



LIFECARE

Q3 2024

# Contents

Highlights	3
Key figures & outlook	4
CEO comment	5
Business strategy & achievements	6
Operational review	9
Financial review	11
Board's approval	14
Financial statements & selected notes	15

# Highlights

Listed on Euronext Oslo Børs 22 October

Successful completion of 12 weeks longevity test

First production of Sencell implant based on automated processes

Strategic cooperation providing access to software for AI-based glucose analytics

# Key figures

Lifecare Group (NOK million)	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Revenue and other income	2	3	8	6
Operating expenses	-22	-10	-61	-29
Operating profit/loss	-20	-7	-52	-23
Profit/loss for the period	-15	-7	-46	-24
Net cash flow	-25	-7	28	-28
Available cash	76	20	76	20
Total assets	132	46	132	46
Equity ratio %	64 %	73 %	64 %	73 %
Earnings per share (NOK)	-1,07	-0,07	-3,12	-0,21
Market value (Euronext Growth)	331	442	331	442

Earnings per share (EPS) have been adjusted due to a 13:1 share consolidation, effective as of September 2024, resulting in a proportionate increase in EPS reflecting the reduced number of shares outstanding.

# Outlook

- Advancing production consistency and continue progress towards automated production.
- Continuation of study in dogs to confirm longevity, biocompatibility and data accuracy.
- Preparing for the clinical study LFC-SEN-003, the foundation to claim the CE-mark for Sencell for the human market.

# CEO comment

We continue to build positive momentum towards market introduction of Sencell, our innovative next-generation Continuous Glucose Monitor (CGM). Apart from significant technical confirmations of longevity and automation of processes, the third quarter was characterized by preparations leading to listing on Euronext Oslo Børs in October.

In our longevity study, the first Sencell implant was removed after 12 weeks. Comprehensive evaluations, including visual inspection, biopsies, and bacteriological testing, confirmed that no unexpected foreign body reactions or adverse tissue responses occurred, affirming the biocompatibility of the Sencell implant. These findings are based on our previous laboratory studies, where Sencell demonstrated an impressive longevity of 172 days, surpassing the operational lifespan of all major CGM systems currently on the market.

A major achievement this quarter has been the automation of critical stages in the Sencell implant production process, a significant step forward in our transition towards automated production. This advancement demonstrates our capability to scale production for both human and veterinary applications.

While our primary goal remains delivering a CGM product for the human market, we are also addressing the substantial unmet demand in the veterinary sector. Despite the less stringent regulatory requirements in this market, we are committed to a rigorous development process to achieve human-grade quality standards. Production fine-tuning is underway to achieve optimal consistency, and we are progressing toward completing final testing by early 2025. This approach will enable Lifecare to meet an essential need for pets and pet owners with uncompromising quality as we continue the studies required to obtain CE-mark approval for the Sencell implant in the human market.

In Q3, we entered into a strategic partnership with OneTwo Analytics, a Swedish data analytics company specializing in diabetes data. This collaboration will grant Lifecare access to OneTwo's advanced AI- and ML-based software for real-time monitoring and automatic analysis of CGM data. OneTwo will also develop a user-friendly mobile application, supporting both veterinary and future human healthcare applications.

Finally, on 22 October, Lifecare was successfully listed on Euronext Oslo Børs. This milestone reflects our ongoing efforts to balance cutting-edge innovation with commercial readiness, meeting enhanced compliance standards while increasing our visibility and accessibility to institutional and international investors as we approach the commercialization phase.



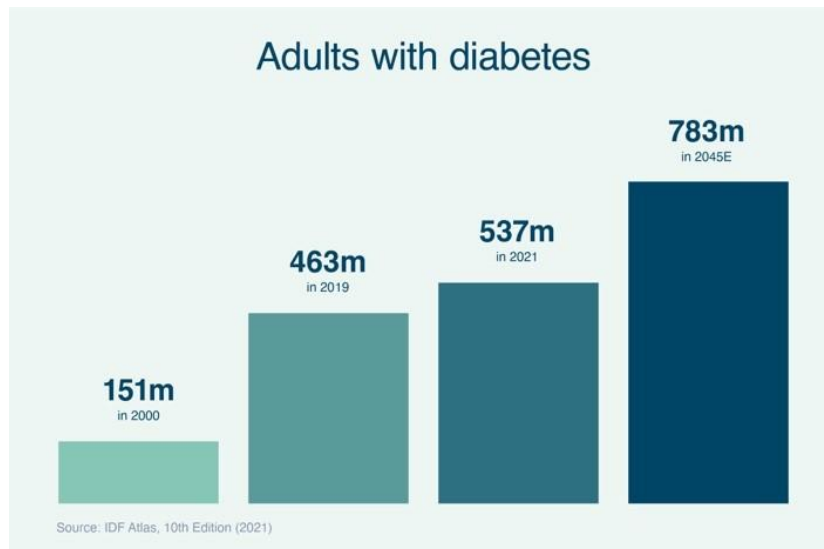
A handwritten signature in blue ink, appearing to read 'Joacim Holter'.

**Joacim Holter, CEO**

# Business strategy & achievements

Lifecare is a clinical stage sensor company developing the world's smallest Continuous Glucose Monitor

## DIABETES – A PANDEMIC AFFECTING 1 IN 10 ADULTS



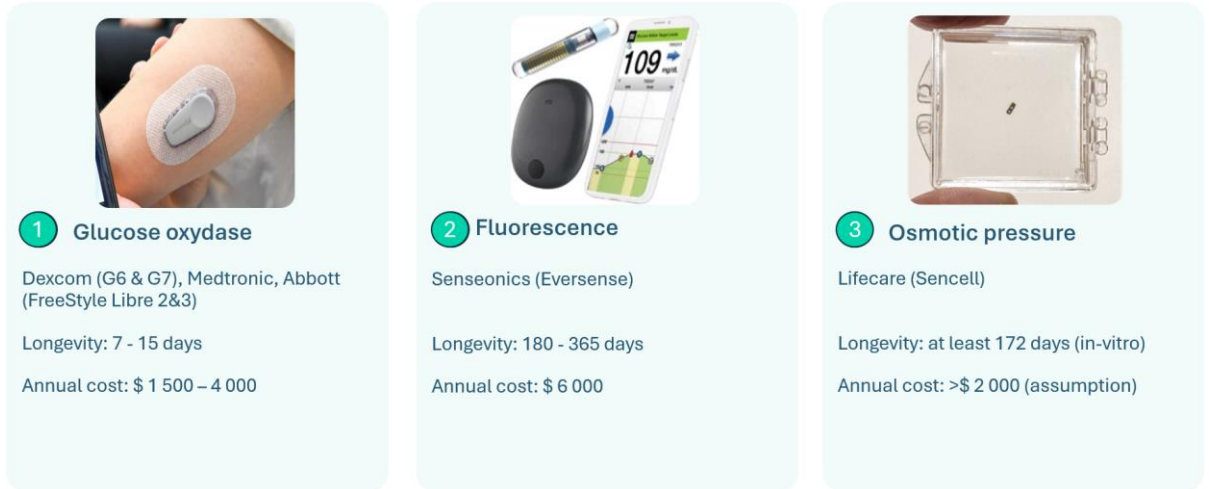
### UNMET MARKET NEED

Approx 50% of the adults that live with diabetes are diagnosed, and 1/3 need glucose monitoring. Today, only 7 million people have access to continuous glucose monitors (CGM).

### CURRENT SOLUTIONS

The standard method to measure the glucose level is the blood glucose meter which was introduced to the market in the 1970's. The first CGM device was introduced to the market in 1999 representing a tremendous improvement for patients with diabetes.

The available CGM's today are primarily based on glucose oxidase technologies, the main suppliers being Abbott, Dexcom and Medtronic. These CGM's have a limited longevity due to consumption of chemistry - the longest lasting sensor has an operational lifespan of 15 days. Eversence (Senseonics) have developed a fluorescence method with a longevity of up to 365 days, however this device represents less than 1% of the market and comes at a high cost.



### THE SENCELL TECHNOLOGY

Lifecare’s proprietary sensor technology, Sencell, is based on osmotic pressure as the sensing principle. It has the potential to transform the lives of patients with various diseases by enabling multi-biomarker sensing using very small sensors. Our primary focus is to introduce the smallest glucose sensor in the world that will be injected under the skin and will have a lifespan of at least six months. The osmotic pressure technology operates on biochemical reactions where glucose binds to molecules in a closed chamber. This binding process creates a pressure increase within the chamber that can be read for measurement and monitoring purposes.

### THE VETERINARY/PET MARKET

Diabetes is one of the most common health conditions in middle-aged dogs and cats. In both Europe and the USA, more than 1 million dogs and 0.5 million cats are diagnosed with diabetes. Pets with diabetes are treated similarly to humans, but unlike the human market, functional glucose monitoring is currently not available, and pet owners are advised to take blood samples to measure glucose levels. This method is impractical because sensors mounted on the animal’s skin often fall off after a short period. We aim to use our technology in the veterinary market to make glucose management easier for pet owners and to ensure that dogs and cats with diabetes can live a good life.



## Achievements and expectations

	Studies	Regulatory compliance	Production and market launch
2022	<p>Successful in-vitro testing confirming functionality of miniaturized sensors</p> <p>Proof-of-concept in humans</p>	<p>Approval for accuracy study LFC- SEN-001</p>	<p>Production location secured</p>
2023	<p>In-human study (LFC-SEN-001) confirming clinical accuracy in line with gold standard</p> <p>Longevity study of the Sencell with operational lifespan of more than 172 days</p>	<p>ISO 9001 and ISO 13485 certified</p> <p>Norwegian Medicine Agency confirms no specific regulation for Sencell medical device for animals in Norway</p> <p>Approval for longevity study in dogs (LFC-SEN-002)</p>	<p>Preparations for automated production</p>
2024	<p>In-dogs longevity study (LFC-SEN-002) confirming operational lifespan</p> <p>Preparations for LFC-SEN-003</p>	<p>CE approved device to remove subdermal implants</p>	<p>Pilot production</p> <p>Key steps in automated production</p>
2025	<p>In-dogs longevity, biocompatibility and data accuracy study (LFC-SEN-002)</p> <p>Clinical study (LFC-SEN-003) confirming operational efficiency</p>	<p>Build technical file to claim CE-mark for Sencell for the human market</p>	<p>Product launch for veterinary market</p> <p>Automated production</p>



# Operational review

## STUDY IN DOGS

The first veterinary patient has completed a 12-week implant period in the longevity study of our Sencell implant. The primary objective of this initial study was to assess and confirm the implant's operational longevity. Specifically, we aimed to validate the implant's durability and biocompatibility, ensuring it causes no adverse foreign body reactions over time. This first phase of the study was successfully completed meeting these study objectives.

Throughout the 12-week study period, our veterinary team at the Norwegian University of Life Sciences (NMBU) closely monitored Elli, the first veterinary patient participating in the study, in accordance with the regulatory-approved protocol. Elli remained in excellent health, showing no signs of discomfort related to the implant.

Upon removal of the first implant, Lifecare Veterinary conducted a thorough visual inspection and confirmed that Elli, the surrounding tissue, and the implant were all in good condition. Subsequent biopsy and bacteriological tests conducted at NMBU confirmed that no unexpected foreign body reactions occurred during the implantation period. Additionally, testing of the implant at Lifecare Laboratory verified that the sensor maintained full glucose sensitivity post-removal. Our scientific team concluded that the implant remained stable throughout the 12-week period.

## PROGRESS TOWARDS AUTOMATED PRODUCTION

At the end of Q1, we reached a significant milestone with the successful pilot production of Sencell. By Q3, we advanced further by automating the most critical steps in this process.

Our manufacturing team has successfully produced Sencell implants at our Reutlingen laboratory, utilizing automated processes for two crucial stages. The first stage involves a sophisticated deposition process conducted with a Scanning Electron Microscope (SEM), where customized software is used to prepare the Sencell implant with high accuracy. The second stage is an automated filling process, in which Lifecare's proprietary glucose-reactive chemical solution is introduced into the sensor's nanosized chambers. This step also includes the application of nano-porous membranes to seal the chambers, ensuring optimal sensor performance.

As we scale up our production capacity, we have identified opportunities to further optimize product and production tolerances to meet the highest quality standards. To accelerate these enhancements, Lifecare has engaged with UK-based experts TTP plc (The Technology Partnership) to refine and strengthen our processes. Through this collaboration, we anticipate substantial advancements in production consistency and product quality by the end of 2024, with validation of these improvements expected in early 2025. This focused approach reinforces our commitment to delivering a high-quality implant to the market. We expect to launch our product in the veterinary market in the first half of 2025.

## STUDY PROTOCOL

A working group led by Lifecare's CSO, Prof. Dr. Andreas Pfützner, along with board member Prof. Dr. Lutz Heinemann and scientific advisory board chair Prof. David C. Klonoff, finalized a draft protocol for a long-term human clinical study. This protocol will be presented to relevant regulatory authorities.

To facilitate the regulatory submission process, we will engage a Contract Research Organization to support the process and finalize the selection of clinical study sites. One confirmed site is Pfützn Science and Health GmbH in Mainz, Germany, where the first-in-human clinical Sencell study was previously conducted. The preparation of the study protocol represents a significant advancement as we move toward the next phase: the CE clinical study for regulatory approval.

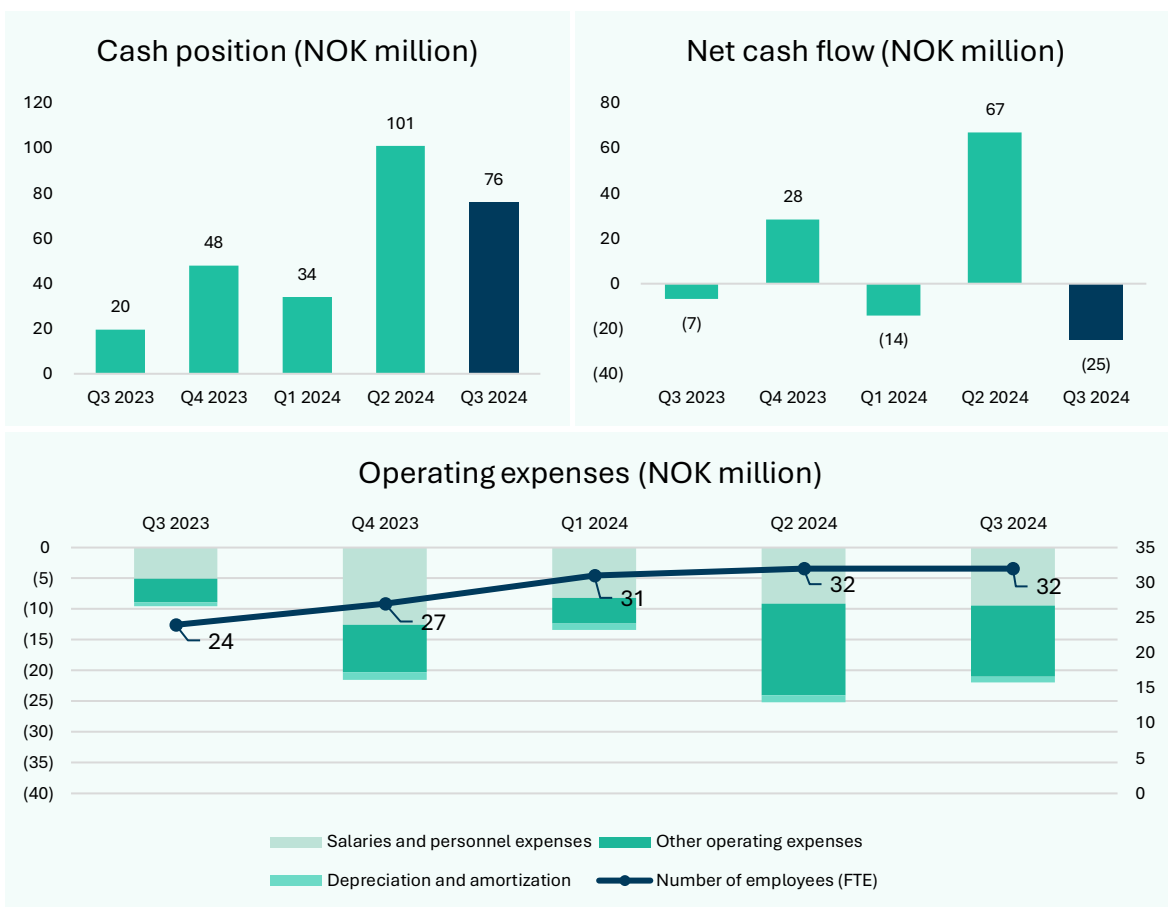
### **COOPERATION WITH ONETWO ANALYTICS**

Lifecare has entered into a strategic partnership with OneTwo Analytics AB (OneTwo), a Swedish company specializing in diabetes data analytics. This collaboration will provide Lifecare access to OneTwo's artificial intelligence- and machine learning-based software for self-monitoring and interpretation of CGM data. Additionally, OneTwo will act as Lifecare's digital development partner on a consultancy basis as we work to commercialize this software in the veterinary market under a licensing agreement.

As part of our strategic cooperation, OneTwo will leverage its expertise in data analytics and software development to create a digital infrastructure tailored to the needs of veterinary professionals. A key component of this collaboration is OneTwo's "INSIGHTS and Clinic Portal" software. Furthermore, OneTwo will develop a user-friendly mobile application compatible with both iOS and Android platforms. This app will facilitate seamless data transmission from Sencell sensors to cloud servers and enable bi-directional communication with the customized analytical software. Importantly, this digital infrastructure will not only serve the veterinary sector but will also maintain compatibility for applications in human healthcare.

Lifecare will lead the commercialization of this advanced analytical software within the global veterinary market. The partnership grants us an exclusive worldwide license to modify, market, and brand the software under our name. This software is designed to analyse glucose data from CGM sensors, providing critical insights into glucose deviations and fluctuations, which are essential for the diagnosis, treatment, and management of diabetes.

# Financial review



## PROFIT / LOSS

The Group's revenue and other income was NOK 1.5 million in Q3 2024 compared to NOK 2.6 million in Q3 2023 and NOK 6.4 million in Q2 2024. The revenues were mainly related to R&D grants to our German subsidiaries.

Salaries and personnel expenses increased significantly, from NOK 5.1 million in Q3 2023 to NOK 9.4 million in Q3 2024. This increase is primarily driven by the expansion of activities and the addition of new employees. As of 30 September 2023, the Group had 24 full-time equivalent employees (FTE), compared to 32 FTEs as of 30 September 2024. Employee share option expenses (no cash effect) have been recognized at NOK 0.3 million in Q3 2024 and NOK 0.2 million in Q3 2023. The salaries and personnel expenses in Q3 2024 is consistent with the expenses in Q2 2024, which came to NOK 9.1 million.

Depreciation and amortization expenses was NOK 0.9 million in Q3 2024, compared to NOK 0.6 million in Q3 2023 and NOK 1.2 million in Q2 2024. The increase from last year was due to the acquisition of tangible assets in RemovAid and purchase of machines and equipment.

Other operating expenses rose from NOK 3.8 million in Q3 2023 to NOK 11.6 million in Q3 2024. The increase was due to stepping up the automated production process, the inclusion of operating expenses in RemovAid as well as cost related to preparing the IPO. The Q3 cost level this quarter was NOK 3.3 million lower than in Q2 2024 (NOK 14.9 million) where we had high cost related to R&D and pilot production.

Total operating expenses in Q3 2024 came to NOK 21.9 million compared to NOK 9.5 million in Q3 2023, however NOK 3.2 lower than in Q2 2024 (NOK 25.1 million). The increase compared to the same quarter last year was driven mainly by more personnel and increased R&D activities.

In Q3 2024, net financial items yielded a profit of NOK 5.3 million compared to a loss of NOK 0.1 million and NOK 0.3 million in Q3 2023 and Q2 2024, respectively. This positive change was attributed to interest rates on capital and revaluation of warrants.

The pre-tax loss for the quarter totalled NOK 15.1 million, compared to a loss of NOK 7.0 million in Q3 2023 and NOK 19.0 million in Q2 2024. Income tax for the quarter has been estimated to an income of NOK 0.1 million, compared to a tax expense of NOK 0.3 million in Q3 2023 and an income of NOK 0.6 million in Q2 2024.

The Group's total loss after tax for the quarter ended at NOK 15.1 million, compared to a loss of NOK 7.3 million in Q3 2023 and NOK 18.4 million in Q2 2024.

## FINANCIAL POSITION AND LIQUIDITY

*Figures as of 30 September 2023 in brackets*

On 30 September 2024, the book value of the Group's assets was NOK 131.7 million (NOK 45.8 million), up from NOK 86.4 million as of 31 December 2023 and down from NOK 152.2 million as of 30 June 2024. The increase in the Group's balance sheet in 2024 was mainly related to a rights issue in June 2024 raising cash of NOK 90 million, the inclusion of RemovAid (see Note 6) and purchase of machines and equipment. The reduction from 30 June 2024 was mainly due to consumption of cash.

The Group's patents, goodwill and tangible assets including right-of-use assets totalled NOK 38.0 million (NOK 19.2 million) as of 30 September 2024, up from NOK 22.3 million as of 31 December 2023

and NOK 31.8 million as of 30 June 2024. The acquisition of RemovAid, new rental lease agreements recognized as right of use assets and capital expenditures for automated production increased the book value of the assets. Compared relative to total assets, these assets equalled 29% (42%) of the balance sheet as of 30 September 2024, compared to 26% as of 31 December 2023 and 21% as of 30 June 2024.

The cash balance at the end of the quarter was NOK 75.9 million (NOK 19.9 million), up from NOK 48.3 million as of 31 December 2023 and down from NOK 101.4 as of 30 June 2024. The successful completion of a rights issue in June 2024 raised gross proceeds of NOK 90 million.

Total equity as of 30 September 2024 was NOK 84.9 million (NOK 33.3 million), compared to NOK 66.5 million as of 31 December 2023 and NOK 98.8 million as of 30 June 2024. The equity ratio as of 30 September 2024 was 64% (73%) compared to 77% as of 31 December 2023 and 65% as of 30 June 2024.

Total liabilities were NOK 46.8 million as of 30 September 2024 (NOK 12.5 million) compared to NOK 19.9 million as of 31 December 2023 and NOK 53.4 million as of 30 June 2024. 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 at market value of NOK 20.1 million as of 30 September. Liabilities also include right of use assets (office rental lease agreement recognized according to IFRS 16) and trade payables. As of 30 September 2024, non-current lease liabilities were NOK 8.2 million (NOK 2.4 million) and current lease liabilities were NOK 2.2 million (NOK 2.0 million), compared to NOK 4.7 million and NOK 1.7 million as at year end 2023. The lease liabilities were impacted by a new office rental agreement at the headquarters and the inclusion of the office rental agreement of RemovAid.

## CASH FLOW

Net cash flow from operating activities during the quarter amounted to NOK -15.0 million, compared to NOK -7.3 million in Q3 2023 and NOK -13.4 million in Q2 2024. The change in cash flow was primarily attributed to the higher operating loss in Q3 2024 compared to the same quarter last year.

Net cash flow from investing activities was NOK -10.5 million during the quarter, compared to NOK 0.5 million in Q3 2023 and NOK -2.4 million in Q2 2024. The outflow this quarter was related to investment in machines and equipment.

There was no cash flow from financing activities in Q3 2024 nor in Q3 2023. In Q2 2024, net cash flow from financing activities was NOK 82.8 million due to the share issue of NOK 90 million that was completed in June 2024, deducted by the related share issue cost.

As at the end of the quarter, the cash balance was NOK 75.9 million compared to NOK 19.9 million at the end of Q3 2023 and NOK 101.4 million as at end of June 2024.

# Board's approval

## EVENTS AFTER THE BALANCE SHEET DATE

On 15 October 2024, Lifecare completed a retail offering, raising gross proceeds of NOK 16.6 million through the allocation of 831 266 shares at an offer price of NOK 20 per share. The key terms of the offering were set out in a prospectus, which was approved by the Norwegian Financial Supervisory Authority and published 4 October. The share capital increase was registered with the Norwegian Register of Business Enterprises on 18 October. The retail offering was part of the listing process of the company's share on Euronext Oslo Børs, and on 22 October Lifecare had its first day of trading at Oslo Børs.

## OUTLOOK

Lifecare will continue the study in dogs to confirm longevity, biocompatibility and data accuracy. The results of this longevity study will serve as the foundation for our subsequent application, where we aim to gather robust data for the technical files required to obtain the CE mark for Sencell in the human market.

Lifecare has a cash position of NOK 76 million at the end of Q3 2024, providing sufficient resources to continue its studies and prepare for automated production and commercial readiness. We anticipate somewhat increased expenses in Q4 due to the listing process on Oslo Børs and connected capital issue, as well as the engagement of external engineering expertise. We do not expect any significant capital expenditures in Q4.

## The Board of Directors and CEO

Bergen, 13 November 2024

*This document is signed electronically, with no hand-written signatures.*

Morten Foros Krohnstad  
**Chair of the Board**

Trine Teigland  
**Board member**

Lutz Walter Heineman  
**Board member**

Hans Johan Hekland  
**Board member**

Tone Kvåle  
**Board member**

Joacim Holter  
**CEO**

# Financial statements & selected notes



## CONDENSED STATEMENT OF COMPREHENSIVE INCOME

Lifecare Group (NOK 1 000)	Notes	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Revenue and other income	3	1 544	2 568	8 395	6 408
Salaries and personnel expenses*	4	-9 411	-5 054	-26 716	-15 283
Depreciation and amortization	5	-933	-604	-3 095	-2 101
Other operating expenses		-11 600	-3 803	-30 689	-11 786
<b>Operating profit/loss</b>		<b>-20 400</b>	<b>-6 894</b>	<b>-52 106</b>	<b>-22 763</b>
Net financial items		5 270	-80	5 105	-435
<b>Profit/loss before tax</b>		<b>-15 130</b>	<b>-6 974</b>	<b>-47 001</b>	<b>-23 198</b>
Income tax		57	-290	694	-722
<b>Profit/loss for the period</b>		<b>-15 073</b>	<b>-7 264</b>	<b>-46 306</b>	<b>-23 920</b>
<b>Other comprehensive income</b>					
<i>Items that may be reclassified to profit or loss</i>					
Exchange differences on translation of foreign operations		1 057	465	532	430
<b>Total comprehensive income for the period</b>		<b>-16 130</b>	<b>-7 729</b>	<b>-46 839</b>	<b>-24 350</b>
Earnings per share (basic and dilutive) NOK**		-1,07	-0,07	-3,12	-0,21
<b>Total comprehensive income for the period is attributable to</b>					
Owners of Lifecare ASA		-15 903	-7 665	-46 312	-24 286
Non-controlling interest		-227	-64	-526	-64

\*Q3/YTD 2023 figures have been restated compared to the published interim report 2023 due to inclusion of share options in this report (NOK 0.2 million in Q3 2023 and NOK 2.2 million YTD 2023).

\*\*Earnings per share (EPS) has been adjusted due to a 13:1 share consolidation, effective as of September 2024, resulting in a proportionate increase in EPS reflecting the reduced number of shares outstanding.

## CONDENSED STATEMENT OF FINANCIAL POSITION

Lifecare Group (NOK 1 000)	Notes	30.09.2024	30.09.2023	31.12.2023
<b>Assets</b>				
Intangible assets		12 840	12 852	12 511
Property, plant and equipment incl right of use assets		25 179	6 380	9 834
<b>Total non-current assets</b>	5,6	<b>38 019</b>	<b>19 231</b>	<b>22 345</b>
Current receivables		17 814	6 697	15 699
Cash and cash equivalents		75 887	19 880	48 345
<b>Total current assets</b>		<b>93 702</b>	<b>26 577</b>	<b>64 044</b>
<b>Total assets</b>		<b>131 721</b>	<b>45 809</b>	<b>86 390</b>
<b>Equity and liabilities</b>				
Share capital and share premium		189 993	87 453	129 953
Retained earnings and other equity		-105 058	-54 162	-63 499
<b>Total equity</b>	9	<b>84 935</b>	<b>33 291</b>	<b>66 455</b>
Deferred tax liabilities		974	1 641	1 641
Non-current lease liabilities		8 201	2 408	4 745
Other non-current liabilities		108	5 943	2 915
<b>Total non-current liabilities</b>		<b>9 283</b>	<b>9 992</b>	<b>9 302</b>
Trade and other payables		8 199	851	3 588
Current lease liabilities		2 208	1 978	1 705
Other current liabilities	8	27 096	-304	5 341
<b>Total current liabilities</b>		<b>37 503</b>	<b>2 526</b>	<b>10 634</b>
<b>Total liabilities</b>		<b>46 786</b>	<b>12 517</b>	<b>19 935</b>
<b>Total equity and liabilities</b>		<b>131 721</b>	<b>45 809</b>	<b>86 390</b>

## STATEMENT OF CHANGES IN EQUITY

Lifecare Group (NOK 1 000)	Share capital	Share premium	Treasury shares	Retained earnings	FX translation reserve	Total	NCI	Total equity
<b>Equity as at 01.01.2023</b>	<b>47 146</b>	<b>40 307</b>	-	<b>-31 164</b>	<b>147</b>	<b>56 436</b>	-	<b>56 436</b>
Profit for the period	-	-	-	-23 920	-9	-23 929	-	-23 929
Other comprehensive income	-	-	-	-	1176	1176	-	1176
Share-based payments	-	-	-	1961	-	1961	-	1961
<b>Equity as at 30.09.2023</b>	<b>47 146</b>	<b>40 307</b>	-	<b>-53 124</b>	<b>-1 038</b>	<b>33 291</b>	-	<b>33 291</b>
<b>Equity as at 01.01.2023</b>	<b>47 146</b>	<b>40 307</b>	-	<b>-31 164</b>	<b>147</b>	<b>56 436</b>	-	<b>56 436</b>
Profit for the period	-	-	-	-35 487	-	-35 487	52	-35 435
Issue of share capital	6 800	35 700	-	-	-	42 500	-	42 500
Other comprehensive income	-	-	-	-	-70	-70	-	-70
Share-based payments	-	-	-	3 023	-	3 023	-	3 023
<b>Equity as at 31.12.2023</b>	<b>53 946</b>	<b>76 007</b>	-	<b>-63 628</b>	<b>77</b>	<b>66 402</b>	<b>52</b>	<b>66 455</b>
<b>Equity as at 01.01.2024</b>	<b>53 946</b>	<b>76 007</b>	-	<b>-63 628</b>	<b>77</b>	<b>66 402</b>	<b>52</b>	<b>66 455</b>
Profit for the period	-	-	-	-46 312	-	-46 312	-526	-46 839
Issue of share capital	24 167	35 873	-	-	-	60 040	-	60 040
Other comprehensive income	-	-	-	-	532	532	-	532
Adjustment related to acquisition of subsidiary	-	-	-	-	-	-	500	500
Share-based payments	-	-	-	4 247	-	4 247	-	4 247
Purchase of treasury shares	-	-	-53	-	-	-53	-	-53
Use of treasury shares	-	-	29	-	-	29	-	29
<b>Equity as at 30.09.2024</b>	<b>78 113</b>	<b>111 880</b>	<b>-24</b>	<b>-105 693</b>	<b>609</b>	<b>84 909</b>	<b>26</b>	<b>84 935</b>

## STATEMENT OF CASH FLOW

Lifecare Group (NOK 1 000)	Q3 2024	Q3 2023	YTD 2024	YTD 2023
<b>Profit before tax</b>	<b>-15 130</b>	<b>-6 974</b>	<b>-47 001</b>	<b>-23 198</b>
Depreciation and amortization	933	604	3 095	2 101
Non-cash employee benefit expense - option plan	2 180	232	-3 528	1 961
Change in receivables and payables	12 455	-3 941	6 697	745
Other adjustments	-15 432	2 810	-2 129	-9 732
<b>Net cash flow from operating activities</b>	<b>-14 993</b>	<b>-7 270</b>	<b>-42 866</b>	<b>-28 123</b>
Payments for property, plant and equipment	-10 486	456	-12 400	373
<b>Net cash flow from investing activities</b>	<b>-10 486</b>	<b>456</b>	<b>-12 400</b>	<b>373</b>
Proceeds from issues of shares and other equity securities	-	-	90 000	-
Share issue costs	-	-	-7 192	-
<b>Net cash flow from financing activities</b>	<b>-</b>	<b>-</b>	<b>82 808</b>	<b>-</b>
<b>Net changes in cash and cash equivalents</b>	<b>-25 479</b>	<b>-6 814</b>	<b>27 542</b>	<b>-27 750</b>
<b>Cash at beginning of the period</b>	<b>101 367</b>	<b>26 694</b>	<b>48 345</b>	<b>47 630</b>
<b>Cash at the end of the period</b>	<b>75 887</b>	<b>19 880</b>	<b>75 887</b>	<b>19 880</b>

# Selected notes

## NOTE 1 BASIS OF PREPARATION

Lifecare is a clinical stage medical sensor company developing technology for sensing and monitoring of various body analytes. Lifecare's main focus is to bring the next generation of Continuous Glucose Monitoring ("CGM") systems to market. Lifecare enables osmotic pressure as a sensing principle, combined with the ability to manipulate Nano-granular Tunnelling Resistive sensors ("NTR") on the sensor body for read-out of pressure variations. Lifecare's sensor technology is referred to as "Sencell" and is suitable for identifying and monitoring the occurrence of a wide range of analytes and molecules in the human body and in pets.

The Lifecare Group comprises Lifecare ASA (Norway) and its subsidiaries Lifecare Veterinary AS (Norway), Lifecare Chemistry Ltd (UK), Lifecare NanoBioSensors GmbH (Germany), Lifecare Laboratory GmbH (Germany) and as from 26 April 2024, RemovAid AS (Norway). Lifecare Veterinary is 80% owned and RemovAid is 89.6% owned as of 30 September 2024, while the other subsidiaries are fully owned. Lifecare was listed on Euronext Growth in 2018, and on Euronext Oslo Børs in October 2024.

Management assesses the financial performance of Lifecare ASA and its subsidiaries at a consolidated level as these companies are interconnected through the research and development of the Sencell technology. RemovAid specializes in the development and manufacture of a medical device which removes subdermal implants, which we aim to include as a comprehensive part of removing the Sencell implant.

The financial report for the third quarter of 2024 has been prepared in accordance with IFRS® Accounting Standards as adopted by the EU and the IFRSs as issued by the International Accounting Standards Board (IASB), including IAS 34 Interim Financial Reporting. These standards have been consistently applied in all periods presented. For a complete set of disclosures, this report should be read in conjunction with the Group's annual report for 2023.

### Use of estimates

Management is required to make estimates and assumptions about the future that impact accounting policies and the recognized amounts of assets, liabilities, income, and expenses. These estimates and assumptions are based on historical experience and other factors deemed reasonable under the circumstances. These results form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are continually reviewed, considering current and expected future market conditions.

## NOTE 2 RISKS AND UNCERTAINTIES

Lifecare aims to develop and commercialize the world's smallest implantable continuous glucose monitoring (CGM) sensor, designed to last a minimum of six months. Successfully navigating geopolitical, macroeconomic, and regulatory environments is crucial for our operational efficiency, market success, and long-term sustainability. While the direct impacts of inflation, rising interest rates, ongoing conflicts, and climate disasters have been limited for Lifecare so far, these risks could potentially disrupt supply chains and alter market dynamics. We prioritize risk reduction across

various domains and continually monitor and enhance our risk management framework. There were no significant changes to the risks and uncertainties in the current reporting period that has particularly affected Lifecare. Below is a summary of some of the risks we face in the short and medium term.

### **Financial risk**

Lifecare is currently in the clinical stage, dedicating nearly all resources to the research and development of our product. Our funding relies primarily on equity financing, with limited support from public grants. To ensure adequate financial management, our team conducts monthly liquidity forecasts based on conservative assumptions, which serve as the foundation for planning the Group's financing needs.

In June 2024, Lifecare successfully completed a rights issue, raising a total of NOK 90 million. At the end of Q3 2024, our cash and cash equivalents were NOK 75.9 million, with an equity ratio of 64%. Furthermore, on 15 October 2024, we completed a public retail offering, securing additional gross proceeds of NOK 16.6 million. The capital injections in 2024 have positioned us to continue studies and prepare for automated production.

Given our equity-based financing, our exposure to interest rate risk is minimal. Similarly, credit risk remains limited as we do not yet generate sales. However, currency risk is a factor, given the international scope of our operations. In particular, fluctuations in the Euro affect us, as a majority of our suppliers invoice in Euros. At this stage, we do not employ currency hedging strategies to mitigate these fluctuations.

### **Scientific risk**

Lifecare develops technology for sensing and monitoring of various body analytes, using osmotic pressure and Nano-granular Tunnelling Resistive sensors to detect pressure variations. Our core technology is protected by four active patents, with a fifth patent pending. We follow a rigorous, phased R&D process to ensure our product's reliability, safety, and effectiveness, conducting preclinical studies and proof-of-concept experiments before clinical studies. In June, we 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, we collaborate with academic institutions and industry experts, incorporating their insights and staying aligned with the latest scientific advances. We prioritize regulatory compliance, ensuring our processes meet industry standards from the start.

### **Manufacturing risk**

Lifecare is committed to establishing a production framework that transitions seamlessly from clinical development to full-scale manufacturing. We have invested in advanced manufacturing technologies and process automation to ensure consistency and precision. Pilot production of the Sencell implant has been completed, and the most critical steps in the production process has been automated. To identify and address potential quality issues, we conduct extensive testing on our production processes. This quarter we encountered higher-than-expected variations in production and product tolerance and have engaged external consultants to address these. We anticipate achieving improved tolerance and quality standards by early 2025.

### **Commercial risk**

Lifecare requires regulatory approval to market Sencell for human use, and the LFC-SEN-003 study aims to confirm accuracy, reliability, and safety to obtain a CE-mark. In the veterinary market, however,

there are no specific regulations for medical devices for animals, enabling us to market Sencell after completing longevity studies in dogs. To drive commercialization, we plan to partner with leading veterinarians for the veterinary market and healthcare leaders for the human market. We recognize the importance of partnering with a larger, established company to effectively bring Sencell to market, ensure device compatibility, and navigate healthcare regulations. Our agreement with Sanofi, which includes a right of first refusal for Sencell technology, reflects our strategy to collaborate with industry leaders. Additionally, our 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.

#### Climate and nature-related risk

Lifecare is committed to enhancing our understanding of climate and nature-related risks. We have conducted preliminary assessments which indicate that our current direct exposure to these risks has a limited impact on our forecasts, estimates, and critical accounting judgements.

### NOTE 3 REVENUES

Revenue and other income (NOK 1 000)	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Revenue from laboratory services	727	2 543	1 901	5 881
Other public grants	817	-	3 627	-
Other income	-	26	2 865	528
<b>Total revenue and other income</b>	<b>1 544</b>	<b>2 568</b>	<b>8 393</b>	<b>6 408</b>

### NOTE 4 SALARIES AND RELATED EXPENSES

Payroll (NOK 1 000)	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Salaries	7 506	3 801	18 959	10 532
Payroll tax	1 270	902	3 184	2 159
Pension cost	164	78	420	211
Other benefits	138	38	465	186
<b>Total payroll</b>	<b>9 078</b>	<b>4 819</b>	<b>23 028</b>	<b>13 088</b>
Share option expense	427	235	4 247	2 196
Accrued social security tax on share option	-94	-	-559	-
<b>Total employee share option cost*</b>	<b>333</b>	<b>235</b>	<b>3 688</b>	<b>2 196</b>
<b>Total employee benefit cost</b>	<b>9 411</b>	<b>5 054</b>	<b>26 716</b>	<b>15 283</b>
Number of employees	32	24	32	24

\*Employee share option expenses do not have cash effect.



### Share based option plan

Lifecare has a share option program to ensure focus and align the Group's long-term performance with shareholder values and interest. The program serves to attract and retain senior management. The option gives the holder the right to acquire shares from the company at an exercise price defined in the individual option agreements. The exercise price for options granted is set at the market price of the shares at the time of grant of the options. In general, options expire five years after the date of the grant. Primarily the options vest annually in equal tranches over a three-year period following the date of grant. The value of the options is determined by applying to the Black-Scholes option pricing model. The Black-Scholes model considers the share price at the grant date, time until execution, exercise price, risk-free interest rate and volatility.

On 30 September 2024, Lifecare completed a share consolidation (reverse split) in the ratio of 13:1. As such, the number and the strike price for share options have been adjusted accordingly. The strike price for share options is NOK 19.82 (NOK 1.52 prior to share consolidation).

Number of options	YTD 2024	YTD 2023
As of 1 January	4 369 173	2 469 173
Granted during the period	600 000	75 000
Exercised during the period	-	-
Expired during the period	-	-
<b>Options pre share consolidation 13:1</b>	<b>4 969 173</b>	<b>2 544 173</b>
<b>As of 30 September</b>	<b>382 244</b>	<b>2 544 173</b>

### NOTE 5 INTANGIBLE AND TANGIBLE ASSETS

Intangible and tangible assets (NOK 1 000)	Patents and licenses	Goodwill	Tangible assets	Right of use assets	Total
Book value as at 1 January 2024	5 283	7 228	3 192	6 642	22 345
Additions	-	-	12 515	3 667	16 182
Business combinations	1 057	-	-	1 530	2 587
Disposals	-	-	-	-	-
Depreciation	728	-	815	1 553	3 095
Impairment	-	-	-	-	-
<b>Book value 30 September 2024</b>	<b>5 612</b>	<b>7 228</b>	<b>14 893</b>	<b>10 287</b>	<b>38 019</b>
Accumulated acquisition cost	9 106	7 331	17 557	14 391	48 386
Accumulated depreciation	3 495	103	2 665	4 104	10 366
<b>Book value 30 September 2024</b>	<b>5 612</b>	<b>7 228</b>	<b>14 893</b>	<b>10 287</b>	<b>38 019</b>

Lifecare has three patents that are central to our innovative glucose monitoring technology. During 2024, Lifecare has acquired 89.6% of the shares in RemovAid AS, which holds patent and CE certification for the RemovAid tool, see Note 6 for more information. Goodwill is related to the acquisition of Lifecare NanoBioSensors in 2021 and Lifecare Laboratory in 2022. 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.

## NOTE 6 BUSINESS COMBINATION

On 26 April 2024, Lifecare acquired 80% of the shares in RemovAid AS for consideration of NOK 2 million. On 8 July 2024, Lifecare acquired an additional 9.6% of RemovAid AS through a share issue, bringing Lifecare's shareholding up to 89.6%, for a cash consideration of NOK 2 million. With this acquisition, we have 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.

Details of the purchase consideration and net assets acquired are as follows:

Purchase consideration (NOK 1 000)	26 April 2024
Cash paid	2 000
<b>Total purchase considerations</b>	<b>2 000</b>
Asset and liabilities recognized (NOK 1 000)	26 April 2024
Cash and cash equivalents	2 409
Current receivables	552
Patents, licenses	5 675
<b>Total assets acquired</b>	<b>8 635</b>
Payables	-927
Employee benefits	-590
<b>Net identifiable assets acquired</b>	<b>7 118</b>
Less: adjustment fair value of asset cost	4 618
Less: 20% non-controlling interest	500
<b>Total asset and liabilities recognized</b>	<b>2 000</b>

At the acquisition date 26 April 2024, RemovAid had capitalized patents and research and development cost of NOK 5.7 million. Lifecare has considered the value of the acquisition of the shares to be equal to the value of the identifiable assets and liabilities that are recognized. As such, an adjustment of the assets has been made as a disposal of the capitalized patent and R&D costs.

## NOTE 7 RELATED PARTY TRANSACTIONS

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

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

For shares controlled by the Board of Directors and executive management, see Note 9.

## NOTE 8 WARRANTS

In June 2024, Lifecare completed a partially underwritten rights issue of 59 038 955 new shares. 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 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 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 held 577 warrants, of which 268 were allocated to warrant holders to maintain the 13:1 ratio. As of 30 September 2024, Lifecare held 309 warrants.

Each warrant gives the holder the right to buy one new share in Lifecare at a price equal to the volume-weighted average price (VWAP) of the company's shares on Euronext 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".

The warrants are recognized as other financial liabilities and subsequent measurements at fair value (market value) through profit or loss. As of 30 September 2024, the warrants are reported as liabilities with a fair value of NOK 20.1 million.

Warrants recognized at fair value	NOK 1 000
As of 30 June 2024	23 716
Gain/loss from subsequent measurement	-3 571
As of 30 September 2024	20 145

## NOTE 9 SHARE CAPITAL AND SHAREHOLDERS

Lifecare has one class of shares, and all shares confer the same rights.

Shares	2 024		2 023	
	# of shares	Book value	# 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	-	-
<b>Shares 30 September pre consolidation</b>	<b>195 282 269</b>	<b>78 112 908</b>	<b>117 865 743</b>	<b>47 146 297</b>
<b>Shares 30 September post consolidation</b>	<b>15 021 713</b>	<b>78 112 908</b>	<b>117 865 743</b>	<b>47 146 297</b>
Holding of treasury shares	1 023	5 320	-	-
<b>Total excluding treasury shares</b>	<b>15 020 690</b>	<b>78 107 588</b>	<b>117 865 743</b>	<b>47 146 297</b>

On 30 September 2024, Lifecare 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 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 held 2 308 shares, of which 1 285 were allocated to shareholders to maintain the 13:1 ratio. As of 30 September 2024, Lifecare held 1 023 treasury shares.

20 largest shareholders at the end of the period	Number of shares	Shareholding
Lacal AS	2 203 362	14,67 %
Teigland Eiendom AS	2 101 214	13,99 %
Jostein Tjelta	898 738	5,98 %
Nordea Funds	705 055	4,69 %
Nordnet Livsforsikring AS	438 219	2,92 %
F2 Funds & Financial Funds	356 242	2,37 %
Spit Air AS	352 903	2,35 %
Einarsen Even Harald	261 610	1,74 %
Nordnet Bank AB	236 495	1,57 %
Lt Finans AS	222 584	1,48 %
Hejma AS	176 924	1,18 %
Kurt Andreassen	170 222	1,13 %
LHH AS	153 847	1,02 %
Nexus Marketing	146 509	0,98 %
Andreas Pfützner	138 485	0,92 %
Joacim Holter	124 951	0,83 %
Han Lei	123 991	0,83 %
Åge Westbø	115 385	0,77 %
Moun10 AS	101 619	0,68 %
Max Invest AS	86 539	0,58 %
<b>Total shareholding by 20 largest shareholders</b>	<b>9 114 894</b>	<b>60,68 %</b>
Total others	5 906 819	39,32 %
<b>Total shares</b>	<b>15 021 713</b>	<b>100,00 %</b>

Shares controlled directly and indirectly by the Board of Directors and group management at period end	Number of shares	Shareholding
<b>Board of Directors</b>		
Hans Hekland	11 562	0,08 %
Trine Teigland	2 101 214	13,99 %
Tone Kvåle	3 077	0,02 %
<b>Group management</b>		
Joacim Holter	124 951	0,83 %
Andreas Pfützner	138 485	0,92 %
<b>Total shares held by the board and group management</b>	<b>2 379 289</b>	<b>15,84 %</b>

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## About Lifecare

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

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

We have a particular focus on diabetes. We are dedicated to bringing the next generation of continuous glucose monitor system to the market, aiming to improve diabetes management for humans and pets.

## Financial calendar

Q4 2024: 20 February 2025

Annual report 2024: 28 March 2025

Q1 2025: 15 May 2025

Q2 2025: 21 August 2025

Q3 2025: 12 November 2025

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