

Lifecare 1H 2022

25 August 2022



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Highlights 1H 2022

Financial highlights

Strategic acquisitions and restructuring leading to strong increase of external revenue

- ✓ 8,7 MNOK 1H 2022 vs. 0,0 MNOK 1H 2021

Enhanced operational activities in Lifecare Group leading to increased salaries and other operational costs

- ✓ -15,8 MNOK 1H 2022 vs. -5,3 MNOK 1H 2021

Operational highlights

Proving effect of strategic organizational restructuring

- ✓ Successful integration of two development units organized as wholly owned subsidiaries
- ✓ Increased operational capacity

Technology development – milestone achievements

- ✓ Reproducible and stable in-vitro testing of miniaturized prototype-sensor
- ✓ Initiation of first-in-human clinical pilot studies

2022 Increased strategic activities – per unit

Lifecare (mother)

- Listed at Euronext Growth Oslo
- Operational activities organized in Germany subsidiaries and contract research cooperation with University of Bath, UK.
- Participant in EU funded research project.

1H22 P/L	-8,1 MNOK
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1H22 Cash	9,5 MNOK
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Lifecare NanoBioSensors

- Strong development focus, co-located with the Natural and Medical Science Institute in Reutlingen, Germany.
- Two major milestone achievements in 1H 2022 for Lifecare Group.
- Holds licence of Nano3DSense™

1H22 P/L	-0,1 MNOK
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1H22 Cash	1,1 MNOK
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Lifecare Laboratory

- Main site for ongoing clinical studies.
- Highly qualified personnel, expertise within sensor evaluation and validation
- Generating revenue on services for third party customers.
- Participant in several EU funded research projects.

1H22 P/L	1,9 MNOK
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1H22 Cash	0,7 MNOK
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Key financial figures

Financial statements 1H 2022 (MNOK) unaudited	1H 2022	1H 2021	FY 2021
Revenue	8,7	0,0	1,6
Salaries	-4,2	-0,3	-1,7
Other operating costs	-11,6	-5,0	-15,8
Sum operating result	-7,1	-5,3	-17,5
Net finance	0,2	-0,1	-0,0
SUM	-6,9	-5,3	-16,0
Equity	19,0	8,0	24,2
Total Assets	34,1	13,6	32,2

Consolidated Financial Figures

Lifecare NanoBioSensors GmbH was integrated in the Lifecare Group with consolidating effect from 2021.

Lifecare Laboratory GmbH was integrated in the Lifecare group with consolidating effect from 1 February 2022.

The financial turnover in the Group consolidated accounts is primarily a result of the acquisition and integration of Lifecare Laboratory GmbH, improving the operating result with 1.9 MNOK

Operating expenses has increased compared to previous years due to higher operational activities.

Lifecare AS		NOK	Lifecare Group	
2022	2021	Period 01-06 unaudited figures	2022	2021
61 577	0	OPERATING INCOME	8 678 620	0
-1 086 349	-290 167	SALARIES AND OTHER PERSONNELL EXP.	-4 153 594	-290 167
-10 881	0	DEPRECIATION AND AMORTIZATION COSTS	-1 175 129	0
-7 263 555	-4 970 516	OTHER OPERATING COSTS	-10 452 679	-4 970 516
-8 360 785	-5 260 683	OPERATING EXPENSES	-15 781 403	-5 260 683
-8 299 207	-5 260 683	OPERATING RESULT	-7 102 783	-5 260 683
220 147	12 993	FINANCE INCOME	220 147	12 993
-26 355	-76 246	FINANCE COSTS	-26 690	-76 246
193 791	-63 254	NET FINANCIAL ITEMS	193 457	-63 254
-8 105 416	-5 323 937	ORDINARY RESULT BEFORE TAXES	-6 909 326	-5 323 937
0	0	TAXES	-393 796	0
-8 105 416	-5 323 937	ORDINARY RESULT	-7 303 122	-5 323 937

Balance sheet

Assets

Lifecare AS		Period 01-06 unaudited figures	Note	Lifecare Group	
2022	2021			2022	2021
185 000	193 000	LICENCES AND PATENTS		6 711 361	7 185 530
		GOODWILL		6 551 916	1 538 357
185 000	193 000	INTANGIBLE ASSETS	1	13 263 277	8 723 887
25 248	15 366	MACHINERY AND EQUIPMENT		1 231 234	29 740
15 218 987	6 877 294	INVESTMENTS IN AFFILIATED COMPANIES			
		OTHER FIXED FINANCIAL ASSETS			
15 244 235	6 892 660	TOTAL FIXED ASSETS	1	1 231 234	29 740
136 525	74 947	RECEIVABLES		2 074 696	138 696
3 598 499	2 594 741	OTHER CURRENT FINANCIAL ASSETS		6 243 776	2 288 479
9 542 138	20 171 311	CASH AND CASH EQUIVALENTS		11 306 150	21 041 862
13 277 162	22 840 999	TOTAL CURRENTS ASSETS		19 624 622	23 469 037
28 706 397	29 926 659	TOTAL ASSETS		34 119 133	32 222 664

Liabilities

Lifecare AS		Period 01-06 unaudited figures	Note	Lifecare Group	
2022	2021			2022	2021
42 050 499	39 193 659	PAID UP EQUITY		42 050 499	39 193 659
-23 252 673	-15 147 257	RETAINED EQUITY		-23 077 476	-14 948 093
18 797 826	24 046 402	TOTAL EQUITY	2	18 973 024	24 245 566
0	0	DEFERRED TAX		1 435 800	1 538 357
6 337 128	2 696 976	LONG-TERM NON INT. BEARING DEBT		6 415 822	2 696 976
6 337 128	2 696 976	TOTAL LONG-TERM DEBT		7 851 622	4 235 333
2 373 481	1 527 906	ACCOUNTS PAYABLE		4 286 938	1 972 425
584 150	164 524	GOVERNMENT TAXES		1 801 735	243 528
613 812	1 490 851	OTHER CURRENT LIABILITIES		1 205 815	1 525 812
3 571 443	3 183 281	TOTAL CURRENT LIABILITIES		7 294 487	3 741 765
28 706 397	29 926 659	TOTAL EQUITY AND LIABILITIES		34 119 133	32 222 664

Cash flow

Lifecare AS		Period 01-06 2022 (NOK)	Lifecare Group	
2022	2021		2022	2021
CASH FLOW FROM OPERATING ACTIVITIES:				
-8 105 416	-5 323 937	EBIT	-6 909 326	-5 323 937
	0	TAXES PAID	0	0
10 881	0	DEPRECIATION	1 175 129	0
- 61 578	- 73 585	CHANGE IN CURRENT ASSETS	-1 936 000	- 73 585
845 575	1 178 051	CHANGE IN SHORT-TERM LIABILITIES	2 314 513	1 178 051
		CURRENCY CONVERSION DIFFERENCES		
-7 310 538	-4 219 471	NET CASH FLOW FROM OPERATING ACTIVITIES	-5 355 685	-4 219 471
CASH FLOW FROM INVESTMENT ACTIVITIES:				
- 20 763	- 19 208	NEW NON-CURRENT ASSETS	-2 376 623	- 19 208
-9 337 451	-5 736 832	INVESTMENTS IN FIXED FINANCIAL ASSETS	-8 494 687	-5 736 832
-9 358 214	-5 756 040	NET CASH FLOW FROM INVESTMENT ACTIVITIES	-10 871 310	-5 756 040
CASH FLOW FROM FINANCING ACTIVITIES:				
3 640 152	3 356 661	NEW LONG TERM DEBT	3 616 289	3 356 661
-457 412	0	NEW SHORT TERM DEBT	1 238 209	0
2 856 840	0	PAID-IN EQUITY	1 636 785	0
	0	DIVIDEND	0	0
6 039 579	3 356 661	NET CASH FLOW FROM FINANCING ACTIVITIES	6 491 283	3 356 661
-10 629 173	-6 618 850	NET CASH FLOW TOTAL	-9 735 711	-6 618 850
20 171 311	11 475 968	CASH AT BEGINNING OF THE PERIOD	21 041 862	11 475 968
9 542 138	4 857 118	CASH AT THE END OF THE PERIOD	11 306 151	4 857 118

Selected notes

ACCOUNTING PRINCIPLES

The annual accounts have been drawn up in accordance with the Norwegian Accounting Act provisions and good accounting practice (NRS11).

The company is listed on Euronext Growth.

CONSOLIDATION

Companies are consolidated from the time of control transferred to the group (time of acquisition). In the consolidated accounts, the item shares in subsidiaries is replaced by the subsidiary's assets and liabilities. The consolidated accounts is prepared as if the group were one economic unit.

Transactions, unrealized profits and balances between the companies in the group is eliminated.

Purchased subsidiaries are accounted for in the consolidated accounts based on the parent company's acquisition cost.

Acquisition cost is assigned to identifiable assets and debt in the subsidiary, which is entered in the consolidated accounts at fair value at the time of acquisition.

Any added value over and above what can be attributed to identifiable assets and debt, are entered in the balance sheet as goodwill. Goodwill is processed as a residual and is entered in the balance sheet with that share which is observed in the acquisition transaction. Added value in the consolidated accounts are written off above the acquired the assets' expected lifetime.

Conversion of foreign subsidiaries takes place by that the balance sheet is converted to the exchange rate on the balance sheet date, and that the profit and loss account is converted to an average exchange rate.

Lifecare AS acquired Lifecare NanoBioSensors GmbH in late June 2021, this is incorporated in the group financial statements as of 01.07.21.

In August 2021, Lifecare AS entered into an agreement to purchase the laboratory business in Lifecare Laboratory GmbH (previously Pfützner Science & Health Institute GmbH /«PSHI») through the purchase of business or shares. Agreement on the purchase of the shares in PSHI was finally formalized on 27.01.2022 and Lifecare Laboratory GbmH are included in the numbers as of 01.02.22.

Selected notes

1. FIXED ASSETS	PATENTS AND LICENCES	GOODWILL	TANGIBLE ASSETS	TOTAL
COST 01.01.22	7 812 443	1 640 914	73 127	8 753 627
ASSET BUY			20 779	20 779
ASSET CONSOLIDATION		5 581 217	1 314 017	6 895 234
COST 31.12.21	7 812 443	7 222 131	1 407 923	16 442 497
ACC. DEPRECIATION	1 112 082	670 215	165 689	1 947 986
BOOK VALUE 30.06.22	6 700 361	6 551 916	1 242 234	14 494 511
DEPRECIATION 1H 2022	485 169	567 658	122 302	1 175 129

Cost 01.01.22:

Asset consolidation of NOK 7,5 mill relates to acquired value of a license with a financial lifespan of 8 years. Goodwill of NOK 1,6 mill is technical goodwill related to added value of the acquisition and is set as the same value as deferred taxes at the consolidation. Duration depreciation is 8 years.

Asset consolidation:

Asset consolidation of NOK 5,6 mill relates to technical goodwill to added value of the acquisition of the purchase of business or shares . Duration depreciation is 5 years.

2. EQUITY	SHARECAPITAL	SHARE PREMIUM RESERVE	RETAINED EQUITY	TOTAL EQUITY
01.01.2022	39 193 659		- 14 948 093	24 245 566
SHARE CAPITAL Conversion 31.05	702 750	2 154 090		2 856 840
CONVERSION DIFFERENCES			- 826 260	- 826 260
RESULT 1H 2022			- 7 303 122	- 7 303 122
30.06.2022	39 896 409	2 154 090	- 23 077 475	18 973 024

3. MAJOR SHAREHOLDERS

	NO. OF SHARES	%
Teigland Eiendom AS	20 691 829	20,7 %
Lacal AS	14 187 712	14,2 %
Vpf Nordea Avkastning	8 082 700	8,1 %
Westhawk AS	3 294 264	3,3 %
Sandquist	2 634 000	2,6 %
Sum	48 890 505	49,0 %
Remaining shareholders	50 850 518	51,0 %
Shareholders	99 741 023	100,0 %

Outlook – Product development

Pipeline:

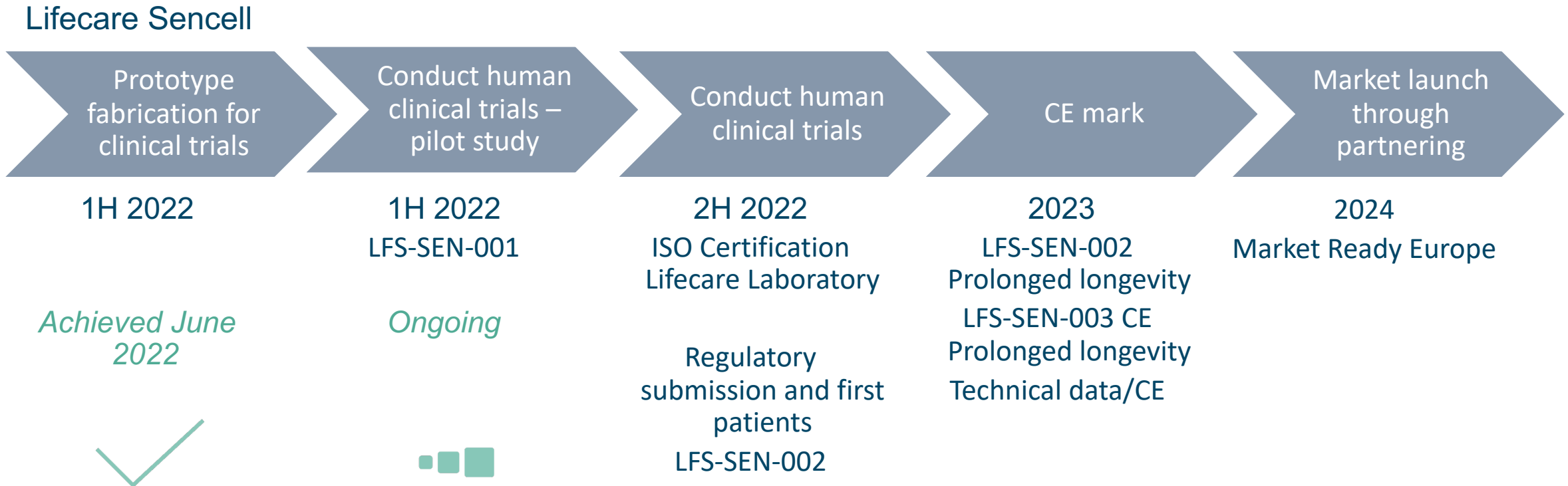
- Finalization of first-in-human clinical pilot study - expected September 2022
- Planned additional clinical studies 2H 2022: system performance and biocompatibility
 - Regulatory submissions for permissions is necessary, depending on the finalization and conclusions of ongoing clinical studies.
 - Initial production preparations, aim to establish basic ISO certification of Lifecare laboratory by end of 2022
- Will consider to initiate the first 3-month system performance and biocompatibility study (LFS-SEN-002) with wired solution in parallel with development of customized solution for wireless communication.
- Focus to align the regulatory actions and implementation of QMS taking initial manufacturing preparations into account.
- The Company aim to achieve CE mark for Sencell Glucose in 2023.

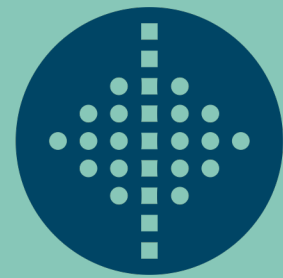
Outlook - Activity and cost

Capacity scale-up – headcount and manufacturing

- Increase in staff at headquarters in Bergen effective from 2H 2022 (administrative and scientific personnel)
- Plans for further increase in staff at the headquarters as well as Lifecare NanoBioSensors in 2H 2022 (production preparations, regulatory/commercial capacities)
- No immediate plans for additional staff at Lifecare Laboratory in Mainz.
- The development per H1 2022 is according to schedule and according to costs, with well managed overhead costs.
- Year on year cost will increase in line with clinical trial activities, initial production preparations and organisational development continuing with increased headcount.
- As previously communicated the Company will consider the need for additional financing in 2022.

Value Driven Milestones





LIFECARE