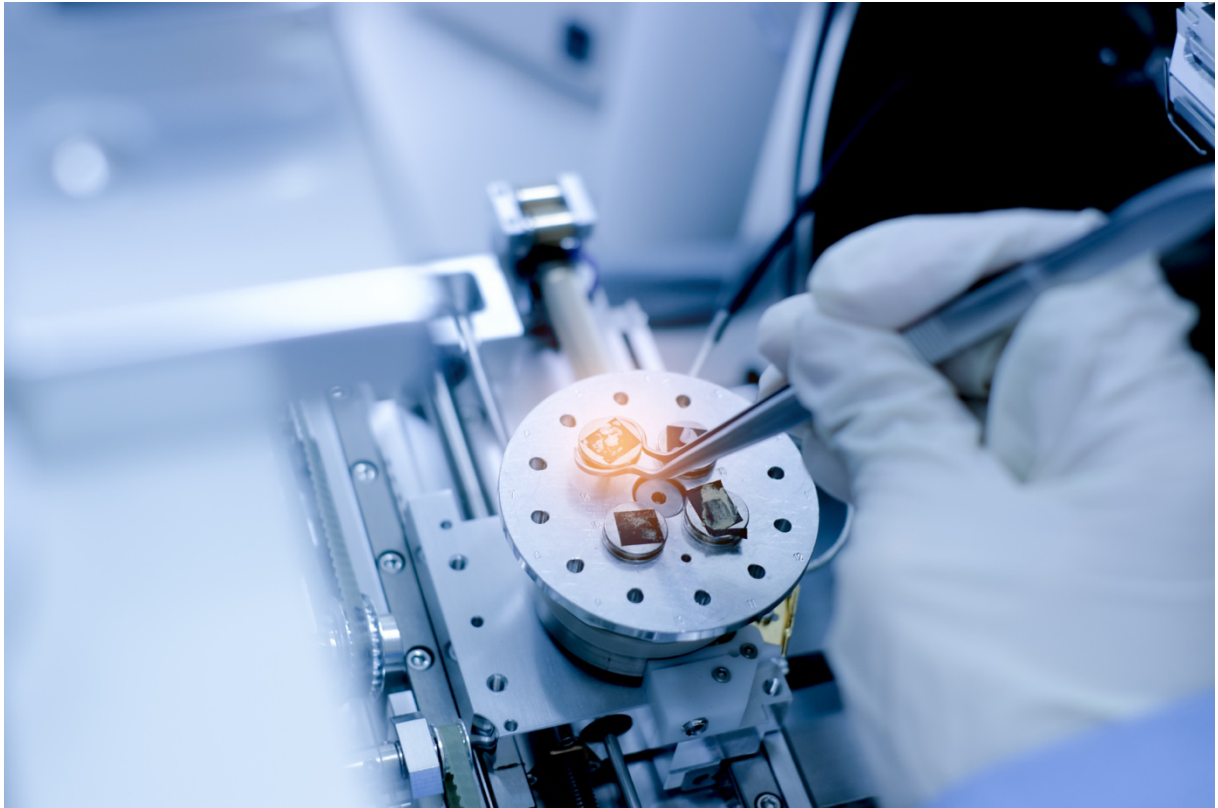




LIFECARE

Quarterly Report

Q4 2022



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CEO's Statement

CONCOLIDATION

The efforts we put in during Q3 provided a solid foundation for further development and better opportunities to pursue early product development. This has formed the basis for important consolidations in the development project and organization in Q4. In addition to the ongoing improvements as part of the Clinical Development Study of Sencell, we have consolidated our rapidly growing organisation, expanded cooperations and strengthened our financial position in Q4 2022.

THE SENCELL

We gained valuable experience from in-vivo testing of Sencell in Q3. In Q4 we took a step back to improve our production methodes, improve the product, improve the performance of the product, and improve the longevity of the product. Ongoing tests show that we have improved the sensors and obtained a product that exhibits high sensitivity, robustness and longevity. Lifecare's Sencell technology may in many ways be superior to commercially available needle sensors.

CAPITAL INCREASE

In October we carried out a record high private placement of 45 MNOK. This capital increase shows that the main shareholders and the market have high expectations to the research and development of Lifecare's glucose sensor. It was a strong achievement to raise equity of 45 MNOK in a market strongly influenced by geopolitical forces and an uncertain market. The capital increase is fundamentally important for further development and clinical studies of the Sencell towards CE mark, strengthening the Company's balance sheet to ensure financial capacity and flexibility to pursue growth opportunities.

ORGANIZATION

In Q4 we have become an even bigger Lifecare team, launching a new company in the UK. This move provide strategic advantages related to chemical research development and builds on the close and good collaboration Lifecare already has established with the University of Bath.

OUTLOOK.

The Lifecare organization is looking forward to an exiting year. We will maintain our focus on completing study 001, starting study 002 and preparing for study 003. The Sencell-technology provides broad possibilities for monitoring various values in the body. In 2023, we will start work on investigating other important measurement values where the technology can be utilised. The organization is also working on ISO 9001 and 13594 certification for our laboratory in Mainz. The audit for ISO 9001 will be completed by the end of Q1 2023. The Lifecare Group will introduce simplified International Financial Reporting Standard (IFRS) from 1 January 2023.

Signatur:



Joacim Holter
CEO

Financials - Summary

STRONG PROGRESS

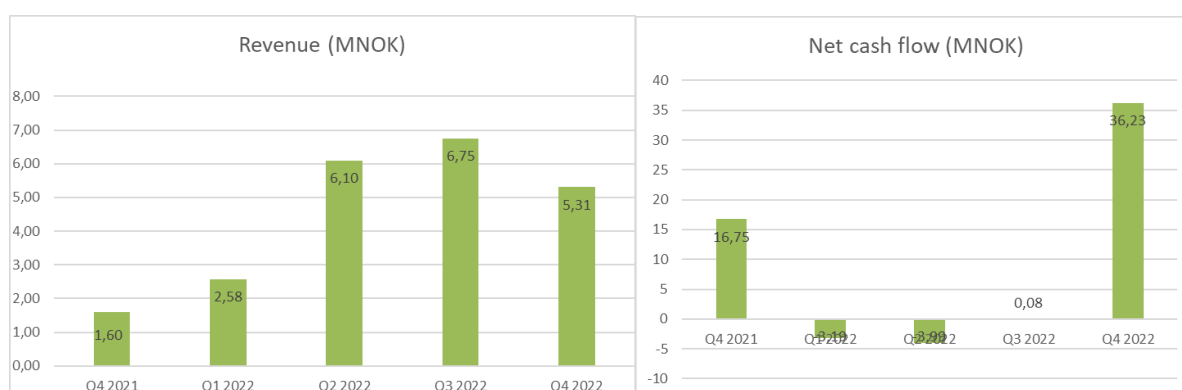
The total Group revenue for Q4 2022 was 5.31 MNOK. This is an increase of 3.7 MNOK compared to Q4 2021. The increased group revenue is mainly due to the implementation of Lifecare Laboratory GmbH as a subsidiary of Lifecare AS, adding third-party revenue to the Group on the basis of sale of services.

Salaries and personal costs are increased due to the growth of the organization and consequently higher activity in the Group. Increase in operating costs leads to a negative result of 8.39 MNOK in Q4 2022.

Following the Company's capital increase in Q4 the Group equity increased to 55.52 MNOK and the total assets increased to 70.67 MNOK.

KEY FINANCIAL

Financial statements 31 December 2022 unaudited (MNOK),	Q4 2022	Q4 2021	FY 2022
Revenue	5,31	1,60	20,73
Salaries and personnel costs	- 4,68	- 1,10	- 11,18
Other operating costs	- 9,30	- 6,08	- 25,20
Sum operating result	- 8,67	- 5,58	- 15,65
Net finance	0,28	0,54	0,47
Sum	- 8,39	- 5,04	- 15,18
Equity	55,52	24,25	55,52
Total Assets	70,67	32,22	70,67



CONSOLIDATED FIGURES, LIFECARE GROUP

Q4 2022 (unaudited)	Q4 NOK 2021 Period 01-12 unaudited figures	Full Year 2022 (unaudited)	Full Year 2021
5 305 673	1 599 088	20 731 654	15 990 088
	OPERATING INCOME		
-4 677 368	-1 100 409	-11 181 660	-1 748 583
	SALARIES AND OTHER PERSONNEL EXP.		
-369 023	-598 058	-1 812 257	-598 058
	DEPRECIATION AND AMORTIZATION COSTS		
-8 929 242	-6 081 042	-23 383 459	-15 182 873
	OTHER OPERATING COSTS		
-13 975 633	-7 779 510	-36 377 377	-17 529 514
	OPERATING EXPENSES		
-8 669 959	-6 180 422	-15 645 722	-15 930 426
	OPERATING RESULT		
298 667	80 220	554 096	93 483
	FINANCE INCOME		
-17 816	459 955	-88 314,41	-142 532,00
	FINANCE COSTS		
280 851	540 175	465 782	-49 049
	NET FINANCIAL ITEMS		
-8 389 109	-5 640 247	-15 179 940	-15 979 475
	ORDINARY RESULT BEFORE TAXES		
-359 313	102 557	-1 072 327	102 557
	TAXES		
-8 748 422	-5 537 690	-16 252 267	-15 876 918
	ORDINARY RESULT		

BALANCE SHEET, LIFECARE GROUP

Q4	Q4 NOK	Full Year	Full Year
2022 (unaudited)	2021 Period 01- 12 unaudited figures	2022 (unaudited)	2021
6 719 361	7 185 530 LICENCES AND PATENTS	6 719 361	7 185 530
6 551 916	1 538 357 GOODWILL	6 551 916	1 538 357
13 271 277	8 723 887 INTANGIBLE ASSETS	13 271 277	8 723 887
-	-		
2 625 779	29 740 MACHINERY AND.EQUIPMENT	2 625 779	29 740
359 118	- INVESTMENTS IN AFFILIATED COMPANIES	359 118	-
-	- OTHER FIXED FINANCIAL ASSETS	-	-
2 984 897	29 740 TOTAL FIXED ASSETS	2 984 897	29 740
2 776 108	138 696 RECEIVABLES	2 776 108	138 696
4 014 869	2 288 479 OTHER CURRENT FINANCIAL ASSETS	4 014 869	2 288 479
47 619 936	21 041 862 CASH AND CASH EQUIVALENTS	47 619 936	21 041 862
54 410 912	23 469 037 TOTAL CURRENTS ASSETS	54 410 912	23 469 037
70 667 087	32 222 664 TOTAL ASSETS	70 667 087	32 222 664

Q4	Q4 NOK	Full Year	Full Year
2022 (unaudited)	2021 Period 01- 12 unaudited figures	2022 (unaudited)	2021
87 462 055	39 193 659 PAID UP EQUITY	87 462 055	39 193 659
-31 937 943	-14 948 093 RETAINED EQUITY	-31 937 943	-14 948 093
55 524 112	24 245 566 TOTAL EQUITY	55 524 112	24 245 566
1 435 800	1 538 357 DEFERRED TAX	1 435 800	1 538 357
1 486 020	2 696 976 LONG- TERM NON INT.BEARING DEBT	1 486 020	2 696 976
2 921 820	4 235 333 TOTAL LONG- TERM DEBT	2 921 820	4 235 333
2 782 682	1 972 425 ACCOUNTS PAYABLE	2 782 682	1 972 425
6 269 528	243 528 GOVERNMENT TAXES	6 269 528	243 528
3 168 944	1 525 812 OTHER CURRENT LIABILITIES	3 168 944	1 525 812
12 221 155	3 741 765 TOTAL CURRENT LIABILITIES	12 221 155	3 741 765
70 667 087	32 222 664 TOTAL EQUITY ANDLIABILITIES	70 667 087	32 222 664

CASH FLOW, LIFECARE GROUP

Q4 2022 (unaudited)	NOK Period 01-12 unaudited figures	Full Year 2022 (unaudited)	Full Year 2021
CASH FLOW FROM OPERATING ACTIVITIES:			
- 8 389 109	EBIT	- 16 252 267	- 15 979 475
0	TAXES PAID	-	-
369 023	DEPRECIATION	18 12 257	598 058
- 1 330 622	CHANGE IN CURRENT ASSETS	- 2 637 412	- 63 747
- 1 912 218	CHANGE IN SHORT- TERM LIABILITIES	810 257	1 667 164
0	CURRENCY CONVERSION DIFFERENCES	- 854 144	5 688
- 11 262 926	NET CASH FLOW FROM OPERATING ACTIVITIES	- 17 121 309	- 13 772 312
CASH FLOW FROM INVESTMENT ACTIVITIES:			
- 1 216 158	NEW NON- CURRENT ASSETS	- 4 408 297	- 7 493 110
1 628 382	INVESTMENTS IN FIXED FINANCIAL ASSETS	- 6 632 898	549 792
412 225	<i>NET CASH FLOW FROM INVESTMENT ACTIVITIES</i>	- 11 041 194	- 6 943 318
CASH FLOW FROM FINANCING ACTIVITIES:			
343 114	NEW LONG-TERM DEBT	- 13 13 513	2 696 976
1 620 542	NEW SHORT TERM DEBT	7 669 133	793 973
45 000 000	PAID- IN EQUITY	48 268 396	26 790 575
-	DIVIDEND	-	-
46 963 656	NET CASH FLOW FROM FINANCING ACTIVITIES	54 624 015	30 281 524
36 112 954	NET CASH FLOW TOTAL	26 461 512	9 565 894
11 390 420	CASH AT BEGINNING OF THE PERIOD	21 041 862	11 475 968
47 503 375	CASH AT THE END OF THE PERIOD	47 503 374	21 041 862

Clinical trials - Progress

Status

- The overall aim of the ongoing Clinical Development Study is to demonstrate device glucose assessment accuracy, while we optimize signal readings from needle sensors implants in the subcutaneous tissue (in humans).
- Timeline of production of implants for LFC-SEN-001 is according to the schedule and goals communicated for Q1 2023. We are in progress to finalize the Clinical Development Study.

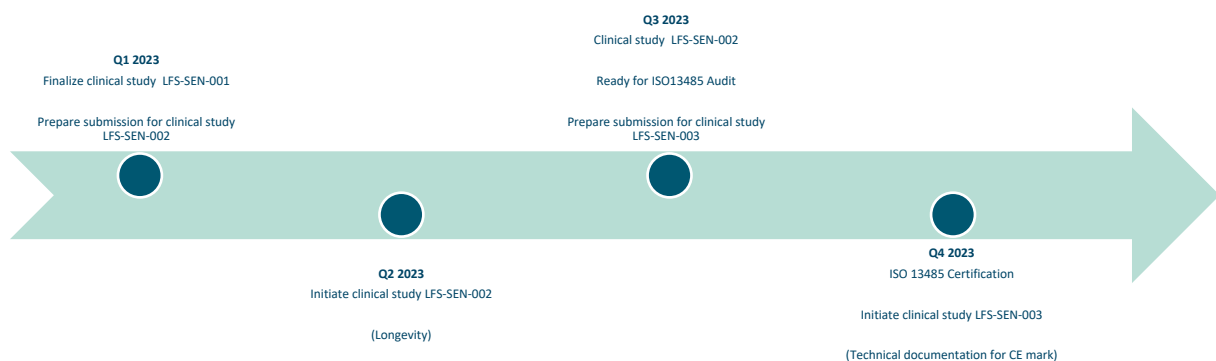
Recent progress

- Sensors used in LFC-SEN-001 have been explanted from the test persons and transferred to in-vitro testing. The extended experiment confirms very encouraging sensor longevity, so far with a functionality of 7 weeks. The experiments are still ongoing.
- Assembling protocol of implants for the pilot clinical study is a proven and reliable.
- Pre-requirements of design were clarified, and automation of processes was initiated.

Prospects

- Analysing of data and evaluating the accuracy of device by referring to reference methods.
- We aim to conclude LFC-SEN-001 in Q1 2023 and initiate LFC-SEN-002 in Q2. The overall aim is to finalize LFC-SEN-002 and initiate LFC-SEN-003 by end of 2023.
- Timelines are depending on regulatory approvals and, internal and external manufacturing capabilities.

12 month Roadmap



Market insight

MARKET AND TRENDS

Lifecare technology has the potential to help a large proportion of the world's population with diabetes to live a normal life.

The International Diabetes Federation (IDF) Diabetes Atlas (10th edition) reports a continued global increase in diabetes prevalence, confirming diabetes as a significant global challenge to the health and well-being of individuals, families, and societies.

537 million adults are living with diabetes (61 mill in Europe). This number is predicted to rise to 643 million by 2030 and 783 million by 2045. According to the IDF Diabetes Atlas diabetes is responsible for 6.7 million deaths in 2021 - 1 every 5 seconds. Diabetes caused at least USD 966 billion dollars in health expenditure – a 316% increase over the last 15 years. 541 million adults have Impaired Glucose Tolerance (IGT), which places them at high risk of type 2 diabetes. Europe had 1.1 million deaths due to diabetes and USD 189 billions were spent on the disease in 2021.

BENEFITS FOR PATIENTS

Lifecare believes that people with diabetes deserve better than the existing technology on the market. We are developing a Continuous Glucose Monitoring (CGM) sensor at the size of a grain of rice, with an expected longevity exceeding those of existing needle based CGM-systems. The Sencell sensor technology provides real-time and accurate glucose readings straight to an external reader.

Our latest study provides already strong indications that our technology is at least as accurate and may be superior to commercially available needle sensors. The result from our study is also an indication of great robustness and stability of the sensing technology. We develop the sensor to last up to 6 months. The size, sensitivity, robustness, and lifetime of the sensor will therefore be a game changer for patients in this giant market who are really looking for a more innovative product to measure glucose.



Financial calendar

FINANCIAL YEAR 2022

28.03.2023 - Annual Report

28.02.2023 - Quarterly Report - Q4

FINANCIAL YEAR 2023

23.08.2023 - Half-yearly Report

18.04.2023 - Annual General Meeting

10.05.2023 - Quarterly Report - Q1

08.11.2023 - Quarterly Report - Q3

Share capital increase history.

Historic overview capital increase

	2018	2022	2023
Total	33 MNOK	26,3 MNOK	45 MNOK
Share price	1,33 NOK	1,70 NOK	2,50 NOK

Shareholders as of 27.02.2023

COMMITTED SHAREHOLDERS

	No.of shares	%
TEIGLAND EIENDOM AS	24 691 829	20,95 %
LACAL AS	18 187 712	15,43 %
VERDIPAPIRFONDET NORDEA AVKASTNING	8 973 413	7,61 %
SPIT AIR AS	3 087 735	2,62 %
WESTHAWK AS	3 018 480	2,56 %
SANDQUIST PATRICIA RODRIGUES DA COSTA	2 932 200	2,49 %
NORDNET LIVSFORSIKRING AS	2 170 169	1,84 %
DEUTSHE BANK AKTIENGESELLSHAFT	2 119 718	1,80 %
EINARSEN EVEN HARALD	1 830 617	1,55 %
DEUTSHE BANK AKTIENGESELLSHAFT	1 812 600	1,54 %
NEXUS MARKETING	1 732 024	1,47 %
ANDREASSEN KURT	1 332 872	1,13 %
CIMTER AS	1 331 355	1,13 %
HELLAND KARSTEN ANDRE	1 222 000	1,04 %
LT FINANS AS	1 080 000	0,92 %
CLEARSTREAM BANKING S.A.	1 012 056	0,86 %
LHH AS	1 000 000	0,85 %
PROBE AS	905 012	0,77 %
HAN LEI	886 666	0,75 %
MOWNCKEL INVEST AS	883 626	0,75 %
Sum	80 210 084	68 %
Remaining shareholders (2000+)	37 655 658	32 %
Shareholders	117 865 742	100 %

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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 and are dedicated to helping the more than 500 million people living with diabetes.