities (NOK 202 545) including deferred tax (NOK 1 025 571).

8.3 Net financial indebtedness

The following table set forth information about the Group's unaudited consolidated net financial indebtedness as at 31 July 2024:

In NOK 1000		As at 31 July 2024 [1]
(A)	Cash	93 084 [2]
(B)	Cash equivalents	0
(C)	Other current financial assets	15 259 [3]
(D)	**Liquidity (A)+(B)+(C)**	**108 343**
(E)	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	**0**
(F)	Current portion of non-current financial debt	0
(G)	**Current financial indebtedness (E)+(F)**	0
(H)	**Net current financial indebtedness (G)–(D)**	-108 343
(I)	Non-current financial debt (excluding current portion and debt instruments)	0
(J)	Debt instruments	0
(K)	Non-current trade and other payables	0
(L)	**Non-current financial indebtedness (I)+(J)+(K)**	0
(M)	**Total financial indebtedness (H)+ (L)**	-108 343

1) Source: Unaudited management accounts.

2) Cash consists of the item line cash and cash equivalents.

3) Other current financial assets consists of current receivables.

8.4 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

8.5 Contingent and indirect indebtedness

The Company is involved in a pending court case where it has been sued by its former COO/CEO for up to NOK 5.3 million in damages resulting from an alleged breach of share option agreement. The case has been tried in the first insance of the Norwegian Court system, which ruled partially in favor of the former COO/CEO awarding him NOK 2.3 million, plus interest, in damages. Both parties have appealed. Court proceedings are scheduled for December 2024.

As of 31 July 2024 and as of the date of the Prospectus, the Company does not have any other contigent or indirect indebtedness.

9 FINANCIAL AND OTHER INFORMATION

9.1 Introduction and basis for preparation

For an overview of presentation of financial information in this Prospectus, see Section 4.2 *"Presentation of financial and other information"*.

The following selected financial information has been extracted from, should be read in connection with, and is qualified in its entirety by reference to the Financial Information attached to this Prospectus.

The selected data set out in sections 9.2 to 9.6 below includes financial information for the following periods, and has been extracted from the sources set out below:

- The financial years ended 2023 and 2022 (extracted from the IFRS Financial Statements attached as Appendix 2);
- the financial years ended 2022 and 2021 (extracted from the NGAAP Financial Statements attached as Appendix 3 and 4, respectively); and
- the six-month periods ended 30 June 2024 and 2023 (extracted from the Interim Financial Statements attached as Appendix 5)

9.2 Summary of accounting policies and principles

For information regarding accounting policies and principles, see note 2 of the IFRS Financial Statements for the financial year ended 31 December 2023, attached hereto as Appendix 2.

9.3 Data from consolidated income statements and statements of comprehensive income

The table below provides selected data pertaining to the Company's consolidated income statements and statement of comprehensive income for the periods indicated. The data has been extracted from the Financial Information.

	Six-month period ended 30 June		**Year ended 31 December**			
Amounts in NOK thousand	**2024 [1)]**	**2023 [1)]**	**2023 (IFRS)**	**2022 (IFRS)**	**2022 (NGAAP)**	**2021 (NGAAP)**
Revenue and other income	6 850	3 840	13 086	22 135	22 135	1 599
Salaries and personnel expenses	-17 306	-10 229	-25 659	-12 177	-11 258	-1 749
Depreciation and amortization	-2 162	-1 498	-3 253	-2 284	-2 748	-598
Other operating expenses	-19 089	-7 982	-19 523	-24 578	-25 445	-15 183
Operating profit/loss	**-31 706**	**-15 869**	**-35 348**	**-16 904**	**-17 316**	**-15 931**
Net financial items	-165	-355	26	231	367	-49

Profit before tax	**-31 871**	**-16 224**	**-35 322**	**-16 674**	**-16 949**	**-15 980**
Income tax	637	-432	116	-527	-527	102
Profit/loss for the period	**-31 233**	**-16 656**	**-35 206**	**-17 201**	**-17 476**	**-15 878**
Other comprehensive income						
Exchange differences on translation of foreign operations	-525	-35	70	66	0	0
Total comprehensive income for the period	**-30 708**	**-16 621**	**-35 276**	**-17 267**	**-17 476**	**-15 878**

(1) Unaudited

9.4 Data from consolidated statements of financial position

The table below provides selected data on assets pertaining to the Company's consolidated statements of financial position as at the dates indicated. The data has been extracted from the Financial Information.

	As at 30 June		As at 31 December			
Amounts in NOK thousand	**2024 [1)]**	**2023 [1)]**	**2023 (IFRS)**	**2022 (IFRS)**	**2022 (NGAAP)**	**2021 (NGAAP)**
Assets						
Intangible assets	13 077	13 089	12 511	13 462	12 214	8 724
Property, plant and equipment incl right of use assets	18 749	6 458	9 834	6 867	2 990	29
Total non-current assets	**31 827**	**19 548**	**22 345**	**20 329**	**15 204**	**8 753**
Current receivables	19 047	7 305	15 699	7 139	7 139	2 427
Cash and cash equivalents	101 367	26 694	48 345	47 630	47 630	21 042
Total current assets	**120 414**	**33 999**	**64 044**	**54 769**	**54 769**	**23 469**
Total assets	**152 240**	**53 547**	**86 390**	**75 099**	**69 973**	**32 222**

(1) Unaudited

The table below provides selected data on equity and liabilities pertaining to the Company's consolidated statements of financial position as at the dates indicated. The data has been extracted from the Financial Information.

	As at 30 June		As at 31 December			
Amounts in NOK thousand	**2024 [1)]**	**2023 [1)]**	**2023 (IFRS)**	**2022 (IFRS)**	**2022 (NGAAP)**	**2021 (NGAAP)**
Equity and liabilities						
Share capital and share premium	189,2383	85 493	133 895	89 851	87 453	39 194
Retained earnings and other equity	-90 412	-44 282	-67 441	-33 415	-32 203	-14 948
Total equity	**98 825**	**41 211**	**66 455**	**56 436**	**55 250**	**24 246**
Deferred tax liabilities	1 026	1 641	1 641	1 333	1 333	1 538
Non-current lease liabilities	10 107	2 015	4 745	3 088	0	0
Other non-current liabilities	203	5 541	2 915	4 354	4 354	2 697
Total non-current liabilities	**11 335**	**9 198**	**9 302**	**8 776**	**5 687**	**4 235**
Trade and other payables	4 577	488	3 588	1 713	1 628	1 972

Current tax liabilities	0	0	0	1 462	1 462	0
Current lease liabilities	2 079	1 978	1 705	852	0	0
Other current liabilities	35,423	672	5 341	5 861	5 946	1 770
Total current liabilities	**42 080**	**3 138**	**10 634**	**9 888**	**9 036**	**3 742**
Total liabilities	**53 415**	**12 336**	**19 935**	**18 663**	**14 723**	**7 977**
Total equity and liabilities	**152 240**	**53 547**	**86 390**	**75 099**	**69 973**	**32 223**

(1) Unaudited

9.5 Data from consolidated cash flow statements

The table below provides selected data pertaining to the Company's consolidated cash flows statements for the periods indicated. The data has been extracted from the Financial Information.

	Six-month period ended 30 June		Year ended 31 December			
Amounts in NOK thousand	**2024 [1)]**	**2023 [1)]**	**2023 (IFRS)**	**2022 (IFRS)**	**2022 (NGAAP)**	**2021 (NGAAP)**
Operating profit/loss	-31 871	-16 224	-35 322	-16 674	-16 950	-15 979
Depreciation and amortization	2 162	1 498	3 253	2 284	2 748	598
Non-cash employee benefit expense - option plan	3 355	1 961	3 691	919	0	0
Change in receivables and payables	2 312	745	-1 342	-1 528	-1 528	1 450
Other adjustments	-1 719	-9 289	-4 822	-2 680	-1 591	159
Income taxes paid	0	0	-1 462	-527	-527	0
Net cash flow from operating activities	**-25 761**	**-21 309**	**-36 004**	**-18 206**	**-17 848**	**-13 772**
Payment for acquisition of subsidiary, net of cash acquired	0	0	0	-5 708	-5 708	-6 943
Payments for property, plant and equipment	-4 036	373	-1 215	-3 490	-3 490	0
Net cash flow from investing activities	**-4 036**	**373**	**-1 215**	**-9 198**	**-9 198**	**-6 943**
Proceeds from issues of shares and other equity securities	90 000	0	42 500	48 260	48 260	26 791
Share issue costs	-7 182	0	0	0	0	0
Net changes in borrowings and lease liabilities	0	0	-4 565	5 511	5 375	3 491
Net cash flow from financing activities	**82 819**	**0**	**37 935**	**53 771**	**53 635**	**30 282**
Net changes in cash and cash equivalents	**53 022**	**-20 936**	**715**	**26 367**	**26 589**	**9 567**
Cash at beginning of the period	**48 345**	**47 630**	**47 630**	**21 042**	**21 042**	**11 476**
Currency translation of cash and cash equivalents	0	0	0	221	0	0
Cash at the end of the period	**101 367**	**26 694**	**48 345**	**47 630**	**47 631**	**21 043**

[1)] Unaudited

9.6 Data from statements of changes in equity

The table below provides selected data pertaining to the Company's consolidated statements of changes in equity for the periods indicated. The data has been extracted from the Financial Information.

Amounts in NOK thousand	Share capital	Share premium	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interest	Total equity
Equity as at 01.01.2021	**32 511**	**-**	**-19 185**	**-**	**13 326**	**-**	**13 326**
Profit for the period			-15 877		**-15 877**		**-15 877**
Issue of share capital	6 682		20 108		**26 790**		**26 790**
Other comprehensive income			6	222	**228**		**228**
Share-based payments					**-**		**-**
Equity as at 31.12.2021	**39 193**	**-**	**-14 948**	**222**	**24 467**	**-**	**24 467**
							-
Equity as at 01.01.2022	**39 193**	**-**	**-14 948**	**222**	**24 467**	**-**	**24 467**
Profit for the period			-17 135	-9	**-17 144**		**-17 144**
Issue of share capital	7 953	40 307			**48 260**		**48 260**
Other comprehensive income					**-**		**-**
Share-based payments			919	-66	**853**		**853**
Equity as at 31.12.2022	**47 146**	**40 307**	**-31 164**	**147**	**56 436**	**-**	**56 436**
Equity as at 01.01.2023	**47 146**	**40 307**	**-31 164**	**147**	**56 436**	**-**	**56 436**
Profit for the period	-	-	-35 487		**-35 487**	52	**-35 435**
Issue of share capital	6 800	35 700	-	-	**42 500**	-	**42 500**
Other comprehensive income	-	-	-	-70	**-70**	-	**-70**
Share-based payments	-	-	3 023	-	**3 023**	-	**3 023**
Equity as at 31.12.2023	**53 946**	**76 007**	**-63 628**	**77**	**66 403**	**52**	**66 455**
							-
Equity as at 01.01.2024	**53 946**	**76 007**	**-63 628**	**77**	**66 403**	**52**	**66 455**
Profit for the period	-	-	-30 406	-	-30 406	-303	**-30 708**
Issue of share capital	23 616	35 669	-	-	59 284	-	**59 284**
Other comprehensive income	-	-	-	-525	-525	-	**-525**
Adjustment related to acquisition of subsidiary					-	500	**500**
Share-based payments	-	-	3 820	-	3820	-	**3 820**
Equity as at 30.06.2024[1)]	**77 562**	**111 676**	**-90 213**	**-448**	**98 576**	**249**	**98 825**

(1) Unaudited

10 OPERATING AND FINANCIAL REVIEW

10.1 Significant factors affecting the Group's income statement and statement of financial positions

The Group's results of operations and financial performance have been affected by a range of factors and may continue to be affected by some or all of these factors. The factors that the Company believes have had a material effect on the Group's result of operations during the financial periods under review, as well as those considered likely to have a material effect on its results of operations and financial performance in the future, are described below.

Strategic growth

Since 2021, the Company has invested in tangible and intangible assets, as well as hiring highly skilled key personnel to ensure sensor development and production directly controlled by Lifecare. Lifecare NanoBioSensors was acquired in 2021, Lifecare Laboratory was acquired in 2022, Lifecare Chemistry was established in 2022, Lifecare Veterinary was acquired in 2023 and RemovAid was acquired in 2024. As such, the Group has gone from two full time employees in 2021 to 28 full time and 13 part time employees as at 30 June 2024. In addition to increasing the organization's R&D capacity through the subsidiaries, the Company has also expanded the organization at the headquarter. Additionally, key personell that previously worked as consultants for the Group have been hired as full-time employees. The increase in staff has impacted the salaries and personell expenses over the period.

Due to strategic priorities, the Group has also focused its resources on main R&D and internal development projects. Consequently, revenues from sale of laboratory services offered by Lifecare Laboratory have decreased from 2022 to 2024.

Continued R&D, preparations for production and continued investments in personnel and infrastructure to support and accelerate the Group's development, are expected to continue to impact profitability in the near to medium term.

Research and Development (R&D)

The Group has invested significantly in R&D since 2021, with the development of the Sencell technology, a next-generation CGM system. In addition to human applications, the Group is also targeting expansion into the veterinary market for its CGM technology.

With the acquisition of Lifecare NanoBioSensors in 2021, the Company acquired a license agreement for Nano3DSense. This license ensured the Group's production capacity of nanoscale pressure elements on the sensor, being important for the miniaturization process. Furthermore, personnel with direct experience from the production of nano-pressure sensors for use on Sencell were recruited to ensure effective in-house development and production. The further improved R&D capacity in 2022 was important for the preparations and execution of the Clinical Development Study LFS-SEN-001. During 2022, Lifecare reached an important scientific milestone with the reproduction of stable signals and measurements in vitro with the miniaturized sensor prototype intended for use in LFS-SEN-001. This milestone confirmed functionality of Lifecare's proprietary technology both in the nanoscale of the miniaturized sensors, as well as the signal readout based on the Nano Tunneling Resistive (NTR) pressure sensing. Lifecare initiated the Clinical Development Study LFS-SEN-001 mid 2022. An important part of the development study was to adjust, improve and further develop the sensors.

In 2023 and 2024, Lifecare has gone from manual production to pilot production with machines and has executed important manufacturing preparations. The further development and process adjustments from pilot production to automated processes and volume processes are complex, as are all development steps towards manufacturing. With investment in machines and equipment, the Group has increased its book values of tangible assets. Additionally, the Group has expensed an increasing R&D cost over the period from 2021 to 2024. This has had an impact on the Group's profit. With the establishment of the automated production, the Group expects that the efficiency and quality of production will increase going forward. The commercial goal of 2024 is to launch the first CGM in the veterinary market.

10.2 Operating segments

For management purposes, the assessment is that the Group has one operating segment, which is the development of advanced sensor technologies for continuous monitoring of glucose level.

10.3 Financial review of the Group's income statement

10.3.1 Description of income statement line items

10.3.1.1 Revenue and other income

The Group's revenues relate from general laboratory services provided by Lifecare Laboratory in Germany for medical institutions. In addition, the Group has income from various grants as well as tax savings related to expenses R&D activities. Both the parent company and subsidiaries have continuously applied for and secured grants from both national and European public programs to support the Group's R&D and demonstration efforts. Other income relates mainly to income from rental of office/laboratory space.

10.3.1.2 Salaries and other personnel expenses

The Group's salaries and personnel expenses include all cost related to employees, including salaries, social security cost, pension, other employee expenses as well as the share option program. Fees to the board of directors and other committees are also included.

10.3.1.3 Depreciation and amortization

Depreciation and amortization consist of depreciation and amortization associated with the Group's property, plant and equipment, intangible assets and right of use assets.

10.3.1.4 Other operating expenses

Other operating expenses consist mainly of R&D costs, consultancy fees, IT services and cost, auditor fees, office equipment and other operating expenses.

10.3.1.5 Operating profit/loss

Operating profit/loss consists of revenue and other income deducted for salaries and personnel expenses, depreciation and amortization and other operating expenses.

10.3.1.6 Net financial items

Net financial items include interest income and expenses primarily from bank deposits and lease liabilities, tax repaid and foreign exchange gains and losses.

10.3.1.7 Profit/loss before tax

Profit or loss before tax is the Group's operating profit/loss deducted for net financial items.

10.3.1.8 Income tax

Income tax consists of any current income tax in accordance with the Group's tax returns and deferred taxes.

10.3.1.9 Profit/loss for the period

Net profit or loss for the period is the Group's profit or loss before tax after deducting tax expenses.

10.3.2 Results of operations for the six-month periods ended 30 June 2024 compared to the six-month period ended 30 June 2023

The table below provides selected data pertaining to the Group's income statements for the six-month periods ended 30 June 2024 and 2023 (extracted from the Interim Financial statements attached to this Prospectus).

Amounts in NOK thousand	YTD 30 June 2024[1)]	YTD 30 June 2023[1)]
Revenue and other income	6 850	3 840
Salaries and personnel expenses	-17 306	-10 229

Depreciation and amortization	-2 162	-1 498
Other operating expenses	-19 089	-7 982
Operating profit/loss	**-31 706**	**-15 869**
Net financial items	-165	-355
Profit before tax	**-31 871**	**-16 224**
Income tax	637	-432
Profit/loss for the period	**-31 233**	**-16 656**

(1) Unaudited

10.3.2.1 Revenue and other income

Revenue and other income for the six-month period ended 30 June 2024 increased by approximately NOK 3 million, or 78% compared to the same period prior year, mainly as a result of grants applied for and received.

10.3.2.2 Salaries and other personnel expenses

Salaries and other personnel expenses for the six-month period ended 30 June 2024 increased by approximately NOK 7 million, or close to 69%, compared to the same period prior year. The increase is explained mainly by continued investments in personnel, with a cost increase of around 10 full time employees, to support and accelerate the Group's production and preparations for the commercial phase.

10.3.2.3 Depreciation and amortization

Depreciation and amortization for the six-month period ended 30 June 2024 was approximately NOK 2.2 million, compared to approximately NOK 1.5 million for the same period in the prior year. The increase of approximately NOK 0.7 million, corresponding to approximately 44%, was due to increased depreciation of tangible assets as a result of investments in assets and increased depreciation on leased assets (right of use assets).

10.3.2.4 Other operating expenses

Other operating expenses for the six-month period ended 30 June 2024 increased to approximately NOK 19 million compared to NOK 8 million the same period prior year. The increase is mainly related to the ramp up of the R&D activities, as well as general overhead and administrative costs to support and accelerate the Group's activities.

10.3.2.5 Operating profit/loss

The Group's operating loss for the six-month period ended 30 June 2024 came close to NOK 32 million, compared to a loss of NOK 16 million for the same period prior year. The increased loss was mainly driven by increased activities in R&D, with in-house personnel and infrastructure to support and accelerate the Group's activities as described above.

10.3.2.6 Net financial items

Net financial items consisted of interest income from cash and foreign exchange gains/losses. For the six-month period ended 30 June 2024 the net financial loss was NOK 0.2 million, compared to a loss of NOK 0.4 million for the same period prior year.

10.3.2.7 Profit/loss before tax

The Group's loss before tax for the six-month period ended 30 June 2024 was approximately NOK 32 million, compared to a loss before tax of approximately NOK 16 million for the same period in the prior year. The increased loss of approximately NOK 16 million was mainly driven by cost related to continued investments in R&D, personnel and infrastructure to support and accelerate the Group's activities as described above.

10.3.2.8 Income tax

The Group's tax income for the six-month period ended 30 June 2024 has been estimated to NOK –0.6 million, compared to an estimated tax expense of NOK 0.4 million for the same period last year.

10.3.2.9 Profit/loss for the period

The Group's loss after tax for the six-month period ended 30 June 2024 was approximately NOK 31 million, compared to a loss before tax of approximately NOK 17 million for the same period in the prior year. The increased loss of approximately NOK 14 million was mainly driven by cost related to continued investments in R&D, personnel and infrastructure to support and accelerate the Group's activities as described above.

10.3.3 Results of operations for the financial year ended 31 December 2023 compared to the financial year ended 31 December 2022

The table below provides key financial information on the Group's historical results of operations for the financial years ended 31 December 2023 and 2022. For more information, see the Annual Financial Statements attached to this Prospectus.

Amounts in NOK thousand	FY 2023 (IFRS)	FY 2022 (IFRS)	FY 2022 (NGAAP)
Revenue and other income	13 086	22 135	22 135
Salaries and personnel expenses	-25 659	-12 177	-11 258
Depreciation and amortization	-3 253	-2 284	-2 748
Other operating expenses	-19 523	-24 578	-25 445
Operating profit/loss	**-35 348**	**-16 904**	**-17 316**
Net financial items	26	231	367
Profit before tax	**-35 322**	**-16 674**	**-16 949**
Income tax	116	-527	-527
Profit/loss for the period	**-35 206**	**-17 201**	**-17 476**

10.3.3.1 Revenue and other income

Revenue and other income for the financial year ended 31 December 2023 was approximately NOK 13 million compared to NOK 22 million for the financial year ended 31 December 2022. The decrease of approximately NOK 9 million, or 41%, is related to a reduction in revenue from laboratory services as a result of increased focus on internal R&D activities and reduction in grants applied for and received.. Revenue in 2022 was boosted by public funded Covid-19 test scheme, which was concluded in 2023. Consequently, revenues for 2023 reverted to a level comparable with third-party revenue figures before the pandemic.

Set out below is the disaggregation of the Group's revenue from laboratory services, public grants including tax refunds and rental income (extracted from the Annual Financial Statements) and revenue by geographical market for the years ended 31 December 2023 and 2022.

Amounts in NOK thousand	FY 2023	FY 2022
Revenue from laboratory services	3 886	6 778
Public grants	3 439	5 420
Other income	5 761	9 937
Total revenue and other income	**13 086**	**22 135**

Amounts in NOK thousand	FY 2023	FY 2022
Norway	4 381	5 420
Germany	8 657	16 715
UK	48	0
Total revenue and other income	**13 086**	**22 135**

10.3.3.2 Salaries and other personnel expenses

Salaries and other personnel expenses for the financial year ended 31 December 2023 increased by approximately NOK 13 million, or close to 110%, compared to the same period prior year. The increase is explained mainly by continued investments in personnel, with an increase from 23 employees to 33 employees, to support and accelerate the Group's R&D activities and preparations for production. In 2022, a long-term incentive program was established, where certain employees were awarded share options. The share options have been measured at fair value as of 2023 when the Group transitioned to IFRS, which explains the increase in the recognition of cost in the 2022 IFRS accounts vs the 2022 NGAAP account.

10.3.3.3 Depreciation and amortization

Depreciation and amortization for the financial year ended 31 December 2023 increased by approximately NOK 1 million, or 42%, compared to the same period prior year. The increase was due to increased depreciation of tangible assets as a result of higher investments in assets, as well as increased depreciation on lease liabilities (right of use assets). The difference between the 2022 IFRS account and the NGAAP account is due to the recognition of lease liabilities as right of use assets according to IFRS 16, which increased the amortization, and the derecognition of amortization of goodwill (goodwill is not amortized but tested for impairment).

10.3.3.4 Other operating expenses

Other operating expenses for the financial year ended 31 December 2023 decreased by approximately NOK 5 million compared to 2022, from approximately NOK 25 million to approximately NOK 20 million. The decrease is mainly related to a reduction in consultancy fees as the Group has increased its permanent staff, moving the expenses to salaries. The leasing liabilities have been recognized according to IFRS 16 as of 2023 when the Group transitioned to IFRS, which explains the lower expense in the 2022 IFRS account vs the 2022 NGAAP account.

10.3.3.5 Operating profit/loss

The Group's operating loss for the financial year 2023 came close to NOK 35 million, compared to a loss of NOK 17 million in 2022. The increased loss was mainly driven by continued investments in R&D, personnel and infrastructure to support and accelerate the Group's activities as described above. The difference between the operating loss in the 2022 IFRS account vs the NGAAP account is related to recognition of share options and leasing liabilities according to IFRS, as well as the derecognition of amortization of goodwill.

10.3.3.6 Net financial items

Net financial items consisted of interest income from cash and foreign exchange gains/losses. Despite higher interest income from cash in 2023, the net financial income came to NOK 26 thousand, compared to an income of NOK 200 thousand in 2022, mainly due to a higher net exchange loss. Recognition of the interest expense of the lease liability recognized according to IFRS 16 explains the higher interest expense in the 2022 IFRS account vs the 2022 NGAAP account.

10.3.3.7 Profit/loss before tax

The Group's loss before tax for the financial year ended 31 December 2023 was approximately NOK 35 million, compared to a loss before tax of approximately NOK 17 million in 2022. The increased loss of approximately NOK 19 million was mainly driven by continued investments in R&D, personnel and infrastructure to support and accelerate the Group's activities as described above. The difference between the loss before tax in the 2022 IFRS account vs the NGAAP account is related to recognition of share options and leasing liabilities according to IFRS, as well as the derecognition of amortization of goodwill.

10.3.3.8 Income tax

The Group's tax income for the financial year ended 31 December 2023 came to NOK 116 thousand, compared to an income tax expense of NOK 0.5 million in 2022.

10.3.3.9 Profit/loss for the period

The Group's loss after tax for the financial year ended 31 December 2023 was approximately NOK 35 million, compared to a loss before tax of approximately NOK 17 million in 2022. The increased loss of approximately NOK 18 million was mainly driven by continued investments in R&D, personnel and infrastructure to support and accelerate the Group's activities as described above. The difference between the loss after tax in the 2022 IFRS account vs the NGAAP account is related to recognition of share options and leasing liabilities according to IFRS, as well as the derecognition of amortization of goodwill.

10.3.4 Results of operations for the financial year ended 31 December 2022 compared to the financial year ended 31 December 2021

The table below provides key financial information on the Group's historical results of operations for the financial years ended 31 December 2022 and 2021. For more information, see the Annual Financial Statements attached to this Prospectus.

Amounts in NOK thousand	FY 2022 (IFRS)	FY 2022 (NGAAP)	FY 2021 (NGAAP)
Revenue and other income	22 135	22 135	1 599
Salaries and personnel expenses	-12 177	-11 258	-1 749
Depreciation and amortization	-2 284	-2 748	-598
Other operating expenses	-24 578	-25 445	-15 183
Operating profit/loss	**-16 904**	**-17 316**	**-15 931**
Net financial items	231	367	-49
Profit before tax	**-16 674**	**-16 949**	**-15 980**
Income tax	-527	-527	102
Profit/loss for the period	**-17 201**	**-17 476**	**-15 878**

10.3.4.1 Revenue and other income

Revenue and other income for the financial year ended 31 December 2022 was approximately NOK 22 million compared to less than NOK 2 million for the financial year ended 31 December 2021. The increase of approximately NOK 20 million is related to the acquisition of Lifecare Laboratory in 2022, which generated revenues from sale of laboratory services, including Covid-19 testing, and income from rental of office/laboratory space, as well as grants and tax refund from R&D expenses, which was limited in 2021. Public grants in 2022 included funding from the European Commission funding program Horizon 2020.

Set out below is the disaggregation of the Group's revenue from laboratory services, public grants including tax refunds and rental income (extracted from the Financial Information) and revenue by geographical market for the years ended 31 December 2022 and 2021.

Amounts in NOK thousand	FY 2022	FY 2021
Revenue from laboratory services	6 778	0
Public grants	5 420	1 275
Other income	9 937	324
Total revenue and other income	**22 135**	**1 599**

Amounts in NOK thousand	FY 2022	FY 2021
Norway	5 420	1 275
Germany	16 715	324
UK	0	0
Total revenue and other income	**22 135**	**1 599**

10.3.4.2 Salaries and other personnel expenses

Salaries and other personnel expenses for the financial year ended 31 December 2022 increased by approximately NOK 10 million, up from less than NOK 2 million compared to 2021. At year end 2021, the Group had only two employees, while at year end 2022, the Group employed 23 people. Lifecare NanoBioSensors was established in 2021, with one employee, and the parent company had one employee. In 2022, the Company reorganized its activities from use of external consultants to establishment of own employee to increase its focus on the main R&D activity of developing the Sencell sensor. Lifecare Laboratory was acquired in 2022.

Also, in 2022 a long-term incentive program was established, where certain employees were awarded share options. The share options have been measured at fair value as of 2023 when the Group transitioned to IFRS, which explains the increase in the recognition of cost in the 2022 IFRS account vs the 2022 NGAAP account.

10.3.4.3 Depreciation and amortization

Depreciation and amortization for the financial year ended 31 December 2022 increased by approximately NOK 2 million, compared to the same period prior year. The increase was due to purchase of tangible assets which increased the depreciation of tangible assets. The difference between the 2022 IFRS account and the NGAAP account is due to the recognition of lease liabilities as right of use assets according to IFRS 16, which increased the amortization, and the derecognition of amortization of goodwill (goodwill is not amortized but tested for impairment).

10.3.4.4 Other operating expenses

Other operating expenses for the financial year ended 31 December 2022 increased by approximately NOK 9 million compared to 2021, from approximately NOK 15 million to approximately NOK 25 million. The increase is mainly related to the reorganization with the acquisition of Lifecare NanoBioSensors and Lifecare Laboratory. The leasing liabilities have been recognized according to IFRS 16 as of 2023 when the Group transitioned to IFRS, which explains the lower expense in the 2022 IFRS account vs the 2022 NGAAP account.

10.3.4.5 Operating profit/loss

The Group's operating loss for the financial year 2022 came to approximately NOK 17 million, compared to a loss of approximately NOK 16 million in 2021. The change of 6% is due to the increase in revenues from 2021 to 2022 as described above, despite operating expenses increased by more than 120%. The difference between the operating loss in the 2022 IFRS account vs the NGAAP account is related to recognition of share options and leasing liabilities according to IFRS, as well as the derecognition of amortization of goodwill.

10.3.4.6 Net financial items

Net financial items consisted of interest income from cash and foreign exchange gains/losses. Due to higher interest income from cash in 2022, the net financial income came to NOK 0.2 million in 2022 compared to a loss of NOK 49 thousand in 2021. Recognition of the interest expense of the lease liability recognized according to IFRS 16 explains the higher interest expense in the 2022 IFRS account vs the 2022 NGAAP account.

10.3.4.7 Profit/loss before tax

The Group's operating loss before tax for the financial year 2022 came to approximately NOK 17 million, compared to a loss of approximately NOK 16 million in 2021. The change is due to the increase in revenues from 2021 to 2022 as described above, despite operating expenses increasing as a result of reorganizing the activities. The difference between the loss before tax in the 2022 IFRS account vs the NGAAP account is related to recognition of share options and leasing liabilities according to IFRS, as well as the derecognition of amortization of goodwill.

10.3.4.8 Income tax

The Group's income tax expense for the financial year ended 31 December 2022 came to NOK 0.5 million, compared to a tax income of NOK 0.1 million in 2021.

10.3.4.9 Profit/loss for the period

The Group's loss after tax for the financial year ended 31 December 2022 was approximately NOK 17 million, compared to a loss before tax of approximately NOK 16 million in 2021. The change is due to the increase in revenues from 2021 to 2022 as described above, despite operating expenses increasing as a result of reorganizing the activities. The difference between the loss after tax in the 2022 IFRS account vs the NGAAP account is related to recognition of share options and leasing liabilities according to IFRS, as well as the derecognition of amortization of goodwill.

10.4 Financial review of the Company's consolidated financial position

10.4.1 Description of balance sheet line items

10.4.1.1 Total non-current assets

Total non-current assets comprise intangible assets, property, plant & equipment and right-of-use assets.

10.4.1.2 Total current assets

Total current assets comprise mainly inventories, trade receivables, other current assets, and cash and cash equivalents.

10.4.1.3 Total assets

Total assets are the total of non-current assets and current assets.

10.4.1.4 Total equity

Total equity is the sum of contributed capital (share capital and share premium), other paid-in capital, and other equity.

10.4.1.5 Total non-current liabilities

Total non-current liabilities comprise of lease liabilities, non-current liabilities and deferred tax liabilities.

10.4.1.6 Total current liabilities

Total current liabilities consist of trade and other payables, short-term lease liabilities, income tax payable and other current liabilities, including warrants recognized in 2024.

10.4.1.7 Total liabilities

Total liabilities are the total of non-current liabilities and current liabilities.

10.4.2 Statement of consolidated financial position as at 30 June 2024 compared to 30 June 2023

The table below provides selected data pertaining to the Group's statements of financial position as at 30 June 2024 and 2023 (extracted from the Interim Financial Statements attached to this Prospectus).

Amounts in NOK thousand	30 June 2024[1)]	30 June 2023[1)]
Total non-current assets	**31 827**	**19 548**
Total current assets	**120 414**	**33 999**
Total assets	**152 240**	**53 547**
Total equity	**98 825**	**41 211**
Total non-current liabilities	**11 335**	**9 198**
Total current liabilities	**42 080**	**3 138**
Total liabilities	**53 415**	**12 336**

(1) Unaudited

10.4.2.1 Total non-current assets

The Group's total non-current assets as at 30 June 2024 were approximately NOK 32 million, compared to approximately NOK 20 million as at 30 June 2023. The increase of approximately NOK 12 million, or 63%, was principally driven by investment in equipment related to the automated production line, in addition to recognition of a new rental agreement (right of use assets) at the headquarters.

10.4.2.2 Total current assets

The Group's total current assets as at 30 June 2024 were approximately NOK 120 million, compared to approximately NOK 34 million as at 30 June 2023. The increase of NOK 86 million, or close to 254%, was driven by increased cash and cash equivalents from the rights issue completed in June 2024, raising gross proceeds of NOK 90 million.

10.4.2.3 Total assets

The Group's total assets for the period ended 30 June 2024 were approximately NOK 152 million, compared to approximately NOK 54 million as at 30 June 2023. The increase of approximately NOK 99 million, or 184%, was driven by the rights issue completed in June 2024 and the investment in equipment for automated production line.

10.4.2.4 Total equity

The Group's total equity as at 30 June 2024 was approximately NOK 99 million, compared to approximately NOK 41 million as at 30 June 2023. The increase of approximately NOK 57 million was due to the rights issue completed in June 2024 raising gross proceeds of NOK 90 million and a private placement completed in November 2023 raising gross proceeds of NOK 42.5 million, offset by net losses for the period. Liabilities related to the warrants issued in June 2024, which can be exercised in June 2025, are included with NOK 23.7 million as of 30 June 2024.

10.4.2.5 Total non-current liabilities

The Group's total non-current liabilities as at 30 June 2024 were approximately NOK 11 million, compared to approximately NOK 9 million as at 30 June 2023. The increase of NOK 2 million, or approximately 23%, was primarily driven by a new lease agreement (right of use assets) at the headquarters.

10.4.2.6 Total current liabilities

The Group's total current liabilities as at 30 June 2024 were approximately NOK 42 million, compared to approximately NOK 3 million as at 30 June 2023. The increase of close to NOK 35 million was primarily driven by the recognition of warrants (according to IAS 32) issued in June 2024 in connection with the rights issue, in addition to the ramp up of the business activities as part of preparing production as well as the acquisition of RemovAid.

10.4.2.7 Total liabilities

The Group's total liabilities as at 30 June 2024 were approximately NOK 53 million, compared to approximately NOK 12 million as at 30 June 2023. The increase of NOK 39 million was primarily driven by the issue of warrants recognized according to IAS 32, in addition to increased business activity and the new leasing agreement.

10.4.3 Statement of consolidated financial position as at 31 December 2023 compared to 31 December 2022

The table below summarizes data from the Group's statement of financial position related to the Company's activities and is extracted from the Company's audited consolidated annual financial statement for the financial year ended 31 December 2023 with comparative information for the financial year ended 31 December 2022. Please see the Financial Information attached to this Prospectus for further information.

Amounts in NOK thousand	31 December 2023 (IFRS)	31 December 2022 (IFRS)	31 December 2022 (NGAAP)
Total non-current assets	**22 345**	**20 329**	**15 204**
Total current assets	**64 044**	**54 769**	**54 769**
Total assets	**86 390**	**75 099**	**69 973**
Total equity	**66 455**	**56 436**	**55 250**
Total non-current liabilities	**9 302**	**8 776**	**5 687**
Total current liabilities	**10 634**	**9 888**	**9 036**
Total liabilities	**19 935**	**18 663**	**14 723**
Total equity and liabilities	**86 390**	**75 099**	**69 973**

10.4.3.1 Total non-current assets

The Group's total non-current assets as at 31 December 2023 were approximately NOK 22 million, compared to approximately NOK 20 million as at 31 December 2022. The increase of approximately NOK 2 million, or 10%, was driven by increases in right of use assets related to lease of office and laboratory space. The increase in the 2022 IFRS account vs the NGAAP account is due to the recognition of lease liabilities as right of use assets according to IFRS 16 and the derecognition of amortization of goodwill according to IFRS (goodwill is not amortized but tested for impairment).

10.4.3.2 Total current assets

The Group's total current assets as at 31 December 2023 were approximately NOK 64 million, compared to approximately NOK 55 million as at 31 December 2022. The increase of NOK 9 million, or 17%, was driven mainly by an increase of trade and other short-term receivables.

10.4.3.3 Total assets

The Group's total assets for the financial year ended 31 December 2023 were approximately NOK 86 million, compared to approximately NOK 75 million as at 31 December 2023. The increase of approximately NOK 11 million, or 15%, was driven mainly by the increase in trade and other short-term receivables. The increase in the 2022 IFRS account vs the NGAAP account is due to the recognition of lease liabilities as right of use assets according to IFRS 16 and the derecognition of amortization of goodwill according to IFRS (goodwill is not amortized but tested for impairment).

10.4.3.4 Total equity

The Group's total equity as at 31 December 2023 was approximately NOK 66 million, compared to approximately NOK 56 million as at 31 December 2022. The increase of approximately NOK 10 million, or 18%, was due to a private placement completed in November 2023 raising gross proceeds of NOK 42.5 million, offset by net losses for the period. The increase in the 2022 IFRS account vs the NGAAP account is due to the recognition of lease liabilities as right of use assets according to IFRS 16, the derecognition of amortization of goodwill according to IFRS (goodwill is not amortized but tested for impairment) as well as the recognition of share options measured at fair value.

10.4.3.5 Total non-current liabilities

The Group's total non-current liabilities as at 31 December 2023 were approximately NOK 9 million, and stable compared to 31 December 2022. The increase in the 2022 IFRS account vs the NGAAP account is due to the recognition of the non-current lease liabilities as right of use assets according to IFRS 16.

10.4.3.6 Total current liabilities

The Group's total current liabilities as at 31 December 2023 were approximately NOK 11 million, compared to approximately NOK 10 million as at 31 December 2022. The increase of NOK 1 million, or approximately 8%, was primarily driven by the ramp up of business activities with an increase in trade payables. The increase in the 2022 IFRS account vs the NGAAP account is due to the recognition of current lease liabilities as right of use assets according to IFRS 16.

10.4.3.7 Total liabilities

The Group's total liabilities as at 31 December 2023 were approximately NOK 20 million, compared to approximately NOK 19 million as at 31 December 2022. The increase of NOK 1 million, or 7%, was primarily driven by the increased business activity. The increase in the 2022 IFRS account vs the NGAAP account is due to the recognition of lease liabilities as right of use assets according to IFRS 16.

10.4.4 Statement of consolidated financial position as at 31 December 2022 compared to 31 December 2021

The table below summarizes data from the Group's statement of financial position related to the Company's activities and is extracted from the Company's audited consolidated annual financial statement for the financial year ended 31 December 2022 with comparative information for the financial year ended 31 December 2021.

Amounts in NOK thousand	31 December 2022 (IFRS)	31 December 2022 (NGAAP)	31 December 2021 (NGAAP)
Total non-current assets	**20 329**	**15 204**	**8 753**
Total current assets	**54 769**	**54 769**	**23 469**
Total assets	**75 099**	**69 973**	**32 222**

Total equity	**56 436**	**55 250**	**24 246**
Total non-current liabilities	**8 776**	**5 687**	**4 235**
Total current liabilities	**9 888**	**9 036**	**3 742**
Total liabilities	**18 663**	**14 723**	**7 977**
Total equity and liabilities	**75 099**	**69 973**	**32 223**

10.4.4.1 Total non-current assets

The Group's total non-current assets as at 31 December 2022 were approximately NOK 20 million, compared to approximately NOK 9 million as at 31 December 2021. The increase of approximately NOK 11 million was principally driven by increases in intangible assets and property, plant and equipment from the acquisition of both Lifecare NanoBioSensors and Lifecare Laboratory. The increase in the 2022 IFRS account vs the NGAAP account is due to the recognition of lease liabilities as right of use assets according to IFRS 16 and the derecognition of amortization of goodwill according to IFRS (goodwill is not amortized but tested for impairment).

10.4.4.2 Total current assets

The Group's total current assets as at 31 December 2022 were approximately NOK 55 million, compared to approximately NOK 23 million as at 31 December 2021. The increase of NOK 31 million, or 133%, was driven mainly by the increase in cash and cash equivalent from private placements completed in May and July 2022 raising gross proceeds of NOK 48 million.

10.4.4.3 Total assets

The Group's total assets for the financial year ended 31 December 2022 were approximately NOK 75 million, compared to approximately NOK 32 million as at 31 December 2021. The increase of approximately NOK 43 million was driven mainly by the increase in cash and cash equivalent from private placements completed in May and July 2022 raising gross proceeds of NOK 48 million. The increase in the 2022 IFRS account vs the NGAAP account is due to the recognition of lease liabilities as right of use assets according to IFRS 16 and the derecognition of amortization of goodwill according to IFRS (goodwill is not amortized but tested for impairment).

10.4.4.4 Total equity

The Group's total equity as at 31 December 2022 was approximately NOK 56 million, compared to approximately NOK 24 million as at 31 December 2021. The increase of approximately NOK 32 million, or 133%, was due to the private placements completed in May and July 2022 raising gross proceeds of NOK 48 million, offset by net losses for the period. The increase in the 2022 IFRS account vs the NGAAP account is due to the recognition of lease liabilities as right of use assets according to IFRS 16, the derecognition of amortization of goodwill according to IFRS (goodwill is not amortized but tested for impairment) as well as the recognition of share options measured at fair value.

10.4.4.5 Total non-current liabilities

The Group's total non-current liabilities as at 31 December 2022 were approximately NOK 9 million, up by approximately NOK 5 million compared to approximately NOK 4 million as at 31 December 2021. The difference was mainly related to lease liabilities activated as right of use assets according to IFRS 16. The increase in the 2022 IFRS account vs the NGAAP account is due to the recognition of the non-current lease liabilities as right of use assets according to IFRS 16.

10.4.4.6 Total current liabilities

The Group's total current liabilities as at 31 December 2022 were approximately NOK 10 million, compared to approximately NOK 4 million as at 31 December 2021. The increase of NOK 6 million, or 164%, was primarily driven

by the ramp up of business activities with an increase in trade payables and other current liabilities. The increase in the 2022 IFRS account vs the NGAAP account is due to the recognition of current lease liabilities as right of use assets according to IFRS 16.

10.4.4.7 Total liabilities

The Group's total liabilities as at 31 December 2022 were approximately NOK 19 million, compared to approximately NOK 8 million as at 31 December 2021. The increase of NOK 11 million, or 134%, was primarily driven by the increased business activity as well as lease liabilities activated as right of use assets according to IFRS 16. The increase in the 2022 IFRS account vs the NGAAP account is due to the recognition of lease liabilities as right of use assets according to IFRS 16.

10.5 Liquidity and capital resources

10.5.1 Sources of liquidity

The Group's principal sources of liquidity is from issues of equity, supplemented by limited public grants and external revenue from laboratory services.

The main goal of the Group's capital structure management is to ensure it maintains a level of equity which is reasonable in relation to the Group's operations and R&D activities. The Group is a growth company where investments in R&D, quality assurance, production equipment and facilities as well as general business development is necessary to secure future growth and profitability, and the Group may need to raise further financing in the future to fully fund its business plan. The main financing method is expected to be equity financing. The Group aims to provide its shareholders with a competitive return on their shares, mainly through price increases in the Group's shares. The Group is not expecting to pay dividends based on financial performance in the nearest periods (for more information on dividends and dividend policy, see Section 5 "Dividends and dividend policy" of this Prospectus). The Group manages and makes necessary changes to its capital structure by regularly assessing prevailing economic conditions and prospects of short and medium-term growth.

Capital structure management is largely dealt with by means of new share issues. Since 2021, the Company has completed the following share issues.

- In 2021, the Company completed two private placements raising gross proceeds of NOK 26.8 million
- In 2022, the Company completed three private placements raising gross proceeds of NOK 48.3 million
- In 2023, the Company completed one private placement raising gross proceeds of NOK 42.5 million
- In 2024, the Company completed a partially underwritten rights issue raising gross proceeds of NOK 90 million

Please refer to section 12.3 "Share capital and share capital history" for more details of the share issues.

The net proceeds from these share issues have been used to finance the Company's plans for continued research, development and clinical studies of the implantable sensor Sencell towards CE mark, as well as ensuring working capital and strengthening of the balance sheet to ensure flexibility and continued development of the company. As at 30 June 2024, the Group had equity of approximately NOK 99 million and an equity ratio of 65%. The net proceeds from the rights issue completed in June 2024 will support the Company's development and business plans for the remaining of the 2024 for the first half of 2025. The subscribers in the rights issue completed in June 2024, were allocated one Warrant for every two offer shares allocated to and paid by them in the rights issue. In total, 54,519,424 Warrants were allocated to the subscribers in the rights issue. Following the consolidation of the Warrants in a ratio of 13:1 (as described in section 12.8 "Warrants"), the number of outstanding Warrants as of today is 4,193,806. These warrants may be exercised during the exercise period from 2 June 2025 to 13 June 2025. If all the warrants are exercised, the Company expects to raise additional gross proceeds of up to approximately NOK 108 million (based on the maximum exercise price of NOK 25.76262). This will secure further funding for the short to medium term.

10.5.1.1 Bank deposits

The excess liquidity for the Group is invested in bank deposits, cash and cash equivalents. Cash & cash equivalents consist of cash in hand and at bank. Cash is primarily held in NOK, which is transferred to the Company's subsidiaries

as needed and then, if relevant, converted to the local currency of the subsidiaries, including EUR and GBP. Any positive balances against bank overdrafts are included as a component of cash and cash equivalents in the Company's consolidated cash flow statements. Bank overdrafts (if any) are reported under short-term loans in the balance sheet. The Company has access to an overdraft facility of EUR 10,000. Received interest income is classified as investment activities and interest payments is classified as investment activities in the cash flow statement.

The table below shows an overview of consolidated bank deposits, cash and cash equivalents as at 30 June 2024 and 2023, and as at 31 December 2023, 2022 and 2021.

Amounts in NOK thousand	30 June 2024[1)]	30 June 2023[1)]	31 December 2023	31 December 2022	31 December 2021
Cash at bank and in hand	101 367	26 694	48 345	47 630	21 042
Cash and cash equivalents	**101 367**	**26 694**	**48 345**	**47 630**	**21 042**
Bank overdrafts	0	0	0	0	0
Cash and cash equivalents in the cash flow analysis	101 367	26 694	48 345	47 630	21 043
Undrawn overdraft facility	114	117	112	105	0
Restricted funds included in cash and cash equivalents [2)]	776	277	304	243	55

(1) Unaudited

(2) Restricted tax withholdings.

10.5.1.2 Restrictions on use of capital

The parent company Lifecare ASA controls the cash balance of the Group. The main portion of the Group's cash balance is held by the parent company to cover the daily liquidity requirements of the administrative services performed by the parent company and the R&D activities of the subsidiaries. The entities have restricted bank deposits for employee withholding tax. The Group does not have any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the Group's operations.

10.5.1.3 Financing arrangements and interest-bearing liabilities

The Group does not have any financing arrangements, and as such no interest-bearing liabilities.

10.5.2 Description of cash flows

10.5.2.1 Summarized cash flow information

The following table provides selected data pertaining to the Company's summarised consolidated historical cash flows for the years ended 31 December 2023, 2022 and 2021 (extracted from the Annual Financial Statements attached to this Prospectus) and for the six-month period ended 30 June 2024 and 2023 (extracted from the Interim Financial Statements attached to this Prospectus).

Amounts in NOK thousand	YTD 30 June 2024[1)]	YTD 30 June 2023[1)]	FY 2023 (IFRS)	FY 2022 (IFRS)	FY 2022 (NGAAP)	FY 2021 (NGAAP)
Net cash flow from operating activities	**-25 761**	**-21 309**	**-36 004**	**-18 206**	**-17 848**	**-13 772**
Net cash flow from investing activities	**-4 036**	**373**	**-1 215**	**-9 198**	**-9 198**	**-6 943**
Net cash flow from financing activities	**82 819**	**0**	**37 935**	**53 771**	**53 635**	**30 282**

Net changes in cash and cash equivalents	**53 022**	**-20 936**	**715**	**26 367**	**26 589**	**9 567**
Cash at the end of the period	**101 367**	**26 694**	**48 345**	**47 630**	**47 630**	**21 043**

(1) Unaudited

10.5.2.2 The six-month period ended 30 June 2024 compared to the six-month period ended 30 June 2023

Consolidated cash flow from operating activities

Net consolidated cash outflow from operating activities for the six-month period ended 30 June 2024 was approximately NOK 26 million compared to a net cash outflow of approximately NOK 21 million for the six-month period ended 30 June 2023. The increase in outflow was primarily driven by ramp up of business activities including an increase in net working capital following the acquisition of RemovAid.

Consolidated cash flow from investment activities

Net cash outflow for investment activities for the six-month period ended 30 June 2024 was approximately NOK 4 million compared to an outflow of approximately NOK 0.3 million for the six-month period ended 30 June 2023. The higher net consolidated cash outflow from investment activities in the period mainly reflects investments in laboratory equipment and preparations for production.

Consolidated cash flow from financing activities

Net consolidated cash inflow from financing activities for the six-month period ended 30 June 2024 was approximately NOK 83 million compared to an outflow of none for the period ended 30 June 2023 due to the rights issue completed in June 2024.

10.5.2.3 The financial year ended 31 December 2023 compared to the financial year ended 31 December 2022

Consolidated cash flow from operating activities

Net consolidated cash outflow from operating activities for the year ended 31 December 2023 was approximately NOK 36 million compared to a net cash outflow of approximately NOK 18 million for the year ended 31 December 2022. The increase in outflow was primarily driven by increase in in-house R&D activities including investments in staff. The difference between the 2022 IFRS and NGAAP net cash flow from operating activities is related to the recognition of share options and lease liabilities as right of use assets according to IFRS, and the derecognition of amortization of goodwill.

Consolidated cash flow from investment activities

Net cash outflow for investment activities for the financial year ended 31 December 2023 was approximately NOK 1 million compared to an outflow of approximately NOK 9 million for the year ended 31 December 2022. The lower net consolidated cash outflow from investment activities in the period mainly reflects the acquisition of Lifecare Laboratory in 2022.

Consolidated cash flow from financing activities

Net consolidated cash inflow from financing activities for the financial year ended 31 December 2023 was approximately NOK 38 million compared to NOK 54 million for the year ended 31 December 2022 due to the proceeds from the private placements of NOK 42.4 million in 2023 and NOK 48.2 million in 2022. The difference between the IFRS and NGAAP net cash flow from financing activities is related to the recognition of payment of lease liabilities.

10.5.2.4 The financial year ended 31 December 2022 compared to financial ended 31 December 2021

Consolidated cash flow from operating activities

Net consolidated cash outflow from operating activities for the year ended 31 December 2022 was approximately NOK 18 million compared to a net cash outflow of approximately NOK 14 million for the year ended 31 December 2021. The increase in outflow was primarily driven by increase in in-house R&D activities including investments in

staff. The difference between the 2022 IFRS and NGAAP net cash flow from operating activities is related to the recognition of share options and lease liabilities as right of use assets according to IFRS, and the derecognition of amortization of goodwill.

Consolidated cash flow from investment activities

Net cash outflow for investment activities for the financial year ended 31 December 2022 was approximately NOK 9 million compared to a cash outflow of approximately NOK 7 million for the year ended 31 December 2021. The higher net consolidated cash outflow from investment activities in the period mainly reflects the acquisition of Lifecare Laboratory in 2022.

Consolidated cash flow from financing activities

Net consolidated cash inflow from financing activities for the financial year ended 31 December 2022 was approximately NOK 54 million compared to NOK 30 million for the year ended 31 December 2021 due to the proceeds from the private placements of NOK 48.2 million in 2022 and NOK 26.8 million in 2021. The difference between the IFRS and NGAAP net cash flow from financing activities is related to the recognition of payment of lease liabilities.

10.6 Investments

10.6.1 Historical investments

The table below shows the investments of the Group for the periods ended 30 June 2024 and 2023 (extracted from the Interim Financial Statements), and the financial years ended 31 December 2023, 2022 and 2021 (extracted from the Annual Financial Statements). The Company does not report investments by geographical regions.

Amounts in NOK thousand	30 June 2024[1)]	30 June 2023[1)]	31 December 2023	31 December 2022	31 December 2021
Intangible assets	0	0	0	5 708	9 100
Property, plant and equipment	4 036	0	1 215	3 490	34
Total investments	**4 036**	**0**	**1 215**	**9 198**	**9 134**

(1) Unaudited

The material investments of the Group in property, plant and equipment are primarily related to laboratory and office equipment. Investments in intangible assets relate to patents and goodwill arising from the acquisitions of Lifecare NanoBioSensors in 2021 and Lifecare Laboratory in 2022.

10.6.1.1 Acquisition of Lifecare NanoBioSensors GmbH

In June 2021, the Company completed the 100% acquisition of cantiMED UG, renamed NanoBioSensors GmbH, from Nanoscale Systems, Nanoss GbmH. The acquisition included a license ensuring access to the patented Nano3DSense technology in the medical field and as used in Sencell. The technology is suitable for multiple other areas in medicine and medical products. The license agreement provides the Company with the technology rights to produce what the Company targets to be the world's smallest pressure sensor.

The purchase price of CantiMED was EUR 650,000, of which EUR 280,000 was paid in-cash on closing and the remaining EUR 370,000 was paid within 24 months.

10.6.1.2 Acquisition of Lifecare Laboratory GmbH

In February 2022, the Company formally completed the 100% acquisition of Lifecare Laboratory GmbH. The laboratory was part of Pfützner Science and Health Institut GmbH (PSHI) and its parent company Islay Venture GmbH. The laboratory was an important part in the restructuring of the Company and taking more control of the R&D actitivities, as the laboratory had advanced competence in blood-glucose measurement technologies, as well as validation and evaluation of other diabetes related medical equipment. In addition to commercial contracted research

generating revenue, the lab was part of several pan-European R&D consortiums receiving public research funding. Grants were part of the assets included in the acquisition of the laboratory.

The total framework for the financial consideration for the agreement was EUR 837,200 The acquisition was settled through an earn-out model with an initial purchase price of EUR 400,000, of which EUR 100,000 was paid in cash and the remaining EUR 300,000 was settled with shares in the Company. The remaining was agreed as an earn-out model based on a share of the laboratory's profits for the period 2021–2025. For 2021 and 2022, a total payment of EUR 106,000 was made. As of 30 June 2024, the earn out agreement has been cancelled, as it is highly unlikely that the results will meet the performance criteria.

10.6.1.3 *Acquisition of RemovAid AS*

In April 2024, the Company acquired 80% of the shares of RemovAid AS, and in July 2024, the Company acquired another 9.6% of the shares. The remaining 10.4% of the shares are held by several shareholders, including the founder of Removaid, now Medical Officer of Lifecare, who holds 3% of the shares directly and indirectly. RemovAid is an important part of the licecycle of the Sencell sensor, with the aim to provide efficient removal of the subdermal implant.

The acquisition of the shares was done through two private placements totaling NOK 4 million.

10.6.2 Planned material investments

The main strategic goal for the Company in the short term is to initiate automated production and product launch. Achieving these goals requires focused investments in production preparations, including production equipment and cleanroom. Equipment and machinery currently in order amounts to approximately NOK 9.5 million. Further, management anticipates investment needs of approximately NOK 11 million during the next 12-month period. Both the ordered and the anticipated investments are located to Germany and are related to demo production site and the new automated production line. The Company finances all investments, including these commitments, with cash. Other than mentioned above, as of the date of this Prospectus, the Group does not have any material investments in progress or which are planned.

10.6.3 Environmental issues

The Group is not subject to environmental licenses or regulations. Lifecare Laboratories GmbH is approved by German authorities (Ethical Review Committee and BfARM) to conduct clinical trials. The Group does not have production facilities that produce waste considered harmful to the environment.

10.7 Contractual cash obligations and other commitments

The Group has entered into rent agreements for its office and laboratory facilities in Norway, UK and Germany. The rental agreements last between three to ten years. The Group recognizes the rental agreements as lease liabilities in accordance with IFRS 16. This standard requires that office and laboratory rental agreements be measured at the present value of the lease payments for the right to use the underlying asset during the lease term. These payments are not made at the commencement date. The lease term includes the non-cancellable period of the lease, along with any periods covered by an option to extend or terminate the lease if the Group is reasonably certain to exercise this option.

Other than mentioned above, the Company does not have any contractual cash obligations or other commitments.

10.8 Related party transactions

The Group’s related parties consist of the executive management. Between 2021 and June 30, 2024, the Group has engaged in transactions with companies owned or closely related to the Chief Scientific Officer (CSO), Andreas Pfützner, who is also shareholder and holds option rights in the Company.

As of 30 June 2024, the total outstanding balance towards the below-mentioned related party transactions was NOK 1.9 million.

10.8.1 Acquisition of Lifecare Laboratory

On 12 August 2021, the Company entered into an agreement in the form of a term sheet with PFÜTZNER Science & Health Institute GmbH (PSHI) and its parent company Islay Ventures GmbH, owned by the CSO, for a purchase of 100% of the shares in a demerged company that included the laboratory operations that were used by Lifecare for R&D purposes. Islay Ventures GmbH is a shareholder and holds option rights in the Company. The purchase of the laboratory was an important part in the restructuring of the Company to gain more control over its own R&D. Lifecare acquired the laboratory including equipment, employees, contracts, etc.

The total framework for the financial consideration for the agreement was EUR 837,200 The acquisition was settled through an earn-out model with an initial purchase price of EUR 400,000, of which EUR 100,000 was paid in cash and the remaining EUR 300,000 was settled with shares in the Company. The remaining was agreed as an earn-out model based on a share of the laboratory's profits for the period 2021–2025. For 2021 and 2022, a total payment of EUR 106,000 was made. As of 30 June 2024, the earn out agreement has been cancelled, as it is highly unlikely that the results will meet the performance criteria.

As the value of the shares in the laboratory exceeded 2.5% of Lifecare's total assets, the board of directors passed a resolution approving the purchase terms with a report and declaration in line with the Norwegian Companies Act § 3-8. Furthermore, the auditor of the Company submitted a confirmation in accordance with the regulation.

The transaction was formally finalized 1 February 2022.

10.8.2 Other transactions with companies owned by the CSO

The Company has sold laboratory services to Sciema GmbH, a company owned by the Chief Scientific Officer. The Company has also purchased project management and regulatory services from Sciema GmbH. As of 2024, the Company no longer acquires services from Sciema GmbH.

Until December 2023, the Company has acquired consultant services related to the Chief Scientific Officer position from Sciema GmbH. The CSO position transitioned from being consultant-based to an internal role in January 2024.

From February 2022 and until July 2024, Lifecare Laboratory has rented office and laboratory space to PSHI.

All the transactions have been carried out as part of normal business and at arm's length prices and terms. An increasing independence for the Group going forward will enforce the focus on these principles.

The following table provides the total amount of revenue and other income that have been entered into with related parties during the period ended 30 June 2024 and 2023, and the financial years ended 31 December 2023, 31 December 2022 and 31 December 2021.

Amounts in NOK thousand	YTD 30 June 2024[1)]	YTD 30 June 2023[1)]	FY 2023	FY 2022	FY 2021
Revenue and other income from related party transactions	715	3 022	4 075	8 771	324
Total revenue and other income	6 850	3 841	13 086	22 135	1 599
Related party transactions as % of revenue and other income	10 %	79 %	31 %	40 %	20 %

(1) Unaudited

10.9 Deferred tax assets

In the financial statements prepared under IFRS as of December 31, 2023, deferred tax assets were estimated at NOK 145.2 million. According to IFRS, an entity should recognize deferred tax assets only when it is probable that taxable profits will be available to utilize the deductible temporary differences. The Group has decided that, until the

commencement of sales or agreements reaches a profitable level, the Group will not record any deferred tax assets related to its tax losses carried forward and other negative temporary differences.

10.10 Critical accounting policies and estimates

The preparation of the financial statements according to IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Estimates and judgments are evaluated on a continuous basis and are based on historical experiences and other factors that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual outcome.

10.11 Trend information

10.11.1 Significant recent trends since 31 December 2023

Since 31 December 2023 and until the date of this Prospectus, the financial development of the Group has been in line with expectations. The increase in operating expenses in 2024 is related to the ramp up of the Group activities within R&D, the acquisition of RemovAid and costs related to the rights issue in June 2024. Other than these costs, the Group has not experienced, nor does it have any information about, significant changes compared to historical trends related to its production, sales, inventory, cost and selling prices since 31 December 2023 to the date of this Prospectus.

10.11.2 Trends that may affect the Company's prospects for the current financial year

Further, the Group is not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group's prospects for the current financial year.

10.11.3 Significant changes to the financial position since 31 December 2023

In June 2024, the Company successfully completed a partially underwritten rights issue of 59,038,955 new shares at a subscription price of NOK 1.52442 per offer share, raising gross proceeds of NOK 90 million. As of 30 June 2024, the cash balance of the Group was NOK 101 million, up from NOK 48 million as at 31 December 2023. In connection with the rights issue, a total of 54,519,424 Warrants were issued. Following the consolidation of the Warrants in a ratio of 13:1 (as described in section 12.8 "Warrants"), the number of outstanding Warrants as of today is 4,193,806. As of 30 June 2024, the Warrants have been recognized according to IAS 32 as current liability of approximately NOK 24 million.

10.11.4 Significant changes after 30 June 2024

No significant changes have occurred in the Group's financial performance or to its financial position since 30 June 2024 and to the date of this Prospectus.

11 ORGANIZATION, BOARD OF DIRECTORS AND MANAGEMENT

11.1 Introduction

The Company's highest decision-making authority is the general meeting of shareholders. All shareholders in the Company are entitled to attend or be presented by proxy and vote at general meetings of the Company and to table draft resolutions for items to be included on the agenda for a general meeting.

The overall management of the Company is vested in the Company's Board of Directors and the management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organization, preparing plans and budgets for its activities, ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's chief executive officer (the "**CEO**"), is responsible for keeping the Company's accounts in accordance with prevailing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner.

11.2 Board of directors

11.2.1 Overview

The Company's Articles of Association provide that the Board of Directors shall consist of from 3 to 7 board members elected by the Company's shareholders. The below table sets forth information of the Board of Directors as of the date of this Prospectus.

Table 5 – Overview of the members of the Company's Board of Directors

Name	Position	Served since	Term expires	Shares*	Options/ warrants ***
Morten Foros Krohnstad	Chair	November 2020**	AGM 2025	0	0
Hans Johan Hekland	Board Member	May 2021	AGM 2025	11,562	1,335
Lutz Walter Heinemann	Board Member	November 2020	AGM 2026	0	0
Trine Teigland	Board Member	June 2020	AGM 2026	2,101,214	100,922
Tone Kvåle	Board Member	April 2024	April 2026	3,077	1,539

*Shares held directly and indirectly through companies closely related to the board member.

**Served as Chair of the Board since May 2021.

***The numbers have been adjusted to reflect the 13:1 consolidation of options to be carried out in October 2024, as further described in section 11.5 "Share incentive program".

The Company's registered office at Ytrebygdsvegen 215, 5258 Blomsterdalen, Bergen, Norway, serves as the business address for the members of the Board of Directors in relation to their positions in the Company.

11.2.2 Brief biographies of the Board of Directors

The following sets out a brief introduction to each of the members of the Company's Board of Directors:

Morten Foros Krohnstad – Chair of the Board
Morten Krohnstad is a partner in the law firm Schjødt and has extensive experience as a business lawyer and serves on several boards in Norwegian listed and un-listed companies. Krohnstad has a master's in law from the University of Bergen, Norway.

Directorships and senior management positions	
Current directorships and senior management positions	Partner at Advokatfirmaet Schjødt AS
	Chairman of the Board of Norsk Treningshelse AS
	Chairman of the Board of Treningshelse Holding AS

	Chairman of the Board of Bergen Næringsbygg AS Chairman of the Board of Sandsliåsen 46 Utbygging AS Chairman of the Board of Sandsli Bygg Newco AS Deputy-Chairman of the Board of GC Rieber Shipping Holding AS Board Member of Sandven AS Board Member of Autoisme AS Board Member of Sandven Gruppen AS Board Member of Trond Mohn Research Foundation Deputy member of the Board of Hak Invest AS Deputy member of the Board of Elina og Per Griegs Stiftelse Til Slektens Utdannelse
Previous directorships and senior management positions last five years	Chairman of the board of Family Sports Club Holding AS Chairman of the board of Sandsli Bygg AS Board member of Azets Consulting AS Board member of Karabin AS

Hans Johan Hekland – Board member

Hans Hekland is a managing partner in Sarsia Venture Management He has extensive experience from board positions and involvement in the medical development companies and other listed and unlisted companies. He has broad expertise from fund management, strategy, business development and finance. Hekland holds a master of science in economics and business administration from the Norwegian School of Management, Bergen, Norway.

Directorships and senior management positions	
Current directorships and senior management positions	Managing partner of Sarsia Venture Management Board member of Mainz Biomed Chair of the board of DeepX Diagnostics Inc Chair of the board of Epsis Chair of the board of directors of Sea Hawk Navigation Private Ltd Chair of the board of directors of ColoAlert AS Chair of the board of ScreenCancer AS CEO of Unitargeting Research AS
Previous directorships and senior management positions last five years	Chair of the board of directors of Deep Learning Diagnostics AS Chair of the board of Mainz Biomed

Lutz Walter Heinemann – Board member

Lutz Heineman has broad academic background with a special focus on research and development in insulin pharmacology and diabetes technology. He has established and managed the Profil Institute for Metabolic Research in Neuss, Germany and is the Managing Editor of The Journal of Diabetes Science and Technology.

Directorships and senior management positions	
Current directorships and senior management positions	CEO of Science Consulting in Diabetes GmbH
Previous directorships and senior management positions last five years	None other than above

Trine Teigland – Board member

Trine Teigland is the managing director of Teigland Eiendom AS. She has international experience from sales and marketing management of Osmotex AG in Switzerland, and one of the world's leading providers of integrated shipping services in Singapore. Teigland holds an MBA from the University of St. Gallen, Switzerland, and a bachelor's degree in international business.

Directorships and senior management positions	
Current directorships and senior management positions	Managing director of Teigland Eiendom AS Board member of Osmotex AG Board member of Balancial Sustainability manager of Fair Group
Previous directorships and senior management positions last five years	Marketing & sales manager of Osmotex AG

Tone Kvåle – Board member

Tone Kvåle is CFO of Herantis Pharma Plc. in Finland. She has more than 25 years of experience from the biotech, medtech and life sciences industry. She held CFO roles at Nordic Nanovector ASA, NorDiag ASA (Kavli Holding AS, Dynal Biotech, as well as senior management positions at Invitrogen/Life Technologies, in US, now part of Thermo Fisher. She is member of the board and audit committee president of MedinCell (MEDCL), Franceand has been board member and chair of the audit committee of Bonesupport AB (BONEX), Sweden. Tone has a diploma in finance and administration from UiT, The Arctic University of Norway, Harstad. She has completed the prescribed course of study and the examination for Advanced Programme in Corporate Finance at The Norwegian School of Economics, NHH.

Directorships and senior management positions	
Current directorships and senior management positions	Board member and audit committee president of MedinCell CFO Herantis Pharma Plc
Previous directorships and senior management positions last five years	Board member and chair audit committee of Bonesupport AB CFO of Nordic Nanovector ASA

11.3 Management

11.3.1 Overview

The management of the Company consists of 3 individuals. Please find details regarding the Company's management, as of the date of this Prospectus, in the table below:

Table 6 – Overview of the members of the Company's management

Name	**Position**	**Employed since**	**Shares**	**Options*** **
Joacim Holter	CEO	January 2023*	124,951	176,625
Andreas Pfützner	CSO	January 2024**	138,485	80,620
Renete Kaarvik	CFO	May 2024	0	46,154

*Joacim Holter was hired as a consultant for the CEO role from 2020 and until January 2023.

**Andreas Pfûtzner was hired as a consultant for the CSO role from 2017 until January 2024.

***The numbers have been adjusted to reflect the 13:1 consolidation of options to be carried out in October 2024, as further described in section 11.5 "Share incentive program".

The Company's registered office at Ytrebygdsvegen 215, 5258 Blomsterdalen, Bergen, Norway, serves as business address for the members of the Management in relation to their positions in the Company.

11.3.2 Brief biographies of the Management

The following sets out a brief introduction to each of the members of the Company's Management:

Joacim Holter – Chief Executive Officer

Joacim Holter has close to 20 years of management experience, including six years' experience leading international R&D and product development based in Switzerland. He has broad experience from board positions including as chairman and later member of the Lifecare Board of Directors from 2011 to 2020. He has also managed his own lawyer practice for 16 years. Holter holds a master's in law from the University of Bergen, Norway.

Directorships and senior management positions outside the Group	
Current directorships and senior management positions	Chairman of the board of Cimter AS Chairman of the board of Advokatfirmaet Holter AS Chairman of the board of Hrn Drift AS Chairman of the board of Osmolife AS
Previous directorships and senior management positions last five years	Executive Chair of the Board of Directors at Osmotex AG, Switzerland Managing Director of Advokatfirmaet Holter AS

Andreas Pfützner – Chief Scientific Officer

Andreas Pfützner has over 30 years of pharmaceutical and device development experience within diabetes technology. In addition to being the CSO of Lifecare, he is the Managing Director of Pfützner Science & Health Institute GmbH, a diabetes center & practice. He is also professor for internal medicine and laboratory medicine at DTMD University in Luxembourg. Pfützner holds a doctor degree in medicine from the University Hospital in Frankfurt, Germany and a PhD in medicine and chemistry from the University of Mainz, Germany.

Directorships and senior management positions outside the Group	
Current directorships and senior management positions	CEO and Medical Director of Pfützner Science & Health Institute GmbH, Germany Professor of internal medicine and laboratory medicine at DTMD University Luxembourg
Previous directorships and senior management positions last five years	Professor of Applied Clinical Research at Bingen Technical University, Germany Medical Director of Sciema GmbH, Germany

Renete Kaarvik – Chief Financial Officer

Renete Kaarvik has 25 years of experience from various positions within corporate finance, auditing and advisory services. She has broad experience from group finance positions in companies listed on Oslo Børs, including Grieg Seafood ASA and Marine Harvest ASA (now Mowi ASA) Former positions were within transactions services in EY and auditing in PwC, amongst others. Kaarvik holds a master's degree in applied finance from Macquarie University in Sydney, Australia and a master of science in business.

Directorships and senior management positions outside the Group	
Current directorships and senior management positions	None other than in Lifecare ASA

Previous directorships and senior management positions last five years	Group Finance Officer in Grieg Seafood ASA

11.4 Remuneration and benefits

11.4.1 Remuneration of the Board of Directors

The below table sets forth the amount of remuneration paid by the Company to its Board Members for the financial year ended 31 December 2023.

Name and position	Remuneration for 2023 (NOK)
Morten Foros Krohnstad, Chair of the Board	250,000
Trine Teigland, Member of the Board	180,000
Lutz Heineman, Member of the Board	180,000
Bo Peterson, Member of the Board*	180,000
Hans Johan Hekland, Member of the Board	180,000

*Bo Peterson was succeeded by Tone Kvåle.

11.4.2 Remuneration of the Management

The below table sets forth the amount of remuneration paid by the Company to its Management for the financial year ended 31 December 2023.

Name	Salary	Benefits in kind	Pensions costs	Total remuneration
Joacim Holter	1,800,000	0	0	1,800,000
Andreas Pfützner	2,054,329	0	0	2,054,329

11.5 Share incentive program

In accordance with the authorization granted by the annual general meeting of the Company held on 6 May 2022, the Board of Directors established a long-term incentive program (the "**Long-Term Incentive Program**") and awarded a total of 2,544,173 share options in 2022 (this number does not take into account the consolidation of the share options in a ratio of 13:1, described below).

In accordance with the authorisation granted by the annual general meeting of the Company held on 30 April 2023, the Board of Directors awarded a total of 1,825,000 additional share options in 2023 and 600,000 additional share options in 2024 (this number does not take into account the consolidation of the share options in a ratio of 13:1, described below).

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

The consolidation of the Company's Shares in a ratio of 13:1 was registered on 30 September 2024, as further set out in section 12.3 "Share capital and share capital history". The share options of the Company, as described above, will be consolidated in the same ratio (i.e. 13:1) in October 2024, meaning that 13 share options will give the right to 1 share option following completion of the consolidation.

The strike price before the consolidation of options was NOK 1.52442. Following completion of the consolidation of options, the strike price will be NOK 19.81746.

All options lapse 5 years after the date of grant.

The table below sets out the options allocated to members of the Group management, based on individual vesting and performance target schedules:

Name	Position	Number of options*	Strike price (NOK)*
Joacim Holter	CEO	176,625	19.81746

Andreas Pfützner	CSO	80,620	19.81746
Renete Kaarvik	CFO	46,154	19.81746

*The numbers have been adjusted to reflect the 13:1 consolidation of options to be carried out in October 2024, as described above.

11.6 Benefits upon termination

The CEO, Joacim Holter, is entitled to severance pay for a period of 12 months following the expiration of the regular notice period, if the Company terminates the employment contract. The CEO is not entitled to any other benefits upon termination. No other member of the management team or the Board of Directors is entitled to benefits upon termination of their employment or position.

11.7 Pension and retirement benefits

The Company's pension schemes vary depending on national regulations in Norway, UK and Germany where the Company has employees. In compliance with local laws, all employees are enrolled in defined contribution pension schemes that adhere to the pension requirements in the relevant jurisdiction.

The Management team consists of the CEO, CFO and CSO. The Company's CEO and CFO are employed in Norway and is as such included in Group's defined contribution pension schemes in accordance with Norwegian Mandatory Occupational Pension Act. The CSO (employed in Germany as of January 2024) is included in the defined contribution pension scheme in accordance with German law.

The defined contribution pension scheme is funded through payments to insurance companies. A defined contribution plan is one under which the Company pays fixed contributions to a separate legal entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as a salary expense when they fall due. As such, no amounts have been set aside or accrued by the Company to provide for pension, retirement or similar benefits. The Company has no pension or retirement benefits for its Board Members.

11.8 Employees

On the date of this Prospectus, the Group has a total of 33 full time employees ("**FTEs**"). As of 31 December 2023 the Group had a total of 27 FTEs The table below shows the development in the number of FTEs for the years ended 31 December 2023, 2022 and 2021.

	As of 31 December 2023	As of 31 December 2022	As of 31 December 2021
Total	27	18	2

The below table below shows the number of FTEs of the Group by main category of activity.

	As of 31 December 2023
Executive management	2
Other members of the management team	6
Scientist	17
Administration	8

The below table below shows the number of FTEs of the Group by geographic location.

	As of 31 December 2023
Norway	8
UK	2
Germany	17

11.9 Nomination committee

The Company's Articles of Association provide for a nomination committee consisting of a chairman who is elected for 2 years and two members who are elected for 1 year. The nomination committee's tasks are to nominate board members, recommend on the board remuneration to the general meeting, composition of the nomination committee, as well as remuneration for the members of the nomination committee.

The current members of the nomination committee are Christian Hysing-Dahl (Chair), Marthe Jansen, Trond Eidsnes and Oddvar Kaarbø.

11.10 Audit committee

The Company has established an audit committee, which is currently composed of Tone Kvåle (Chair) and Hans Hekland. The composition of the audit committee fulfils the required qualifications and competence in accounting and auditing under the Norwegian Public Limited Liability Companies Act.

The function of the audit committee is to prepare matters to be considered by the Board of Directors and to support the Board of Directors in the exercise of its management and supervisory responsibilities relating to financial reporting, statutory audit and internal control.

The audit committee shall report and make recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

11.11 Remuneration committee

The Company has established a compensation committee consisting of Morten Foros Krohnstad (Chair) and Trine Teigland.

The purpose of the compensation committee is to evaluate and propose the compensation of the Company’s CEO and other members of the executive management team and issue an annual remuneration report on the compensation of the members of Management and the Board of Directors, which shall be voted on at the Company's annual general meetings and to suggest amendments to the Company's remuneration policy.

11.12 Corporate governance

The Company has adopted a corporate governance regime which is based on, and complies with, the Norwegian Code of Practice for Corporate Governance dated 14 October 2021 (the Corporate Governance Code).

11.13 Conflict of interests

During the last five years preceding the date of this Prospectus, none of the Board Members or the members of the Management has, or had, as applicable:

- any convictions in relation to fraudulent offences;

- been involved in any bankruptcies, receiverships, liquidations or companies put into administration where he/she has acted as a member of the administrative, management or supervisory body of a company, nor as partner, founder or senior manager of a company; or

- received any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), nor been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of affairs of any issuer.

To the Company's knowledge, there are currently no other actual or potential conflicts of interest between the Company and the private interests or other duties of any of the members of the Management or the Board of Directors, including any family relationships between such persons.

12 CORPORATE INFORMATION AND DESCRIPTION OF THE SHARES

This section includes a summary of certain information relating to the Company's shares and certain shareholder matters, including summaries of certain provisions of applicable law in effect as of the date of this Prospectus. The mentioned summaries do not purport to be complete and are qualified in their entirety by the Company's Articles of Association and Norwegian law.

12.1 Company corporate information

The Company's legal and commercial name is Lifecare ASA. The Company is a public limited liability company organized and existing under the laws of Norway pursuant to the Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45 (the "**Norwegian Public Companies Act**"). The Company's registration number in the Norwegian Register of Business Enterprises is 990 251 657 and its Legal Entity Identifier (LEI) is 254900D88MYGZ7JD5P39. The Company was incorporated in Norway on 4 September 2006.

The Shares have been created under the laws of Norway and are registered in book-entry form with the Norwegian Central Securities Depository (the "**VPS**") under the ISIN NO0013355859. All the outstanding Shares are validly issued and fully paid. The Company's register of shareholders in the VPS is administrated by the VPS Registrar, being DNB Bank ASA (address: DNB Bank ASA, DNB Markets Registrars department, Dronning Eufemias gate 30, N-0021 Oslo, Norway).

The Company's registered office is located at Ytrebygdsvegen 215, 5258 Blomsterdalen, Bergen, Norway and the Company's main telephone number is +47 94 83 82 42. The Company's website can be found at www.lifecare.no. The content of the Company's website is not incorporated by reference into, or otherwise form part of, this Prospectus. The Company's contact details are as follows: e-mail: post@lifecare.no or telephone: (+47) 94 83 82 42.

12.2 Legal structure

The Company is the parent company and administrative body of the Group. The Company has organized its operational development activities in subsidiaries as well as through research collaborations with the University of Bath (UK), the Goethe University of Frankfurt (Germany) and the Norwegian University of Life Sciences (Norway).

An overview of the Company's subsidiaries is set out below:

Company	Country of incorporation	Holding (in %)
Lifecare NanoBioSensors GmbH	Germany	100
Lifecare Laboratory GmbH	Germany	100
Lifecare Chemistry Ltd	United Kingdom	100
Lifecare Veterinary AS	Norway	80
RemovAid AS	Norway	89.6

12.3 Share capital and share capital history

As of the date of this Prospectus, the Company's share capital is NOK 78,112,907.60 divided on 15,021,713 Shares, each with a par value of NOK 5.20. All shares are of the same class. Assuming full subscription of the Offering, the Company's share capital will be NOK 83,312,907.60 divided into 16,021,713 shares, each with a nominal value of NOK 5.20, following registration of the share capital increase pertaining to the Offering in the Norwegian Register of Business Enterprises.

The Company has only one class of Shares. Accordingly, each Share carries one vote and all Shares carry equal rights in all respects, including rights to dividends. All Shares are freely transferable, meaning that a transfer of Shares is not subject to the consent of the Board of Directors or rights of first refusal.

As at the date of this Prospectus, the Company does not hold any treasury shares.

The table below summarizes the development in the Company's share capital for the period covered by the historical financial information and up to the date of this Prospectus:

Table – Share capital history

Date of registration	Type of change	Change in share capital (NOK)	New share capital (NOK)	Par value (NOK)	New total number of issued shares
1 January 2021	None (number of shares outstanding at the date indicated)	-	32,511,268	0.40	81,278,170
15 September 2021	Share capital increase	495,257.20	33,006,525.20	0.40	82,516,313
8 November 2021	Share capital increase	6,187,133.60	39,193,658.80	0.40	97,984,147
31 December 2021 / 1 January 2022	None (number of shares outstanding at the dates indicated)	-	39,193,658.80	0.40	97,984,147
3 May 2022	Share capital increase	702,750.40	39,896,409.20	0.40	99,741,023
26 July 2022	Share capital increase	49,887.60	39,946,296.80	0.40	99,865,742
3 November 2022	Share capital increase	7,200,000.00	47,146,296.80	0.40	117,865,742
31 December 2022 / 1 January 2023	None (number of shares outstanding at the dates indicated)	-	47,146,296.80	0.40	117,865,742
3 November 2023	Share capital increase	6,800,000.00	53,946,296.80	0.40	134,865,742
31 December 2022 / 1 January 2024	None (number of shares outstanding at the dates indicated)	-	53,946,296.80	0.40	134,865,742
25 June 2024	Share capital increase	23,615,582.00	77,561,878.80	0.40	193,904,697
5 July 2024	Share capital increase	551,028.80	78,112,907.60	0.40	195,282,269
30 September 2024	Share consolidation (13:1)	0	78,112,907.60	5.20	15,021,713

Other than as set out above, there have been no changes to the Company's share capital or the number of Shares of the Company from the start of the period covered by the historical financial information up to the date of this Prospectus.

12.4 Admission to trading and Listing

The Shares have been admitted to trading on Euronext Growth Oslo (formerly Merkur Market), a multilateral trading facility operated by Oslo Børs, since 10 July 2018 under the ticker code 'LIFE' and with ISIN NO0013355859. On 30 August 2024, the Company applied for the Shares to be admitted to trading and listing on Oslo Børs, alternatively Euronext Expand. The Company's listing application was approved by Oslo Børs on 27 September 2024, subject to the following conditions: (i) fulfilment of the minimum market value requirements (NOK 300 million for Oslo Børs and NOK 8 million for Euronext Expand); (ii) fulfilment of requirements for free float and number of shareholders; (iii) fulfilment of the requirement for a minimum market value of NOK 10 per share; (iv) the raise of minimum NOK 20 million in new equity capital.

Upon Listing, the Shares will be deregistered from Euronext Growth Oslo and will be admitted to trading through the facilities of Oslo Børs, alternatively Euronext Expand. Trading in the Shares on Oslo Børs is expected to commence on or about 22 October 2024, under the ticker code 'LIFE'.

Other than above, the Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

12.5 Major shareholders

As of 1 October 2024, the Company had 2,762 registered shareholders in the VPS. An overview of shareholders holding 5% or more of the Shares of the Company as of 1 October 2024 is set out below:

Table – Overview of major shareholders

#	Shareholders	Number of Shares	Percentage
1	Lacal AS	2,203,362	14.67%
2	Teigland Eiendom AS	2,101,214	13.99%
3	Tjelta AS	898,738	5.98%

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. As at the date of this Prospectus, no shareholder other than those listed above holds 5% or more of the Shares of the Company.

There are no differences in voting rights between the shareholders.

Other than set out above, the Company is not aware of any persons or entities who, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

No particular measures are initiated to ensure that control is not abused by large shareholders. Minority shareholders are protected from abuse by relevant regulations in inter alia the Norwegian Public Limited Liability Companies Act and the Norwegian Securities Act. See Sections 12.11.2 *"Certain aspects of Norwegian corporate law"* for further information.

The shares have not been subject to any public takeover bids.

12.6 Lock-up

The Company's shares are not subject to any lock-ups agreements restricting the transferability of the shares, or any similar arrangements, to the knowledge of the Company.

12.7 Board authorizations

12.7.1 Authorizations to increase the share capital

The annual general meeting of the Company held on 30 April 2024 granted the board of directors an authorization to increase the Company's share capital through the issuance of new shares with a total par value of up to NOK 16,183,888.80. The subscription price may be determined by the board of directors. The authorization is valid until 30 April 2025. The shareholders' pre-emptive right pursuant to the Norwegian Public Companies Act section 10-4 may be waived. The authorization also applies to deposits in assets other than cash and the right to incur special obligations for the Company. The authorization has not been utilized at the date of this Prospectus, but is intended to be used to issue Offer Shares in the Offer.

Further, the annual general meeting of the Company held on 30 April 2024 granted the board of directors an authorization to increase the Company's share capital through the issuance of new shares with a total par value of up to NOK 2,697,314.80, for use in option and share programs for employees in the Company. The authorization also applies to employees who work via a consultancy agreement, but not the board members. The terms for participation in programs may be determined by the board of directors. The authorization is valid until 30 April 2025. The shareholders' pre-emptive right pursuant to the Norwegian Public Companies Act section 10-4 may be waived. The authorization has not been utilized at the date of this Prospectus.

The extraordinary general meeting held on 16 May 2024 granted the board of directors an authorization to increase the Company's share capital through the issuance of new shares with a total par value of up to NOK 655,987.20. The authorization may be used to issue shares as payment of underwriting fees according to underwriting agreements entered in to in connection with the partially underwritten preferential rights issue which was announced as completed by the Company on 14 June 2024, under which the Company issued 59,038,955 new shares at a subscription price of NOK 1.52442 per share, raising gross proceeds of approximately NOK 90 million (the "**Rights Issue**"). Under the authorization, the board of directors is authorized to decide upon the subscription terms. The authorization is valid until the annual general meeting of the Company in 2025, however no longer than until 30 June 2025. The shareholders' pre-emptive right pursuant to the Norwegian Public Companies Act section 10-4 may be waived. The

authorization does not include decision on merger according to Section 13-5 of the Norwegian Public Limited Companies Act. As of the date of this Prospectus, NOK 104,958.40 of the authorization remains.

12.7.2 Authorization to acquire treasury shares

The extraordinary general meeting held on 17 September 2024 granted the board of directors an authorization to, on behalf of the Company, acquire treasury shares up to an aggregate nominal value of NOK 500,000. The purchase price for each share shall be minimum NOK 1 and maximum NOK 10. The authorization may only be used for the purpose of delivering shares to shareholders who own a number of shares which does not compute with the ratio for the share consolidation resolved by the general meeting on the same date (under agenda item 5). The board of directors may otherwise freely determine the method of acquisition and disposal of shares.

12.8 Warrants

The subscribers in the Rights Issue (as defined in section 12.7 above) were allocated one warrant for every two shares allocated to and paid by them in the Rights Issue. In total, 29,519,478 warrants were allocated to the subscribers in the Rights Issue. In addition, a total of 25,000,000 warrants were issued to underwriters of the Rights Issue, as compensation for their underwriting commitment. Consequently, a total of 54,519,478 warrants (the "**Warrants**") were allocated in connection with the Rights Issue. As set out in section 12.3, the extraordinary general meeting of the Company held on 17 September 2024 resolved to consolidate the Company's shares in a ratio of 13:1 (meaning that 13 existing shares, each with a par value of NOK 0.40, were consolidated into one share with a nominal value of NOK 5.20. Pursuant to the resolution by the extraordinary general meeting held on 16 May 2024, which resolved to issue the Warrants, the number of Warrants and the price of the Warrants shall be adjusted to take into account any consolidation of the Company's shares. Consequently, following such adjustment (in a ratio of 13:1), the number of outstanding Warrants as of today is 4,193,806.

The Warrants may be exercised during the exercise period from 2 June 2025 to 13 June 2025 (the "**Exercise Period**"). The Warrants have been listed and tradeable on Euronext Growth Oslo. The trading in the Warrants will be halted four days before the end of the Exercise Period to facilitate settlement of exercised Warrants. The Warrants will be tradable from 27 June 2024 to 16:30 (CEST) on 6 June 2025. The Warrants will hence only be tradable during parts of the Exercise Period. If all the Warrants are exercised, the Company expects to raise additional gross proceeds of up to approximately NOK 108 million (based on the maximum exercise price of NOK 25.76262). In the event that Warrants are not exercised, the gross proceeds will be reduced corresponding to the proportion of Warrants that are not exercised.

Each Warrant will give the holder a right to subscribe for one new share in the Company at an exercise price per share equal to the volume-weighted average price (VWAP) of the company's shares on Oslo Børs on the three last trading days prior to the first date on which the holder can exercise the Warrant in the exercise period less 30%, but in any event (i) not lower than the par value of the Company's shares (NOK 5.20) and (ii) not exceeding the subscription price in the Rights Issue (as adjusted to take into account the above-mentioned 13:1 share consolidation) plus 30% (i.e. NOK 25.76262). Exercise of Warrants is carried out by written notification to the Company, which must be received by the Company before the expiry of the Exercise Period. Holders of Warrants may either sell the Warrants or use them to subscribe for shares in the Company within the Exercise Period. If the Warrants are not sold within 16:30 (CEST) on 6 June 2025 or exercised within 16:30 (CEST) on 13 June 2025 the Warrants will lapse with no compensation to the holders.

12.9 Shareholder rights

The Company has one class of Shares on issue, and in accordance with the Norwegian Public Limited Liability Companies Act, all Shares in that class provide equal rights in the Company, including the rights to dividends. Each of the Company's Shares carries one vote. The rights attaching to the Shares are described in Section 12.11 *"The articles of association and certain aspects of Norwegian corporate law"*.

12.10 Transferability of Shares

The Shares are freely transferable pursuant to the Company's articles of association, meaning that a transfer of Shares is not subject to the consent of the Board of Directors or rights of first refusal. Pursuant to the Company's articles of association, the Company's Shares shall be registered in the VPS. For more information, see Section 12.11 *"The Articles of Association and certain aspects of Norwegian corporate law"*.

12.11 The Articles of Association and certain aspects of Norwegian corporate law

12.11.1 Articles of Association

Below is a summary of certain of the provisions of the Company's Articles of Association, which are attached to this Prospectus as Appendix 1.

12.11.1.1 Company name

Pursuant to section 1 of the Articles of Association, the Company's name is Lifecare ASA. The company is a public limited liability company.

12.11.1.2 Objective of the Company

Pursuant to section 3 of the Articles of Association, the Company's objective is to undertake development, production, licensing and sale of medical equipment and technology, and everything connected with this.

12.11.1.3 Share capital and par value

Pursuant to section 4 of the Articles of Association, the Company's share capital is NOK 78,112,907.6 divided on 15,021,713 Shares, each with a par value of NOK 5.20. The Shares shall be registered in the VPS.

12.11.1.4 The Board of Directors

Pursuant to section 5 of the Articles of Association, the Company's Board shall consist of from 3 to 7 Board Members.

12.11.1.5 Signatory right

Pursuant to section 6 of the Articles of Association, the Chair of the Board, or two members of the Board together, have the authority to sign on behalf of the Company. The board of directors may grant power of procuration.

12.11.1.6 Restrictions on transfer of Shares

Pursuant to section 7 of the Articles of Association, the acquisition of shares in the Company is not conditional on the board's consent. Shareholders do not have a pre-emptive right to transfer shares in the Company.

12.11.1.7 General meetings

Pursuant to section 8 of the Articles of Association, the annual general meeting of the Company shall be held each yar by the end of June. The annual general meeting shall consider the following:

- Approval of the annual accounts and the directors' report, including distribution of dividend.
- Election of Board of Directors and Nomination Committee.
- Any other business that, by law or pursuant to the articles of association, is to be considered by the general meeting.

Documents regarding matters which are to be dealt with at the general meeting, including documents which according to statutory law shall be included in or attached to the notice of the general meeting, that have been made available on the company's internet site, is exempt from the statutory requirements stating that these documents shall be sent to the shareholders. Any shareholder may require the submission of such documents and the company is then committed to send the documents to requesting shareholders.

The board of directors can decide that shareholders can be allowed to cast their votes in writing in advance on items on the published agenda for the Company's general meetings. Such votes may also be cast by electronic

communication. The access to cast votes in advance is contingent on that a satisfactory method to authenticate the sender is available.

Shareholders who wish to participate at a general meeting of the company, shall notify the company of this within a deadline which is set out in the notice of the General Meeting, and which cannot expire earlier than two business days prior to the General Meeting.

12.11.1.8 Nomination committee

Pursuant to section 9 of the Articles of Association, the Company shall have a nomination committee to nominate board members, recommend on the board remuneration to the general meeting, composition of the nomination committee, as well as remuneration for the members of the nomination committee. The nomination committee shall consist of a chairman who is elected for 2 years and two members who are elected for 1 year.

12.11.2 Certain aspects of Norwegian corporate law

12.11.2.1 General meeting of shareholders

Through the general meeting, shareholders exercise supreme authority in a Norwegian company. In accordance with Norwegian law, the annual general meeting of shareholders is required to be held on or prior to 30 June of each year. Norwegian law requires that written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting be sent to all shareholders with a known address no later than 21 days before the annual general meeting of a Norwegian public limited liability company listed on a stock exchange or a regulated market shall be held, unless the articles of association stipulate a longer deadline, which is not currently the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy appointed at their own discretion. All of the Company's shareholders who are registered in the register of shareholders maintained with the VPS as of the date of the general meeting, or who have otherwise reported and documented ownership to Shares, are entitled to participate at general meetings.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the Board of Directors considers it necessary. An extraordinary general meeting of shareholders must also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 5% of the share capital demands this in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general meetings. However, the annual general meeting of a Norwegian public limited liability company may with a majority of at least two-thirds of the aggregate number of votes cast, as well as at least two-thirds of the share capital represented at a general meeting resolve that extraordinary general meetings may be convened with a 14 days' notice period until the next annual general meeting, provided that the Company has procedures in place allowing shareholders to vote electronically. This has currently not been resolved by the Company's general meeting of shareholders.

Each of the Company's shares carries one vote. In general, decisions that shareholders are entitled to make under Norwegian law or the Articles of Association may be made by a simple majority of the votes cast. In the case of elections or appointments, the person(s) who receive(s) the greatest number of votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the Articles of Association, to authorize an increase or reduction in the share capital, to authorize an issuance of convertible loans or warrants by the Company or to authorize the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the Articles of Association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the

share capital represented at the general meeting in question vote in favour of the resolution, as well as the majority required for amending the Articles of Association.

In general, only a shareholder registered in the VPS is entitled to vote for such Shares. Beneficial owners of the Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such Shares as nominees. Investors should note that there are varying opinions as to the interpretation of the right to vote on nominee registered shares. In the Company's view, a nominee may not meet or vote for Shares registered on a nominee account ("**NOM-account**"). A shareholder must, in order to be eligible to register, meet and vote for such Shares at the general meeting, transfer the Shares from such NOM-account to an account in the shareholder's name. Such registration must appear from a transcript from the VPS at the latest at the date of the general meeting.

There are no quorum requirements that apply to the general meetings.

12.11.2.2 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, the Articles of Association must be amended, which requires the same vote as other amendments to the Articles of Association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. Preferential rights may be derogated from by resolution in a general meeting passed by the same vote required to amend the Articles of Association. A derogation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The general meeting may, by the same vote as is required for amending the Articles of Association, authorize the Board of Directors to issue new Shares, and to derogate from the preferential rights of shareholders in connection with such issuances. Such authorization may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered nominal share capital when the authorization is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing shareholders or by increasing the nominal value of the Company's outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. If a U.S. shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all and the rights would be sold on the shareholder's behalf by the Company.

12.11.2.3 Minority rights

Norwegian law sets forth a number of protections for minority shareholders of the Company, including but not limited to those described in this paragraph and the description of general meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the Board of Directors or the Company's shareholders made at the general meeting declared invalid on the grounds that it unreasonably favors certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 5% or more of the Company's share capital have a right to demand in writing that the Board of Directors convene an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the

notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

12.11.2.4 Rights of redemption and repurchase of Shares

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a general meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorization to do so by a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury shares so acquired, and held by the Company must not exceed 10% of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorization by the General Meeting of the Company cannot be granted for a period exceeding 24 months.

12.11.2.5 Shareholder vote on certain reorganisations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the general meeting of the shareholders passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the general meeting. A merger plan, or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the Articles of Association stipulate that, made available to the shareholders on the Company's website, at least one month prior to the general meeting to pass upon the matter.

12.11.2.6 Liability of board members

Members of the Board of Directors owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the Board Members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Members of the Board of Directors may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the general meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the general meeting of the Company's shareholders passing upon the matter. If a resolution to discharge the Board Members from liability or not to pursue claims against such a person has been passed by a general meeting with a smaller majority than that required to amend the Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Board Members from liability or not to pursue claims against the Board Members is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

12.11.2.7 Civil proceedings against the Company in jurisdictions other than Norway

Furthermore, investors shall note that they may be unable to recover losses in civil proceedings in jurisdictions other than Norway. The Company is a public limited liability company organized under the laws of Norway. The most of the board members and the members of the Management reside in Norway. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce against such persons or the Company judgments obtained in courts outside of Norway, or to enforce judgments on such persons or the Company in other jurisdictions.

12.11.2.8 Indemnification of board members

Neither Norwegian law nor the Articles of Association contains any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for its Board Members against certain liabilities that they may incur in their capacity as such.

12.11.2.9 Distribution of assets on liquidation

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

13 SECURITIES TRADING IN NORWAY

Set out below is a summary of certain aspects of securities trading in Norway. The summary is based on the rules and regulations in force in Norway as at the date of this Prospectus, which may be subject to changes occurring after such date. This summary does not purport to be a comprehensive description of securities trading in Norway. Investors who wish to clarify aspects of securities trading in Norway should consult with and rely upon their own advisors.

13.1 Introduction

Oslo Børs was established in 1819 and offers the only regulated markets for securities trading in Norway. Oslo Børs ASA is wholly owned by Oslo Børs VPS Holding ASA which was acquired by Euronext on 18 June 2019. Euronext owns seven regulated markets across Europe, including Amsterdam, Brussels, Dublin, Lisbon, London, Oslo and Paris.

13.2 Market value of shares on Oslo Børs

The market value of all shares on Oslo Børs, including the Shares following the Listing, may fluctuate significantly, which could cause investors to lose a significant part of their investment. The market value of listed shares could fluctuate significantly in response to a number of factors beyond the respective issuer's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, announcements by the respective issuer or its competitors of new product and service offerings, significant contracts, acquisitions or strategic relationships, publicity about the issuer, its products and services or its competitors, lawsuits against the issuer, unforeseen liabilities, changes in management, changes to the regulatory environment in which the issuer operates or general market conditions.

Furthermore, future issuances of shares or other securities may dilute the holdings of shareholders and could materially affect the price of the shares. Any issuer, including the Company, may in the future decide to offer additional shares or other securities to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes, including for refinancing purposes. There are no assurances that any of the issuers on Oslo Børs will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. If a listed company raises additional funds by issuing additional equity securities, the holdings and voting interests of existing shareholders could be diluted, and thereby affect share price.

13.3 Trading and settlement

As of the date of this Prospectus, trading of equities on Oslo Børs is carried out in the electronic trading system Euronext Optiq®, Euronext's developed multi-market trading platform.

Official regular trading for equities on Oslo Børs takes place between 09:00 hours (Oslo time) and 16:20 hours (Oslo time) each trading day, with pre-trade period between 07:15 hours (Oslo time) and 09:00 hours (Oslo time), closing auction from 16:20 hours (Oslo time) to 16:25 hours (Oslo time) and a post-trade period from 16:25 hours (Oslo time) to 16:30 hours (Oslo time). Reporting of after exchange trades can be done until 18:00 hours (Oslo time).

The settlement period for trading on Oslo Børs is two trading days (T+2). This means that securities will be settled on the investor's account in VPS two days after the transaction, and that the seller will receive payment after two days.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Stock

Exchange except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

13.4 Information, control and surveillance

Under Norwegian law, Oslo Børs is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of Oslo Børs monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e. precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. Oslo Børs may levy fines on companies violating these requirements.

13.5 The VPS and transfer of shares

The Company's principal share register is operated through the VPS. The VPS is the Norwegian paperless centralized securities register. It is a computerized book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded.

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being the Central Bank of Norway), authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is prima facie evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the Company's Articles of Association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

13.6 Shareholder register – Norwegian law

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. Beneficial owners of shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote for such shares unless their ownership is re-registered in their names with the VPS prior to any general meeting of shareholders. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA.

An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners. There is no assurance that beneficial owners of Shares will receive notices of any General Meetings in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners. For more information on nominee accounts, see Section 12.11.2 *"Certain aspects of Norwegian corporate law"* under the subheading *"Voting rights – amendments to the articles of association"*.

13.7 Foreign investment in shares listed in Norway

Foreign investors may trade shares listed on Oslo Børs through any broker that is a member of Oslo Børs, whether Norwegian or foreign. Foreign investors are, however, to note that the rights of holders of listed shares of companies incorporated in Norway are governed by Norwegian law and by the respective company's articles of association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For instance, under Norwegian law, any action brought by a listed company in respect of wrongful acts committed against such company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it may be difficult to prevail in a claim against such company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions. For more information, see Section 12.11.2 *"Certain aspects of Norwegian corporate law".*

13.8 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify Oslo Børs and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

13.9 Insider trading

According to Norwegian law, subscription for, purchase, sale, exchange or other acquisitions or disposals of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Article 7 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (i.e. the market abuse regulation) and as implemented into Norwegian law by Section 3-1 of the Norwegian Securities Trading Act of 29 June 2007 No. 75. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

13.10 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and Oslo Børs decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered (or provided that the person, entity or consolidated group has not already stated that it will proceed with the making of a mandatory offer).

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify Oslo Børs and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by Oslo Børs before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered. The settlement must be guaranteed by a financial institution authorised to provide such guarantees in Norway.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, Oslo Børs may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, Oslo Børs may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered (provided that the person, entity or consolidated group has not already stated that it will proceed with the making of a mandatory offer).

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

13.11 Compulsory acquisition

Pursuant to the Norwegian Public Limited Liability Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorized to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to Section 4-25 of the Norwegian Public Limited Liability Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline.

13.12 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

14 THE TERMS OF THE OFFERING

14.1 Overview of the Offering

The Offering consists of an offering of up to 1,000,000 Offer Shares, each with a nominal value of NOK 5.20. The purpose of the Offering is to raise capital to the Company.

The Offer Price to be paid for each Offer Share in the Offering is NOK 20, representing a discount of approximately 9% to the Value Weighted Average Price (VWAP) of the Shares on Euronext Growth Oslo on 2 October 2024.

Based on the number of Offer Shares and the Offer Price, the Offering may raise gross proceeds to the Company of up to approximately NOK 20,000,000. The actual gross proceeds of the Offering will only be determined when the number of Offer Shares has been determined.

The Company intends to use the net proceeds from the Offering for its continued R&D activities and investments in machines and equipment, to support continued business development.

The Offering is directed towards the general public in Norway, Sweden and Denmark.

The lower subscription limited per application is NOK 10,500 and the upper subscription limit per application is NOK 2,000,000 for each investor.

The Application Period for the Offering is expected to take place from 8 October 2024 at 09:00 (CEST) to 15 October 2024 at 16:30 (CEST). The Company, in consultation with the Manager, reserves the right to extend the Application Period at any time and without any prior written notice and at its sole discretion. See Section 14.5 "Application Period" for information on extension of the Application Period.

Delivery of the Offer Shares to investors being allocated Offer Shares in the Offering is expected to take place on or about 22 October 2024 subject to timely payment for allocated Offer Shares having been received from investors within 18 October 2024.

The Offer Shares allocated in the Offering are expected to be traded on Oslo Børs, alternatively Euronext Expand, from on or about 22 October 2024.

Completion of the Offering is subject to the conditions set out in section 14.16 "Conditions for completion of the Offering".

The Offering is directed to the public in Norway, Sweden and Denmark, and the Offer Shares will only be offered in other jurisdictions to the extent permissible under applicable law, and to the extent applicable prospectus requirements are available. As such, certain existing shareholders may, if they are present in a jurisdiction where the Offering may not be made, not be eligible to participate in the Offering.

This Prospectus does not constitute an offer of, or an invitation to purchase, the Offer Shares in any other jurisdiction than Norway. For further details, see the "Important Information" at the beginning of the Prospectus and Section 16 "Selling and transfer restrictions".

14.2 Timetable

The timetable set out below provides certain key dates for the Offering (subject to extensions):

Timetable	**Key dates**
Application Period commences	09:00 (CEST) on 8 October 2024
Nordnet application period ends	23:59 (CEST) on 14 October 2024
Application Period ends	16:30 (CEST) on 15 October 2024
Publication of the results of the Offering	On or about 16 October 2024
Notification of allocation in the Offering	On or about 16 October 2024
Payment Date in the Offering	On or about 18 October 2024

Registration of new share capital pertaining to the Offering	On or about 18 October 2024
Delivery of the Offer Shares in the Offering	On or about 22 October 2024
Commencement of trading in the Shares on Oslo Børs, alternatively Euronext Expand	On or about 22 October 2024

14.3 Resolution relating to the Offering

The annual general meeting of the Company held on 30 April 2024 granted the board of directors an authorization to increase the Company's share capital through the issuance of new shares with a total par value of up to NOK 16,183,888.80. The authorization will be used to issue shares in the Offering, and the authorization is further described in section 12.7 "Authorizations to increase the share capital" above.

Following expiry of the Application Period on or about 15 October 2024, the Board of Directors will consider and, if thought fit, approve the completion of the Offering and, in consultation with the Manager, determine the final number and allocation of the Offer Shares. If the Board of Directors determine that the Offering shall be completed, the Board of Directors will proceed to increase the share capital of the Company by issuance of the Offer Shares. The Offer Shares are expected to be issued on or about 18 October 2024 and delivered in the VPS on or about 22 October 2024 (subject to payment for the Offer Shares having been received). The existing shareholders' pre-emptive rights to subscribe for and be allocated Shares will be deviated from in order to be able to issue the Offer Shares to investors in the Offering.

14.4 Offer Price

The Offer Price to be paid for each Offer Share in the Offering is NOK 20, representing a discount of approximately 9% to the Value Weighted Average Price (VWAP) of the Shares on Euronext Growth Oslo on 2 October 2024. The Offer Shares may not be traded before delivery of the Offer Shares in the VPS, expected on or about 22 October 2024 (subject to timely payment for the Offer Shares by the applicant).

14.5 Application period

The Application Period in the Offering will begin on 09:00 CEST on 8 October 2024 and end at 16:30 CEST on 15 October 2024, unless extended. The Company may, in consultation with the Manager, extend the Application Period at any time, and an extension may be made on one or several occasions. Any extension of the Application Period will be announced through the Oslo Stock Exchange's information system on or before 09:00 CEST on the first Business Day following the then prevailing expiration date of the Application Period. The Application Period may in no event be extended beyond 16:30 CET on 24 October 2024. In the event of an extension of the Application Period, the allocation date, the payment due date (including the corresponding latest possible debit date) and the date of delivery of the Offer Shares will be changed accordingly.

Investors applying for Offer Shares electronically through Nordnet Bank AB ("**Nordnet**") webservice should note that the application must be submitted no later than 23:59 (CEST) on 14 October 2024, unless the Application Period is being extended. Further, the Applicants need to ensure that they have sufficient funds on their Nordnet account no later than 23:59 (CEST) on 14 October 2024.

14.6 Minimum and maximum application

The lowest application amount permitted in the Offering is NOK 10,500. The highest application amount permitted is NOK 2,000,000.

Multiple applications are allowed. One or multiple applications from the same applicant in the Offering will be treated as one application with respect to the maximum application limit. If two or more identical application forms are received from the same investor, the application form will only be counted once unless explicitly stated on one of the application forms. In the case of multiple applications through the online application system or applications made both on a physical application form and through the online application system, all applications will be counted.

14.7 Application procedures

14.7.1 General

Application for Offer Shares in the Offering can be submitted through the Manager or through Nordnet acting as placing agent for the Company in the Offering. Applicants in the Offering who are located in Norway may apply for Offer Shares through either the Manager or the webservices of Nordnet, while applicants who are located in Sweden or Denmark are only permitted to apply through the webservices of Nordnet.

All applications for Offer Shares in the Offering must be made during the Application Period.

By making an application, the applicant irrevocably (i) applies to buy and subscribes for such number of Offer Shares allocated to the applicant up to the number of Offer Shares applied for and (ii) authorises and instructs the Manager (or someone appointed by it) to buy and subscribe for such number of Offer Shares at the Offer Price on behalf of the applicant and to take all actions required to ensure delivery of such Offer Shares to the applicant.

All applications in the Offering will be treated in the same manner regardless of whether they are submitted by delivery of an application form, through the VPS online application system or through the Nordnet webservice. However, please note the shorter application deadline if the Nordnet webservice is used (as described in section 14.5).

14.7.2 Applications through the Manager

Applicants who are located in Norway may apply for Offer Shares through the Manager by submitting a correctly completed application form in the form attached to this Prospectus as Appendix 6 (Application Form for the Offering), to the application office set out below. Applicants who are located in Norway with a Norwegian personal identification number may also apply for Offer Shares through the Manager by using VPS online application system which can be located by following the link on the following website: https://www.carnegie.no/ongoing-prospectuses-and-offerings/.

Applicants will be able to download this Prospectus and the application form once they have confirmed residency in Norway. Applications made through the VPS online subscription system must be duly registered during the Application Period.

Applicants in the Offering who are located in Sweden or Denmark are only permitted to apply for Offer Shares through the webservices of Nordnet, as further described below.

Application forms that are incomplete or incorrectly completed, or that are received after the expiry of the Application Period, may be disregarded without further notice to the applicant. Subject to any shortening or extension of the Application Period, properly completed application forms must be received by one of the application offices or registered electronically through the VPS online application system by 16:30 CEST on 15 October 2024. Neither the Company nor the Manager may be held responsible for postal delays, internet lines or servers or other logistical or technical matters that may result in applications not being received in time or at all by any application office.

All applications made in the Offering will be irrevocable and binding upon receipt of a duly completed application form by the application office, or in the case of applications through the VPS online subscription system, upon registration of the application, irrespective of any extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after having been received by the application office, or in the case of applications through the VPS online subscription system, upon registration of the application.

The office at which applications forms for the Offering can be submitted, is as follows:

Carnegie AS

P.O. Box 684 Sentrum

NO-0106 Oslo

Norway

Tel: +47 22 00 93 60

E-mail:

lifecare@carnegie.no

14.7.3 Applications through Nordnet

Applicants located in Norway, Sweden and Denmark may apply for Offer Shares through Nordnet. Nordnet undertakes to act as placing agent for the Company in the Offering, and applications may be made electronically through the Nordnet webservice at www.nordnet.no for Norwegian applicants residing in Norway, through www.nordnet.se for Swedish applicants residing in Sweden and through www.nordnet.dk for Danish applicants residing in Denmark. Applicants applying for Offer Shares through Nordnet need to expressly state the number of Offer Shares they are applying for in the Offering.

Investors applying for Offer Shares electronically through the Nordnet webservice should also note that the application must be submitted no later than 23:59 CEST on 14 October 2024, unless the Application Period is being extended.

The application offices for Nordnet are as set out below. Please note that the application form attached to this Prospectus may not be submitted to Nordnet. Any application forms submitted to Nordnet will be disregarded without further notice to the applicant.

Norway:	Sweden:	Denmark:
Nordnet Bank Karl Johans gate 16C P.O. Box 302 Sentrum N-0154 Oslo Norway	Nordnet Bank AB Alströmergatan 39 P.O. Box 3000 S-104 25, Stockholm Sweden	Nordnet Bank Havneholmen 6, 2450 København SV Postboks 2307 1026 København K, Denmark
Tel.: +47 23 33 30 23 E-mail: kundeservice@nordnet.no www.nordnet.no	Tel.: +46 10-583 3000 E-mail: info@nordnet.se www.nordnet.se	Email: nordnet@nordnet.dk www.nordnet.dk

Applications made through Nordnet can be amended up to 23:59 CEST on 14 October 2024, unless the Application Period is being extended. All applications received by Nordnet will be irrevocable and binding and cannot be withdrawn, cancelled or modified by the applicant after 23:59 CEST on 14 October 2024.

14.8 Payment and delivery of Offer Shares

The Manager expects to notify allocation of Offer Shares on or about 16 October 2024, by making individual allocation to applicants through the VPS application system. Any such applicant wishing to know the precise number of Offer Shares allocated to it, may contact one of the application offices listed above from 12:00 CEST on 16 October 2024 and onwards during business hours. Such applicants who have access to investor services through an institution that

operates the applicant's VPS account should be able to see how many Offer Shares they have been allocated from on or around 12:00 CEST on 16 October 2024.

In completing an application form, or registering an application through the VPS online subscription system, each applicant in the Offering that applies for Offer Shares through the Manager irrevocably authorises the Manager to debit the applicant's Norwegian bank account for the total amount due for the Offer Shares allocated to the applicant. Such applicant's account number must be stipulated on the application form or registered through the VPS online application system. Accounts will be debited on or about 18 October 2024 (the payment due date), and there must be sufficient funds in the stated bank account from and including 18 October 2024. Such applicants who do not have a Norwegian bank account must ensure that payment of the allocated Offer Shares is made on or before the payment due date (18 October 2024).

Should any investor using an application form or applying through the VPS online subscription system have insufficient funds on his or her account, should payment be delayed for any reason or if it is not possible to debit the account, interest will accrue on the amount due at a rate equal to the prevailing interest rate under the Norwegian Act on Interest on Overdue Payments of 17 December 1976, No. 100, which at the date of this Prospectus was 12.5% per annum. The Manager reserves the right (but has no obligation) to make up to three debit attempts, and the authorization will be valid for up to seven working days after the Payment Date, if there are insufficient funds on the account on the payment due date.

Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Offering is expected to take place on or around 22 October (or such later date upon the successful debit of the relevant account).

14.9 Mechanism of allocation

In the Offering, no allocations will be made for a number of Offer Shares representing an aggregate value of less than NOK 10,500 per applicant provided, however, that all allocations will be rounded down to the nearest number of whole Offer Shares and the payable amount will hence be adjusted accordingly.

One or multiple orders from the same applicant in the Offering with a total application amount in excess of NOK 2,000,000 will be adjusted downwards to an application amount of NOK 2,000,000.

The Company reserves the right to set a maximum allocation per applicant in the Offering. The Company and the Manager reserve the right, at their sole discretion, to give preference for existing shareholders and to take into account the creditworthiness of any applicant. The Company and the Manager may also decide to make no allocation to any applicant.

14.10 VPS account and Nordnet account

Participation in the Offering is conditional upon the subscriber holding a VPS account. The VPS account number must be stated in the application form or when registering an application through the VPS online application system. VPS accounts can be established with authorised VPS registrars, who can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian FSA. Establishment of a VPS account requires verification of identification to the VPS registrar in accordance with the Anti-Money Laundering Legislation (as defined below).

For participation in the Offering, applicants in Norway can apply, and applicants in Sweden and Denmark must apply, for Offer Shares electronically through the Nordnet webservice. In order to apply for Offer Shares through Nordnet, the applicant must register as a customer of Nordnet and establish a nominee/depot account for the Offering, through Nordnet. In order to establish a customer relationship with Nordnet, the applicant should have an online banking ID or a mobile banking ID. If the applicant is unable to establish a customer relationship with Nordnet through his/her online banking ID or mobile banking ID, the customer relationship must be established through a manual application, which is time consuming and may not be processed by Nordnet prior to expiry of the Application Period. For more information on how to proceed to establish a customer relationship with Nordnet, please contact Nordnet.

14.11 Mandatory anti-money laundering procedures

The Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 No. 23 and the Norwegian Money Laundering Act of 14 September 2018 No. 1324, (collectively, the "**Anti-Money Laundering Legislation**").

Applicants who are not currently registered as customers of the Manager and who subscribes for a cumulative amount of NOK 100,000 or more may be subject to customer due diligence measures ("**KYC**") to comply with the Anti-Money Laundering Legislation. These applicants will be contacted via email and must fulfil the necessary procedures prior to the expiry of the Application Period. Applicants who have not completed the required KYC prior to the expiry of the Application Period may not be allocated Offer Shares.

14.12 Publication of information related to the Offering

The Company will use the Oslo Stock Exchange's information system to publish information relating to the Offering, such as amendments to the Application Period (if any) and first day of trading at the Oslo Stock Exchange. The final determination of the number of Offer Shares and the total amount of the Offering is expected to be published on or about 16 October 2024.

14.13 The rights conferred by the Offer Shares

The Offer Shares will in all respects carry full Shareholders' rights in the Company on an equal basis as any other Shares in the Company, including the right to any dividends, from the date of registration of the share capital increase pertaining to the Offering in the Norwegian Register of Business Enterprises, see Section 14.2 "Timetable".

For a description of the rights attached to the Shares in the Company, see Section 12 "Corporate information and description of the shares".

14.14 VPS registration

The Company's registrar in the VPS is DNB Bank ASA, Dronning Eufemias gate 30, N-0191 Oslo, Norway.

14.15 National Client Identifier and Legal Entity Identifier

In order to participate in the Offering, applicants will need a global identification code. Physical persons will need a National Client Identifier ("NCI") and legal entities will need a so-called Legal Entity Identifier ("LEI"). Investors who do not already have an NCI or LEI, as applicable, must obtain such codes in time for the application in order to participate in the Offering.

14.15.1 NCI code for physical persons

Physical persons need a NCI code to participate in a financial market transaction. For physical persons with only a Norwegian citizenship, the NCI code is the 11-digit personal ID (Norwegian: Fødselsnummer). If the person in question has multiple citizenships or another citizenship than Norwegian, another relevant NCI code can be used. Investors are encouraged to contact their bank for further information.

14.15.2 LEI code for legal entities

Legal entities need a LEI code to participate in a financial market transaction. A LEI code must be obtained from an authorised LEI issuer, which can take some time. Investors should obtain a LEI code in time for the application. For more information visit www.gleif.org.

14.16 Conditions for completion of the Offering

Completion of the Offering on the terms set forth in this Prospectus is conditional upon the Board of Directors having resolved to issue the Offer Shares in the Offering and on the share capital increase pertaining to the issuance of Offer Shares being registered with the Norwegian Register of Business Enterprises and the Offer Shares subsequently being issued in the VPS. There can be no assurance that this will be satisfied. If this is not satisfied, the Offering may be revoked or suspended. If the Offering is revoked or suspended, resulting in all applications for Offer Shares being

disregarded, any allocations made will be cancelled, and any payments made will be returned without any interest or any other compensation to the applicants.

Prior to the Listing and the Offering, the Shares have been publicly traded on Euronext Growth Oslo, a multilateral trading facility operated by Euronext. No application has been filed for listing on any stock exchanges or regulated marketplaces other than the Oslo Stock Exchange.

14.17 Participation of major existing shareholders and members of the Company's management or board of directors

None of the members of the Board of Directors and Management have indicated an intention to apply for Offer Shares, but may consider any possible applications during the Application Period.

The Company is not aware of whether any major Shareholders of the Company intend to apply for Offer Shares in the Offering, or whether any person intends to apply for more than 5% of the Offer Shares.

14.18 Expenses related to the Offering and Listing

The Company estimates that expenses in connection with the Offering and the Listing, which will be paid by the Company, will amount to approximately NOK 4 million. Based on the number of Offer Shares and the Offer Price, the Offering may raise gross proceeds to the Company of up to approximately NOK 20,000,000. As such, net proceeds will amount to up to NOK 16 million based on the Offer Price (and assuming that the Offering is subscribed in full).

The Company intends to use the net proceeds from the Offering for its continued R&D activities and investments in machines and equipment, to support continued business development.

No expenses or taxes will be charged by the Company or the Manager to the applicants in the Offering.

14.19 Lock-up

The Offer Shares will not be subject to any lock-up restrictions.

14.20 Interests of natural and legal persons involved in the Offering

The Manager or its affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which it may have received and may continue to receive customary fees and commissions. The Manager does not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Manager will receive a brokerage fee and a management fee in connection with the Offering and Listing and, as such, have an interest in the Offering.

Except as set out above, the Company is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Offering.

14.21 Dilution and disparity

The issuance of the Offer Shares in the Offering may result in a maximum number of Shares in the Company of 16,021,713, which will correspond to a dilution for the existing shareholders of approximately 6.24%. This is based on the assumption that the Company issues the maximum number of Offer Shares at the Offer Price, and that none of the existing Shareholders subscribe for any Offer Shares in the Offering.

The net asset value per existing Share as of 30 June 2024 was NOK 0.56.

As described in section 11.5, certain members of Management have options which will have a strike price of NOK 19.81746 following the consolidation of options described in section 11.5, and as such the rights to acquire shares at a disparity to the Offer Price.

14.22 Governing law and jurisdiction

The Offering is governed by Norwegian law. Any dispute arising out of, or in connection with, this Prospectus or the Offering shall be subject to the exclusive jurisdiction of the courts of Norway, with Oslo as legal venue.

15 TAXATION

15.1 Norwegian taxation

The summary regarding Norwegian taxation set out below is based on the laws in force in Norway as of the date of this Prospectus, which may be subject to any changes in law, administrative practice or interpretation occurring after such date. Such changes could possibly be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of Shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (under domestic tax law or tax treaties) should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

As will be evident from the description, the taxation will differ depending on whether the shareholder is a limited liability company or a natural person.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

The tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdiction in which the shareholders are resident for tax purposes may have an impact on the income received from the Shares.

15.1.1 Taxation of dividends

Norwegian Personal Shareholders

Dividends received by shareholders who are natural persons resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable as ordinary income currently at a rate of 22% (for 2024), to the extent the dividends exceed a statutory tax-free allowance (Nw: *skjermingsfradrag*). With effect from the fiscal year 2023 the taxable amount is multiplied by a factor of 1.72, resulting in an effective tax rate of 37.84% (22% x 1.72).

The tax-free allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk-free interest rate based on the effective rate of interest on treasury bills (Nw.: *statskasseveksler*) with three months' maturity plus 0.5 percentage points, after tax. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year. The risk-free interest rate is published in January in the year following the income year. The risk-free interest rate for 2023 was 3.2%.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated tax-free allowance related to the year of the transfer when determining the taxable amount in the year of transfer. Any part of the calculated tax-free allowance one year that exceeds the dividend distributed on a share ("**excess allowance**") may be carried forward and set off against future dividends received on, or gains upon realization, of the same share.

Norwegian Personal Shareholders may hold the shares through a Norwegian share saving account (Nw. *Aksjesparekonto*). Dividends received on shares held through a share saving account will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the paid in deposit will be regarded as taxable income, regardless of whether the funds are derived from gains or dividends related to the shares held in the account. Such income will be taxed with an effective tax rate of 37.84%, cf. the description above concerning taxation of dividends.

The tax-free allowance is, when investing through share saving accounts, calculated based on the lowest paid in deposit in the account during the income year, plus any unused tax-free allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income, and cannot increase or produce a deductible loss. Any excess allowance may be carried forward and set off against future withdrawals from the account.

Norwegian Corporate Shareholders

Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**"), are largely exempt from tax on dividends distributed from the Company,

pursuant to the Norwegian participation exemption method (Nw: *fritaksmetoden*). However, unless the Norwegian Corporate Shareholder holds more than 90% of the shares and the voting rights of the company, 3% of the dividend income distributed to the Norwegian Corporate Shareholder is taxable as ordinary income at a rate of 22% (for 2023), resulting in an effective tax rate of 0.66% (22% x 3%). For Norwegian Corporate Shareholders that are considered to be 'financial institutions' under the Norwegian financial activity tax (e.g. banks and holding companies), the effective rate of taxation for dividends is 0.75%.

Non-Norwegian Personal Shareholders

Dividends distributed to shareholders who are natural persons not resident in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Personal Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (please see *"Taxation of dividends – Norwegian Personal Shareholders"* above). However, the tax-free allowance deduction does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder carries out business activities in or managed from Norway and the shares are, in effect connected to such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have been imposed with a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted, if certain documentation requirements are met. Non-Norwegian Personal Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

Non-Norwegian Personal Shareholders, who are resident in an EEA country may hold the Shares through a Norwegian share saving account (Nw. *Aksjesparekonto*) to the same extent as Norwegian shareholders. Please refer to Section 15.1.1 *"Norwegian Personal Shareholders"* above for a description of taxation of shares held on a share saving account.

Non-Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempted from Norwegian withholding tax, provided that the shareholder is the beneficial owner of the shares and is considered to be *"genuinely established and performs genuine economic activity"* in the relevant EEA jurisdiction for Norwegian tax purposes.

If a Non-Norwegian Corporate Shareholder carries out business activities in or managed from Norway and the shares are, in effect, connected to such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty, may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted. The same will apply to Non-Norwegian Corporate Shareholders who have suffered withholding tax although qualifying for the Norwegian participation exemption method.

All Non-Norwegian Corporate Shareholders must document their entitlement to a reduced withholding tax rate by either (i) presenting an approved withholding tax refund application or (ii) present an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate. In addition, certain other

documentation requirements must be met, and the relevant documentation must be provided to either the nominee or the account operator registered with VPS. Non-Norwegian Corporate Shareholders should consult their own advisers regarding the possibility of effectively obtaining a reduced withholding tax rate pursuant to either an applicable tax treaty or the participation exemption method.

15.1.2 Taxation of capital gains on realization of shares

Norwegian Personal Shareholders

Sale, redemption or other disposal of shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is currently taxable at a rate of 22%. However, with effect from the fiscal year 2023, the taxable capital gain (after the tax-free allowance reduction, cf. below) or tax deductible loss shall be adjusted by a factor of 1.72, resulting in a marginal effective tax rate of 37.84%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realization of the share. Norwegian Personal Shareholders are entitled to deduct a statutory tax-free allowance from any capital gain, provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 15.1.1 *"Taxation of dividends"* above for a description of the calculation of the tax-free allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realization of a share will be annulled.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Gains derived upon the realization of shares held through a share saving account will be exempt from immediate Norwegian taxation and losses will not be tax deductible. Instead, withdrawal of funds from the share saving account exceeding the Norwegian Personal Shareholder's paid in deposit, will be regarded as taxable income, subject to tax at an effective tax rate of 37.84% (for 2024). (please see *"Taxation of dividends – Norwegian Personal Shareholders"* above for more information regarding share saving accounts).

Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are generally exempt from tax on capital gains derived from the realization of shares, pursuant to the Norwegian participation exemption. Correspondingly, losses upon the realization and costs incurred in connection with the purchase and realization of such shares are not deductible for tax purposes.

Non-Norwegian Personal Shareholders

Gains from the sale or other disposal of shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the shares held by the Non-Norwegian Personal Shareholder are, in effect, connected to business activities carried out in or managed from Norway, or the shares are held by a Non-Norwegian Personal Shareholders who has been a resident of Norway for tax purposes with unsettled/postponed exit tax calculated on the shares at the time of cessation of Norwegian tax residency.

Please refer to Section 15.1.1 *"Non-Norwegian Personal Shareholders"* above for a description of the availability of a Norwegian share saving account for Non-Norwegian Personal Shareholders. Please refer to Section 15.1.2 for a description of the taxation of dividends on Shares held on a share saving account.

Non-Norwegian Corporate Shareholders

Capital gains derived from the sale or other realization of shares by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway unless the shares held by the Non-Norwegian Corporate Shareholder are, in effect, connected with business activities carried out in or managed from Norway.

15.1.3 Net wealth tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. With effect from the fiscal year 2024, the marginal net wealth tax rate is 1% of the tax assessment value of total net assets exceeding NOK 1.7 million (NOK 3.4 million jointly for married couples), increased to 1.1% of the tax assessment value of total net assets exceeding NOK 20 million. The value for assessment purposes for listed shares is, with effect from the fiscal year 2024, equal to 80% of the listed value as of 1 January in the year of assessment (i.e. the year following the relevant financial year).

Norwegian Corporate Shareholders are not subject to net wealth tax.

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders may, however, be liable for Norwegian net wealth tax if the shareholding is, in effect, connected to business activities carried out in or managed from Norway.

15.1.4 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

15.1.5 Inheritance tax

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

16 SELLING AND TRANSFER RESTRICTIONS

16.1 General

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares offered hereby.

Other than in Norway, Sweden and Denmark, the Company is not taking any action to permit a public offering of the Shares in any jurisdiction. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Norway, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

16.2 Selling restrictions

16.2.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A or pursuant to another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act; or (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and, in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, the Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any of the Offer Shares as part of its allocation at any time other than (i) within the United States to QIBs in accordance with Rule 144A or (ii) outside of the United States in compliance with Rule 903 of Regulation S. Transfer of the Offer Shares will be restricted and each purchaser of the Offer Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 16.3.1 "United States".

Any offer or sale in the United States will be made solely by affiliates of the Manager who are broker-dealers registered under the U.S. Exchange Act. In addition, until 40 days after the commencement of the Offering, an offer or sale of Offer Shares within the United States by a dealer, whether or not participating in the Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from the registration requirements of the U.S. Securities Act and in connection with any applicable state securities laws.

16.2.2 United Kingdom

Offers of Offer Shares pursuant to the Offering are only being made to persons in the United Kingdom who are 'qualified investors' within the meaning of the UK version of the EU Prospectus Regulation (2017/1129/ EU) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018.

This Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom (the UK) or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as the "Relevant Persons"). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

The Manager is acting exclusively for the Company and no one else in connection with the Offering. The Manager will not regard any other person (whether or not a recipient of this Prospectus) as a client in relation to the Offering and

will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for the giving of advice in relation to the Offering or any transaction, matter or arrangement referred to in this Prospectus.

16.2.3 European Economic Area

In relation to each Relevant Member State, other than Norway, no Offer Shares have been offered or will be offered to the public in that Relevant Member State, pursuant to the Offering, except that Offer Shares may be offered to the public in that Relevant Member State at any time in reliance on the following exemptions under the EU Prospectus Regulation:

- to persons who are "qualified investors" within the meaning of Article 2(e)in the EU Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) per Relevant Member State, with the prior written consent of the Manager for any such offer; or
- in any other circumstances falling under the scope of Article 3(2) of the EU Prospectus Regulation;

provided that no such offer of Offer Shares shall require the Company or the Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplementary prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purpose of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Offering and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares.

These EEA selling restrictions are in addition to any other selling restrictions set out in this Prospectus.

16.2.4 Additional jurisdictions

Canada

The Offer Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Offer Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Manager is not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Hong Kong

The Offer Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder, or (iii) in other circumstances which do not result in the document being

a "prospectus" within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the Offer Shares may be issued or may be in the possession of any person for the purposes of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offer Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Offer Shares may not be circulated or distributed, nor may they be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Other jurisdictions

The Offer Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Japan, Australia or any other jurisdiction in which it would not be permissible to offer the Offer Shares.

In jurisdictions outside the United States and the EEA where the Offering would be permissible, the Offer Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

16.3 Transfer restrictions

16.3.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each purchaser of the Offer Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.

- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, and subject to certain exceptions, may not be offered or sold within the United States.

- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares or any economic interest therein to any person in the United States.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

- The purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Prospectus.

- The Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.

- The Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions.

- If the purchaser is acquiring any of the Offer Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements in behalf of each such account.

- The purchaser acknowledges that the Company, the Manager and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Offer Shares within the United States purchasing pursuant to Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.

- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.

- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Offer Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Offer Shares, as the case may be.

- The purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.

- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, or any economic interest therein, as the case may be, such Offer Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

- The purchaser will not deposit or cause to be deposited such Offer Shares into any depositary receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Offer Shares are "restricted securities" within the meaning of Rule 144(a) (3) under the U.S. Securities Act.

- The purchaser acknowledges that the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares, as the case may be.

- The purchaser acknowledges that the Company shall not recognise any offer, sale pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.

- If the purchaser is requiring any of the Offer Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

- The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that the Company, the Manager and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

16.3.2 European Economic Area

Each person in a Relevant Member State (other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway) who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Manager and the Company that:

a) it is a qualified investor within the meaning of Article 2(e) of the EU Prospectus Regulation; and

b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Manager has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purpose of this representation, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Offering and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares.

17 ADDITIONAL INFORMATION

17.1 Independent auditor

The Company's independent auditor is Ernst & Young AS (EY), with registration number 976 389 387 and business address at Stortorvet 7, 0155 Oslo, Norway. The partners of Ernst & Young AS are members of The Norwegian Institute of Public Accountants (Nw.: *Den Norske Revisorforeningen*). RSM Norge AS was the Company's auditor for the financial years 2021, 2022 and 2023. RSM Norge AS is a member of The Norwegian Institute of Public Accountants (Nw.: *Den Norske Revisorforeningen*). The Company changed its auditor to Ernst & Young AS on 18 June 2024. The reason for this change was a strategic decision to engage a larger audit firm to enhance credibility and also to align the audit process with a new governance structure.

17.2 Advisors

Carnegie AS (address Fjordalléen 16, 0250 Oslo, Norway) functions as the Company's financial advisor.

Advokatfirmaet Schjødt AS (address: Tordenskiolds gate 12, N-0160 Oslo, Norway) functions as the Company's Norwegian legal counsel.

17.3 Documents on display

Copies of the following documents will be available for inspection at the Company's offices at Ytrebygdsvegen 215, 5258 Blomsterdalen, Bergen, Norway for a period of twelve months from the date of this Prospectus:

- the Company's certificate of incorporation and Articles of Association;
- all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Prospectus; and
- this Prospectus.

The documents are also available at the Company's website www.lifecare.no. The content of the Company's website is not incorporated by reference into, or otherwise form part of, this Prospectus.

18 DEFINITIONS AND GLOSSARY

In the Prospectus, the following defined terms have the following meanings:

Defined term	Meaning
Annual Financial Statements	The IFRS Financial Statements and the NGAAP Financial Statements together
Anti-Money Laundering Legislation	Applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 No. 23 and the Norwegian Money Laundering Act of 14 September 2018 No. 1324
APM	Alternative Performance Measures
Application Period	The Application Period for the Offering, commencing on at 09:00 on 8 October 2024 and closing at 16:30 on 15 October 2024
Articles of Association	The articles of association of the Company.
Board Members	The members of the Board of Directors
Board or Board of Directors	The board of directors of the Company
CEO	The Company's chief executive officer
CGM	Continuous Glucose Monitoring
Company or Lifecare	Lifecare ASA
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance
CRO's	Contract research organisations
EBIT	Consolidated operating profit
EBITDA	Operating profit before interest, taxes, depreciation and amortization
EEA	The European Economic Area
ESMA	European Securities and Markets Authority
EU	The European Union
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market
EUR	Euro, the official common currency of the EU
Euronext Expand	Euronext Expand, a regulated market operated by Oslo Børs ASA
Euronext Growth Oslo	A multilateral trading facility operated by Oslo Børs ASA
Exercise Period	From 2 June 2025 to 13 June 2025
EY	Ernst & Young AS
Financial Information	The Annual Financial Statements and the Interim Financial Statements taken together.
Forward-looking statements	All statements other than historic facts or present facts, typically indicated by words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," and similar
FTEs	Full time employees
General Meeting	The Company's general meeting of shareholders
GMP	Good manufacturing processes, which is defined as practices that are required in order to conform to guidelines recommended by agencies that control authorization and licensing for manufacture and sale of food, drug products, and active pharmaceutical products.
Group	The Company together with its subsidiaries
IAS 34	International Accounting Standard 34, IAS 34 Interim Financial Reporting
IFRS	International Financial Reporting Standards as adopted by the EU and implemented in Norway
IFRS Financial Statements	The Company's audited annual consolidated financial statements for the financial year ended 31 December 2023 prepared in accordance with IFRS, with comparative figures for the financial year ended 31 December 2022, attached to this Prospectus as Appendix 2.
Interim Financial Statements	The Company's unaudited interim consolidated financial statements for the six-month period ended 30 June 2024, with comparable figures for the six-month period ended 30 June 2023, prepared in accordance with IAS 34, attached to this Prospectus as Appendix 5.
ISIN	International Securities Identification Number
LEI	Legal Entity Identifier

Lifecare Chemistry	Lifecare Chemistry Ltd
Lifecare Laboratory	Lifecare Laboratory GmbH
Lifecare NanoBioSensors	Lifecare NanoBioSensors GmbH
Lifecare Veterinary	Lifecare Veterinary AS
Listing	The listing of the Company's shares on Oslo Børs, alternatively Euronext Expand
Long-Term Incentive Program	The long-term incentive program established by the Board of Directors in accordance with the authorization granted by the annual general meeting of the Company held on 30 April 2023
KYC	Customer due diligence measures
Management	The senior management of the Company
Manager	Carnegie AS
NCI	National Client Identifier
NGAAP	Norwegian Generally Accepted Accounting Principles
NGAAP Financial Statements	The Company's audited annual consolidated financial statements for each of the financial years ended 31 December 2022 and 2021 prepared in accordance with NGAAP, attached to this Prospectus as Appendix 3 and 4 respectively.
NOK	Norwegian Kroner, the lawful currency of Norway
NOM-account	Nominee account
Non-Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes
Non-Norwegian Personal Shareholders	Shareholders who are natural persons not resident in Norway for tax purposes
Non-resident or foreign shareholders	Shareholders who are not resident in Norway for tax purposes
Nordnet	Nordnet Bank AB
Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes
Norwegian FSA	The Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*)
Norwegian Personal Shareholders	Shareholders who are natural persons resident in Norway for tax purposes
Norwegian Public Limited Liability Companies Act, or Norwegian Public Companies Act	The Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45
Norwegian Securities Trading Act	Securities Trading Act of 29 June 2007 no. 75 (Nw.: *Verdipapirhandelloven*)
Offer Price	NOK 20 per Offer Share
Offering	The retail offering directed to the public in Norway, Sweden and Denmark of up to 1,000,000 Offer Shares at the Offer Price
Oslo Børs or Oslo Stock Exchange	Oslo Børs, a stock exchange operated by Oslo Børs ASA
Private Placement	The private placement completed by the Company on 1 March 2023, raising gross proceeds of NOK 500 million through the issuance of 18,518,519 new shares, at a price per share of NOK 27.
Prospectus	This prospectus dated 3 October 2024
QIBs	Qualified institutional buyers as defined in Rule 144A under U.S Securities Act.
R&D	Research and development
Regulation S	Regulation S the U.S. Securities Act
RemovAid	RemovAid AS
Resident or Norwegian shareholders	Shareholders who are resident in Norway for tax purposes
Rights Issue	The partially underwritten preferential rights issue which was announced as completed by the Company on 14 June 2024, under which the Company issued 59,038,955 new shares at a subscription price of NOK 1.52442 per share, raising gross proceeds of approximately NOK 90 million.
RSM	RSM Norge AS
Rule 144A	Rule 144A under the U.S. Securities Act
Shares	The Company's shares, each with a par value of NOK 5.20.
U.S Securities Act	The U.S. Securities Act of 1933

U.S. Exchange Act	The U.S. Securities Exchange Act of 1934
VPS	Euronext Securities Oslo, also referred to as the Norwegian Central Securities Depository (Nw.: *Verdipapirsentralen*)
VPS Registrar	DNB Bank ASA
Warrants	The 4,193,806 warrants issued by the Company, as described in section 12.8 "Warrants"

APPENDIX 1:

Articles of Association

VEDTEKTER

For

LIFECARE ASA

§ 1. Foretaksnavn

Selskapets navn er Lifecare ASA. Selskapet er et allmennaksjeselskap.

§ 2. Forretningskontor

Selskapets forretningskontor er i Bergen kommune.

§ 3. Virksomhet

Selskapets formål er utvikling, produksjon, lisensiering, salg av medisinsk utstyr og teknologi og alt som står i forbindelse med dette.

§ 4. Aksjekapital

Selskapets aksjekapital er på kr 78.112.907,60 fordelt på 15.021.713 aksjer á kr 5,20. Selskapets aksjer er og skal være registrert i VPS.

§ 5. Styre

Selskapets styre skal bestå av 3 til 7 medlemmer, etter generalforsamlingens nærmere beslutning. Styrets leder velges av generalforsamlingen.

(OFFICE TRANSLATION)

ARTICLES OF ASSOCIATION

for

LIFECARE ASA

§ 1. Company name

The name of the company is Lifecare ASA. The company is a public limited liability company.

§ 2. Registered office

The company´s registered office is in the municipality of Bergen.

§ 3. The business activities

The company´s objective is to undertake development, production, licensing and sale of medical equipment and technology, and everything connected with this.

§ 4. Share capital

The Company’s share capital is NOK 78,112,907.60 divided into 15,021,713 shares, each with a nominal value of NOK 5.20. The Company’s shares are and shall be registered in the Norwegian CSD

§ 5. The Board of Directors

The board of directors shall consist of 3 to 7 members according to the resolution of the general meeting. The chairman of the board of directors is elected by the general meeting.

§ 6. Signatur

Selskapets firma tegnes av styrets leder alene eller to styremedlemmer i fellesskap. Styret kan meddele prokura.

§ 7. Omsetningsbegrensninger

Erverv av aksjer i selskapet er ikke betinget av styrets samtykke. Aksjeeierne har ikke forkjøpsrett ved overdragelse av aksjer i selskapet.

§ 8. Generalforsamling

Den ordinære generalforsamling skal avholdes hvert år innen utgangen av juni måned. Generalforsamling skal behandle:

- Godkjennelse av årsregnskapet og årsberetningen, herunder utdeling av utbytte.
- Valg av styre og valgkomite.
- Andre saker som etter loven eller vedtektene hører under generalforsamlingen.

Dokumenter som gjelder saker som skal behandles i selskapets generalforsamling, derunder dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen, trenger ikke sendes til aksjeeierne dersom dokumentene er tilgjengelige på selskapets hjemmeside. En aksjeeier kan likevel kreve å få tilsendt dokumenter som gjelder saker som skal behandles i generalforsamlingen.

§ 6. Signature

The Chairman of the Board, or two members of the Board together, have the authority to sign on behalf of the company. The board of directors may grant power of procuration.

§ 7. Limitations of trade

Acquisition of shares in the company is not conditional on the board's consent. Shareholders do not have a pre-emptive right to transfer shares in the company.

§ 8. General meeting

The annual general meeting shall be held each year by the end of June. The annual general meeting shall consider the following:

- Approval of the annual accounts and the directors' report, including distribution of dividend.
- Election of Board of Directors and Nomination Committee.
- Any other business that, by law or pursuant to the articles of association, is to be transacted at the general meeting.

Documents regarding matters which are to be dealt with at the general meeting, including documents which according to statutory law shall be included in or attached to the notice of the general meeting, that have been made available on the company's internet site, is exempt from the statutory requirements stating that these documents shall be sent to the shareholders. Any shareholder may require the submission of such documents and the company is then committed to send the documents to requesting shareholders.

The board of directors can decide that

Styret kan beslutte at aksjeeier kan avgi skriftlig forhåndsstemme i saker som skal behandles på generalforsamlinger i selskapet. Slike stemmer kan også avgis ved elektronisk kommunikasjon. Adgangen til å avgi forhåndsstemme er betinget av at det foreligger en betryggende metode for å autentisere avsenderen. Styret kan fastsette nærmere retningslinjer for skriftlige forhåndsstemmer. Det skal fremgå av innkallingen til generalforsamlingen om det er gitt adgang til skriftlig stemmegivning før generalforsamlingen, og hvilke retningslinjer som eventuelt er fastsatt for slik stemmegivning.

Aksjeeiere som ønsker å delta på en generalforsamling, skal gi selskapet melding om dette innen en frist som angis i innkallingen til generalforsamlingen, og som ikke kan løpe ut tidligere enn to virkedager før generalforsamlingen.

shareholders can be allowed to cast their votes in writing in advance on items on the published agenda for the Company's general meetings. Such votes may also be cast by electronic communication. The access to cast votes in advance is contingent on that a satisfactory method to authenticate the sender is available. The board of directors can establish specific guidelines for advance votes in writing. The notice of the general meeting shall describe whether it will be possible to vote in writing prior to the general meeting, and what guidelines, if any, have been established for such voting.

Shareholders who wish to participate at a general meeting of the company, shall notify the company of this within a deadline which is set out in the notice of the General Meeting, and which cannot expire earlier than two business days prior to the General Meeting.

§ 9. Valgkomite

Selskapet skal ha en valgkomité som skal fremme forslag for generalforsamlingen om valg av styremedlemmer og sammensetning av valgkomite.

Valgkomitéen skal bestå av leder som velges for 2 år og to medlemmer som velges for 1 år.

Generalforsamlingen kan vedta instruks for valgkomitéens arbeid.

§ 9. Nomination committee

The company shall have a nomination committee to nominate to the General Meeting board members and composition of the nomination committee.

The nomination committee shall consist of a chairman who is elected for 2 years and two members who are elected for 1 year.

The general meeting may adopt an instruction to the work of the nomination committee.

§ 10. Forholdet til allmennaksjeloven

§ 10. Applicability of the Public Limited Liability

For spørsmål som ikke er regulert i disse vedtekter, kommer den til enhver til gjeldende allmennaksjelovgivning til anvendelse	Companies Act Matters not regulated in these articles of associations is to be solved on the basis of the Public Limited Liability Companies Act applicable at any time.

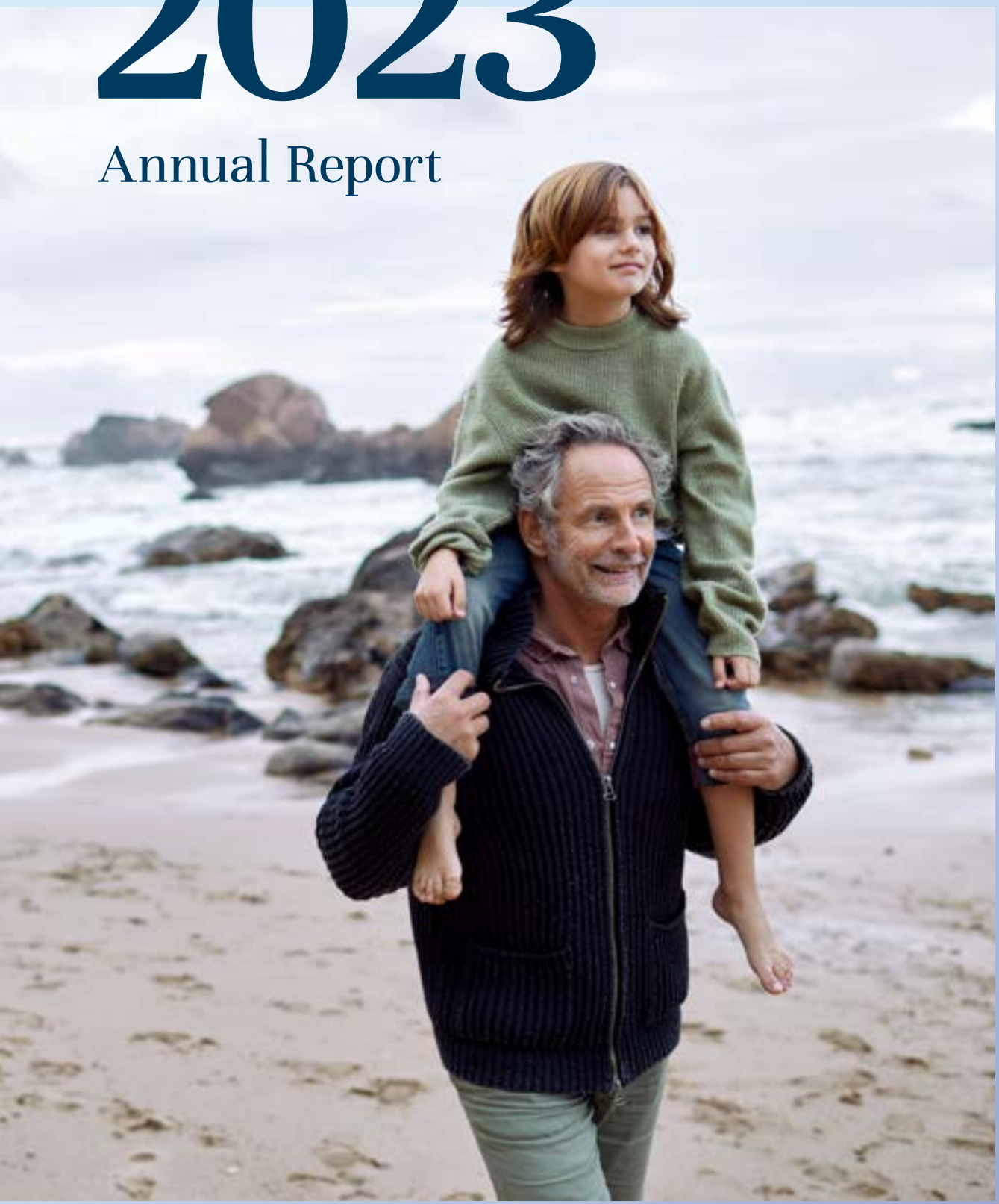
APPENDIX 2:

Annual financial statements for the year ended 31 December 2023 (IFRS)

LIFECARE

2023

Annual Report



BOARD OF DIRECTORS REPORT
FINANCIAL REPORT

Content

CEO Statement

The technology development and company progress were fantastic in 2023. We expect nothing less in 2024, in our mission to make life easier for patients and pets with diabetes.

As we entered 2023, we communicated Lifecare's focus to continue the core product development, achieve ISO 9001 and ISO 13485 certifications and to initiate production preparations. Furthermore, we disclosed the intention to initiate new development projects.

The entire Lifecare organization has executed the core development focus and preparations in accordance with the communicated plan. Lifecare's solid share price development of +146.7% throughout the 2023 is a confirmation that this execution was well received by the market. In addition, Lifecares market cap increased with 276% to 600 MNOK throughout 2023. The share price increase positioned Lifecare as the best performing healthcare stock and the overall 5th best performing share at Oslo Stock Exchange in 2023.

Throughout 2023 Lifecare have continued to strengthen the organization with additional human resources, including key personnel for transformation of the company towards production and commercialization.

In October 2023 Lifecare successfully closed a capital increase of 42.5 MNOK ensuring financing to bring the company into the production and product ready phase. The capital increase led to a company market cap of 337.5 MNOK. In November 2023, Lifecare published a commissioned technology valuation report from the Danish Life Science Valuation company Xplico. The report concludes that Lifecare's technology have a risk-adjusted Net Present Value of 247 MEUR.

OUTLOOK

The main focus for 2024 is to continue the transformation towards marked readiness based on establishing automated production by end of Q2 2024. On this basis we aim to launch our first product in the veterinary market in 2024, as well as to initiate our longevity study in dogs (LFS-SEN-002) and our next clinical study (LFS-SEN-003).

The clinical study LFS-SEN-003 will be the first of a sequence of activities specifically aimed towards obtaining the CE mark for launch in the human market. In parallel with the production and product preparations we will intensify our efforts to take advantage of our technology's platform potential. We aim to exploit product potential in new markets, including sensing and/or monitoring of analytes beyond glucose. It is likely that our veterinary initiative will play a major role in the additional business developments.

The Lifecare Group is better positioned than ever before as we prepare to execute on our mission to make life for patients and pets with diabetes easier, better, and more predictable.

Joacim Holter
CEO

Key achievements Highlights 2023

TECHNOLOGY DEVELOPMENT

Finalization of our first Clinical study (LFS-SEN-001), providing a clear Proof of Concept in humans.

Data from LFS-SEN-001 confirmed that Lifecare's sensor technology has an accuracy of MARD 9,6%. This result indicates a sensitivity in line with the regulatory "gold standard", hence clinical decisions can theoretically be based on the Lifecare Sencell CGM (pending on future regulatory approval).

Lifecare's laboratory experiments (in-vitro) confirmed the company's statement that an operational lifetime of minimum 6 months can be expected.

The European Patent Office communicated its intentions to issue a new patent to Lifecare.

REGULATORY COMPLIANCE

Our German main site Lifecare Laboratory GmbH was ISO 9001 certified in March 2023 and ISO 13485 certified in December 2023.

The Norwegian Food Safety Authority issued regulatory approval for LFS-SEN-002 longevity study.

The Norwegian Medicines Agency confirmed that Lifecare's microchip nano sensor is considered as a medical device in the veterinary market and consequently that Lifecare's Sencell CGM will not be subject to any specific regulatory requirements for veterinary use.

PRODUCT DEVELOPMENT AND MANUFACTURING PREPARATIONS

In April 2023 Lifecare signed a lease agreement for a 1000 sqm production and laboratory premises in Mainz where the company's main production facility will be located.

In May 2023, Lifecare launched Lifecare Veterinary to manage veterinary product development, and prepare product launch in the veterinary market.

From Q2 2023 Lifecare has focused on transforming the company and the technology towards automated production and market launch in the veterinary market.

In Q4 2023 Lifecare has placed several orders for advanced production equipment essential for the automated production planned to be ready by the end of Q2 2024.

In September and November 2023 Lifecare reported progress relating to the company's Product Development Agreement with Sanofi.

SCIENTIFIC PRESENTATIONS AND PUBLICATIONS 2023

Advanced Technologies & Treatments for Diabetes (ATTD 2023), Berlin, Germany: Presentation of Lifecare's *"Dynamic CGM interference testing method"* by CSO Prof. Dr. Dr. Andreas Pfützner

American Diabetes Association's 83rd Scientific Sessions, 2023, San Diego, California, US: Presentation of Lifecare's Sencell result *"Proof-of-Concept Study Results with a New Osmotic-Pressure–Based Continuous Glucose Sensor"* as a poster presentation at the scientific session by CSO Prof. Dr. Dr. Andreas Pfützner.

Diabetes Technology Meeting (DTM) 2023, virtual, USA: presentation of the poster *"Continuous Glucose Monitoring with an Osmotic-Pressure Based Continuous Glucose Sensor: Results of the First Human Pilot Study"* by CSO Prof. Dr. Dr. Andreas Pfützner

Paper published in Sensors, May 2023: "*Miniaturization of an Osmotic Pressure-Based Glucose Sensor for Continuous Intraperitoneal and Subcutaneous Glucose Monitoring by Means of Nanotechnolog"*. Authors: Andreas Pfützner, Barbora Tencer, Boris Stamm, Mandar Mehta, Preeti Sharma, Rustam Gilyazev, Hendrick Jensch, Nicole Thomé and Michael Huth.

Key Financial Figures

Lifecare AS			Lifecare Group	
2022	**2023**		**2023**	**2022**
5 482	5 431	Total revenue and other income	13 086	22 135
24 138	40 188	Total operating expenses	48 434	39 039
(18 656)	**(34 757)**	**Operating profit (loss)**	**(35 348)**	**(16 904)**
-0,180	-0,287	Earning per share	-0,293	-0,169
48 260	42 500	Net proceeds from equity issues	42 500	48 260
24 507	2 734	Net cash flow	715	26 589
44 678	**47 411**	**Cash and cash equivalents at end of period**	**48 345**	**47 630**
97 984 147	117 865 742	Outstanding shares, beginning of the period	117 865 742	97 984 147
117 865 742	134 865 742	Outstanding shares, end of the period	134 865 742	117 865 742
4	6	Employees, end of the period	32	25

Lifecare in brief

Lifecare AS 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 and help more than 500 million people and several million pets living with diabetes.

Lifecare enables osmotic pressure as sensing principle, combined with the ability to manipulate Nano-granular Tunnelling Resistive sensors ("NTR") on the sensor body for read-out of pressure variations. Lifecare's sensor technology is referred to as "Sencell" and is suitable for identifying and monitoring the occurrence of a wide range of analytes and molecules in the human body as well as in pets.

The Company's headquarter is located in Bergen, Norway. Our research and development activities are performed in Mainz and Reutlingen in Germany and our chemistry lab is situated in Bristol, UK. The company has ongoing development projects with partners across Europe.

PATENT

The core technology is protected in the form of three active patents that include membrane (duration until 2024), extended osmotic pressure (valid until 2030), as well as measurement with sensor based on two chambers with pressure sensor (valid until 2038).

In 2023, the European Patent Office communicated the intention to issue a new patent to Lifecare.

OUR VISION

Changing lives through medical technology.

OUR MISION

Make life easier for patients and pets with diabetes.

HISTORY

The link between accurately measuring glucose levels and monitoring osmotic pressure was made in the 1970s after an incident at a regional hospital in Førde, Norway. The son of Olav Ellingsen was admitted to the hospital with a severely swollen face and bulging eyeballs. The doctors confirmed that these symptoms came from the son's teenage diabetes condition.

When the glucose levels became too high in his body, the cells in his body burst thus leading to these health-threatening conditions. With an injection of insulin, the symptoms disappeared. Olav Ellingsen registered a direct correlation between the osmotic pressure and glucose levels in the body and discovered that by monitoring the osmotic pressure one could read the accurate glucose levels. This discovery is the foundation of Lifecare's solution.

Next page is a brief overview of the Company´s history since the listing on Euronext Growth at Oslo Stock Exchange.

2018

- Listed on Oslo Stock Exchange, Euronext Growth (prev. Merkur Market.)
- Identification of method for miniaturizing pressure sensor enabling substantial device miniaturization.
- Service agreement with cantiMED UG, patent holder of nano-production method.

2019

- In-vitro experiments confirming functionality of miniaturized pressure sensor.
- Announcement of preparations for clinical testing.

2020

- Filing of Clinical Study Protocol.
- Lifecare receives grant from EU Commission as part of consortium FORGETDIABETES working to develop an artificial pancreas.

2021

- Lifecare receives regulatory approval for first-in-human Clinical Pilot Evaluation.
- Lifecare acquires cantiMED UG (renamed Lifecare NanoBioSensors GmbH) and establish operations in Reutlingen, Germany.
- New patent granted.
- Term sheet for acquisition of the laboratory of Pfützner Science & Health Institute GmbH (later renamed to Lifecare Laboratory GmbH.

2022

- Acquisition of Pfützner Science & Health Institute GmbH formalized and finalized. The company is renamed to Lifecare Laboratory GmbH as the operations in Mainz, Germany, formally becomes part of the Lifecare Group.
- Lifecare conclude successful in-vitro testing confirming the functionality of miniaturized sensors with nanoscale pressure sensors. On this basis Lifecare can produce prototypes for clinical trials.
- Start of first-in-human clinical development studies.
- Lifecare's sensor technology is evaluated by the EU Innovation Radar and categorized as within top 14% of innovations that receives funding from the EU Commission.
- Letter of intent – production location in Mainz.
- Interim data analysis: proof-of-concept in humans.

2023

- Successful ISO 9001 certification: Lifecare Laboratory GmbH, Mainz.
- Lifecare signs lease agreement in Mainz for upcoming production facilities.
- Lifecare launches spin-off company "Lifecare Veterinary".
- Lifecare's first-in-human study confirm clinical accuracy in line with gold standard. Data from study LFC-SEN-001 show that the Sencell-sensor has a solid clinical accuracy with a mean average of relative difference (MARD) of 9,6%.
- Longevity study of Sencell Continuous Glucose Monitoring (CGM) sensor reached an operational lifetime of more than 24 weeks (172 days), with a sensor chemistry shelf life of almost 27 weeks (187 days).
- The Norwegian Medicines Agency considers the Sencell sensor itself as non-medicinal product in a veterinary context and confirms that no specific regulations exist for medical devices for animals in Norway.
- Regulatory approval from The Norwegian Food Safety Authority (NFSA) for longevity study LFC-SEN-002.
- Lifecare Laboratory GmbH was ISO 13485 certified.
- Preparations for manufacturing (automated production): purchase orders for software and hardware: Zeiss XB350 scanning electron microscope, and Bioscaffolder and Nanoplotter from GesiM bH.

Our technology

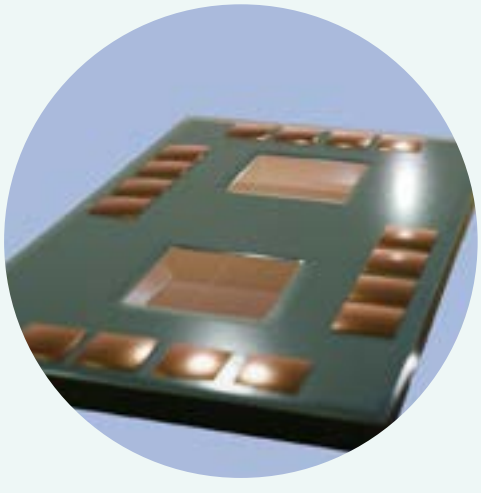
Lifecare's proprietary sensor technology, Sencell, is based on osmotic pressure as the sensing principle. It has the potential to change the lives for patients with various diseases by enabling multi-biomarker sensing based on very small sensors.

The Company's main focus is to bring the smallest glucose sensor in the world to the market. Sencell for glucose monitoring is in the stage of first-in-human clinical testing and is currently evaluated in a Clinical Development Study.

CONTINUOUS GLUCOSE MEASUREMENT (CGM)

Measuring glucose levels is part of the multiple daily routine procedures for patients with diabetes. Based on the measurement results, millions of therapy decisions on insulin dosage are made every day worldwide, which can have an influence on the patient's short- and long-term well-being. Various systems for CGM have become available in the last two decades. Current systems monitor glucose levels in interstitial fluid in the subcutaneous tissue based on glucose-oxidase measurement technology by means of needle-based sensors. A measurement result is usually obtained every 5 minutes and transmitted to a receiving handheld or smart phone.

Current glucose sensors have interference and accuracy issues and need to be replaced every 10 to 14 days. There is a medical need for small glucose sensors with improved measurement properties. Ideally, such sensors would be implanted and used for longer time periods.



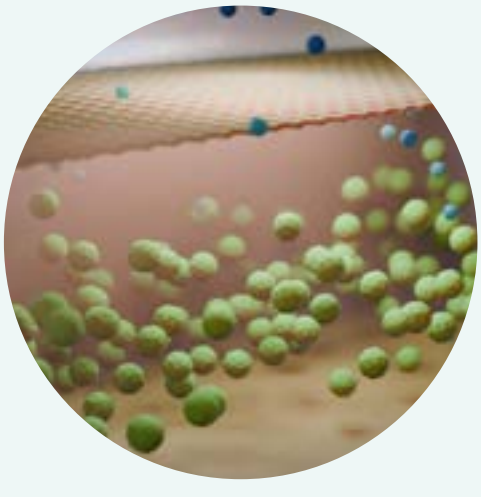
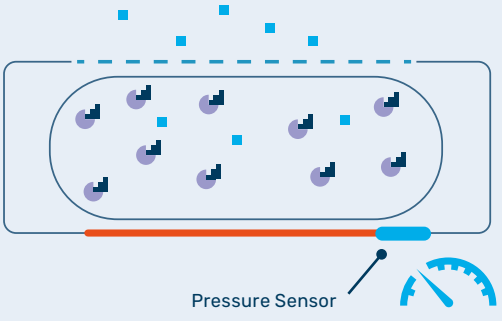
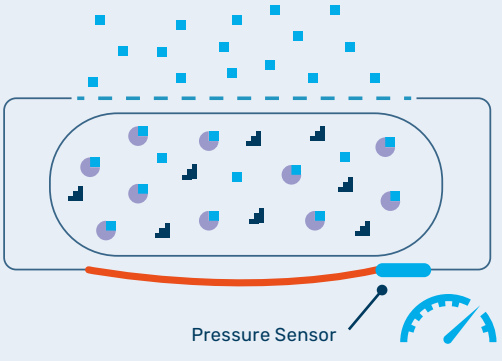


FIGURE 1

Low glucose concentration in the interstitial fluid.



High glucose concentration in the interstitial fluid.



- *GBM: Glucose-Binding Molecule, e.g. Concanvalin A*
- *GL: Glucose ligand – a molecule that can bind to the GBM, e.g. dextrane*
- *G: isolated glucose molecule*
- *Semipermeable (size exclusion) membrane*
- *Felxible pressure membrane*

Figure 1. When glucose penetrates through a semipermeable (size exclusion) membrane into the chamber, GL is going off from the GBM binding sites, as glucose has a slightly higher binding affinity to the GBM-receptor. Subsequently, every GL molecule freed.

LIFECARE'S TECHNOLOGY

Lifecare's solution is the development of Sencell as proven in the company's first-in-human Clinical Development Study finalized in May 2023. Lifecare have developed a small and implantable glucose sensor monitoring glucose-induced changes in an osmotic pressure chamber for continuous glucose monitoring. The pressure changes are induced by changes in the interstitial fluid glucose concentrations in the subcutaneous tissue. The sensor will be the size of a grain of rice injected under the skin and has a lifetime of at least 6 months.

Data points collected from the Clinical Development Study (LFC-SEN-001) provide a solid proof-of-concept in human tissue. Date from the study confirmed a sensitivity in line with that of widely used CGM systems.

THE UNDERLYING OSMOTIC PRESSURE TECHNOLOGY

The underlying osmotic pressure technology for Sencell and its CGM is based on biochemical reactions where glucose connects to molecules in a closed chamber. The process creates a pressure increase within the chamber that can be read out for measuring and/or monitoring purposes.

The process is fully reversible. Decreasing glucose concentrations will make glucose molecules leave the connections and the osmotic pressure decline. There is a linear relationship between the glucose concentration in the external fluid and the measurable osmotic pressure in the chamber. The technology does not consume any molecules when generating the signal, providing a potential for long-term usage of the sensor within the body.

ADOPTING NANO-GRANULAR TUNNELLING RESISTIVE SENSORS FOR DEVICE MINIATURIZATION

Lifecare has licensed a manufacturing process for sensing elements at nano scale (Nano3Dsense®, Nanoscale Systems, Darmstadt, Germany). This makes it possible to miniaturize the sensor technology.

IN VITRO TESTING

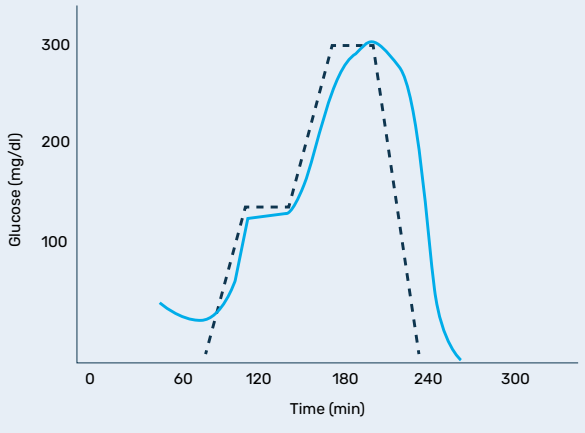
Since the first half of 2022, the size of the core osmotic pressure chamber has been reduced by more than 95%, without loss of osmotic pressure signal. Sensors with miniaturized chambers have been tested in-vitro showing comparable results to previous similar experiments with a larger chamber.

CLINICAL DEVELOPMENT STUDY

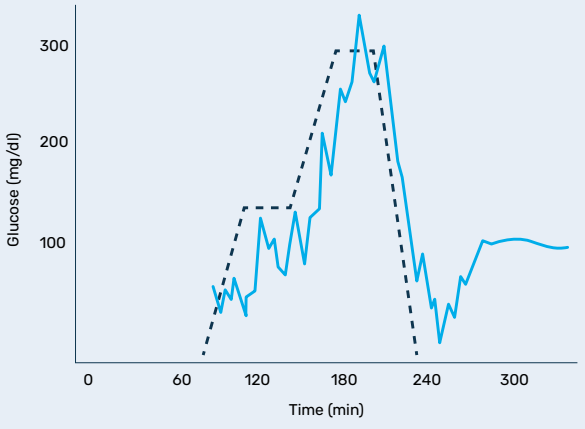
In May 2023, Lifecare finalized the first Clinical Development Study confirming proof of concept in humans and an encouraging sensitivity compared to commercially available glucose sensors.

FIGURE 2

A – Laboratory prototypes



B – Miniaturized (needle sensor) prototypes



Programmed glucose gradient

Sencell signal (filtered for noise)

Based on a study data analysis, Lifecare disclosed the study results in June 2023 at the American Diabetes Conference in San Diego, including a mean absolute relative difference (MARD) of 9,6%. The MARD value positions the Sencell technology with an accuracy that is acceptable for therapeutic (medical) decisions (subject to regulatory approval), such as insulin dose adjustments. Furthermore, the study results include a consensus error grid analysis that confirms that all the 261 data points collected in the study were within zones A (90.3%) and B (9.7%), meaning that the study results theoretically meet regulatory requirements for Continuous Glucose Monitoring systems.

In context, regulatory authorities expect a MARD below 10% to acknowledge CGM for therapeutic (medical) decisions such as insulin dose adjustments. In comparison, the MARD of glucose measurements in capillary blood (Blood Glucose Monitoring – BGM), representing the gold standard for patient selfmonitoring of glucose, are in the range 5-10%.

SENSOR LONGEVITY EXPERIMENT

In the start of Q3 2023 Lifecare concluded a successful sensor longevity experiment. The Sencell Continuous Glucose Monitoring (CGM) sensor had reached an operational lifetime of more than 24 weeks (172 days), with a sensor chemistry shelf life of almost 27 weeks (187 days).

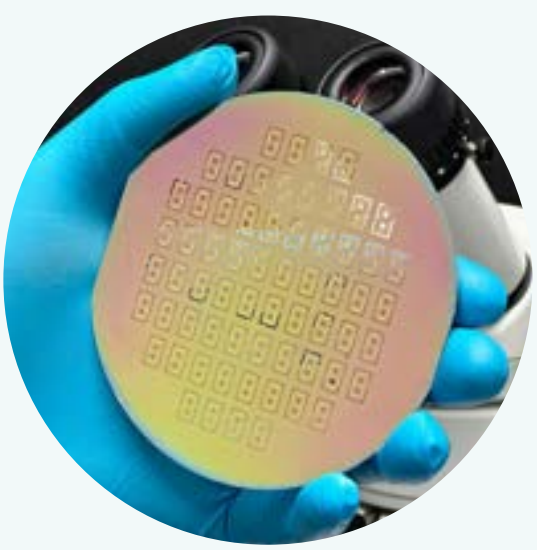
The longevity experiment confirmed the Sencell CGM technology's potential and validated Lifecares expectation of a minimum 6-month sensor longevity. The longevity results were achieved using a sensor that was first implanted and tested clinically in human (in vivo), and then explanted and transferred to continued testing in vitro.

Figure 2. Successful miniaturization of the Sencell device without loss of sensor performance: in-vitro glucose measurement results of the preclinical prototypes with piezo-resistive pressure transducers and after miniaturization with NTR-pressure sensors.

SENCELL – UNMET NEED IN THE HUMAN MARKET

Based on data from IDF Diabetes Atlas 10th edition, 540 million people worldwide lived with diabetes in 2021. Approximately 50 precent are diagnosed with diabetes and one third of the diagnosed population need glucose monitoring. Hence, as of 2021 there was a potential global patient group of 90 million people, while this number continues to increase. In 2023, 7 million people had access to continuous glucose monitors (CGM). There is huge gap between the current number of CGM users and the actual global need.

On a global scale 25 percent of adults with diabetes live in high-income countries. Diabetes caused at least 966 billion USD in healthcare expenditures, according to IDF 2021 Diabetes Atlas. In 2023 the global CGM market reached 2,2 billion USD, while new data published in Lancet (June 2023) estimated the number of people living with diabetes to reach 1,3 billion in year 2050.



TODAY'S SOLUTIONS IN THE HUMAN MARKET

The standard method to measure the glucose level is the Blood Glucose Meter which was introduced to the market in the 1970's. This is still the standard treatment for patients with diabetes, while The CGM's represent the state-of-the-art treatment. The first CGM device was introduced in the market in 1999 representing a tremendous improvement for patients with diabetes.

On a global scale 25 percent of adults with diabetes live in high-income countries

The available CGM's is primarily based on glucose oxidase technologies, representing 99% of the commercially available CGM's. The main suppliers in the market are Abbot, Dexcom and Medtronic. Glucose oxidase technologies have a limiting longevity due to consumption of chemistry and the longest lasting sensors have an operational lifetime of 14-15 days, while the cost of these devices is between 1,500–4,500 USD a year/per patient.

Eversence (Senseonics) have developed a flouresence method with a longevity of up to 180 days. This CGM represents less than 1% of the market. The cost side of the Eversense technology and sensor is approximately 6,000 USD per year/per patient.

PET CGM – UNMET NEEDS IN THE VETERINARY MARKET

Diabetes mellitus is one of the most common health-conditions in middle-aged dogs and cats. In fact, information from insurance company's active in the pet market confirms that in Europe alone, more than 1 million dogs and 0,5 million cats are diagnosed with diabetes mellitus. Furthermore, the US figures are similar to the European. While these numbers give a solid overview of the diagnosed pets, we suspect that the actual numbers of pets suffering from diabetes are significantly higher.

Pets with diabetes are treated similarly to humans, in some cases with insulin and often in combination with other anti diabetic treatments such as exercise and diet to mention a few. However, and continued similar to humans, the regulation of diabetes in pet's relies on glucose monitoring – but in contrast to the human market functional monitoring of glucose is not available. In order to measure the glucose level, pet owners are advised to measure through blood samples, alternatively to use sensors intended for humans off label on animals – and this is not a good solution for practical reasons such as the sensors are mounted on the animal's skin and usually fall off after a short period of time.

Pets with diabetes are treated similarly to humans

As a result of the fact that there is no good solution for monitoring an animals glucose level, Lifecare has decided to use our technology in the veterinary market as well – both with a view to monitoring and diagnosis.

This opens a new and significant business opportunity for Lifecare, based on the same technology and the same platform that is planned to be used in the humane market.

The veterinary market is significantly less regulated, compared to the human market, in addition to the fact that there are no solutions for animals that have achieved real success. Against this background, it is Lifecare›s expectation that we will be able to enter the veterinary market relatively quickly, including that we are technologically well positioned to capture a significant part of this market.

As Lifecare expect to be able to initiate production of sensors and CGM systems in 2024, we are preparing the operations to enter the veterinary market in 2024 for commercial reasons, as well as to gain manufacturing and product experience usefull or the further development and planning towards the human market.

Directors and Committees

Board of Directors

Morten Foros Krohnstad
Chairman of the Board

Krohnstad is a partner in the law firm Schjødt and has extensive experience as a business lawyer and serves on several boards in Norwegian listed and un-listed companies.

Trine Teigland
Board member

MBA from University of St. Gallen (HSG) Managed Swiss company Osmotex' sales and marketing activities. Worked in Singapore for the world's leading provider of integrated shipping services. BA in International Business with Chinese

Prof. Dr. Lutz Heinemann
Board member

Broad academic background with a special focus on research and development in insulin pharmacology and diabetes technology. Established the Profil Institute for Metabolic Research in Neuss, Germany in 2009 and since 2011 he has been Managing Editor of The Journal of Diabetes Science and Technology.

Bo Petersson
Board member

Ph.D. in Chemistry from The Technical University of Denmark. Over 20 years of work experience in developing diabetes technology products, most recently as Head of Diabetes Care at Cambridge Consultants, Cambridge, UK.

Hans Johan Hekland
Board member

Master's degree in economics from the Norwegian School of Management (Siviløkonom -NHH). Worked as Managing Partner in Sarsia Venture Management since 2001. Broad expertise in fund management, strategy, business development and finance. Extensive experience from board positions and involvement in the medical development companies and other listed and unlisted companies.

Executive Management

Joacim Holter
CEO

16 years of management experience, including 6 years' experience leading international R&D and product development based in Switzerland.
Broad experience from board positions including as chairman and later member of the Lifecare Board of Directors from 2011 to 2020. LL.M from the University of Bergen, Norway

Prof. Dr. med. Dr. rer. Nat. Andreas Pfützner
CSO

Managing Director of PFÜTZNER Science & Health Institute GmbH, Diabetes Center & Practice, Mainz/Germany, since 2013.
Professor for internal medicine and laboratory medicine at DTMD University Luxembourg.
Over 30 years of pharmaceutical and device development experience within diabetes technology.

Management team

Ahmad Fazli
VP Manufacturing

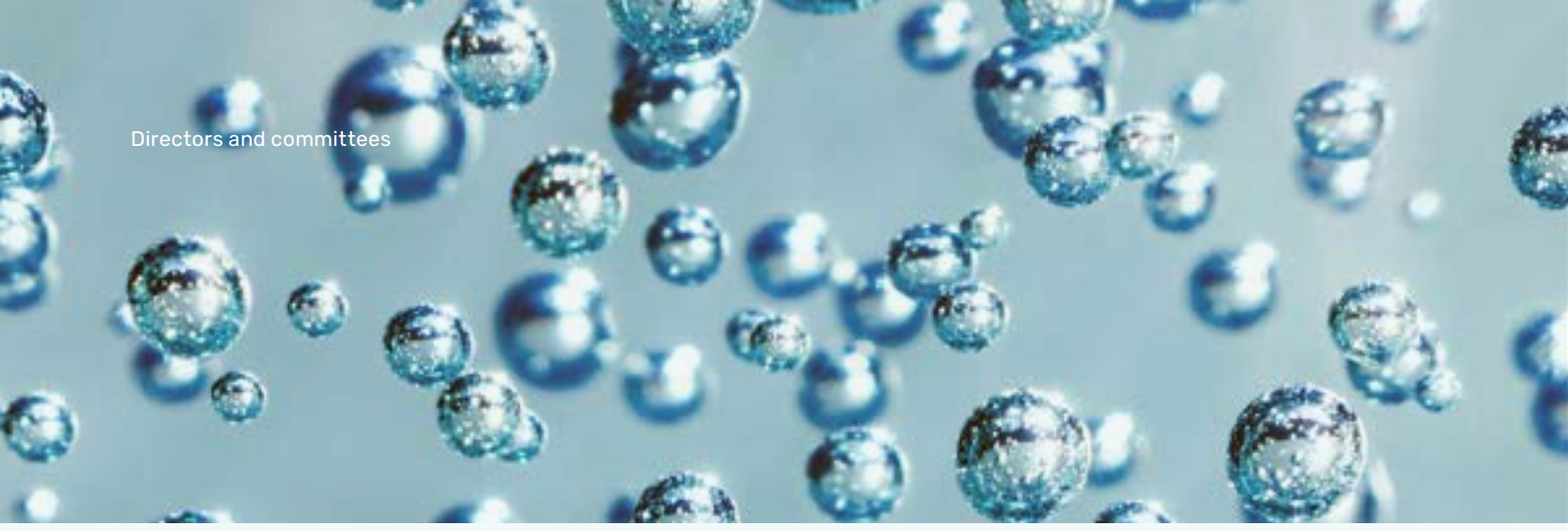
Master's degree in engineering with specialization in Mechatronics from Royal Institute of Technology in Stockholm, Sweden.
Extensive experience in management and development in the fields of automation, sensor technology and condition monitoring.

Barbora Tencer,
Senior QMS Manager

Postdoctoral Fellow from University of Bergen, Norway. Holds a PhD in Biophysics from Slovak Academy of Science in Bratislava, Slovakia, and a Master of Science in Biomedical physics, Comenius University in Bratislava, Slovakia.
12 years of hands-on experience in biomedical research with related expertise in biophysics, pharmacology and cellular biology. Experienced in R&D, production, quality control and project management.

Jo Oeding Amundstad
Managing Director Lifecare Veterinary

Doctor in Veterinary Medicine from University of Copenhagen, Denmark. MBA in economic and management from NHH, Bergen, Norway. 18 years of practice as veterinarian. Extensive experience in management, development and from board positions.



Committees

Clinical Evaluation Committee

The Board of Directors has appointed a committee to follow up and evaluate the Company's technical development. The members of the committee include:

Prof. Lutz Heinemann	Lifecare Board of Directors
Bo Petersson	Lifecare Board of Directors
Prof. Andreas Pfützner	Lifecare Chief Scientific Officer
Joacim Holter	Lifecare Chief Executive Officer

Additional scientific personnel in the Lifecare Group participate on demand.
The committee was convened for 5 meetings in 2022.

Scientific Advisory Board

The Company has an established Scientific Advisory Board with recognized specialists in diabetes technology, clinical medicine with a focus on endocrinology, physics and nanotechnology:

Prof. David Klonoff (Chairman)	University California San Francisco (USA)
Prof. Lutz Heinemann	Profile Institut für Stoffwechselforschung (DE)
Prof. Kåre Birkeland	Rikshospitalet (NO)
Prof. Michael Huth	Goethe University Frankfurt (DE)
Prof. Tony James	University of Bath

Nomination Committee

The Company's Nomination Committee is responsible for nominating board members, as well as advising the Company›s general meeting and Board of Directors on issues relating to compensation for the Board of Directors and the Nomination Committee. During the period, the committee has been composed of a representative of the third largest owner, as well as former Lifecare non-executive directors with considerable business experience:

Marita Haugen	Leader
Svein Milford	Member
Trond Eidsnes	Member

Board of directors report

Lifecare AS ("Company") is a Norwegian based clinical stage medical sensor company. Lifecare's main focus is to bring the next generation of Continuous Glucose Monitoring ("CGM") systems to market for veterinary and human use. The Company´s sensor technology is suitable for identifying and monitoring the occurrence of a wide range of analytes and molecules in the body of both humans and pets.

Lifecare AS is listed on the Oslo Stock Exchange, Euronext Growth, with ticker LIFE.

As of 31.12.23, the Company had issued 134,865,742 shares divided among 2,549 shareholders, of which:

- 97,92% of shareholders were registered in Norway
- 2,0% were registered in EU/EEA
- Less than 0,08% were registered outside the EU/EEA

ORGANIZATION AND LOCATIONS

In 2023 the Lifecare Group continued to grow, adding one new subsidiary and additional increase of staff.

Lifecare AS is the parent company and head office of the Lifecare Group, located in Bergen, Norway. The Company is the administrative body of the Lifecare Group with 6 fulltime employees.

Lifecare AS have organised its operational development activities in subsidiaries as well as through research collaborations with the University of Bath (UK), the Goethe University of Frankfurt (Germany) and the Norwegian University of Life Sciences (Ås, Norway).

Lifecare NanoBioSensors GmbH is located in Reutlingen, Germany, with 7 fulltime employees. The entity is responsible for the development and production of Lifecare's sensors and sensor-systems including electronics, read-out technology etc.Lifecare NanoBioSensors have licensed the Nano3DSense production method, which makes it possible to produce pressure-sensor elements at nanoscale printed on Lifecare's micro sensors.

The production method for the nano sensor elements has been a crucial element in the process of miniaturizing the sensors from centimetres to millimetres. This miniaturization ensures that our sensors are suitable for implantation in the subcutaneous tissue in humans and pets.

Lifecare Laboratory GmbH is in Mainz, Germany, with 16 full-tIme equivalents (FTE) and is responsible for key development tasks of sensors, chemistry validation and system evaluation, as well as processing test results in vitro and in vivo. The laboratory also provides a wide range of commercial services related to clinical research and tests for the pharmaceutical and biotechnical industries during the process of approval of drugs and medical devices, as well as general laboratory services for medical institutions. In 2023 the laboratory was ISO 9001 and ISO 13485 certified.

Lifecare Chemistry Ltd is a spin-off, with 2 fulltime employees, from Lifecares long-standing research collaboration with Professor Tony James at the University of Bath and his research team. Lifecare Chemistry Ltd is located in Bristol, UK, and established to strengthen the existing research cooperation and secure Lifecare's ownership to the scientific, strategic,

and operational developments of Lifecare's improved analyte specific chemical receptors.

Lifecare Veterinary AS have one fulltime employee. The entity was established and incorporated in May 2023 to execute Lifecare's plans to adopt the Sencell technology for use in the veterinary market. Lifecare Veterinary has established a close cooperation with the Norwegian University of Life Sciences for veterinary specific R&D, including market-oriented studies that will strengthen both the veterinary and the human market preparations of the technology. Throughout 2023 Lifecare Veterinary has started active discussions with several major companies in the veterinary industry to optimize the market positioning of the solutions.

BOARD OF DIRECTORS

Lifecare's Board of Directors includes representatives of the largest owner, international expertise in diabetes technology, legal and financial expertise. The Board takes an active approach to technical development and other operations. The cooperation and communication with the administration is good.

HUMAN RESOURCES, WORKING ENVIRONMENT AND DIVERSITY

The Lifecare Group includes 32 FTE (31.12.2023), up from a total of 25 at the end of 2022. Throughout 2023, 4 consultants were engaged and involved in the daily operations. In addition, Lifecare had 4 PhD students engaged on industry contracts at the University of Bath, the University of Frankfurt, and the Norwegian University of Life Sciences.

The working environment in the Group is considered good. No incidents or reports of work-related accidents resulting in significant material damage or personal injury occurred during the year. Leave of absence due to illness was 127 days (2%) in 2023.

The Lifecare Group provides equal employment opportunities to all qualified candidates and employees. Lifecare actively creates and promotes an environment that is inclusive of all people and their unique abilities, strengths, and differences. We do not tolerate discrimination against any employee based on age, gender, sexual orientation, disability, race, nationality, political opinions, religion, or ethnic background, or other.

Lifecare AS›s Board of Directors includes one woman and four men. The Chief Executive Officer and Chief Scientific Officers are both men.

The employees in Lifecare AS consists of 33% women and 67%men, while the Lifecare Group consists of 38% women and 62 % men.

KEY PARTNERS

Throughout 2023 Lifecare Group continued the collaborations with Prof. Andreas Pfützner as CSO of Lifecare AS, but with effect from 1 January 2024 the contract with Prof. Pfützner was converted from a consultancy agreement to an employment agreement. In addition, the Group also continued the key collaborations with Prof. Tony James and his research group at the University of Bath (UK), Prof. Michael Huth at the Goethe University of Frankfurt (Germany) and NMI Natural and Medical Sciences Institute in Reutlingen, Germany. From 2023 the Group has established a new strategic collaboration with the Norwegian University of Life Sciences, Faculty of Veterinary Medicine, represented by Prof. Kristin P. Amundsen.

OPERATIONS

In 2023, Lifecare finalized the first in-human study of our sensor technology, providing convincing data and proof of concept in humans. In addition, Lifecare Laboratory was ISO 9001 and ISO 13485 certified in 2023. Reaching these major milestone provides a solid fundament for

upcoming technology commercialization, and Lifecare have initiated focused preparations for manufacturing to enable further market introduction in the veterinary market, as well as facilitating the upcoming regulatory clinical studies for the human market.

From Q2 2023 Lifecare has focused on transforming the company and the technology towards automated production and market launch in the veterinary market. Thesubsidiary Lifecare Veterinary, will be responsible for preparing this market launch.

Furthermore, Lifecare have signed a lease agreement for a 1000 sqm production and laboratory facility in Mainz and have purchased customized production equipment essential for the automated production planned to be ready by the end of Q2 2024.

In 2023, Lifecare reduced the scope of external third-party laboratory services at Lifecare Laboratory.

FINANCING, FINANCIAL RISK, OTHER RISKS, AND UNCERTAINTY FACTORS

CAPITAL INCREASE

Lifecare raised NOK 42,5 million in gross proceeds in an accelerated book building process on 19 October 2023 between 16:30 CEST and 18:30 CEST with Carnegie as bookrunner and manager. The Company issued 17,000,000 new shares at a price per share of NOK 2.50, leading to an issued share capital of NOK 53,946,297 divided into 134,865,742 shares, each with a par value of NOK 0.4.

The share capital increase was resolved by the Board of Directors of the Company pursuant to authorizations granted by the extraordinary general meeting held 18 April 2023.

The Board of Directors resolved to conduct a subsequent offering (repair issue) of up to 3,000,000 new shares at a price of NOK 2.50 per share, dependent on the development of the price of the shares in the Company after completion of the private placement.

Following the completion of the private placement the shares in the Company were traded around or below the subscription price, with volumes exceeding the planned size of the subsequent offering. On this basis, the Board of Directors decided to cancel the subsequent offering as any shareholders wishing to reduce the dilutive effect of the private placement have had the opportunity to purchase shares at prices similar to or below what would have been the subscription price in the subsequent offering.

PUBLIC SUPPORT SCHEMES

For the financial year 2023, Lifecare AS had three approved public support schemes from the Research Council of Norway and the EU. In addition, Lifecare Laboratory GmbH had four approved public support schemes throughout 2023; from the German state of Rhineland-Palatinate, the German Federal Ministry of Research, as well as the EU through two different support

schemes. Lifecare Veterinary AS had one approved public support scheme in 2023 from the Research Council of Norway, while Lifecare NanoBioSensors GmbH and Lifecare Chemistry GmbH had no public support schemes in 2023.

Lifecare AS:

1. The Research Council of Norway has approved the ongoing development of Sencell for use in glucose monitoring as eligible for compensation under the tax discovery scheme in the period 2020-2023.
2. The Research Council of Norway has also approved the development of Sencell for use in lactate monitoring as eligible for compensation under the tax discovery scheme in the period 2020 - 2023. As a result of priorities in 2023, the company has not initiated development work aimed at lactate measurements.
3. European Commission, Horizon 2020. Lifecare is a participant in the FORGETDIABETES consortium and receives in this regard financial support. The goal of the FORGETDIABETES project is to develop an artificial pancreas. Under which Lifecare›s role is to develop a glucose monitoring sensor, as a central component of the artificial pancreas. This project has a planned duration until 2025.

Lifecare Laboratory GmbH:

4. Landesregierung Rhineland-Palatinate. Support under Covid-19 compensation scheme for business.
5. Bundesministerium für Bildung und Forschung. Lifecare Laboratory is a participant in the Panamea consortium and receives financial support. The purpose of the project is to develop a diagnostic tool for measuring activity in the pancreas, as well as indirectly measuring glucose levels in the blood.
6. European Commission, Eurostar. Lifecare Laboratory is a participant in the European consortium that entitles financial support. The project includes developing a method for safe dosing for use in insulin pumps for young children.
7. European Commission, Horizon 2020. Lifecare Laboratory is a participant in the FORGETDIABETES consortium on an independent basis – independent of Lifecare as the parent company – and consequently also receives financial support from Horizon 2020. The Lifecare Laboratory's role in the FORBETDIABETES project includes in-vitro testing and evaluation of the artificial pancreas, including preparations for clinical trials. The project has a planned duration until 2025.

Lifecare Veterinary AS:

8. The Research Council of Norway has approved the ongoing development of Sencell for use in glucose monitoring in pets as eligible for compensation under the tax discovery scheme in the period 2023-2025.

By using the public reimbursement scheme «Skattefunn», development costs linked to the projects 1, 2 and 8 will be compensated with 19% refund in connection with the annual tax assessment.

CREDIT RISK

Lifecare AS is equity financed and exposure with respect to credit risk is consequently limited.

LIQUIDITY RISK

Liquidity risk is the risk that Lifecare does not have the liquidity to meet payment obligations at maturity, or that losses arise as a result of the company having to sell assets to meet its liquidity needs. Liquidity is monitored continuously by the Group management and is subject to frequent reporting to the Board of Directors. The Group works continuously to ensure financial flexibility

in the short and long term to achieve its strategic and operational goals. The management considers the Group›s liquidity situation to be satisfactory. The Group secured equity financing of in total NOK 42,5 million in October 2023.

CURRENCY RISK

The company is exposed to currency fluctuations due to the international nature of its operations. Fluctuations in the Euro constitute a risk, as most of the company's purchases come from suppliers who invoice in euro. Currently, there is no currency hedging.

The board considers that the company is exposed to moderate financial risk.

SCIENTIFIC AND REGULATORY RISK

Lifecares Board of Directors, committees and management brings significant experience from the international diabetes technology scene, providing insight in scientific and strategic trends, competitors, and markets. Sencell has expectations of significant advantages when compared to existing continuous glucose monitoring solutions, as well as projects in development. The most prominent include the very small size, measurement sensitivity, ease of use without repeated calibration and the goal of 6 months lifetime per sensor.

Research, development and adaptation to regulatory requirements are, by definition, uncertainties. The company has a good overview of the remaining development steps and how the regulatory requirements are to be met, both in the EU / Europe and in the USA.

Overall, the scientific and regulatory risks associated with the Lifecare Group's research and development are considered moderate.

LIABILITY INSURANCE

Lifecare has liability insurance for the board and executive personnel, covering any indemnity for financial loss arising from personal managerial liability related to the Lifecare Group. The limit of the liability is NOK 5,000,000 per claim.

The insured under this policy is any past, present, or future individual member of the board of directors and/or executive board or similar executive body of the company as well as any past, present or future officer, de facto director, shadow director or employee of the company who can incur personal managerial liability.

ANNUAL STATEMENT ON CORPORATE GOVERNANCE

The Annual Report includes a separate report on Lifecare´s corporate governance compliance. This is an integrated element of the Board of Directors Report.

CONTINUED OPERATIONS

The annual accounts for 2023 are prepared on the assumption of continued operations. It is hereby confirmed that the prerequisite for continued operation is present.

STATEMENT OF THE ANNUAL ACCOUNTS AND ALLOCATION OF PROFIT AND LOSS STATEMENT

The Board is of the opinion that the annual accounts provide a true and fair picture of the Company's assets and liabilities, financial position and results. Costs related to research and development are expensed on an ongoing basis. No other circumstances have occurred after the end of the financial year that are of significance for the assessment of the financial statements.

For 2023, the Company had a loss of NOK 34,551,207 before tax.
Tax expense for the Company is 0.

The deficit is proposed to be covered by:
Transferred to uncovered loss NOK 34,551,207.
Total disposed of NOK 34,551,207.
For 2023, the Group has had a deficit of NOK 35,322,099 before tax.

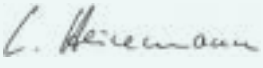
The tax expense for the Group is negative at NOK 115,974 which gives a deficit of NOK 35,206,126 which is proposed to be covered by:
Transferred to uncovered loss NOK 35,206,126.
Total disposed of NOK 35,206,126.

Bergen, 08.04.2024
Board of Lifecare AS

Morten Foros Krohnstad
Chairman of the Board

Trine Teigland
Board Member

Bo Arne Petersson
Board Member



Lutz Walter Heinemann
Board Member

Hans Johan Hekland
Board Member

Joacim Holter
CEO

Annual statement on corporate governance

LIFECARE AS EMPHASIZES GOOD CORPORATE GOVERNANCE.

Lifecare AS ("Lifecare" or "The Company") bases its policy for corporate governance on the Norwegian Code of Practice of 14 October 2021 ("the Code"), a guideline for listed companies to help regulate the division of roles between shareholders, the board of directors and executive management more comprehensively than is required by legislation.

Lifecare's Board of Directors ("the Board") has resolved as main principles that the Company and its subsidiaries comply with relevant legislations and regulations, as well as the recommendations of the Code. The Board has imposed routines to ensure follow-up of established principles and guidelines, amongst others in relation to ethical behaviour, compliance with the law, health environment and safety. The follow-up routines aim to ensure balanced compliance taking the Company's size and stage of development into account.

Adherence to the Code is implemented based on a «comply or explain principle»: explanations of non-conformance to the Code are provided if not fully implemented. Lifecare's compliance with the Code is described in this report and section numbers refer to the Code's chapters.

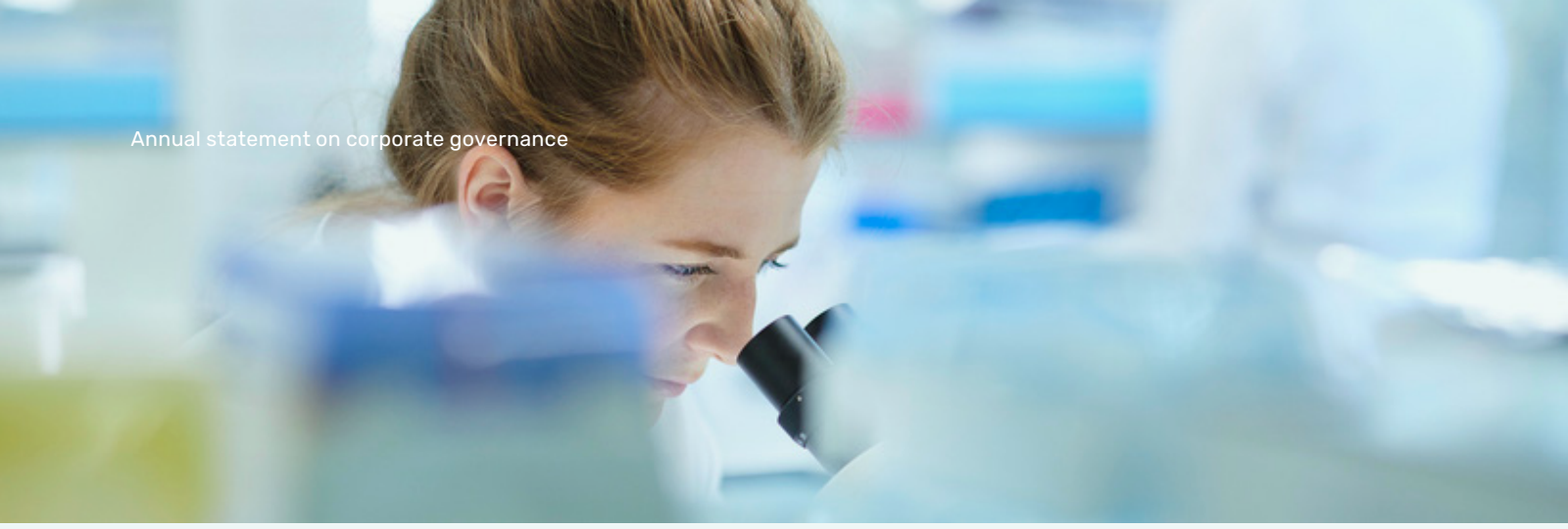
1. Implementation and reporting on corporate governance
Lifecare acknowledges the division of roles between shareholders, the Board of Directors, and the executive management team. The Board has implemented a sound corporate governance policy. Guidelines on corporate governance and statement of compliance with the Code are presented in the Company's annual report. The Company ensures that the policy is adopted by holding regular Board of Directors' meetings which the executive management team attends to present strategic, operational, and financial matters.

Lifecare adheres to the Code for corporate governance. For the reporting period the company have no deviations from the code.

Deviations from the Code: None

2.Business
Lifecare is a Norwegian based company with subsidiaries in Germany, and the United Kingdom and Norway. The Company is focusing on research, development and commercialization of sensor technology for continuous monitoring of body analytes. The main focus for the company is to develop sensor technology for continuous monitoring of glucose for pets and people with diabetes.

The objective and purpose of Lifecare's business is clearly defined and described in the articles of



association. “The company´s objective is to undertake development, production, licensing and sale of medical equipment and technology, and everything connected with this”. The Company’s articles of association are made available on the Company’s website, and the Company’s objectives and strategy are available in the annual report.

As of 31 December 2023, the Lifecare Group (“the Group”) comprised 32 employees, including consultants engaged in the daily operations. This equals 23 FTE’s as of 31 December 2023. The core competencies of the Group are possessed by these employees. Additional resources are purchased from public and private research institutions across Europe.

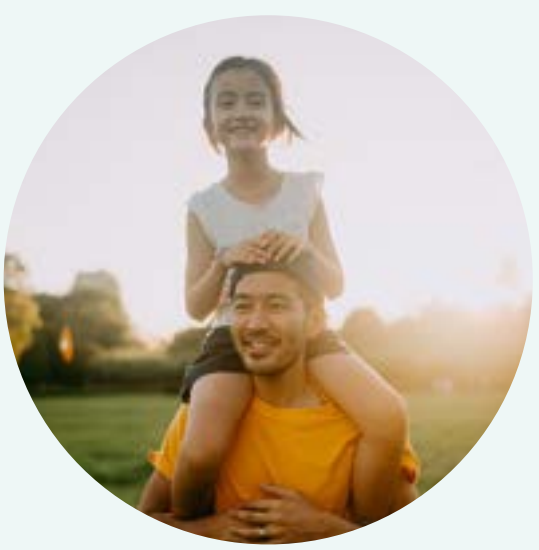
The German subsidiary Lifecare Laboratory GmbH (“LL”) offers medical laboratory services focusing on clinical research and developments of medical devices. Other than this the Group has no sale of services to external customers and hence a limited complexity in terms of commercial operations.

Lifecare has defined the development by milestones and objectives. The Board has evaluated the strategies and risk profiles for the Company’s business activities to enable Lifecare to create long-term and sustainable values for its shareholders. The Board of Directors performs annual evaluations of the objectives, strategies, and risk profiles.

Lifecare has not used any specific reporting standards or guidelines for Corporate social responsibility, Sustainability reporting and Ethical guidelines, other than the Code and this section of reporting of social and environmental considerations. In general, Lifecare’s strategy and operations are focused on human welfare through our vision: “Changing lives through medical technology”.

2.1. Corporate social responsibility

The Group has established anti-corruption & anti-bribery policies with procedures and standards in accordance with internal control policies for comparable businesses of similar size, complexity, and industry to fight corruption. The Group requires and expects its directors and employees to demonstrate high ethical standards in business and interpersonal relationships. Other principles followed are prevention through awareness-raising, limitation of opportunities, high detection risk of, and zero tolerance for corruption.



The Group has established its internal control policies and system in line with requirements within the activities that the Group operates. The quality control procedures are based on the relevant activities in relation to the different phases of operation and the development of procedures is thus a continuous and systematic process.

The Group is concerned with animal welfare, human- and labour rights, social issues, and sustainable development. The Group's management conducts regular performance reviews and internal evaluations, and the Group adapts

according to relevant legislation within the areas. The Group's subcontractors are mainly public and private European research institutions and service providers. Preclinical and clinical research is subject to strict government regulation of animal welfare, human rights, and social conditions in all the countries where the research and development work is carried out. The Group therefore considers that animal welfare, human rights, labour rights, and social issues are well taken care of, both internally and among its subcontractors.

2.2. Sustainable development

Lifecare focuses its development of sensor technology for continuous monitoring of glucose and other body analytes. This vision and focus may directly contribute to one of the UN's seventeen sustainable development goals, goal #3: "Good health and well-being".

All international medical development is strictly regulated regarding animal welfare and high focus on safety and well-being for patients participating in clinical trials. Lifecare has internal routines securing that the Group and service providers comply with all relevant standard in these regards.

The Group's operations are of such character that they do not significantly affect the environment beyond normal course of business for a small MedTech company. Travelling, and the need for shipment of devices and materials, are identified as the activities with the most environmental impact. Group meetings and external meetings are evaluated for use of virtual meeting tools when appropriate, to limit travel to what is considered necessary from an operational perspective.

2.3. Ethical guidelines

The Board of Directors and the management of Lifecare are dedicated to ensuring that the development and daily operations of the Group is value-based and performance oriented in compliance with laws and regulations. They will also maintain a high focus on ethics, integrity and HSE.

The Board of Directors and the management of Lifecare work to ensure that the Group's daily operations comprise work environment, interaction with different stakeholders, intragroup transactions, employees' loyalty, conflicts of interest, confidentiality, environment, accounting, financial reporting, trading of Company shares as well as other employee activities in compliance with formal and non-formal ethical guidelines.

Deviations from the Code: None

3. Equity and dividends

Lifecare's equity as of 31 December 2023 was NOK 54,936,092 million. The capital structure is regularly assessed considering the Company's objectives, strategy, and risk profile. The equity level is assessed as satisfactory per year-end 2023.

To date, the Company has not distributed any dividends, and this dividend policy will apply as long as Lifecare is in a research and development phase. The Board of Directors have no mandate to approve the distribution of dividend.

The Board of Directors was authorised by the Company's General Assembly in May 2023 to increase the share capital by share issue of up to 5.893.287 shares - up to 5% of the registered share capital of the Company, in connection with the Company's employee incentive program, and to issue up to 35.359.723 shares in connection with private placements by an amount up to 30% of the share capital of the Company. The authorisations are valid one year from the date of the resolution. Other than the above the Board of Directors has no general authorisation to issue shares.

Deviations from the Code: None

4. Equal treatment of shareholders

Lifecare has only one class of shares and all shares have equal rights. Each share carries one vote. The Board of Directors and the management are committed to treat all shareholders equally. The Company had no transactions in own shares during 2023.

In October 2023 the Board resolved to issue new shares in a private placement initially waiving the pre-emptive rights of existing shareholders. The Board of Directors considered to initiate a subsequent repair offering.

However, taking into account that the Offer Price in the Private Placement represented a relatively small discount compared to the trading price of the Company's shares, the size of the Private Placement and the limited increase of the Company›s share capital entailed by the Private Placement, and also the costs associated with a subsequent repair offering (including costs associated with the preparation of a prospectus), the Board of Directors concluded to not carry out a subsequent repair offering.

The Board's decisions related to the share issue and the considerations related to not initiate a subsequent repair offering was published at Euronext Oslo NewsWeb. The Board of Directors is of the opinion that the Private Placement as well as the decision to not initiate a subsequent repair offering was in compliance with legislation, recommendations and considerations to ensure equal treatment of the company's shareholders.

Deviations from the Code: None

5. Shares and tradability

The shares in Lifecare are freely tradable with no form of restriction. No restrictions regarding voting, ownership or tradability are placed on the shares in the Company's articles of association.

Deviations from the Code: None

6. General Meetings

The Board facilitates that as many shareholders as possible may exercise their rights by participating at the General Meeting either in person or via digital meeting-platforms. The General Meetings of Lifecare is an effective forum for both the views of shareholders and the Board.

The Chairman and the Chief Executive Officer (CEO) are present in person at the Annual General Meeting, along with representatives from the Nomination Committee.

The Board of Directors attend the General Meetings by video link or in person when this is considered necessary.

Lifecare's Articles of Associations authorize the Board to decide that voting at the General Meeting can be done by casting in advance, as well as via electronic communication. Shareholders who are unable to participate themselves may vote by proxy, and a person can also be appointed to vote for the shareholders as a proxy. The Board of Directors may decide that shareholders can submit their votes in writing, including by use of electronic communication, in a period prior to the general meeting.

Notice of the meeting and relevant documents are distributed and made available on the company website minimum two weeks in advance of the meeting.

Recommendations from the Nomination Committee is made available on the Company's website no later than the 7th day before the meeting.

Notice of the meeting is sent to all shareholders individually, or to their depository banks, minimum two weeks in advance of the meeting.

The meeting notice includes information regarding shareholders' rights, guidelines for registering and voting at the meeting. The company provides information on the procedure for representation at the meeting through proxy, nominations of a person to vote on behalf of the shareholders and, to the extent possible, prepare a form which allows separate voting instructions for each matter (hereunder for individual candidates for appointment to the Group's governing bodies).

Due to practical reasons the Board of Directors have nominated the Chairman of the Board to act as chairman of the General Meeting, while ensuring that the participating shareholders – being in person, by video link

or represented by proxy - can nominate any alternative candidate as chairman of the General Meeting.

Deviations from the Code: None.

7. Nomination Committee

The requirement for a Nomination Committee is stated in article 9 of the articles of association. The duties of the Nomination Committee are described in the said article and further elaborated in the guidelines stipulated by the Company's General Meeting "Instructions for the Nomination Committee" (available on Lifecare´s webpage). In short, they include the following: To propose candidates for election to the Board and to propose remuneration, as well as to propose members of the Nomination Committee and to propose remuneration for such.

The Nomination Committee shall consist of a chairperson and two members. The chairperson is elected by the General Meeting for two years at a time, while the members are elected for one year at a time. The remuneration to the members of the Nomination Committee is determined by the General Meeting.

The Nomination Committee shall ensure that shareholders' views are considered when qualified members are nominated to the governing bodies of Lifecare. Shareholders are encouraged to submit proposals to the Nomination Committee for candidates for election to the board of directors. Such proposals are recommended to be in writing with justification. The Nomination Committee can decide to fix a deadline for inputs to be considered by the Committee, and if so, the deadline will be communicated on the Company's website.

None of the Committee's members represent Lifecare's management or Board and they are all considered to be independent of daily management and the Board.
The nomination committee currently consists of the following three members: Marita Haugen (chairperson), Svein Milford and Trond Eidsnes. The current members have been elected by the general meeting with terms until the Company's ordinary general meeting in 2024. The Nomination Committee's contact details are available at Lifecare's website.

Deviations from the Code: None

8. Board of Directors, composition and independence

The Board is composed to ensure that the body can operate independently, attend the common interest for all shareholders and the Company's need for expertise, capacity, and diversity. The Board evaluates its own work annually, both as a whole to ensure effective functionality as a collegial body and individually per member of the Board.

The main shareholder of Lifecare, Teigland Eiendom AS, is represented in the Board by Trine Teigland.

In accordance with the Company's Articles of Associations the Board consists of 3 to 7 members according to the resolution of the General Meeting. The Chairman of the Board is elected by the General Meeting. All members of the Board are elected for two-year terms by the General Meeting. The Board of Directors is presented on the company website.

All board members are considered to be independent from the Company's day-to-day management, and material business connections, and no members of the Board are executive personnel of the Company. The composition of the Board is considered to ensure that the collegial body operates independently from any special interest. All board members are encouraged to be shareholders and their shareholdings are disclosed in the Annual Report.

Deviations from the Code: None

9. Work of the Board of Directors

The Board of Lifecare has issued instructions for its own work and for the CEO emphasizing clear internal allocation of responsibilities and duties providing rules on the Board's work and case handling, as well as the relationship between the Board and the management. The document "Instructions to the Board and the CEO" is available on the Company's website. These instructions are subject to annual revision by the Board.

The Board has the overall responsibility for the Company's management and to ensure that the operations are conducted in accordance with all relevant laws and regulations, as well as guidelines issued by the General Meeting or the Board. It is within the Board's responsibility to prepare and implement the Company's strategy, safeguard the Company's responsibility towards, and communication to, the shareholders, and to ensure that the Company is properly organized and financed.

It is the responsibility of the Board to ensure that the Company has a well-functioning internal control environment in accordance with the regulations that apply to its activities and to supervise daily management and activities of the company in general. In addition, the Board is responsible for appointment of Chief Executive Officer (CEO) and convening and preparing for general meetings. The objectives, responsibilities and functions of the Board of Directors and the CEO are in compliance with rules and standards applicable for the company.

The Board's instructions include regulations of conflicts of interest to ensure that no members of the Board or executive management participate in considerations or decision of an issue with special significance for his or her own or closely relative's part that leads to a prominent personal or financial interest in the case. Furthermore, the Board has issued guidelines for the Company's primary insiders as well as anti-bribery and anti-corruption policy. These guidelines and policies are made available on the Company's website.

The Board of Directors adopts an annual plan for its work. The CEO is responsible for keeping the Board of Directors informed about the company's activities, position and financial and operational developments. The Board of Directors evaluates its performance and expertise annually and the evaluation is made available to the Nomination Committee.

Due to the Company's size and complexity the Board has decided to not implement an Audit Committee. The Company's Nomination Committee advice the General Meeting on remuneration for the members of the Board and the Nomination Committee. The Board and the CEO act as Remuneration Committee for executive personnel, except for remuneration matters for the CEO where the Board act as Remuneration Committee.

The Board evaluates its performance and expertise annually.

The Board conducted 8 meetings in 2023. Board members had the following attendance at these meetings:

> Morten Foros Krohnstad	8/8	100%
> Trine Teigland	8/8	100%
> Lutz Heinemann	8/8	100%
> Bo Petersson	6/8	75%
> Hans Johan Hekland	8/8	100%

Deviations from the Code: None

10. Risk management and internal control

It is the responsibility of the Board of Directors to ensure that the Company has sound internal controls and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities. Significant risks include strategic risks, market risks, financial risks, liquidity risks and operational risks including risks related to development of products.

The Company's significant risk areas and internal control systems are assessed on an on-going basis and at least once a year by the Board of Directors. Please also refer to The Board of Directors´ report, for a description of relevant risk factors.

Deviations from the Code: None

11. Remuneration of the Board of Directors
The General Meeting determines the remuneration to the Board of Directors based on a proposal from the Nomination Committee. Remuneration reflects the Board of Directors responsibility, expertise, time commitment and the business complexity. The remuneration is not linked to the Company's performance, and no share options are granted to members of the Board of Directors. Detailed information on the remuneration of the Board of Directors can be found in the Annual Report.

Board members, or companies to which they are connected, should not undertake separate assignments for the Group in addition to the Board appointment. If they nevertheless do, the whole Board is to be informed. Fees for such assignments are to be approved by the Board. If remuneration has been paid above the normal Board fee, this is to be specified in the annual report.

Deviations from the Code: None

12. Remuneration of executive personnel
Determination of salaries and other remuneration of the executive personnel in the Company is concluded on a case-by-case basis. Such determinations are based on clear and easily understandable principles with the purpose to contribute to the long terms interest of the company in combination with financial viability and commercial strategies.

On the basis of authorization from the General Meeting the Board has outlined a share purchase program for all employees in Lifecare and a share option program for the Company's executive and leading personnel.

The Company's share option program for executive and leading personnel is primarily performance related and linked to performance targets that influence the Company's long-term value creation interests. The Board has taken great care when awarding options to the executive and leading personnel, with the overall aim to contribute to the Company's commercial strategy, long-term interests and financial viability. The Board considers its praxis in line with market standards and the interests of the shareholders and is consequently appropriate.

Deviations from the Code: None

13. Information and communication
The Company presents its financial statements in accordance with NRS, and procedures have been established to ensure compliance with NRS interim and annual reporting requirements. The Company's management, the Chief Executive Officer (CEO) and Financial Controller are responsible for preparing the financial statements, and annual and semi-annual financial reports are approved by the Board of Directors prior to publication. Lifecare reports in accordance with the rules in the Norwegian Securities Trading Act, as well as with the requirements specified by the Oslo Børs for companies with listed shares.

The Board has approved guidelines and procedures relating to the handling of insider information and trading in the company's shares.

The Company›s guidelines for reporting of financial and other information are based on transparency and consider the requirement for equal treatment of all participants in the securities market. The Company is committed to report financial results and other relevant information on an accurate and timely basis. The Company publishes a financial calendar on an annual basis, including dates for release of interim and annual reports and dates for general meetings. Lifecare considers it important to inform shareholders about the Group's development and economic and financial status. Management members are available for discussions with

shareholders, other than through general meetings, to develop a balanced understanding of such shareholders' situation and focus, subject however to the provisions in legislation and regulations. The Chair of the Board ensures that shareholders' viewpoints are communicated to the whole Board.

Deviations from the Code: None

14. Take-overs

The Board of Directors endorses the principles concerning equal treatment of all shareholders. In the event of a take-over bid, it is obliged to act in accordance with the requirements of Norwegian law and in accordance with the Code and all applicable principles for good corporate governance.

The Board of Directors will not hinder or obstruct takeover bids for Lifecare's activities or shares. The Board will ensure that shareholders are given sufficient information and time to form an opinion on an offer. If a takeover offer is received, the Board will issue a statement with a recommendation as to whether shareholders should or should not accept the offer.

A transaction that in fact is a business disposal shall be approved by a General Meeting.

Deviations from the Code: None

15. Auditor

RSM Norge AS (RSM) is the appointed auditor of Lifecare.

The auditor shall annually in writing confirm to the Board of Directors that he/she satisfies established requirements for independence and objectivity. The auditor participates at least one Board of Directors meeting per year, where he/she presents auditors plan for the audit, the assessment of the Company's internal control and participate during the approval of the annual accounts.

The Board of Directors has established separate guidelines for use of non-audit services. Fees paid to the external auditor for audit and non-audit services are reported in the Company's Annual Report, which are, in turn, approved by the annual general meeting. The auditor is requested to participate at the annual general meeting for consideration of the annual financial statement.

Deviations from the Code: None

Financial Report 2023

Financial Statements

Parent				Group	
2022	2023	STATEMENT OF COMPREHENSIVE INCOME	NOTE	2023	2022
		Operating income and operating expenses			
		Operating income:			
		Revenue			
		Revenue from contracts with customers		3 439 924	6 777 868
5 481 736	5 431 248	Other income		9 646 248	15 356 792
5 481 736	**5 431 248**	**Total income**	3	**13 086 172**	**22 134 660**
		Operating expense:			
4 728 962	12 262 694	Employee benefits expense	4,5,6	25 658 588	12 176 740
189 110	560 916	Depreciation and amortisation expense	8,9	3 252 702	2 284 282
19 219 956	27 364 776	Other expenses	10	19 522 599	24 577 876
24 138 028	**40 188 386**	**Total expenses**		**48 433 888**	**39 038 898**
(18 656 292)	**(34 757 138)**	**Operating result**		**(35 347 716)**	**(16 904 238)**
		Financial income and expenses			
0	871 759	Other interest income		871 759	0
554 096	131 397	Other financial income		133 465	554 096
637	0	Other Interest expenses		0	637
190 724	797 225	Other financial expenses		979 607	322 935
362 735	**205 931**	**Net financial items**	11	**25 617**	**230 524**
(18 293 557)	**(34 551 207)**	**Net profit before tax**		**(35 322 099)**	**(16 673 714)**
0	0	Income tax expense	7	115 974	(527 152)
(18 293 557)	**(34 551 207)**	**Net profit or loss**		**(35 206 126)**	**(17 200 866)**
		Attributable to:			
		Equity holders of the parent		(35 258 211)	
		Non-controlling interests		52 085	
				(35 206 126)	
-0,180	**-0,287**	**Earning per share -basic and diluted (NOK)**	15	**-0,293**	**-0,169**
		Other comprehensive income			
		Exchange differences on translation of foreign operations		(69 792)	(65 878)
		Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods		**(69 792)**	**(65 878)**
		Total comprehensive income for the year, net of tax		**(35 275 917)**	**(17 266 744)**

Balance Sheet

Parent					Group		
As at 1 Jan. 2022	2022	2023	BALANCE SHEET	NOTE	2023	2022	As at 1 Jan. 2022
			Assets				
			Non-current Intangible assets				
93 000	174 000	155 000	Concessions, patents, licences, and similar	8	5 282 855	6 234 193	7 185 530
0	0	0	Goodwill	12	7 228 275	7 228 275	1 640 914
193 000	**174 000**	**155 000**	**Total intangible assets**		**12 511 130**	**13 462 468**	**8 826 444**
			Tangible asset				
15 366	1 262 067	1 017 335	Equipment and other movables	8	3 192 066	2 989 532	29 740
0	607 745	413 118	Right-of-use asset	8,9	6 642 227	3 877 428	
15 366	**1 869 812**	**1 430 453**	**Total tangible assets**		**9 834 293**	**6 866 960**	**29 740**
			Non-current financial assets				
6 877 294	15 589 023	15 709 023	Investments in affiliated companies	13	0	0	0
6 877 294	**15 589 023**	**15 709 023**	**Total non-current financial assets**		**0**	**0**	**0**
7 085 660	**17 632 835**	**17 294 476**	**Total non-current assets**		**22 345 423**	**20 329 428**	**8 856 184**
			Currents assets				
			Receivables				
74 947	74 948	897 168	Receivables		4 018 948	1 321 634	138 696
2 594 741	2 854 578	7 807 908	Other short-term receivables	14	11 680 318	5 817 383	2 288 479
2 669 688	**2 929 526**	**8 705 076**	**Total receivables**		**15 699 266**	**7 139 017**	**2 427 175**
20 171 311	44 677 834	47 411 470	Cash and cash equivalents	16	48 345 153	47 630 404	21 041 862
22 840 999	**47 607 360**	**56 116 545**	**Total current assets**		**64 044 419**	**54 769 421**	**23 469 037**
29 926 659	**65 240 195**	**73 411 021**	**Total assets**		**86 389 842**	**75 098 850**	**32 325 221**

Balance Sheet

Parent					Group		
As at 1 Jan. 2022	2022	2023	BALANCE SHEET	NOTE	2023	2022	As at 1 Jan. 2022
			Equity and liabilities				
			Equity. Inserted equity figure				
39 193 659	47 146 297	53 946 297	Share capital		53 946 297	47 146 297	39 193 659
0	**40 306 997**	**76 006 997**	Share premium		**76 006 997**	**40 306 997**	**0**
1 478 689	2 397 372	3 942 022	Other paid-in capital		3 942 022	2 397 372	1 478 689
40 672 348	**89 850 666**	**133 895 316**	**Total contributed equity**	**17**	**133 895 316**	**89 850 666**	**40 672 348**
			Earned equity				
	0	0	Non controlling interests		52 085		
(16 625 946)	(34 919 503)	(67 992 020)	Uncovered loss		(67 492 890)	(33 405 757)	(16 324 225)
		0	Fund for valuation differences		0	(9 240)	0
(16 625 946)	**(34 919 503)**	**(67 992 020)**	**Total retained earnings**		**(67 440 805)**	**(33 414 997)**	**(16 324 225)**
24 046 402	54 931 163	65 903 296	**Total equity**		66 454 511	56 435 669	24 348 123
			Liabilities				
			Provision for liabilities				
0	0	0	Deferred tax	7	1 640 914	1 333 243	1 538 357
0	**0**	**0**	**Total provision for liabilities**		**1 640 914**	**1 333 243**	**1 538 357**
			Non-current liabilities				
2 696 976	4 244 949	2 915 467	Other non-current debt	18	2 915 467	4 353 994	2 696 976
0	456 952	159 549	Financial lease long term	9	4 745 441	3 088 366	0
2 696 976	**4 701 901**	**3 075 016**	**Total other long-term debt**		**7 660 908**	**7 442 360**	**2 696 976**
			Current liabilities				
1 527 906	706 119	1 572 547	Accounts payable		2 982 334	1 627 636	1 972 425
0	0	0	Payable tax		0	1 461 517	0
164 524	85 440	531 960	Due public fees		605 750	85 440	243 528
0	155 722	265 108	Financial lease short term	9	1 704 778	851 750	0
1 490 851	4 659 850	2 063 093	Other short-term debt		5 340 647	5 861 235	1 525 812
3 183 281	**5 607 131**	**4 432 709**	**Total current liabilities**		**10 633 508**	**9 887 578**	**3 741 765**
5 880 257	**10 309 032**	**7 507 725**	**Total liabilities**		**19 935 331**	**18 663 181**	**7 977 098**
29 926 659	**65 240 195**	**73 411 021**	**Total equity and liabilities**		**86 389 842**	**75 098 850**	**32 325 221**

Cash Flow

Parent			Group	
2022	**2023**	**Cash flow statement**	**2023**	**2022**
		Cash flow from operating activities:		
(18 293 557)	(34 551 207)	Net profit before tax	(35 322 099)	(16 673 713)
0	0	Taxes paid	(1 461 517)	(527 152)
189 110	560 916	Depreciation	3 252 702	2 284 282
918 683	3 690 706	Employee Benefits Expense	3 690 706	918 683
1	(822 220)	Change in resivables	(2 697 314)	(1 182 938)
(821 787)	866 428	Change in accounts payable	1 354 698	(344 789)
	22 831	Interest paid	195 221	
1 352 032	(7 860 053)	Changes in other accrued income and expenditure	(5 017 258)	(2 680 345)
(16 655 518)	**(38 092 598)**	**Net cash flow from operating activities**	**(36 004 862)**	**(18 205 973)**
		Cash flow from investment activities:		
(1 337 788)	(36 268)	Purchase of property, plant and equipment	(1 214 899)	(5 708 258)
(8 692 729)		Purchase of other financial assets	0	(3 490 315)
	(120 000)	Acquisition of subsidiary, net of cash acquired	0	0
(10 030 517)	**(156 268)**	**Net cash flow from investment activities**	**(1 214 899)**	**(9 198 573)**
		Cash flow from financing activities:		
48 259 635	42 500 000	Proceeds from issue of share capital	42 500 000	48 259 636
2 921 902		Proceeds from borrowings	687 803	5 374 770
	(1 329 482)	Repayment of borrowings	(3 948 630)	
11 021	(188 017)	Payment of principal portion of lease liabilities	(1 304 664)	136 793
51 192 558	**40 982 501**	**Net cash flow from financing activities**	**37 934 509**	**53 771 199**
		Net currency translation effect		**221 888**
24 506 523	**2 733 634**	**Net cash flow total**	**714 748**	**26 588 541**
20 171 312	**44 677 835**	**Cash at beginning of the period**	**47 630 404**	**21 041 863**
44 677 835	**47 411 470**	**Cash at the end of the period**	**48 345 153**	**47 630 404**

Statement Change of Equity

Lifecare Group	Issued capital	Share premium	Retained earnings	Foreign currency translation reserve	Total	Non-con-trolling interest	Total equity
As at 1 January 2023	47 146 297	40 306 997	-31 230 275	146 772	56 435 669		56 435 669
Adjustment on correction of error (net of tax)							
Share-based payments							
Profit prvious periods							
As at 1 January 2023 (restated)	**47 146 297**	**40 306 997**	**-31 230 275**	**146 772**	**56 435 669**	**-**	**56 435 669**
Profit for the period			-35 258 211	-298 371	-35 556 582	52 085	-35 504 497
Issue of share capital	6 800 000	35 700 000					
Other comprehensive income				-69 792	-69 792		-69 792
Share-based payments			3 023 339		3 023 339		3 023 339
At 31 December 2023 (restated)	**53 946 297**	**76 006 997**	**-63 465 147**	**76 980**	**66 402 426**	**52 085**	**66 454 511**
As at 1 January 2022	**39 193 659**		**-14 948 093**	**221 890**	**24 467 456**		**24 467 456**
Adjustment on correction of error (net of tax)							-
Share-based payments							
Profit prvious periods			-				
As at 1 January 2022 (restated)	**39 193 659**	**-**	**-14 948 093**	**221 890**	**24 467 456**	**-**	**24 467 456**
Profit for the period			-17 200 866	-9 240	-18 293 557		-18 293 557
Issue of share capital	7 952 638	40 306 997			48 259 635		
Other comprehensive income				-65 878	-65 878		-65 878
Share-based payments			918 683		918 683		918 683
At 31 December 2022 (restated)	**47 146 297**	**40 306 997**	**-31 230 275**	**146 772**	**56 435 669**		**56 435 669**

Statement Change of Equity

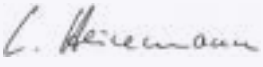
Lifecare AS	Issued capital	Share premium	Retained earnings	Foreign currency translation reserve	Total	Total equity
As at 1 January 2023	47 146 297	40 306 997	-32 522 131	-	54 931 163	54 931 163
Adjustment on correction of error (net of tax)						-
Share-based payments						
Profit prvious periods			-			
As at 1 January 2023 (restated)	**47 146 297**	**40 306 997**	**-32 522 131**	**-**	**54 931 163**	**54 931 163**
Profit for the period			-34 551 207		-34 551 207	-34 551 207
Issue of share capital	6 800 000	35 700 000				
Share-based payments			3 023 339		3 023 339	3 023 339
At 31 December 2023 (restated)	**53 946 297**	**76 006 997**	**-64 049 998**	**-**	**65 903 296**	**65 903 296**
As at 1 January 2022	**39 193 659**		**-15 147 257**		**24 046 402**	**24 046 402**
Adjustment on correction of error (net of tax)						-
Share-based payments						
Profit prvious periods			-			
As at 1 January 2022 (restated)	**39 193 659**	**-**	**-15 147 257**	**-**	**24 046 402**	**24 046 402**
Profit for the period			-18 293 557		-18 293 557	-18 293 557
Issue of share capital	7 952 638	40 306 997				
Share-based payments			918 683		918 683	918 683
At 31 December 2022 (restated)	**47 146 297**	**40 306 997**	**-32 522 131**	**-**	**54 931 163**	**54 931 163**

Bergen, 08.04.2024
Board of Lifecare AS

Morten Foros Krohnstad
Chairman of the Board

Trine Teigland
Board Member

Bo Arne Petersson
Board Member



Lutz Walter Heinemann
Board Member

Hans Johan Hekland
Board Member

Joacim Holter
CEO

Notes

NOTE 1 – CORPORATE INFORMATION

Lifecare AS ("the Company" or "Parent") as the Parent Company and its subsidiaries (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 is incorporated and domiciled in Norway and listed on the unregulated market Euronext Growth. The address of the registered office is Ytrebygdsvegen 215, 5258 Blomsterdalen, Bergen, Norway.

The consolidated financial statements and the financial statements for the Company cover the year ending 31 December 2023.

NOTE 2 – BASIS FOR PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have consistently been applied in all periods presented. The presentation currency of the Group and the Company is NOK.

BASIS FOR PREPARATION

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

Lifecare Group implements IFRS effective from 2023. Changes in accounting principles, including changes in the language of accounting, must as a general rule be made through a full retrospective implementation, i.e. that previous years› financial statements are restated so that they present the company's financial position as if the new rules had always been applied. IFRS 1 contains certain exceptions from full retrospective application when transitioning to IFRS. The Group has applied most of these exceptions, e.g. for leases the right of use asset as at 1 January 2022 was set equal to the lease liability.

In preparing the opening balance sheet the company has reviewed the balance sheet as of 1 January 2022 that was prepared in accordance with the Group's previous basis of accounting (NGAAP) as the basis for the transition to IFRS applying IFRS 1 (First-time Adoption of International Financial Reporting Standards). The transition entails certain changes in principles, and generally no equity adjustments have been considered necessary based on the nature and materiality of the gaap differences. The exception is a restatement of deferred tax assets. When preparing the IFRS opening balance sheet as of 1 January 2022, an adjustment relating to long-term leasing (IFRS 16) was made.

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 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 at fair value at the time of acquisition. Any excess 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.

REVENUE RECOGNITION

Revenues from the sale of services are recognized in the income statement according to the project's level of completion provided the outcome of the transaction can be estimated reliably. When the outcome of the transaction cannot be estimated reliably, only revenues equal to the project costs that have been incurred will be recognized as revenue.

INCOME TAX

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22% percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.

FINANCIAL RISKS

INTEREST RATE RISK

The Group holds cash and cash equivalents and does not have any borrowings. The Group's interest rate risk is therefore in the rate of return of its cash on hand. Bank deposits are exposed to market fluctuations in interest rates, which affect the financial income and the return on cash.

EXCHANGE RATE RISK

The value of non-Norwegian currency denominated costs will be affected by changes in currency exchange rates or exchange control regulations. The Group undertakes various transactions in foreign currencies and is consequently exposed to fluctuations in exchange rates. The exposure arises largely from the clinical trials and research expenses. The Group is mainly exposed to fluctuations in pounds sterling (GBP), euro (EUR).

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.

GOVERNMENT GRANTS

Government grants are recognized when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. The grant is recognized in the income statement in the same period as the related costs,and presented net. Government grants are recognized at the value of the contribution at the transaction date.

Government grants are normally related to either re-imbursements of employee costs or related to other operating activities classified as other operating expenses. The grants are classified as other income in the financial statement.

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.

LEASES

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 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-ofuse 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.

SHARE-BASED PAYMENTS

The Group operates an equity-settled, share-based compensation plan, under which the Group receives services from employees as consideration for share-based payments (options).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized, together with a corresponding increase in other paid in capital in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognized at the beginning and end of that period and is recognized in employee benefits expense.

The fair value of the options granted is measured using the Black-Scholes model. Measurement inputs include share price on the measurement date, exercise price of the instrument, expected volatility, weighted average expected life of the instruments, expected dividends and the risk-free interest rate.

When the options are exercised, the Group will issue new shares. The proceeds received net of any directly attributable transaction costs are recognized as share capital (nominal value) and share premium reserve.

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 – SEGMENTS REVENUE AND PUBLIC GRANTS.

The Group operates under two different segments. Laboratory services provided both internally within the group and to third part customers are performed by the subsidiaries Lifecare Laboratory GmbH. Both the parent company and other subsidiaries operates at the moment under the R&D segment with founding from public grants and internal services as revenue.

Parent

	2023	2022
Skattefunn-refund	3 146 797	1 629 191
Other public grants	0	3 790 967
Other income	2 284 451	61 577
Total revenue	**5 431 248**	**5 481 736**

In 2023, the Company has recognized NOK 3.1 million in grants in estimated tax savings. R&D costs of NOK 18.6 million in 2023 have been booked as an expense. Other income consists of internal service fee from subsidiaries and founds from contracts with external partners.

In 2022, the Company expensed NOK 9.4 million in R&D. Under other income, NOK 1.6 million in estimated tax savings for 2022 have been recognized as income. Other public grants consist of public founding from the European Commission, the project Horizon 2020 at NOK 3.8 million in 2022.

Group

Lifecare Groups external revenue from third parts customer consist of laboratory services performed by the subsidiary Lifecare Laboratory Gmbh in Germany.

	2023	2022
Revenue from contracts with customers	3 886 122	6 777 868
Skattefunn-refund	3 438 654	1 629 191
Other public grants	0	3 790 967
Other income	5 761 396	9 936 634
Total revenue	**13 086 172**	**22 134 660**

NOTE 4 – PAYROLL AND RELATED EXPENSES

PARRENT Salary costs Lifecare	2023	2022
Board fee	1 050 000	1 015 000
Salaries	5 865 853	2 090 903
Payroll tax	1 075 352	442 396
Pension costs	271 852	71 614
Other benefits	308 932	190 367
Total payroll	**8 571 989**	**3 810 279**
Share option expense emloyees	**3 023 338**	**918 683**
Accured sosial security tax on share option	**667 367**	
Total employee share option cost	**3 690 706**	**918 683**
Total employee benefit cost	**12 262 694**	**4 728 962**

Employees	2023	2022
Number of employees	6	4
Number of man-years	5,5	2,1

GROUP Salary costs Lifecare Group	2023	2022
Board fee	1 050 000	1 015 000
Salaries	16 024 383	7 921 498
Payroll tax	3 141 485	1 743 986
Pension costs	539 264	266 580
Other benefits	1 212 751	310 994
Total	**21 967 883**	**11 258 057**
Share option expense emloyees	3 023 338	918 683
Accured sosial security tax on share option	667 367	
Total employee share option cost	3 690 706	918 683
Total employee benefit cost	**25 658 588**	**12 176 740**

Group Employees	2023	2022
Number of employees	32	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. They are employed and work as a consultant (CSO) in the parent company (CEO)

	Board re-muneration	Salary	Consulty fee	Total re-muneration
Management				
Joacim Holter (CEO)		1 800 000		1 800 000
Andreas Putzner (CSO)	527 152		1 527 177	1 527 177
Members of the Board				
Morten Foros Krohnstad (Chairman)	250 000			250 000
Trine Teigland (Board member)	180 000			180 000
Lutz Heiemann(Board member)	180 000			180 000
Bo Petersson(Board member)	180 000			180 000
Hans Hekland(Board member)	180 000			180 000
Nomination Committee				
Svein Milford	40 000			40 000
Trond Eidsnes	40 000			40 000
Total remuneration	**1 050 000**	**1 800 000**	**1 527 177**	**4 377 177**

NOTE 5 – 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 7.1G 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 Lifcare Nanobiosensor Gmbh (German employees) the contribution is between 7-15% of base salary.

NOTE 6 – 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	**2023**
As of 01.01.2023	
Granted during the year	2 469 173
Exercised during the year	1 850 000
Adjusted during the year	
Expired during the year	50 000
As of 31.12.2023	**4 369 173**

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 2,594,173 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 1,850,000 share options in 2023.

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	2,469,173
2,49	1,850,000
2,50	50,000
Total	4,369,173

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:

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

NOTE 7 – TAX

Tax Lifecare	**2023**	**2022**
Tax on operating result		
Payable tax	-	-
Change in deferred tax benefit	-	-
Tax cost ordinary profit	**-**	-
Taxable income		
Result before taxes	-35 353 227	-18 293 556
Permanent differences	-3 152 719	- 1 581 894
Change in temporary differences	-796 427	189 272
Taxable income	**-39 302 374**	**-19 686 178**
Payable tax in the balance sheet		
Payable tax on the year's profit	0	0
Total tax payable in the balance sheet	0	0

The tax effect of temporary differences and losses to be carried forward that have given rise to deferred tax on undetermined tax benefits, specified by type of temporary differences.

	2022	**2021**	**Change**
Fixed assets	110 859	170 157	59 298
Deposits	-1 090 000	-1 015 000	75 000
Total	**- 844 843**	**- 655 571**	**189 272**
Accumulated loss carried forward	-150 105 090	-110 802 716	39 302 374
Not included in the calculation of deferred tax	150 153 506	111 647 560	-38 505 946
Deferred tax benefit (22%)	**-33 33 771**	**-24 562 463**	**8 471 308**

In accordance with good accounting practice, deferred tax benefits are not recognized in the balance sheet.

The Group has a tax-related income of – NOK – 34 368 540. The tax-related loss carried forward amounts to NOK 109,879,105. Deferred tax benefits are not booked.

Tax cost of NOK –205 114 is a change in deferred tax related to acquisitions. Deferred tax related to added value on acquisition amounts to NOK 1,333,243 31.12.22.

NOTE 8 – INTANGIBLE ASSETS, PLANT, EQUIPMENT, AND ROA

Parent	Patents and licenses	Goodwill	Tangible assets	Right of use assets (ifrs 16)	Total
Cost 01.01.23	321 244		1 370 497	705 768	2 397 509
Purchased fixed assets			36 268		36 268
Asset consolidation				66 289	66 289
Cost 31.12.23	321 244		1 406 765	772 057	2 500 066
Acc. depreciation	166 244		389 429	358 939	914 612
Book value 31.12.23	155 000		1 017 335	413 118	1 558 453
Depreciation 2023	19 000		281 000	260 916	560 916
Economic life	5-10 years		5 years	3 years	

	Patents and licenses	Goodwill	Tangible assets	Right of use assets (ifrs 16)	Total
Cost 01.01.22	321 244		51 708	0	372 952
Purchased fixed assets			1 318 788		1 318 788
Asset consolidation				705 768	705 768
Cost 31.12.22	321 244		1 370 496	705 768	2 397 508
Acc. depreciation	147 244		108 429	98 023	353 696
Book value 31.12.22	174 000		1262 067	607 745	2 043 812
Depreciation 2022	19 000		72 087	98 023	189 110
Economic life	5-10 years		5 years	3 years	

Group	Patents and licenses	Goodwill	Tangible assets	Right of use assets (ifrs 16)	Total
Cost 01.01.23	7 812 443	7 330 832	3 581 542	4 661 510	23 386 327
Purchased fixed assets			1 214 899		1 214 899
Asset consolidation				4 053 797	4 053 797
Cost 31.12.23	7 812 443	7 330 832	4 796 441	8 715 307	28 655 023
Acc. depreciation	2 529 588	102 557	1 604 375	2 073 080	6 309 600
Book value 31.12.23	5 282 855	7 228 275	3 192 066	6 642 226	22 345 423
Depreciation 2023	951 337		1 012 366	1 288 998	3 252 701
Economic life	5-10 years		5 years	3 years	

	Patents and licenses	Goodwill	Tangible assets	Right of use assets (ifrs 16)	Total
Cost 01.01.22	7 812 443	1 640 914	73 127	0	9 526 484
Purchased fixed assets			3 508 415		3 508 415
Asset consolidation		5 689 918		4 661 510	10 351 428
Cost 31.12.22	7 812 443	7 330 832	3 581 542	4 661 510	23 386 327
Acc. depreciation	1 578 250		592 009	784 082	2 954 321
Book value 31.12.22	6 234 193	7 228 275	2 989 533	3 877 428	20 329 429
Depreciation 2022	951 337		1 012 366	784 082	2 747 765
Economic life	5-10 years		5 years	3 years	

Lifecare Group has recognized tree 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 9 – LEASES

THE GROUP AS A LESSEE

Right-of-use assets

The Company rent premises in Bergen, Norway, for office purposes. The subsidiaries in Germany and UK also rent premises for both offices and laboratory purposes. The Group's right-of-use assets are categorised and presented in the table below:

PARENT

Right-of-use assets	Office facilities	Total
Acquisition cost 1 January 2023	782 749	782 749
Addition of right-of-use assets		0
Transfers and reclassifications		0
Currency exchange differences		0
Acquisition cost 31 December 2023	782 749	782 749
Accumulated depreciation and impairment 1 January 2023	108 715	108 715
Depreciation	260 916	260 916
Impairment losses in the period		0
Disposals		0
Transfers and reclassifications		0
Currency exchange differences		0
Accumulated depreciation and impairment 31 December 2023	**369 631**	**369 631**
Carrying amount of right-of-use assets 31 December 2023	**413 118**	**413 118**

Lease liabilities

Undiscounted lease liabilities and maturity of cash outflows	Total
Less than 1 year	265 107
1-2 years	159 551
2-3 years	
3-4 years	
4-5 years	
More than 5 years	
Total undiscounted lease liabilities at 31 December 2023	**424 658**

Summary of the lease liabilities	Total
At initial application 01.01.2023	782 749
New lease liabilities recognised in the year	
Cash payments for the principal portion of the lease liability	-392 607
Cash payments for the interest portion of the lease liability	
Interest expense on lease liabilities	34 516
Currency exchange differences	
Total lease liabilities at 31 December 2023	**424 658**

Right-of-use assets	Office facilities	Total
Acquisition cost 1 January 2022	**0**	**0**
Addition of right-of-use assets	705 768	705 768
Transfers and reclassifications		0
Currency exchange differences		0
Acquisition cost 31 December 2022	705 768	705 768
Accumulated depreciation and impairment 1 January 2022	0	0
Depreciation	98 023	98 023
Impairment losses in the period		0
Disposals		0
Transfers and reclassifications		0
Currency exchange differences		**0**
Accumulated depreciation and impairment 31 December 2022	**98 023**	**98 023**
Carrying amount of right-of-use assets 31 December 2022	**607 745**	**607 745**

LEASE LIABILITIES

Undiscounted lease liabilities and maturity of cash outflows	Total
Less than 1 year	155 722
1-2 years	456 952
2-3 years	
3-4 years	
4-5 years	
More than 5 years	
Total undiscounted lease liabilities at 31 December 20XX	**612 674**

Summary of the lease liabilities	Total
At initial application 01.01.2022	0
New lease liabilities recognised in the year	705 769
Cash payments for the principal portion of the lease liability	-104 116
Cash payments for the interest portion of the lease liability	
Interest expense on lease liabilities	11 021
Currency exchange differences	
Total lease liabilities at 31 December 2022	**612 674**

GROUP

Right-of-use assets	Office facilities	Total
Acquisition cost 1 January 2023	4 920 158	4 920 158
Addition of right-of-use assets	3 716 468	3 716 468
Transfers and reclassifications		0
Currency exchange differences		0
Acquisition cost 31 December 2023	8 636 626	8 636 626

Accumulated depreciation and impairment 1 January 2022	784 082	784 082
Depreciation	1 243 270	1 243 270
Impairment losses in the period		0
Disposals		0
Transfers and reclassifications		0
Currency exchange differences	-32952	-32 952
Accumulated depreciation and impairment 31 December 2023	**1 994 400**	**1 994 400**
Carrying amount of right-of-use assets 31 December 2023	**6 642 226**	**6 642 226**

Lease liabilities

Undiscounted lease liabilities and maturity of cash outflows	Total
Less than 1 year	1 704 778
1-2 years	1 657 217
2-3 years	1 616 396
3-4 years	1 165 063
4-5 years	306 768
More than 5 years	
Total undiscounted lease liabilities at 31 December 2023	**6 450 221**

Summary of the lease liabilities	Total
At initial application 01.01.2023	4 920 159
New lease liabilities recognised in the year	3 716 468
Cash payments for the principal portion of the lease liability	-2 210 330
Cash payments for the interest portion of the lease liability	
Interest expense on lease liabilities	323 973
Currency exchange differences	-300 049
Total lease liabilities at 31 December 2023	**6 450 221**

Right-of-use assets	Office facilities	Total
Acquisition cost 1 January 2022	**0**	**0**
Addition of right-of-use assets	4 843 180	4 843 180
Transfers and reclassifications		0
Currency exchange differences	-181 670	-181 670
Acquisition cost 31 December 2022	4 661 510	4 661 510
Accumulated depreciation and impairment 1 January 2022	0	0
Depreciation	784 082	784 082
Impairment losses in the period		0
Disposals		0
Transfers and reclassifications		0
Currency exchange differences		**0**
Accumulated depreciation and impairment 31 December 2022	**784 082**	**784 082**
Carrying amount of right-of-use assets 31 December 2022	**3 877 428**	**3 877 428**

LEASE LIABILITIES

Undiscounted lease liabilities and maturity of cash outflows	Total
Less than 1 year	880 228
1-2 years	1 040 184
2-3 years	784 054
3-4 years	815 639
4-5 years	420 059
More than 5 years	
Total undiscounted lease liabilities at 31 December 2023	**3 940 166**

Summary of the lease liabilities	Total
At initial application 01.01.2022	0
New lease liabilities recognised in the year	4 843 180
Cash payments for the principal portion of the lease liability	-867 427
Cash payments for the interest portion of the lease liability	
Interest expense on lease liabilities	136 793
Currency exchange differences	-172 380
Total lease liabilities at 31 December 2022	**3 940 166**

NOTE 10 – SPECIFICATION AUDITOR'S FEE

Audit Expenses (Parent and Group)	2023	2022
Audit	280 997	179 900
Other Services	67 400	52 600
Total Audit Expenses	**348 397**	**232 500**

Amounts are excluding VAT

NOTE 11 – FINANCE COST, FINANCE INCOME AND OTHER INCOME

Parent

Finance income	**2023**	**2022**
Gain on loans and receivable	871 754	185 956
Interest income on bank deposit	17 561	2 696
Interest income on tax repaid	113 836	368 140
Total financial income	1 003 156	554 096

Finance expenses	**2023**	**2022**
Interest on debts and borrowings		
Interest arising from revenue contracts		
Foreign exchange losses	774 553	179 499
Other financial expenses	22 672	10 558
Total financial expenses	**797 225**	**190 057**

Other income	**2023**	**2022**
Dividend income from equity instruments at fair value through OCI		
Impairment loss on debt instruments at fair value through OCI		
Other income		
Total other income	0	

Group

Finance income	**2023**	**2022**
Gain on loans and receivable	871 754	183 260
Interest income on bank deposit		2 696
Interest income on tax repaid	115904	368 140
Total financial income	**1 005 224**	**554 096**

Finance expenses		**Total**
Interest on debts and borrowings		
Interest arising from revenue contracts		
Foreign exchange losses	947 851	313 017
Other financial expenses	31 756	10 558
Total financial expenses	**979 607**	**323 575**

Other income	**2023**	**2022**
Dividend income from equity instruments at fair value through OCI		
Impairment loss on debt instruments at fair value through OCI		
Other income		
Total other income	**0**	

NOTE 12 IMPAIRMENT TESTING OF GOODWILL

Recognised goodwill in the Group amounts to MNOK 7,3 as of 31.12.2023. Goodwill is derived from the acquisition of Lifecare Nanobiosensor GmbH which was completed in 2021 and Lifecare Laboratory GmbH that was acquisition in 2022 (see note 13).
Both of these acquisitions are critical for the groups development of technologies and are depending on both the employees and its facilities.
Therefore, Goodwill is tested for impairment by the total potential of cash-generating activities of the whole Lifecare Group

Book value of goodwill:	**2023**	**2022**
Lifecare NanoBioSensor GmbH	1 538 357	1 538 357
Lifecare Laboratory GmbH	5 689 918	5 689 918
	-	-
	7 228 275	**7 228 275**

Goodwill is tested for impairment at least annually, or when there are indications of impairment. In October 2023 Xplico, a Danish Life Sciences Valuation company, did a valuation report the marked potential for Lifecares Sencell Continuous Glucose Monitoring (CGM) sensor.

The recoverable amount is set to the estimated value in use. The value in use is the net present. value of the estimated cash flow before tax, using a discount rate reflecting the timing of the cash flows and the expected risk.

Lifecare NanoBioSensor GmbH and Lifecare Laboratory GmbH was acquired in 2021 and 2022.The management believe that the purchase price was fair.

The impairment test/valudation report indicated that the recoverable amount of the goodwill is MNOK 10, which exceeds the book value with MNOK 3. The value is however based on several key assumptions. If these key assumptions are developing unfavourable it may cause a need for impairment of the recognised goodwill.

NOTE 13 – SUBSIDIARES

Lifecare owns 100% of Lifecare Nanobiosensors GmbH. The subsidiary›s result for 2023 was 0,036 MNOK and the equity was 0,274 MNOK. The company has been consolidated into the consolidated accounts with effect from 01.07.2021. The companies registered address are: Haifa-Allee 20, 55128 Mainz, Germany.

Lifecare owns 100% of Lifecare Laboratory GmbH. The subsidiary›s result for 2023 was NOK -0,619 MNOK and the equity was 4,0 MNOK. The company is consolidated into the consolidated accounts with effect from 01.02.2022. The companies registered address are: Haifa-Allee 20, 55128 Mainz, Germany.

Lifecare owns 100% in Lifecare Chemistry Ltd. The subsidiary›s result for 2023 was -0,047 MNOK and the equity was 0,340 MNOK. The company was established 03.11.22 and was consolidated into the consolidated accounts with effect from 01.12.2022. The companies registered address are: 11 Laura Place, Bath, BA2 4BL, United Kingdom. The company›s first financial year was inconsistent by 15 months. (Period 3 November 2022 to 31 December 2023).

Lifecare owns 80% of the shares in Lifecare Veterinary AS. The subsidiary›s result for 2023 was 0,260 MNOK and the equity was 0,401 MNOK. The company was consolidated into the Group accounts with effect from 01.06.2023. There were no activities in the first half of 2023 before the acquisition. The companies registered address are: Ytrebygdsvegen 215, 5258 Blomsterdalen, Norway.

NOTE 14 – OTHER SHORT-TERM RECEIVABLES.

Other short-term receivables mainly consist of receivables estimated tax refund from Skattefunn with NOK 3.6 million, receivables from subsidiaries with NOK 0.7 million, advance payments with NOK 0.5 million and outstanding value added tax with NOK 0.2 million.

Parent	**2023**	**2022**	**2021**
Calculated tax refund from "Skattefunn"	3 146 797	1 629 191	1 274 676
Receivables from subsidiaries	3 506 835	720 095	367
Loans to employees	-	45 500	
Advance payments	404 733	72 134	116 637
Other current assets	749 543	387 658	1 203 061
Total other current assets	**7 807 908**	**2 854 578**	**2 594 741**

Group	**2023**	**2022**	**2021**
Calculated tax refund from "Skattefunn"	3 438 654	1 629 191	1 274 676
Receivables from subsidiaries			
Loans to employees	-		
Advance payments	1 768 416	365 504	116 637
Outstanding value added tax	4 208 915	1 100 265	
Other current assets	2 264 333	2 722 423	897 166
Total other current assets	**11 680 318**	**5 817 383**	**2 288 479**

NOTE 15 – EARNINGS PER SHARE

Parent	2023	2022
Profit after tax	-34 551 207	-18 239 557
Weighted average numbers of outstanding shares during the year	120 332 409	101 890 796
Earning (loss) per share – basic and diluted (NOK)	**-0,287**	**-0,180**

Group	2023	2022
Profit after tax	-35 206 126	-17 200 866
Weighted average numbers of outstanding shares during the year	120 332 409	101 890 796
Earning (loss) per share – basic and diluted (NOK)	**-0,293**	**-0,169**

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 16 – CASH AND CASH EQUIVALENTS

Parent	2023	2022
Bank deposits	47 145 242	44 435 264
Employee withholding tax	266 228	242 570
Cash and cash equivalents in the balance sheet	**47 411 470**	**44 677 834**

Group	2023	2022
Bank deposits	48 041 607	47 387 834
Employee withholding tax	303 812	242 570
Cash and cash equivalents in the balance sheet	**48 345 419**	**47 630 404**

NOTE 17 – SHARE CAPITAL AND SHAREHOLDERS.

The share capital of Lifecare AS 31.12.23 consists of 134,865,742 ordinary shares of NOK 0.40, in total NOK 53,946,297. The main shareholders per 31.12.23 was:

Shareholder	Shares	Stake
Teigland Eiendom As	24 691 829	18,31 %
Lacal As	21 387 712	15,86 %
Verdipapirfondet Nordea Avkastning	8 763 413	6,50 %
Tjelta AS	8 000 000	5,93 %
Spit Air As	3 087 735	2,29 %
Sandquist Patricia Rodrigues Da Costa	2 893 000	2,15 %
Nordnet Livsforsikring As	2 530 033	2,10 %
Lt Finans AS	2 500 000	1,85 %
Einarsen Even Harald	2 410 000	1,79 %
Bnp Paribas	1 812 600	1,34 %
Deutsche Bank Aktiengesellschaft	1 800 299	1,33 %
Nexus Marketing	1 752 024	1,30 %
Andreassen Kurt Normann	1 652 872	1,23 %
Westhawk AS	1 500 000	1,11 %
Max Invest AS	1 445 000	1,07 %
Other (Under 1% shares)	86 526 447	64,16 %
Total shareholders	**134 865 742**	**100,00 %**

Primary insiders and related holdings	2023	2022	Stake 2023
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 18 – 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. The amount is equal to the remaining potential payment based on Lifecare Laboratory performance until end of year 2025.
The amount are adjusted for currency differences at 31.12.2023

In connection to the share based option plan there has been accrued for potentially payment of social security tax. This amount is calculated to be 0,6 million in 2023.

NOTE 19 – EVENTS AFTER THE REPORTING PERIOD

The company is in a dispute with a former consultant claiming the right to exercise stock options. The outcome from the proceedings at the district court is appealed. A legal assessment is obtained, and thus the company expects that it will be acquitted. The costs relating to the claim are deemed insignificant in relation to the total share values.

NOTE 20 – TRANSITION TO IFRS

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.

In preparing the opening balance sheet the company has reviewed the balance sheet as of 1 January 2022 that was prepared in accordance with its old basis of accounting (NGAAP) as the basis for the transition to IFRS applying IFRS 1 (First-time Adoption of International Financial Reporting Standards). The transition entails certain changes in principles, but no equity adjustments have been considered necessary due to materiality.
The exception is a restatement of deferred tax assets. When preparing the IFRS opening balance sheet as of 31 January 2022 an equity adjustment relating to long-term leasing (IFRS 16) was made in addition to the adjustment of deferred tax assets. The assessments that have been made are listed below.

LEASES (A)

IFRS 16 regulates recognition, measurement, presentation and note requirements related to leases and requires that leases are capitalized in the accounts of the lessee in the form of a lease obligation (obligation to pay rent) and an asset that represents the tenant's right to use the underlying asset. Leases must be capitalized unless they qualify for the exceptions for low amounts or lease term of less than one year. On initial recognition, the liability is measured at the present value of future lease payments during the lease term. This amount is also recognized as a right of use asset determined measured at cost. Subsequently the right of use asset is depreciated, and interest costs are charged on the obligation and expensed under operating costs and financial costs, respectively. The recognized lease obligations are reduced by the rental payments («installments»).

Lifecare AS`s office rental contract at Ytrebygdsvegen exceeds one year, and consequently the lease represents a change in the company`s financial reporting relative to NGAAP. However, the lease was entered into in the second half of 2022, and therefore it is not adjusted for in the opening balance as of 1 January 2022.

Lifecare Laboratory GmbH`s office rental contract at Haifa-Allee 20 also exceeds one year, and Consequently, the lease represents a change in the company`s financial reporting relative to NGAAP.

Lifecare Group took over the lease obligations when Lifecare Laboratory was consolidated into the group meaning effective from 1 February 2022. Therefore, no adjustment is made as part of the transition to IFRS in the 1 January 2022 balance sheet.

As of 31 December 2022, this created a difference in the statement of profit or loss where in IFRS there is a recognition of the right-of-use assets' amortization as part of operating expenses (246 TNOK) and the interest expense on the lease liability is recognized as part of

financial expenses (39 TNOK). In addition, in the balance sheet a lease liability (4 154TNOK) and a right-of-use asset (3 799 TNOK) was recognized as an IFRS – NGAAP adjustment. Rental payments that fall due within one year are reclassified to short-term (1 930 TNOK).

ENTRY OF DEFERRED TAX ASSET (B)

When transitioning to IFRS the group can no longer apply the principle of small enterprises of not recognizing deferred tax assets on the balance sheets. In the financial statements prepared in accordance with NGAAP as of 31 December 2021 and 31 December 2022, a deferred tax asset was estimated at 20,2 MNOK and 24,4 MNOK, respectively. According to IAS 12 an entity should recognize deferred tax assets only when it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. Lifecare Group has decided that, until commencement of sale/ agreements has reached a profitable level, the group will not record any deferred tax assets related to its tax losses carried forward and other negative temporary differences. There is no time limitation in Norway for utilization of historical tax losses. In other words, this does not represent an adjustment to the balance sheet.

GOODWILL (C)

According to IFRS, goodwill is not amortized. Instead, an impairment test is carried out at least once a year or more often if there are indications of impairment.

PROPERTY, PLANT AND EQUIPMENT (D)

Property, plant and equipment are valued at historical cost, but IFRS apply stricter requirements for decomposition and assessment of economic life. On the transition date, there are a limited amount of fixed assets in the accounts, and no changes is necessary in the opening balance as of 1 January 2022.

RESEARCH AND DEVELOPMENT (E)

IAS 38 does not allow capitalization of expenses related to own research but allows that intangible assets arising from development costs are capitalized if certain conditions are met. IFRS thus differ between a research phase and a development phase.
Development costs which are expected to generate probable future economic benefits are capitalized as intangible assets if, and only if, all of the following have been demonstrated: the technical feasibility of completing the intangible asset so that it will be available for use or sale, the intention to complete the intangible asset and use or sell it, the ability to use or sell the intangible asset, how the intangible asset will generate probable future economic benefits, the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

When defining Lifecare Groups' research phase the company concludes that the criteria above are not met and therefore there is no capitalization of the research and development expenditures yet.

No adjustments to the equity are necessary in the financial statements presented.

SHARE BASED OPTION PLAN (F)

Lifecare Group granted share options to selected employees in 2019. Options under a new program were granted in 2022. The options give the holder the right to acquire shares in the company at an exercise price set in the individual option agreements.

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

The estimated costs are expensed over the vesting period. Until 1 January 2022 1.478.688 NOK had been expensed, and by the end of 2022 2.397.371 NOK. According to IFRS 2 this cost should be recognized in the income statement meaning that an adjustment between IFRS-NGAAP is needed.

RECONCILIATION OF FINANCIAL INCOME STATEMENT AS OF DECEMBER 2022
LIFECARE GROUP

FINANCIAL STATEMENT		NGAAP 2022	Effect on transition to IFRS	IFRS 2022
Operating income and operating expenses				
Operating income:				
Revenue				
Other income		22 134 660		22 134 660
Total income		22 134 660		22 134 660
Operating expense:				
Employee benefits expense	**F**	11 258 057	918 683	12 176 740
Depreciation and amortisation expense	**C**	2 748 466	-1 248 266	1 500 200
Amortization roa	**A**		784 082	784 082
Other expenses	**A**	25 445 303	-867 427	24 577 876
Total expenses		39 451 826	-412 928	39 038 898
Operating result		**-17 317 166**	**412 928**	**-16 904 238**
Financial income and expenses				
Other interest income		0		0
Other financial income		554 096		554 096
Depreciation of financial current assets		0		0
Other interest expenses		637		637
Other financial expenses	**A**	186 141	136 793	322 934
Net financial items		367 318	-136 793	230 525
Net profit before tax		**-16 949 848**	**276 135**	**-16 673 713**
Income tax expense	**C**	**-527 152**		**-527 152**
Net profit or loss		**-17 477 000**	**276 135**	**-17 200 865**

RECONCILIATION OF BALANCE STATEMENT AS OF DECEMBER 2022
LIFECARE GROUP

BALANCE SHEET		NGAAP 2022	Effect on transition to IFRS	IFRS 2022
Assets				
Non-current				
Intangible assets				
Concessions, patents, licences, and similar		6 234 193		6 234 193
Goodwill	C	5 980 009	1 248 266	7 228 275
Total intangible assets		12 214 202	1 248 266	13 462 468
Property, plant and equipment	**D**			
Equipment and other movables		2 989 532		2 989 532
Right-of-use asset	**A**		3 877 428	3 877 428
Total property, plant and equipment		2 989 532	3 877 428	6 866 960
Non-current financial assets				
Investments in affiliated companies		0		0
Other fixed financial assets		0		0
Total non-current financial assets		0		
Total fixed assets		15 203 734	5 125 694	20 329 428
Currents assets				
Receivables				
Receivables		1 321 634		1 321 634
Other short-term receivables		5 817 383		5 817 383
Total receivables		7 139 017	0	7 139 017
Cash and cash equivalents		47 630 404		47 630 404
Total current assets		54 769 421	0	54 769 421
Total assets		69 973 156	5 125 694	75 098 849

BALANCE SHEET		NGAAP 2022	Effect on transition to IFRS	IFRS 2022
Equity				
Inserted equity figure				
Share capital		47 146 297		47 146 297
Premium rate		40 306 997		40 306 997
Other contributed capital	F	0	2 397 372	2 397 372
Total contributed equity		87 453 294	2 397 372	89 850 666
Earned equity				
Other equity				
Uncovered loss	**A,C**	-32 203 203	-1 202 554	-33 405 757
Fund for valuation differences		0	-9 240	-9 240
Total retained earnings		-32 203 203	-1 211 794	-33 414 997
Total equity		**55 250 090**	**1 185 578**	**56 435 668**
Debt				
Provision for liabilities				
Deferred tax		1 333 243	0	1 333 243
Total provision for liabilities		1 333 243	0	1 333 243
Other long-term debt				
Other long-term debt		4 353 994		4 353 994
Financial lease long term	A		3 088 366	3 088 366
Total other long-term debt		4 353 994	3 088 366	7 442 360
Short-term debt				
Accounts payable		1 627 636		1 627 636
Payable tax		1 461 517		1 461 517
Due public fees		85 440		85 440
Dividend		0		0
Financial lease short term	A	0	851 750	851 750
Other short-term debt		5 861 235		5 861 235
Total current liabilities		9 035 828	851 750	9 887 578
Total debt		14 723 065	3 940 116	18 663 181
Total equity and debt		69 973 156	5 125 694	75 098 850

RECONCILIATION OF BALANCE STATEMENT AS OF 01 JANUARY 2022 LIFECARE GROUP

BALANCE SHEET		NGAAP 01.01.2022	Effect on transition to IFRS	IFRS 01.01.2022
Assets				
Non-current				
Intangible assets		7 185 530		7 185 530
Concessions, patents, licences, and similar				
Goodwill	C	1 538 357	102 557	1 640 914
Total intangible assets		8 723 887	102 557	8 826 444
Property, plant and equipment				
Equipment and other movables		29 740		29 740
Right-of-use asset				
Total property, plant and equipment	**D**	**29 740**	**0**	**29 740**
Non-current financial assets				
Investments in affiliated companies				
Other fixed financial assets				
Total non-current financial assets				
Total fixed assets	C	8 753 627	102 557	8 856 184
Currents assets				
Receivables				
Receivables		138 696		138 696
Other short-term receivables		2 288 479		2 288 479
Total receivables		2 427 175	0	2 427 175
Cash and cash equivalents				
Total current assets		1 627 636		1 627 636
Total assets		1 461 517		1 461 517
Equity				
Inserted equity figure				
Share capital		39 193 659		39 193 659
Premium rate		0		0
Other contributed capital		0	1 478 689	1 478 689
Total contributed equity		39 193 659	1 478 689	40 672 348

BALANCE SHEET		NGAAP 01.01.2022	Effect on transition to IFRS	IFRS 01.01.2022
Earned equity				
Other equity				
Uncovered loss		-14 948 093	-1 376 132	-16 324 225
Fund for valuation differences				0
Total retained earnings	C	-14 948 093	-1 376 132	-16 324 225
Total equity		24 245 566	102 557	24 348 123
Debt				
Provision for liabilities				
Deferred tax	**C**	1 538 357		1 538 357
Total provision for liabilities		**1 538 357**	**0**	**1 538 357**
Other long-term debt				
Other long-term debt		2 696 976		2 696 976
Financial lease long term				0
Total other long-term debt		2 696 976	0	2 696 976
Short-term debt	C			
Accounts payable		1 972 425		1 972 425
Payable tax		0		0
Due public fees		243 528		243 528
Dividend		0		0
Financial lease short term		0		0
Other short-term debt		1 525 812		1 525 812
Total current liabilities		3 741 765	0	3 741 765
Total debt	C	7 977 098	0	7 977 098
Total equity and debt		32 222 664	102 557	32 325 221

RECONCILIATION OF CASH FLOW LIFECARE GROUP
1 January - 31 December

		2022		
	Note	NGAAP	Effect on transition to IFRS	IFRS
Cash flow from operating activities				
Net profit before tax		- 16 949 848	276 135	-16 673 713
Taxes paid		-527 152		-527 152
Depreciation		2 748 466	-1 248 266	1 500 200
Amortization Roa			784 082	784 082
Employee Benefits Expense			918 683	918 683
Change in resivables		-1 182 938		-1 182 938
Change in accounts payable		344 789		-344 789
Changes in other accrued income and expenditure		-1 812 918	-867 427	-2 680 345
Net cash flow from operating activities		**-18 069 179**	**-136 793**	**-18 205 972**
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment				0
Purchase of property, plant and equipment		-5 708 258		-5 708 258
Purchase of investment property				0
Purchase of equity instruments				0
Purchase of intangible assets				0
Purchase of other financial assets		-3 490 315		-3 490 315
Acquisition of subsidiary, net of cash acquired				0
Net cash flow used in investing activities		**-9 198 573**	**0**	**-9 198 573**
Cash flows from financing activities				
Proceeds from issue of share capital		48 259 636		48 259 636
Proceeds from borrowings		5 374 770		5 374 770
Repayment of borrowings				0
Payment of principal portion of lease liabilities			136 793	136 793
Dividend paid to equity holders of the parent				0
Dividend paid to minority interests				0
Net cash flow from financing activities		**53 634 405**	**136 793**	**53 771 199**
Net currency translation effect		221 888		221 888
Net increase/(decrease) in cash and cash equvivalents		26 366 653	0	26 366 653
Cash and cash equivalents at beginning of period		21 041 863		21 041 863
Cash and cash equivalents at end of period		**47 630 404**	**0**	**47 630 404**

RECONCILIATION OF FINANCIAL INCOME STATEMENT AS OF DECEMBER 2022 LIFECARE AS 1 January - 31 December

FINANCIAL STATEMENT		NGAAP 2022	Effect on transition to IFRS	IFRS 2022
OPERATING INCOME AND OPERATING EXPENSES				
Operating income:				
Revenue		5 481 736		5 481 736
Other income		5 481 736	0	5 481 736
Total income		**-18 069 179**	**-136 793**	**-18 205 972**
Operating expense:				
Employee benefits expense		3 810 279	918 683	4 728 962
Depreciation and amortisation expense		91 087	0	91 087
Amortization roa	A		98 023	98 023
Other expenses	A	19 324 072	-104 116	19 219 956
Total expenses		23 225 438	912 590	24 138 028
Operating result		**-17 743 702**	**-912 590**	**-18 656 292**
Financial income and expenses				
Other interest income		0		0
Other financial income		554 096		554 096
Depreciation of financial cur-rent assets		0		0
Other interest expenses		637		637
Other financial expenses		179 703	11 021	190 724
Net financial items		373 757	-11 021	362 736
Net profit before tax		**-17 369 945**	**-923 612**	**-18 293 557**
Income tax expense		0	0	0
Net profit or loss		**-17 369 945**	**-923 612**	**-18 293 557**

RECONCILIATION OF BALANCE STATEMENT AS OF DECEMBER 2022 LIFECARE AS

BALANCE SHEET		NGAAP 2022	Effect on transition to IFRS	IFRS 2022
ASSETS				
Non-current				
Intangible assets				
Concessions, patents, licences, and similar		174 000		174 000
Goodwill		0		0
Total intangible assets		174 000	0	174 000
Property, plant and equipment				
Equipment and other movables		1 262 067		1 262 067
Right-of-use asset			607 745	607 745
Total property, plant and equipment	**D**	**1 262 067**	**607 745**	**1 869 812**
Non-current financial assets				
Investments in affiliated companies		15 589 023		15 589 023
Other fixed financial assets		0		0
Total non-current financial assets		15 589 023	0	15 589 023
Total fixed assets		**17 025 090**	**607 745**	**17 632 835**
Currents assets				
Receivables				
Receivables		74 948		74 948
Other short-term receivables		2 854 578		2 854 578
Total receivables		2 929 526	0	2 929 526
Cash and cash equivalents		44 677 834		44 677 834
Total current assets		47 607 360	0	47 607 360
Total assets		64 632 450	607 745	65 240 195

BALANCE SHEET		NGAAP 2022	Effect on transition to IFRS	IFRS 2022
Equity				
Inserted equity figure				
Share capital		47 146 297		47 146 297
Premium rate		40 306 997		40 306 997
Other contributed capital	**F**	0	2 397 372	2 397 372
Total contributed equity		87 453 294	2 397 372	89 850 666
Earned equity				
Other equity				
Uncovered loss		-32 517 202	-2 402 300	-34 919 502
Fund for valuation differences		0	0	0
Total retained earnings	**D**	**-32 517 202**	**-2 402 300**	**-34 919 502**
Debt				
Provision for liabilities				
Deferred tax		0	0	0
Total provision for liabilities		**0**	**0**	**0**
Other long-term debt				
Other long-term debt		4 244 949		4 244 949
Financial lease long term	A		456 952	456 952
Total other long-term debt		4 244 949	456 952	4 701 901
Short-term debt				
Accounts payable		706 119		706 119
Payable tax		0		0
Due public fees		85 440		85 440
Dividend		0		0
Financial lease short term	A	0	155 722	155 722
Other short-term debt		4 659 850		4 659 850
Total current liabilities		**5 451 409**	**155 722**	**5 607 131**
Total debt		**9 696 358**	**612 674**	**10 309 032**
Total equity and debt		64 632 450	607 745	65 240 195

RECONCILIATION OF BALANCE STATEMENT AS OF 01 JANUARY 2022, LIFECARE AS

BALANCE SHEET		NGAAP 01.01.2022	Effect on transition to IFRS	IFRS 01.01.2022
Assets				
Non-current				
Intangible assets				
Concessions, patents, licences, and similar		193 000		193 000
Goodwill				0
Total intangible assets		193 000	0	193 000
Property, plant and equipment				
Equipment and other movables		15 366		15 366
Right-of-use asset				
Total property, plant and equipment	**D**	**15 366**	**0**	**15 366**
Non-current financial assets				
Investments in affiliated companies		6 877 294		6 877 294
Other fixed financial assets		0		0
Total non-current financial assets		6 877 294		6 877 294
Total fixed assets		7 085 660	0	7 085 660
Currents assets				
Receivables				
Receivables		74 947		74 947
Other short-term receivables		2 594 741		2 594 741
Total receivables		2 669 688	0	2 669 688
Cash and cash equivalents		20 171 311		20 171 311
Total current assets		22 840 999	0	22 840 999
Total assets		29 926 659	0	29 926 659

BALANCE SHEET	NGAAP 01.01.2022	Effect on transition to IFRS	IFRS 01.01.2022
Earned equity			
Inserted equity figure			
Share capital	39 193 659		39 193 659
Premium rate	0		0
Other contributed capital	0	1 478 689	1 478 689
Total contributed equity	39 193 659	1 478 689	40 672 348
Earned equity			
Other equity			
Uncovered loss	-15 147 257	-1 478 689	-16 625 946
Fund for valuation differences			**0**
Total retained earnings	-15 147 257	-1 478 689	-16 625 946
Total equity	24 046 402	0	24 046 402
Debt			
Provision for liabilities			
Deferred tax	0		0
Total provision for liabilities	0	0	0
Other long-term debt			
Other long-term debt	2 696 976		2 696 976
Financial lease long term			0
Total other long-term debt	2 696 976	0	2 696 976
Short-term debt			
Accounts payable	1 527 906		1 527 906
Payable tax	0		0
Due public fees	164 524		164 524
Dividend	0		0
Financial lease short term	0		0
Other short-term debt	1 490 851		1 490 851
Total current liabilities	3 183 281	0	3 183 281
Total debt	5 880 257	0	5 880 257
Total equity and debt	29 926 659	0	29 926 659

RECONCILIATION OF CASH FLOW LIFECARE AS
1 January - 31 December

		2022		
	Note	NGAAP	Effect on transition to IFRS	IFRS
Cash flow from operating activities				
Net profit before tax		-17 369 945	-923 612	-18 293 557
Taxes paid		-		0
Depreciation		91 087	0	91 087
Amortization Roa			98 023	98 023
Employee Benefits Expense			918 683	918 683
Change in resivables		-1		-1
Change in accounts payable		-821 787		-821 787
Changes in other accrued income and expenditure		1 456 148	-104 116	1 352 032
Net cash flow from operating activities		**-16 644 498**	**-11 021**	**-16 655 519**
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment				0
Purchase of property, plant and equipment		-1 337 788		-1 337 788
Purchase of investment property				0
Purchase of equity instruments				0
Purchase of intangible assets				0
Purchase of other financial assets		-8 692 729		-8 692 729
Acquisition of subsidiary, net of cash acquired				0
Receipt of government grants				0
Net cash flow used in investing activities		**-10 030 517**	**0**	**-10 030 517**
Cash flows from financing activities				
Proceeds from issue of share capital		48 259 636		48 259 636
Proceeds from borrowings		2 921 902		2 921 902
Repayment of borrowings				0
Payment of principal portion of lease liabilities			11 021	11 021
Dividend paid to equity holders of the parent				0
Dividend paid to minority interests				0
Net cash flow from financing activities		**51 181 538**	**11 021**	**51 192 559**
Net currency translation effect		221 888		221 888
Net increase/(decrease) in cash and cash equvivalents		26 366 653	0	26 366 653
Cash and cash equivalents at beginning of period		21 041 863		21 041 863
Cash and cash equivalents at end of period		**47 630 404**	**0**	**47 630 404**

Change in Equity Lifecare Group	Issued capital	Share premium	Retained earnings	Foreign currency translation reserve	Total	Total equity
As at 1 January 2022	39 193 659		-14 948 093	221 890	24 467 456	24 467 456
Adjustment on correction of error (net of tax)						-
Share-based payments						
Profit prvious periods			-			
As at 1 January 2022 (restated)	**39 193 659**	**-**	**-14 948 093**	**221 890**	**24 467 456**	**24 467 456**
Profit for the period			-17 200 866	-9 240	-17 210 106	-17 210 106
Issue of share capital						
Other comprehensive income						
Total comprehensive income						
Exercise of options						
Share-based payments			918 683		918 683	918 683
Non-controlling interests arising on a business combination			3 023 339		3 023 339	3 023 339
At 31 December 2022 (restated)	**47 146 297**	**40 306 997**	**-31 230 275**	**212 650**	**56 435 669**	**56 435 669**

Change in Equity Lifecare AS	Issued capital	Share premium	Retained earnings	Foreign currency translation reserve	Total	Total equity
As at 1 January 2022	39 193 659		-15 147 257		24 046 402	24 046 402
Adjustment on correction of error (net of tax)						-
Share-based payments						
Profit prvious periods			-			
As at 1 January 2022 (restated)	**39 193 659**	**-**	**-15 147 257**		**24 046 402**	**24 046 402**
Profit for the period			-18 293 557		-18 293 557	-18 293 557
Issue of share capital	7 952 638	40 306 997				
Share-based payments			918 683		918 683	918 683
At 31 December 2022 (restated)	**47 146 297**	**40 306 997**	**-32 522 131**		**54 931 163**	**54 931 163**

RSM Norge AS

Kanalveien 105 B, 5068 Bergen
Postboks 63, Kristianborg, 5822 Bergen
Org.nr: 982 316 588 MVA

T +47 55 55 77 77
F +47 55 55 77 70
www.rsmnorge.no

To the General Meeting of Lifecare AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Lifecare AS, which comprise:

- the financial statements of the parent company Lifecare AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and
- the consolidated financial statements of Lifecare AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2023, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

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 relevant laws and regulations in Norway and the International Ethics Standards Board for 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 and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

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

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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 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

Bergen, 9 April 2024
RSM Norge AS

Tom Henning Rønshaugen
State Authorised Public Accountant

Other information

Lifecare AS

Company Number	990 251 657
Registered address	Ytrebygdsvegen 215, 5258 Blomsterdalen, Norway
Post address	Postboks 7120, 5020 Bergen, Norway
CEO	Joacim Holter

Lifecare NanoBioSensors GmbH

Company Number	HRB 96121
Registered address	Haifa-Allee 20, 55128 Mainz, Germany,
Operational addresss	Gerhard-Kindler-Strasse 6, 72770 Reutlingen
Managing Director	Joacim Holter
Procurist	Prof. Andreas Pfützner

Lifecare Laboratory GmbH

Company Number	HRB 45565
Registered address	Haifa-Allee 20, 55128 Mainz, Germany
Operational address	Haifa-Allee 20, 55128 Mainz, Germany
Managing Directors	Joacim Holter, Prof. Andreas Pfützner

Lifecare Chemistry Ltd

Company Number	14460638
Registered address	11 Laura Place, Bath, BA2 4BL, United Kingdom
Operational address	Claverton Down, Bath, BA2 7AY, United Kindom
Director	Joacim Holter

Lifecare Veterinary AS

Company Number	925809284
Registered address	Ytrebygdsvegen 215, 5258 Blomsterdalen, Norway
Post address	Postboks 7120, 5020 Bergen, Norway
Managing Director	Jo Oeding Amundstad


LIFECARE

APPENDIX 3:

Annual financial statements for the year ended 31 December 2022 (NGAAP)

Annual Report 2022

BOARD OF DIRECTORS REPORT

FINANCIAL REPORT

LIFECARE

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About Lifecare

Lifecare AS
Chaiman of the Board
Morten Foros Krohnstad
CEO Joacim Holter

Lifecare NanoBioSensors GmbH
Reutlingen, Germany

Lifecare Laboratory GmbH
Mainz, Germany

Lifecare Chemistry Ltd
Bath, UK

Lifecare AS ("Lifecare" or "The Company") 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 Continous Glucose Monitoring ("CGM") systems to market. Lifecare enables osmotic pressure as sensing principle, combined with the ability to manipulate Nano-granular Tunnelling Resistive sensors ("NTR") on the sensor body for read-out of pressure variations. Lifecare´s sensor technology is referred to as "Sencell" and is suitable for identifying and monitoring the occurrence of a wide range of analytes and molecules in the human body.

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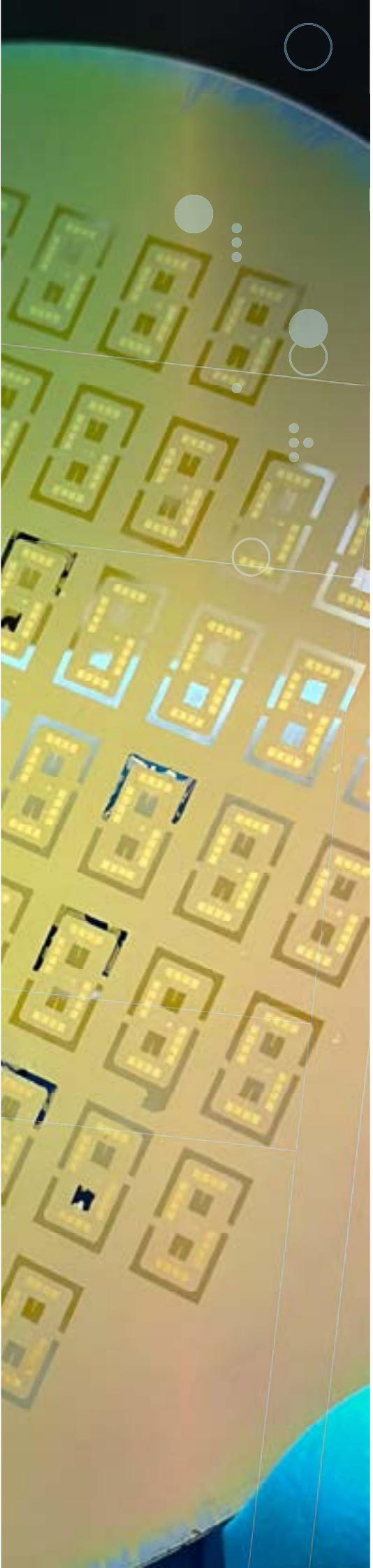


CEO Statement

In Lifecare, we entered 2022 with high confidence and a strong belief in our plan for development, established in 2021 and based on the fundament of a renewed Lifecare organization. Our mission is to develop revolutionary small medical biosensors for continuous monitoring of body analytes, helping persons with various medical conditions to live a less complicated life. Our primary goal is to develop a glucose sensor that meets the future needs of the growing global diabetes population.

Focusing on quality and compliance, and ensuring the build-up of a solid organization, we met our key development milestones in 2022. During the year the operational organization has continued its strong focus on the development of the glucose sensor for use by persons with diabetes. In the meanwhile, the Board of Directors and executive management have initiated strategic preparations and actively evaluated the additional potential of Lifecares platform technology.

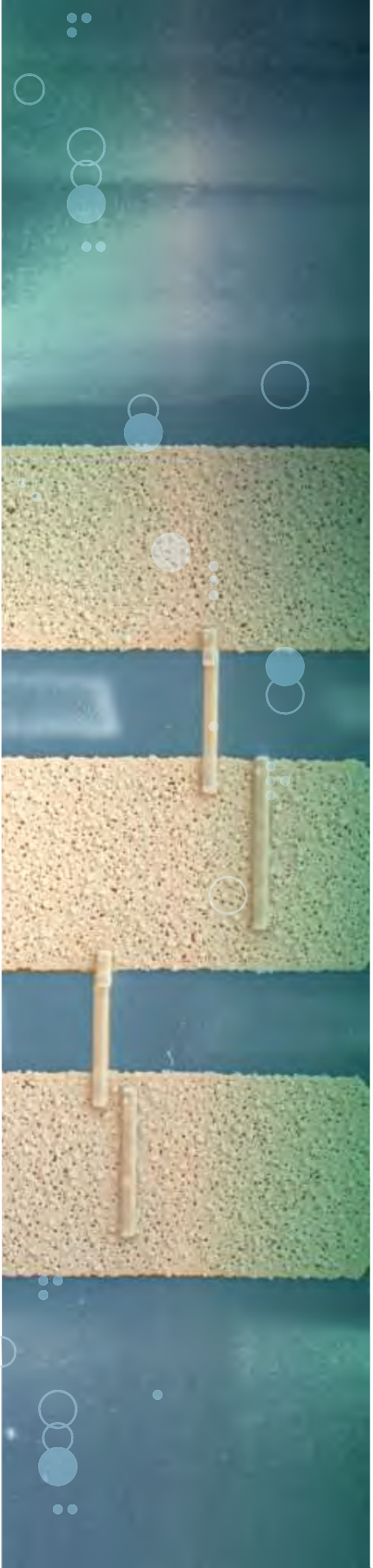
Lifecare's product potential within the field of glucose monitoring for patients with diabetes is very promising, and taking the platform opportunity into account the product potential is even bigger.

Our organization proved its capacity in full strength as we initiated our first-in-human Clinical Development Study (LFS-SEN-001) in the end of June 2022. This very important milestone was met within the planned timeline, and even more important the milestone achievement was based on capacities and knowledge within the now robust Lifecare Group.

While the initiation of LFS-SEN-001 for sure was an important milestone, it is worth mentioning that Lifecare met an even more important milestone some weeks in advance. On June 1st, 2022, our team at Lifecare NanoBioSensors managed to reproduce stable signals and measurements in vitro with the developed miniaturized sensor prototype. This was a groundbreaking science achievement for Lifecare, proving technology functionality on the nanoscale and confirming the platform sensing potential of the technology. To highlight the importance of this milestone, I want to quote our CSO Prof. Dr. Dr. Med. Andreas Pfützner: "Basic research is herewith accomplished"!

Alongside the operational achievements, two major events in 2022 strengthened the position of our development project.

First, the fact that the Covid-19 pandemic ended makes a difference in how Lifecare's international organization operates – both on an operational level, but just as important on the strategic level for the Board of Directors. The ease of restrictions has made it possible for the entire Lifecare organization to interact directly, in person. Although we base our project on patented technologies, the absolute cornerstone of our development is the strength of our human recourses.



Second, despite very rough and unpredictable global capital markets, Lifecare managed to raise 45 MNOK in net proceeds in a private placement in October 2022. The private placement was based on the continued financial support from our main shareholders, as well as new investors with interest in our project. This strong shareholder support is essential for Lifecares development project, and we are committed to ensure return of investments as we move ahead with increased believe in our mission.

Based on our development achievements, we ended 2022 with even higher confidence in our plan for further development. 2022 was the first full year of operations with the integrated organization based on strategic acquisitions initiated in 2021. Going forward we will focus on additional strengthening of the organization based on various measures, to establish an increasingly solid fundament for growth based on quality and compliance.

OUTLOOK

In 2023 we will continue to focus on the clinical development of our glucose sensor, finalizing LFS-SEN-001 and executing the first sensor longevity Clinical Development Study (LFS-SEN-002).

Alongside the clinical development studies, we will continue our strategic preparations for sensor production in compliance with regulatory quality requirements for medical devices. These efforts include the aim to achieve ISO 9001 certification and prepare for ISO 13485 compliance.

On the basis of LFS-SEN-001 and -002, and ISO compliance, we plan to initiate preparations for our third Clinical Study (LFS-SEN-003) by end of 2023. The purpose of LFS-SEN-003 is to ensure technical documentation in line with the European Medical Device Regulations, to obtain CE mark of the glucose sensor in the mid-term future.

Without reducing the necessary focus on the important task related to the glucose sensor, Lifecare will in addition increase the focus on new markets for our technology. We will also consider additional strategic measures, with the purpose to strengthen the Company and shareholder values.

Joacim Holter
CEO

OUR Technology

Huge potential

Lifecare's proprietary sensor technology, Sencell, is based on osmotic pressure as the sensing principle. It has the potential to change the lives for patients with various diseases by enabling multi-biomarker sensing based on very small sensors.

Lifecare's main focus is to bring the smallest glucose sensor in the world to the market. Sencell for glucose monitoring is in the stage of first-in-human clinical testing and is currently evaluated in a Clinical Development Study.

CONTINUOUS GLUCOSE MEASUREMENT (CGM)

Measuring glucose levels is part of the multiple daily routine procedures for patients with diabetes. Based on the measurement results, millions of therapy decisions on insulin dosage are made every day worldwide, which can have an influence on the patient›s short- and long-term well-being. Various systems for CGM have become available in the last two decades. Current systems monitor glucose levels in interstitial fluid in the subcutaneous tissue based on glucose-oxidase measurement technology by means of needle-based sensors. A measurement result is usually obtained every 5 minutes and transmitted to a receiving handheld or smart phone.

Current glucose sensors have interference and accuracy issues and need to be replaced every 10 to 14 days. There is a medical need for small glucose sensors with improved measurement properties. Ideally, such sensors would be implanted and used for longer time periods.

SENCELL

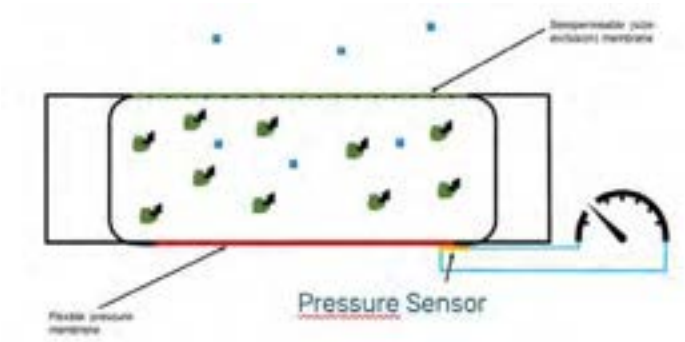
Lifecare's solution is the development of Sencell, currently in the stage of first-in-human Clinical Development Study. The small and implantable glucose sensor monitor glucose-induced changes in an osmotic pressure chamber for continuous glucose monitoring. The pressure changes are induced by changes in the interstitial fluid glucose concentrations in the subcutaneous tissue. The device will be the size of a grain of rice and has a lifetime of at least 6 months.

Data points collected from early readouts in the Clinical Development Study (LFC-SEN-001) provide a proof-of-concept in human tissue. The first prototypes show a sensitivity in line with that of widely used CGM systems.

THE UNDERLYING OSMOTIC PRESSURE TECHNOLOGY

The underlying osmotic pressure technology for Sencell and its CGM is based on biochemical reactions where glucose connects to molecules in a closed chamber. The process creates a pressure increase within the chamber that can be read out for measuring and/or monitoring purposes.

Low glucose concentration in the interstitial fluid



High glucose concentration in the interstitial fluid

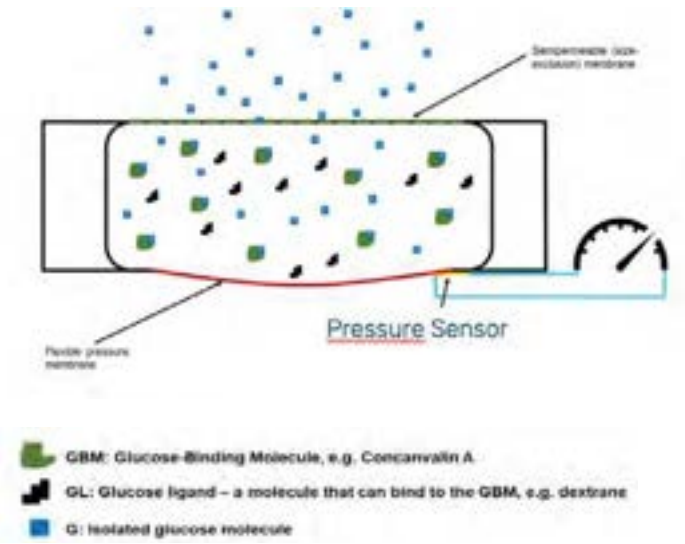


Figure 1 When glucose penetrates through a semipermeable (size exclusion) membrane into the chamber, GL is going off from the GBM binding sites, as glucose has a slightly higher binding affinity to the GBM-receptor. Subsequently, every GL molecule freed.

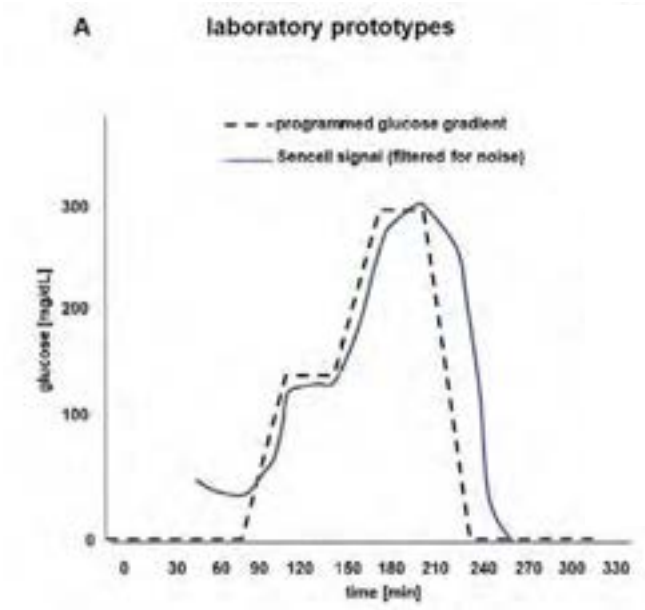
The process is fully reversible. Decreasing glucose concentrations will make glucose molecules leave the connections and the osmotic pressure decline. There is a linear relationship between the glucose concentration in the external fluid and the measurable osmotic pressure in the chamber. The technology does not consume any molecules when generating the signal, providing a potential for long-term usage of the sensor within the body.

ADOPTING NANO-GRANULAR TUNNELLING RESISTIVE SENSORS FOR DEVICE MINIATURIZATION

Lifecare has licensed a manufacturing process for sensing elements at nano scale (Nano3Dsense®, Nanoscale Systems, Darmstadt, Germany). This makes it possible to miniaturize the sensor technology.

IN VITRO TESTING

Since the first half of 2022, the size of the core osmotic pressure chamber has been reduced by more than 95%, without loss of osmotic pressure signal. Sensors with miniaturized chambers have been tested in-vitro showing comparable results to previous similar experiments with a larger chamber.



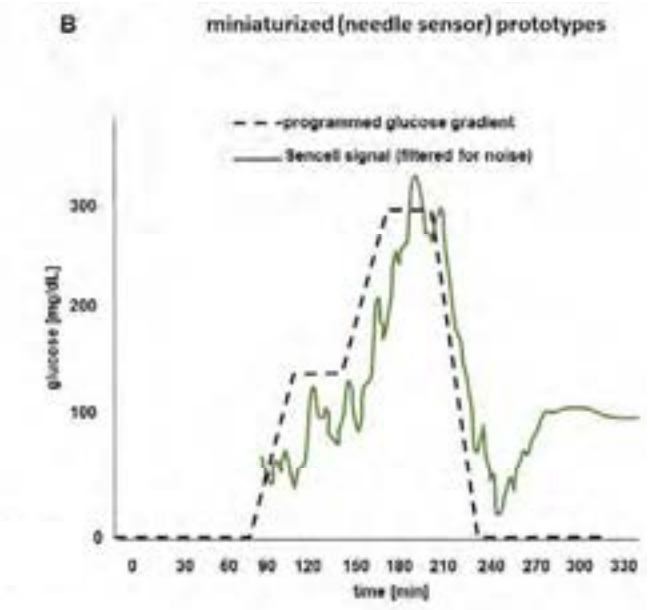


Figure 2 Successful miniaturization of the Sencell device without loss of sensor performance: in-vitro glucose measurement results of the preclinical proto-types with piezo-resistive pressure transducers and after mi miniaturization with NTR-pressure sensors

TECHNOLOGY PORTFOLIO

As of 31/12-22, Lifecare Group›s technology portfolio included:

- Sencell, proprietary sensor technology for continuous and accurate measurements based on the osmotic pressure in the body.

  The core technology is protected in the form of three active patents that include membrane (duration until 2024), extended osmotic pressure (valid until 2030), as well as measurement with sensor based on two chambers with pressure sensor (valid until 2038)

  In addition, Lifecare AS has active patent applications with the aim of obtaining patent protection also for the biochemical composition used to identify changes in glucose levels.

- Nano3DSenseTM, licensed manufacturing method for mass production of pressure-based sensor using focused electron radiation.

Directors and Committees

BOARD OF DIRECTORS

Morten Foros Krohnstad,
Chairman of the Board

Krohnstad is a partner in the law firm Schjødt and has extensive experience as a business lawyer and serves on several boards in Norwegian listed and un-listed companies.

Trine Teigland,
Board member

MBA from University of St. Gallen (HSG)
Managed Swiss company Osmotex' sales and marketing activities
Worked in Singapore for the world's leading provider of integrated shipping services
BA in International Business with Chinese

Prof. Dr. Lutz Heinemann,
Board member

Broad academic background with a special focus on research and development in insulin pharmacology and diabetes technology.
Established the Profil Institute for Metabolic Research in Neuss, Germany in 2009 and since 2011 he has been Managing Editor of The Journal of Diabetes Science and Technology.

Bo Petersson,
Board member

Ph.D. in Chemistry from The Technical University of Denmark.
Over 20 years of work experience in developing diabetes technology products, most recently as Head of Diabetes Care at Cambridge Consultants, Cambridge, UK.

Hans Johan Hekland,
Board member

Master's degree in economics from the Norwegian School of Management (Siviløkonom -NHH).
Worked as Managing Partner in Sarsia Venture Management since 2001.
Bbroad expertise in fund management, strategy, business development and finance.
Extensive experience from board positions and involvement in the medical development companies and other listed and unlisted companies.

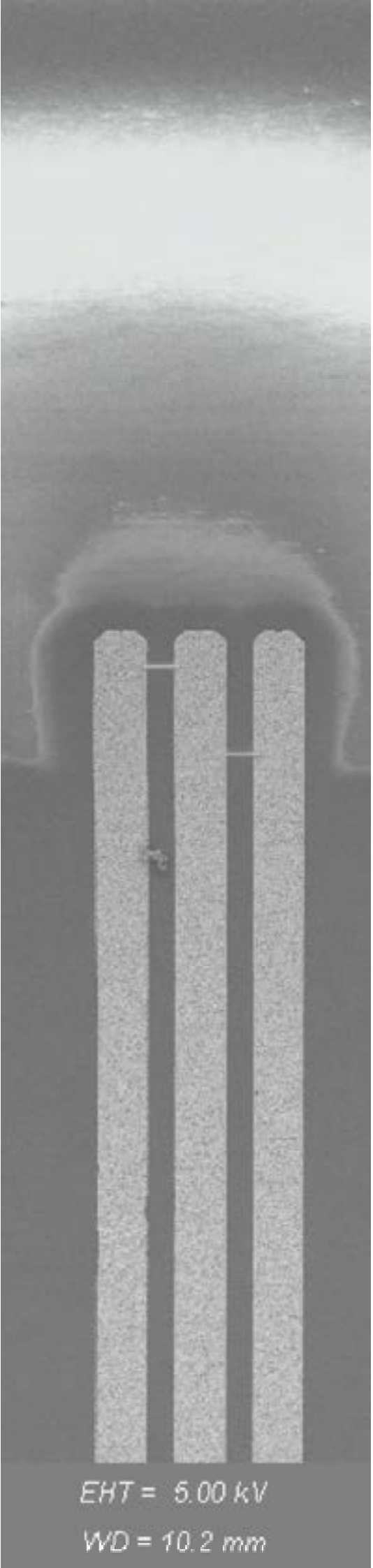
EXECUTIVE MANAGEMENT

Joacim Holter,
CEO

16 years of management experience, including 6 years' experience leading international R&D and product development based in Switzerland.
Broad experience from board positions including as chairman and later member of the Lifecare Board of Directors from 2011 to 2020.
LL.M from the University of Bergen, Norway

Prof. Dr. med. Dr. rer. Nat. Andreas Pfützner
CSO

Managing Director of PFÜTZNER Science & Health Institute GmbH, Diabetes Center & Practice, Mainz/ Germany, since 2013
Professor for internal medicine and laboratory medicine at DTMD University Luxembourg.
Over 30 years of pharmaceutical and device development experience within diabetes technology.



COMMITTEES

Clinical Evaluation Committee

The Board of Directors has appointed a committee to follow up and evaluate the Company›s technical development. The members of the committee include:

Prof. Lutz Heinemann	Lifecare Board of Directors
Bo Petersson	Lifecare Board of Directors
Prof. Andreas Pfützner	Lifecare Chief Scientific Officer
Joacim Holter	Lifecare Chief Executive Officer

Additional scientific personnel in the Lifecare Group participate on demand. The committee was convened for 5 meetings in 2022.

Scientific Advisory Board

The Company has an established Scientific Advisory Board with recognized specialists in diabetes technology, clinical medicine with a focus on endocrinology, physics and nanotechnology:

Prof. David Klonoff (Chairman)	University California San Francisco (USA)
Prof. Lutz Heinemann	Profile Institut für Stoffwechselforschung (DE)
Prof. Kåre Birkeland	Rikshospitalet (NO)
Prof. Michael Huth	Goethe University Frankfurt (DE)

Nomination Committee

The Company›s Nomination Committee is responsible for nominating board members, as well as advising the Company›s general meeting and Board of Directors on issues relating to compensation for the Board of Directors and the Nomination Committee. During the period, the committee has been composed of a representative of the third largest owner, as well as former Lifecare non-executive directors with considerable business experience:

Marita Haugen	Leader
Svein Milford	Member
Trond Eidsnes	Member

Board of Directors Report

Strong achievements

Lifecare AS ("Company") is a Norwegian based clinical stage medical sensor company with subsidiaries in Mainz, Reutlingen (Germany) and Bath (UK) ("Lifecare Group"). Lifecare's main focus is to bring the next generation of Continuous Glucose Monitoring ("CGM") systems to market. The Company´s sensor technology is suitable for identifying and monitoring the occurrence of a wide range of analytes and molecules in the human body.

Lifecare AS is listed on the Oslo Stock Exchange, Euronext Growth, with ticker LIFE.

As of 31.12.22, the Company had issued 117,865,742 shares divided among 2404 shareholders, of which:

- 98,13% of shareholders were registered in Norway
- 1,66% were registered in EU/EFTA
- 0,21% were registered outside the EU/EFTA

ORGANIZATION AND LOCATIONS

In 2022 the Lifecare Group increased significantly with two new subsidiaries and an increase of staff and consultants involved in the daily operations, from five in the beginning of the year to 31 in the end of 2022.

Lifecare AS is the parent company and head office of the Lifecare Group, located in Bergen, Norway. The Company is the administrative body of the Lifecare Group counting four employees and one full-time consultant.

Lifecare AS has organised its operational development activities in subsidiaries as well as through research collaborations with the University of Bath (Bath, UK) and the Goethe University of Frankfurt (Frankfurt, Germany).

Lifecare NanoBioSensors GmbH is located in Reutlingen, Germany. The unit is responsible for the development and production of Lifecare's sensors and sensor-systems including electronics, read-out technology etc. The unit has licensed the Nano3DSense production method, which makes it possible to produce pressure-sensor elements at nanoscale printed on Lifecare's micro sensors.

The production method for the nano sensor elements has been a crucial element in the process of miniaturizing the sensors from centimetres to millimetres. This miniaturization ensures that our sensors are suitable for implantation in the subcutaneous tissue in humans.

Lifecare Laboratory GmbH was acquired by Lifecare AS in August 2021.

The transaction was formally finalized and registered in the company register, and consequently finalized with accounting effect, from 1 February 2022. The unit is responsible for key development tasks of sensors and chemistry validation and evaluation, as well as processing test results in vitro and in vivo.

In addition, the unit is commercially operational and offers services in sensor validation and evaluation to external customers. The laboratory also provides a wide range of services related to clinical research and tests for the pharmaceutical and biotechnical industries during the process of approval of drugs and medical devices, as well as general laboratory services for medical institutions. Throughout 2022, the unit was an officially accredited and approved Covid PCR and rapid test centre as part of the national German Infectious Disease Defence act.

Lifecare Chemistry Ltd was established and incorporated in November 2022. The entity is a spin-out from Lifecares long-standing research collaboration with Professor Tony James at the University of Bath and his research team. Lifecare Chemistry Ltd is established to further strengthen the existing research cooperation and ensure Lifecare's ownership to the scientific, strategic, and operational developments of Lifecare's improved analyte specific chemical receptors.

BOARD OF DIRECTORS

Lifecare›s Board of Directors includes representatives of the largest owner, international expertise in diabetes technology, legal and financial expertise. The Board takes an active approach to technical development and other operations. The cooperation and communication with the administration is good.

HUMAN RECOURSES, WORKING ENVIRONMENT AND EQUALITY

The Lifecare Group includes 25 employees (31.12.2022), up from a total of 2 at the end of 2021. In addition, 6 consultants are engaged and involved in the daily operations.

The working environment in the Group is considered good.
No incidents or reports of work-related accidents resulting in significant material damage or personal injury occurred during the year. Leave of absence due to illness was 111 days (3%) in 2022.

The Lifecare Group provides equal employment opportunities to all qualified candidates and employees. Lifecare actively creates and promotes an environment that is inclusive of all people and their unique abilities, strengths, and differences. We do not tolerate discrimination against any employee based on age, gender, sexual orientation, disability, race, nationality, political opinions, religion, or ethnic background, or other.

Lifecare AS›s Board of Directors includes one woman and four men. The Chief Executive Officer and Chief Scientific Officers are both men.

The employees in Lifecare AS consists of 50% women and 50% men, while the Lifecare Group consists of 44% women and 66 % men.

KEY PARTNERS

The Lifecare Group has continued key collaborations with Prof. Andreas Pfützner as CSO of Lifecare AS, Prof. Tony James and his research group at the University of Bath (UK) as responsible for the further development of biochemical solutions, Prof. Michael Huth at the Goethe University of Frankfurt as central advisor in physics and especially the field FEBID, Natural and Medical Sciences Institute in Reutlingen providing access to customized Scanning Electron Microscopes and other equipment essential for R&D and production, as well as our Scientific Advisory Board led by Prof. David Klonoff of the University of California San Francisco and The Diabetes Technology Society.

OPERATIONS

In 2022, Lifecare focused on important milestone achievements and organizational development. Lifecare increased the organization's R&D capacity through its subsidiaries Lifecare NanoBioSensors and Lifecare Laboratory, as well as the Company's close research collaboration with the University of Bath. In addition, Lifecare has expanded the organization at the Norwegian Headquarter to ensure coordination of development projects including quality management preparations, financial and organizational uniformity and early product and business development measures.

The improved R&D capacity was very important for the Lifecare Group's preparations and later execution of the Clinical Development Study LFS-SEN-001. In June 2022, Lifecare reached an important scientific milestone when the team at Lifecare NanoBioSensors managed to reproduce stable signals and measurements in vitro with the miniaturized sensor prototype intended for use in LFS-SEN-001.
This milestone achievement confirmed functionality of Lifecare's proprietary technology both in the nanoscale of the miniaturized sensors, as well as the signal readout based on the Nano Tunneling Resistive (NTR) pressure sensing.

The main focus in 2022 was to initiate the first-in-human Clinical Development Study LFS-SEN-001, on the basis of the development and production of miniaturized sensors at Lifecare NanoBioSensors. The focus and timeline were initiated mid-2021 when Lifecare acquired Lifecare NanoBioSensors, including the license agreement for Nano3DSense. This license ensured the Lifecare Groups production capacity of nanoscale pressure elements on the sensor, being essential for the miniaturization process. Furthermore, personnel with direct experience from the production of nano-pressure sensors for use on Sencell were recruited to ensure effective on-house development and production.

Lifecare initiated the Clinical Development Study LFS-SEN-001 in end of June 2022, when the first sensor was implanted in the first patient. An important part of the development study has been to adjust, improve and further develop the sensors.

The study has been carried out at the Diabetes Centre and Practice of Lifecare CSO Prof. Pfützner, co-located and in close cooperation

with Lifecare Laboratory, as well as Lifecare NanoBioSensors. The units involved in the study have ensured an effective and continuous interdisciplinary evaluation optimizing the development steps and adjustments throughout the study.

LFS-SEN-001 has continued throughout 2H 2022 and is still ongoing. The purpose of the study is to ensure proof-of-concept of functionality in human tissue and to optimize the signal reading from the sensor. In September 2022, Lifecare disclosed that early readouts in the study showed that the sensor follow glucose variations in humans with a sensitivity in line with that of widely used Continuous Glucose Monitoring systems. These early readouts confirmed the functionality observed in the previous animal trials.

In parallel with the execution and development related to LFS-SEN-001, the Lifecare Group has invested resources in continued development of the newly formed organization. This includes both technical and organizational alignments, including preparations for ISO certifications planned for 2023.

PREPARATIONS FOR QUALITY ASSURANCE IN THE EARLY PHASES OF PRODUCT DEVELOPMENT

In addition to LFS-SEN-001 it has been an important task throughout 2022 to prepare the organizations to meet necessary Quality Assurance in 2023. The preparations for Quality Assurance and upcoming ISO certifications have been handled in the Lifecare Group and primarily executed at Lifecare Laboratory. The goal is to ensure ISO 9001 (Quality management) and ISO 13485 (Medical devices – quality management) compliance in 2023 as necessary preparations for the regulatory processes to ensure CE mark for Sencell Glucose.

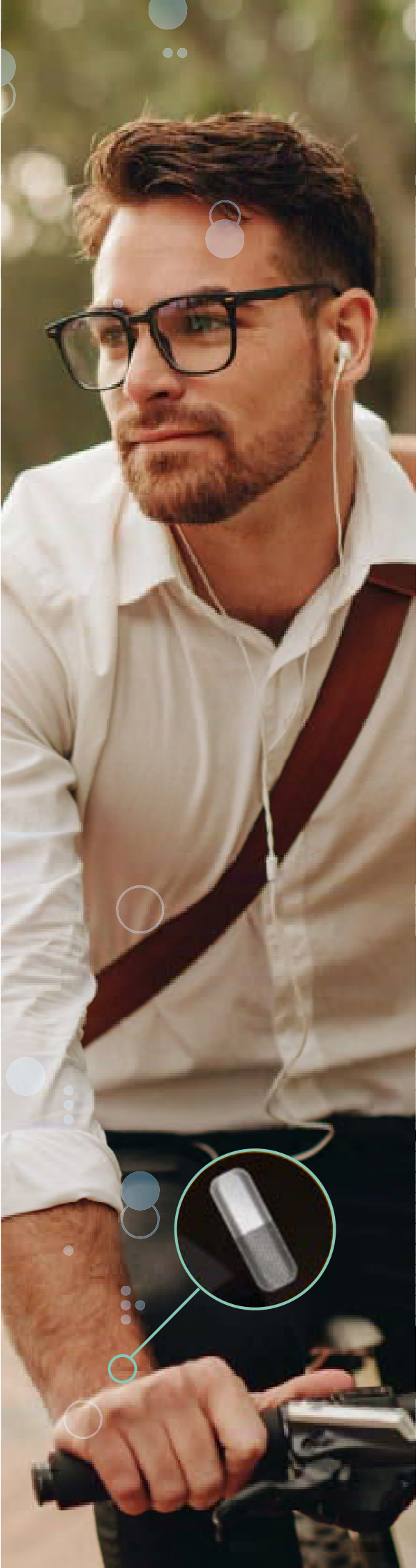
COVID-19 AND GEO-POLITICAL DISTURBANCE

The Lifecare Group, like all companies, has been affected by the Covid-19 pandemic, in the form of reduced travel activity and periodic geographical declines. Restrictions as a result of Covid were limited to, in particular, the first quarter of 2022. After this, the Covid requirements became less stringent.

However, the direct negative consequences the Lifecare Group has experienced during the pandemic are considered less invasive compared to industries with more advanced and established commercial activity.

The ongoing war in Ukraine, rising energy and commodity prices, inflation and increased interest rates create an unpredictable situation, including in the investment market. The Lifecare Group is to some degree affected of disruptions in supply chains and increased pricing. Given the international nature of our operations and organization, the Lifecare Group is affected by the increase in travel and accommodation costs.

In overall, activities have been affected to a limited extent by the pandemic.



Financing, financial risk, other risks and uncertainty factors

CAPITAL INCREASE

Lifecare raised NOK 45 million in gross proceeds in an accelerated bookbuilding process on 26 October 2022 between 16:30 CEST and 18:30 CEST with Carnegie as bookrunner and manager. The Company issued 18,000,000 new shares at a price per share of NOK 2.50, leading to an issued share capital of NOK 47,146,297 divided into 117,865,742 shares, each with a par value of NOK 0.4.

The share capital increase was resolved by the Board of Directors of the Company pursuant to authorizations granted by the extraordinary general meeting held 6 May 2022.

A total of 26 companies/private individuals subscribed for shares under the capital increase, under which 5 of the 10 largest shareholders was allocated shares in the transaction, as was the primary insider Hannibal Invest AS, a company wholly owned by the Company's board member Hans Johan Hekland.

The Board of Directors resolved to conduct a subsequent offering (repair issue) of up to 3,000,000 new shares at a price of NOK 2.50 per share, dependent on the development of the price of the shares in the Company after completion of the private placement.

Following the completion of the private placement the shares in the Company were traded around or below the subscription price, with volumes exceeding the planned size of the subsequent offering. On this basis, the Board of Directors decided to cancel the subsequent offering as any shareholders wishing to reduce the dilutive effect of the private placement have had the opportunity to purchase shares at prices similar to or below what would have been the subscription price in the subsequent offering.

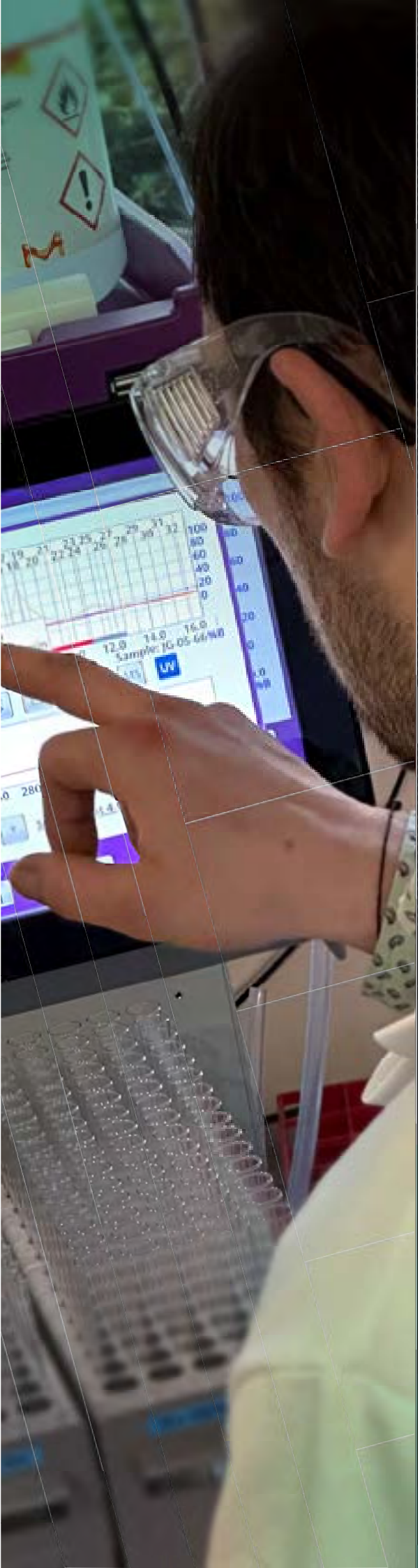
PUBLIC SUPPORT SCHEMES

For the financial year 2022, Lifecare AS had three approved public support schemes from the Research Council of Norway and the EU. In addition, Lifecare Laboratory GmbH had four approved public support schemes throughout 2022; from the German state of Rhineland-Palatinate, the German Federal Ministry of Research, as well as the EU through two different support schemes. Lifecare NanoBioSensors GmbH and Lifecare Chemistry GmbH had no public support schemes in 2022.

Lifecare AS:

1. *The Research Council of Norway has approved the ongoing development of Sencell for use in glucose monitoring as eligible for compensation under the tax discovery scheme in the period 2020 - 2023.*

2. *The Research Council of Norway has also approved the development of Sencell for use in lactate monitoring as eligible for compensation under the tax discovery scheme in the period 2020 - 2023. As a result of priorities in 2022, the company has not initiated development work aimed at lactate measurements.*



By using the public reimbursement scheme «Skattefunn», development costs linked to defined projects will be compensated with 19% refund in connection with the annual tax assessment.

3. *European Commission, Horizon 2020. Lifecare is a participant in the FORGETDIABETES consortium and receives in this regard financial support. The goal of the FORGETDIABETES project is to develop an artificial pancreas. Under which Lifecare›s role is to develop a glucose* monitoring sensor, as a central component of the artificial pancreas. This project has a planned duration until 2025.

Lifecare Laboratory GmbH:

4. *Landesregierung Rhineland-Palatinate. Suport under Covid-19 compensation scheme for business*

5. *Bundesministerium für Bildung und Forschung. Lifecare Laboratory is a participant in the Panamea consortium and receives financial support. The purpose of the project is to develop a diagnostic tool for measuring activity in the pancreas, as well as indirectly measuring glucose levels in the blood.*

6. *European Commission, Eurostar. Lifecare Laboratory is a participant in the European consortium that entitles financial support. The project includes developing a method for safe dosing for use in insulin pumps for young children.*

7. *European Commission, Horizon 2020. Lifecare Laboratory is a participant in the FORGETDIABETES consortium on an independent basis - independent of Lifecare as the parent company - and consequently also receives financial support from Horizon 2020. The Lifecare Laboratory›s role in the FORBETDIABETES project includes in-vitro testing and evaluation of the artificial pancreas, including preparations for clinical trials. The project has a planned duration until 2025.*

Credit risk

Lifecare AS is equity financed and exposure with respect to credit risk is consequently limited.

Liquidity risk

Liquidity risk is the risk that Lifecare does not have the liquidity to meet payment obligations at maturity, or that losses arise as a result of the company having to sell assets to meet its liquidity needs. Liquidity is monitored continuously by the Group management and is subject to frequent reporting to the Board of Directors. The Group works continuously to ensure financial flexibility in the short and long term to achieve its strategic and operational goals. The management considers the Group›s liquidity situation to be satisfactory. The Group secured equity financing of in total NOK 45 million in October 2022.

Currency risk
The company is exposed to currency fluctuations due to the international nature of its operations. Fluctuations in euro constitute a risk, as most of the company's purchases come from suppliers who invoice in euro. Currently, there is no currency hedging.

The board considers that the company is exposed to moderate financial risk.

Scientific and regulatory risk
Lifecares Board of Directors, committees and management brings significant experience from the international diabetes technology scene, providing insight in scientific and strategic trends, competitors, and markets. Sencell has expectations of significant advantages when compared to existing continuous glucose monitoring solutions, as well as projects in development. The most prominent include the very small size, measurement sensitivity, ease of use without repeated calibration and the goal of 6 months lifetime per sensor.

Research, development and adaptation to regulatory requirements are, by definition, uncertainties. The company has a good overview of the remaining development steps and how the regulatory requirements are to be met, both in the EU / Europe and in the USA.

Overall, the scientific and regulatory risks associated with the Lifecare Group›s research and development are considered moderate.

LIABILITY INSURANCE

Lifecare has liability insurance for the board and executive personnel, covering any indemnity for financial loss arising from personal managerial liability related to the Lifecare Group. The limit of the liability is NOK 5 000 000 per claim.

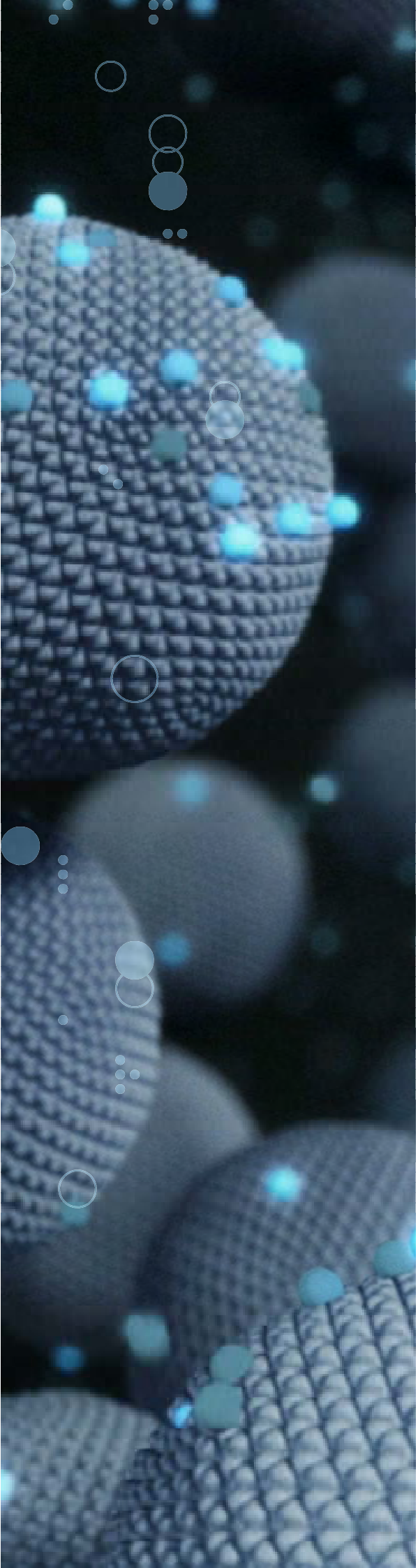
The insured under this policy is any past, present, or future individual member of the board of directors and/or executive board or similar executive body of the company as well as any past, present or future officer, de facto director, shadow director or employee of the company who is capable of incurring personal managerial liability.

ANNUAL STATEMENT ON CORPORATE GOVERNANCE

The Annual Report includes a separate report on Lifecare´s corporate governance compliance. This is an integrated element of the Board of Directors Report.

CONTINUED OPERATIONS

The annual accounts for 2022 are prepared on the assumption of continued operations. It is hereby confirmed that the prerequisite for continued operation is present.



Statement of the annual accounts and allocation of profit and loss statement

The Board is of the opinion that the annual accounts provide a true and fair picture of the Company›s assets and liabilities, financial position and results. Costs related to research and development are expensed on an ongoing basis. No other circumstances have occurred after the end of the financial year that are of significance for the assessment of the financial statements.

For 2022, the Company had a loss of NOK 17,696,945 before tax.

Tax expense for the Company is 0,-
The deficit is proposed to be covered by:
Transferred to uncovered loss NOK 17,696,945,-

Total disposed of NOK 17,696,945,-

For 2022, the Group has had a deficit of NOK 16,949,848 before tax,-.

The tax expense for the Group is negative at NOK 527,152 which gives a deficit of NOK 17,477,000,- which is proposed to be covered by:

Transferred to uncovered loss NOK 17,477,000,-

Total disposed of NOK 17,477,000,-

Bergen, 27.03.23

Morten Foros Krohnstad
Chairman of the Board

Trine Teigland
Board Member

Bo Arne Petersson
Board Member

Lutz Walter Heinemann
Board Member

Hans Johan Hekland
Board Member

Joacim Holter
CEO

ANNUAL STATEMENT ON CORPORATE GOVERNANCE

LIFECARE AS EMPHASIZES GOOD CORPORATE GOVERNANCE.

Lifecare AS ("Lifecare" or "The Company") bases its policy for corporate governance on the Norwegian Code of Practice of 14 October 2021 ("the Code"), a guideline for listed companies to help regulate the division of roles between shareholders, the board of directors and executive management more comprehensively than is required by legislation.

Lifecare's Board of Directors ("the Board") has resolved as main principles that the Company and its subsidiaries comply with relevant legislations and regulations, as well as the recommendations of the Code. The Board has imposed routines to ensure follow-up of established principles and guidelines, amongst others in relation to ethical behaviour, compliance with the law, health environment and safety. The follow-up routines aim to ensure balanced compliance taking the Company's size and stage of development into account.

Adherence to the Code is implemented based on a «comply or explain principle»: explanations of non-conformance to the Code are provided if not fully implemented. Lifecare's compliance with the Code is described in this report and section numbers refer to the Code's chapters.

1. Implementation and reporting on corporate governance

Lifecare acknowledges the division of roles between shareholders, the Board of Directors, and the executive management team. The Board has implemented a sound corporate governance policy. Guidelines on corporate governance and statement of compliance with the Code are presented in the Company's annual report. The Company ensures that the policy is adopted by holding regular Board of Directors' meetings which the executive management team attends to present strategic, operational, and financial matters.

Lifecare adheres to the Code for corporate governance. The company has, to date, two deviations from the Code and the reasons for the deviations and solutions selected are further explained under section: 6.

Deviations from the Code: None

2. Business

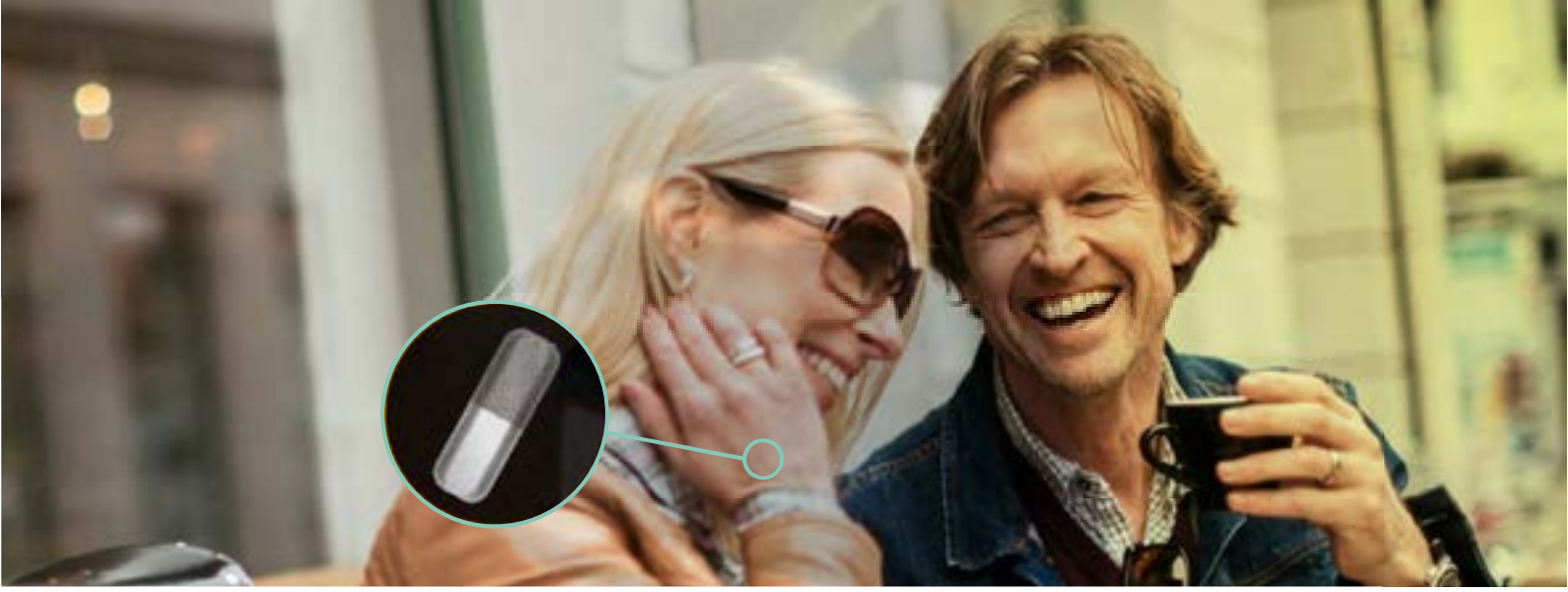
Lifecare is a Norwegian based company with subsidiaries in Germany and the United Kingdom. The Company is focusing on research and development of sensor technology for continuous monitoring of body analytes. The main focus for the company is to develop sensor technology for continuous monitoring of glucose for people with diabetes.

The objective and purpose of Lifecare's business is clearly defined and described in the articles of association. "The company´s objective is to undertake development, production, licensing and sale of medical equipment and technology, and everything connected with this". The Company's articles of association are made available on the Company's website, and the Company's objectives and strategy are available in the annual report.

As of 31 December 2022, the Lifecare Group ("the Group") comprised 29 employees, including consultants engaged in the daily operations. This equals 22 FTE's as of 31 December 2022. The core competencies of the Group are possessed by these employees. Additional resources are purchased from public and private research institutions across Europe.

The German subsidiary Lifecare Laboratory GmbH ("LL") offers medical laboratory services focusing on clinical research and developments of medical devices. Other than this the Group has no sale of services to external customers and hence a limited complexity in terms of commercial operations.
Lifecare has defined the development by milestones and objectives. The Board has evaluated the strategies and risk profiles for the Company's business activities to enable Lifecare to create long-term and sustainable values for its shareholders. The Board of Directors performs annual evaluations of the objectives, strategies, and risk profiles.

Lifecare has not used any specific reporting standards or guidelines for Corporate social responsibility, Sustainability reporting and Ethical guidelines, other than the Code and this section of reporting of social and environmental considerations.
In general, Lifecare's strategy and operations are focused on human welfare through our vision: "Changing lives through medical technology".



2.1. Corporate social responsibility

The Group has established anti-corruption & anti-bribery policies with procedures and standards in accordance with internal control policies for comparable businesses of similar size, complexity, and industry to fight corruption. The Group requires and expects its directors and employees to demonstrate high ethical standards in business and interpersonal relationships. Other principles followed are prevention through awareness-raising, limitation of opportunities, high detection risk of, and zero tolerance for corruption.

The Group has established its internal control policies and system in line with requirements within the activities that the Group operates. The quality control procedures are based on the relevant activities in relation to the different phases of operation and the development of procedures is thus a continuous and systematic process.

The Group is concerned with animal welfare, human- and labour rights, social issues and sustainable development. The Group›s management conducts regular performance reviews and internal evaluations, and the Group adapts according to relevant legislation within the areas. The Group›s subcontractors are mainly public and private European research institutions and service providers. Preclinical and clinical research is subject to strict government regulation of animal welfare, human rights, and social conditions in all the countries where the research and development work is carried out. The Group therefore considers that animal welfare, human rights, labour rights, and social issues are well taken care of, both internally and among its subcontractors.

2.2. Sustainable development

Lifecare focuses its development of sensor technology for continuous monitoring of glucose and other body analytes. This vision and focus may directly contribute to one of the UN's seventeen sustainable development goals, goal #3: "Good health and well-being".

All international medical development is strictly regulated regarding animal welfare and high focus on safety and well-being for patients participating in clinical trials. Lifecare has internal routines securing that the Group and service providers comply with all relevant standard in these regards.

The Group›s operations are of such character that they do not significantly affect the environment beyond normal course of business for a small MedTech company. Travelling, and the need for shipment of devices and materials, are identified as the activities with the most environmental impact. Group meetings and external meetings are evaluated for use of virtual meeting tools when appropriate, to limit travel to what is considered necessary from an operational perspective.

2.3. Ethical guidelines

The Board of Directors and the management of Lifecare are dedicated to ensuring that the development and daily operations of the Group is value-based and performance oriented in compliance with laws and regulations. They will also maintain a high focus on ethics, integrity and HSE.

The Board of Directors and the management of Lifecare work to ensure that the Group's daily operations comprise work environment, interaction with different stakeholders, intragroup transactions, employees' loyalty, conflicts of interest, confidentiality, environment, accounting, financial reporting, trading of Company shares as well as other employee activities in compliance with formal and non-formal ethical guidelines.

Deviations from the Code: None

3. Equity and dividends

Lifecare's equity as of 31 December 2022 was NOK 54,936,092 million. The capital structure is regularly assessed considering the Company's objectives, strategy and risk profile. The equity level is assessed as satisfactory per year-end 2022.

To date, the Company has not distributed any dividends, and this dividend policy will apply as long as Lifecare is in a research and development phase. The Board of Directors have no mandate to approve the distribution of dividend.

The Board of Directors was authorised by the Company's General Assembly in May 2022 to increase the share capital by share issue of up to 4.987.051 shares - up to 5% of the registered share capital of the Company, in connection with the Company's employee incentive program, and to issue up to 29.922.606 shares in connection with private placements by an amount up to 30% of the share capital of the Company. The authorisations are valid one year from the date of the resolution. Other than the above the Board of Directors has no general authorisation to issue shares.

Deviations from the Code: None

4. Equal treatment of shareholders

Lifecare has only one class of shares and all shares have equal rights. Each share carries one vote. The Board of Directors and the management are committed to treat all shareholders equally. The Company had no transactions in own shares during 2022.

In October 2022 the Board resolved to issue new shares in a private placement initially waiving the pre-emptive rights of existing shareholders. The Board decided to initiate a repair issue to ensure equal treatment of all shareholders, in line with the recommendation of the Code and the regulations and recommendations at Euronext Oslo.

In the days following the private placement, a significant number of shares was traded at a price level equal to or lower than the issue price in the private placement. The Board considered that the market development ensured the opportunity for existing shareholders - not participating in the private placement - to buy shares in the market on the same or better terms than in a repair issuance. On this base the repair issue was cancelled.

The Board´s decisions related to the share issue, the planned repair issue and the cancellation of such was noted at Euronext Oslo NewsWeb.

Deviations from the Code: None

5. Shares and tradability

The shares in Lifecare are freely tradable with no form of restriction. No restrictions regarding voting, ownership or tradability are placed on the shares in the Company's articles of association.

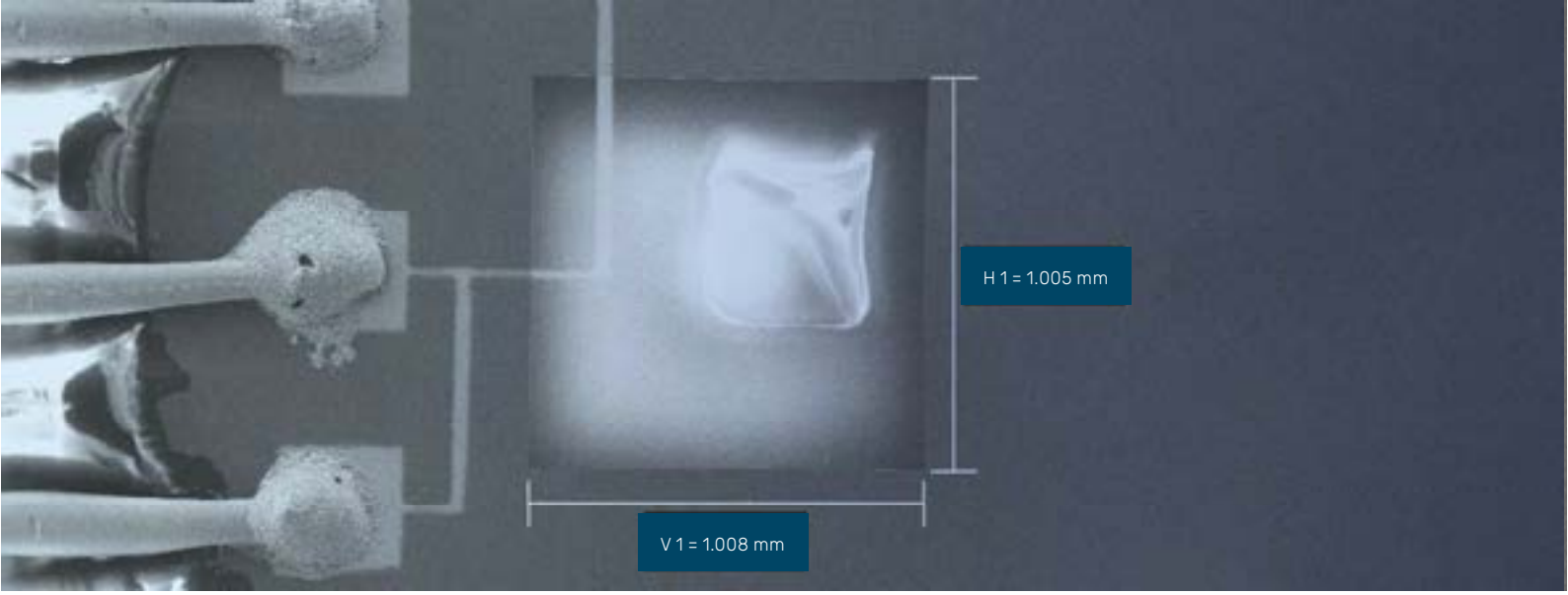
Deviations from the Code: None

6. General Meetings

The Board facilitates that as many shareholders as possible may exercise their rights by participating at the General Meeting either in person or via digital meeting-platforms. The General Meetings of Lifecare is an effective forum for both the views of shareholders and the Board.

The Chairman and the Chief Executive Officer (CEO) are present at the Annual General Meeting, along with representatives from the Nomination Committee. Lifecare's Articles of Associations authorize the Board to decide that voting at the General Meeting can be done by casting in advance, as well as via electronic communication. Shareholders who are unable to participate themselves may vote by proxy, and a person can also be appointed to vote for the shareholders as a proxy. The Board of Directors may decide that shareholders may submit their votes in writing, including by use of electronic communication, in a period prior to the general meeting.

Notice of the meeting and relevant documents are distributed and made available on the company website minimum two weeks in advance of the meeting. Recommendations from the Nomination Committee is made available on the Company's website no later than the 7th day before the meeting. Notice of the meeting is



sent to all shareholders individually, or to their depository banks, minimum two weeks in advance of the meeting. The meeting notice includes information regarding shareholders' rights, guidelines for registering and voting at the meeting. The company provides information on the procedure for representation at the meeting through proxy, nominations of a person to vote on behalf of the shareholders and, to the extent possible, prepare a form which allows separate voting instructions for each matter (hereunder for individual candidates for appointment to the Group's governing bodies).

Deviations from the Code: Due to practical and economic reasons the members of the Board have not been present in person at the Annual General meeting and the Board has not ensured that the General Meeting has been able to elect an independent chairman of the General Meeting.

7. Nomination Committee

The requirement for a Nomination Committee is stated in article 9 of the articles of association. The duties of the Nomination Committee are described in the said article and further elaborated in the guidelines stipulated by the Company's General Meeting "Instructions for the Nomination Committee" (available on Lifecare´s webpage). In short, they include the following: To propose candidates for election to the Board and to propose remuneration, as well as to propose members of the Nomination Committee and to propose remuneration for such.

The Nomination Committee shall consist of a chairperson and two members. The chairperson is elected by the General Meeting for two years at a time, while the members are elected for one year at a time. The remuneration to the members of the Nomination Committee is determined by the General Meeting.

The Nomination Committee ensures that shareholders' views are considered when qualified members are nominated to the governing bodies of Lifecare. Shareholders are encouraged to submit proposals to the Nomination Committee for candidates for election to the board of directors. Such proposals are recommended to be in writing with justification. The Nomination Committee can decide to fix a deadline for inputs to be considered by the Committee, and if so, the deadline will be communicated on the Company's website.

None of the Committee's members represent Lifecare's management or Board and they are all considered to be independent of daily management and the Board. The Nomination Committee is considered to have a composition that reflects the common interests of the community of shareholders.

The nomination committee currently consists of the following three members: Marita Haugen (chairperson), Svein Milford and Trond Eidsnes. The current members have been elected by the general meeting with terms until the Company's ordinary general meeting in respectively 2023 (Milford and Eidsnes) and 2024 (Haugen). The Nomination Committee's contact details are available at Lifecare's website.

Deviations from the Code: None

8. Board of Directors, composition and independence

The Board is composed to ensure that the body can operate independently, attend the common interest for all shareholders and the Company›s need for expertise, capacity, and diversity. The Board evaluates its own work annually, both as a whole to ensure effective functionality as a collegial body and individually per member of the Board.

The main shareholder of Lifecare, Teigland Eiendom AS, is represented in the Board by Trine Teigland.

In accordance with the Company's Articles of Associations the Board consists of 3 to 7 members according to the resolution of the General Meeting. The Chairman of the Board is elected by the General Meeting. All members of the Board are elected for two-year terms by the General Meeting. The Board of Directors is presented on the company website.

All board members are considered to be independent from the Company's day-to-day management, and material business connections, and no members of the Board are executive personnel of the Company. The composition of the Board is considered to ensure that the collegial body operates independently from any special interest. All board members are encouraged to be shareholders and their shareholdings are disclosed in the Annual Report.

Deviations from the Code: None

9. Work of the Board of Directors

The Board of Lifecare has issued instructions for its own work and for the CEO emphasizing clear internal allocation of responsibilities and duties providing rules on the Board's work and case handling, as well as the relationship between the Board and the management. The document "Instructions to the Board and the CEO" is available on the Company's website. These instructions are subject to annual revision by the Board.

The Board has the overall responsibility for the Company's management and to ensure that the operations are conducted in accordance with all relevant laws and regulations, as well as guidelines issued by the General Meeting or the Board. It is within the Board's responsibility to prepare and implement the Company's strategy, safeguard the Company's responsibility towards, and communication to, the shareholders, and to ensure that the Company is properly organized and financed.

It is the responsibility of the Board to ensure that the Company has a well-functioning internal control environment in accordance with the regulations that apply to its activities and to supervise daily management and activities of the company in general. In addition, the Board is responsible for appointment of Chief Executive Officer (CEO) and convening and preparing for general meetings. The objectives, responsibilities and functions of the Board of Directors and the CEO are in compliance with rules and standards applicable for the company.

The Board's instructions include regulations of conflicts of interest to ensure that no members of the Board or executive management participate in considerations or decision of an issue with special significance for his or her own or closely relative's part that leads to a prominent personal or financial interest in the case. Furthermore, the Board has issued guidelines for the Company's primary insiders as well as anti-bribery and anti-corruption policy. These guidelines and policies are made available on the Company's website.

The Board of Directors adopts an annual plan for its work. The CEO is responsible for keeping the Board of Directors informed about the company's activities, position and financial and operational developments. The Board of Directors evaluates its performance and expertise annually and the evaluation is made available to the Nomination Committee.

Due to the Company's size and complexity the Board has decided to not implement an Audit Committee. However, the Board will consider establishing an Audit Committee. The Company's Nomination Committee advice the General Meeting on remuneration for the members of the Board and the Nomination Committee. The Board and the CEO act as Remuneration Committee for executive personnel, except for remuneration matters for the CEO where the Board act as Remuneration Committee.

The Board evaluates its performance and expertise annually.

The Board conducted ten meetings in 2022. Board members had the following attendance at these meetings:

Morten Foros Krohnstad,	10/10
Bo Petersson,	10/10
Trine Teigland,	10/10
Hans Hekland,	10/10
Lutz Heinemann,	7/10

Deviations from the Code: None

10. Risk management and internal control
It is the responsibility of the Board of Directors to ensure that the Company has sound internal controls and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities. Significant risks include strategic risks, market risks, financial risks, liquidity risks and operational risks including risks related to development of products.

The Company's significant risk areas and internal control systems are assessed on an on-going basis and at least once a year by the Board of Directors.

Please also refer to The Board of Directors´ report, for a description of relevant risk factors.

Deviations from the Code: None

11. Remuneration of the Board of Directors
The General Meeting determines the remuneration to the Board of Directors based on a proposal from the Nomination Committee. Remuneration reflects the Board of Directors responsibility, expertise, time commitment and the business complexity. The remuneration is not linked to the Company's performance, and no share options are granted to members of the Board of Directors. Detailed information on the remuneration of the Board of Directors can be found in the Annual Report.

Board members, or companies to which they are connected, should not undertake separate assignments for the Group in addition to the Board appointment. If they nevertheless do, the whole Board is to be informed. Fees for such assignments are to be approved by the Board. If remuneration has been paid above the normal Board fee, this is to be specified in the annual report.

Deviations from the Code: None

12. Remuneration of executive personnel
Determination of salaries and other remuneration of the executive personnel in the Company is concluded on a case-by-case basis. Such determinations are based on clear and easily understandable principles with the purpose to contribute to the long terms interest of the company in combination with financial viability and commercial strategies.

On the basis of authorization from the General Meeting the Board has outlined a share purchase program for all employees in Lifecare and a share option program for the Company's executive and leading personnel.

The Company's share option program for executive and leading personnel is, to some extent, performance related. The performance related remuneration is limited and, in all aspects, linked to performance targets that influence the Company's long-term value creation interests. The Board has taken great care when awarding options to the executive and leading personnel, with the overall aim to contribute to the Company's commercial strategy, long-term interests and financial viability. The Board considers its praxis in line with market standards and the interests of the shareholders, and is consequently appropriate.

Deviations from the Code: None

13. Information and communication
The Company presents its financial statements in accordance with NRS, and procedures have been established to ensure compliance with NRS interim and annual reporting requirements. The Company›s management, the Chief Executive Officer (CEO) and Financial Controller are responsible for preparing the financial statements, and annual and semi-annual financial reports are approved by the Board of Directors prior to publication. Lifecare reports in accordance with the rules in the Norwegian Securities Trading Act, as well as with the requirements specified by the Oslo Børs for companies with listed shares.

The Board has approved guidelines and procedures relating to the handling of insider information and trading in the company's shares.

The Company›s guidelines for reporting of financial and other information are based on transparency and consider the requirement for equal treatment of all participants in the securities market. The Company is committed to report financial results and other relevant information on an accurate and timely basis. The Company publishes a financial calendar on an annual basis, including dates for release of interim and annual reports and dates for general meetings. Lifecare considers it important to inform shareholders about the Group's development and economic and financial status. Management members are available for discussions with shareholders, other than through general meetings, to develop a balanced understanding of such shareholders' situation and focus, subject however to the provisions in legislation and regulations. The Chair of the Board ensures that shareholders' viewpoints are communicated to the whole Board.

Deviations from the Code: None

14. Take-overs

The Board of Directors endorses the principles concerning equal treatment of all shareholders. In the event of a take-over bid, it is obliged to act in accordance with the requirements of Norwegian law and in accordance with the Code and all applicable principles for good corporate governance.

The Board of Directors will not hinder or obstruct takeover bids for Lifecare's activities or shares. The Board will ensure that shareholders are given sufficient information and time to form an opinion on an offer. If a takeover offer is received, the Board will issue a statement with a recommendation as to whether shareholders should or should not accept the offer.

A transaction that in fact is a business disposal shall be approved by a General Meeting.

Deviations from the Code: None

15. Auditor

RSM Norge AS (RSM) is the appointed auditor of Lifecare.

The auditor shall annually in writing confirm to the Board of Directors that he/she satisfies established requirements for independence and objectivity. The auditor participates at least one Board of Directors meeting per year, where he/she presents auditors plan for the audit, the assessment of the Company's internal control and participate during the approval of the annual accounts.

The Board of Directors has established separate guidelines for use of non-audit services. Fees paid to the external auditor for audit and non-audit services are reported in the Company's Annual Report, which are, in turn, approved by the annual general meeting. The auditor is requested to participate at the annual general meeting for consideration of the annual financial statement.

Deviations from the Code: None

Financial Report 2022

Financial Statement

Parent				Group	
2021	**2022**	**Operating income and operating expenses**	**Note**	**2022**	**2021**
		Operating income:			
		Revenue			
1 274 676	5 481 736	Other income	1	22 134 660	1 599 088
1 274 676	**5 481 736**	**Total income**		**22 134 660**	**1 599 088**
		Operating expense:			
1 540 186	3 810 279	Employee benefits expense	2	11 258 057	1 748 583
22 842	91 087	Depreciation and amortisation expense	4,5	2 748 466	598 058
15 735 636	19 324 072	Other expenses	1,2	25 445 303	15 182 873
17 298 664	**23 225 438**	**Total expenses**		**39 451 826**	**17 529 514**
-16 023 988	**-17 743 702**	**Operating result**		**-17 317 166**	**-15 930 426**
		Financial income and expenses			
16 872	0	Other interest income		0	16 872
76 611	554 096	Other financial income		554 096	76 611
0	0	Depreciation of financial current assets		0	0
1 575	637	Other Interest expenses		637	4 220
138 312	179 703	Other financial expenses		186 141	138 312
-46 404	**373 757**	**Net financial items**		**367 318**	**-49 049**
-16 070 392	**-17 369 945**	**Net profit before tax**		**-16 949 848**	**-15 979 475**
0	0	Income tax expense	3	-527 152	102 557
-16 070 392	**-17 369 945**	**Net profit or loss**		**-17 477 000**	**-15 876 918**

Balance Sheet

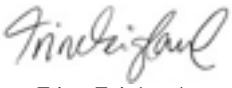
Parent				Group	
2021	**2022**	**Balance sheet**	**Note**	**2022**	**2021**
		Assets			
		Non-current			
		Intangible assets			
193 000	174 000	Concessions, patents, licences, and similar	4,5	6 234 193	7 185 530
0	0	Goodwill	5	5 980 009	1 538 357
193 000	**174 000**	**Total intangible assets**		**12 214 202**	**8 723 887**
		Property, plant and equipment			
15 366	1 262 067	Equipment and other movables	4,5	2 989 532	29 740
15 366	**1 262 067**	**Total property, plant and equipment**		**2 989 532**	**29 740**
		Non-current financial assets			
6 877 294	15 589 023	Investments in affiliated companies	6	0	0
0	0	Other fixed financial assets		0	0
6 877 294	**15 589 023**	**Total non-current financial assets**		**0**	**0**
7 085 660	**17 025 090**	**Total fixed assets**		**15 203 734**	**8 753 627**
		Currents assets			
		Receivables			
74 947	74 948	Receivables		1 321 634	138 696
2 594 741	2 854 578	Other short-term receivables	7	5 817 383	2 288 479
2 669 688	**2 929 526**	**Total receivables**		**7 139 017**	**2 427 175**
20 171 311	44 677 834	Cash and cash equivalents	8	47 630 404	21 041 862
22 840 999	**47 607 360**	**Total current assets**		**54 769 421**	**23 469 037**
29 926 659	**64 632 450**	**Total assets**		**69 973 156**	**32 222 664**

Balance Sheet

Parent				Group	
2021	**2022**	**Balance sheet**	**Note**	**2022**	**2021**
		Equity and debt			
		Equity			
		Inserted equity figure			
39 193 659	47 146 297	Share capital		47 146 297	39 193 659
0	40 306 997	Premium rate		40 306 997	0
0	0	Other contributed capital		0	0
39 193 659	**87 453 294**	**Total contributed equity**	**9**	**87 453 294**	**39 193 659**
		Earned equity			
0	0	Other equity		-18 947 526	-14 948 093
-15 147 257	-32 517 202	Uncovered loss		-13 255 677	
		Fund for valuation differences		**0**	
-15 147 257	**-32 517 202**	Total retained earnings		**-32 203 203**	**-14 948 093**
24 046 402	**54 936 092**	**Total equity**	**10**	**55 250 090**	**24 245 566**
		Debt			
		Provision for liabilities			
0	0	Deferred tax		1 333 243	1 538 357
0	**0**	**Total provision for liabilities**		**1 333 243**	**1 538 357**
		Other long-term debt			
2 696 976	4 244 949	Other long-term debt		4 353 994	2 696 976
2 696 976	**4 244 949**	**Total other long-term debt**	11	**4 353 994**	**2 696 976**
		Short-term debt			
1 527 906	706 119	Accounts payable		1 627 636	1 972 425
0	0	Payable tax		1 461 517	0
164 524	85 440	Due public fees		85 440	243 528
0	0	Dividend		0	0
0	0	Debt to group companies		0	0
1 490 851	4 659 850	Other short-term debt	12	5 861 235	1 525 812
3 183 281	**5 451 409**	**Total current liabilities**		**9 035 828**	**3 741 765**
5 880 257	**9 696 358**	**Total debt**		**14 723 065**	**7 977 098**
29 926 659	**64 632 450**	**Total equity and debt**		**69 973 156**	**32 222 664**
0	0	Kontroll		0	0

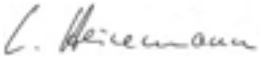
Bergen, 27.03.2023
Board of Lifecare AS

Morten Foros Krohnstad
Chairman of the Board



Trine Teigland
Board Member

Bo Arne Petersson
Board Member



Lutz Walter Heinemann
Board Member

Hans Johan Hekland
Board Member

Joacim Holter
CEO

Cash Flow

Parent 2021	2022	Cash flow statement	Group 2022	2021
		Cash flow from operating activities:		
-16 070 392	-17 369 945	Ebit	-16 949 848	-15 979 475
0	0	Taxes paid	-527 152	0
22 842	91 087	Depreciation	2 748 466	598 058
1	-1	Change in resivables	-1 182 938	-63 747
1 069 431	-821 787	Change in accounts payable	-344 789	1 513 950
74 819	1 456 148	Changes in other accrued income and expenditure	-1 812 918	153 214
0		Currency conversion differences	221 888	5 689
-14 903 299	**-16 644 498**	**Net cash flow from operating activities**	**-17 847 291**	**-13 772 311**
		Cash flow from investment activities:		
-19 208	-1 337 788	New non-current assets	-5 708 258	-7 493 110
-6 872 242	-8 692 729	Investments in fixed financial assets	-3 490 315	0
243 530	0	New short-term receivables		549 792
-6 647 920	**-10 030 517**	**Net cash flow from investment activities**	**-9 198 573**	**-6 943 318**
		Cash flow from financing activities:		0
2 696 976	1 547 973	New long.term debt	1 451 904	2 696 976
759 012	1 373 929	New short term debt	3 922 866	793 973
26 790 575	48 259 635	Paid- in equity	48 259 636	26 790 575
		Dividend	0	
30 246 563	**51 181 537**	**Net cash flow from financing activities**	**53 634 405**	**30 281 524**
8 695 344	**24 506 522**	**Net cash flow total**	**26 588 541**	**9 565 895**
11 475 968	**20 171 312**	**Cash at beginning of the period**	**21 041 863**	**11 475 968**
20 171 312	**44 677 834**	**Cash at the end of the period**	**47 630 404**	**21 041 863**

Notes

ACCOUNTING PRINCIPLES

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The company is listed on Euronext Growth.

BASIS FOR CONSOLIDATION

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 consolidated financial statement. The consolidated financial statement has been prepared in accordance with the same accounting principles for both parent and subsidiary.

The purchase method is applied when accounting for business combinations. Companies which have been bought or sold during the year are included in the consolidated financial statements from the date when control is achieved and until the date when control ceases.

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. Goodwill treated as a residual and capitalized with the proportion observed in the acquisition transaction. Added value in the consolidated financial statements is depreciated over the acquired assets life expectancy. For 2022, a new subsidiary, Lifecare Laboratory GmbH has been consolidated from 1 February and the new UK subsidiaries Lifecare Chemistry Ltd are consolidated in at the end of the year. Conversion of foreign subsidiaries takes place by converting the balance sheet at the current balance sheet price, and that the income statement is translated at an average price. Any material transactions converted to the transaction day›s exchange rate. Translation differences are recognized directly against equity.

USE OF ESTIMATES

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses, and information on potential liabilities in accordance with generally accepted accounting principles in Norway.

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.

REVENUE RECOGNITION

Revenues from the sale of goods are recognized in the income statement once delivery has taken place and most of the risk and return has been transferred.
Revenues from the sale of services and long-term manufacturing projects are recognized in the income statement according to the project's level of completion provided the outcome of the transaction can be estimated reliably. Progress is measured as the number of hours spent compared to the total number of hours estimated. When the outcome of the transaction cannot be estimated reliably, only revenues equal to the project costs that have been incurred will be recognized as revenue. The total estimated loss on a contract will be recognized in the income statement during the period when it is identified that a project will generate a loss.

INCOME TAX

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22% percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.

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.

Notes

RESEARCH AND DEVELOPMENT

Development costs are capitalized providing that a future economic benefit associated with development of the intangible asset can be established and costs can be measured reliably. Otherwise, the costs are expensed as incurred. Capitalized development costs are amortized linearly over its useful life. If the economic useful life of the capitalized development costs cannot be reliably estimated, the capitalized development costs must be amortized over a maximum period of ten years. Research costs are expensed as incurred.

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.

SHORT TERM INVESTMENTS

Short term investments (stocks and shares seen as current assets) are valued at the lower of acquisition cost and fair value at the balance sheet date. Dividends and other distributions are recognized as other financial income.

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 1 Public grants and research and development costs

	2022	**2021**
Skattefunn-refund	1 629 191	1 274 676
Other public grants	3 790 967	-
Total public subsidies	**5 420 158**	**1 274 676**

In 2022, the Company has recognized NOK 1.6 million in grants in estimated tax savings. R&D costs of NOK 9.4 million in 2022 have been booked as an expense. Other public grants consist of public founding from the European Commission, the project Horizon 2020 at NOK 3.8 million in 2022.

In 2021, the Company expensed NOK 7.9 million in R&D. Under other income, NOK 1.3 million in estimated tax savings for 2021 have been recognized as income.

Note 2 Salary costs, employees and services from related parties and auditors

Salary costs Lifecare	2022	2021
Board fee	1 015 000	704 000
Salaries	2 090 903	538 828
Payroll tax	442 396	236 886
Pension costs	71 614	28 549
Other benefits	190 367	31 923
Total	**3 810 279**	**1 540 186**

Employees	2022	2021
Number of employees	4	0,7
Number of man-years	2,1	0,7

Salary costs Lifecare Group	2022	2021
Board fee	1 015 000	704 000
Salaries	7 921 498	672 869
Payroll tax	1 743 986	275 393
Pension costs	266 580	44 569
Other benefits	310 994	51 725
Total	**11 258 057**	**1 748 583**

Group Employees	2022	2021
Number of employees	25	2
Number of man-years	18,5	0,9

Pension
The parent company has an agreement on a defined contribution pension in accordance with the Act on Mandatory Occupational Pensions.

Purchase of services from related parties	2022	2021
Consultancy cost CEO	1 800 000	1 800 000

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 2,594,173 share options in 2022.

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	2,369,173
4,03	150,000
4,35	25,000
4,82	25,000
4,85	25,000
Total	2,594,173

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:

Name	Position	Number of options	Strike price (NOK)
Joacim Holter	CEO	1 496 115	2,376631
Andreas Pfützner	CSO	748 058	2,376331

Employee Share Purchase Program
Employees in the Lifecare Group (as of June 30th, 2022) were invited to each purchase up to 20,000 shares in the Company under the Company's Employee Share Purchase Program. The shares were offered at a volume weighted average share price of the Company's stock traded 10 days prior, and including, the last day of the subscription period (June 30th, 2022) less 25 % discount.

In total, 9 employees/consultants subscribed for 124,719 new shares under the program, at a substruction price of 3,22962 NOK per share.
Both CEO Joacim Holter and CSO Prof. Andreas Pfützner subscribed for 20 000 new shares to a substruction price of 3,22962 NOK per share.

Audit Expenses (Parent and Group)	**2022**	**2021**
Audit	179 900	46 500
Other Services	52 600	47 038
Total Audit Expenses	**232 500**	**93 538**

Note 3 Tax

Tax Lifecare		**2 022**	**2 021**
Tax on operating result			
Payable tax		-	-
Change in deferred tax benefit	-	-	
Tax cost ordinary profit	**-**	**-**	
Taxable income			
Result before taxes		-17 369 945	-16 070 392
Permanent differences	-1 581 894	- 759 079	
Change in temporary differences	189 272	99 017	
Taxable income		**-18 762 567**	**-16 730 454**
Payable tax in the balance sheet			
Payable tax on the year>s profit	0	0	
Total tax payable in the balance sheet	0	0	

The tax effect of temporary differences and losses to be carried forward that have given rise to deferred tax on undetermined tax benefits, specified by type of temporary differences.

	2022	**2021**	**Change**
Fixed assets	170 157	- 25 571	- 195 728
Deposits	-1 015 000	- 630 000	385 000
Total	**- 844 843**	**- 655 571**	**189 272**

Accumulated loss carried forward	-109 879 105	-91 116 539	18 762 566
Not included in the calculation of deferred tax	110 723 949	91 772 110	-18 951 839
Deferred tax benefit (22%)	**-24 359 269**	**-20 189 864**	**4 169 405**

In accordance with good accounting practice, deferred tax benefits are not recognized in the balance sheet. The Group has a tax-related income of – NOK - 16 949 848. The tax-related loss carried forward amounts to NOK 109,879,105. Deferred tax benefits are not booked.
Tax cost of NOK –205 114 is a change in deferred tax related to acquisitions. Deferred tax related to added value on acquisition amounts to NOK 1,333,243 31.12.22.

Note 4 Non-current assets Lifecare

	Patents	Other tangible assets	Property, plant and equipment	Total
Cost 01.01.22	321 244	32 500	19 208	372 952
Purchased fixed assets		1 318 788	1 318 788	
Cost 31.12.22	321 244	32 500	1 337 996	1 691 740
Acc. depreciation	147 244	32 500	75 929	255 673
Book value 31.12.22	**174 000**	**-**	**1 262 067**	**1 436 067**
This year's ordinary deprecations	19 000		72 087	91 087
Economic life	15-20 years	3 years	5 years	

Note 5 Non-current asset Group

	Patents and licenses	Goodwill	Tangible assets	Total
Cost 01.01.22	7 812 443	1 640 914	73 127	9 526 484
Purchased fixed assets		3 508 415	3 508 415	
Asset consolidation	5 689 918		5 689 918	
Cost 31.12.22	7 812 443	7 330 832	3 581 542	18 724 817
Acc. depreciation	1 578 250	1 350 823	592 009	3 521 083
Book value 31.12.22	**6 234 193**	**5 980 009**	**2 989 532**	**15 203 734**
Depreciation 2022	951 337	1 248 266	548 862	2 748 466

Asset consolidation of NOK 5,7 mill relates to acquired value of goodwill. Deprecation period is set for 5 years.

Asset consolidation of NOK 5,7 mill relates to acquired value of goodwill. Deprecation period is set for 5 years.

Note 6 Subsidiares
Lifecare owns 100% of Lifecare NanoBioSensors GmbH. The company›s result for 2022 is NOK 0.1 million and the equity is NOK 0.2 million as of 31.12.22. The company has been consolidated into the consolidated accounts with effect from 01.07.2021. See also note 5.

Lifecare owns 100% of Lifecare Laboratory GmbH. The company›s profit for 2022 is NOK 2.4 million and the equity is NOK 4.6 million as of 31.12.22. The company is consolidated into the consolidated accounts with effect from 01.02.2022. See also note 5.

Lifecare owns 100% in Lifecare Chemistry Ltd. The company was established 3.11.22 and will initiate operational activities from 2023.The company is consolidated into the consolidated accounts with effect from 01.12.2022.

Note 7 Other short-term receivables.
Other short-term receivables mainly consist of receivables estimated tax refund from Skattefunn with NOK 1.6 million, receivables from subsidiaries with NOK 0.7 million, advance payments with NOK 0.5 million and outstanding value added tax with NOK 0.2 million.

Note 8 Bank deposits - tied up funds.
For statutory purposes a total of NOK 242 570 is deposited on tax withholding bank accounts.

Note 9 Share capital and shareholders.
The share capital of Lifecare as of 31.12.22 consists of 117,865,742 ordinary shares of NOK 0.40, totalling to NOK 47,146,297. The main shareholders per 31.12.22 was:

Shareholder	**Shares**	**Stake**
Teigland Eiendom AS	24 691 829	20,95 %
Lacal AS	18 187 712	15,43 %
Vpf Nordea Avkastning	8 974 413	7,61 %
Spit Air AS	3 087 735	2,62 %
Westhawk AS	3 018 480	2,56 %
Sandquist	2 919 900	2,48 %
Nordnet Livsforsikring AS	2 243 208	1,90 %
Deutsche Bank Aktiengesellschaft	2 119 718	1,80 %
Deutsche Bank Aktiengesellschaft	1 812 600	1,54 %
Nexus Marketing	1 732 024	1,47 %
Einarsen	1 590 000	1,35 %
Andreassen	1 332 872	1,13 %
Cimter AS	1 331 355	1,13 %
Other (under 1% share)	44 823 896	38,03 %
Total shareholders	**117 865 742**	**100,00 %**

Primary insiders and related holdings	2022	2021	Stake 2022
Teigland Eiendom AS (primary insider Trine Teigland)	24 691 829	20 691 829	20,95 %
Hanibal Invest AS (primary insider Hans Hekland)	200 000	-	0,17 %
Cimter AS (primary insider Joacim Holter)	1 331 355	1 331 355	1,13 %
Joacim Holter	317 997	272 997	0,27 %
Islay Venture GmbH (primary insider Andreas Pfützner)	2 620 499	843 623	2,22 %
Total shareholders	**29 161 680**	**23 139804**	**24,74 %**

The CEO directly/indirectly owns 1.4% of the shares in the company.
The CSO indirectly owns 2,2 % of the shares in the company.

Note 10 Equity

Equity Lifecare	Share capital	Share premium reserve	Retained equity	Total equity
01.01.2022	39 193 659		-15 147 257	24 046 402
Share capital increase	7 952 638	40 306 997		48 259 635
Currency conversion differences			0	
Result 2022			-17 369 945	-17 369 945
Book value 31.12.22	**47 146 297**	**40 306 997**	**-32 517 202**	**54 936 092**

Equity Group	Share capital	Share premium reserve	Retained equity	Total equity
01.01.2022	39 193 659		-14 948 093	24 245 566
Share capital increase	7 952 638	40 306 997		48 259 635
Currency conversion differences		221 890	221 890	
Result 2022			-17 477 000	-17 477 000
Book value 31.12.2022	**47 146 297**	**40 306 997**	**-32 203 203**	**55 250 091**

Note 11 Other long-term debt.
The Company has an obligation of NOK 4.2 million to Islay Ventures GmbH›s in connection with the purchase of Lifecare Laboratory GmbH.

Note 12 Other short-term debt.
The Company has a debt to Nanoscale Systems, Nanoss GmbH of NOK 1.5 million. This debt is interest-free and the last instalment is due in 2023. The company have allocated accrued costs at NOK 3.2 million.

To the General Meeting of Lifecare AS

RSM Norge AS

Kanalveien 105 B, 5068 Bergen
Postboks 63, Kristianborg, 5822 Bergen
Org.nr: 982 316 588 MVA

T +47 55 55 77 77
F +47 55 55 77 70
www.rsmnorge.no

Independent Auditor's Report

Opinion

We have audited the financial statements of Lifecare AS showing a loss of NOK 17 369 945 in the financial statements of the parent company and a loss of NOK 17 477 000 in the financial statements of the group. The financial statements comprise:

- the financial statements of the parent company Lifecare AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and

- the consolidated financial statements of Lifecare AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the income statement 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 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 consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and 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 relevant laws and regulations in Norway and the International Ethics Standards Board for 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. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. 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 Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report 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 that the Board of Directors' report

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements 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. Misstatements can arise from fraud or error and are considered material if, individually or in 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

Bergen, 27 March 2023
RSM Norge AS

Tom Henning Rønshaugen
state Authorised Public Accountant

Other information

LIFECARE AS

Company Number	990 251 657
Registered address	Ytrebygdsvegen 215, 5258 Blomsterdalen, Norway
Post address	Postboks 7120, 5020 Bergen, Norway
CEO	Joacim Holter

LIFECARE NANOBIOSENSORS GMBH

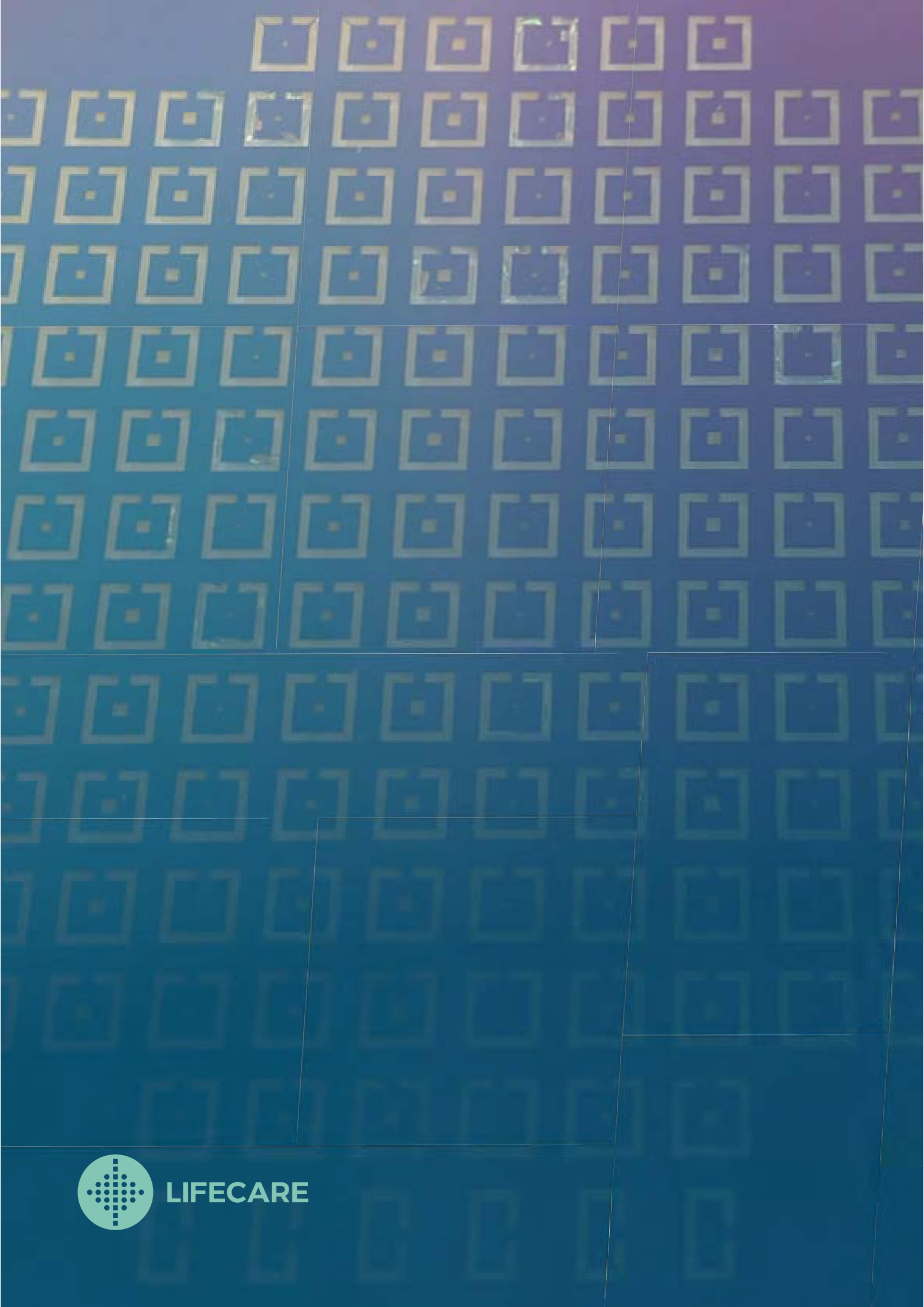
Company Number	HRB 96121
Registered address	Haifa-Allee 20, 55128 Mainz, Germany,
Operational addresss	Gerhard-Kindler-Strasse 6, 72770 Reutlingen
Managing Director	Joacim Holter
Procurist	Prof. Andreas Pfützner

LIFECARE LABORATORY GMBH

Company Number	HRB 45565
Registered address	Haifa-Allee 20, 55128 Mainz, Germany
Operational address	Haifa-Allee 20, 55128 Mainz, Germany
Managing Directors	Joacim Holter, Prof. Andreas Pfützner

LIFECARE CHEMISTRY LTD

Company Number	14460638
Registered address	11 Laura Place, Bath, BA2 4BL, United Kingdom
Operational address	Claverton Down, Bath, BA2 7AY, United Kindom
Director	Joacim Holter


LIFECARE

APPENDIX 4:

Annual financial statements for the year ended 31 December 2021 (NGAAP)

Årsmelding 2021

ÅRSBERETNING

ÅRSREGNSKAP

KONSERNREGNSKAP

LIFECARE

Innhold

Formål, virksomhet og selskapsstruktur

Lifecare AS («Selskapet») sitt formål er å utvikle og lisensiere teknologi for medisinsk bruk, herunder tilrettelegging for produksjon og salg av medisinsk utstyr. Selskapets virksomhet er organisert med utviklingsavdelinger som for 2021 omfattet ett datterselskap i konsernstruktur («Lifecare Konsern») og to kontraherte utviklingsavdelinger som sammen med Lifecare Konsern her omtales som «Lifecare Gruppen».

Lifecare AS
Styreleder Morten Foros Krohnstad
CEO Joacim Holter

Lifecare NanoBioSensors GmbH
Reutlingen
Geshäftsführer (daglig leder)
Joacim Holter

Lifecare Laboratory GmbH
Mainz
Geshäftsführer (daglig leder)
Prof. Andreas Pfützner,
Joacim Holter

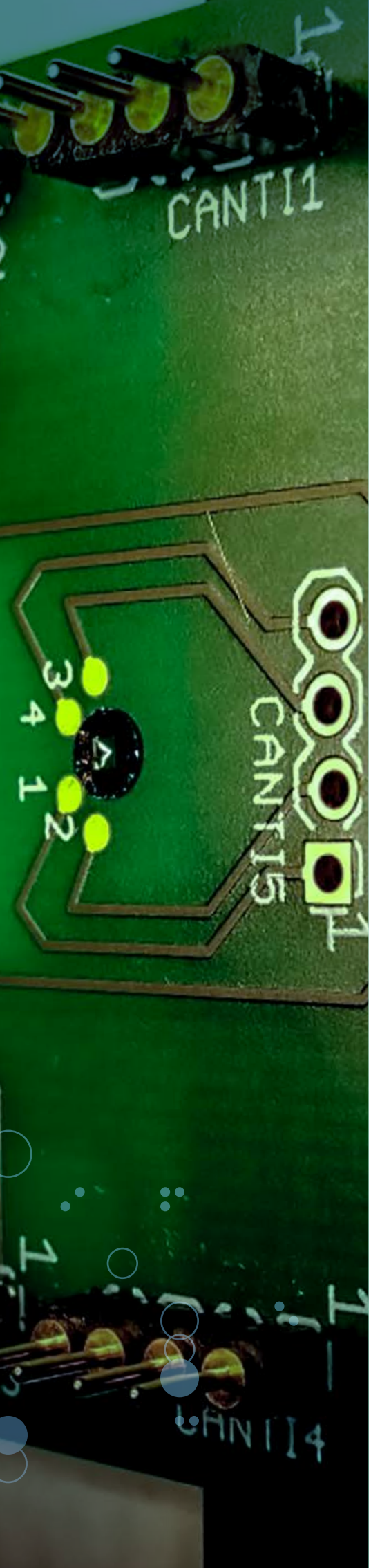
Lifecare Gruppens virksomhet er konsentrert til utvikling av sensor til bruk som medisinsk produkt, i første omgang sensoren «Sencell» for kontinuerlig overvåkning av glukose (blodsukker) for personer med diabetes. Sencell er basert på teknologi som er utviklet og patentert av Lifecare AS. Teknologien er egnet til å påvise og måle et bredt spekter av molekyler som kan forekomme i menneskets kropp, basert på variasjoner i osmotisk trykk.

Lifecare Konsern har per 2021 hovedkontor i Bergen og utviklingsavdeling i Reutlingen (Tyskland), samt kontraktsbasert utvikling i Mainz (Tyskland) og Bath (UK). Avdelingen i Reutlingen har vært organisert som datterselskap i konsernstruktur i 2021 og avdelingen i Mainz blir med regnskapsmessig virkning fra 2022 inkludert i konsernstrukturen.

Utviklingen i UK er samlokalisert med Universitetet i Bath hvor konsulenter tilknyttet Lifecare AS utfører oppdragsforskning for Lifecare Gruppen. Arbeidet i Bath ledes av Prof. Tony James.

Lifecare Gruppens ledelse omfatter Joacim Holter (CEO Lifecare AS), Prof. Andreas Pfützner (CSO Lifecare AS) og Kine Hereid (Controller/IR Lifecare AS).

Org.nr.: 990 251 657



Lifecare AS

Org. nr.: 990 251 657
Adresse: Ytrebygdsvegen 215
5258 Blomsterdalen.

Selskapet er notert på Oslo Børs,
Euronext Growth, med ticker LIFE.

EIERE

Per 31.12.21 hadde selskapet utskrevet 97 984 147 aksjer fordelt på 2642 aksjonærer, hvorav

- 98,15% av aksjonærene var registrert i Norge
- 1,66% var registrert i EU/EFTA
- 0,19% var registrert utenfor EU/EFTA

LEDELSE

Selskapets styre inkluderer representant for største eier, internasjonal kompetanse innen diabetesteknologi, juridisk og økonomisk kompetanse, hvorunder Morten Foros Krohnstad tiltrådte som styreleder i 2021. Selskapets styre har en aktiv tilnærming til den tekniske utviklingen og øvrig drift. Samarbeidet og kommunikasjonen med administrasjonen er godt.

Styret har i 2021 bestått av:

Christian Hysing Dahl	Styrets leder til 7. mai 2021
Morten Foros Krohnstad	Nestleder til 7. mai 2021, deretter Styrets leder
Trine Teigland	Styremedlem
Prof. Lutz Heinemann	Styremedlem
Bo Petersson	Styremedlem
Hans Johan Hekland	Styremedlem fra 7. mai 2021

Styret har gjennomført totalt 16 møter i 2021, 6 ordinære og 10 ekstra-ordinære. 4 av de ekstraordinære møtene har blitt gjennomført ved skriftlig behandling. De øvrige møtene har alle blitt avhold per video-konferanse, idet internasjonale reiserestriksjoner har vært til hinder for å gjennomføre fysiske møter i 2021.

Styremedlemmenes deltakelse på styremøtene var i 2021 som følger:

Christian Hysing Dahl	5/5	100 %	(Frem til 7. mai 2021)
Morten Foros Krohnstad	15/16	94 %	(11/11 - 100 % fra 7. mai 2021)
Trine Teigland	15/16	94 %	
Prof. Lutz Heinemann	14/16	88 %	
Bo Petersson	15/16	94 %	
Hans Johan Hekland	11/11	100 %	(Fra 7. mai 2021)

CEO Joacim Holter har deltatt på samtlige styremøter.
CSO Prof. Andreas Pfützner og IR/Controller Kine Hereid har fra styremøte nr 16 i 2021 deltatt i styremøte.

STYREKOMITE

Styret har nedsatt komite for oppfølging av og løpende kontroll med selskapets tekniske utvikling. Komiteen har bestått av Prof. Lutz Heinemann, Bo Petersson, CSO Prof. Andreas Pfützner og CEO Joacim Holter. Øvrig vitenskapelig personell i Lifecare Gruppen deltar ved behov. Komiteen har gjennomført møter på månedlig basis, foruten perioden april til august da den tekniske utviklingen i selskapet i stor grad var satt på pause grunnet restrukturering av selskapets operasjonelle ressurser.

SCIENTIFIC ADVISORY BOARD

Selskapet har et etablert Scientific Advisory Board med anerkjente spesialister innen Diabetes Technology, klinisk medisin med fokus på endokrinologi, fysikk og nanoteknologi:

- Prof. David Klonoff (Chairman), University California San Francisco
- Prof. Lutz Heinemann, Profil Institut für Stoffwechselforschung
- Prof. Kåre Birkeland, Rikshospitalet
- Prof. Michael Huth, Goethe University Frankfurt

VALG- OG KOMPENSASJONSKOMITE

Selskapets valg- og kompensasjonskomite har ansvar for å nominere styremedlemmer, samt å gi råd til selskapets Generalforsamling og styre i spørsmål om kompensasjon for tillitsvalgte. Komiteen har i perioden vært sammensatt av representant for tredje største eier, samt tidligere tillits-valgte i Lifecare med betydelig næringslivserfaring:

- Marita Haugen, leder
- Svein Milford
- Trond Eidsnes

ORGANISERING

Lifecare AS omfatter Lifecare Gruppens hovedkontor i Bergen. I tillegg til administrasjon er alle de eksterne vitenskapelige konsulenter som gruppen benytter formelt tilknyttet Lifecare AS.

Frem til mars 2021 var Digital Diagnostics AG, Mainz, Tyskland, tilknyttet Lifecare AS som en strategisk samarbeidspartner og arbeidssted for to konsulenter tilknyttet Lifecare AS som operasjonelt ansvarlige konsulenter innen FoU. Digital Diagnostics AG ble erklært insolvent i mars 2021 og konkurs i juni 2021, hvoretter Lifecare AS har reorganisert sin operasjonelle virksomhet til slik den nå fremstår med de operasjonelle enhetene Lifecare Laboratory GmbH og Lifecare NanoBioSenosors GmbH.

Lifecare AS har et etablert og tett samarbeid med University of Bath, UK, hvor selskapet både indirekte gjennom universitetet og direkte på basis av konsulentavtale videreutvikler den kjemiske komposisjon som anvendes i Sencell for å overvåke glukosenivået. Videreutviklingen innebærer å spisse kjerneteknologien gjennom å utvikle en proprietær modulær bio-kjemisk komposisjon som grunnlag for å presist overvåke andre molekyler enn glukose. Dette arbeidet ledes av Prof. Tony James og er fremskredet.

I løpet av 2021 var det til sammen 10 konsulenter tilknyttet Lifecare AS. Ved utgangen av året var antallet redusert til 8, hvorunder 4 er engasjert i daglig operasjonell virksomhet mens 4 besitter særlig vitenskapelig ekspertise som benyttes ved behov.

TEKNOLOGIPORTEFØLJE

Lifecare Gruppens teknologiportefølje omfattet per 31/12-21:

- **Sencell, egenutviklet sensorteknologi for kontinuerlig og nøyaktig målinger basert på det osmotiske trykket i kroppen.**

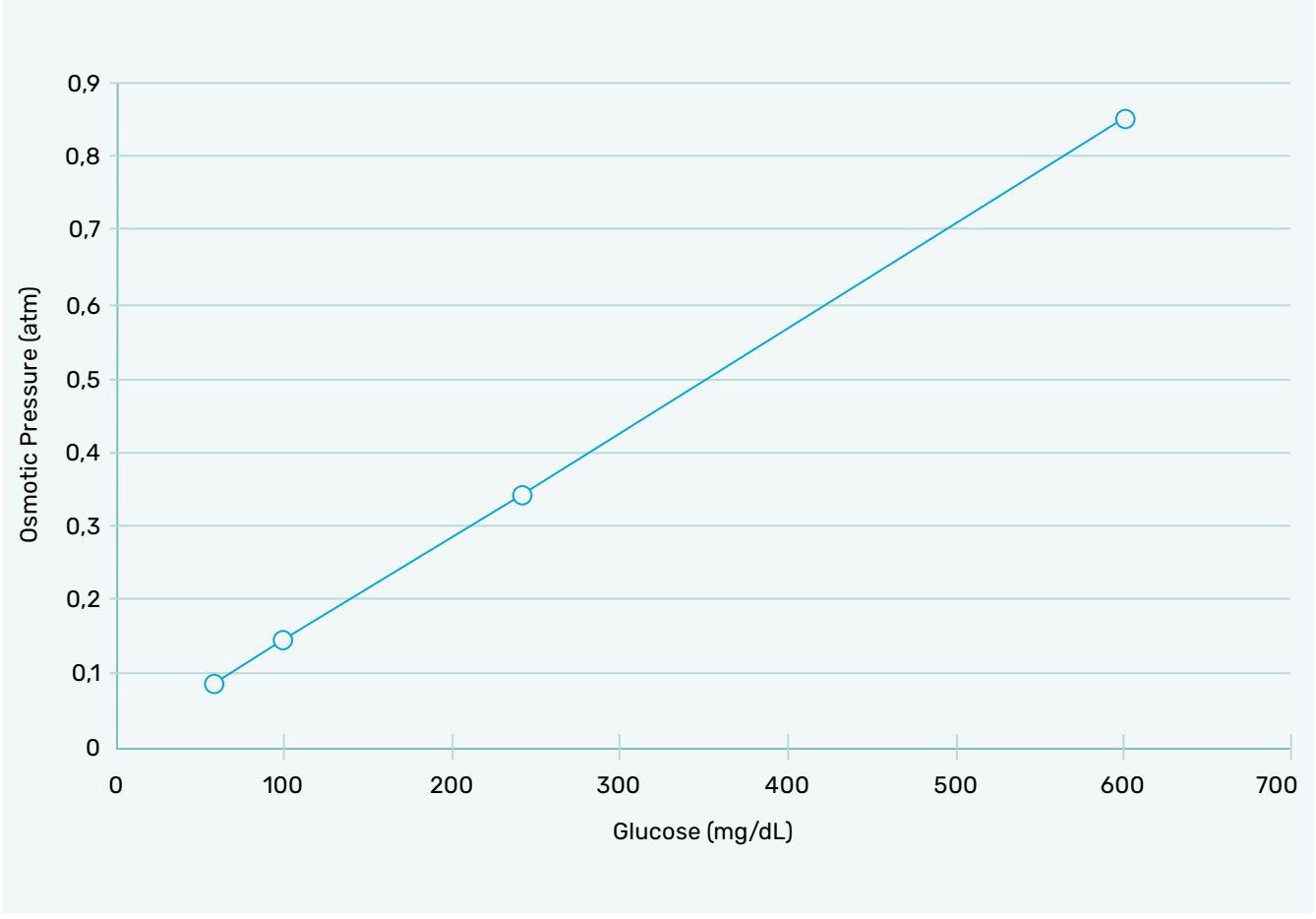
Kjerneteknologien er beskyttet i form av tre aktive patenter som omfatter membran (varighet til 2024), utvidet osmotisk trykk (gyldig til 2030), samt måling med sensor basert på to kammer med trykksensor (gyldig til 2038)

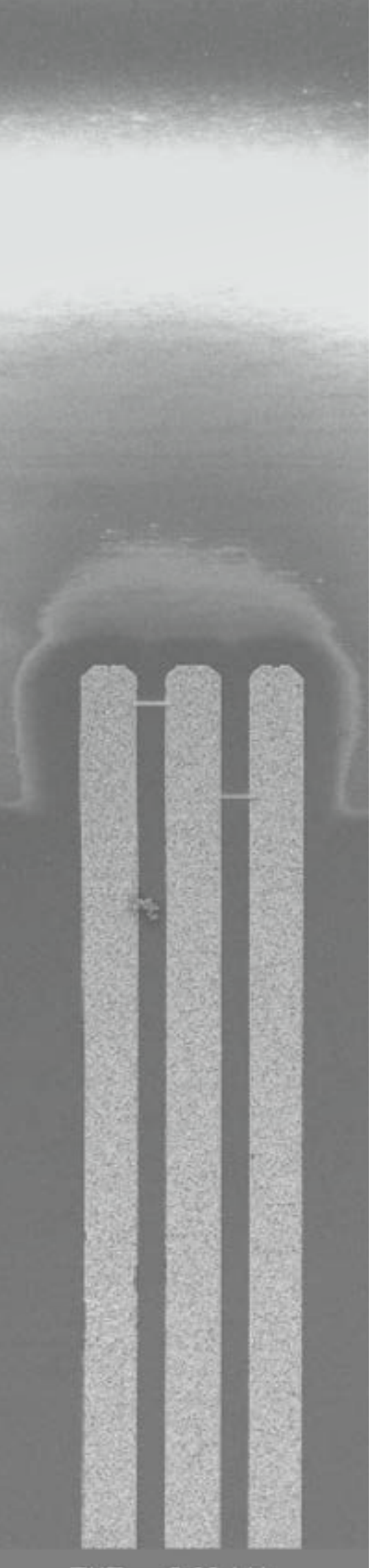
I tillegg har Lifecare AS aktive patentsøknader med sikte på å oppnå patentbeskyttelse også for den biokjemiske komposisjonen som anvendes for å identifisere endringer i glukosenivået.

- **Nano3DSenseTM, lisensiert produksjonsmetode for masse-produksjon av trykkbasert nanosensor ved hjelp av fokusert elektronstråling.**

Sensorteknologien Sencell gir kontinuerlig og nøyaktige målinger av glukose basert på endringer i det osmotiske trykket. Funksjonaliteten beror på biokjemiske reaksjoner som kan avleses ved hjelp av en nano-trykksensor, men selve grunnsteinen i den patenterte teknologien er den direkte korrolasjon mellom endringene i glukosenivået og det osmotiske trykket.

Corrolation osmotic pressure





Lifecare NanoBioSensors GmbH

HRB 96121
Registrert adresse: Haifa-Allee 20, 55128 Mainz, Tyskland,
Operasjonell adresse: NMI Natural and Medical Science Institute
at the University of Tübingen, Markwiesenstrasse 55,
72770 Reutlingen, Tyskland

EIERE

Lifecare NanoBioSensors GmbH eies 100 % av Lifecare AS.

LEDELSE

Daglig leder («Geschäftsführer) Joacim Holter
Prokurist Prof. Andreäs Pfützner

GmbH («Gesellshaft mit beschränkter Haftung») er den vanligste selskapsformen for tyske aksjeselskaper som ikke er notert på handelsplass. I relasjon til ledelse innebærer selskapsformen at et ikke utnevnes et styre, idet formelt eierskap utøves gjennom Generalforsamling. Lifecare AS styre utgjør datterselskapets Generalforsamling.

NÆRMERE OM ENHETEN

Sommeren 2021 etablerte selskapet utviklingsavdeling i Reutlingen, Tyskland, organisert gjennom datterselskapet Lifecare NanoBioSensors GmbH. Denne operasjonelle enheten omfatter personell og tilgang på spesialisert utstyr for produksjon av sensorelementer på nano-nivå som gjør det mulig å produsere Sencell i miniatyrisert størrelse, som en mikro-sensor.

Gjennom Lifecare NanoBioSensors GmbH har Lifecare-gruppen lisensiert produksjonsmetoden Nano3DSense, som gjør det mulig å produsere trykk-sensorelementer til bruk på Sencell i størrelse målt i nanometer – for å måle endringer i det osmotiske trykket. Produksjonsmetoden for sensorelementer i nanostørrelse har vært et avgjørende element i prosessen med å miniatyrisere Sencell til størrelse i samsvar med Selskapets målsetning, det vil si fra sensor i centimeterstørrelse som dannet grunnlag for de tidligere og vellykkede dyreforsøkene, til mikro-nivå egnet for implantering i underhuden hos mennesker.

Ved utgangen av 2021 var det 1 ansatt i Lifecare NanoBioSensors GmbH.

Lifecare Laboratory GmbH

HRB 45565,
Adresse: Haifa-Allee 20, 55128 Mainz, Tyskland

EIERE

Lifecare AS inngikk i august 2021 avtale om kjøp av laboratorie-virksomheten i PSHI- gjennom kjøp av virksomhet eller aksjer. Avtale om kjøp av aksjene i Pfützner Science & Health Institute GmbH ble endelig formalisert 27.01.2022 og Lifecare AS ble registrert i selskapsregisteret. Daglig leder i Lifecare AS gikk inn i ledelsen i selskapet og PSHI skiftet navn til Lifecare Laboratory GmbH i mars 2022. Lifecare Laboratory GmbH eies 100% av Lifecare AS.

LEDELSE

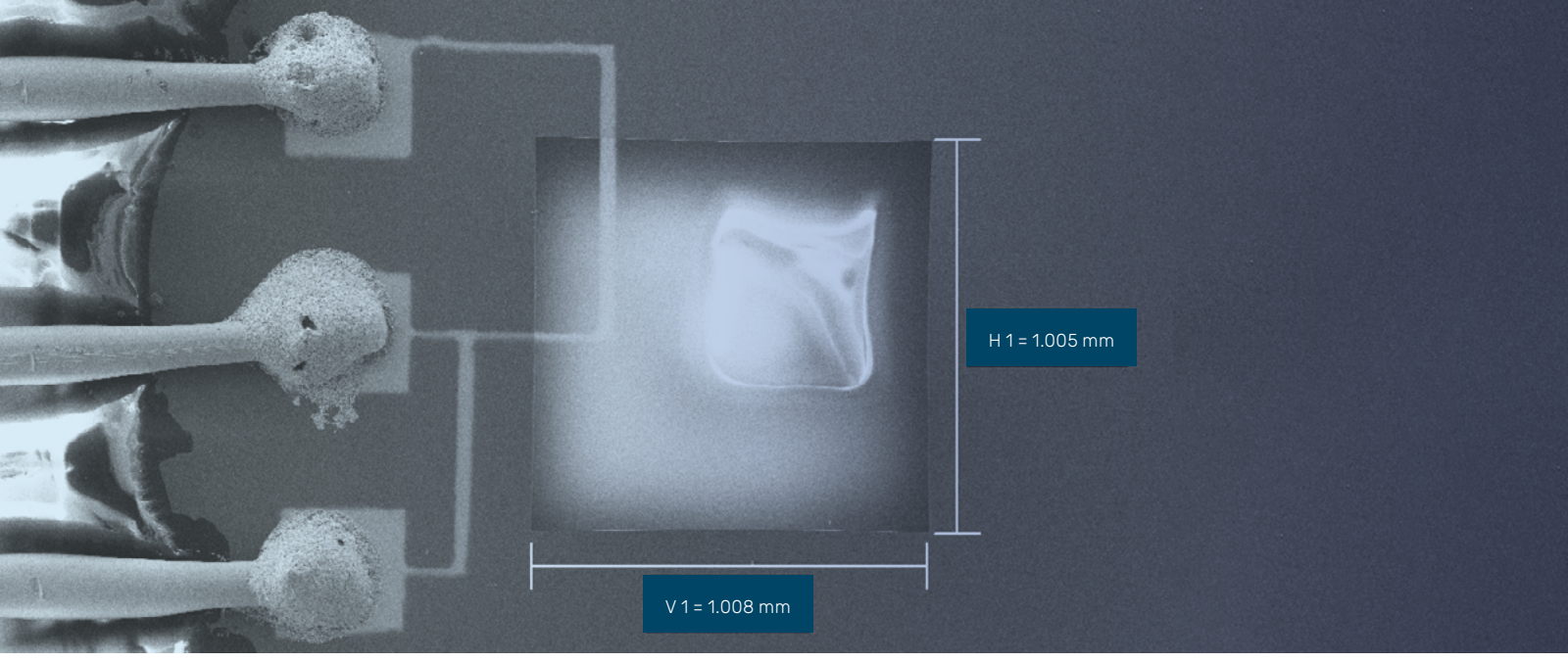
Lifecare Laboratory GmbH har registrert to daglig ledere («Geschäfts-führer): Prof. Andreas Pfützner og Joacim Holter fra mars 2022.

GmbH («Gesellshaft mit beschränkter Haftung») er den vanligste selskapsformen for tyske aksjeselskaper som ikke er notert på handels-plass. I relasjon til ledelse innebærer selskapsformen at det ikke utnevnes et styre, idet formelt eierskap utøves gjennom Generalforsamling. Lifecare AS styre utgjør datterselskapets Generalforsamling.

NÆRMERE OM ENHETEN

Med virkning fra 1. september 2021 overtok selskapet laboratorieenheten fra Pfützner Science & Health Institute GmbH. Dette instituttet har frem til nå utført oppdrag som omfattet sentrale utviklingsoppgaver for Lifecare AS på kontraktbasis. Laboratorieenheten som ble kjøpt er organisert som datterselskapet Lifecare Laboratory GmbH, med beliggenhet i Mainz, Tyskland. Laboratoriet er kommersielt operativt og tilbyr tjenester innen sensorvalidering og evaluering, samt et bredt spekter av laboratorietjenester knyttet til klinisk forskning og tester for farmasøytisk og bioteknisk industri under prosess for godkjenning av legemidler og medisinsk utstyr, samt generelle laboratorietjenester for medisinske institutter.

Ved utgangen av 2021 var det 8 ansatte i Lifecare Laboratory GmbH.



Oversikt over utvikling og resultat for regnskapsåret 2021

Det sentrale fokus gjennom 2021 har vært å forberede gjennomføring av kliniske studier og herunder å restrukturere Lifecare AS fra å være en enhet avhengig av eksterne partnere og konsulenter, til å gjennomføre FoU, produkt- og produksjonsforberedelser internt i Lifecare Gruppen. Annet kvartal i 2021 var sterkt preget av organisatoriske utfordringer som fulgte av at Lifecare AS' daværende hovedsamarbeidspartner erklærte seg insolvent med påfølgende konkursprosess.

Lifecare AS har gjennomført en rekke tiltak med sikte på å øke kontroll på utviklingsprosesser og gjennom det øke aksjonærverdiene. Erverv av de to datterselskapene Lifecare NanoBioSensors GmbH og Lifecare Laboratory GmbH, sistnevnte med regnskapsmessig virkning først fra 2022, har vært sentralt i denne sammenheng.

COVID-19

Lifecare har som alle selskaper blitt berørt av Covid-19 pandemien, i form av redusert reiseaktivitet og periodevise geografiske nedstengninger.

De direkte negative konsekvenser Lifecare Gruppen har opplevd under pandemien vurderes imidlertid som mindre inngripende sammenlignet med industri med mer fremskredet og etablert kommersiell aktivitet.

Totalt sett har aktivitetene i begrenset grad blitt påvirket av pandemien.

SENTRALE SAMARBEIDSPARTNERE

Gjennom 2021 har Lifecare Gruppen videreført sentrale samarbeid med Prof. Andreas Pfützner som CSO i Lifecare AS, Prof. Tony James og hans forskningsgruppe ved Universitetet i Bath (UK) som ansvarlig for videre-utvikling av biokjemiske løsninger, Prof. Michael Huth ved Universitetet i Frankfurt som sentral rådgiver innen fysikk og særlig fagområdet FEBID, samt vårt Scientific Advisory Board ledet av Prof. David Klonoff ved Universitetet i California San Francisco og The Diabetes Technology Society.

Ved inngangen til 2021 var Digital Diagnostics AG en sentral operasjonell samarbeidspartner for Lifecare AS, men dette selskapet erklærte seg insolvent ultimo mars 2021. Etter insolvensprosess for tysk domstol ble Digital Diagnostics erklært konkurs i juni 2021. Digital Diagnostics AG er av denne grunn ikke lenger i stand til å oppfylle kontraktsfestet forpliktelse om å finansiere ferdigutviklingen av Lifecares Sencell teknologi frem oppnåelse av CE-merke. Lifecare AS har fremmet krav mot Digital Diagnostic's bo for manglende kontraktsoppfyllelse. Digital Diagnostics lisensavtale til Lifecare AS patenterte teknologi ble kansellert i forbindelse med insolvensprosessen. Lifecare AS fremmet bud til boet for overtakelse av Digital Diagnostics' aktiva, men til tross for at Lifecare stod for det høyeste budet i prosessen ble dette ikke antatt.

Hendelsene rundt Digital Diagnostics påvirket den faktiske fremdriften for ferdigstilling av Sencell i 2021.

UTVIKLINGSFOKUS GJENNOM ÅRET

Det sentrale fokus i 2021 var å etablere egen utvikling og produksjon av mikrosensorer og nano-trykksensorer. Dette fokus har blitt formelt organisert gjennom Lifecare NanoBioSensors GmbH som ble overtatt i juni 2021. Utvikling og produksjon av trykksensorelementer på Sencell mikrochips er basert på lisensavtale for Nano3DSense som Lifecare NanoBioSensors har inngått, samt rekruttering av personell med direkte erfaring fra produksjon av nano-trykksensorer til bruk på Sencell.

Et annet element i strategien for å styrke Lifecare Gruppen interne kapasitet har vært avtale inngått i 2021 om å etablere Lifecare Laboratory GmbH som del av konsernstrukturen med virkning fra 2022. Lifecare Laboratory GmbH forestår validering og evaluering av Sencell, i tillegg til å være etablert som en komersiell enhet med løpende oppdrag for tredjeparter.

KLINISKE STUDIER

I februar 2021 oppnådde Lifecare godkjennelse fra det tyske Federal Institute for Drugs and Medical Devices (BfArM) til å gjennomføre de første forsøk med Sencell på mennesker, for måling av glukose. Formålet med pilotstudie er å optimalisere signalavlesning fra Sencell sensoren for å utvikle og optimalisere algoritme til bruk i Sencell trådløs produkt-versjon. Godkjennelsen fra BfArM er sentral bekreftelse for teknologiens modenhet i relasjon til produktutvikling.

Gjennomføringen av kliniske pilotstudier ble i 2021 forsinket som følge av hendelsene i Digital Diagnostics AG.

Gjennom annet halvår av 2021 har Lifecare Gruppen forberedt produksjon av Sencell som en mikrosensor for bruk i de kliniske pilotstudiene. Det er ventet at slik produksjon er klar i løpet av første halvår 2022, hvorunder målsetningen er å gjennomføre kliniske pilotstudier innen utgangen av juni 2022.

Patent gir forsterket IP

2038

Det Europeiske Patentkontoret

FORSTERKET PATENTBESKYTTELSE OG IP

I slutten av juli 2021 innvilget det Europeiske Patentkontoret (EPO) Lifecare AS patent for selskapets oppdaterte system for osmotisk trykksensor. Innvilgelsen innebærer at selskapets grunnteknologi for bio-sensorer er ytterligere beskyttet og herunder med en effektiv forlengelse fra 2030 til 2038 på bakgrunn av det siste patentet.

For øvrig har den strategiske restruktureringen i 2021 medført forsterket eierskap til kunnskap og prosesser (IP) som følge av organisering med utviklingsavdelinger i de heleide datterselskapene Lifecare Laboratory GmbH og Lifecare NanoBioSensors GmbH.

Utviklingen i forskningssamarbeidet med Universitetet i Bath fremstår lovende med sikte på å ferdigstille alternativer for biokjemiske komposisjoner egnet til å identifisere og måle andre molekyler enn glukose. Eierskapet til slike oppfinnelser tilfaller Lifecare AS.

OFFENTLIGE STØTTEORDNINGER

Lifecare AS har i 2021 hatt tre godkjente offentlige støtteordninger fra henholdsvis Norges Forskningsråd og EU. I tillegg har Lifecare Laboratory GmbH gjennom 2021 hatt fire godkjente offentlige støtte-ordninger, fra henholdsvis den tyske delstaten Rheinland-Pfalz, det tyske føderale forskningsdepartementet, samt EU gjennom to forskjellige støtteordninger. Lifecare NanoBioSensors GmbH har ingen offentlige støtteordninger i 2021.

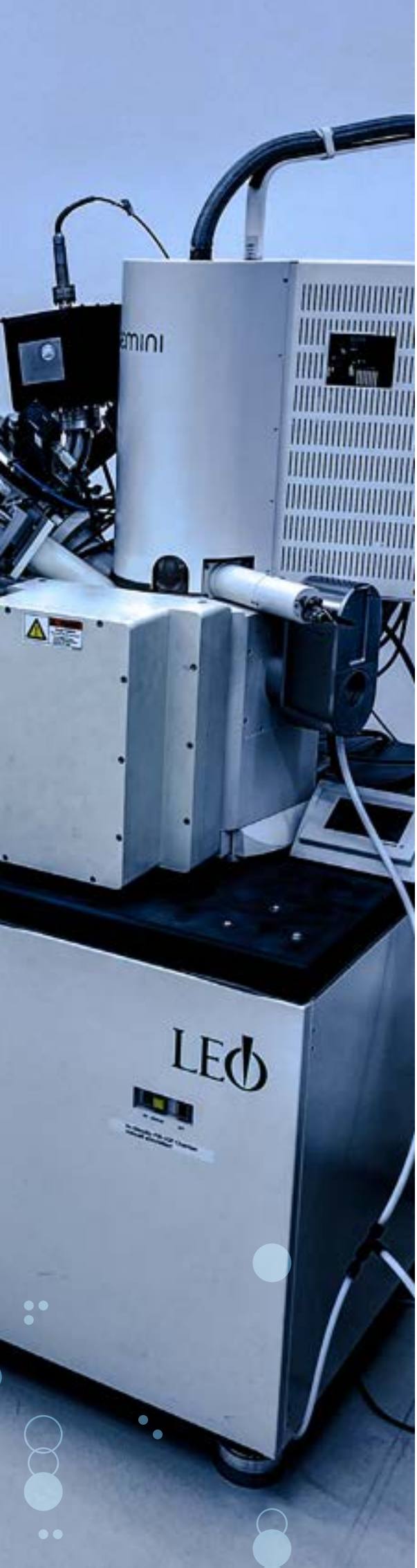
Lifecare AS:

1. *Norges Forskningsråd* har godkjent den pågående utviklingen av Sencell til bruk for glukosemonitorering som kompensasjonsberettiget under ordningen for skattefunn i perioden 2020–2022.

2. *Norges Forskningsråd* har i tillegg godkjent utvikling av Sencell til bruk for lactatmonitorering som kompensasjonsberettiget under ordningen for skattefunn i perioden 2020 - 2022. Som følge av prioriteringer i 2021 har selskapet ikke iverksatt utviklingsarbeid rettet mot lactat-målinger.

Skattefunn innebærer at utviklingskostnader knyttet til definert prosjekt kompenseres med 19% refusjon i forbindelse med skatteoppgjøret.

3. *European Commission, Horizon 2020*. Lifecare er deltaker i konsortiet FORGETDIABETES og mottar i denne forbindelse økonomisk støtte. Målsetningen med prosjektet FORGETDIABETES er å utvikle en kunstig bukspyttkjertel, hvorunder Lifecares rolle er å utvikle sensor for glukoseovervåkning som sentral komponent i den kunstige bukspyttkjertelen. Prosjektet har en planlagt varighet frem til 2025.



Lifecare Laboratory GmbH:

4. *Landesregierung Rheinland-Pfaltz.* Støtte under Covid-19 kompensasjonsordning for næringslivet

5. *Bundesministerium für Bildung und Forschung.* Lifecare Laboratory er deltaker i konsortiet Panamea og mottar i den forbindelse økonomisk støtte. Formålet med prosjektet er å utvikle et diagnostisk verktøy for å måle aktivitet i bukspyttkjertelen, samt å indirekte måle glukosenivået i blodet.

6. *European Commission, Eurostar.* Lifecare Laboratory er deltaker i europeisk konsortium som berettiger økonomisk støtte. Prosjektet omfatter utvikling av metode for sikker dosering til bruk i insulinpumper for små barn.

7. *European Commission, Horizon 2020.* Lifecare Laboratory er deltaker i konsortiet FORGETDIABETES på selvstendig grunnlag – uavhengig av Lifecare som morselskap – og mottar følgelig også økonomisk støtte fra Horizon 2020. Lifecare Laboratory' rolle i prosjektet FORGET-DIABETES omfatter in-vitro testing og evaluering av den kunstige bukspyttkjertel, og herunder forberedelser til klinisk utprøving. Prosjektet har en planlagt varighet frem til 2025.

KAPITALFORHØYELSE

Med bistand fra Carnegie AS som tilrettelegger gjennomførte Lifecare AS i oktober 2021 en rettet kapitalforhøyelse på totalt kr 26,3 millioner gjennom utstedelse av 15,5 millioner nye aksjer.

Til sammen 16 selskaper/privatpersoner tegnet seg for aksjer under kapitalforhøyelsen, hvorunder 6 av de 10 største aksjonærene deltok.

Den rettede kapitalforhøyelse ble gjennomført til en pris per aksje stor kr 1,70 som var marginalt høyere (0,7%) enn vektet gjennomsnittlig omsetningspris (WVAP) de siste 10 dagene før kapitalforhøyelse ble besluttet.

Basert på en helhetsvurdering besluttet Lifecare AS' styre å ikke gjennomføre en reparasjonsemisjon etter den rettede kapitalforhøyelsen. Denne helhetsvurderingen bygget blant annet på at det i forbindelse med kapitalforhøyelsen ikke var utstedt fordeler til tegnerne og at tegningskurs var marginalt høyere enn omsetningskursen i markedet og følgelig representerte utstedelsen av nye aksjer ingen reell utvanning av eksisterende aksjonærers verdier.

FINANSIERING, FINANSIELL RISIKO, ØVRIGE RISIKO- OG USIKKERHETSFAKTORER

Kredittrisiko
Lifecare AS er egenkapitalfinansiert og har ikke gjeld. Eksponering med hensyn til kredittrisiko er følgelig begrenset.

Likviditetsrisiko
Likviditetsrisiko er risikoen for at Lifecare AS ikke har likviditet til å møte betalingsforpliktelser ved forfall, eller at det oppstår tap som følge av at selskapet må selge eiendeler for å dekke likviditetsbehovet. Likviditet overvåkes fortløpende av konsernledelsen. Konsernet arbeider kontinuerlig for å sikre finansiell fleksibilitet på kort og lang sikt for å nå sine strategiske og operasjonelle mål. Ledelsen anser konsernets likviditetssituasjon som tilfredsstillende. Konsernet sikret egenkapital-finansiering på totalt 26 millioner kroner i november 2021.

Valutarisiko
Lifecare AS har valutarisiko, da en del av utviklingskostnadene og konsulentregninger betales i utenlandsk valuta, hovedsakelig Euro. Selskapet vurderer å opprette valutakonto i Euro for å redusere valutarisikoen.

Styret vurderer at selskapet er eksponert for moderat finansiell risiko.

VITENSKAPELIG OG REGULATORISK RISIKO

Styrets ressurser innen internasjonal diabetesteknologi har ytterligere styrket selskapets oversikt over konkurrenter og marked. Selskapets sensorteknologi omfatter forventninger om betydelige fordeler sammen-lignet med andre løsninger for kontinuerlig glukoseovervåkning. De mest fremtredende er nøyaktighet i målinger, brukervennlighet uten gjentatt kalibrering og målsetning om 6 måneders levetid per sensor.

Forskning, utvikling og tilpasning til regulatoriske krav innebærer per definisjon usikkerhetsfaktorer. Selskapet har god oversikt over de gjenstående utviklingssteg og hvordan de regulatoriske krav skal imøtekommes, både i EU/Europa og i USA.

Samlet sett vurderes vitenskapelig og regulatorisk risiko forbundet med Lifecare Gruppens forskning og utvikling som moderat.

STYREANSVARSFORSIKRING

Det er tegnet forsikring for styrets medlemmer i morselskapet for deres mulige ansvar overfor foretaket og tredjepersoner gjeldende for virksomhet innenfor forskning og utviklingsarbeid innen naturvitenskap og teknikk.

ARBEIDSMILJØ / LIKESTILLING

Lifecare AS ledelse omfatter styre som består av 1 kvinne og 4 menn, samt daglig leder som også er mann.

Ved utgangen av året har selskapet har 1 ansatt og konsernet har 2 ansatte, en kvinne og en mann. Det har ikke blitt rapportert arbeidsuhell med skadefølger i løpet av året.

SYKEFRAVÆR

Det er et registrert sykefravær på 0% i morselskapet, og 15 % i konsernet.

YTRE MILJØ

Lifecare AS og Lifecare Nanobiosensors GmbH er ikke regulert av konsesjoner eller pålegg. Lifecare Laboratories GmbH er godkjent av tyske myndigheter (Ethical Review Committee og BfARM) for å utøve kliniske forsøk, og har i tillegg lisens fra delstaten Rheinland Pfalz for å kunne ta PCR-tester. Konsernet forurenser ikke det ytre miljø.

FORTSATT DRIFT

Årsregnskapet for 2021 er satt opp under forutsetning av fortsatt drift. Det bekreftes herved at forutsetningen for fortsatt drift er til stede.

REDEGJØRELSE FOR ÅRSREGNSKAPET OG RESULTATDISPONERING

Styret mener at årsregnskapet gir et rettvisende bilde av selskapets eiendeler og gjeld, finansielle stilling og resultat. Kostnader relatert til forskning og utvikling er kostnadsført løpende. Det er ikke inntrådt andre forhold etter regnskapsårets slutt som er av betydning for bedømmelsen av regnskapet.

Selskapet har for 2021 hatt et underskudd på kr 16.070.392,- før skatt. Skattekostnad for selskapet er 0,- Underskuddet foreslåes dekket ved:

Overført til udekket tap	kr 16.070.392,-
Sum disponert	kr 16.070.392,-

Konsernet har for 2021 hatt et underskudd på kr 15.979.475 før skatt. Skattekostnad for konsernet er negativ på kr 102.557, noe som gir et underskudd på kr 15.876.918 som foreslåes dekket ved:

Overført til udekket tap	kr 15.876.918,-
Sum disponert	kr 15.876.918,-

Bergen, 20.04.22
Styret i Lifecare AS

Morten Foros Krohnstad
styreleder

Trine Teigland
styremedlem

Bo Arne Petersson
styremedlem

Lutz Walter Heinemann
styremedlem

Hans Johan Hekland
styremedlem

Joacim Holter
daglig leder

Årsregnskap 2021

Resultatregnskap mor/konsern

Morselskap 2021	Morselskap 2020		Note	Konsern 2021	Konsern 2020
		Driftsinntekter og driftskostnader			
1 274 676	5 390 651	Annen driftsinntekt	1	1 599 088	5 390 651
1 274 676	**5 390 651**	**Sum driftsinntekter**		**1 599 088**	**5 390 651**
1 540 186	702 977	Lønnskostnad	2	1 748 583	702 977
22 842	19 000	Avskrivning av driftsmidler og immaterielle eiendeler	4, 5	598 058	19 000
15 735 636	7 126 220	Annen driftskostnad	1, 2	15 182 873	7 126 220
17 298 665	**7 848 197**	**Sum driftskostnader**		**17 529 514**	**7 848 197**
-16 023 989	**-2 457 547**	**Driftsresultat**		**-15 930 426**	**-2 457 547**
		Finansinntekter og finanskostnader			
16 872	80 838	Annen renteinntekt		16 872	80 838
76 611	42 649	Annen finansinntekt		76 611	42 649
0	132 525	Nedskrivning av finansielle eiendeler		0	132 525
1 575	425	Annen rentekostnad		4 220	425
138 312	140 656	Annen finanskostnad		138 312	140 656
-46 404	**-150 118**	**Resultat av finansposter**		**-49 049**	**-150 118**
-16 070 392	**-2 607 665**	**Ordinært resultat før skattekostnad**		**-15 979 475**	**-2 607 665**
0	0	Skattekostnad på ordinært resultat	3	-102 557	0
-16 070 392	**-2 607 665**	**Ordinært resultat**		**-15 876 918**	**-2 607 665**
-16 070 392	**-2 607 665**	**Årsresultat**	**9**	**-15 876 918**	**-2 607 665**

Balanse mor/konsern

Morselskap 2021	Morselskap 2020		Note	Konsern 2021	Konsern 2020
		Eiendeler			
		Anleggsmidler			
		Immaterielle eiendeler			
193 000	212 000	Konsesjoner, patenter o.l.	4, 5	7 185 530	212 000
0	0	Goodwill	5	1 538 357	0
193 000	**212 000**	**Sum immaterielle eiendeler**		**8 723 887**	**212 000**
		Varige driftsmidler			
15 366	0	Driftsløsøre, inventar o.a. utstyr	4, 5	29 740	0
15 366	**0**	**Sum varige driftsmidler**		**29 740**	**0**
		Finansielle anleggsmidler			
6 877 294	0	Investeringer i datterselskap	6	0	0
0	5 052	Investeringer i tilknyttet selskap		0	5 052
6 877 294	**5 052**	**Sum finansielle anleggsmidler**		**0**	**5 052**
7 085 660	**217 052**	**Sum anleggsmidler**		**8 753 627**	**217 052**
		Omløpsmidler			
		Fordringer			
74 948	74 948	Kundefordringer		138 696	74 948
2 594 741	2 841 673	Andre kortsiktige fordringer	7	2 288 479	2 841 673
2 669 688	**2 916 621**	**Sum fordringer**		**2 427 175**	**2 916 621**
20 171 311	11 475 968	Bankinnskudd, kontanter o.l.	8	21 041 863	11 475 968
22 840 999	**14 392 588**	**Sum omløpsmidler**		**23 469 037**	**14 392 588**
29 926 659	**14 609 641**	**Sum eiendeler**		**32 222 664**	**14 609 641**

Balanse mor/konsern

Morselskap 2021	Morselskap 2020		Note	Konsern 2021	Konsern 2020
		Egenkapital og gjeld			
		Anleggsmidler			
		Innskutt egenkapital			
39 193 659	32 511 268	Aksjekapital	10	39 193 659	32 511 268
39 193 659	**32 511 268**	**Sum innskutt egenkapital**		**39 193 659**	**32 511 268**
		Opptjent egenkapital			
-15 147 257	-19 185 048	Udekket tap		-14 948 093	-19 185 048
-15 147 257	-19 185 048	Sum opptjent egenkapital		-14 948 093	-19 185 048
24 046 402	**13 326 220**	**Sum egenkapital**	**9**	**24 245 566**	**13 326 220**
		Gjeld			
		Avsetning for forpliktelser			
0	0	Utsatt skatt	3	1 538 357	0
0	**0**	**Sum avsetning for forpliktelser**		**1 538 357**	**0**
		Annen langsiktig gjeld			
2 696 976	0	Øvrig langsiktig gjeld	11	2 696 976	0
2 696 976	**0**	**Sum annen langsiktig gjeld**		**2 696 976**	**0**
		Kortsiktig gjeld			
1 527 906	458 475	Leverandørgjeld		1 972 425	458 475
164 524	93 107	Skyldig offentlige avgifter		243 528	93 107
1 490 851	731 839	Annen kortsiktig gjeld		1 525 812	731 839
3 183 281	**1 283 421**	**Sum kortsiktig gjeld**		**3 741 765**	**1 283 421**
5 880 257	**1 283 421**	**Sum gjeld**		**7 977 098**	**1 283 421**
29 926 659	**14 609 641**	**Sum egenkapital og gjeld**		**32 222 664**	**14 609 641**

Bergen, 20.04.22
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Kontantstrømoppstilling

Lifecare AS			Lifecare Konsern	
2021	**2020**		**2021**	**2020**
		Kontantstrømmer fra operasjonelle aktiviteter		
(16 070 392)	(2 607 665)	Resultat før skattekostnad	(15 979 475)	(2 607 665)
0	0	Periodens betalte skatt	0	0
22 842	19 000	Ordinære avskrivninger	598 058	19 000
1	0	Endring i kundefordringer	(63 747)	0
1 069 431	(272 526)	Endring i leverandørgjeld	1 513 950	(272 526)
74 819	57 857	Endring i andre tidsavgrensingsposter	153 214	57 857
		Effekt av valutakursendringer	5 689	
(14 903 300)	**(2 803 334)**	**Netto kontantstrøm fra operasjonelle aktiviteter**	**(13 772 311)**	**(2 803 334)**
		Kontantstrøm fra investeringsaktiviteter		
(19 208)	0	Utbetalinger ved kjøp av varige driftsmidler	(7 493 110)	0
(6 872 242)	124 007	Utbetalinger ved kjøp av aksjer og andeler i andre foretak	0	124 007
0	(627 711)	Utbetalinger på kortsiktig lånefordring	0	(627 711)
243 530	256 768	Innbetalinger på kortsiktig lånefordring	549 792	256 768
(6 647 920)	**(246 936)**	**Netto kontantstrøm fra investeringsaktiviteter**	**(6 943 318)**	**(246 936)**
		Kontantstrømmer fra finansieringsaktiviteter		
2 696 976	0	Innbetalinger ved opptak av ny langsiktig gjeld	2 696 976	0
759 012	(263 963)	Innbetalinger ved opptak av ny kortsiktig gjeld	793 973	(263 963)
26 790 575	201 205	Innbetalinger av egenkapital	26 790 575	201 205
30 246 563	**(62 758)**	**Netto kontantstrømmer fra finansieringsaktiviteter**	**30 281 524**	**(62 758)**
8 695 343	**(3 113 028)**	**Netto kontantstrøm for perioden**	**9 565 895**	**(3 113 028)**
11 475 968	14 588 996	Kontanter og kontantekvivalenter ved periodens begynnelse	11 475 968	14 588 996
20 171 311	**11 475 968**	**Kontanter og kontantekvivalenter ved periodens slutt**	**21 041 863**	**11 475 968**

Noter

REGNSKAPSPRINSIPPER

Årsregnskapet er satt opp i samsvar med regnskapslovens bestemmelser og god regnskapsskikk.
Selskapet er notert på Euronext Growth.

KONSOLIDERING

Selskaper blir konsolidert fra det tidspunkt kontrollen er overført til konsernet (oppkjøpstidspunktet). I konsernregnskapet erstattes posten aksjer i datterselskap med datterselskapets eiendeler og gjeld. Konsernregnskapet utarbeides som om konsernet var én økonomisk enhet. Transaksjoner, urealisert fortjeneste og mellomværende mellom selskapene i konsernet elimineres.

Kjøpte datterselskaper regnskapsføres i konsernregnskapet basert på morselskapets anskaffelseskost. Anskaffelseskost tilordnes identifiserbare eiendeler og gjeld i datterselskapet, som oppføres i konsernregnskapet til virkelig verdi på oppkjøpstidspunktet. Eventuell merverdi ut over hva som kan henføres til identifiserbare eiendeler og gjeld, balanseføres som goodwill. Goodwill behandles som en residual og balanseføres med den andelen som er observert i oppkjøpstransaksjonen. Merverdier i konsernregnskapet avskrives over de oppkjøpte eiendelenes forventede levetid. For 2021 er datter konsolidert fra 1. juli og sammenligningstall i konsernet er morselskapets tall for 2020.

Omregning av utenlandske datterselskaper skjer ved at balansen omregnes til balansedagens kurs, og at resultatregnskapet omregnes til en gjennomsnittskurs. Eventuelle vesentlige transaksjoner omregnes til transaksjonsdagens kurs. Omregningsdifferanser føres direkte mot egenkapitalen.

BRUK AV ESTIMATER

I utarbeidelse av årsregnskapet har man brukt estimater og forutsetninger som har påvirket resultatregnskapet og verdsettelsen av eiendeler og gjeld, samt usikre eiendeler og forpliktelser på balansedagen i henhold til god regnskapsskikk. Områder som i stor grad inneholder slike skjønnsmessige vurderinger, høy grad av kompleksitet, eller områder hvor forutsetninger og estimater er vesentlige for årsregnskapet, er beskrevet i notene.

Inntekter- herunder inntektsføring av offentlige tilskudd
Inntektsføring ved salg av varer skjer på leveringstidspunktet. Tjenester inntektsføres etter hvert som de leveres. Tilskudd resultatføres etter bruttoprinsippet når et tilskudd er opptjent. Bruttoføring er benyttet fordi tilskuddsbasert forskning er en betydelig del av selskapets aktivitet.

KLASSIFISERING OG VURDERING AV ANLEGGSMIDLER

Anleggsmidler omfatter eiendeler bestemt til varig eie og bruk. Anleggsmidler er vurdert til anskaffelseskost, fratrukket avskrivinger og nedskrivinger. Langsiktig gjeld balanseføres til nominelt beløp på transaksjonstidspunktet.

Varige driftsmidler balanseføres og avskrives over driftsmidlets økonomiske levetid. Vesentlige driftsmidler som består av flere betydelige komponenter med ulik levetid er dekomponert med ulik avskrivningstid for de ulike komponentene. Direkte vedlikehold av driftsmidler kostnadsføres løpende under driftskostnader, mens påkostninger eller forbedringer tillegges driftsmidlets kostpris og avskrives i takt med driftsmidlet. Varige driftsmidler nedskrives til gjenvinnbart beløp ved verdifall som forventes ikke å være forbigående. Gjenvinnbart beløp er det høyeste av netto salgsverdi og verdi i bruk. Verdi i bruk er nåverdi av fremtidige kontantstrømmer knyttet til eiendelen. Nedskrivingen reverseres når grunnlaget for nedskrivingen ikke lenger er til stede.

KLASSIFISERING OG VURDERING AV OMLØPSMIDLER

Omløpsmidler og kortsiktig gjeld omfatter normalt poster som forfaller til betaling innen ett år etter balansedagen, samt poster som knytter seg til varekretsløpet. Omløpsmidler vurderes til laveste verdi av anskaffelseskost og virkelig verdi. Kortsiktig gjeld balanseføres til nominelt beløp på transaksjonstidspunktet.

IMMATRIELLE EIENDELER- FORSKNING OG UTVIKLING

Utgifter til forskning og utvikling balanseføres i den grad man kan identifisere en fremtidig økonomisk fordel knyttet til utvikling av en identifiserbar immaterielle eiendel og hvor anskaffelseskostnaden kan måles pålitelig. I motsatt fall kostnadsføres slike utgifter løpende. Balanseført forskning og utvikling avskrives lineært over økonomisk levetid.

DATTERSELSKAP OG TILKNYTTET SELSKAP

Datterselskap og tilknyttede selskaper vurderes etter kostmetoden i selskapsregnskapet. Investeringen er vurdert til anskaffelseskost for aksjene med mindre nedskrivning har vært nødvendig. Det er foretatt nedskrivning til virkelig verdi når verdifall skyldes årsaker som ikke kan forventes å være forbigående og det må anses nødvendig etter god regnskapsskikk. Nedskrivninger er reversert når grunnlaget for nedskrivning ikke lenger er til stede.

Utbytte, konsernbidrag og andre utdelinger fra datterselskap er inntektsført samme år som det er avsatt i givers regnskap. Overstiger utbytte / konsernbidraget andelen av opptjent resultat etter anskaffelsestidspunktet, representerer den overskytende del tilbakebetaling av investert kapital, og utdelingene er fratrukket investeringens verdi i balansen til morselskapet.

Noter

FORDRINGER
Kundefordringer og andre fordringer oppføres til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av en individuell vurdering av de enkelte fordringene. For øvrige kundefordringer utføres en uspesifisert avsetning for å dekke forventet tap på krav.

PENSJONER - INNSKUDDSBASERT ORDNING
Kostnaden til innskuddsbasert pensjonsordning tilsvarer periodens premie til forsikringsselskapet.

KONTANTSTRØMOPPSTILLING
Kontantstrømoppstillingen er utarbeidet etter den indirekte metoden. Kontanter og kontant-ekvivalenter omfatter kontanter, bankinnskudd og andre kortsiktige, likvide plasseringer.

Note 1 Offentlige tilskudd og forsknings- og utviklingskostnader

	2021	**2020**
Skattefunn-refusjon	1 274 676	714 852
Andre offentlige tilskudd	0	3 003 430
Sum offentlige tilskudd	**1 274 676**	**3 718 282**

Selskapet og konsernet har i 2021 inntektsført NOK 1,3 mill i tilskudd i beregnet skattefunn.
Det er kostnadsført FOU kostnader med NOK 7,9 mill i 2021.
Selskapet har i 2020 kostnadsført NOK 3,7 mill i FOU. Under andre inntekter er det inntektsført NOK 0,7 mill i beregnet skattefunn for 2020 og NOK 3,0 mill i støtte fra andre aktører.

Note 2 Lønnskostnader, ansatte og tjenester fra nærstående og revisor

Lønnskostnader	2021	2020
Styrehonorar	704 000	600 000
Lønn	538 828	0
Arbeidsgiveravgift	236 886	102 977
Pensjonskostnader	28 549	0
Andre ytelser	31 923	0
Sum	**1 540 186**	**702 977**

Ansatte	2021	2020
Antall ansatte	1	0
Antall årsverk	0,7	0

Lønnskostnader konsern	2021	2020
Styrehonorar	704 000	600 000
Lønn	672 869	0
Arbeidsgiveravgift	275 393	102 977
Pensjonskostnader	44 596	0
Andre ytelser	51 725	0
Sum	**1 748 583**	**702 977**

Ansatte konsern	2021	2020
Antall ansatte	2	0
Årsverk	0,9	0

Pensjon
Morselskapet har avtale om innskuddspensjon i henhold til lov om obligatorisk tjenestepensjon.

Tjenestekjøp fra nærstående	2021	2020
Innleid daglig leder	1 800 000	1 631 246
Konsulentbistand styreleder	0	464 965

Ved utgangen av 2021 var opsjonsprogram som omfattet selskapets tidligere COO Rune Frisvold og CSO Prof. Andreas Pfützner aktivt.

Opsjonsavtale med tidligere COO omfattet totalt 1.385.105 aksjer til kurs kr 1,7, med frist for utøvelse 01.04.22.

Opsjonsavtale med CSO omfatter 3.524.927 aksjer til kurs kr 1,7 og med frist for utøvelse 01.04.22. Eventuell utøvelse fra Opsjonsprogrammets deltakere forutsetter vedtak fra styret om tidsperiode for utøvelse. Styret har ikke fattet slikt vedtak i 2021 eller senere.

Konsulentavtale med tidligere COO Rune Frisvold/Nexus Marketing NUF ble avsluttet med virkning per utløpet av januar 2021. Det er inngått sluttavtale med Frisvold/Nexus Marketing NUF.

Revisors honorar (selskap og konsern)	2021	2020
Ordinær revisjon	46 500	39 500
Bistand, attestasjoner mv	47 038	58 275
Sum revisors honorar	**93 538**	**97 775**

Note 3 Skatt

Årets skattekostnad	2021	2020
Resultatført skatt på ordinært resultat:		
Betalbar skatt	0	0
Endring i utsatt skattefordel	0	0
Skattekostnad ordinært resultat	**0**	**0**
Skattepliktig inntekt:		
Ordinært resultat før skatt	-16 070 392	-2 607 665
Permanente forskjeller	-759 079	-569 840
Endring i midlertidige forskjeller	99 017	279 016
Skattepliktig inntekt	**-16 730 455**	**-2 898 489**
Betalbar skatt i balansen:		
Betalbar skatt på årets resultat	0	0
Sum betalbar skatt i balansen	**0**	**0**

Skatteeffekten av midlertidige forskjeller og underskudd til fremføring som har gitt opphav til utsatt skatt og utsatte skattefordeler, spesifisert på typer av midlertidige forskjeller

	2021	2020	Endring
Varige driftsmidler	-25 571	-26 554	-983
Avsetninger mv	-630 000	-530 000	100 000
Sum	**-655 571**	**-556 554**	**99 017**
Akkumulert fremførbart underskudd	-91 116 539	-74 386 083	16 730 455
Inngår ikke i beregningen av utsatt skatt	91 772 110	74 942 638	-16 829 472
Utsatt skattefordel (22%)	**-20 189 864**	**-16 487 380**	**3 702 484**

I henhold til god regnskapsskikk balanseføres ikke utsatt skattefordel.

Konsernet har en skattemessig inntekt på - 16 070 811. Skattemessig underskudd til fremføring utgjør NOK 91 308 623.
Utsatt skattefordel bokføres ikke. Skattekostnad med -102 557 er endring utsatt skatt knyttet til oppkjøp.
Utsatt skatt knyttet til merverdi ved oppkjøp utgjør NOK 1 538 357 31.12.21.

Note 4 Anleggsmidler

	Patenter	Andre immatrielle rettigheter	Driftsløsøre, inventar ol.	Sum
Anskaffelseskost pr. 01.01.21	321 244	32 500		353 744
+ Tilgang kjøpte driftsmidler			19 208	19 208
= Anskaffelseskost 31.12.21	**321 244**	**32 500**	**19 208**	**372 952**
Akkumulerte avskrivninger 31.12.21	128 244	32 500	3 842	164 586
= Bokført verdi 31.12.21	**193 000**	**0**	**15 366**	**208 366**
Årets ordinære avskrivninger	19 000		3 842	22 842
Økonomisk levetid	15-20 år	3 år	5 år	

Note 5 Anleggsmidler konsern

	Patenter lisensrett. mv	Teknisk goodwill	Driftsmidler	Sum
Anskaffelseskost 01.01.21	353 744		38 716	392 460
Tilgang			19 208	19 208
Tilgang konsolidering i året	7 458 699	1 640 914	15 203	9 114 816
= Anskaffelseskost 31.12.21	**7 812 443**	**1 640 914**	**73 127**	**9 526 484**
Akkumulerte avskrivninger	626 913	102 557	43 387	772 857
=Bokført verdi 31.12.21	**7 185 530**	**1 538 357**	**29 740**	**8 753 627**
Årets avskrivninger	485 169	102 557	10 332	598 058

Tilgang NOK 7,5 mill vedrører oppkjøpt verdi på lisensrettigheter mv som anses å ha en økonomisk levetid på 8 år. Tilgang NOK 1,6 mill er teknisk goodwill knyttet til merverdi oppkjøp og er satt opp med samme verdi som utsatt skatt ved konsolideringen. Avskrives over 8 år.

Note 6 Datterselskap

Lifecare AS eier 100% i Lifecare NanoBiosensors GmbH.
Selskapets resultat for 2021 er på NOK 1,3 mill og egenkapitalen er på NOK - 0,2 mill pr 31.12.21.
Selskapet er konsolidert inn i konsernregnskapet med virkning fra 01.07.2021. Se også note 5.

Selskapet har i 2021 vært i prosess med kjøp av 100% av aksjene i selskapet PFÜTZNER Science & Health Institute GmbH (PSHI). Endelige formaliteter mv. kom på plass i 2022 og det er vurdert at kontroll/ bestemmende innflytelse er oppnådd i 2022. PSHI innregnes i konsernet fra 2022.
PSHI har i 2022 skiftet navn til Lifecare Laboratory GmbH.

Note 7 Andre kortsiktige fordringer

Andre kortsiktige fordringer består i det vesentlige av fordring estimert skattefunn med NOK 1,3 mill, forskuddsbetalinger med NOK 0,7 mill og tilgode merverdiavgift med NOK 0,4 mill.

Note 8 Bankinnskudd- bundne midler

Av selskapets og konsernet bankinnskudd er NOK 55 431 innestående på skattetrekkskonto.

Note 9 Egenkapital mor

	Aksje-kapital	Overkurs	Udekket underskudd	Sum egenkapital
Pr. 01.01.2021	32 511 268	0	-19 185 048	13 326 220
Kapitalforhøyelse i året	6 682 391	20 108 184	0	26 790 575
Overkurs til dekning av udekket tap		-20 108 184	20 108 184	
Årets resultat			-16 070 392	-16 070 392
Pr 31.12.2021	**39 193 659**	**0**	**-15 147 257**	**24 046 402**

Egenkapital konsern

	Aksje-kapital	Overkurs	Udekket underskudd	Sum egenkapital
Pr. 01.01.2021	32 511 268	0	-19 185 048	13 326 220
Kapitalforhøyelse i året	6 682 391	20 108 184	0	26 790 575
Overført overkurs mot udekket tap		-20 108 184	20 108 184	0
Omregningsdifferanser			5 689	5 689
Årets resultat			-15 876 918	-15 876 918
Pr. 31.12.2021	**39 193 659**	**0**	**-14 948 093**	**24 245 566**

Note 10 Aksjekapital og aksjonærer

Aksjekapitalen i Lifecare AS pr. 31.12 består av 97 984 147 ordinære aksjer à kr 0,40, til sammen kr 39 193 659.
Selskapet eies av:

Aksjonær	**Antall**	**Andel**
Teigland Eiendom AS	20 691 829	21,12 %
Lacal AS	14 187 712	14,48 %
Vpf Nordea Avkastning	8 222 700	8,39 %
Westhawk AS	3 376 722	3,45 %
Sandquist	2 410 068	2,46 %
Nordnet Livsforsikring AS	2 248 616	2,29 %
Spit Air AS	2 087 735	2,13 %
Deutsche Bank Aktiengesellschaft	1 812 600	1,85 %
Nexus Marketing	1 732 024	1,77 %
Cimter AS	1 331 355	1,36 %
Helland	1 149 853	1,17 %
Andreassen	1 052 872	1,07 %
Øvrige (under 1% andel)	37 680 061	38,45 %
Sum aksjonærer	**97 984 147**	**100,00 %**

Daglig leder eier direkte/indirekte 1,64 % av aksjene i selskapet.

Primærinnsider og nærstående beholdning	**2021**	**2020**
Cimter AS	1 331 355	1 331 355
Joacim Holter	272 997	272 997
Islay Venture GmbH	843 623	648 125
Hereid Invest AS	117 647	0
Sum aksjonærer	**2 565 622**	**2 252 477**

Note 11 Øvrig langsiktig gjeld

Selskapet har gjeld til Nanoss med NOK 2,7 mill. Gjelden er rentefri og siste avdrag forfaller i 2023.

RSM Norge AS

Kanalveien 105 B, 5068 Bergen
Postboks 63, Kristianborg, 5822 Bergen
Org.nr: 982 316 588 MVA

T +47 55 55 77 77
F +47 55 55 77 70

www.rsmnorge.no

Til generalforsamlingen i Lifecare AS

Uavhengig revisors beretning

Konklusjon

Vi har revidert Lifecare AS' årsregnskap som viser et underskudd i selskapsregnskapet på kr 16 070 392 og et underskudd i konsernregnskapet på kr 15 876 918. Årsregnskapet består av:

- selskapsregnskapet, som består av balanse per 31. desember 2021, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper, og
- konsernregnskapet, som består av balanse per 31. desember 2021, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening

- oppfyller årsregnskapet gjeldende lovkrav,
- gir selskapsregnskapet et rettvisende bilde av selskapets finansielle stilling per 31. desember 2021 og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge, og
- gir konsernregnskapet et rettvisende bilde av konsernets finansielle stilling per 31. desember 2021 og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet og konsernet slik det kreves i lov, forskrift og International Code of Ethics for Professional Accountants (inkludert internasjonale uavhengighetsstandarder) utstedt av the International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Styret og daglig leder (ledelsen) er ansvarlige for informasjonen i årsberetningen. Øvrig informasjon omfatter informasjon i årsrapporten bortsett fra årsregnskapet og den tilhørende revisjonsberetningen. Vår konklusjon om årsregnskapet ovenfor dekker ikke informasjonen i årsberetningen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese årsberetningen. Formålet er å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom årsberetningen og årsregnskapet og den kunnskap vi har opparbeidet oss under revisjonen av årsregnskapet, eller hvorvidt informasjon i årsberetningen ellers fremstår som vesentlig feil. Vi har plikt til å rapportere dersom årsberetningen fremstår som vesentlig feil. Vi har ingenting å rapportere i så henseende.

Basert på kunnskapen vi har opparbeidet oss i revisjonen, mener vi at årsberetningen

- er konsistent med årsregnskapet og
- inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettvisende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

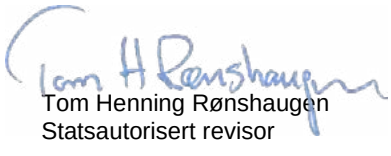
Ved utarbeidelsen av årsregnskapet er ledelsen ansvarlig for å ta standpunkt til selskapets og konsernets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avviklet.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

For videre beskrivelse av revisors oppgaver og plikter vises det til:
https://revisorforeningen.no/revisjonsberetninger

Bergen, 20.04.2022
RSM Norge AS



Tom Henning Rønshaugen
Statsautorisert revisor

Annual report 2021 – Summary

The original annual report in Norwegian language has been approved by the Lifecare BoD and is the base for the resolution proposed for the General meeting May 6th, 2022. The Norwegian text prevails all potential contradictions of this summarized translation. This English summary has not been subject to board approval.

Purpose, business and corporate structure

Lifecare AS (the «Company») aims to develop and license technology for medical use, including facilitating the production and sale of medical devices. The company's activities are organized with development departments that for 2021 included one subsidiary in the corporate structure (the «Lifecare Group») and two contracted development departments which together with Lifecare Group here are referred to as «Lifecare».

Lifecare's activities are concentrated on the development of sensor for use as a medical product, initially the sensor «Sencell» for continuous monitoring of glucose (blood sugar) for people with diabetes. Sencell is based on technology developed and patented by Lifecare AS. The technology is suitable for detecting and measuring a wide range of molecules that can occur in the human body, based on variations in osmotic pressure.

As of 2021, the Lifecare Group is headquartered in Bergen with development department in Reutlingen (Germany). In addition, Lifecare have engaged contract-based development partners in Mainz (Germany) and Bath (UK). The department in Reutlingen was organized as a subsidiary in corporate structure in 2021, while the department in Mainz will be formally included in the corporate structure and part of the Lifecare Group from 2022.

The development in the UK is co-located with the University of Bath where consultants affiliated with Lifecare AS carry out contract research for the Lifecare Group. The work in Bath is led by Prof Tony James.

Lifecare Group's management includes Joacim Holter (CEO Lifecare AS), Prof. Andreas Pfützner (CSO Lifecare AS) and Kine Hereid (Controller/IR Lifecare AS).

Lifecare AS

The company is listed on Oslo Børs, Euronext Growth, with ticker LIFE.

OWNERS

As of 31.12.21, the company had 97,984,147 shares and a total of 2,642 shareholders.

DIRECTORS

The company›s board of directors includes a representative of the largest owner, international expertise in diabetes technology, as well as legal and financial expertise. The company's Board of Directors has an active approach to the Company’s operations.

BOARD COMMITTEE

The Board of Directors has nominated a committee for follow-up and continuous control of the company's technical development.

SCIENTIFIC ADVISORY BOARD

The company has an established Scientific Advisory Board with renowned specialists in Diabetes Technology, clinical medicine with a focus on endocrinology, physics and nanotechnology.

NOMINATION AND COMPENSATION COMMITTEE

The company's nomination and compensation committee are responsible for nominating board members, as well as advising the company's General Meeting and Board on issues of compensation for elected representatives.

ORGANIZATION

Lifecare AS is the Lifecare Group's head office in Bergen. In addition to administration, the scientific consultants affiliated with Lifecare are formally engaged by Lifecare AS.

Until March 2021, Digital Diagnostics AG, Mainz, Germany, was affiliated with Lifecare AS as a strategic partner and also included personnel affiliated with Lifecare AS as operationally responsible consultants within R&D. Digital Diagnostics AG was declared insolvent in March 2021 and bankrupt in June 2021.

Throughout 2021 Lifecare AS re-organized its operational activities and Lifecare now appears with the operational units Lifecare NanoBioSenosors GmbH and Lifecare Laboratory GmbH (formally included in the Lifecare Group from 2022), in addition to operations based on close collaboration with the University of Bath, UK.

During 2021, a total of 10 consultants has been affiliated with Lifecare AS. By the end of the year, the number had been reduced to 8, of which 4 are engaged in daily operational activities and 4 possess specialized scientific expertise.

TECHNOLOGY PORTFOLIO

Lifecare Group's technology portfolio as of 31/12-21:

- **Sencell, proprietary sensor technology for continuous and accurate measurements based on the osmotic pressure in the body.**
- **Nano3DSenseTM, licensed production method for mass production of pressure-based sensor using focused electron radiation.**

Lifecare NanoBioSensors GmbH

OWNERS

Lifecare NanoBioSensors GmbH is 100% owned by Lifecare AS.

LEADERSHIP

Managing Director («Geschäftsführer) Joacim Holter Prof. Andreäs Pfützner.

GmbH is the most common form of company for German unlisted limited companies. The form of the company entails that a board is not appointed. Formal ownership is exercised through the board of Lifecare AS constituting the General Meeting.

OPERATIONS

In 2021, Lifecare AS established a development department in Reutlingen, Germany, organized through its subsidiary Lifecare NanoBioSensors GmbH. This operational unit includes personnel and access to specialized equipment to produce nano-level sensor elements.

The Lifecare group has licensed the Nano3DSense production method, ensuring production of pressure sensor elements in the scale of nanometers. The production method of nanosensor elements has been a crucial element in the process of miniaturizing Sencell to size in accordance with Lifecare's aim to produce microsensors suitable for implantation in the sub-cutaneous tissue in humans.

At the end of 2021, there were 1 employee in Lifecare NanoBioSensors GmbH.

Lifecare Laboratory GmbH

OWNERS

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 and Lifecare AS was registered in the company register. The CEO of Lifecare AS joined the management of the company and PSHI changed its name to Lifecare Laboratory GmbH in March 2022. Lifecare Laboratory GmbH is located in Mainz and 100% owned by Lifecare AS.

LEADERSHIP

General managers («Geschäftsführer): Prof. Andreas Pfützner and Joacim Holter (March 2022).

GmbH is the most common form of company for German unlisted limited companies. The form of the company entails that a board is not appointed. Formal ownership is exercised through the board of Lifecare AS constituting the General Meeting.

OPERATIONS

Effective of 1 September 2021, the company acquired the laboratory unit of PSHI, which until now has carried out contract research for Lifecare AS. With effect from 2022 the unit is organized as the subsidiary Lifecare Laboratory GmbH. The laboratory is commercially operational and offers services in sensor validation and evaluation, as well as a wide range of laboratory services related to clinical research and tests for the pharmaceutical and biotech industry during the process of approval of pharmaceuticals and medical devices, as well as general laboratory services for medical institutes.

At the end of 2021, there were 8 employees of Lifecare Laboratory GmbH.

Overview of development and profit and loss for fiscal year 2021

The main focus in 2021 has been to prepare clinical pilot trials. Lifecare AS has been restructured from a unit dependent on external partners and consultants, to carrying out R&D, product and production preparations internally in the organization. Q2 2021 was strongly affected by organizational disruptions based on declaration of insolvency from Lifecare AS previous main development partner.

Lifecare AS implemented several measures for increased control over development processes. Acquisition of the two subsidiaries Lifecare NanoBioSensors GmbH and Lifecare Laboratory GmbH, the latter with accounting effect only from 2022, has been important in this context.

COVID-19

Lifecare, like all companies, has been affected by the Covid-19 pandemic, in the form of reduced travel activity and periodic geographical restrictions. However, the direct negative consequences are considered less invasive for the Lifecare Groupe compared to industry with more advanced and established commercial activity.

KEY PARTNERS

Throughout 2021, the Lifecare Group has continued key collaborations with Prof. Andreas Pfützner as CSO of Lifecare AS, Prof. Tony James and his research group at the University of Bath (UK) as responsible for the further development of biochemical solutions, Prof. Michael Huth at the University of Frankfurt as a key advisor in the field of physics and in particular the field of FEBID, as well as our Scientific Advisory Board led by Prof. David Klonoff at the University of California San Francisco and The Diabetes Technology Society.

In March 2021 Lifecare AS key operational partner Digital Diagnostics AG declared insolvency and was declared bankrupt in June 2021. As a result, the company was no longer able to fulfill its contractual obligation towards Lifecare AS. Lifecare AS filed claims in the insolvency procedures. Lifecare AS later decide to not take legal actions pursuing these claims. Lifecare AS cancelled Digital Diagnostics' license agreement due to the insolvency process.

The events surrounding Digital Diagnostics do not affect Lifecare's IP but have affected the actual progress of the completion of Sencell.

DEVELOPMENT FOCUS THROUGHOUT THE YEAR

The central focus in 2021 was to establish internally controlled development and production of microsensors and nano-pressure sensors. This focus has been formally organized through Lifecare NanoBioSensors GmbH. The development and production of nano-pressure sensor elements on Sencell microchips is based on a license agreement for Nano3DSense entered into by Lifecare NanoBioSensors, as well as recruitment of personnel with direct experience in the production of nano-pressure sensors for use on the Sencell microchip.

Another important part of the consolidation has been the acquisition of Lifecare Laboratory GmbH, which conducts evaluation and validation of Sencell, in addition to being established as a commercial entity with ongoing assignments for third parties.

CLINICAL STUDIES

In 2021, Lifecare obtained approval from the German Federal Institute for Drugs and Medical Devices (BfArM) to conduct the first trials of Sencell in humans, for measuring glucose. The purpose of the pilot study is to optimize signal reading from the Sencell sensor to development and optimize algorithm for use in the Sencell wireless product version. The approval from BfArM is central confirmation of the maturity of technology in relation to product development.

The implementation of pilot clinical trials was postponed as a result of the events in Digital Diagnostics AG.

Throughout the second half of 2021, the Lifecare Group has prepared the production of Sencell as a microsensor for use in the clinical pilot studies. Such production is expected to be ready during the first half of 2022, with the aim of conducting pilot clinical trials by the end of June 2022.

REINFORCED PATENT PROTECTION AND IP

At the end of July 2021, the European Patent Office (EPO) Granted Lifecare AS a patent for the company's updated osmotic pressure sensor system. The grant entails that the company's proprietary technology for biosensors is further protected and entails an effective extension of the patent protection from 2030 to 2038.

In addition, the strategic restructuring in 2021 resulted in enhanced ownership of knowledge and processes (IP) as a result of organization with development departments in the wholly owned subsidiaries Lifecare NanoBioSensors GmbH and Lifecare Laboratory GmbH.

The development in the research collaboration with the University of Bath appears promising with the aim of completing alternatives for biochemical compositions

suitable for identifying and measuring molecules other than glucose. The formal ownership of such inventions accrues pursuant to the service and collaboration agreement to Lifecare AS.

PUBLIC SUPPORT SCHEMES

In 2021, Lifecare AS had three approved public funding schemes from the Research Council of Norway and the EU. In addition, through 2021, Lifecare Laboratory GmbH had four approved public support schemes, from the German state of Rhineland-Palatinate, the German Federal Ministry of Research, as well as the EU through two different support schemes. Lifecare NanoBioSensors GmbH had no government support schemes in 2021.

CAPITAL INCREASE

With assistance from Carnegie AS as bookruner and manager, Lifecare AS carried out a directed capital increase October 2021 totaling NOK 26.3 million through the issuance of 15.5 million new shares. A total of 16 companies/private individuals subscribed for shares during the share capital increase. 6 of the 10 largest shareholders participating in the capital increase.

The capital increase was carried out at a price per share of NOK 1.70, marginally higher (0.7%) than the WVAP in the 10 consecutive trading days prior to the capital increase. Based on an overall assessment, Lifecare AS's board of directors decided to not carry out a repair issue after the private capital increase.

Financing, financial risk, other risk and uncertainty factors

CREDIT RISK

Lifecare AS is equity financed and does not have debt. Consequently, exposure to credit risk is limited.

LIQUIDITY RISK

The liquidity is continuously monitored by group management. The Lifecare Group works continuously to ensure financial flexibility in the short and long term to achieve its strategic and operational goals. The Management considers the Lifecare Group's liquidity situation to be satisfactory. The Lifecare Group secured equity financing totaling NOK 26 million in October 2021.

CURRENCY RISK

Lifecare AS has currency risk, as some of the development costs are paid in foreign currency. Lifecare AS consider reducing the risk by implementing currency accounts.

The Board of Directors considers that the company is exposed to moderate financial risk.

The Board of Directors's resources in international diabetes technology have further strengthened the company's overview of competitors and the market. The company's sensor technology includes expectations of significant benefits compared to other solutions for continuous glucose monitoring. The most prominent are accuracy in measurements, ease of use without repeated calibration and the goal of 6 months longevity per sensor.

Research, development, and adaptation to regulatory requirements entail uncertainty factors. The company has a good overview of the remaining development stages and how the regulatory requirements should be met, both in the EU/Europe and in the US. Overall scientific, and regulatory risk associated with the Lifecare group research and development is considered moderate.

BOARD LIABILITY INSURANCE

Insurance has been established for the board members of the mother company for their possible liability to the enterprise and third parties applicable to activities in research and development work in the field of science and engineering.

WORKING ENVIRONMENT / GENDER EQUALITY

Lifecare AS's management includes boards consisting of 1 woman and 4 men, as well as the CEO who is also a man.

By the end of the year, the company had 1 employee and the group had 2 employees. No work accidents have been reported during the year.

SICK LEAVE

There is a registered sickness absence rate of 0 % in the mother company, and 15 % in the group.

EXTERNAL ENVIRONMENT

Lifecare AS and Lifecare Nanobiosensors GmbH are not dependent on public approvals or licenses. Lifecare Laboratories GmbH is approved by the German authorities (Ethical Review Committee and BfARM) to conduct clinical trials and is also licensed from the state of Rhineland-Palatinate to conduct PCR tests as part of the Covid-19 test regime. The Lifecare Group does not pollute the external environment.

CONTINUED OPERATION

The annual accounts for 2021 have been set up on the condition of continued operations. It is hereby confirmed that the prerequisite for continued operation is present.

STATEMENT OF THE ANNUAL ACCOUNTS AND PROFIT AND LOSS ALLOCATION

The Board of Directors believes that the annual accounts provide a fair picture of the company's assets and liabilities, financial position and profit and loss. Costs related to research and development are expensed on an ongoing basis. No other circumstances have occurred after the end of the financial year that are of significance for the assessment of the accounts.

For 2021, the company had a deficit of NOK 16,070,392 before tax. The tax cost for the company is NOK 0,-
The deficit is proposed to be covered by:

Transferred to uncovered loss	NOK 16.070.392,-
Total allocation amount	NOK 16.070.392,-

For 2021, the Group has had a deficit of NOK 15,979,475 before tax, Tax expense for the Lifecare Group is negative NOK 102,557, resulting in a deficit of NOK 15,876,918 proposed covered by:

Transferred to uncovered loss	NOK 15.876.918,-
Total allocations of	NOK 15,876,918,-

LIFECARE

APPENDIX 5:

Interim financial statements for the six-month period ended 30 June 2024 (IAS 34)

Quarterly report

Q2 2024

LIFECARE

CONTENTS

Highlights in the quarter

- Groundbreaking functional lifespan of our sensor has been reached with in vivo trails in dogs.
- Dog trial also confirms wireless data read out.
- New patent application for an innovative chemical composition capable of detecting a wide range of diseases and conditions has been filed with the European Patent Office.
- Acquisition of RemovAid with a medical device to remove subdermal implants will play a critical role in the life cycle of our sensor.
- Strategic partnership with OneTwo Analytics will provide software designed to analyze data from our sensor.
- Successful oversubscribed completion of rights issue of NOK 90 million, ensuring funding for continued R&D activities and automated production.
- Aim to uplist from Euronext Growth to Oslo Stock Exchange in October.
- Increased operating expenses due to ramp up of R&D activities and pilot production.

Key figures

Lifecare Group (NOK million)	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Revenue and other income	6	1	7	4
Operating expenses	-25	-9	-39	-20
Operating profit/loss	-19	-8	-32	-16
Profit/loss for the period	-18	-8	-31	-17
Net cash flow	67	-11	53	-21
Available cash	101	27	101	27
Total assets	152	54	152	54
Equity ratio %	65%	77%	65%	77%
Earnings per share (NOK)	-0.09	-0.07	-0.16	-0.14
Market value (Euronext Growth)	360	192	360	192

Outlook

- Establish automated production in Mainz, Germany.
- First sales in veterinary market.
- Initiate regulatory study for human market.
- Stable operating expenses.

CEO´s comment

In the second quarter, we continued to build positive momentum towards automatic production by delivering milestones on a continuous basis over a long period. The successful completion of the rights issue in Q2 has laid a solid foundation for advancing the upcoming automated production and further studies of the Sencell sensor. As the diabetes pandemic continues unabated, our commitment to providing innovative solutions for continuous glucose monitoring in both human and veterinary markets remains steadfast.

In June, we initiated longevity studies in dogs using wireless data readout. This study is crucial for confirming the long-term functionality of our sensor in live tissue. Previously, the Sencell sensor had been tested in human clinical trials for up to three days with wired readout. It is groundbreaking for our technology to now observe a functional lifespan exceeding two months in vivo. This suggests that our osmotic sensor principle outperforms the longevity of some commercially available CGM sensors.

Another significant milestone this quarter was the filing of a new patent application with the European Patent Office. We have developed an innovative chemical composition featuring modular receptor molecules capable of detecting a wide range of diseases and conditions. This invention aims to identify and monitor acute or chronic disorders such as cardiovascular disease, metabolic disorders, infections, and immune diseases, in addition to Lifecare's primary focus on diabetes. This advancement is expected to enhance our glucose measurement capabilities and open new opportunities for measurements in other areas with high commercial potential.

Strategically, we also acquired an 80% stake in RemovAid this quarter. RemovAid's medical device plays a critical role in the life cycle of our glucose sensor. Our CGM sensor is designed for subcutaneous injection, and with some modifications, we anticipate that RemovAid's technology will be suitable for the removal of the Sencell sensor from both humans and animals. Additionally, our recent partnership with OneTwo Analytics, established in August, will enable us to offer software specifically designed to analyze glucose data from our sensors. This software will provide essential insights into glucose deviations and fluctuations, which are crucial for the diagnosis, treatment, and management of diabetes.

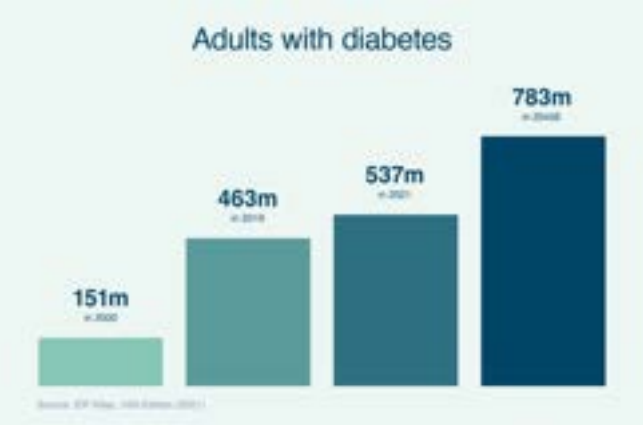
We appreciate the confidence demonstrated by both existing and new shareholders in the successful completion of the rights issue in June. This rights issue has been a strategically vital financial move for Lifecare, ensuring we can maintain the momentum towards automated production. Furthermore, the rights issue has been instrumental in meeting the financial requirements for uplisting on the Oslo Stock Exchange's main list, a process we aim to finalize in the fourth quarter.

Joacim Holter, CEO

Business strategy & achievements

LIFECARE IS A CLINICAL STAGE SENSOR COMPANY DEVELOPING THE WORLD'S SMALLEST CONTINUOUS GLUCOSE MONITOR

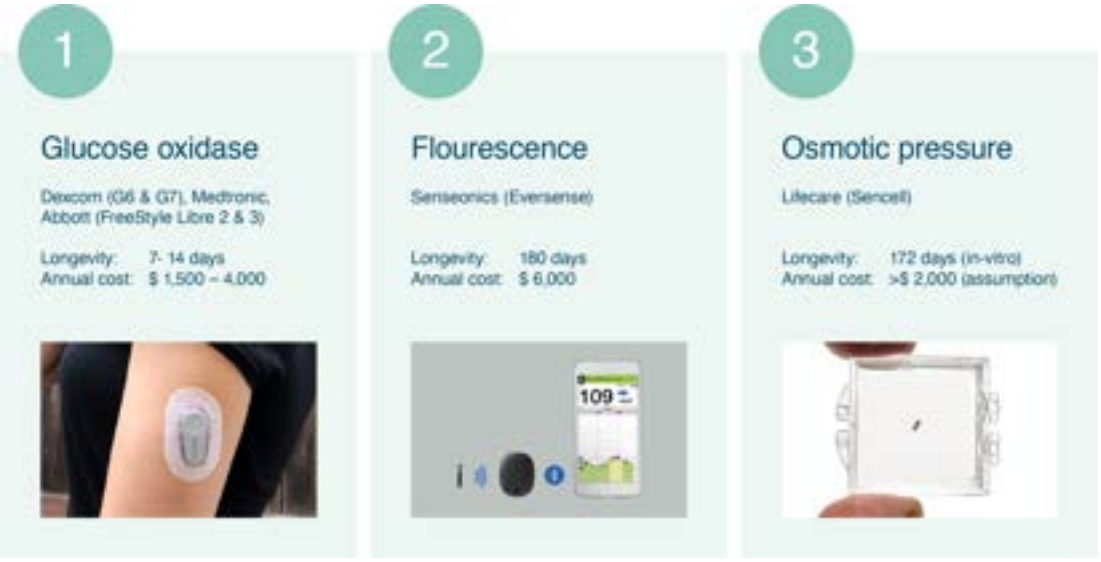
Diabetes – a pandemic affecting 1 in 10 adults



Unmet market need
Approx 50% of the adults that live with diabetes are diagnosed with diabetes, and 1/3 need glucose monitoring. Today, only 7 million people have access to continuous glucose monitors (CGM).

Current solutions
The standard method to measure the glucose level is the blood glucose meter which was introduced to the market in the 1970's. The first CGM device was introduced to the market in 1999 representing a tremendous improvement for patients with diabetes.

The available CGM's today are primarily based on glucose oxidase technologies, the main suppliers being Abbott, Dexcom and Medtronic. These CGM's have a limited longevity due to consumption of chemistry - the longest lasting sensor has an operational lifetime of 15 days. Eversence (Senseonics) have developed a flouresence method with a longevity of up to 180 days, however this device represents less than 1% of the market and comes at a high cost.



The Sencell technology
Lifecare's proprietary sensor technology, Sencell, is based on osmotic pressure as the sensing principle. It has the potential to transform the lives of patients with various diseases by enabling multi-biomarker sensing using very small sensors. Our primary focus is to introduce the smallest glucose sensor in the world that will be injected under the skin and will have a lifespan of at least six months. The osmotic pressure technology operates on biochemical reactions where glucose binds to molecules in a closed chamber. This binding process creates a pressure increase within the chamber that can be read for measurement and monitoring purposes.

The veterinary/pet market
Diabetes is one of the most common health conditions in middle-aged dogs and cats. In both Europe and the USA, more than 1 million dogs and 0.5 million cats are diagnosed with diabetes. Pets with diabetes are treated similarly to humans, but unlike the human market, functional glucose monitoring is currently not available, and pet owners are advised to take blood samples to measure glucose levels. This method is impractical because sensors mounted on the animal's skin often fall off after a short period. We aim to use our technology in the veterinary market to make glucose management easier for pet owners and to ensure that dogs and cats with diabetes can live a good life.

ACHIEVEMENTS AND OUTLOOK

	Studies	Regulatory compliance	Production and market lauch
2022	Successful in-vitro testing confirming functionality of miniaturized sensors Proof-of-concept in humans	Approval for accuracy study LFC-SEN-001	Production location secured
2023	In-human study (LFC-SEN-001) confirming clinical accuracy in line with gold standard Longevity study of the Sencell sensor with operational lifetime of more than 172 days	ISO 9001 and ISO 13485 certified Norwegian Medicine Agency confirms no specific regulation for Sencell sensor medical device for animals in Norway Approval for longevity study in dogs (LFC-SEN-002)	Preparations for automated production
2024	In-dogs longevity study (LCF-SEN-002) confirming operational lifetime Preparations for LFC-SEN-003	Expect to receive approval for clinical study LFC-SEN-003 CE approved device to remove subdermal implants	Pilot production Automated production Product launch for veterinary market

The purpose of the LFC-SEN-003 study is to collect solid data for the technical files needed to claim the CE-mark for Sencell for the human market.

Operational review

TRIALS IN DOGS

In June, our engineers and scientists improved the readout distance between the sensor and the readout device. This crucial advancement, coupled with successful internal in-vitro sensor quality control, enabled our veterinary team to commence the longevity trials in dogs at the Norwegian University of Life Sciences (NMBU).

One week after initiating the trials with wireless readout, the NMBU team reported encouraging results. In the first seven days, the glucose sensor implanted under Elli's (the dog) skin transmitted over 1 000 data points to an external reader. The ongoing study, which has continued throughout the summer, has produced results that align with our expectations. Last week, we announced positive outcomes from nine weeks of sensor longevity testing.

PREPARATIONS FOR AUTOMATED PRODUCTION

In the first quarter of 2024, we successfully met our target for the pilot production of the Sencell sensor, marking a significant breakthrough for the company. This achievement confirmed our ability to produce glucose monitoring sensors for both humans and pets, and it paved the way for the upcoming automated production phase. This automated production will take place within the cleanroom in Mainz, which was installed in August. Cleanrooms are essential in environments where airborne particles could contaminate the final product. Lifecare's cleanroom, which meets ISO 7 standards, will ensure that airborne particles are kept at a very low concentration to avoid interfering with the critical functions of the sensor components during manufacturing.

The automated production process involves two key steps. The first step is a sophisticated 3D-printing process conducted within a Scanning Electron Microscope (SEM) using customized software to produce the Sencell sensor. The second step involves an automated process for filling Lifecare's proprietary and patented glucose-reactive chemical solution into the nanosized chambers of the sensors. This step also includes applying nano-porous membranes to seal the chambers after filling. To accomplish this, we utilize advanced automated production equipment, including a BioScaffolder and a customized Nano-Plotter. While the planned automated production is not at a volume scale, it significantly enhances the efficiency of the process and increases sensor output.

REMOVAID

For Lifecare, RemovAid's medical device plays a crucial role in completing the life cycle of our glucose sensor. Our continuous glucose monitoring (CGM) sensor is designed to be injected under the skin, and with some modifications, we anticipate that RemovAid's technology could be adapted for the removal of the Sencell sensor from both humans and pets. As the majority shareholder, Lifecare has positioned RemovAid with the expertise and capital needed for growth, solidifying its role as an integral part of the Lifecare Group.

PATENT APPLICATION

We are deeply committed to bringing our Continuous Glucose Monitor to both the veterinary and human markets. Furthermore, we believe that our sensor technology holds significant potential beyond glucose monitoring, and we are dedicated to securing appropriate protection for this broad patent application.

In June, we announced the development of a new conceptual chemistry composition, which includes modular receptor molecules capable of detecting a wide range of diseases and conditions. Consequently, we filed a new patent application with the European Patent Office (EPO). This invention aims to identify and monitor diseases or conditions related to acute or chronic disorders—

such as cardiovascular disease, metabolic disorders, infections, immune diseases, and more—in addition to Lifecare’s primary focus on diabetes.

This patent filing marks a significant step in Lifecare's evolution towards becoming a more versatile sensor company, extending beyond glucose monitoring. While our core mission remains focused on providing better solutions for people with diabetes, this development is fully aligned with Lifecare’s overarching goal of improving lives through medical technology. The patent application underscores our ambition to establish Lifecare as a leader in sensor technology with the capability to identify and monitor a broad spectrum of acute and chronic conditions.

Financial review

PROFIT / LOSS

The Group's revenue and other income was NOK 6.4 million in Q2 2024 compared to NOK 1.2 million in Q2 2023. Revenue and other income for H1 2024 was NOK 6.8 million compared to NOK 3.8 million in H1 2023. The increase in 2024 is mainly related to governmental subsidies for the R&D activities in Lifecare NanoBioSensors. In addition, reversal of the earn-out agreement related to Lifecare Laboratory has been included with NOK 2.2 million (see Note 7).

Salaries and personnel expenses increased significantly, from NOK 4.5 million in Q2 2023 to NOK 9.1 million in Q2 2024, or from NOK 10.2 million in H1 2023 to NOK 17.3 million in H1 2024. This increase is primarily driven by the expansion of activities and the addition of new employees. As of 30 June 2023, the Group had 24 full-time equivalent employees (FTE), compared to 32 FTEs as of 30 June 2024. Employee share option has been recognized with NOK 2.2 million in Q2 2024 and NOK 0.2 million in Q2 2023, or NOK 3.8 million in H1 2024 compared to NOK 2.0 million in H1 2023. Compared to Q1 2024, salaries and personnel expenses for Q2 2024 are only slightly up, and is related to the acquisition of RemovAid (consolidated as of May 2024).

Depreciation and amortization expenses rose from NOK 0.8 million in Q1 2023 to NOK 1.2 million in Q2 2024, or NOK 1.5 million in H1 2023 to NOK 2.2 million in H1 2024. The increase is mainly due to the acquisition of RemovAid.

Other operating expenses rose from NOK 3.7 million in Q2 2023 to NOK 14.9 million in Q2 2024, and from NOK 8.0 million in H1 2023 to NOK 19.1 million in H1 2024. The increase of approximately NOK 11 million is due to ramp up of R&D activities and pilot production of the sensor, as well as the inclusion of operating expenses in RemovAid for May and June.

Total operating expenses in Q2 2024 came to NOK 25.1 million compared to NOK 9.0 million in Q2 2023, and NOK 38.6 million for H1 2024 compared to NOK 19.7 million for H1 2023, mainly driven by ramp up of R&D activities and the pilot production.

Net financial items in Q2 2024 ended with a loss of NOK 0.3 million compared to a loss of NOK 0.2 million in Q2 2023, and a loss of NOK 0.2 million in H1 2024 compared to a loss of NOK 0.4 in H1 2023.

The pre-tax loss for the quarter totaled NOK 19.0 million, compared to a loss of NOK 8.0 million in Q2 2023. The pre-tax loss for the first half of 2024 came to NOK 31.9 million compared to a loss of NOK 16.2 million for the first half of 2023. Income tax for the quarter and first half of the year has been estimated to an income of NOK 0.6 million, compared to a tax expense of NOK 0.4 million in Q2/H1 2023.

The Group's total loss after tax for the quarter ended at NOK 18.4 million, compared to a loss of NOK 8.4 million in Q2 2023. The total loss after tax for H1 2024 ended at NOK 31.2 million, compared to a loss of NOK 16.7 million in H1 2023.

FINANCIAL POSITION AND LIQUIDITY

Figures as at 30 June 2023 in brackets

At 30 June 2024, the book value of the Group's assets was NOK 152.2 million (NOK 53.5 million), up from NOK 86.4 million as at 31 December 2023. The increase in the Group's balance sheet is mainly related to the rights issue in June 2024, raising cash of NOK 90 million, in addition to the inclusion of RemovAid (see Note 6).

The Group's patents, goodwill and tangible assets including right-of-use assets totaled NOK 31.8 million (NOK 19.5 million) as at 30 June 2024, up from NOK 22.3 million as at 31 December 2023. Compared relative to total assets, these assets equaled 21% (37%) of the balance sheet as at 30 June 2024, compared to 26% as at 31 December 2023. The acquisition of RemovAid, new rental lease agreements recognized as right of use assets and capital expenditures for automated production increased the book value of the assets.

The cash balance at the end of the quarter was NOK 101.4 million (NOK 26.7 million), up from NOK 48.3 million as at 31 December 2023. The successful completion of a rights issue in June 2024 raised gross proceeds of NOK 90 million.

Total equity as at 30 June 2024 was NOK 98.8 million (NOK 41.2 million), compared to NOK 66.5 million as at 31 December 2023. The equity ratio as at 30 June 2024 was 65%, compared to 77% as at both 30 June 2023 and 31 December 2023.

Total liabilities were NOK 53.4 million as at 30 June 2024 (NOK 12.3 million) compared to NOK 19.9 million as at 31 December 2023. Lifecare is funded mainly by equity and to a certain degree public grants, and does not have interest-bearing debt. The warrants issued in June 2024 in connection with the rights issue are recognized according to IAS 32 with NOK 23.7 million. Liabilities also include right of use assets (office rental lease agreement recognized according to IFRS 16) and trade payables. As at 30 June 2024, non-current lease liability was NOK 10.1 million (NOK 2 million) and current lease liability was NOK 2.1 million (NOK 2.0 million), compared to NOK 4.7 million and 1.7 million as at year end 2023. The lease liabilities were impacted by a new office rental agreement at the headquarters and the inclusion of the office rental agreement of RemovAid.

CASH FLOW

Net cash flow from operating activities during the quarter amounted to NOK -13.4 million (NOK – 11.2 million), and NOK –25.8 million for the first half year of 2024, compared to NOK –21.3 million for the first half of 2023. The change in cash flow is primarily due to the higher operating loss in 2024 compared to the same periods last year. The public grant in Q2 2024 recognized as receivable impacted the cash flow positively.

Net cash flow from investing activities was NOK -2.4 million (NOK 0.5 million) during the quarter, and NOK –4.0 million YTD 2024 compared to NOK 0.4 YTD 2023. The outflow in 2024 is related to investment in machines and equipment.

Net cash flow from financing activities was NOK 82.8 million in Q2 and YTD 2024, due to the share issue of NOK 90 million that was completed in June 2024, deducted by the related share issue cost.

As at the end of the quarter, the cash balance was NOK 101.4 million compared to NOK 26.7 million as at end of June 2023.

Board's approval

EVENTS AFTER THE BALANCE SHEET DATE

On 8 July 2024, Lifecare acquired an additional 9.6% of RemovAid AS through a share issue, bringing Lifecare's shareholding up to 89.6%, for a cash consideration of NOK 2 million.

On 13 August 2024, Lifecare announced a strategic cooperation with OneTwo Analytics AB, a Swedish-based company specializing in data analytics of diabetes data. The strategic cooperation will provide Lifecare access to OneTwo's portfolio of comprehensive AI and ML based software for self-monitoring and automatic interpretation of CGM data. Furthermore, OneTwo will act as Lifecare's digital development partner on a consultancy base, as Lifecare intends to commercialize the software tool in the field of veterinary medicine on a license-base.

OUTLOOK

The ongoing longevity-study where the Sencell sensor has been implanted under the skin of a dog passed an operational lifespan of more than nine weeks on 21 August. This validates the functionality of the Sencell sensor and the sensor technology itself. The results of the longevity study will be the basis for the application for the next study, where we will collect solid data for the technical files needed to claim the CE-mark for Sencell for the human market.

We are also on track with the preparations for automated production, with machines, equipment and the set-up of a cleanroom.

Lifecare's strong cash position of NOK 101 million at the end of Q2 2024 provides the financial stability needed to continue our studies and make the required investments in machinery and equipment for scaling up production. We anticipate that operating expenses in Q3 will remain consistent with Q2 levels, with projected capital expenditures of approximately NOK 10 million for the third quarter.

CONFIRMATION FROM THE BOARD OF DIRECTORS AND CEO

We confirm, to the best of our knowledge, that the unaudited interim financial report for the first half of 2024 has been prepared in accordance with IFRS as issued by IASB and as adopted by EU, and gives a true and fair view of the Group's consolidated assets, liabilities, financial position and result for the period.

The Board of Directors and CEO

Bergen, 30 August 2024

This document is signed electronically, with no hand-written signatures.

Morten Foros Krohnstad (sign)	Trine Teigland (sign)	Lutz Walter Heineman (sign)
Chair of the Board	***Board member***	***Board member***
Hans Johan Hekland (sign)	Tone Kvåle (sign)	Joacim Holter (sign)
Board member	***Board member***	***CEO***

Financial statements

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

Lifecare Group (NOK 1000)	Notes	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Revenue and other income	3	6 439	1 230	6 850	3 840
Salaries and personnel expenses	4	-9 056	-4 492	-17 306	-10 229
Depreciation and amortization	5	-1 204	-819	-2 162	-1 498
Other operating expenses		-14 868	-3 680	-19 089	-7 982
Operating profit/loss		**-18 689**	**-7 761**	**-31 706**	**-15 869**
Net financial items		-343	-203	-165	-355
Profit before tax		**-19 032**	**-7 964**	**-31 871**	**-16 224**
Income tax		637	-432	637	-432
Profit/loss for the period		**-18 395**	**-8 396**	**-31 233**	**-16 656**
Other comprehensive income					
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations		-417	10	-525	-35
Total comprehensive income for the period		**-17 977**	**-8 407**	**-30 708**	**-16 621**
Earnings per share (basic and dilutive, NOK)		**-0.09**	**-0.07**	**-0.16**	**-0.14**
Total comprehensive income for the period is attributable to					
Owners of Lifecare ASA		-17 679	-8 407	-30 406	-16 621
Non-controlling interest		-299	-	-303	-

Q2/YTD 2023 figures have been restated compared to the published interim report 2023 due to inclusion of share option cost in this report (NOK 0.2 million in Q2 2023 and NOK 1.9 million YTD 2023).

CONDENSED STATEMENT OF FINANCIAL POSITION

Lifecare Group (NOK 1000)	Notes	30/06/2024	30/06/2023	31/12/2023
Assets				
Intangible assets		13 077	13 089	12 511
Property, plant and equipment incl right of use assets		18 749	6 458	9 834
Total non-current assets	**5,6**	**31 827**	**19 548**	**22 345**
Current receivables		19 047	7 305	15 699
Cash and cash equivalents		101 367	26 694	48 345
Total current assets		**120 414**	**33 999**	**64 044**
Total assets		**152 240**	**53 547**	**86 390**
Equity and liabilities				
Share capital and share premium		189 238	85 493	133 895
Retained earnings and other equity		-90 412	-44 282	-67 441
Total equity	**8, 9**	**98 825**	**41 211**	**66 455**
Deferred tax liabilities		1 026	1 641	1 641
Non-current lease liabilities		10 107	2 015	4 745
Other non-current liablities		203	5 541	2 915
Total non-current liabilities		**11 335**	**9 198**	**9 302**
Trade and other payables		4 577	488	3 588
Current lease liabilities		2 079	1 978	1 705
Other current liabilities		35 423	672	5 341
Total current liabilities		**42 080**	**3 138**	**10 634**
Total liabilities		**53 415**	**12 336**	**19 935**
Total equity and liabilities		**152 240**	**53 547**	**86 390**

STATEMENT OF CHANGES IN EQUITY

Lifecare Group (NOK 1000)	Share capital	Share premium	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interest	Total equity
Equity as at 01.01.2023	**47 146**	**40 307**	**-31 164**	**147**	**56 436**	**-**	**56 436**
Profit for the period	-	-	-16 656	-9	-16 665	-	-16 665
Issue of share capital	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-520	-520	-	-520
Share-based payments	-	-	1 961	-	1 961	-	1 961
Equity as at 30.06.2023	**47 146**	**40 307**	**-45 860**	**-383**	**41 211**	**-**	**41 211**
Equity as at 01.01.2023	**47 146**	**40 307**	**-31 164**	**147**	**56 436**	**-**	**56 436**
Profit for the period	-	-	-35 487	-	-35 487	52	-35 435
Issue of share capital	6 800	35 700	-	-	42 500	-	42 500
Other comprehensive income	-	-	-	-70	-70	-	-70
Share-based payments	-	-	3 023	-	3 023	-	3 023
Equity as at 31.12.2023	**53 946**	**76 007**	**-63 628**	**77**	**66 402**	**52**	**66 455**
Equity as at 01.01.2024	**53 946**	**76 007**	**-63 628**	**77**	**66 402**	**52**	**66 455**
Profit for the period	-	-	-30 406	-	-30 406	-303	-30 708
Issue of share capital	23 616	35 669	-	-	59 284	-	59 284
Other comprehensive income	-	-	-	-525	-525	-	-525
Adjustment related to acquisition of subsidiary	-	-	-	-	-	500	500
Share-based payments	**-**	**-**	**3 820**	**-**	**3 820**	**-**	**3 820**
Equity as at 30.06.2024	**77 562**	**111 676**	**-90 213**	**-448**	**98 576**	**249**	**98 825**

STATEMENT OF CASH FLOW

Lifecare Group (NOK 1000)	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Profit before tax	**-19 032**	**-7 964**	**-31 871**	**-16 224**
Depreciation and amortization	1 204	819	2 162	1 498
Non-cash employee benefit expense - option plan	2 180	232	3 355	1 961
Change in receivables and payables	8 771	-3 941	2 312	745
Other adjustments	-6 507	-391	-1 719	-9 289
Net cash flow from operating activities	**-13 382**	**-11 246**	**-25 761**	**-21 309**
Payments for property, plant and equipment	-2 355	456	-4 036	373
Net cash flow from investing activities	**-2 355**	**456**	**-4 036**	**373**
Proceeds from issues of shares and other equity securities	90 000	-	90 000	-
Share issue costs	-7 182	-	-7 182	-
Net cash flow from financing activities	**82 819**	**-**	**82 819**	**-**
Net changes in cash and cash equivalents	**67 081**	**-10 790**	**53 022**	**-20 936**
Cash at beginning of the period	**34 286**	**37 484**	**48 345**	**47 630**
Cash at the end of the period	**101 367**	**26 694**	**101 367**	**26 694**

Selected notes

Note 1 Basis of preparation

Lifecare 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 enables osmotic pressure as sensing principle, combined with the ability to manipulate Nano-granular Tunnelling Resistive sensors ("NTR") on the sensor body for read-out of pressure variations. Lifecare's sensor technology is referred to as "Sencell" and is suitable for identifying and monitoring the occurrence of a wide range of analytes and molecules in the human body and in pets.

The Lifecare Group comprises Lifecare ASA (Norway) and its subsidiaries Lifecare Veterinary AS (Norway), Lifecare Chemistry Ltd (UK), Lifecare NanoBioSensors GmbH (Germany), Lifecare Laboratory GmbH (Germany) and as from 26 April 2024, RemovAid AS (Norway). Lifecare Veterinary and RemovAid are 80% owned as at 30 June 2024, while the other subsidiaries are fully owned. Lifecare was listed on Euronext Growth in 2018.

Management assesses the financial performance of Lifecare ASA and its subsidiaries at a consolidated level as these companies are interconnected through the research and development of the Sencell technology. RemovAid specializes in the development and manufacture of a medical device which removes subdermal implants, which we aim to include ase comprehensive part of using the Sencell sensor.

The financial report for the second quarter and first half of 2024 has been prepared in accordance with IFRS® Accounting Standards as adopted by the EU and the IFRSs as issued by the Internal Accounting Standards Board (IASB), including IAS 34 Interim Financial Reporting. These standards have been consistently applied in all periods presented. For a complete set of disclosures, this report should be read in conjunction with the Group's annual report for 2023.

The financial report for the second quarter and first half of 2024 is audited with a limited scope review.

Use of estimates

Management is required to make estimates and assumptions about the future that impact accounting policies and the recognized amounts of assets, liabilities, income, and expenses. These estimates and assumptions are based on historical experience and other factors deemed reasonable under the circumstances. These results form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are continually reviewed, taking into account current and expected future market conditions.

Note 2 Risks and uncertainties

Lifecare aims to develop and commercialize the world's smallest implantable continuous glucose monitoring (CGM) sensor, designed to last a minimum of six months. Successfully navigating geopolitical, macroeconomic, and regulatory environments is crucial for our operational efficiency, market success, and long-term sustainability. While the direct impacts of inflation, rising interest rates, ongoing conflicts, and climate disasters have been limited for Lifecare so far, these risks could potentially disrupt supply chains and alter market dynamics. We prioritize risk reduction across various domains and continually monitor and enhance our risk management framework. There were no significant changes to the risks and uncertainties in the current reporting period that has particularly affected Lifecare. Below is a summary of some of the risks we face in the short and medium term.

Financial risk

Lifecare is currently in the clinical stage, dedicating nearly all our resources to the research and development of our product. Our funding primarily comes from equity financing, supplemented by limited public grants. In June 2024, Lifecare completed a rights issue, securing a total of NOK 90 million. As of the quarter's end, the cash and cash equivalents were NOK 101.4 million, with an equity ratio of 65%. We are

well placed to continue trails while also preparing for automated production.

Given our equity financing, our exposure to interest rate risk is minimal. Similarly, credit risk remains limited as we do not yet have sales. However, we are exposed to currency fluctuations due to the international scope of our operations. Specifically, fluctuations in the Euro pose a risk, as most of our purchases are from suppliers who invoice in Euros. Currently, we do not employ currency hedging strategies.

Regulatory risk

To implement our business strategy, we depend on obtaining regulatory approval or certification in the countries where we intend to sell our product. Governmental authorities enforce laws and regulations to ensure product safety and effectiveness. These regulations can be complex, subject to change, and open to varying interpretations. We have a clear understanding of the remaining development steps and the regulatory requirements that need to be met, both in the EU/Europe and the USA. We will conduct all necessary studies and clinical trials to ensure our product's development and satisfactory performance before applying for approval or certification.

Technological risk

The market for CGM devices is dynamic and growing rapidly, driven by technological advancements, the increasing prevalence of diabetes, and greater awareness of the benefits of continuous glucose monitoring. While rapid advancements in technology, including those beyond Lifecare's innovations, could introduce new competitors or disrupt the CGM market, new methods to prevent, cure, or improve diabetes treatment could potentially render CGM devices obsolete. However, due to the size and growth of the diabetes market, we do not expect this to happen in the short to medium term.

Lifecare brings significant experience from the international diabetes technology scene, providing valuable insights into scientific and strategic trends, competitors, and markets. Our product, Sencell, is expected to offer significant advantages over existing CGM solutions. The most notable benefits include the smaller size of the sensor, enhanced measurement sensitivity, ease of use without the need for repeated calibration, and a minimum lifetime of six months.

Intellectual property risk

Protecting intellectual property (IP) rights is crucial for Lifecare. Risks include patent infringement lawsuits, challenges to our patents, and the possibility of competitors copying or reverse-engineering our technology. We develop technology for sensing and monitoring of various body analytes, enabling osmotic pressure as sensing principle, combined with the ability to manipulate Nano-granular Tunnelling Resistive sensors (“NTR”) on the sensor body for read-out of pressure variations. The core technology is protected in the form of four active patents as well as one patent under application. In addition to patents, we rely on know-how and proprietary technology, which are not protectable by patents, to maintain our competitive position. To safeguard this information, we enter into confidentiality agreements and intellectual property assignment agreements with our employees and consultants regarding our intellectual property and proprietary technology.

Reimbursement and pricing risk

Reforms in healthcare policies and regulations, particularly those related to medical devices and reimbursement, could impact adoption rates and market access for our CGM system. Patients who receive treatment for their medical conditions typically rely on third-party payors to reimburse medical treatment costs. We aim to position our product in the lower price range compared to current competitors, which should enable broader market access and affordability in certain countries. Additionally, the veterinary market, which does not rely on third-party payors, represents a different set of opportunities for our product.

Supply chain risk

We are setting up our own production line while relying on third-party suppliers for some components of our CGM. However, we are not dependent on any specific suppliers and have not made any long-term agreements with suppliers.

Climate and nature-related risk

Lifecare is committed to enhancing our understanding of climate and nature-related risks. We have conducted assessments which indicate that our current direct exposure to these risks has limited impact on our forecasts, estimates, and critical accounting judgements.

Note 3 Revenue

Revenue and other income (NOK 1000)	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Revenue from laboratory services	1 161	974	1 174	3 338
Other public grants	2 810	-	2 810	-
Other income	2 468	256	2 865	502
Total revenue and other income	**6 439**	**1 230**	**6 850**	**3 840**

Note 4 Payroll and related expenses

Payroll (NOK 1000)	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Salaries	5 983	3 586	11 453	6 730
Payroll tax	918	659	1 914	1 258
Pension cost	128	94	256	133
Other benefits	-154	-78	327	148
Total payroll	**6 876**	**4 261**	**13 950**	**8 269**
Share option expense	2 176	232	3 820	1 961
Accrued social security tax on share option	4	-	-465	-
Total employee share option cost	**2 180**	**232**	**3 355**	**1 961**
Total employee benefit cost	**9 056**	**4 492**	**17 306**	**10 229**
Number of employees	32	24	32	24

Share based option plan

Lifecare has a share option program to ensure focus and align the Group's long-term performance with shareholder values and interest. The program serves to attract and retain senior management. The option gives the holder a right to acquire shares from the company at an exercise price defined in the individual option agreements. The exercise price for options granted is set at the market price of the shares at the time of grant of the options. In general, options expire five years after the date of the grant. Primarily the options vest annually in equal tranches over a three-year period following the date of grant. 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. The strike price for all share options is NOK 1.52442.

Number of options	YTD 2024	YTD 2023
As of 1 January	4 369 173	2 469 173
Granted during the period	600 000	75 000
Exercised during the period	-	-
Expired during the period	-	-
As of 30 June	**4 969 173**	**2 544 173**

Note 5 Intangible and tangible assets

Intangible and tangible assets (NOK 1000)	Patents and licenses	Goodwill	Tangible assets	Right of use assets	Total
Book value as at 1 January 2024	5 283	7 228	3 192	6 642	22 345
Additions	-	-	4 320	4 736	9 056
Business combinations	1 057	-	-	1 530	2 587
Disposals	-	-	-	-	-
Depreciation	490	-	562	1 109	2 162
Impairment	-	-	-	-	-
Book value as at 30 June 2024	**5 849**	**7 228**	**6 949**	**11 800**	**31 827**
	-	-	-	-	-
Accumulated acquisition cost	9 106	7 331	9 361	15 460	41 259
Accumulated depreciation	3 257	103	2 412	3 661	9 433
Book value 30 June 2024	**5 849**	**7 228**	**6 949**	**11 800**	**31 827**

Lifecare has three patents that are central to our innovative glucose monitoring technology. In April 2024, Lifecare acquired 80% of the shares in RemovAid AS, which holds patent and CE certification for the RemovAid tool, see Note 6 for more information.

Goodwill is related to the acquisition of Lifecare NanoBioSensors in 2021 and Lifecare Laboratory in 2022.

During the first half of 2024, Lifecare has acquired machines and equipment related to pilot and automated production.

Lifecare has recognized the leasing agreements of its office and laboratory facilities as right of use assets according to IFRS 16. Contracts have been renewed during the first half of 2024.

Note 6 Business combination

On 26 April 2024, Lifecare acquired 80% of the shares in RemovAid AS for consideration of NOK 2 million. With this acquisition, we have secured technology for a solution for the removal of the Sencell sensor. RemovAid has developed a unique, user-friendly medical device for removing subdermal implants. The Sencell sensor, which will be injected under the skin, can be removed using RemovAid's technology with some adjustments. RemovAid is ISO 13485 certified and CE approved.

Details of the purchase consideration and net assets acquired are as follows:

Asset and liabilities recognized (NOK 1000)	26 April 2024
Cash and cash equivalents	2 409
Current receivables	552
Patents, licenses	5 675
Total assets acquired	**8 635**
Payables	-927
Employee benefits	-590
Net identifiable assets acquired	**7 118**
Less: adjustment fair value of asset cost	4 618
Less: 20% non-controlling interest	500
Total asset and liabilities recognized	**2 000**

At the acquisition date, RemovAid had capitalized patents and research and development cost of NOK 5.7 million. Lifecare has considered the value of the acquisition of the shares to be equal to the value of the identifiable assets and liabilities that are recognized. As such, an adjustment of the assets has been made as a disposal of the capitalized patent and R&D costs.

Note 7 Related party transactions

There have been no related parties' transactions during the interim period ended 30 June outside ordinary course of business.

During the first half of 2024, Lifecare has purchased laboratory services from companies affiliated with the Chief Scientific Officer (CSO). Lifecare has also rented office and laboratory space to companies affiliated with the CSO. The transactions are based on normal commercial terms and conditions.

As of 30 June 2024, an earn-out obligation of EUR 200 000 to Islay Ventures GmbH in connection with the acquisition of Lifecare Laboratory GmbH in 2022 has been reversed. Islay Ventures is owned by the CSO, Andreas Pfützner. The earn out was linked to Lifecare Laboratory's performance until the end of 2025. As the laboratory focuses its resources on internal R&D activities, it is highly unlikely that the results will meet the performance criteria.

For shares controlled by the Board of Directors and executive management, see Note 9.

Note 8 Warrants

In June 2024, Lifecare completed a partially underwritten rights issue of 59 038 955 new shares in the company. The subscribers in the rights issue were allocated one warrant for every two new shares, and a total of 29,519,478 warrants were issued to the subscribers. Further, Munkekullen 5 Förvaltning AB and Buntel AB, having underwritten a total of NOK 50 million of the rights issue, received a compensation of 25 000 000 warrants at equal terms to the warrants issued in the rights issue. Consequently, a total of 54 519 478 warrants were allocated to subscribers and the underwriters.

The warrants may be exercised from 2 June to 13 June 2025. The warrants are listed and tradable on Euronext Growth Oslo under the ticker code "LIFE TR". If all the warrants are exercised, Lifecare expects to raise gross proceeds of up to approximately NOK 108 million (based on the maximum exercise price of NOK 1.98174). In the event that warrants are not exercised, the gross proceeds will be reduced corresponding to the proportion of warrants that are not exercised.

Each warrant gives the holder the right to buy one new share in Lifecare at a price equal to the volume-weighted average price (VWAP) of the company's shares on Euronext Growth Oslo during the last three trading days before the first date the warrant can be exercised, minus 30%. However, the price will not be lower than the share's par value (NOK 0.40) or higher than the subscription price in the rights issue plus 30% (i.e., NOK 1.98174).

Note 9 Share capital and shareholders

	2024		2023	
Shares	# of shares	Book value	# of shares	Book value
Shares 1 January	134 865 742	53 946 297	99 865 742	39 946 297
Issue of shares	59 038 955	23 615 582	-	-
Share 30 June	193 904 697	77 561 879	99 865 742	39 946 297

Each share has a nominal value of NOK 0.40.

On 14 June 2024, Lifecare completed a share issue of 59 038 955 new shares at a subscription price of NOK 1.52442 per share, raising gross proceeds of NOK 90 million.

20 largest shareholders at the end of the period	Number of shares	Shareholding
Lacal AS	27 987 712	14,4 %
Teigland Eiendom AS	27 315 777	14,1 %
Tjelta AS	11 027 600	5,7 %
Nordea Funds	9 165 713	4,7 %
Nordnet Livsforsikring AS	4 780 780	2,5 %
F2 Funds AS	4 631 136	2,4 %
Spit Air AS	4 587 735	2,4 %
Einarsen	3 400 000	1,8 %
LT Finans AS	2 893 592	1,5 %
Nordnet Bank AB	2 719 051	1,4 %
Andreassen	2 212 872	1,1 %
Max Invest AS	2 050 000	1,1 %
Nexus Marketing	2 019 415	1,0 %
Hejma AS	2 000 000	1,0 %
Andreas Pfützner	1 801 104	0,9 %
Joacim Holter	1 624 353	0,9 %
Ballista AS	1 500 000	0,8 %
Westhawik AS	1 400 000	0,7 %
Moun 10 AS	1 339 107	0,7 %
Han Lei	1 332 508	0,7 %
Total shareholding by 20 largest shareholders	**115 788 455**	**59,8 %**
Total others	78 116 242	40,2 %
Total shares	**193 904 697**	**100,0 %**

Shares controlled directly and indirectly by the Board of Directors and group management at period end	Number of shares	Shareholding
Board of Directors		
Hans Hekland	150 295	0,1 %
Trine Teigland	27 315 777	14,1 %
Tone Kvåle	40 000	0,0 %
Group management		
Joacim Holter	1 624 353	0,8 %
Andreas Pfützner	1 801 104	0,9 %
Total shares held by the board and group management	**30 931 529**	**16,0 %**

DISCLAIMER

The information in this report has been prepared by Lifecare (the "Company"). This report does not constitute a recommendation regarding any securities of the Company. By reading this information, you agree to be bound by the following limitations and provisions: This report has been prepared based on information available as of the date hereof. No representation or warranty (expressor implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, none of the Company, or any advisor or any such persons' officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this report. The Company is in its early stages of development and is considered to be a venture company. Venture companies in general entail a high degree of risk. It is highly recommended that potential investors seek further advice of risks associated with venture investments in general, and in particular specifics risks for the Company. The information herein is subject to change, completion, supplements or amendments without notice. By relying on this report, you accept the risk that the report does not cover matters that could have been disclosed, have a more comprehensive investigation been carried out. The report is based on the economic, regulatory, market and other conditions as in effect on the date hereof and may contain certain forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they reflect the Company's current expectations and assumptions as to future events and circumstances that may not prove accurate. It should be understood that subsequent developments may affect the information contained in this document, which neither the Company nor its advisors are under an obligation to update, revise or affirm. This complete report is for informational purposes only and does not constitute an offer to sell shares in the company. This report is not a prospectus, disclosure document or offering document and does not purport to be complete. This report has not been reviewed or approved by any regulatory authority or stock exchange. The (re)distribution of this report and/or any prospectus or other documentation into jurisdictions other than Norway may be restricted by law. This report does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire any securities offered by any person in any jurisdiction in which such an offer or solicitation is unlawful. Neither this report nor anything contained herein shall form the basis of any contract or commitment whatsoever. Person into whose possession this presentation comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such restrictions. The report and any purported liability in connection with it is subject to Norwegian law and is subject to the exclusive jurisdiction of the Norwegian courts.

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. We are dedicated to bringing the next generation of continuous glucose monitor system to the market, aiming to improve diabetes management for humans and pets.

FINANCIAL CALENDAR

13.11.2024 Q3 2024

CONTACT

Name Joacim Holter
Title CEO
Mobil +47 40059040
e-mail joacim.holter@lifecare.no

Name Renete Kaarvik
Title CFO

Mobil +47 94838242
e-mail renete.kaarvik@lifecare.no

VISITING ADDRESS

Ytrebygdsvegen 215
5258 Blomsterdalen

WEB

https://lifecare.no/

LINKEDIN

https://www.linkedin.com/company/lifecare-as/

Statsautoriserte revisorer
Ernst & Young AS

Thormøhlens gate 53 D, 5006 Bergen
Postboks 6163, 5892 Bergen

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

To Lifecare ASA

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying consolidated condensed statement of financial position of Lifecare ASA group as of 30 June 2024 and the related consolidated condensed statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard IAS 34 Interim Financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard IAS 34 Interim Financial reporting.

Bergen, 30. august 2024
Ernst & Young AS

Electronically signed

Eirik Moe
statsautorisert revisor

PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Moe, Eirik
Statsautorisert revisor
På vegne av: Ernst & Young AS
Serienummer: no_bankid:9578-5994-4-673444
IP: 147.161.xxx.xxx
2024-08-30 13:20:52 UTC

bankID

Appendix 6: Application Form for the Offering

APPLICATION FORM FOR THE OFFERING

General information: The terms and conditions for the Offering in Lifecare ASA (the "**Company**" or "**Lifecare**") of up to 1,000,000 shares (the "**Offer Shares**") are set out in the prospectus dated 3 October 2024 (the "**Prospectus**"). The lower limit per application is NOK 10,500 and the upper limit per application is NOK 2,000,000 for each investor. Multiple applications by one applicant in the Offering will be treated as one application with respect to the maximum application limit.

Terms defined in the Prospectus shall have the same meaning in this application form (the "**Application Form**"). In case of any discrepancies between the Application Form and the Prospectus, the Prospectus shall prevail.

Application procedure: Applicants who are located in Norway may apply for Offer Shares by using this Application Form. Applicants who are located in Norway with a Norwegian personal identification number may also apply for Offer Shares by using the VPS online application system which can be found by following the link on the following website: https://www.carnegie.no/ongoing-prospectuses-and-offerings/. In addition, applicants located in Norway may apply for Offer Shares through the Nordnet webservice, as further detailed below.

Applicants who are located in Sweden or Denmark are only permitted to apply for Offer Shares through the webservices of Nordnet, as further detailed below.

Application Forms must be correctly completed and submitted by the applicable deadline to the following application office:

Carnegie AS

P.O. Box 684 Sentrum

NO-0106 Oslo

Norway

Tel: +47 22 00 93 60

E-mail:

lifecare@carnegie.no

The Application Period in the Offering will begin on 09:00 CEST on 8 October 2024 and end on 16:30 CEST on 15 October 2024, unless extended. The applicant is responsible for the correctness of the information filled in on this Application Form. Application Forms that are incomplete or incorrectly completed, electronically or physically, or that are received after the expiry of the Application Period, and any application that may be unlawful, may be disregarded without further notice to the applicant. Neither the Company nor the Manager (as defined below) may be held responsible for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical matters that may result in applications not being received in time or at all by the application office.

Nordnet Bank AB ("**Nordnet**") is acting as placing agent in the Offering, and applications may be made electronically through the Nordnet webservice at www.nordnet.no for Norwegian applicants residing in Norway, through www.nordnet.se for Swedish applicants residing in Sweden and through www.nordnet.dk for Danish applicants residing in Denmark. The application offices for Nordnet are as set out below. Please note that the Application Form may not be submitted to Nordnet. Any application forms submitted to Nordnet will be disregarded without further notice to the applicant.

Norway:

Nordnet Bank
Karl Johans gate 16C
P.O. Box 302 Sentrum
N-0154 Oslo
Norway
Tel.: +47 23 33 30 23
E-mail: kundeservice@nordnet.no
www.nordnet.no

Sweden:

Nordnet Bank AB
Alströmergatan 39
P.O. Box 3000
S-104 25, Stockholm
Sweden
Tel.: +46 10-583 3000
E-mail: info@nordnet.se
www.nordnet.se

Denmark:

Nordnet Bank
Havneholmen 6, 2450 København SV
Postboks 2307
1026 København K
Denmark
Email: nordnet@nordnet.dk
www.nordnet.dk

Subject to any extension of the Application Period, applicants applying for Offer Shares electronically through the Nordnet webservice should note that the application must submitted no later than by 23:59 hours (CEST) on 14 October 2024. Nordnet reserves the right, in its sole discretion, to disregard any applications for Offer Shares made by applicants in the Offering through its platform following 23:59 hours (CEST) on 14 October 2024 without further notice to the applicant.

All applications made in the Offering will be irrevocable and binding upon receipt of a duly completed Application Form, or in the case of applications through the VPS online application system, upon registration of the application, irrespective of any extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after having been received by the application office, or in the case of applications through the VPS online application system, upon registration of the application.

Applications made through the Nordnet webservice can be amended up to 23:59 CEST on 14 October 2024, unless the Application Period is being extended. All applications received by Nordnet will be irrevocable and binding and cannot be withdrawn, cancelled or modified by the applicant after 23:59 CEST on 14 October 2024.

Offer Price per Offer Share: NOK 20.

Allocation, payment and delivery of Offer Shares: Carnegie AS (the "**Manager**") expects to issue notifications of allocation of Offer Shares in the Offering on or about 16 October 2024, by issuing allocation notes to the applicants by mail or otherwise. Any applicant wishing to know the precise number of Offer Shares allocated to it may contact the Manager on or about 16 October 2024 during business hours. Applicants who have access to investor services through an institution that operates the applicant's account with the VPS for the registration of holdings of securities ("**VPS account**") should be able to see how many Offer Shares they have been allocated from on or about 12:00 (CEST) on 16 October 2024. In registering an application through the VPS online application system or by completing an Application Form, each applicant in the Offering will grant the Manager an irrevocable authorisation to debit the applicant's Norwegian bank account for the total amount due for the Offer Shares allocated to the applicant. The applicant's bank account number must be stipulated on the VPS online application or on the Application Form. Accounts will be debited on or about 18 October 2024 (the "**Payment Date**"), and there must be sufficient funds in the stated bank account from and including 18 October 2024.

Applicants who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date. Further details and instructions will be set out in the allocation notes to the applicant to be issued on or about 16 October 2024, or can be obtained by contacting the Manager. The Manager reserves the right (but has no obligation) to make up to three debit attempts, and the authorization will be valid for up to seven working days after the Payment Date, if there are insufficient funds on the account on the Payment Date. Should any applicant have insufficient funds on its account, or should payment be delayed for any reason, or if it is not possible to debit the account, overdue interest will accrue and other terms will apply as set out under the heading "*Overdue and missing payment*" below. Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Offering is expected to take place on or about 22 October 2024 (or such later date upon the successful debit of the relevant account).

Guidelines for the applicant: Please refer to the below information in this Application Form for further application guidelines.

Applicant's VPS account (12 digits):	I/we apply for Offer Shares for a total of NOK (minimum NOK 10,500 and maximum NOK 2,000,000):	Applicant's bank account to be debited (11 digits):
OFFER PRICE PER OFFER SHARE: NOK 20		
I/we hereby irrevocably (i) apply for the number of Offer Shares allocated to me/us, at the Offer Price, up to the aggregate application amount as specified above subject to the terms and conditions set out in this Application Form and in the Prospectus, (ii) authorise and instruct the Manager (or someone appointed by the Manager) to take all actions required to purchase and/or subscribe the Offer Shares allocated to me/us on my/our behalf, to take all other actions deemed required by them to give effect to the transactions contemplated by this Application Form, and to ensure delivery of such Offer Shares to me/us in the VPS, (iii) authorise the Manager to debit my/our bank account as set out in this Application Form for the amount payable for the Offer Shares allocated to me/us, and (iv) confirm and warrant to have read the Prospectus and that I/we are aware of the risks associated with an investment in the Offer Shares and that I/we are eligible to apply for and purchase Offer Shares under the terms set forth therein.		
Date and place*:		Binding signature**:

* Must be dated during the Application Period.

** The applicant must be of legal age. If the Application Form is signed by proxy, documentary evidence of authority to sign must be attached in the form of a power of attorney or company registration certificate.

DETAILS OF THE APPLICANT — ALL FIELDS MUST BE COMPLETED	
First name	Surname/Family name/Company name
Home address (for companies: registered business address)	Zip code and town
Identity number (11 digits) / business registration number (9 digits)	Nationality
Telephone number (daytime)	E-mail address
Legal Entity Identifier (LEI) / National Client Identifier	

GUIDELINES FOR THE APPLICANT

THIS APPLICATION FORM IS NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, HONG KONG, SOUTH AFRICA OR JAPAN OR ANY OTHER JURISDICTION IN WHICH THE DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL. OTHER RESTRICTIONS ARE APPLICABLE. PLEASE SEE "SELLING RESTRICTIONS" BELOW.

Regulatory issues: Legislation passed throughout the European Economic Area (the "**EEA**") pursuant to the Markets and Financial Instruments Directive ("**MiFID**") implemented in the Norwegian Securities Trading Act, imposes requirements in relation to business investment. The applicant represents that it has sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of an investment decision to invest in the Company by applying for Offer Shares, and the applicant is able to bear the economic risk, and to withstand a complete loss of an investment in the Company.

Execution only: As the Manager is not in the position to determine whether the application for Offer Shares is suitable for the applicant, the Manager will treat the application as an execution only instruction from the applicant to apply for Offer Shares in the Offering. Hence, the applicant will not benefit from the corresponding protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information Exchange: The applicant acknowledges that, under the Norwegian Securities Trading Act and the Norwegian Financial Undertakings Act and foreign legislation applicable to the Managers there is a duty of secrecy between the different units of the Managers as well as other entities in the Managers' group. This may entail that other employees of the Manager or the Manager's group may have information that may be relevant to the subscriber, but which the Manager will not have access to in its capacity as Manager for the Offering.

Information barriers: The Manager is a securities firms offering a broad range of investment services. In order to ensure that assignments undertaken in the Manager's corporate finance departments are kept confidential, the Manager's other activities, including analysis and stock broking, are separated from their corporate finance departments by information barriers known as "Chinese walls". The applicant acknowledges that the Manager's analysis and stock broking activity may act in conflict with the applicant's interests with regard to transactions in the Offer Shares as a consequence of such Chinese walls.

VPS account and anti-money laundering procedures: The Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulation of 14 September 2018 no. 1324 (collectively, the "**Anti-Money Laundering Legislation**"). Applicants who are not currently registered as customers of the Managers and who subscribes for a cumulative amount of NOK 100,000 or more may be subject to customer due diligence measures ("**KYC**") to comply with the Anti-

Money Laundering Legislation. These applicants will be contacted via email and must fulfil the necessary procedures prior to the end of the Application Period. Applicants who have not completed the required KYC prior to the expiry of the Application Period will not be allocated Offer Shares. Participation in the Offering is conditional upon the applicant holding a VPS account. The VPS account number must be stated in the Application Form. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised investment firms in Norway and Norwegian branches of credit institutions established within the EEA. Establishment of a VPS account requires verification of identity to the VPS registrar in accordance with the Anti-Money Laundering Legislation. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian Ministry of Finance.

Selling restrictions: The Offering is subject to specific legal or regulatory restrictions in certain jurisdictions, see Section 16 "*Selling and transfer restrictions*" in the Prospectus. The Company assumes no responsibility in the event there is a violation by any person of such restrictions. The Offer Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or under any securities laws of any state or other jurisdiction of the United States and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. There will be no public offer in the United States. The Offer Shares will, and may, not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from any jurisdiction where the offer or sale of the Offer Shares is not permitted, or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any jurisdiction where the offer or sale is not permitted, except pursuant to an applicable exemption. In the Offering, the Offer Shares are being offered and sold to certain persons in the United States who are QIBs as defined in, and in reliance on, Rule 144A under the U.S Securities Act or another available exemption from registration requirements under the U.S. Securities Act. The Company has not authorised any offer to the public of its securities in any Member State of the EEA other than Norway, Sweden and Denmark. With respect to each Member State of the EEA other than Norway, Sweden and Denmark which has implemented the EU Prospectus Regulation (each, a "**Relevant Member State**"), no action has been undertaken or will be undertaken to make an offer to the public of the Offer Shares requiring a publication of a prospectus in any Relevant Member State. Any offers outside Norway, Sweden or Denmark will only be made in circumstances where there is no obligation to produce a prospectus.

Investment decisions based on full Prospectus: Investors must neither accept any offer for, nor acquire any Offer Shares, on any other basis than on the complete Prospectus.

Terms and conditions for payment by direct debiting - securities trading: Payment by direct debiting is a service provided by cooperating banks in Norway. In the relationship between the payer and the payer's bank the following standard terms and conditions apply.

1. The service "Payment by direct debiting — securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.

2. Costs related to the use of "Payment by direct debiting — securities trading" appear from the bank's prevailing price list, account information and/or information is given by other appropriate manner. The bank will charge the indicated account for incurred costs.

3. The authorisation for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.

4. In case of withdrawal of the authorisation for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Financial Contracts Act, the payer's bank shall assist if payer withdraws a payment instruction which has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.

5. The payer cannot authorise for payment a higher amount than the funds available at the payer’s account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall be covered by the payer immediately.

6. The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorisation for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorisation has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.

7. If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Financial Contracts Act.

Overdue and missing payments: Overdue payments will be charged with interest at the applicable rate under the Norwegian Act on Interest on Overdue Payments of 17 December 1976 no. 100, which at the date of the Prospectus is 12.50% per annum. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and the Manager reserves the right, at the risk and cost of the applicant, to cancel at any time thereafter the application and to re-allot or, from the third day after the Payment Date, otherwise dispose of or assume ownership to the allocated Offer Shares, on such terms and in such manner as the Manager may decide (and the applicant will not be entitled to any profit therefrom). The original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company and/or the Manager may enforce payment of any such amount outstanding.

In order to provide for prompt registration of the Shares with the Norwegian Register of Business Enterprises, the Manager is expected to, on behalf of the applicants, prefund payment for Shares allocated in the Offering at a total subscription price equal to the Offer Price multiplied by the aggregate number of allocated Shares.