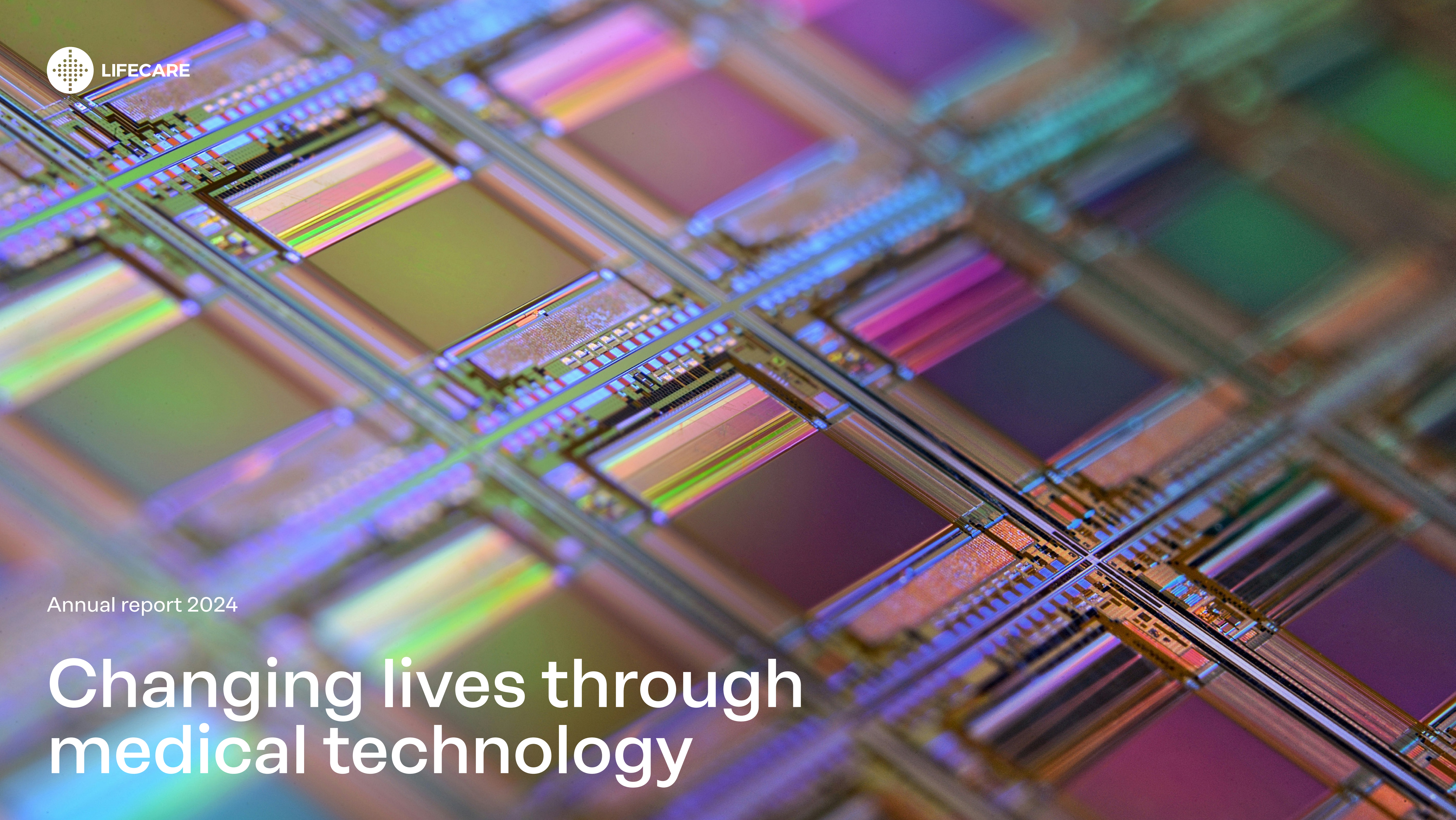


LIFECARE

Annual report 2024

Changing lives through medical technology

Content

Introduction

Lifecare's annual report 2024 provides our share-holders and other stakeholders a transparent account of our progress in 2024, outlining our business model and strategy, describing how we aim to create value.

PART 01

Lifecare and our progress

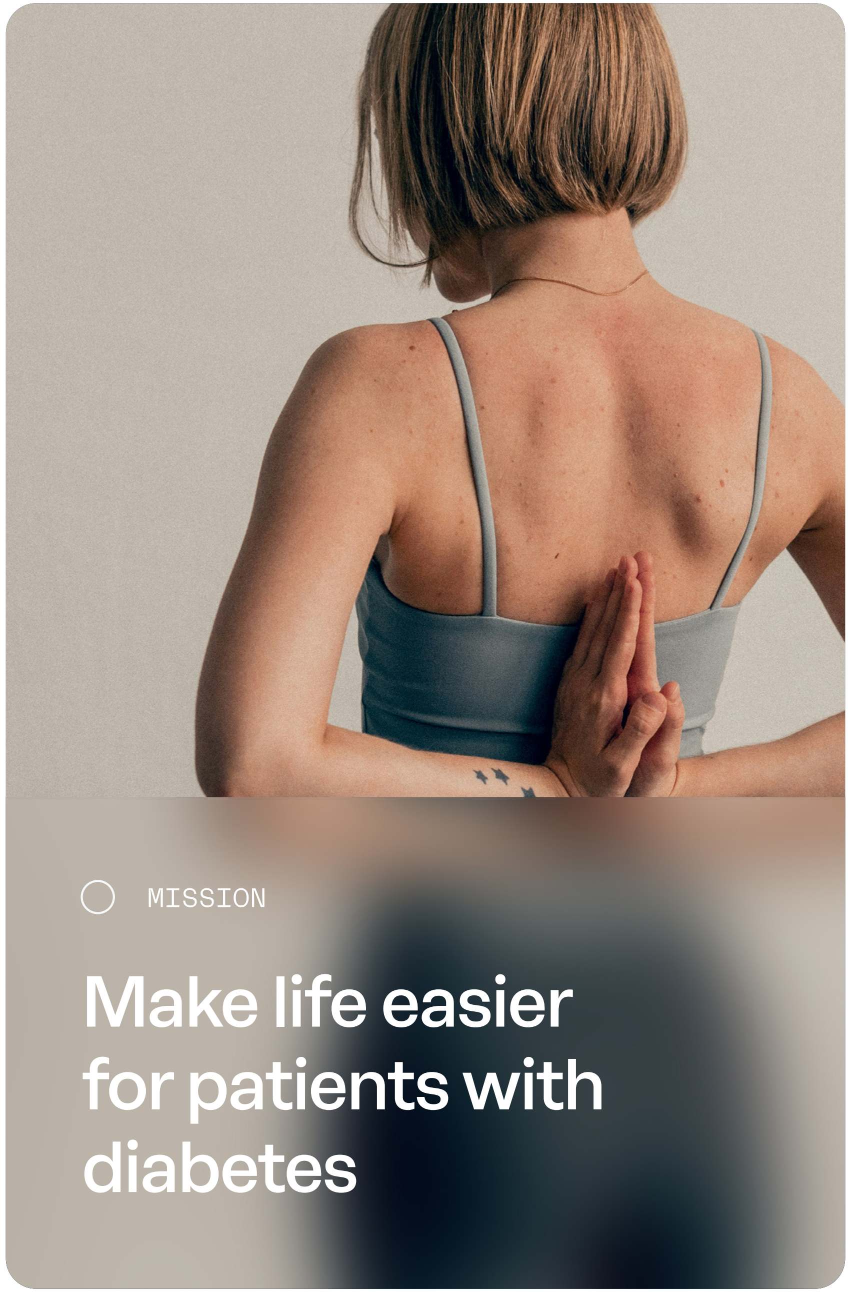
About Lifecare

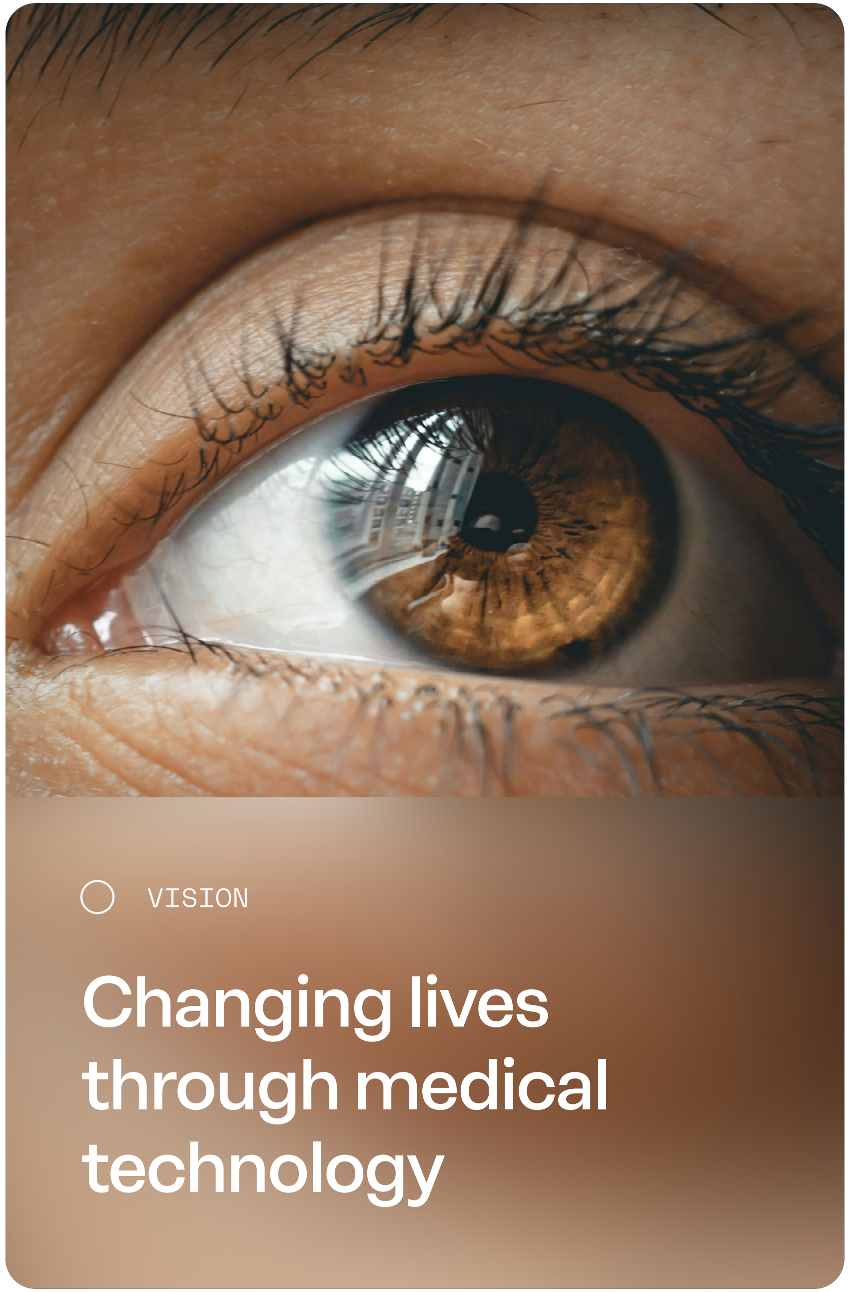
Lifecare is a medical sensor company developing technology for sensing and monitoring of various body analytes. Lifecare's focus is to bring the next generation of Continuous Glucose Monitoring (CGM) systems to market. Lifecare enables osmotic pressure as a sensing principle. Lifecare's sensor technology 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.

Lifecare is headquartered in Bergen, Norway, with research and development activities and production facilities in Mainz and Reutlingen, Germany. Our chemistry lab operates in Bristol, UK. Additionally, we have subsidiaries dedicated to the removal of subdermal implants and the commercialization of our sensor technology in the veterinary market. Through ongoing development projects with partners across Europe, we continue to drive innovation in our field.

Lifecare ASA is listed on Euronext Oslo Børs with ticker "LIFE".

Read here for more information about Lifecare.





CEO letter

A year of progress and preparations

2024 has been a transformative year for Lifecare, characterized by major achievements in technology, strategic development, and market readiness. We have made great strides in developing our glucose sensor, preparing for large-scale manufacturing, strengthening our organization, and moving closer to commercialization.

One key milestone was the successful pilot production of our Sencell sensor. By using advanced manufacturing methods, we achieved the high precision needed for glucose monitoring. We have automated key steps in production, including filling the sensors with Lifecare's unique glucose-sensitive material and sealing them with ultra-thin membranes. These developments set the stage for efficient scaling of production.

Another milestone was the listing on Euronext Oslo Børs. Lifecare is one of the few medical technology companies operating and listed in Norway. Our listing on Euronext Oslo Børs marks an important step in securing the capital needed to advance our commercialization efforts. This funding is particularly crucial as we prepare for upcoming studies and CE approval of our sensor aimed at enhancing the lives of diabetes patients.

With the core scientific research completed, our focus has shifted to engineering and design freeze of our product. To support this, we have partnered with TTP plc (The Technology Partnership), a global expert in medical implants and sensors. This collaboration will help us refine our prototype, improving both product performance and production efficiency. The updated version of our implant will be testing in spring 2025, ensuring a solid foundation for the planned studies.

Successful Sencell pilot production

Read more

> "Lifecare continues to strengthen its intellectual property portfolio. In 2024, we filed a new European patent for sensor technology that could be used to monitor additional health conditions, including cardiovascular and immune disorders."

This supports our long-term vision of expanding Sencell beyond diabetes care. Additionally, we have made breakthroughs in improving glucose sensitivity, which could enhance accuracy and simplify use for patients.

Chemistry breakthrough improved glucose sensitivity

Read more

As we prepare for regulatory studies and finalize our product for the human market, we are also targeting a launch in the veterinary market, where regulations are less stringent. This approach will allow us to gain valuable product experience, which will inform and strengthen our strategy for entering the human market.

To sustain our progress and successfully bring our innovations to market, we look forward to continued support from our investors in the planned and upcoming exercise period 2-13 June 2025 for warrants issued as part of our oversubscribed capital increase in June 2024. Investor commitment remains crucial in helping us navigate the final steps toward market entry and long-term success, imperative steps towards company profitability and return of investments.

Highlights 2024

Pilot production

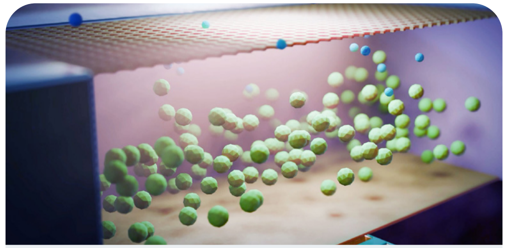
Successfully completed pilot production of the Sencell implant, and transitioning to automated production processes for the first time.

Dog studies confirming groundbreaking results

Achieved groundbreaking results in the Sencell implant's functional lifespan during dog studies, with confirmed wireless data transmission and biocompatibility.

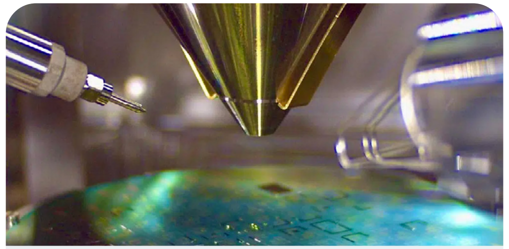
A new sensor chemistry

Developed a new sensor chemistry that increases glucose sensitivity fivefold, promising enhanced accuracy and performance, pending further in-vivo validation.



New patents

Received patent approval for novel chemical compositions in glucose sensing technology. Filed a patent for an innovative chemical composition with potential applications in detecting a broad range of diseases and conditions.



Optimizing design

Engaged TTP plc (The Technology Partnership) to advance the product to design freeze and optimize the Sencell implant design for ease of manufacturing.

Acquired RemovAid

Acquired RemovAid, enhancing our ability to remove subdermal implants with a user-friendly medical device.

Strategic partnership

Formed a strategic partnership with OneTwo Analytics to provide AI-powered software for glucose analytics.

Product development agreement

Continued the Product Development Agreement with Sanofi to support Sencell miniaturization.

Listed on Euronext Oslo Børs

Successfully listed on Euronext Oslo Børs to strengthen market visibility, enhance share liquidity, and attract institutional investors, providing a solid foundation for long-term growth.

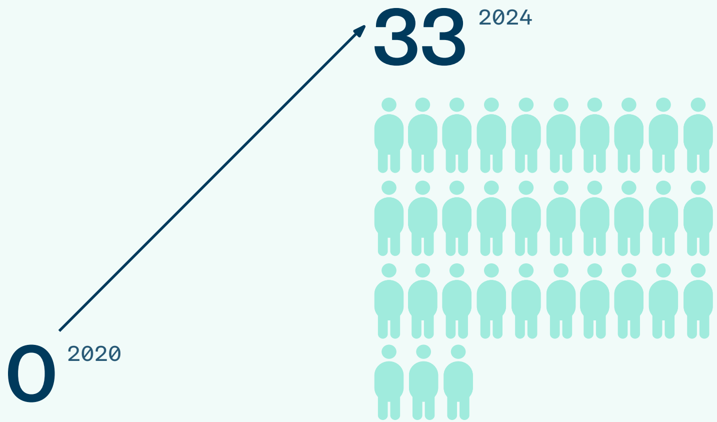
Successful capital increase

Raised NOK 106.6 million through successful capital raises.

Key financial figures

Lifecare Group (NOK million)	2024	2023	2022	2021	2020
Revenue and other income	10	13	22	2	5
Operating expenses	94	48	39	18	8
Operating profit/loss	-85	-35	-17	-16	-2
Profit/loss for the period	-73	-35	-17	-16	-3
Available cash	62	48	48	21	11
Total assets	113	86	75	32	15
Equity ratio %	66 %	77 %	75 %	75 %	91 %
Earnings per share (NOK)	-5.7	-3.8	-2.2	-2.4	-0.4
Market value (Euronext Oslo Børs/Euronext Growth)	194	601	212	167	354

NUMBER OF EMPLOYEES (FTE)



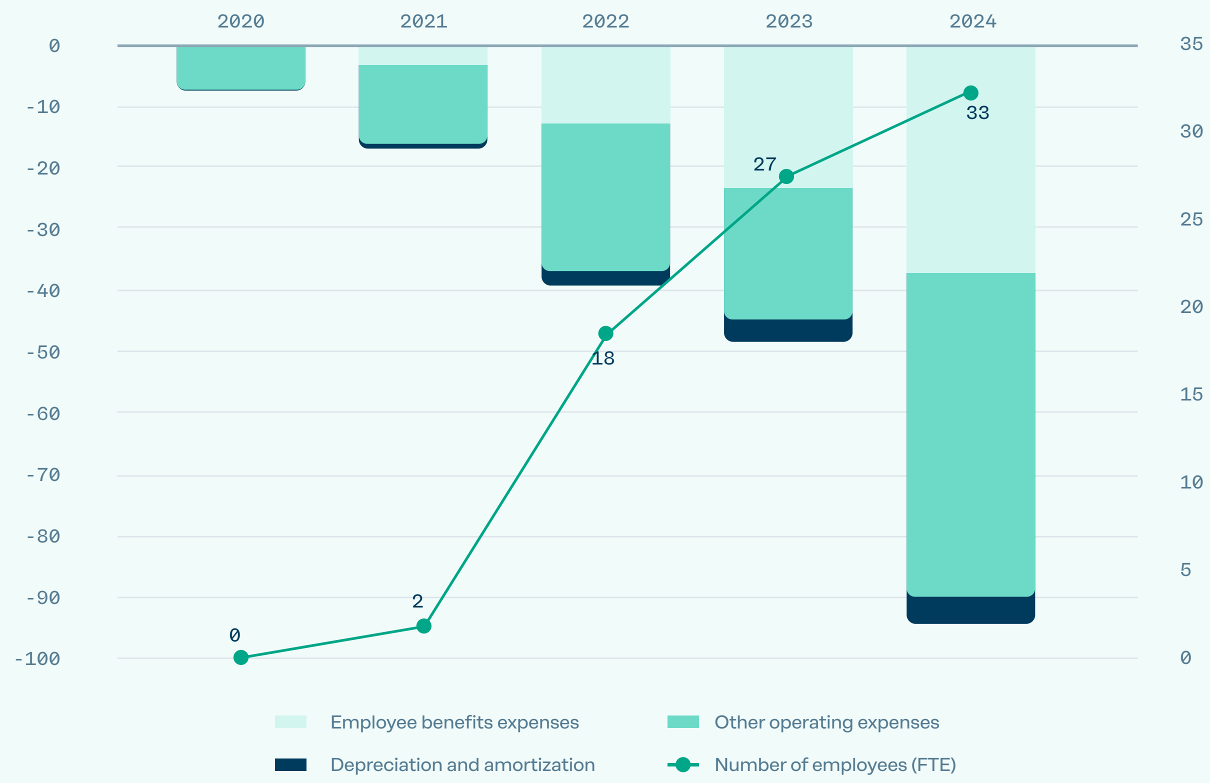
107

CAPITAL RAISE
NOK MILLION

62

AVAILABLE CASH
NOK MILLION

OPERATING EXPENSES NOK MILLION



The market opportunity

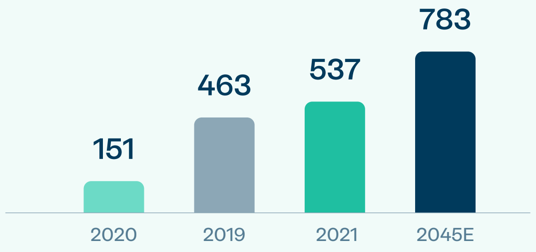
According to the International Diabetes Federation (IDF), an estimated 537 million adults worldwide were living with diabetes in 2021. This number is projected to rise to 643 million by 2030 and 783 million by 2045. Currently, only about 50% of diabetes cases are diagnosed, and one-third of those diagnosed require glucose monitoring. As a result, in 2021, the global potential patient group for glucose monitoring was approximately 90 million people—a figure that grows.

Despite this need, only nine million people have access to continuous glucose monitors (CGM), highlighting a significant gap between the number of users and the actual global demand.

Diabetes disproportionately affects high-income countries, where 25% of adults with the condition reside. The economic burden is substantial, with diabetes-related healthcare expenditures reaching at least USD 966 billion in 2021, according to the IDF Diabetes Atlas. Meanwhile, the global CGM market was valued at USD 2.2 billion in 2023, indicating both the growing adoption of CGM technology and its significant market potential.

A PANDEMIC AFFECTING 1 IN 10 ADULTS

MILLION ADULTS WITH DIABETES



Sensing principles for continuous glucose monitoring

GLUCOSE OXYDASE	FLUORESCENCE	OSMOTIC PRESSURE
Dexcom (G6 & G7), Medtronic, Abbott (FreeStyle Libre 2&3)	Senseonics (Eversense)	Lifecare (Sencell)
Longevity: 7 - 15 days	Longevity: 180 - 365 days	Longevity: at least 172 days
Annual cost: $ 1 500 - 4 000	Annual cost: $ 6 000	Assumed annual cost: $ 2 000

Current solutions
For patients with diabetes, measuring glucose levels is an essential part of daily life. Each day, millions of insulin therapy decisions are made based on glucose readings, directly impacting both short- and long-term health outcomes.

The standard method for glucose measurement, the blood glucose meter, was introduced in the 1970s. A major advancement came in 1999 with the launch of the first continuous glucose monitoring (CGM) device, revolutionizing diabetes management.

Today, most CGM devices use glucose oxidase technology and are attached to the skin with a small needle that penetrates the subcutaneous tissue to measure glucose levels. These devices typically provide readings every five minutes, transmitting data to a handheld receiver or smartphone, and require replacement every 7 to 15 days. In contrast, Senseonics offers an implantable alternative, the Eversense, which utilizes a fluorescence-based sensing mechanism and has a lifespan of up to 365 days. The cost of this device is high.

There is a clear medical need for small, reliable glucose sensors with improved accuracy and longevity. Ideally, these sensors would be implantable, offering extended functionality and greater convenience for diabetes management and a more accessible cost.

Our solution
Lifecare aims to develop the world's smallest glucose sensor—an injectable device designed to function beneath the skin for at least six months while being offered at a mid-range cost. Glucose data will be transferred wirelessly to a smart device, without the need of an unpractical transmitter. Our implantable device utilizes osmotic pressure-based technology to measure glucose levels with high precision. This innovation has the potential to provide a more convenient, more precise and long-term solution compared to existing glucose monitoring technologies.

Our business strategy

A new era in continuous glucose monitoring

Lifecare is committed to improving the lives of patients with diabetes. Our focus is on revolutionizing glucose monitoring with the Sencell sensor technology, which uses osmotic pressure to offer continuous glucose monitoring (CGM) with extended wear times, greater comfort, and improved glucose management.

Lifecare's strategy is focused on innovation, in-house manufacturing and production expansion, and forming key partnerships to bring its products to a global audience.

Valuable experience for entry to the human market

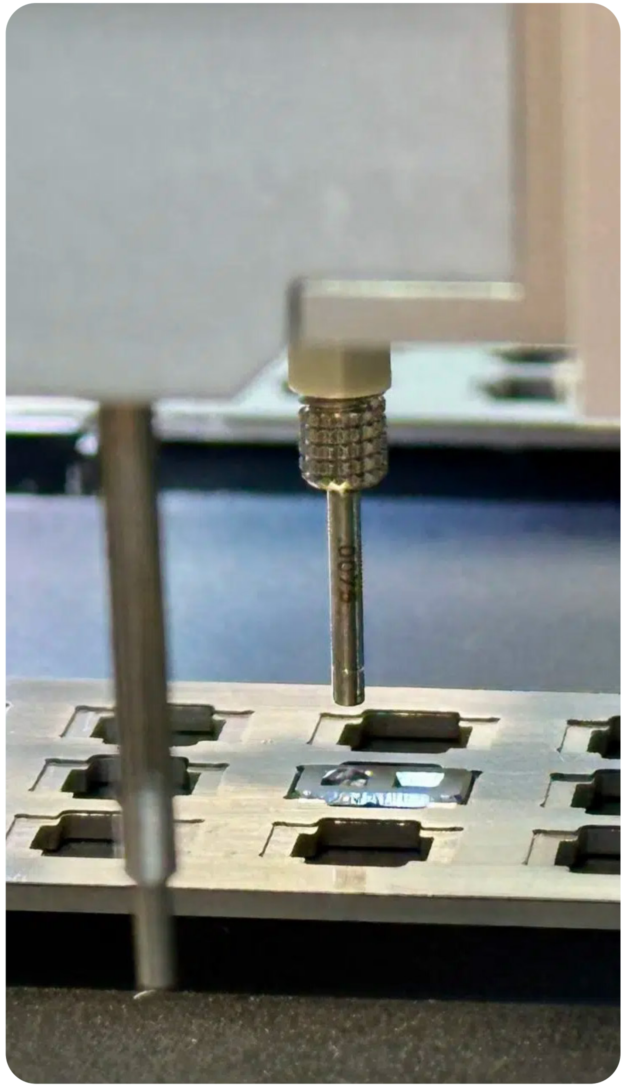
Entering the human market for CGM devices requires regulatory studies and CE product approval, which we expect to complete by year end 2026. The veterinary market is less regulated, allowing Lifecare to quickly introduce its device and gain valuable experience in manufacturing, logistics, and product development. This experience will inform our strategy for the human market. Moreover, the veterinary market represents a significant business opportunity, as there are currently no effective solutions for monitoring glucose levels in animals. By addressing this gap, we are well-positioned to capitalize on an underserved market.

In-house manufacturing

As Lifecare advances its innovative technology, we are also focused on building a robust and scalable manufacturing operation. We have established a pilot production line and automated critical stages of the production process, marking a significant step toward full automation. In 2025, we will open a large-scale production facility in Mainz, Germany. By keeping production in-house and securing multiple suppliers for key components, we aim to maintain high-quality standards while ensuring efficiency and flexibility.

Strategic partnerships to drive growth and innovation

Lifecare recognizes the value of strategic partnerships to drive growth and innovation. We have formed a collaboration with OneTwo Analytics AB, a leader in diabetes data analytics. This partnership provides Lifecare access to OneTwo's AI and machine learning-based software for self-monitoring and automatic interpretation of CGM data. OneTwo has also developed a user-friendly mobile app for Lifecare that enables seamless data transmission from the Sencell sensors to cloud servers and supports bi-directional communication with customized analytical software. Initially, the digital infrastructure will serve the veterinary market while maintaining compatibility for future human healthcare applications.



Commercial partnerships

Lifecare recognizes the importance of partnering with established industry players to effectively commercialize its technology and ensure compatibility with existing devices. To this end, we have entered into an agreement with Sanofi, granting them the right of first refusal for the Sencell technology. This partnership aligns with our strategy to collaborate with leaders in the industry to bring innovative technologies to market, reinforcing our commitment to innovation and patient care. We also plan to establish additional industrial partnerships, with a primary focus on Europe.

Enhanced product offerings

In 2024, Lifecare acquired RemovAid, a company specializing in user-friendly tools for the removal of subdermal implants. This acquisition provides Lifecare with a valuable product offering for removing the Sencell sensor, while it also opens new revenue opportunities, particularly in markets like Sub-Saharan Africa, where there is a growing demand for contraceptive removal tools.

Broader application of our sensor technology

While Lifecare's initial focus is on glucose monitoring, the Sencell sensor technology is adaptable for use in a wide range of medical applications, including diagnostics and biomarker monitoring. This broad applicability provides Lifecare with future opportunities for expansion into new areas of healthcare.

Our technology

While Lifecare's initial focus is on glucose monitoring, the Sencell sensor technology is adaptable for use in a wide range of medical applications, including diagnostics and biomarker monitoring. This broad applicability provides Lifecare with future opportunities for expansion into new areas of healthcare.

While current technology for continuous glucose monitoring uses glucose oxydase or flouresence as sensing principles, Lifecare's technology is based on the osmotic pressure. We believe that our technology offers greater stability and longevity compared to glucose oxidase and fluorescence-based glucose monitoring, as it does not rely on enzymes or chemical dyes that degrade over time. It is less susceptible to biofouling and external interferences, improving accuracy in continuous monitoring. Additionally, our osmotic pressure sensor will be more energy-efficient, making it well-suited for long-term implantable glucose monitoring solutions.

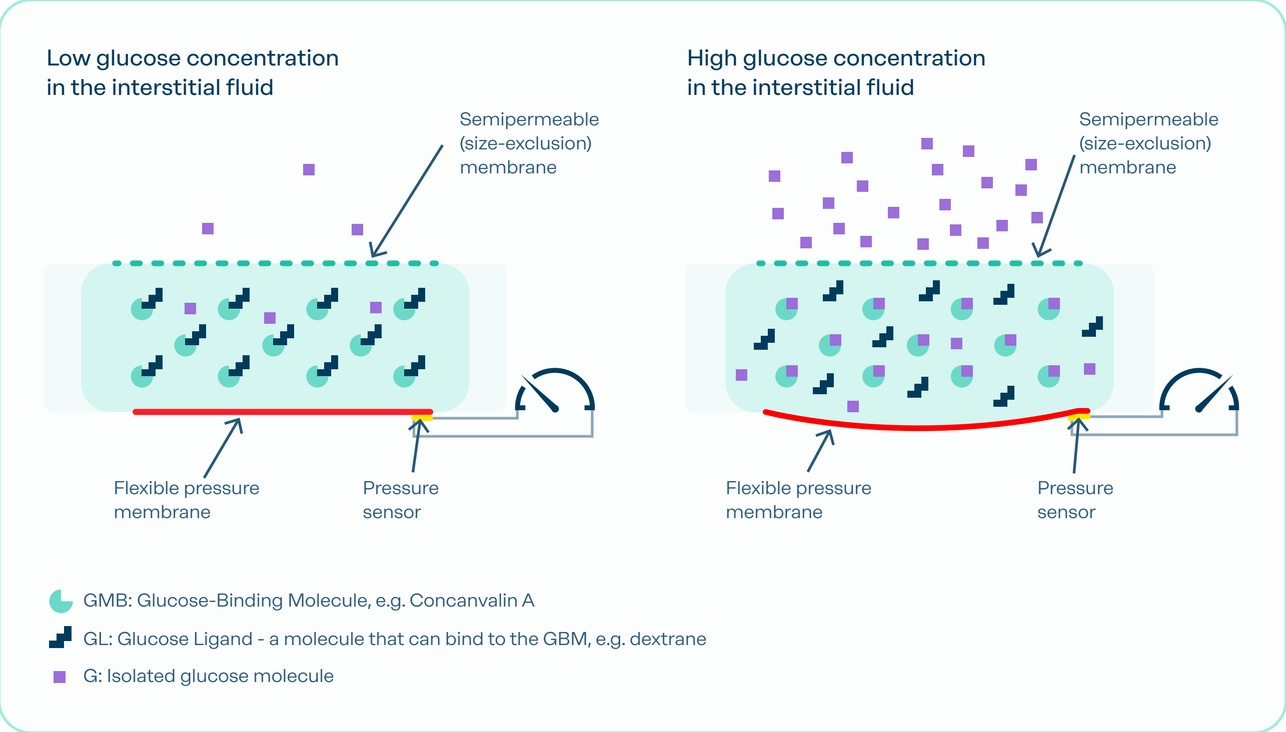
The osmotic pressure technology

Lifecare's osmotic pressure technology is based on biochemical reactions where glucose connects to molecules in a closed chamber. This reaction generates a pressure variation that can be measured and monitored for glucose sensing purposes.

The process is fully reversible. As glucose concentrations decrease, glucose molecules detach from the binding sites, causing the osmotic pressure to decline. There is a linear relationship between the glucose concentration in the surrounding fluid and the measurable osmotic pressure in the chamber. Additionally, since the technology does not consume any molecules when generating the signal, it has the potential for long-term use within the body.

Lifecare holds several important patents that are central to its innovative glucose monitoring technology. Read more about the patents here and in Note 11 in the Financial Statements.

When glucose penetrates the semipermeable membrane into the chamber, glucose ligands (GL) are released from the glucose binding molecule (GBM) binding sites. This occurs because glucose has a slightly higher binding affinity to the GBM receptor. As a result, each glucose molecule causes the release of a GL molecule.



Regulatory framework

As a MedTech company, Lifecare must ensure that the Sencell device meets regulatory requirements for safety, efficacy, and compliance with medical device regulations. Since Lifecare prioritizes commercialization in Europe, the device must comply with the EU Medical Device Regulation (MDR).

Regulatory bodies require clinical evidence demonstrating that Sencell provides accurate glucose monitoring, reliability, and long-term safety. Before human use, the device must undergo rigorous scientific and clinical validation, including preclinical studies, small-scale pilot trials, and a pivotal clinical study. Approval from a Notified Body is required to obtain CE marking.

2022

In-vitro testing confirms functionality of miniaturized sensors

Since 2022, the core osmotic pressure chamber has been reduced in size by more than 95% without any loss of signal. Sensors with miniaturized chambers have been tested in vitro, demonstrating results comparable to previous experiments using larger chambers.

2023

Human study confirms data accuracy

The study, approved by the German Federal Institute for Drugs and Medical Devices (BfArM), was conducted in Germany to establish clear proof-of-concept in humans and assess signal readout accuracy. A wired version of the sensor, embedded in a needle, was implanted in both healthy individuals and diabetes patients for up to three days. This ensured reliable signal readouts, essential for developing predictive algorithms for the final product.

The study confirmed the strong clinical accuracy of the Sencell technology, with a mean absolute relative difference (MARD) of 9.6% compared to matched reference values. This result falls within the gold standard range for glucose monitoring (5%-10%), meeting the accuracy threshold required for therapeutic decisions, such as insulin dose adjustments, pending regulatory approval.

To validate sensor longevity and robustness, an extended in-vitro study was conducted following the human trial. The experiment demonstrated an operational lifespan of over 172 days and a sensor chemistry shelf life exceeding 16 months. These findings confirm that Sencell technology offers superior longevity compared to existing needle-based CGM sensors, highlighting its exceptional stability and durability.

2024

Dog study confirms longevity, biocompatibility and data accuracy

Lifecare's ongoing longevity study in dogs is performed in Norway, in collaboration with the Norwegian University of Life Sciences (NMBU) and with approval from the Norwegian Food Safety Authority (NFSA). This study aims to assess both the longevity and biocompatibility of Sencell technology.

Using wireless readout technology, the study has generated substantial data, with competing glucose monitors serving as a reference. In September 2024, the first veterinary patient in the study successfully completed the 12-week evaluation period.

2025 - 2026

Main study to confirm operational efficiency

Lifecare plans to file for approval of the main study in 2025. The objective of this study is to gather the necessary data for the technical files required to obtain the CE mark for Sencell in the human market.

The study will be conducted across two to four locations, with the final number of sites and patients determined based on statistical considerations and feedback from regulatory authorities.

This study is expected to start late 2025, with the main part taking place in 2026, targeting CE approval and market launch by 2027.

PART 02

Corporate Governance

The Board of Directors and Executive Management

Board of Directors

The Board of Directors holds overall responsibility for Lifecare's management and strategy. The Board is structured to ensure independent operation while addressing the collective interests of all shareholders while meeting Lifecare's needs for expertise, capacity and diversity.

Executive management

The Executive management team is responsible for overseeing Lifecare's daily operations, ensuring alignment with its strategic goals.

Scientific advisory board

Lifecare has a scientific advisory board, which consists of highly reputable experts within diabetes technology, clinical medicine, endocrinology, physics and nanotechnology.

Find the presentation of our Board of Directors, Executive management and committees here.

The Board of Directors Report

Organization

Lifecare is a medical sensor company developing technology for sensing and monitoring of various body analytes. Lifecare is focused on transforming diabetes management with its innovative Sencell sensor, which uses a patented osmotic pressure technology for continuous glucose monitoring. Lifecare's strategy centers on innovation, in-house manufacturing, and strategic partnerships. In addition to diabetes monitoring, Lifecare's versatile sensor technology opens doors for other healthcare applications.

Lifecare (or "the Group") comprises the parent company Lifecare ASA and its subsidiaries Lifecare NanoBioSensors, Lifecare Laboratory, Lifecare Veterinary, Lifecare Chemistry, and as from 26 April 2024, RemovAid. Lifecare Veterinary is 80% owned and RemovAid is 89.6% owned, while the other subsidiaries are fully owned.

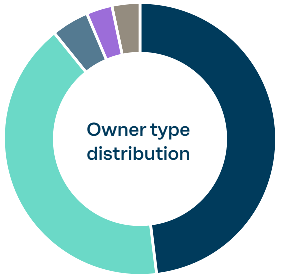
Organization at year end 2024	Location	Ownership by Lifecare ASA	Main activity	Number of employees (FTE)
Lifecare ASA	Bergen, Norway		Parent company with strategic and operational management, coordinating the activities to develop, produce and commercialize the next generation CGM system. Ownership to key patents central to the innovative glucose monitoring technology based on osmotic pressure.	9.5
Lifecare Chemistry Ltd	Bristol, UK	100%	Scientific development of Lifecare's analyte specific chemical receptors. Research cooperation with the University of Bath and professor Tony James, who has extensive experience with supramolecular chemistry and is the named inventor of 25 international patents.	3
Lifecare Laboratory GmbH	Mainz, Germany	100%	Key development of Lifecare's sensors, performing chemistry validation and evaluation, and processing test results. ISO 9001 and ISO 13485 certified.	9.6
Lifecare NanoBioSensors GmbH	Mainz, Germany	100%	Development and production of Lifecare's sensors and sensor-systems including electronics and read-out technology. License for the Nano3DSense production method, which makes it possible to produce pressure-sensor elements at nanoscale.	8.4
Lifecare Veterinary AS	Bergen, Norway	80%	Commercialization of the Sencell technology for use in the veterinary market. Cooperation with the Norwegian University of Life Sciences for veterinary specific R&D, including market-oriented studies that will strengthen preparations for both the veterinary and the human market.	1.5
RemovAid AS	Lysaker, Norway	89.6%	Development, manufacture and distribution of patented medical device to remove subdermal implants. Currently holds a CE approved class IIa medical device to remove single-rod contraceptives. ISO 13485 certified.	1

Capital market activities and shareholder developments

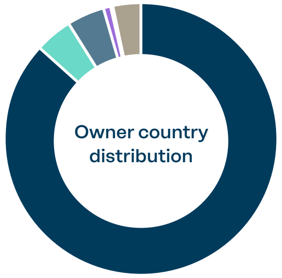
Lifecare ASA was listed on Euronext Growth in 2018 and transferred successfully to Euronext Oslo Børs in October 2024. The listing on Euronext Oslo Børs is expected to enhance Lifecare's market visibility, increase share liquidity, and attract institutional investors, supporting long-term growth.

In 2024, Lifecare ASA strengthened its financial position through successful capital raises, including a NOK 90 million share issue in June and a NOK 16.6 million public retail offering in October. The June share issue was oversubscribed by 127%, reflecting strong investor confidence. Investors in this round were also granted tradable warrants listed on Euronext Growth, exercisable in June 2025. As of year end 2024, 4 193 806 warrants are outstanding.

As at 31 December 2024, Lifecare ASA had issued 15 852 979 shares, divided among 2 712 shareholders. 86.9% of the shareholders were registered in Norway. Lifecare ASA held 1 023 own shares at year end. Lifecare has one class of shares, and all shares confer the same rights.



Other	48.2%
Private individuals	41.0%
Fund companies	4.4%
Pension & insurance	3.2%
Treasury shares	0.0%
Unknown owner type	3.2%



Norway	86.9%
Finland	4.4%
Sweden	4.4%
Germany	0.9%
Denmark	0.1%
Others	0.2%
Unknown	3.2%

Operational review

Entering 2024, the Board anticipated that Lifecare would launch its first product in the veterinary market and initiate its clinical study to obtain CE marking within the year. However, these milestones were not met, as additional time was required to optimize the product and enhance its engineerability. To accelerate development, Lifecare engaged with UK-based medical implant and sensor experts, TTP plc (The Technology Partnership). With TTP's support, Lifecare aims to achieve stable, manufacturing-ready product prototypes in the first half of 2025. Despite this adjustment in timeline, 2024 has been a transformative year for Lifecare, characterized by technological advancements, strategic growth, and enhanced market readiness. Lifecare has made significant progress in product development, production readiness, and organizational growth, strengthening its foundation for future success.

From concept to pilot production
The completion of the Sencell sensor pilot production marked a key milestone for Lifecare. By utilizing advanced 3D-printing and Scanning Electron Microscope (SEM) technology, Lifecare achieved the necessary precision in producing biosensors for glucose monitoring. Establishment of automated processes, including the filling of sensors with Lifecare's patented glucose-reactive chemical solution and sealing with nano-porous membranes, provide a strong foundation for scaling production.

Longevity and biocompatibility studies
Clinical studies have confirmed the biocompatibility and durability of the Sencell sensor. In Lifecare's longevity study at the Norwegian University of Life Sciences, the first patient trial was successfully completed, with the implant removed after 12 weeks. Comprehensive evaluations, including biopsies and bacteriological testing, confirmed the absence of adverse tissue reactions. These findings support the long-term stability and reliability of Lifecare's sensor technology.

Strengthening intellectual property
In 2024, Lifecare filed a new European patent, expanding its intellectual property portfolio. The patent introduces modular receptor molecules, enabling the detection of additional diseases, including cardiovascular, metabolic, and immune disorders. In addition, Lifecare's patented glucose-reactive chemical composition and production methods continue to improve measurement precision, sensor longevity, and sensitivity, reinforcing their competitive advantage.

Strategic investments and partnerships
The 2024 acquisition of RemovAid strengthens Lifecare's capabilities in the full lifecycle of biosensor technology. Adaptations of RemovAid's medical device will enable the removal of subcutaneous sensors, improving user experience.

Additionally, Lifecare's partnership with OneTwo Analytics, established in 2024, grants access to advanced AI- and ML-based software for continuous glucose monitoring data analysis. This collaboration enhances Lifecare's offering with cutting-edge analytics and user-friendly software solutions.

Advancing automated production
To ensure high-quality production at scale, Lifecare is optimizing product and production tolerances. In collaboration with experts from TTP plc (The Technology Partnership) in the UK, Lifecare is refining and strengthening its manufacturing processes. These improvements will undergo validation in 2025, supporting Lifecare's goal of delivering a high-quality sensor for human use.

Financial review of the Lifecare Group

The consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU.

Lifecare Group Profit or loss	2024	2023
(NOK 1 000)		
Revenue and other income	9 671	13 086
Total operating expenses	94 454	48 434
Operating profit/loss	-84 783	-35 348
Net financial items	11 299	26
Profit/loss before tax	-73 484	-35 322
Profit/loss for the year	-72 744	-35 206

Lifecare Group Financial position	2024	2023
(NOK 1 000)		
Total non-current assets	37 775	22 345
Total current assets	74 817	64 044
Total equity	73 983	66 455
Total non-current liabilities	9 197	9 302
Total current liabilities	29 413	10 634

Profit/loss

The Group's revenue and other income amounted to NOK 9.7 million in 2024 compared to NOK 13.1 million in 2023. The income relates mainly from public grants in the German subsidiaries, SkatteFUNN in Norway and subrental of office and laboratory space. In 2024 the organization has increased its focus on internal R&D and provided less laboratory services to external parties, reducing the revenue from 2023 to 2024.

Employee benefits expenses came to NOK 37.7 million in 2024 compared to NOK 25.7 million in 2023. This increase is primarily driven by the increased level of activities and the addition of new employees. As of year end 2023 the Group had 27 full-time equivalent employees (FTE), compared to 33 FTEs at year end 2024. Total employee share option cost (no cash effect) has been recognized with an expense of NOK 3.1 million in 2024 compared to NOK 3.7 million in 2023.

Depreciation and amortization expenses was NOK 4.9 million in 2024 compared to NOK 3.3 million in 2023. The increase from 2023 was due to purchase of production and laboratory equipment.

Other operating expenses rose from NOK 19.5 million in 2023 to NOK 51.8 million in 2024. The increase was due to a significant ramp up of the R&D activities, including pilot production, engineering and preparation of the automated production process. The cost was also driven by the inclusion of RemovAid and cost related to the listing on Oslo Børs.

Total operating expenses came to NOK 94.5 million in 2024 compared to NOK 48.4 million in 2023. The increase was driven by a significant increase in R&D activities as described above.

In 2024, net financial items yielded a profit of NOK 11.3 million compared to NOK 26 thousand in 2023. This positive change was attributed to interest rates on capital and revaluation of warrants recognized as financial liabilities.

The pre-tax loss came to NOK 73.5 million in 2024 compared to NOK 35.3 million in 2023. Tax for 2024 has been calculated to an income of NOK 0.7 million compared to an income of NOK 0.1 million for 2023. The Group's total loss after tax was NOK 72.7 million in 2024 compared to a loss of NOK 35.2 million in 2023.

Financial position

On 31 December 2024, the book value of the Group's assets was NOK 112.6 million, up from NOK 86.4 million as of 31 December 2023. The increase in the Group's balance sheet in 2024 was mainly related to two capital issues raising total cash of NOK 106.6 million, the acquisition of RemovAid and purchase of equipment.

As of 31 December 2024, the Group's patents, licenses, and goodwill totaled NOK 12.6 million, slightly up from NOK 12.5 million at the end of 2023, primarily due to the acquisition of RemovAid. The Group holds three key patents for its glucose monitoring technology as well as patents related to the RemovAid tool. Goodwill related to the acquisitions of Lifecare Laboratory and Lifecare NanoBioSensor remains unchanged at NOK 7.2 million. The annual impairment assessment confirmed no indications of impairment, supporting the retention of recognized goodwill.

Tangible assets including right-of-use assets totalled NOK 25.2 million as of 31 December 2024, up from NOK 9.8 million as of 31 December 2023 due to investments in equipment and new office lease agreements. Tangible assets acquired in 2024 consist of 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. Some contracts have been renewed during 2024.

Trade receivables and other current assets came to NOK 13.2 million at year end 2024 compared to NOK 15.7 million as at year end 2023.

The cash balance at the end of year was NOK 61.6 million, up from NOK 48.3 million as of 31 December 2023. The successful completion of a rights issue in June 2024 raised gross proceeds of NOK 90 million and a capital issue in connection with the IPO in October raised an additional NOK 16.6 million.

Total equity as of 31 December 2024 was NOK 74.0 million compared to NOK 66.5 million as of 31 December 2023. The equity ratio as at year end 2024 was 66% compared to 77% as at year end 2023.

Total liabilities were NOK 38.6 as at year end 2024, compared to NOK 19.9 million as at year end 2023. Lifecare is funded mainly by equity and to a certain degree public grants and does not have interest-bearing debt. Warrants issued in June 2024 in connection with the rights issue were recognized as financial liability at market value of NOK 14.7 million as of 31 December 2024. Liabilities also include right of use assets (office rental lease agreement recognized according to IFRS 16), trade payables and other current liabilities. As of 31 December 2024, non-current lease liabilities were NOK 8.3 million and current lease liabilities were NOK 2.6 million, compared to NOK 4.7 million and NOK 1.7 million, respectively, as at year end 2023. The lease liabilities were impacted mainly by a new office rental agreement at the headquarter in Bergen. Lifecare has signed a lease for new facilities in Mainz, effective 1 July 2025. In accordance with IFRS 16, this agreement will add NOK 37 million to the financial statements as a right-of-use asset and lease liability from Q3 2025.

Cash flow

Net cash flow from operating activities amounted to NOK -65.5 million in 2024 compared to NOK -37.3 million in 2023. The change in cash flow was primarily driven by increased R&D activities and increase in employees, resulting in a higher operating loss in 2024 compared to 2023.

Net cash flow from investing activities was NOK -12.4 million in 2024 compared to NOK -1.2 million in 2023. Investment in 2024 includes machines and equipment related to pilot and automated production.

The cash flow from financing activities totaled NOK 91.2 million in 2024 compared to NOK 39.3 million in 2023. Gross proceeds of NOK 16.6 million was raised in the public retail offering in connection with the listing on Euronext Oslo Børs in October 2024. Additionally, in June 2024, Lifecare completed a rights issue that generated gross proceeds of NOK 90 million. In 2023, Lifecare concluded a private placement raising gross proceeds of NOK 42.5 million.

At year end 2024, the cash balance was NOK 61.6 million compared to NOK 48.3 million at the end of 2023, with a net change in cash of NOK 13.3 million for the year 2024.

Financial review of Lifecare ASA

The parent company's financial statements have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU.

Lifecare ASA Profit or loss	2024	2023
(NOK 1 000)		
Revenue and other income	5 332	5 431
Total operating expenses	80 601	40 188
Operating profit/loss	-75 269	-34 757
Net financial items	11 615	206
Profit/loss before tax	-63 654	-34 551
Profit/loss for the year	-63 654	-34 551

Lifecare ASA Financial position	2024	2023
(NOK 1 000)		
Total non-current assets	25 386	17 294
Total current assets	91 838	56 117
Total equity	82 015	65 903
Total non-current liabilities	4 188	3 075
Total current liabilities	31 021	4 433

Profit/loss

Lifecare ASA's revenue and other income amounted to NOK 5.3 million in 2024 compared to NOK 5.4 million in 2023. The income relates mainly from management fee to subsidiaries and SkatteFUNN. Lifecare ASA oversees the Group's centralized functions, including executive management, project management, quality management systems (QMS), human resources, and finance and accounting. These services are largely provided to its subsidiaries.

Employee benefits expenses came to NOK 16.4 million in 2024 compared to NOK 12.3 million in 2023. This increase is primarily driven by the expansion of activities and the addition of new employees. As of year end 2023, Lifecare ASA had six full-time equivalent employees (FTE), compared to 9.5 FTEs at year end 2024. Total employee share option cost (no cash effect) has been recognized with an expense of NOK 3.1 million in 2024 compared to NOK 3.7 million in 2023.

Depreciation and amortization expenses was NOK 0.8 million in 2024 compared to NOK 0.6 million in 2023.

Other operating expenses rose from NOK 27.4 million in 2023 to NOK 63.5 million in 2024. The increase was due to a significant ramp up of the R&D activities, including pilot production, engineering and preparation of the automated production process. In addition, the cost was also driven by the inclusion of operating expenses in RemovAid and cost related to the listing on Oslo Børs.

Total operating expenses came to NOK 80.6 million in 2024 compared to NOK 40.2 million in 2023. The increase was driven by a significant increase in R&D activities.

In 2024, net financial items yielded a profit of NOK 11.6 million compared to NOK 0.2 million in 2023. This positive change this year was attributed to interest rates on capital and revaluation of warrants recognized as financial instruments.

The total loss came to NOK 63.7 million in 2024 compared to NOK 34.6 million in 2023. Tax for both 2024 and 2023 has been calculated to NOK 0 million.

Financial position

On 31 December 2024, the book value of the parent company's assets was NOK 117.2 million, up from NOK 73.4 million as of 31 December 2023. The increase in the balance sheet in 2024 was mainly related to two capital issues raising total cash of NOK 106.6 million and the acquisition of RemovAid.

The company's patents, goodwill and tangible assets including right-of-use assets totalled NOK 5.7 million as of 31 December 2024, up from NOK 1.6 million as of 31 December 2023. The increase was related a new rental lease agreement recognized as right of use asset.

Investment in subsidiaries amounted to NOK 19.7 million as of 31 December 2024 compared to NOK 15.7 million as at 31 December 2023. The increase relates to the acquisition of 89.6% of RemovAid AS.

Trade receivables and other current assets came to NOK 30.8 million as at year end 2024 compared ot NOK 8.7 million as at year end 2023. The receivables primarily consist of management fees from subsidiaries, which have increased compared to last year due to the expansion of group functions and services.

The cash balance at the end of year was NOK 61.0 million, up from NOK 47.4 million as of 31 December 2023. The successful completion of a rights issue in June 2024 raised gross proceeds of NOK 90 million and a capital issue in connection with the IPO in October raised an additional NOK 16.6 million.

Total equity as of 31 December 2024 was NOK 82.0 million compared to NOK 65.9 million as of 31 December 2023. The equity ratio as at year end 2024 was 70% compared to 90% as at year end 2023.

Total liabilities were NOK 35.2 million as at year end 2024, compared to NOK 7.5 million as at year end 2023. Lifecare ASA is funded mainly by equity and to a certain degree public grants and does not have interest-bearing debt. Warrants issued in June 2024 in connection with the rights issue were recognized as financial liability at market value of NOK 14.7 million as of 31 December 2024. Liabilities also include right of use assets (office rental lease agreement), trade payables and other current and non-current liabilities. As of 31 December 2024, non-current lease liabilities were NOK 4.2 million and current lease liabilities were NOK 0.4 million, compared to NOK 0.2 million and NOK 0.3 million, respectively, as at year end 2023. In 2024, Lifecare ASA entered into a new office rental agreement at the headquarter in Bergen.

Cash flow
Net cash flow from operating activities amounted to NOK -74.8 million in 2024 compared to NOK -37.2 million in 2023. The change in cash flow was primarily driven by increased R&D activities and increase in employees, resulting in a higher operating loss in 2024 compared to 2023.

Net cash flow from investing activities was NOK -4.4 million in 2024 compared to NOK-0.2 million in 2023. The investment in 2024 relates mainly to RemovAid.

The cash flow from financing activities totaled NOK 92.7 million in 2024 compared to NOK 40.1 million in 2023. Gross proceeds of NOK 16.6 million was raised in the public retail offering in connection with the listing on Euronext Oslo Børs in October 2024. Additionally, in June 2024, the company completed a rights issue that generated gross proceeds of NOK 90 million. In 2023, Lifecare ASA concluded a private placement raising gross proceeds of NOK 42.5 million.

At year end 2024, the cash balance was NOK 61.0 million compared to NOK 47.4 million at the end of 2023, with a net change in cash and cash equivalents of NOK 13.6 million for the year 2024.

ESG framework

The Board of Directors is responsible for oversight of ESG matters. The CEO has delegated the authority and responsibility of the ESG implementation and execution to the CFO.

The Board of Directors has adopted a Corporate Governance policy to reflect Lifecare's commitment to good corporate governance. This policy is based on the recommendation on corporate governance for companies listed in Norway (Code of Practice), prepared by the Norwegian Corporate Governance Board. The Board has also issued a Statement of Corporate Governance, included in this Annual Report. Business integrity is fundamental to Lifecare, with zero tolerance for fraud, corruption, or misconduct. Lifecare's Code of Conduct and anti-corruption policy outline clear expectations. In 2024, no incidents of corruption or whistleblowing cases were reported.

Lifecare focuses on developing sensor technology for continuous monitoring of glucose and other body analytes. This vision aligns with and directly contributes to UN's Sustainable Development Goal #3: Good Health and Well-Being. Lifecare's operations have minimal environmental impact. At the current stage, the primary environmental considerations relate to travel and the shipment of devices and materials. To mitigate this impact, the Group carefully evaluates the necessity of travel and prioritizes virtual meeting tools whenever feasible to reduce travel while maintaining operational efficiency.

Human resources, working environment and equality
The Lifecare Group comprises 39 employees at year end 2024 (33 employees at year end 2023), where of 29 full time employees and 10 part time employees. Of these, three are PhD students, engaged on industry contracts through the University of Bath, the University of Frankfurt and the Norwegian University of Life Sciences.

In 2024, Lifecare conducted a work environment analysis. The analysis confirmed that the employees are proud of their work with Lifecare and that the working environment is good.

Focus on health, safety, and environment (HSE) is imperative for Lifecare. 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 249 days (3.9%) in 2024, compared to 127 days (2%) in 2023. Management is monitoring and following up the absence rate.

Lifecare 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. Lifecare does not tolerate discrimination against any employee based on age, gender, sexual orientation, disability, race, nationality, political opinions, religion, or ethnic background, or other.

Lifecare ASA employs 50% women and 50% men (2023: 33% and 67%, respectively) while the Lifecare Group comprise 41% women and 59% men (2023: 38% and 62%, respectively). The Board of Directors consists of 40% women and 60% men (2023: 20% and 80%, respectively). The executive management team consist of 33% women and 67% men (2023: 100% men).

Human Rights and Transparency Act
Lifecare is committed to respecting and promoting human rights across its operations. This includes safeguarding freedom of association, collective bargaining, and ensuring a workplace free from forced labor, child labor, and discrimination. Lifecare actively upholds these principles throughout its business and supply chain.

Lifecare carries out due diligence assessment related to fundamental human rights and decent working conditions in its own businesses and supply chain, according to the Norwegian Transparency Act. Lifecare's human rights progress report for 2024 will be published here within 30 June 2025.

Responsible supply chain
Lifecare is committed to maintaining a responsible and efficient supply chain that supports business resilience and aligns with group policies. Before engaging new suppliers, Lifecare conducts a thorough pre-qualification process, including integrity due diligence. Lifecare also assesses high-risk countries based on Transparency International's Corruption Index and does not engage in business transactions in those jurisdictions.

Risk management

Lifecare aims to develop and commercialize the world's smallest implantable continuous glucose monitoring (CGM) sensor. Successfully navigating geopolitical, macroeconomic, and regulatory environments is crucial for operational efficiency, market success, and long-term sustainability. Lifecare operates in an international environment where geopolitical risks may impact its business. Factors such as regulatory changes, trade restrictions, supply chain disruptions, and economic sanctions could affect the Group's operations and future market access. Lifecare's main suppliers and partners are based in Europe, and plans to commercialize its product primarily in the European market. Lifecare prioritizes risk mitigation across various areas and continuously monitors and strengthens its risk management framework.In 2024, there were no significant changes to risks and uncertainties that had a particular impact on Lifecare. Below is a summary of the key risks Lifecare faces in the short and medium term.

Lifecare has liability insurance for its directors and officers, covering compensation claims and related costs for potential claims against them. The policy applies to all past, present, and future board members, executives, and other key personnel who may be exposed to personal managerial liability.

Financial risk
Liquidity risk
Lifecare is currently in a product development stage, dedicating nearly all resources to the research and development of the Sencell implant. The funding primarily relies on equity financing, with limited support from public grants. To ensure sound financial management, monthly liquidity forecasts based on conservative assumptions are conducted, forming the basis for planning the Group's financing needs. Lifecare works continuously to ensure financial flexibility to achieve its strategic and operational goals. The liquidity situation at year end is satisfactory, with moderate to high risk as Lifecare is still dependent on financing.

Financing risk
In 2024, Lifecare successfully completed a rights issue and a public retail offering, raising gross proceeds of NOK 106.6 million. At year-end 2024, the cash and cash equivalents stood at NOK 61.6 million, with an equity ratio of 66%. As part of the 2024 rights issue, Lifecare ASA issued listed and tradable warrants, granting holders the right to purchase shares in June 2025 at a price equal to the volume weighted average price (VWAP) of the company's shares on Euronext Oslo Børs during the last three trading days before the first exercise date, minus 30%, with a maximum price cap of NOK 25.76. These warrants may be exercised between 2 June and 13 June 2025.

Raising capital carries risks, including market conditions, investor sentiment, and the company's ability to meet financial and operational milestones. There is no guarantee that sufficient funds will be secured on favorable terms or within the necessary timeframe. Failure to secure necessary capital could significantly impact Lifecare's ability to execute its strategy and is therefore considered a high risk.

Interest rate risk and credit risk
Given the Group's equity-based financing, exposure to interest rate risk is minimal. The credit risk is also assessed as minimal as the Group generates only limited income, and as the parent company controls the subsidiaries.

Currency risk
Currency risk is a factor, given the international scope of the Group's operations. In particular, fluctuations in the Euro affect the Group, as a majority of its suppliers invoice in Euros while most cash is held in Norwegian Kroner. Currently, no currency hedging strategy is employed to mitigate these fluctuations.

Scientific risk
Lifecare develops technology for sensing and monitoring various body analytes, using osmotic pressure sensors to detect variations in analyte levels. The core technology is protected by three active patents, with a fourth patent pending. Lifecare follows a rigorous, phased R&D process to ensure its product's reliability, safety, and effectiveness, conducting preclinical and proof-of-concept studiesbefore regulatory clinical studies. In 2024, Lifecare launched longevity studies to assess foreign body reactions and confirm the sensor's lifespan. The first veterinary patient study showed 12-week stability and no unexpected foreign body reactions, significantly reducing scientific risk.

To further mitigate risk, Lifecare collaborates with academic institutions and industry experts, incorporating their insights and staying aligned with the latest scientific advances. Lifecare prioritizes regulatory compliance, ensuring its processes meet industry standards from the start. As such, the scientific risk associated with the technology is considered low.

Manufacturing risk
Lifecare is committed to establishing a production framework that transitions seamlessly from engineering to full-scale manufacturing. Lifecare has invested in advanced manufacturing technologies and process automation to ensure consistency and precision. Pilot production of the Sencell sensor has been completed, and the most critical steps in the production process has been automated. To identify and address potential quality issues, Lifecare conducts extensive testing on its production processes. At year end 2024, Lifecare was improving the versions of its Minimal Viable Product, as used in the ongoing long-term studies, into further stable product prototypes that are designed for manufacturing. As some work is still needed for final manufacturing, this risk is considered moderate.

Regulatory risk
Lifecare has implemented internal control policies and systems to ensure compliance with relevant regulations. Quality control procedures are continuously developed and adapted to each phase of the Group's activities. Additionally, Lifecare Laboratory and RemovAid are ISO-certified. Lifecare remains committed to upholding the highest safety standards without compromise.

In order for the Sencell implant to be commercialized in human market, Lifecare must carry out clinical studies designed to evaluate the safety, efficacy and performance of the device. The final clinical study scheduled to start late 2025 aims to confirm accuracy, reliability, and safety of the Sencell implant to obtain a CE-mark. Lifecare will rely on a contract research organisation (CRO) to manage 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. In the veterinary market, however, there are no specific regulations for medical devices for animals, enabling Lifecare to market Sencell after completing longevity studies in dogs. The remaining steps in the regulatory process is associated with low to moderate risk.

Commercial risk
To drive commercialization, Lifecare plans to partner with leading veterinarians for the veterinary market and healthcare leaders for the human market. Lifecare recognizes the importance of partnering with larger, established companies to effectively bring Sencell to market, ensure device compatibility, and navigate healthcare regulations. Lifecare's agreement with Sanofi, which includes a right of first refusal for Sencell technology, reflects Lifecare's strategy to collaborate with industry leaders. Additionally, the partnership with OneTwo Analytics AB will support the development of a mobile app to seamlessly transmit and analyze glucose data from Sencell, offering valuable insights for diabetes management. Lifecare will lead the commercialization of this software in the global veterinary market, with compatibility for potential human applications. On this basis, the overall risk related to commercialization is considered moderate .

Cybersecurity risk
Lifecare maintains a robust information security program to safeguard data confidentiality, integrity, and availability. Through advanced security protocols, continuous monitoring, and regular employee training, Lifecare proactively mitigates threats and strengthens defenses across the organization.

Climate and nature-related risk
Lifecare is committed to enhancing its understanding of climate and nature-related risks. Lifecare has conducted preliminary assessments which indicate that its current direct exposure to these risks has a limited impact on the Group's forecasts, estimates, and critical accounting judgements.

Events after the reporting date

At the beginning of 2025, Lifecare announced the development of a new generation of its proprietary chemistry. This advancement is expected to significantly enhance sensor sensitivity. Initial laboratory tests have been successfully completed using implants similar to those employed in the long-term studies. The functionality of the new chemistry is currently being evaluated through in-vitro testing and will also undergo long-term in-vivo studies.

Outlook

Lifecare is entering a pivotal phase in 2025, maintaining strong momentum in product development and preparing for commercialization. Lifecare's continuous glucose monitoring technology continues to advance, supported by strategic partnerships, optimized production processes, and improvements in sensor sensitivity. Lifecare anticipates finalizing the design of the Sencell implant in the first half of 2025, ensuring it is optimized for manufacturing.

At the same time, Lifecare is preparing for the regulatory study to support the CE mark application for Sencell in the human market. This study is expected to start late 2025, with the main part taking place in 2026, targeting CE approval and market launch by 2027. Ongoing dog trials remain essential to confirm the sensor's longevity, biocompatibility, and data accuracy, serving as a key step before human trials. Commercializing the sensor in the veterinary market first will provide valuable insights and potential product improvements for the human study and commercialization process.

Going concern

At the end of 2024, Lifecare held a cash position of NOK 61.6 million. In 2024, Lifecare strengthened its financial position through successful capital raises, including a NOK 90 million share issue in June and a NOK 16.6 million public retail offering in October. The June share issue was oversubscribed by 127%, reflecting strong investor confidence. Investors in this round were also granted tradable warrants listed on Euronext Growth, exercisable in June 2025. As of year end 2024, 4 193 806 warrants are outstanding.

To sustain Lifecare's progress and successfully bring Lifecare's groundbreaking technology to market, the Board looks forward to continued investor support during the warrant exercise period from 2 to 13 June 2025. Investor commitment remains important in navigating the final steps toward market entry, long-term success, and ultimately achieving profitability and returns on investment.

Statement from the Board of Directors and the CEO

We hereby confirm that, to the best of our knowledge, the financial statements for the period from 1 January to 31 December 2024 have been prepared in accordance with applicable accounting standards and give a true and fair view of the Lifecare Group and Lifecare ASA's assets, liabilities, financial position and overall results. We also confirm that the Board of Directors' report gives a true and fair view of the development of the business and the position of the Lifecare Group and Lifecare ASA, as well as a description of the principal risks and uncertainties facing Lifecare.

Bergen, 27 March 2025

The Board of Directors and CEO of Lifecare ASA

This document is electronically signed and does not contain handwritten signatures

Morten Foros Krohnstad
Chair of the Board

Trine Teigland
Board member

Lutz Walter Heinemann
Board member

Tone Kvåle
Board member

Hans Johan Hekland
Board member

Joacim Holter
Chief Executive Officer

Statement on Corporate Governance

Lifecare emphasizes good corporate governance

Lifecare (or "the Group") 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 established key principles ensuring that the Group complies with applicable laws, regulations, and the recommendations of the Code. To uphold these standards, the Board has implemented routines for monitoring adherence to ethical conduct, legal compliance, and health, safety, and environmental (HSE) requirements. These routines are designed to ensure a balanced approach to compliance, considering Lifecare's size and stage of development.

Lifecare's adherence to the Code is detailed in this report, with section numbers corresponding to the relevant chapters of the Code.

Lifecare's compliance with the Norwegian Code of Practice for corporate governance	Deviations from the Code
1. Implementation and reporting on corporate governance	None
2. Business	None
3. Equity and dividends	None
4. Equal treatments of shareholders	None
5. Shares and negotiability	None
6. General meetings	None
7. Nomination committee	None
8. Board of Directors: composition and independence	None
9. The work of the Board of Directors	None
10. Risk management and internal control	None
11. Remuneration of the Board of Directors	None
12. Remuneration of executive personnel	None
13. Information and communications	None
14. Take-overs	None
15. Auditor	None

1. Implementation and reporting on corporate governance
Lifecare recognizes the distinct roles of shareholders, the Board of Directors, and the Executive Management team. The Board has established a sound corporate governance policy along with a statement of compliance with the Code for Corporate Governance.

To ensure adherence to this policy, the Board holds regular meetings attended by the Executive Management team, where strategic, operational, and financial matters are presented.

Lifecare follows the Code for Corporate Governance under a "comply or explain" principle, providing explanations for any deviations from the Code when full compliance is not achieved.

Deviations from the Code: ***None***

2. Business

Lifecare is a Norwegian based company with subsidiaries in Norway, Germany and the United Kingdom. Lifecare focuses on research, development, and commercialization of sensor technology for continuous monitoring of body analytes. Its primary objective is to develop sensor technology for continuous glucose monitoring (CGM) for individuals and pets with diabetes.

Lifecare's business purpose is clearly defined in Lifcare ASA's 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 Articles of Association are available on Lifecare's website, and Lifecare's objectives and strategy are outlined in the annual report.

As of 31 December 2024, the Lifecare Group employed 39 individuals, including part-time staff, equating to 33 full-time equivalents (FTEs). The Group's core competencies reside within this team.

Lifecare's development is structured around defined milestones and objectives. The Board of Directors evaluates Lifecare's strategy and risk profile to support long-term, sustainable value creation for shareholders. These evaluations are conducted annually.

Overall, Lifecare's strategy and operations are driven by its vision: "Changing lives through medical technology."

Corporate social responsibility

The Group has implemented anti-corruption and anti-bribery policies, aligning its procedures and standards with internal control frameworks used by comparable businesses of similar size, complexity, and industry. Lifecare requires its directors and employees to uphold high ethical standards in both business and interpersonal relationships. The Group's anti-corruption principles focus on prevention through awareness-raising, limiting opportunities for misconduct, ensuring a high detection risk, and maintaining a zero-tolerance policy for corruption.

The Group's internal control policies and systems are designed to meet the regulatory requirements relevant to its operations. Quality control procedures are tailored to each phase of the Group's activities, making their development a continuous and systematic process.

Lifecare is committed to animal welfare, human and labor rights, social responsibility, and sustainable development. The Group's management conducts regular performance reviews and internal evaluations, ensuring compliance with applicable legislation in these areas. The Group primarily collaborates with public and private European research institutions and service providers. To uphold the principles of its policies, Lifecare has established a process for assessing and managing risks associated with its business partners and suppliers. Additionally, preclinical and clinical research is subject to strict government regulations in all jurisdictions where research and development activities take place. As a result, Lifecare considers these ethical and social concerns to be well addressed both internally and among its subcontractors.

Sustainable development

Lifecare focuses on developing sensor technology for continuous monitoring of glucose and other body analytes. This vision aligns with and directly contributes to one of the UN's seventeen Sustainable Development Goals—Goal #3: Good Health and Well-Being.

International medical technology development is strictly regulated to ensure animal welfare and prioritize the safety and well-being of patients in clinical trials. Lifecare has established internal routines to ensure that both the Group and its service providers comply with all relevant standards in these areas.

The Group's primary environmental considerations relate to travel and the shipment of devices and materials. To mitigate this impact, the Group carefully evaluates the necessity of travel and prioritizes virtual meeting tools whenever feasible to reduce travel while maintaining operational efficiency.

Code of Conduct

The Board and management of Lifecare are committed to ensuring that the Group's development and daily operations are value-driven and performance-oriented, in full compliance with laws and regulations. This commitment is grounded in a strong focus on ethics, integrity, human rights and health, safety, and environment (HSE).

Lifecare's Board and management strive to ensure that the Group's daily operations encompass key aspects such as the working environment, stakeholder interactions, intragroup transactions, employee loyalty, conflicts of interest, confidentiality, environmental responsibility, financial reporting, and trading of its shares. These activities are conducted in accordance with the formal Code of Conduct and informal ethical guidelines.

Deviations from the Code: ***None***

3. Equity and dividends

As of 31 December 2024, Lifecare's equity stood at NOK 74 million, providing an equity ratio of 66%. Lifecare's capital structure is regularly evaluated in line with its objectives, strategy, and risk profile. As of year-end 2024, the equity level is considered satisfactory.

To date, Lifecare has not distributed dividends due to being in the development phase. The Board of Directors does not have a mandate to approve dividend distributions.

In April 2024, the General Assembly authorized the Board of Directors to increase the share capital by issuing up to 40 459 722 new shares (equivalent to 30% of Lifecare ASA's share capital) with a maximum value of NOK 16 183 888.80, in connection with capital increases. Additionally, the Board was authorized to issue up to 6 743 287 shares (5% of the registered share capital) with a maximum value of 2 697 314.8 for Lifecare's employee incentive program. These authorizations are valid for one year from the date of the resolution.

In May 2024, the General Assembly authorized the Board of Directors to issue up to 1 639 968 shares, with a maximum value of NOK 655 987.20, as payment for underwriting fees related to a rights issue in June 2024. This authorization remains valid until the Annual General Meeting in 2025.

In September 2024, the General Assembly authorized the Board of Directors to acquire treasury shares up to an aggregate value of NOK 500 000 in connection with a share consolidation (reverse split). The authorization was granted solely to facilitate the delivery of shares to shareholders whose holdings do not align with the consolidation ratio. The authorization remains valid until the Annual General Meeting in 2025.

Deviations from the Code: ***None***

4. Equal treatment of shareholders
Lifecare ASA has a single class of shares, with each share carrying one vote and equal rights. The Board of Directors and management are committed to ensuring fair and equal treatment of all shareholders.

As part of the share consolidation in September 2024, Lifecare ASA acquired 30 000 treasury shares at an average price of NOK 1.67 per share to allocate shares to shareholders whose holdings did not align with the consolidation ratio. The purchase was conducted as ordinary market trades. Following the consolidation, Lifecare ASA held 2 308 treasury shares, of which 1 285 were allocated to shareholders. As of 31 December 2024, Lifecare ASA retained 1 023 treasury shares.

In 2024, there were two capital increases, both conducted without waiving the pre-emptive rights of existing shareholders.

Deviations from the Code: ***None***

5. Shares and tradability
Lifecare ASA's shares are freely tradable with no restrictions. The Articles of Association impose no limitations on voting rights, ownership, or share transferability.

Deviations from the Code: ***None***

6. General Meetings
The Board facilitates shareholder participation in General Meetings by enabling attendance either in person or via digital platforms. Lifecare ASA's General Meetings serve as an effective forum for dialogue between shareholders and the Board.

The Chairman and Chief Executive Officer (CEO) attend the Annual General Meeting, along with representatives from the Nomination Committee. The Board of Directors participates either in person or via video link when deemed necessary.

Lifecare's Articles of Association authorize the Board to permit advance voting and electronic voting at General Meetings. Shareholders unable to attend may vote by proxy, and they may also appoint a representative to vote on their behalf. The Board may allow shareholders to submit votes in writing, including electronically, within a specified period before the meeting.

Meeting notices and relevant documents, including the Nomination Committee's recommendations and the Board's statement on executive remuneration, are published on Lifecare's website at least 21 days before the meeting. The notice provides information on shareholders' rights, registration and voting procedures, proxy representation, and the nomination process. To the extent possible, Lifecare prepares a voting form that allows shareholders to issue separate voting instructions for each agenda item, including individual candidates for the Lifecare's governing bodies.

For practical reasons, the Board has nominated the Chairman of the Board to preside over the General Meeting, while ensuring that participating shareholders—whether in person, via video link, or by proxy—may nominate an alternative candidate.

In 2024, Lifecare ASA held its Annual General Meeting on 30 April as a hybrid meeting.

Deviations from the Code: ***None***

7. Nomination Committee
Article 9 of Lifecare ASA's Articles of Association mandates the establishment of a Nomination Committee. The committee's responsibilities are outlined in this article and further detailed in the "Instructions for the Nomination Committee," available on Lifecare's website. In summary, its duties include proposing candidates for election to the Board of Directors and nominating members for the Nomination Committee. The instructions were last updated in April 2024.

The Nomination Committee consists of up to three members, with the General Meeting electing one member as chairperson. The chairperson serves a two-year term, while other members are elected annually. The General Meeting determines the remuneration for committee members.

The Nomination Committee ensures that shareholder interests are considered when nominating qualified candidates for Lifecare ASA's governing bodies. Shareholders are encouraged to submit written, justified proposals for Board candidates. The committee may set a deadline for submissions, which will be communicated on the Lifecare's website.

All Nomination Committee members are independent of Lifecare's management and Board, ensuring impartiality. The committee's composition is considered to reflect the collective interests of shareholders.

The Nomination Committee consist of the following members:

Role	Name	Served since	Term expires
Chair	Christian Hysing-Dahl	April 2024	AGM 2026
Member	Marthe Jansen	April 2024	AGM 2025
Member	Oddvar Kaarbø	April 2024	AGM 2025

The contact details of the Chair of the Nomination Committee are available on Lifecare's website.

Deviations from the Code: ***None***

8. Board of Directors: composition and independence
In accordance with Lifecare ASA's Articles of Association, the Board of Directors consists of 3 to 7 members, as determined by the General Meeting. The Chairman of the Board is elected by the General Meeting, and all Board members serve two-year terms.

The Board is structured to ensure independence, alignment with the common interests of all shareholders, and the necessary expertise, capacity, and diversity to support Lifecare's needs. The Board conducts an annual self-evaluation, assessing both its collective effectiveness and the individual contributions of its members.

The current Board of Directors consist of the following non-executive members:

Role	Name	Gender	Independence	Served since	Term expires	2024 meeting attendance	Shares	Nationality
Chair	Morten Foros Krohnstad	Male	Yes	November 2020	AGM 2025	100%	-	Norwegian
Member	Trine Teigland	Female	Yes	June 2020	AGM 2026	100%	2 101 214 (13.25%)	Norwegian
Member	Lutz Walter Heinemann	Male	Yes	November 2020	AGM 2026	94%	-	German
Member	Hans Johan Hekland	Male	Yes	May 2021	AGM 2025	100%	16 562 (0.10%)	Norwegian
Member	Tone Kvåle	Female	Yes	April 2024	AGM 2026	100%	3 077 (0.02%)	Norwegian

One of Lifecare's main shareholders, Teigland Eiendom AS, is represented on the Board by Trine Teigland.

All Board members are independent of Lifecare's day-to-day management and material business connections. None of the members hold executive positions within Lifecare. The Board's composition ensures that it operates independently of any special interests.

Board members bring a diverse range of qualifications, including expertise in diabetes technology, business development, strategy, finance, and international sales. The average age of the Board members is 56. Further information for each member of the Board of Directors is available here.

Board members are not included in Lifecare's share option program but are encouraged to own shares in Lifecare.

The Board conducted 17 meetings in 2024.

Deviations from the Code: ***None***

9. The work of the Board of Directors
The duties and operations of the Board of Directors are regulated by the Norwegian Public Limited Liability Companies Act. In addition, Lifecare's Board has established its own instructions outlining the internal allocation of responsibilities, rules for Board proceedings, and the relationship between the Board and management. The document "Instructions to the Board and the CEO" is available on Lifecare's website and undergoes an annual review, most recently revised in January 2025.

The Board holds overall responsibility for Lifecare's management, ensuring compliance with relevant laws, regulations, and directives from the General Meeting. Its key responsibilities include developing and executing the Group's strategy, overseeing shareholder relations and communication, and ensuring the Group is well-organized and adequately financed.

The Board is also responsible for maintaining a robust internal control framework, supervising daily operations, appointing the CEO, and facilitating General Meetings. The Board's objectives, responsibilities, and functions adhere to applicable laws, rules, and standards.

To prevent conflicts of interest, Board instructions prohibit members of the Board or Executive Management from participating in discussions or decisions where they have a significant personal or financial interest. Additionally, the Board has issued guidelines on primary insider trading, anti-bribery, and anti-corruption policies.

The Board adopts an annual work plan, and the CEO is responsible for keeping the Board informed on Lifecare's activities, financial standing, and operational developments. The Board also conducts an annual self-evaluation, which is shared with the Nomination Committee.

The Board conducts an annual evaluation of its performance and expertise. This assessment is based on an anonymous questionnaire completed by each Board member. The most recent evaluation, completed in January 2025, did not identify any need for changes to the Board's composition or organizational practices.

In 2024, the Board established two sub-committees: the Audit Committee and the Remuneration Committee.

Audit Committee

The Audit Committee consists of at least two Board members with relevant financial and operational expertise. Its responsibilities include overseeing the financial and sustainability reporting process, the audit process, risk management, internal controls, and compliance with applicable laws and regulations.

The "Instructions for the Audit Committee" were established in May 2024, outlining its duties and governance. The committee reviews the Group's quarterly and annual reports before they are submitted to the full Board for approval. In 2024, the Audit Committee held four meetings as per its annual plan.

The Group's external auditor participates in selected Audit Committee meetings, attending at least twice per year.

The Audit Committee consists of the following members:

Role	Name	Considered independent	Served since
Chair	Tone Kvåle	Yes	May 2024
Member	Hans Hekland	Yes	May 2024

Remuneration Committee

The Remuneration Committee operates under a set of instructions adopted by the Board of Directors in May 2024. Its members are appointed from among the Board and must be independent of the Executive Management.

The committee's primary role is to establish a competitive and performance-driven reward policy that attracts and motivates executives to create long-term value for shareholders. It assists and facilitates the Board's decision-making on matters related to Executive Management remuneration, ensuring alignment with guidelines approved by the Annual General Meeting (AGM).

Additionally, the Remuneration Committee is responsible for preparing the annual remuneration report, which is subject to audit by Lifecare's external auditor. The AGM will conduct a consultative vote on this report.

The Remuneration Committee consists of the following members:

Role	Name	Considered independent	Served since
Chair	Morten Foros Krohnstad	Yes	May 2024
Member	Trine Teigland	Yes	May 2024

Deviations from the Code: ***None***

10. Risk management and internal control

The Board of Directors is responsible for ensuring that Lifecare maintains sound internal controls and effective risk management systems, tailored to the scale and nature of its operations. Key risk areas include financial, scientific, manufacturing, and commercial risks.

To manage financial reporting risks, Lifecare has established an internal control framework covering entity-level controls, transaction-level controls, and IT general controls. Additionally, the Group has implemented quality management systems and obtained relevant certifications to ensure compliance and operational excellence.

The Board conducts ongoing assessments of Lifecare's significant risk areas and internal control systems, with a formal review at least once per year. For a detailed overview of relevant risk factors, please refer to the Board of Directors' report.

Deviations from the Code: ***None***

11. Remuneration of the Board of Directors

The General Meeting determines the remuneration of the Board of Directors based on a proposal from the Remuneration Committee. The remuneration reflects the Board's responsibilities, expertise, time commitment, and the complexity of the business. It is not linked to Lifecare's performance, and Board members are not granted share options. Detailed information on Board remuneration is available in the Annual Report and the Remuneration Report.

Board members, or companies with which they are affiliated, should not undertake separate assignments for the Group beyond their Board duties. If such assignments occur, the entire Board must be informed. Fees for these assignments require Board approval, and any remuneration exceeding the standard Board fee will be disclosed in the Annual Report.

Deviations from the Code: ***None***

12. Remuneration of executive personnel

The "Remuneration for Executive Management" guidelines are designed to attract highly qualified individuals and retain key personnel. These guidelines establish clear and easily understandable principles that support Lifecare's long-term interests while ensuring financial viability and alignment with its commercial strategies.

Under authorization from the General Meeting, the Board has established a share purchase program for all employees and a share option program for executive and senior personnel.

The share option program for executive and senior personnel is partially performance-based. Performance-related remuneration is limited and strictly tied to targets that contribute to Group's long-term value creation. The Board has exercised careful judgment in granting options, ensuring alignment with Lifecare's strategy, long-term objectives, and financial sustainability. The Board considers its approach to be in line with market standards and shareholder interests.

Deviations from the Code: ***None***

13. Information and communication

Lifecare prepares its financial statements in accordance with IFRS and has established procedures to ensure compliance with interim and annual reporting requirements. Lifecare adheres to the Norwegian Securities Trading Act, Oslo Børs Continuing Obligations for listed companies, and follows the Oslo Børs Code of Practice for IR (1 March 2021).

The Group's Investor Relations (IR) policy defines roles and responsibilities related to financial reporting and shareholder communication. Rooted in transparency and equal treatment of market participants, the policy ensures that investors receive timely, accurate, relevant, and balanced information about Lifecare's progress and outlook. The IR policy is available on Lifecare's website.

The Board of Directors is responsible for ensuring that quarterly reports accurately reflect the Group's financial and operational position. To safeguard market integrity, the Board has implemented guidelines on insider information handling and share trading.

Lifecare maintains an open and proactive investor relations strategy, holding regular presentations in connection with interim results. All market-sensitive information is disclosed through stock exchange and press releases, which are simultaneously published on Lifecare's website.

Lifecare values shareholder engagement and aims to keep investors informed about the Group's financial status and development. Management members are available for discussions with shareholders outside of general meetings, within the limits set by applicable laws and regulations. The Chair of the Board ensures that shareholder perspectives are effectively communicated to the full Board.

Deviations from the Code: ***None***

14. Take-overs

The Board of Directors is committed to upholding the principles of equal treatment for all shareholders. In the event of a takeover bid, the Board will act in full compliance with Norwegian law, the Code of Practice, and all relevant principles of good corporate governance.

The Board will not obstruct or impede takeover bids for Lifecare's activities or shares. Should a takeover offer be received, the Board will ensure shareholders are provided with sufficient information and time to evaluate the offer. Additionally, the Board will issue a formal statement, recommending whether shareholders should accept or reject the offer.

Any transaction that constitutes a business disposal will require approval by the General Meeting.

Deviations from the Code: ***None***

15. Auditor

As of June 2024, EY serves as Lifecare's auditor. EY is considered independent in relation to Lifecare. Annually, the auditor provides a written confirmation to the Board of Directors, affirming compliance with established requirements for independence and objectivity. The Board of Directors ensures that the auditor's audit plan is submitted for review once a year. The Audit Committee specifically evaluates whether the auditor is fulfilling a satisfactory control function.

Both Lifecare's management and the auditor adhere to guidelines set by the Financial Supervisory Authority of Norway regarding the scope of advisory services that the auditor may provide. The Board invites the auditor to attend the meeting where the annual financial statements are discussed. Additionally, the auditor attends Audit Committee meetings deemed necessary, and joins at least one meeting annually to report on the Group's accounting principles, risk areas, and internal control procedures.

Each year, the Board meets with the auditor in the absence of company management. The auditor's fees are disclosed in the relevant note of the Annual Report, with a breakdown between auditing and other services.

Deviations from the Code: ***None***

PART 03

Financial statements

Financial statement for Lifecare ASA and Lifecare Group

Statement of profit or loss and other comprehensive income

Lifecare ASA		Statement of profit or loss and other comprehensive income		Lifecare Group	
2023	2024	NOK 1 000	Note	2024	2023
1 160	3 975	Revenue	4	3 031	4 262
4 271	1 356	Other income	4	6 640	8 824
5 431	**5 332**	**Total revenue and other income**		**9 671**	**13 086**
12 263	16 376	Employee benefits expenses	5 , 6	37 712	25 659
561	767	Depreciation and amortization	11, 13, 14	4 924	3 253
27 365	63 459	Other operating expenses	7, 14	51 818	19 523
40 188	**80 601**	**Total operating expenses**		**94 454**	**48 434**
-34 757	**-75 269**	**Operating profit/loss**		**-84 783**	**-35 348**
797	541	Finance cost		892	980
1 003	12 156	Finance income		12 192	1 005
206	**11 615**	**Net financial items**	**8, 20**	**11 299**	**26**
-34 551	**-63 654**	**Profit/loss before tax**		**-73 484**	**-35 322**
-	-	Income tax expense	9	740	116
-34 551	**-63 654**	**Profit/loss for the year**		**-72 744**	**-35 206**
		Other comprehensive income			
		Items that may be reclassified subsequently to profit or loss:			
-	-	Currency translation differences		-320	-70
-34 551	**-63 654**	**Total comprehensive income/loss for the year**		**-73 063**	**-35 276**
-3.73	-4.99	Basic and diluted earnings per share (NOK)		-5.73	-3.81
		Profit/loss attributable to:			
-	-	Equity holders of Lifecare ASA		-71 757	-35 258
-	-	Non-controlling interest		-987	52
		Total comprehensive income attributable to:			
-	-	Equity holders of Lifecare ASA		-72 077	-35 328
-	-	Non-controlling interest		-987	52

Statement of financial position

Lifecare ASA		Statement of financial position		Lifecare Group	
31 Dec 2023	31 Dec 2024	NOK 1 000	Note	31 Dec 2024	31 Dec 2023
		Assets			
155	138	Patents and licenses	11	5 371	5 283
-	-	Goodwill	12	7 228	7 228
1 017	1 062	Property, plant and equipment	13	14 484	3 192
413	4 477	Right-of-use assets	14	10 692	6 642
15 709	19 709	Investment in subsidiaries	15, 16	-	-
17 294	**25 386**	**Total non-current assets**		**37 775**	**22 345**
897	4 721	Trade receivables		2 202	4 019
7 808	26 122	Other current assets	17	11 001	11 680
47 411	60 996	Cash	18	61 615	48 345
56 117	**91 838**	**Total current assets**		**74 817**	**64 044**
73 411	**117 224**	**Total assets**		**112 593**	**86 390**

Lifecare ASA		Statement of financial position		Lifecare Group	
31 Dec 2023	31 Dec 2024	NOK 1 000	Note	31 Dec 2024	31 Dec 2023
		Equity and liabilities			
53 946	82 435	Share capital	19	82 435	53 946
79 949	7 725	Other capital reserves		7 725	79 949
-67 992	-8 145	Retained earnings		-16 178	-67 441
65 903	**82 015**	**Total equity**		**73 983**	**66 455**
-	-	Deferred tax liabilities		923	1 641
160	4 188	Non-current lease liabilities	14	8 274	4 745
2 915	-	Other non-current liabilities		-	2 915
3 075	**4 188**	**Total non-current liabilities**		**9 197**	**9 302**
2 105	12 877	Trade payables		5 675	3 588
265	381	Current lease liabilities	14	2 590	1 705
2 063	3 085	Other current liabilities	21	6 470	5 341
-	14 678	Financial liabiities	20	14 678	-
4 433	**31 021**	**Total current liabilities**		**29 413**	**10 634**
7 508	**35 209**	**Total liabilities**		**38 610**	**19 935**
73 411	**117 224**	**Total equity and liabilities**		**112 593**	**86 390**

Statement of changes in equity (Group)

		Other capital reserves			Retained earnings			Retained earnings	
Lifecare Group	**Share capital**	**Share premium**	**Treasury shares**	**Other equity**	**Retained earnings**	**FX translation reserve**	**Total**	**Non controlling interest**	**Total equity**
(NOK 1 000)									
Equity at 01.01.2023	**47 146**	**40 307**	**-**	**2 397**	**-32 311**	**147**	**57 686**	**-**	**57 686**
Profit/loss for the year	-	-	-	-	-35 258	-	-35 258	52	-35 206
Other comprehensive income/loss for the year	-	-	-	-	-	-70	-70	-	-70
Total comprehensive income/loss for the year	**-**	**-**	**-**	**-**	**-35 258**	**-70**	**-35 328**	**52**	**-35 276**
Share-based payments	-	-	-	1 545	-	-	1 545	-	1 545
Issue of new shares	6 800	35 700	-	-	-	-	42 500	-	42 500
Equity at 31.12.2023	**53 946**	**76 007**	**-**	**3 942**	**-67 569**	**77**	**66 403**	**52**	**66 455**
Equity at 01.01.2024	**53 946**	**76 007**	**-**	**3 942**	**-67 569**	**77**	**66 403**	**52**	**66 455**
Profit/loss for the year	-	-	-	-	-71 757	-	-71 757	-987	-72 744
Other comprehensive income/loss for the year	-	-	-	-	-	-320	-320	-	-320
Total comprehensive income/loss for the year	**-**	**-**	**-**	**-**	**-71 757**	**-320**	**-72 077**	**-987**	**-73 063**
Adjustment related to acquisition of subsidiary	-	-	-	-	-	-	-	825	825
Purchase of treasury shares	-	-	-53	-	-	-	-53	-	-53
Use of treasury shares	-	-	39	-	-	-	39	-	39
Share-based payments	-	-	-	3 796	-	-	3 796	-	3 796
Issue of new shares	28 489	78 136	-	-	-	-	106 625	-	106 625
Share issue expenses	-	-6 926	-	-	-	-	-6 926	-	-6 926
Issue of warrants	-	-23 716	-	-	-	-	-23 716	-	-23 716
Transfer of share premium	-	-123 501	-	-	123 501	-	-	-	-
Equity at 31.12.2024	**82 435**	**-**	**-14**	**7 738**	**-15 825**	**-243**	**74 092**	**-109**	**73 983**

Statement of changes in equity (ASA)

		Other capital reserves				
Lifecare ASA	**Share capital**	**Share premium**	**Treasury shares**	**Other equity**	**Retained earnings**	**Total equity**
(NOK 1 000)						
Equity at 01.01.2023	**47 146**	**40 307**	**-**	**2 397**	**-33 441**	**56 410**
Profit/loss for the year	-	-	-	-	-34 551	-34 551
Total comprehensive income/loss for the year	**-**	**-**	**-**	**-**	**-34 551**	**-34 551**
Share-based payments	-	-	-	1545	-	1 545
Issue of new shares	6 800	35 700	-	-	-	42 500
Equity at 31.12.2023	**53 946**	**76 007**	**-**	**3 942**	**-67 992**	**65 903**
Equity at 01.01.2024	**53 946**	**76 007**	**-**	**3 942**	**-67 992**	**65 903**
Profit/loss for the year	-	-	-	-	-63 654	-63 654
Total comprehensive income/loss for the year	**-**	**-**	**-**	**-**	**-63 654**	**-63 654**
Purchase of treasury shares	-	-	-53	-	-	-53
Use of treasury shares	-	-	39	-	-	39
Share-based payments	-	-	-	3 796	-	3 796
Issue of new shares	28 489	78 136	-	-	-	106 625
Share issue expenses	-	-6 926	-	-	-	-6 926
Issue of warrants	-	-23 716	-	-	-	-23 716
Transfer of share premium	-	-123 501	-	-	123 501	-
Equity at 31.12.2024	**82 435**	**-**	**-14**	**7 738**	**-8 145**	**82 015**

Statement of cash flows

Lifecare ASA		Statement of cash flows		Lifecare Group	
2023	2024	NOK 1 000	Note	31 Dec 2024	31 Dec 2023
-34 551	**-63 654**	**Profit/loss before tax**		**-73 484**	**-35 322**
561	767	Depreciation and amortization	11, 13, 14	4 924	3 253
3 691	3 129	Employee share option expense	5	3 129	3 691
44	6 458	Change in receivables and payables		3 204	745
-6 905	-21 460	Other adjustments		-3 311	-9 697
-37 160	**-74 760**	**Net cash flow from operating activities**		**-65 537**	**-37 331**
-36	-365	Purchase of property, plant and equipment	13	-12 765	-1 215
-120	-4 000	Acquisition of subsidiaries, net of cash	16	409	-
-156	**-4 365**	**Net cash flow from investing activities**		**-12 357**	**-1 215**
42 500	106 625	Proceeds from issuance of shares		106 625	42 500
-3 062	-6 926	Share issue expenses		-6 926	-3 062
-254	-348	Repayment lease liabilities	14	-1 635	-871
-23	-206	Interest paid	8, 14	-467	-195
889	2 602	Interest received	8	2 602	889
-	-9 038	Fair value adjustment of financial liabilities	20	-9 038	-
40 050	**92 709**	**Net cash flow from financing activities**		**91 161**	**39 261**
2 734	**13 584**	**Net change in cash**		**13 269**	**715**
44 678	**47 411**	**Cash 1 January**		**48 345**	**47 630**
47 411	**60 996**	**Cash 31 December**	18	**61 615**	**48 345**

Notes to the financial statements

Note 1 General information

The consolidated audited financial statements of Lifecare for the full year ended 31 December 2024 were approved for issuance by the Board of Directors on 27 March 2025 and subject to approval by the Annual General Meeting of Lifecare ASA.

Lifecare is a 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 a sensing principle. Lifecare's sensor technology 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 consist of the parent company Lifecare ASA and its subsidiaries. Lifecare ASA is a public limited company incorporated and domiciled in Norway and is listed on Euronext Oslo Børs (Oslo Stock Exchange). The address of the registered office is Ytrebygdsvegen 215, 5258 Blomsterdalen, Bergen, Norway. The subsidiaries comprise 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 is 80% owned and RemovAid is 89.6% owned by Lifecare ASA as of 31 December 2024, while the other subsidiaries are 100% owned by Lifecare ASA.

Note 2 Material accounting policy information

Lifecare's general material accounting policies applied in the preparation of the financial statements are outlined below, while specific material policies and estimates are detailed in the respective notes.

Basis of preparation

The financial statements for Lifecare ASA and the Lifecare Group ("Lifecare" or "the Group") as of 31 December 2024, covering the period from 1 January to 31 December 2024, have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU, effective as of 31 December 2024.

The financial statements are presented in NOK (Norwegian kroner), with all values stated in NOK 1 000 unless otherwise indicated. The presentation currency for both Lifecare ASA and the Lifecare Group is NOK.

For management purposes, the Group operates as a single business unit, and internal reporting and decision making is structured accordingly.

The financial statements have been prepared using the historical cost basis, except for financial liabilities measured at fair value through profit or loss.

Management makes estimates and assumptions about the future that affect accounting policies and the reported amounts of assets, liabilities, income, and expenses. These estimates, based on historical experience and other relevant factors, guide judgments on asset and liability valuations when no clear market values exist. Actual results may differ from these estimates. Management continuously reviews assumptions in light of current and expected market conditions. The primary area where Lifecare applies significant estimates and assumptions is the impairment assessment of goodwill, see Note 12 for more details.

The material accounting policies described in the financial statements have been applied consistently to all periods presented, except where otherwise stated in the disclosures. These accounting policies have been applied to both the parent company's and the consolidated financial statements, unless otherwise specified.

No new standards, amendments to standards, and interpretations of standards, effective as from 1 January 2024, has had any material impact on the financial statements of Lifecare ASA or Lifecare Group in 2024. Nor Lifecare ASA or the Group has early adopted any standards, amendments or interpretations in 2024. Lifecare has initiated analyses related to the new requirements in IFRS 18, assessing the potential impact on Lifecare ASA's and the Group's financial reporting, disclosures, and accounting policies to ensure compliance upon implementation.

Consolidation principles

The consolidated financial statements include all entities controlled by Lifecare ASA. Subsidiaries are all entities over which the Group exercises control. Control over an entity arises when the Group is exposed to variability in the return from the entity and has the ability to impact this return by virtue of its influence over the entity. Subsidiaries are consolidated from the day control arises and deconsolidated when control ceases. The acquisition method of accounting is applied for acquisitions. All the subsidiaries of Lifecare ASA, except for Lifecare Veterinary AS and RemovAid AS, are wholly owned.

Note 2 Material accounting policy information cont.

Foreign currency translation

When preparing the financial statements, the income statements and statements of financial position of Group entities with functional currencies different from the presentation currency (none of which operate in hyperinflationary economies) are translated as follows:

- The statement of financial position is translated using the closing exchange rate at the end of the reporting period.
- Income and expense items are translated at the average exchange rate for the period. If the average rate does not provide a reasonable approximation of the cumulative effects of using transaction rates, the actual transaction rates are applied.
- Translation differences are recognized in other comprehensive income and presented separately.

Lifecare ASA has provided loans to subsidiaries with functional currencies different from the parent company, where settlement of these loans is neither planned nor likely to occur in the foreseeable future. Foreign currency exchange differences arising from these loans are recognized in the statement of profit and loss.

Cash flow statement

The cash flow statement shows the overall cash flow specified by operating, investing and financing activities using the indirect method. The cash flow statement illustrates the effect of the various activities on cash and cash equivalents. Operating activities are presented using the indirect method, where profit/loss before tax is adjusted for changes in operating receivables and payables, the effect of non-cash items such as depreciation and employee share options, as well as other adjustments. Increase/decrease in financial liabilities related to warrants are included as part of the operational activities.

Going concern

The financial statements are prepared under the going concern assumption. Lifecare works continuously to ensure financial flexibility in the short and long term to achieve its strategic and operational objectives. Capital markets are used as a source of liquidity when appropriate and when conditions in these markets are acceptable. In 2024, Lifecare strengthened its financial position through successful capital raises, including a NOK 90 million share issue in June and a NOK 16.6 million public retail offering in October. The June share issue was oversubscribed by 127%, reflecting strong investor confidence. Investors in this round were also granted tradable warrants listed on Euronext Growth, exercisable in June 2025. As of year end 2024, 4 193 806 warrants are outstanding. The warrant exercise period is from 2 to 13 June 2025. Investor commitment remains crucial in navigating the final steps toward market entry, long-term success, and ultimately achieving profitability and returns on investment.

Note 3 Financial risk management

Capital management

Lifecare's principal source of liquidity is from issues of equity, supplemented by limited public grants. The main goal of the capital structure management is to ensure it maintains a level of equity which is reasonable in relation to Lifecare's operations. Lifecare 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 Lifecare may need to raise further capital in the future to fully fund its business plan. The main financing method is expected to be equity financing. Lifecare aims to provide its shareholders with a competitive return on their shares, mainly through increase in the share value. Lifecare is not expecting to pay dividends based on financial performance in the nearest periods. Lifecare manages and makes necessary changes to its capital structure by regularly assessing prevailing economic conditions and prospects of short and medium-term growth. To ensure adequate financial management, Lifecare conducts monthly liquidity forecasts based on conservative assumptions, which serve as the foundation for planning the financing needs.

During 2024, Lifecare raised a total of NOK 106.6 million in gross proceeds through two share capital issues. In June 2024, Lifecare successfully completed a rights issue, raising a total of NOK 90 million. On 15 October 2024, we completed a public retail offering, securing additional gross proceeds of NOK 16.6 million. At the end of 2024, our cash and cash equivalents were NOK 61.6 million, with an equity ratio of 66%. The net proceeds from the share issues have been used to finance continued development of the implantable sensor, as well as strengthening the balance sheet to ensure flexibility.

As part of the 2024 rights issue, Lifecare issued listed and tradable warrants, granting holders the right to purchase shares in June 2025 at a price equal to the volume weighted average price (VWAP) of the company's shares on Euronext Oslo Børs during the last three trading days before the first exercise date, minus 30%, with a maximum price cap of NOK 25.76. These warrants may be exercised between 2 June and 13 June 2025. Raising capital carries risks, including market conditions, investor sentiment, and Lifecare's ability to meet financial and operational milestones. There is no guarantee that sufficient funds will be secured on favorable terms or within the necessary timeframe. Failure to secure necessary capital could significantly impact Lifecare's ability to execute its strategy.

Financial risk factors

In addition to financing risk, Lifecare is exposed to liquidity risk and foreign exchange risk. Since Lifecare does not have any interest-bearing liabilities or interest-bearing assets apart for bank deposits, the exposure to interest rate risk is not considered material. Similarly, Lifecare does not have a material exposure to price risk or credit risk as the the Group generates only limited income. Lifecare ASA also has limited credit risk related to its subsidiaries, as they are funded by the parent company. However, the financial performance of the subsidiaries may still impact the Group's overall liquidity and financial position.

Liquidity risk

The Group adopts a prudent approach to liquidity risk management, which includes maintaining a satisfactorily cash balance and secure funding when considered appropriate. Management monitors the Group's liquidity reserve, which comprises cash (Note 18). Cash flow forecasts for the Group is performed monthly at Group level in cooperation with operating management. The monthly liquidity forecasts are based on conservative assumptions. The liquidity situation at year end is satisfactory.

Lifecare ASA and the Group's financial liabilities mature within one year, except for the leases. Please refer to Note 14 Leases for an overview of the maturity structure.

Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk, primarily related to the Euro (EUR) and British Pound (GBP). This risk arises from transactions and recognized assets and liabilities in foreign operations. Management has conducted a sensitivity analysis based on a 5% currency fluctuation, which indicates no significant impact on Lifecare ASA or the Group's profit. At present, no currency hedging strategies are employed to mitigate these fluctuations, but management may reassess its approach if deemed necessary.

Note 4 Revenue and other income

Lifecare has identified its operating segments based on internal reporting to the chief operating decision-maker. Lifecare ASA/the Group currently operates as a single segment focused on research and development (R&D) of its osmotic pressure sensor and related components. Consequently, Lifecare ASA and the Group reports financial performance and position as one operating segment.

Lifecare ASA/the Group is in the development phase and does not yet generate revenue from product sales. Lifecare ASA and the Group's revenue primarily derive from milestone payments under a product development agreement with Sanofi. Additionally, the Group generates revenue from laboratory services provided by Lifecare Laboratory in Germany. Lifecare ASA also provides various administrative services to its subsidiaries, which are recognized as revenue. Revenue is recognised in the accounting period in which the services are rendered.

Lifecare ASA		Revenue and other income	Lifecare Group	
2023	2024	NOK 1 000	2024	2023
1 160	3 975	Revenue from contracts with customers	3 031	4 262
3 147	-996	Government grants	4 270	6 678
1 124	2 353	Other income	2 371	2 146
5 431	**5 332**	**Total revenue and other income**	**9 671**	**13 086**

Government grants are recognized when it is reasonably assured that the grant will be received and that all associated conditions will be met. Grants are accounted for in the same period as the related expenses and presented on a gross basis. They are measured at their transaction date value and are typically used to reimburse employee costs or cover other operational expenses classified under "Other operating expenses." . Lifecare ASA and the Group receive income from government grants and tax incentives related to R&D expenses in Norway (SkatteFUNN). Both the parent company and its subsidiaries consistently apply for and secure funding from national and European public programs to support the Group's R&D activities. In 2024, Lifecare ASA repaid NOK 1 million from an EU grant received in 2022, as the total disbursement exceeded the project's grant ceiling.

Other income includes subleasing of office and laboratory space.

Note 5 Employee benefits expenses

Pension

The Group has a defined contribution pension scheme for all employees. Under the defined contribution scheme, the Group does not commit itself to paying specific future pension benefits but makes annual contributions to the employees' pension savings. The Group's Norwegian pension schemes meet the requirements of the Norwegian Mandatory Occupational Pension Act. In Lifecare ASA, Lifecare Veterinary AS and RemovAid 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). In Lifecare Chemistry Ltd the contribution is 3% of base salary. In Lifecare Laboratory GmbH and Lifecare NanoBioSensor GmbH the contribution is between 7-15% of base salary.

Other benefits

Other benefits consist of mobile phone, broadband and news paper for some of the employeees. There is no bonus scheme in Lifecare ASA nor in the Group.

Management remuneration

The guideline for management remuneration as well as the remuneration report is available on Lifecare's website.

Lifecare ASA		Employee benefits expenses	Lifecare Group	
2023	2024	NOK 1 000	2024	2023
5 866	10 814	Salaries	28 515	17 074
1 075	1 653	Social security tax	4 866	3 141
272	404	Pension cost	499	539
1 359	375	Other benefits	703	1 213
8 572	**13 246**	**Total payroll**	**34 583**	**21 968**
3 023	3 796	Share option expense	3 796	3 023
667	-667	Accrued social security tax on share option	-667	668
3 691	**3 129**	**Total employee share option cost**	**3 129**	**3 691**
12 263	**16 376**	**Total employee benefit expenses**	**37 712**	**25 659**
6	10	Number of FTE at year end	33	27
6	8	Average number of FTE during the year	31	23

	2024			2023		
Remuneration to Group management	Salary	Other remuneration	Total	Salary	Other remuneration	Total
(NOK 1 000)						
Joacim Holter (CEO)	2 468 621	8 759	**2 477 380**	1 711 364	5 093	**1 716 457**
Renete Kaarvik (CFO)*	1 143 939	18 188	**1 162 128**	-	-	-
Andreas Pfützner (CSO)**	2 120 867	197 671	**2 318 538**	-	1 374 317	**1 374 317**
Total remuneration	**5 733 427**	**224 618**	**5 958 046**	**1 711 364**	**1 379 410**	**3 090 774**

**The CFO started in the position 1 May 2024.*
***The CSO was engaged as a consultant until 1 January 2024. The CSO is employed through Lifecare Laboratory, with the total remuneration recharged to Lifecare ASA. The remuneration to the CSO is nominated in EUR (employed in Lifecare Laboratory) and converted to NOK in the table above according to the average exchange rates.*

Remuneration to board members	2024	2023
(NOK 1 000)		
Morten Foros Kronhstad (Chair)	350 000	250 000
Trine Teigland	240 000	180 000
Lutz Heinemann	220 000	180 000
Hans Hekland	255 000	180 000
Tone Kvåle*	270 000	-
Bo Petersson*	-	180 000
Total remuneration	**1 335 000**	**970 000**

**Bo Peterson was replaced by Tone Kvåle as board member in the General Assembly held 30 April 2024.*

Note 6 Share option

Lifecare's share option program aligns long-term performance with shareholder interests while attracting and retaining senior management. Each option grants the right to acquire one Lifecare share at the market price at the grant date, without consideration.

The fair value of options is determined at grant using the Black-Scholes and Monte-Carlo models, considering factors such as share price, exercise price, volatility, expected life, dividends, and risk-free interest rate. A brokerage firm conducts the valuation. The cost is expensed over the vesting period, with a corresponding increase in "Other paid-in capital." Social security provisions are recognized based on the difference between share price and exercise price for exercisable options at year-end.

Cumulative expense reflects the vesting period's progression and the estimated number of options expected to vest. Changes in cumulative expense are recognized in the statement of profit or loss under employee benefits.

Upon exercise, Lifecare ASA issues new shares, recording proceeds (net of transaction costs) as share capital and share premium reserve. Options typically vest in equal tranches over three years and expire after five years. Vesting is contingent on continued employment and may include performance targets. Options carry no dividend or voting rights before exercise and can only be exercised within Board-defined periods.

In accordance with the authorization granted by the Annual General Meeting of Lifecare ASA held on 6 May 2022, the Board of Directors 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 Lifecare 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).

The consolidation of Lifecare ASA's shares in a ratio of 13:1 was registered on 30 September 2024. The share options, as described above, were consolidated in the same ratio (i.e. 13:1) in October 2024, meaning that 13 share options gave the right to 1 share option following completion of the consolidation. The strike price before the consolidation of options was NOK 1.52442. Following the consolidation of options, the strike price is NOK 19.81746. As at year end 2024, 382 233 share options were outstanding.

	2024		2023	
Changes in options	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
As of 1 January	4 369 173	2.43	2 469 173	2.38
Granted during the year	600 000	1.52	1 900 000	2.49
Exercised during the year	-		-	
Expired during the year	-		-	
Options pre share consolidation 13:1	**4 969 173**	**2.43**	**4 369 173**	**2.43**
As of 31 December	**382 233**	**19.81**	**4 369 173**	**2.43**
Weighted average remaining contractual life (months)	32.5		44.5	

Note 7 Other operating expenses

Research and development costs are expensed as incurred. Internal R&D costs are recognized in the income statement in the year incurred unless they meet the asset recognition criteria outlined in IAS 38, 'Intangible Assets. Uncertainties related to the regulatory approval process and clinical trial outcomes generally indicate that these criteria are not met until marketing authorization is obtained from the relevant regulatory authorities. Currently, Lifecare ASA/the Group has no development expenditures that qualify for recognition under IAS 38.

Lifecare ASA		Other operating expenses	Lifecare Group	
2023	2024	NOK 1 000	2024	2023
16 163	41 822	R&D expenses	19 448	2 605
2 949	5 557	Administrative expenses	9 006	1 963
3 736	5 659	Accounting, audit, legal and consulting expenses	6 698	6 115
2 681	3 770	Listing fees	3 770	2 681
1 836	6 651	Other operating expenses	12 896	6 158
27 365	**63 459**	**Total other operating expenses**	**51 818**	**19 523**

Lifecare ASA		Specification of audit fee	Lifecare Group	
2023	2024	NOK 1 000	2024	2023
281	334	Statutory audit	389	281
-	176	Other attestation services	202	-
67	254	Other non-assurance services	257	67
348	**764**	**Total audit expenses**	**848**	**348**

Amounts are excluding VAT.

Note 8 Net financial items

Lifecare ASA		Net financial items	Lifecare Group	
2023	2024	NOK 1 000	2024	2023
114	516	Net currency gains	545	116
872	2 531	Interest income on bank deposits	2 531	872
18	72	Interest income on tax repaid	78	18
-	9 038	Fair value adjustment of financial liabilities	9 038	-
1 003	**12 156**	**Total financial income**	**12 192**	**1 005**
774	335	Net currency losses	357	784
23	206	Interest on lease liabilities	467	195
-	-	Other financial expenses	67	-
797	**541**	**Total financial expenses**	**892**	**979**
206	**11 615**	**Net financial items**	**11 299**	**26**

Note 9 Income tax

Income tax expense comprises current tax payable and changes in deferred tax. Current tax payable is determined based on the applicable tax rates and regulations in effect at the end of the reporting period in the jurisdiction where the Group operates. Deferred tax is calculated on temporary differences between the book values and tax values of assets and liabilities, as well as the tax effects of unused losses available for carryforward as of the reporting date.

Deferred tax liabilities and assets are measured at nominal amounts using the tax rates and regulations in effect at the end of the reporting period. They are presented on a net basis when there is a legal right to offset assets and liabilities. Deferred tax assets are recognized only when it is probable that sufficient future taxable profits will be available to utilize loss carryforwards or other deductible temporary differences.

Lifecare ASA		Income tax	Lifecare Group	
2023	2024	NOK 1 000	2024	2023
-34 551	-63 654	Profit/loss before tax	-73 484	-35 322
12	2 391	Non deductible expenses	2 391	3 153
-4 288	-11 357	Non taxable income	-11 749	-4 288
3 164	4 253	Change in temporary differences	4 253	3 456
-35 644	-68 367	Taxable income	-78 589	-36 143
-	-	**Income tax expense**	-	-

Note 9 Income tax *cont.*

Lifecare ASA		Deferred tax and deferred tax assets	Lifecare Group	
2023	2024	NOK 1 000	2024	2023
-145 543	**-213 910**	**Tax losses carried forward**	**-224 610**	**-146 022**
111	35	Temporary differences fixed asset	35	111
-1 090	-1 390	Other temporary differences	-1 390	-1 090
146 522	**215 265**	**Temporary differences and tax loss carry forward**	**225 966**	**147 001**
32 235	**47 358**	**Deferred tax assets not recognized**	**49 712**	**32 340**
-	**-**	**Deferred tax liabilities**	**923**	**1 641**

Lifecare ASA has a tax loss of NOK 68 million in 2024, and a tax loss carried forward as of 31 December 2024 of NOK 214 million. There are no timing restrictions on carrying forward the tax loss, and it can be carried forward indefinitely. The deferred tax asset has not been recognized in the statement of financial position, as the company does not consider that taxable income in the short-term will sufficiently support the use of a deferred tax asset.

Lifecare Group has a tax loss of NOK 78 million in 2024, and a loss carried forward as of 31 December 2024 of NOK 226 million.

Deferred tax liabilities are related to added value on acquisition of subsidiaries.

Note 10 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit for the year attributable to Lifecare's shareholders by the weighted average number of ordinary shares issued during the year. Diluted earnings per share is determined by adjusting the weighted average number of ordinary shares to include the effect of all potentially dilutive ordinary shares.

The issued share options could potentially dilute earnings per share. However, no dilutive effect has been recognized because potential ordinary shares are only considered dilutive if their conversion would reduce earnings per share or increase the loss per share from continuing operations. Since Lifcare ASA/the Group is currently incurring losses, increasing the average number of shares would have an anti-dilutive effect. As a result, diluted earnings per share and basic (undiluted) earnings per share are identical.

Lifecare ASA		Earnings per share	Lifecare Group	
2023	2024		2024	2023
-34 551	-63 654	Profit/loss after tax (NOK 1 000)	-73 063	-35 276
10 374 288	15 852 979	Number of shares	15 852 979	10 374 288
-	1 023	Number of treasury shares	1 023	-
10 374 288	15 851 956	Number of outstanding shares	15 851 956	10 374 288
9 256 339	12 758 700	Weighted average number of outstanding shares	12 758 700	9 256 339
-3.73	**-4.99**	**Basic and diluted earnings per share (NOK)**	**-5.73**	**-3.81**

Note 11 Patents and licenses

Lifecare holds several key patents central to its innovative glucose monitoring technology as well as to the RemovAid tool. Among these, five patents with finite useful lives are recognized in the financial statements:

- Apparatus and Method for Measuring Augmented Osmotic Pressure in a Reference Cavity, granted in 2018. 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 and is recognized in the financial statement of Lifecare ASA/the Group. The amortization period corresponds to the patent period of 12 years.
- Interstitial Fluid Osmotic Pressure Measuring Device System and Method, 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, and is recognized in the financial statement of Lifecare ASA/the Group. The amortization period corresponds to the patent period of 27 years.
- Patent for the RemovAid tool, granted in 2012. RemovAid is a class IIa medical device to remove single-rod contraceptives. The patent expires in 2036 and is recognized in the financial statements of the Lifecare Group. The amortization period corresponds to the patent period of 24 years.
- Patent for an implant remover, granted in 2015. This was a patent related to an upgrade of the RemovAid tool, with an integrated blade. The patent expires in 2041, and is recognized in the financial statements of the Lifecare Group. The total amortization period corresponds to the patent period of 26 years.
- Patent for the RemovAid tool for removing an item implanted underneath the skin, granted in 2020. The patent expires in 2036, and is recognized in the financial statements of the Lifecare Group. The amortization period corresponds to the patent period of 16 years.

Additionally, through Lifecare NanoBioSensors, the Group has a licensing agreement with Nanoscale Systems (Nanoss GmbH) to manufacture and commercialize the Sencell sensor using the patented Nano3DSense® production method. This method enables nanoscale printing of pressure-sensing elements on Lifecare's micro sensors. The licensing agreement will remain valid until two years after the expiration of Nanoss's patent, which is eight years from the acquisition date (ie until 2029). The total amortization period is equal to the licensing period of eight years.

Impairment assessment

Patents and licenses are tested for impairment if there are indications of a decline in value. Factors such as changes in technology, competition and market demand are key considerations in this evaluation. Management has evaluated both internal and external factors and has not identified any indications of impairment during the year. The assessment includes considerations such as competing technologies, shifts in market demand, or changes in patent expiration timelines. Furthermore, no loss of key personnel or significant internal operational changes have occurred that would impact the recognized values. As of year-end 2024, there are no indications of value decline for these patents and the license. Consequently, no impairment has been recognized in the book values of these assets.

Lifecare ASA		Patents and licenses	Lifecare Group	
2023	2024	NOK 1000	2024	2023
174	155	Book value at 1 January	5 283	6 234
-	-	Business combinations	1 057	-
-19	-17	Amortization	-969	-951
155	**138**	**Book value at 31 December**	**5 371**	**5 283**
321	321	Accumulated acquisition cost	8 865	7 812
-166	-183	Accumulated amortization	-3 494	-2 529
155	**138**	**Book value at 31 December**	**5 371**	**5 283**

Note 12 Goodwill

Goodwill relates from the acquisition of Lifecare NanoBio-Sensors in 2021 and Lifecare Laboratory in 2022. It is recognized at cost, net of any accumulated impairment losses, and is subject to annual impairment testing or whenever indications of impairment arise.

For impairment testing purposes, goodwill is allocated to the cash-generating unit (CGU) expected to benefit from the business combination that gave rise to the goodwill. Given that the entities within the Lifecare Group are interdependent in the development of the Sencell sensor technology and its components, the cash-generating unit is considered to be the Lifecare Group as a whole.

Assessment of impairment indicators

Management has evaluated both internal and external factors and has not identified any indications of impairment during the year. The assessment includes considerations such as changes in the market value of assets, technological advancements, market conditions, competition, regulatory and legal developments. Furthermore, no loss of key personnel or significant internal operational changes have occurred that would impact the recognized goodwill value.

Impairment testing

Management has prepared an impairment assessment based on a Value in Use (VIU) calculation, which estimates the recoverable amount by discounting the expected future cash flows generated by the CGU. The assessment compares the book value of goodwill as of 31 December 2024 against the estimated value derived from discounted future cash flows.

Future cash flow projections are based on management's latest financial forecasts for 2025 and 2026. The subsequent years are estimated based on the best available assumptions. The Group is expected to reach a more mature stage in manufacturing and market expansion by 2030. Accordingly, the forecast period is set to six years, followed by a terminal value calculation using a perpetual growth rate of 2%. The company is expected to achieve a maintainable steady-state cash flow by the terminal period.

Key assumptions in the evaluation consist of go to market time, sales price, market share, WACC, growth rate and the distribution and marketing model. Lifecare aims to complete regulatory studies and apply for CE approval by the end of 2026, targeting entry into the human market by 2027. The assumed sales price is EUR 2 000 per patient per year. Lifecare's distribution and marketing strategy is based on partnering with established industry players to facilitate commercialization and ensure compatibility with existing devices. The market potential for diabetes management and Continuous Glucose Monitoring (CGM) is supported by external sources. Given the size of the CGM market, even a small market share presents significant opportunities. With our innovative CGM solution, we anticipate capturing a modest yet steadily growing share of this expanding market.

The pre-tax discount rate (WACC) applied in the VIU calculation is 14.5%. This reflects the cost of equity at 16% and cost of debt at 8%, with a debt level of 18%.

As of 31 December 2024, the estimated recoverable amount of the CGU exceeds its carrying value, resulting in no impairment of goodwill.

Sensitivity analysis

Delays in the engineering or design freeze of the Sencell implant, the automated production process, clinical studies, or the regulatory approval process could impact the timeline for market entry. Additionally, sales or licensing agreements may influence revenue and margin expectations, while changes in market conditions or other critical assumptions could necessitate adjustments to the valuation.

The sensitivity analysis indicates that even under significantly conservative assumptions, the estimated value remains above the carrying amount, preventing any impairment of goodwill.

Lifecare ASA		Goodwill	Lifecare Group	
2023	2024	NOK 1 000	2024	2023
-	-	Book value at 1 January	7 228	7 228
-	-	Impairment	-	-
-	**-**	**Book value at 31 December**	**7 228**	**7 228**
-	-	Accumulated acquisition cost	7 331	7 331
-	-	Accumulated amortization	-103	-103
-	**-**	**Book value at 31 December**	**7 228**	**7 228**

Note 13 Property, plant and equipment

Property, plant, and equipment (PPE) consists primarily of office and laboratory equipment and machines. In 2024, Lifecare invested in equipment related to pilot production and automated production, including a 3D-printing Scanning Electron Microscope (SEM).

The assets are depreciated using the straight-line method. The useful economic life ranges from 3-5 years.

Lifecare ASA		Property, plant and equipment	Lifecare Group	
2023	2024	NOK 1 000	2024	2023
1 262	1 017	Book value at 1 January	3 192	2 989
-	-	Currency translation differences	143	128
36	365	Additions	12 765	1 087
-281	-320	Depreciation	-1 617	-1 012
1 017	**1 061**	**Book value at 31 December**	**14 484**	**3 192**
1 406	1 771	Accumulated acquisition cost	17 705	4 796
389	709	Accumulated depreciation	3 221	1 604
1 017	**1 062**	**Book value at 31 December**	**14 484**	**3 192**

Note 14 Right of use assets / leases

At contract inception, an evaluation is performed to determine whether an agreement constitutes or contains a lease. This is the case if it grants control over an identified asset for a specified period in exchange for consideration. Upon lease commencement, a lease liability and a corresponding right-of-use asset are recognized, except for short-term leases (≤12 months) and low-value assets, which are expensed as incurred.

Lease liabilities are initially measured at the present value of unpaid lease payments, considering non-cancellable periods and reasonably certain extension or termination options. Liabilities are subsequently adjusted for interest, lease payments and modifications. Variable lease payments are expensed as incurred.

Right-of-use assets are recognized at cost, net of depreciation and impairment, including the initial lease liability, upfront payments and direct costs. Depreciation extends over the lease term.

All office and laboratory space has been recognized as leasing contracts. Office rent due within 12 months are classified as short-term. The largest leasing agreement has a contract term of ten years, with nine years remaining at year end 2024.

The Group has subleased parts of its office and laboratory space in Germany and UK during 2024. The income from the sublease is included as "Other income" in the financial statements.

Lifecare has signed a lease for new facilities in Mainz, Germany, effective 1 July 2025. This agreement will add NOK 37 million to the financial statements as a right-of-use asset and lease liability when the lease commences.

Lifecare ASA		Right of use assets	Lifecare Group	
2023	2024	NOK 1 000	2024	2023
608	413	Right of use assets at 1 January	6 642	3 877
-	-	Currency translation differences	287	-47
66	4 493	Additions	6 106	4 101
-261	-430	Depreciation	-2 343	-1 290
413	**4 477**	**Right of use assets at 31 December**	**10 692**	**6 642**

Lifecare ASA		Lease liabilities	Lifecare Group	
2023	2024	NOK 1 000	2024	2023
613	425	Lease liabilities at 1 January	6 450	3 940
-	-	Currency translation differences	40	-330
67	4 421	Changes in leases during the year	6 491	3 710
-277	-484	Cash payment for the principal portion of the lease liability	-2 585	-1 066
23	206	Interest expense on lease liabilities	467	195
425	**4 569**	**Lease liabilities at 31 December**	**10 863**	**6 450**
265	**381**	**Current lease liabilities**	**2 590**	**1 705**
160	**4 188**	**Non-current lease liabilities**	**8 274**	**4 745**

Note 14 Right of use assets / leases cont.

Lifecare ASA		Lease expenses	Lifecare Group	
2023	2024	NOK 1 000	2024	2023
261	430	Depreciation right of use assets	2 343	1 243
23	212	Interest expense on lease liabilities	261	165
-277	-554	Operating expenses related to short term leases	-2 102	-1 066
-	-	Operating expenses related to low value assets	-282	-187
7	**88**	**Lease expenses included in operating expenses**	**-344**	**-429**

Lifecare ASA		Lease liabilities and maturities of cash outflows	Lifecare Group	
2023	2024	NOK 1 000	2024	2023
277	645	Less than 1 year	3 068	1 681
161	3 224	1-5 years	7 720	5 131
-	2 096	More than 5 years	2 096	-
438	**5 964**	**Total lease liabilities at 31 December**	**12 884**	**6 811**

Note 15 Lifecare ASA's investments in subsidiaries

Equity investments of Lifecare ASA (NOK 1 000)	2024	2023
Equity investments at 1 January	15 709	15 589
Additions	4 000	120
Equity investments 31 December	**19 709**	**15 709**

Subsidiaries of Lifecare ASA at 31 December 2024 (NOK 1 000)	Country	Ownership	Equity	Carrying amount
Lifecare Chemistry Ltd	UK	100 %	168	359
Lifecare Laboratory GmbH	Germany	100 %	1 274	8 353
Lifecare NanoBioSensors GmbH	Germany	100 %	36	6 877
Lifecare Veterinary AS	Norway	80 %	-2 592	120
RemovAid AS	Norway	89.6 %	4 906	4 000

Subsidiaries are recognized at cost in the financial statement of Lifecare ASA. The share capital comprises ordinary shares directly held by Lifecare ASA, with ownership interests corresponding to the company's voting rights. Equity is based on provisional financial statements, which have been prepared in accordance with local accounting standards.

Despite negative equity in certain subsidiaries, their value is justified by ongoing development, strategic importance, and anticipated future earnings.

Note 16 Business combination

On 26 April 2024, Lifecare ASA acquired 80% of RemovAid AS through a share issue for consideration of NOK 2 million. On 8 July 2024, Lifecare ASA 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 additional NOK 2 million. With this acquisition, Lifecare has secured technology for a solution for the removal of the Sencell implant. RemovAid has developed a unique, user-friendly medical device for removing subdermal implants. The Sencell implant, 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.

The acquisition method of accounting has been applied for the acquisitions. The consideration is measured as the fair value of the transferred assets and liabilities. Identifiable assets and liabilities assumed in the business combination were initially measured at fair value at the acquisition date. Non-controlling interests in the acquired entity are measured at their proportionate share of net assets of the acquired entity. Costs relating to the business combination were expensed as they incurred.

Asset and liabilities acquired	26 April 2024
(NOK 1 000)	
Cash and cash equivalents	2 409
Current receivables	552
Patents	1 057
Total assets acquired	**4 017**
Payables	-927
Employee benefits	-590
Net identifiable assets acquired	**2 500**
20% non-controlling interest at fair value	500
Purchase consideration transferred	**2 000**

Purchase consideration	26 April 2024
(NOK 1 000)	
Cash paid	2 000
Total purchase consideration	**2 000**

Note 17 Other current assets

Lifecare ASA		Other current assets	Lifecare Group	
2023	2024	NOK 1 000	2024	2023
3 147	-	Government grants	4 326	3 439
185	1 084	Refundable VAT	1 672	4 209
405	584	Prepaid expenses	1 324	1 768
565	2 371	Other receivables	3 680	2 264
3 507	22 084	Intercompany receivables	-	-
7 808	**26 122**	**Total other current assets**	**11 001**	**11 680**

At the end of 2024, government grants in the Lifecare Group amount to NOK 0.4 million from the SkatteFUNN tax incentive scheme in Norway and NOK 3.9 million from an R&D funding scheme in Germany, both of which are expected to be received in 2025.

Other receivables as of year-end 2024 include accrued interest income, trade receivables, and security deposits related to lease agreements.

Note 18 Cash

Lifecare ASA		Cash	Lifecare Group	
2023	2024	NOK 1 000	2024	2023
47 145	60 440	Bank deposits	60 854	48 042
266	556	Restricted deposits related to employee withholding tax	761	303
47 411	**60 996**	**Total**	**61 615**	**48 345**

Cash includes bank deposits and restricted deposits related to employee withholding tax. Lifecare ASA manages the Group's cash balance, with the majority of funds held by the parent company to cover daily liquidity needs, including administrative services and the R&D activities of its subsidiaries.

Lifecare ASA's/the Group's short-term bank deposits carry variable interest rates. The Group has access to an overdraft facility of EUR 10 000, which has not been utilized.

Note 19 Share capital and shareholder information

	2024		2023	
Shares	Number of shares	Book value	Number of shares	Book value
Shares 1 January	134 865 742	53 946 297	117 865 743	47 146 297
Issue of shares	60 416 527	24 166 611	16 999 999	6 800 000
Shares pre consolidation	**195 282 269**	**78 112 908**	-	-
Shares 30 September post consolidation	***15 021 713***	***78 112 908***	-	-
Issue of shares post consolidation	831 266	4 322 583	-	-
Shares 31 December	**15 852 979**	**82 435 491**	**134 865 742**	**53 946 297**
Holding of treasury shares	1 023	5 320	-	-
Total excluding treasury shares	**15 851 956**	**82 430 171**	**134 865 742**	**53 946 297**

The number of shares in 2023 does not account for the share consolidation that took effect in 2024.

As at 31 December 2024, Lifecare ASA had 15 852 979 shares with a nominal value of NOK 5.20 per share. All shares issued by the company are fully paid-up. There is one class of shares, and all shares confer the same rights.

In June 2024, Lifecare ASA completed a partially underwritten rights issue of 59 038 955 new shares. In July, 1 377 572 new shares were issued to the bottom underwriters in the rights issue.

On 30 September 2024, Lifecare ASA completed a share consolidation (reverse split) in the ratio of 13:1. 195 282 269 shares were consolidated to 15 021 713 shares. The nominal value of each share changed from NOK 0.40 to NOK 5.20. The share capital was unchanged at NOK 78 112 908.

To deliver shares to persons who own a number of shares that did not compute with the 13:1 consolidation ratio, Lifecare ASA acquired 30 000 treasury shares at an average price of NOK 1.67 per share on 25 September 2024. The purchase was carried out as ordinary trades in the market. Following the consolidation, Lifecare ASA held 2 308 shares, of which 1 285 were allocated to shareholders to maintain the 13:1 ratio. As of 31 December 2024, Lifecare ASA held 1 023 treasury shares.

Note 19 Share capital and shareholder information cont.

20 largest shareholders 31 December 2024	Number of shares	Shareholding
Lacal AS	2 203 362	13.90 %
Teigland Eiendom AS	2 101 214	13.25 %
Jostein Tjelta	898 738	5.67 %
Nordea Funds	704 055	4.44 %
Nordnet Bank AB	645 374	4.07 %
Nordnet Livsforsikring AS	499 544	3.15 %
F2 Funds & Financial Funds	356 242	2.25 %
Spit Air AS	352 903	2.23 %
Einarsen Even Harald	280 000	1.77 %
Lt Finans AS	222 584	1.40 %
Hejma AS	200 000	1.26 %
Kurt Andreassen	175 222	1.11 %
LHH AS	155 001	0.98 %
Nexus Marketing	146 509	0.92 %
Andreas Pfützner	138 485	0.87 %
Han Lei	127 991	0.81 %
Joacim Holter	124 951	0.79 %
Åge Westbø	124 685	0.79 %
Moun10 AS	110 319	0.70 %
Berg Jan Magne Haugane	82 872	0.52 %
Total shareholding by 20 largest shareholders	**9 650 051**	**60.87 %**
Total others	6 202 928	39.13 %
Total shares	**15 852 979**	**100.00 %**

20 largest shareholders 31 December 2023	Number of shares	Shareholding
Teigland Eiendom AS	24 691 829	18.31 %
Lacal AS	21 387 712	15.86 %
Nordea Funds	8 763 413	6.50 %
Jostein Tjelta	8 000 000	5.93 %
Spit Air AS	3 087 735	2.29 %
Patricia Rodrigues Sandquist	2 893 000	2.15 %
Nordnet Livsforsikring AS	2 832 395	2.10 %
Lt Finans AS	2 500 000	1.85 %
Einarsen Even Harald	2 410 000	1.79 %
Andreas Pfützner	2 299 699	1.71 %
Nexus Marketing	1 752 024	1.30 %
Kurt Andreassen	1 652 872	1.23 %
Joacim Holter	1 624 353	1.20 %
Åge Westbø	1 500 000	1.11 %
Max Invest AS	1 445 000	1.07 %
Nordnet Bank AB	962 957	0.71 %
Probe AS	905 012	0.67 %
Hejma AS	900 000	0.67 %
Han Lei	786 626	0.58 %
Moun10 AS	700 269	0.52 %
Total shareholding by 20 largest shareholders	**91 094 896**	**67.54 %**
Total others	43 770 846	32.46 %
Total shares	**134 865 742**	**100.00 %**

The number of shares in 2023 does not reflect the share consolidation that took effect in 2024.

Note 19 Share capital and shareholder information cont.

	31 December 2024		31 December 2023	
Shares controlled directly and indirectly by the Board of Directors and Executive Management	**Number of shares**	**Share-holding**	**Number of shares**	**Share-holding**
Board of Directors				
Hans Hekland	11 562	0.07%	200 000	0.15 %
Trine Teigland	2 101 214	13.25%	24 691 829	18.31 %
Tone Kvåle	3 077	0.02%	-	-
Executive Management				
Joacim Holter*, CEO	125 592	0.79%	1 632 686	1.21 %
Andreas Pfützner, CSO	138 485	0.87%	2 299 699	1.71 %
Total shares held by the Board and Executive Management	**2 379 930**	**15.01%**	**28 824 214**	**21.37 %**

**Shares owned by the CEO and minor children.*
The number of shares in 2023 does not reflect the share consolidation that took effect in 2024.

Note 20 Financial liabilities

Financial liabilities comprise warrants issued in June 2024. Due to the variability in exercise price, the warrants are initially recognized as financial liabilities at fair value on the issuance date and subsequently measured at fair value on an ongoing basis. The warrants are derecognized when the obligation under the liability expires in June 2025.

In June 2024, Lifecare ASA completed a partially underwritten rights issue of 59 038 955 new shares. The subscribers in the rights issue were allocated one warrant for every two new shares, and 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. On 30 September 2024, Lifecare ASA completed a share consolidation (reverse split) of its shares in the ratio of 13:1, where the warrants were consolidated with the same ratio, to 4 193 802 warrants.

To deliver warrants to persons who own a number of warrants that did not compute with the 13:1 consolidation ratio, Lifecare ASA acquired 7 500 warrants on 25 September 2024. The purchase was carried out as ordinary trades in the market, with an average price of NOK 0.415 per warrant. Following the consolidation, Lifecare ASA held 577 warrants, of which 268 were allocated to warrant holders to maintain the 13:1 ratio. As of 31 December 2024, Lifecare ASA held 309 warrants.

Each warrant gives the holder the right to buy one new share in Lifecare ASA at a price equal to the volume weighted average price (VWAP) of the company's shares on Euronext Oslo Børs 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 5.20, amended from NOK 0.40 after the share consolidation) or higher than the subscription price in the rights issue plus 30% (NOK 25.76, amended from NOK 1.98 after the share consolidation).

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".

As of 31 December 2024, the warrants are reported as liabilities with a fair value of NOK 14.7 million.

Lifecare ASA		Financial liabilities	Lifecare Group	
2023	2024	NOK 1 000	2024	2023
-	-	Warrants at 1 January	-	-
-	23 716	Warrants issued	23 716	-
-	-9 038	Fair value gains (-) /loss (+)	-9 038	-
-	**14 678**	**Warrants at 31 December**	**14 678**	**-**

Note 21 Other current liabilities

Lifecare ASA		Other current liabilities	Lifecare Group	
2023	2024	NOK 1 000	2024	2023
628	1 002	Vacation pay payable	2 271	1 345
1 435	2 083	Other accrued expenses	4 199	3 995
2 063	**3 085**	**Total other current liabilities**	**6 470**	**5 341**

Note 22 Related parties transactions

There have been no related parties' transactions during the year outside the ordinary course of business.

Lifecare ASA provides a range of services to the subsidiaries of the Lifecare Group. The services include administrative services performed on behalf of the subsidiaries of the Group, including project management, quality assurance, human resources, accounting and financial services. Service fees are charged on an arm's length basis.

In connection with the acquisition of RemovAid in April 2024, Lifecare ASA procured consultancy services from a company owned by a board member of Lifecare ASA. The transaction was conducted on normal commercial terms, and the fee did not exceed the board remuneration.

The table below presents the related parties balances of Lifecare ASA as at year end 2024 and 2023.

During the year, the Lifecare Group has acquired and delivered clinical services related to R&D projects from companies affiliated with the Chief Scientific Officer (CSO). Lifecare Laboratory has also rented office and laboratory space to companies affiliated with the CSO. These transactions are based on normal commercial terms.

For shares controlled by the Board of Directors and Executive Management, see Note 19.

Outstanding balance	31 December 2024		31 December 2023	
NOK 1 000	Group companies	Management/ shareholders	Group companies	Management/ shareholders
Trade receivables	3 339	-	-	-
Other current assets	22 084	-	3 507	171
Trade payables	-2 646	-33	-	-113
Other non-current liablities	-	-	-	-2 248
Total oustanding balance	**22 777**	**-33**	**3 507**	**-2 190**

Note 23 Fair value measurement

The following hierarchy is applied to determine and disclose the fair value of financial instruments for Lifecare ASA and the Group:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques using observable inputs that significantly impact fair value, either directly or indirectly.
- Level 3: Valuation techniques based on significant unobservable inputs.

With the exception of warrants recognized as financial liabilities (Note 19), which are measured at fair value using Level 1 inputs (quoted market prices at Euronext Growth), all other financial assets and liabilities are valued using Level 2 inputs.

Due to their short-term nature, the carrying values of trade receivables, other current assets, cash, trade payables, and other current liabilities are considered reasonable approximations of their fair values. Additionally, the discount rate applied to lease liabilities is deemed to be in line with the market cost of capital, meaning the carrying amount is not materially different from fair value.

Note 24 Climate and nature-related risks

Lifecare recognizes that climate change and nature-related risks could have financial impacts on the Group, but these risks are not considered material. Physical risks from events like extreme weather or natural disasters could lead to higher costs, but they are expected to be minor. Transition risks from regulatory, technological, or market changes, such as stricter regulations or carbon pricing, may have limited impacts on Lifecare's operations and financial performance. Our preliminary assessments indicate that our direct exposure to these risks has a limited impact on forecasts, estimates, and critical accounting judgements. As such, as of year-end 2024, Lifecare does not anticipate any quantifiable impact from climate- and nature-related risks.

Lifecare is committed to understanding and mitigating climate- and nature-related risks by monitoring regulatory developments and aligning operations with emerging sustainability standards. We are continuously working on integrating environmental considerations into strategic and operational decision-making. Lifecare will continue to assess the materiality of climate- and nature-related risks to ensure long-term sustainability and value creation for stakeholders.

Note 25 Subsequent events

Lifecare ASA is in a dispute with a former COO/CEO claiming the right to exercise stock options. The case was taken to the District Court, who judged in favor of the COO/CEO and ordered Lifecare ASA to pay NOK 2.3 million plus late payment interest. Lifecare ASA appealed the ruling to the Court of Appeal in March 2024, and the case is now pending June 2025. Management assesses that there is a high probability that the appeal will result in Lifecare ASA's acquittal of the claim, and no provision has been made in the financial statements as at 31 December 2024.

Independent auditor's report

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Medlemmer av Den norske Revisorforening

To the General Meeting in Lifecare ASA

INDEPENDENT AUDITOR'S REPORT

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Lifecare ASA (the Company), which comprise

- The financial statements of the company, which comprise the Statement of financial position as of 31 December 2024, Statement of profit or loss and other comprehensive income, 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 financial statements of the group, which comprise the consolidated Statement of financial position 31 December 2024, consolidated Statement of profit or loss and other comprehensive income, statement of changes in equity and consolidated 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, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

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 in accordance with the requirements of the 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)* (the 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.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company since the election by the general meeting of the shareholders in 2024 for the accounting year 2024.

Other matters

The financial statements for the year ended 31 December 2023, were audited by another auditor who expressed an unmodified opinion on those statements on 9 April 2024.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Goodwill, patents and licenses - Impairment assessment

Basis for the key audit matter	*Our audit response*
Goodwill is subject to annual impairment testing. Patents and licenses with finite useful lives are tested for impairment if there are indications of a decline in value. The Group consist of one cash generating unit. Management prepared an impairment assessment based on a value in use calculation using discounted cash flows from 2025 to 2030, followed by a terminal value calculation. These cash flows are based on key assumptions for the recoverable amount of the related cash generating unit which requires management judgement of assumptions go to market time, sales price, market share, growth rate and the distribution and marketing model and WACC.	We evaluated the value in use model and management's estimates relating to the future cash flows. We compared the assumptions used with available external information, such as market potential derived from population living with diabetes and external valuation reports. We further inquired and had discussion with group management and the board of directors as to key factors affecting the valuation. We involved an internal valuation specialist to assess the methodology and technical functionality of the impairment model used by Lifecare ASA in its tests, together with an assessment of assumptions and calculations for applied WACC.
The impairment assessment was a key audit matter due to significant judgments involved in the estimates used in the estimated cash flows.	We refer to note 11 and 12.

Other information

The Board of Directors and the CEO (management) are responsible for the information in the Board of Directors' report and the other information presented with the financial statements. The other information comprises the information included in the annual report other than the financial statements and our auditors report. Our opinion on the financial statements does not cover the information in the Board of Directors' report and the other information presented with the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Directors' report and for the other information presented with the financial statements. The purpose is to consider if there is material inconsistency between the information in the Board of Directors' report and the other information presented with the financial statements and the financial statements or our knowledge obtained in the audit, or otherwise the information in the Board of Directors' report and for the other information presented with the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report and the other information presented with 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.

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Responsibilities of management for the financial statements

Management is responsible for the preparation of the 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 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 Company 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

Report on compliance with requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Lifecare ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name lifecare-2024-12-31-0-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (the ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation. We conduct our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

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As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Bergen, 27 March 2025
ERNST & YOUNG AS

The auditor's report is signed electronically

Eirik Moe
State Authorised Public Accountant (Norway)

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