

Remuneration Report 2024

Content

- Introduction.....3
- Company performance.....4
- Remuneration of the Board of Directors.....5
- Remuneration of executive management....6
- Long-term incentive plan.....8
- Annual change in remuneration.....9
- Board of Directors statement.....10
- Independent auditor's report.....11

Remuneration report

The purpose of Lifecare’s remuneration approach is that executive remuneration should be sufficient to attract and retain talented executives, without being at the forefront of industry pay standards.

This report is made according to the requirements in section 6-16a and 6-16b of the Norwegian Public Limited Liability Companies Act and Lifecare ASA’s policy for remuneration of executive management. The report describes how the policy has been applied during 2024.

This is the first remuneration report issued by Lifecare. The report was approved by the Board of Directors on 27 March 2025 and will be presented for advisory voting by the Annual General Meeting 2025.

For the year 2024 there has been no deviations from the remuneration policy. No executives were paid severance pay or incurred loans.

Introduction

Remuneration Committee

The Remuneration Committee is governed by a set of instructions adopted by the Board of Directors. The members of the Remuneration Committee are appointed by and from the members of the Board of Directors and shall be independent of the company's executive management. The primary purpose of the Remuneration Committee is to assist and facilitate the Board's decision-making in matters related to the remuneration of the executive management team. The Remuneration Committee also proposes Board's fees.

Remuneration of the Board of Directors and committees

The remuneration of the Board of Directors, its Board Committee members and Nomination Committee members are proposed by the Remuneration Committee and approved by the Annual General Meeting. The remunerations are benchmarked against comparable public companies with similar size and complexity to attract and retain the right mix of skills, while also considering that Lifecare is not a profit generating company.

Remuneration of executive management

The Remuneration Committee govern decisions on matters regarding remuneration. The CEO's remuneration is proposed by the Committee and approved by the Board of Directors. The remuneration for other executive management members is proposed by the CEO and approved by the Committee. Salary and other employment terms for executive management shall be competitive to ensure that Lifecare can attract and retain skilled leaders.

Company performance

2024 was characterized by major achievements in technology, strategic development, and market readiness. Lifecare made great progress in the development of the Sencell glucose sensor, completed pilot production and transitioned to automated production processes. Dog studies confirmed the Sencell implant's functional lifespan, with confirmed wireless data transmission and biocompatibility. Some final refinements are needed before the product reaches its design freeze.

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.

Lifecare also 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.

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

Key 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

Remuneration of the Board of Directors

The Board of Directors consist of five members elected by the General Meeting, each serving a two-year term. In 2024, the Board onboarded one new member, Tone Kvåle, replacing former board member Bo Peterson. Throughout the year a total of 17 board meetings were held.

The Remuneration Committee was established in May 2024, and held one meeting in 2024. The Remuneration Committee consist of Morten Foros Krohnstad (chair) and Trine Teigland (member).

The Audit Committee was also established in May 2024, and held four meetings in 2024. The Audit Committee comprises of Tone Kvåle (chair) and Hans Hekland (member).

Remuneration of the Board of Directors 2024 and 2023					
Name, position	Year	Board remuneration	Audit Committee	Remuneration Committee	Total remuneration
Morten Foros Krohnstad, Chair of the Board and the Remuneration Committee	2024	330 000	-	20 000	350 000
	2023	250 000	-	-	250 000
Hans Hekland, Member of the Board and the Audit Committee	2024	220 000	35 000	-	255 000
	2023	180 000	-	-	180 000
Trine Teigland, Member of the Board and the Remuneration Committee	2024	220 000	-	20 000	240 000
	2023	180 000	-	-	180 000
Bo Peterson, Member of the Board	2024	-	-	-	-
	2023	180 000	-	-	180 000
Lutz Heinemann, Member of the Board	2024	220 000	-	-	220 000
	2023	180 000	-	-	180 000
Tone Kvåle, Member of the Board and Chair of the Audit Committee	2024	220 000	50 000	-	270 000
	2023	-	-	-	-

The General Meeting determines the remuneration for the Board of Directors and the Board Committee members based on recommendations from the Remuneration Committee.

Remuneration is based on the members' responsibilities, expertise, time commitment, and the complexity of the business. It is not linked to the Company's performance and no share options are granted to board members. The remunerations are benchmarked against comparable public companies with similar size and complexity to attract and retain the right mix of skills, while also considering that Lifecare is not a profit generating company.

Remuneration of Executive Management

Lifecare's executive remuneration scheme is set to align with the Company's strategic priorities and targets as defined in the Remuneration Policy. Executive remuneration consists of fixed remuneration, benefits and long-term incentive scheme.

The remuneration to executive management is benchmarked against comparable public companies and positions, taking into account Lifecare's status as a non-profit-generating company.

Remuneration for the CEO is proposed by the Remuneration Committee and subsequently approved by the Board of Directors. Remuneration for other members of the executive management is proposed by the CEO to the Remuneration Committee for their approval.

In 2024, Lifecare increased its management team from two to three executives by inclusion on a Chief Financial Officer. The team now consist of the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Chief Scientific Officer (CSO).

Remuneration structure

Element	Remuneration level	Performance measures
Fixed base salary	Executive management are provided a competitive but not market leading base salary.	The base salary is subject to annual review based on background and performance.
Pension and insurance schemes	Executive management participate in the company's defined contribution pension and insurance scheme on standard terms. No additional pension contributions are provided.	N/A
Long-term incentive scheme	Designed to incentivize the executive management to deliver on long-term business objectives and to maximize alignment with shareholder value creation.	Partly individually set performance criterias.
Benefits in kind	Benefits in kind associated with comparable positions including free phone services, free broadband services and newspaper.	N/A

Remuneration of Executive Management

The table details the remuneration to executive management in 2024 and 2023.

Remuneration of Executive Management 2024 and 2023											
Name, position	Year	Fixed remuneration			One-year variable	Multiyear variable	Pension expense	Total remuneration	Proportion of fixed and variable remuneration		Undertakings of the same group
		Base salary	Fees	Other benefits	Phone/internet /leasing car	Fair value of options granted			Fixed	Variable	
Joacim Holter, CEO	2024	2 468 621	-	8 759	-	1 229 668	65 463	3 772 511	66 %	33 %	-
	2023	1 711 364	-	720	4 373	1 860 889	54 370	3 631 716	47 %	51 %	-
Renete Kaarvik, CFO	2024	1 143 939	-	5 956	12 232	1 018 334	24 754	2 205 215	52 %	47 %	-
	2023	-	-	-	-	-	-	-	-	-	-
Andreas Pfützner, CSO	2024	2 120 867	-	160 068	37 603	617 914	97 962	3 034 414	75 %	22 %	-
	2023	-	1 374 317	-	-	722 924	-	2 097 241	66 %	34 %	889 130

The Chief Finance Officer (CFO) was appointed 1 May 2024.

The Chief Scientific Officer (CSO) position became an internal role as of 1 January 2024. Until December 31, 2023, the CSO was engaged on a consultancy basis. Additionally, the CSO received remuneration for serving as managing director of a subsidiary until the end of 2023. No other executives received remuneration from other Group undertakings than their employment entity.

Long-term incentive plan

Lifecare's incentive plan is made to create ownership and to ensure alignment between shareholders and executive management. The Company's share option program for executive and leading personnel is mainly performance related and linked to performance targets that influence the Company's long-term value creation interests. The Board of Directors allocates and awards options to the executive management and leading personnel, with the overall aim to contribute to the Company's commercial strategy, long-term interests and financial viability. The praxis aligns with market standards and the interest of the shareholders.

The CEO, the CFO and the CSO have a long-term incentive scheme as shown below. The performance targets for the CEO and CSO are linked to milestones, including securing financing and initiation of CE studies.

Share options awarded or due to the Executive Management for 2024													
Name, position	Program	Conditions of the share option plan					Opening balance 01.01.2024	During the year			Closing balance 31.12.2024		
		Grant date	Vesting period	Vesting dates	Expiry date	Strike price	Number of share options	Share options awarded	Share options adjusted (13:1 reverse split)	Share options vested	Share options subject to a performance condition	Share options awarded and unvested	Share options subject to a holding period
Joacim Holter, CEO	LTIP 2022	20.05.2022	20.05.22-16.02.23	16.02.2023	20.05.2027	19,81	374 029	-	-	345 258	-	-	28 771
	LTIP 2022	20.05.2022	23.05.24-20.05.25	20.05.2025	20.05.2027	19,81	374 029	-	-	345 258	-	28 771	-
	LTIP 2022	20.05.2022	20.05.22-16.02.23	16.02.2023	20.05.2027	19,81	224 417	-	-	207 155	-	-	17 262
	LTIP 2022	20.05.2022	20.05.22-16.02.23	16.02.2023	20.05.2027	19,81	224 417	-	-	207 155	-	-	17 262
	LTIP 2022	20.05.2022	20.05.22-20.05.25	20.05.2025	20.05.2027	19,81	299 223	-	-	276 206	-	23 017	-
	LTIP 2023	02.11.2023	02.11.23-30.06.24	30.06.2024	02.11.2026	19,81	800 000	-	-	738 462	61 538	-	-
Renate Kaarvik, CFO	LTIP 2024	22.01.2024	22.01.24-01.05.24	01.05.2024	01.05.2029	19,81	-	23 076	-	23 076	-	-	23 076
	LTIP 2024	22.01.2024	22.01.24-01.05.25	01.05.2025	01.05.2029	19,81	-	7 692	-	4 176	-	3 516	4 176
	LTIP 2024	22.01.2024	22.01.24-01.05.26	01.05.2026	01.05.2029	19,81	-	7 692	-	2 342	-	5 350	2 342
	LTIP 2024	22.01.2024	22.01.24-01.05.27	01.05.2027	01.05.2029	19,81	-	7 692	-	1 627	-	6 065	1 627
Andreas Pfützner, CSO	LTIP 2022	20.05.2022	20.05.22-16.02.23	16.02.2023	20.05.2027	19,81	224 417	-	-	207 155	-	-	17 262
	LTIP 2022	20.05.2022	20.05.22-20.05.25	20.05.2025	20.05.2027	19,81	224 418	-	-	207 156	-	17 262	-
	LTIP 2022	20.05.2022	20.05.22-20.05.25	20.05.2025	20.05.2027	19,81	299 223	-	-	276 206	-	23 017	-
	LTIP 2023	02.11.2023	02.11.23-30.06.24	30.06.2024	02.11.2026	19,81	300 000	-	-	276 924	23 076	-	-
Total						3 344 173	46 152	-	3 086 935	115 835	92 067	14 931	196 392

Annual change in remuneration

Comparative table over the remuneration and company performance 2020-2024						
Annual change in %	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	Accumulated remuneration (NOK 1 000)
Executive Management's remuneration						
Joacim Holter, CEO, appointed September 2020	-	200 %	0 %	-2 %	44 %	8 514
Rune Frisvold, CEO, November 2012 - August 2020	-14 %	-	-	-	-	1 031
Renete Kaarvik, CFO, appointed May 2024	-	-	-	-	-	1 187
Andreas Pfützner, CSO, appointed July 2014	-32 %	34 %	-4 %	18 %	76 %	7 071
Board of Directors's remuneration						
Morten Foros Krohnstad, chair/member of the Board, appointed November 2020	-	257 %	0 %	0 %	40 %	1 170
Hans Hekland, member of the Board, appointed May 2021	-	-	0 %	0 %	42 %	795
Trine Teigland, member of the Board, appointed June 2020	-	50 %	0 %	0 %	33 %	900
Bo Peterson, member of the Board, November 2020 - April 2024	-	157 %	0 %	0 %	-	610
Lutz Heinemann, member of the Board, appointed November 2020	-	157 %	0 %	0 %	22 %	830
Tone Kvåle, member of the Board, appointed April 2024	-	-	-	-	-	270
Christian Hysing Dahl, chair/member of the Board, November 2012 - May 2021	67 %	-	-	-	-	150
Joacim Holter, chair/member of the Board, November 2012 - November 2020	-33 %	-	-	-	-	60
Company performance						
Loss for the period	62 %	-509 %	-10 %	-102 %	-132 %	
Equity ratio	3 %	-18 %	5 %	-3 %	-15 %	
Net cash flow from financing activities (capital raised)	76 %	99 %	50 %	3 %	60 %	
Average remuneration on a full-time equivalent basis of employees						
Employees of the Lifecare group	-	-	1800 %	42 %	22 %	

Lifecare applies the same basic principles to the executive remuneration as for all its employees, benchmarking salaries against the relevant external market for the roles and assessing role complexity and individual performance.

Morten Foros Krohnstad was member of the board from November to May 2021, when he was elected chair of the Board.

Christian Hysing-Dahl was member of the board from November 2012 to June 2020, when he was elected chair of the Board.

Joacim Holter was chair of the board from November 2012 to May 2016 and board member from May 2016 to November 2020.

Andreas Pfützner transitioned from the position as CSO on a consultancy basis to an internal position in 2024.

Statement from the Board of Directors and CEO

The Board of Directors of Lifecare ASA has considered and adopted the Remuneration Report of Lifecare ASA for the financial year 2024.
The report is prepared in accordance with sections 6-16a and 6-16b of the Norwegian Public Limited Companies Act.
The Remuneration Report will be presented to the Annual General Meeting 2025 where shareholders will have the opportunity to provide their advisory vote.

Bergen, 27 March 2025
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

Independent auditor's report



Shape the future
with confidence

Statsautoriserede revisorer
Ernst & Young AS

Thormøhlens gate 53 D, 5006 Bergen
Postboks 6163, 5892 Bergen

Foretaksregisteret: NO 976 389 387 MVA
TE: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REMUNERATION REPORT

To the General Meeting of Lifecare ASA

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Lifecare ASA's report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2024 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our independence and quality control

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) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. The firm applies International Standard on Quality Management, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

A member firm of Ernst & Young Global Limited



Shape the future
with confidence

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design 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. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

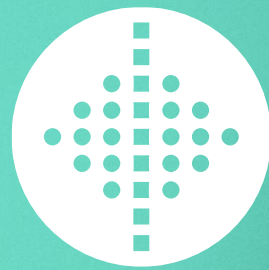
Bergen, 27 March 2025
ERNST & YOUNG AS

The auditor's assurance report is signed electronically

Eirik Moe
State Authorised Public Accountant (Norway)

Independent auditor's assurance report on remuneration report - Lifecare ASA 2024

A member firm of Ernst & Young Global Limited



LIFECARE