

Lifecare: Automated production progress and announced capital raise

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Redeye comments on Lifecare, following the company's advancements in automating production at its facilities in Mainz, Germany, and the announcement of a NOK20m capital raise.

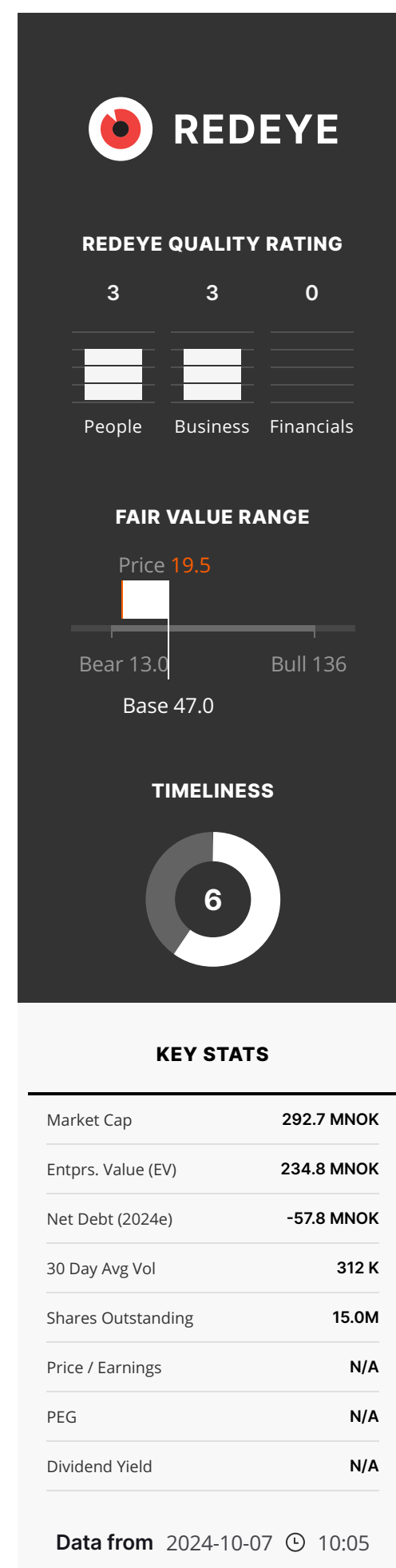


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At the end of last week, Lifecare announced a milestone in the automated production of its Sencell sensor, transitioning from partially handmade processes to automation of the most critical steps in the production process. The sensors are currently undergoing quality testing, and, if approved, will be used in a longevity study by Lifecare Veterinary. The automated production process includes two key steps: deposition via Scanning Electron Microscopy (SEM) and the filling of nanosized chambers with a patented glucose-reactive chemical solution. Automated production is a crucial element of Lifecare's long-term strategy, expected to enable solid gross margins and high production capacity.

In addition, Lifecare announced a retail offering of up to 1 million new shares (representing approximately 6% dilution) at NOK20 per share, a 9% discount to the volume-weighted average price (VWAP) on the day of the announcement. This offering, aimed at raising up to NOK20m in gross proceeds, will be open to the public in Norway, Sweden, and Denmark. A prospectus will be released soon, and the subscription period closes on October 14. The net proceeds will be allocated to continued R&D efforts and investments in machinery and equipment.

If the issue is fully subscribed, we estimate that our base case valuation will adjust from NOK47 to NOK44. However, we will wait for the final subscription rate before making any definitive changes to our fair value range.



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