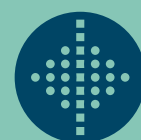


# Annual Report 2022

BOARD OF DIRECTORS REPORT

FINANCIAL REPORT



**LIFECARE**



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# About Lifecare

## **Lifecare AS**

Chairman of the Board  
Morten Foros Krohnstad  
CEO Joacim Holter

## **Lifecare NanoBioSensors GmbH**

Reutlingen, Germany

## **Lifecare Laboratory GmbH**

Mainz, Germany

## **Lifecare Chemistry Ltd**

Bath, UK

**Lifecare AS (“Lifecare” or “The Company”) 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 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.**



## CEO Statement

In Lifecare, we entered 2022 with high confidence and a strong belief in our plan for development, established in 2021 and based on the fundament of a renewed Lifecare organization. Our mission is to develop revolutionary small medical biosensors for continuous monitoring of body analytes, helping persons with various medical conditions to live a less complicated life. Our primary goal is to develop a glucose sensor that meets the future needs of the growing global diabetes population.

Focusing on quality and compliance, and ensuring the build-up of a solid organization, we met our key development milestones in 2022. During the year the operational organization has continued its strong focus on the development of the glucose sensor for use by persons with diabetes. In the meanwhile, the Board of Directors and executive management have initiated strategic preparations and actively evaluated the additional potential of Lifecares platform technology.

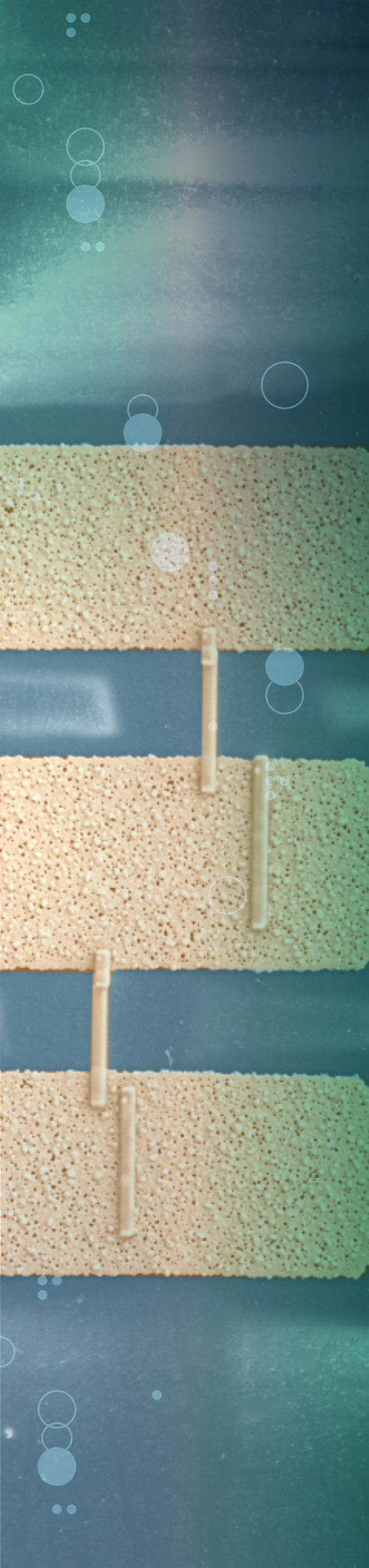
Lifecare's product potential within the field of glucose monitoring for patients with diabetes is very promising, and taking the platform opportunity into account the product potential is even bigger.

Our organization proved its capacity in full strength as we initiated our first-in-human Clinical Development Study (LFS-SEN-001) in the end of June 2022. This very important milestone was met within the planned timeline, and even more important the milestone achievement was based on capacities and knowledge within the now robust Lifecare Group.

While the initiation of LFS-SEN-001 for sure was an important milestone, it is worth mentioning that Lifecare met an even more important milestone some weeks in advance. On June 1st, 2022, our team at Lifecare NanoBioSensors managed to reproduce stable signals and measurements in vitro with the developed miniaturized sensor prototype. This was a groundbreaking science achievement for Lifecare, proving technology functionality on the nanoscale and confirming the platform sensing potential of the technology. To highlight the importance of this milestone, I want to quote our CSO Prof. Dr. Dr. Med. Andreas Pfützner: "Basic research is herewith accomplished"!

Alongside the operational achievements, two major events in 2022 strengthened the position of our development project.

First, the fact that the Covid-19 pandemic ended makes a difference in how Lifecare's international organization operates – both on an operational level, but just as important on the strategic level for the Board of Directors. The ease of restrictions has made it possible for the entire Lifecare organization to interact directly, in person. Although we base our project on patented technologies, the absolute cornerstone of our development is the strength of our human recourses.



Second, despite very rough and unpredictable global capital markets, Lifecare managed to raise 45 MNOK in net proceeds in a private placement in October 2022. The private placement was based on the continued financial support from our main shareholders, as well as new investors with interest in our project. This strong shareholder support is essential for Lifecares development project, and we are committed to ensure return of investments as we move ahead with increased believe in our mission.

Based on our development achievements, we ended 2022 with even higher confidence in our plan for further development. 2022 was the first full year of operations with the integrated organization based on strategic acquisitions initiated in 2021. Going forward we will focus on additional strengthening of the organization based on various measures, to establish an increasingly solid fundament for growth based on quality and compliance.

#### OUTLOOK

In 2023 we will continue to focus on the clinical development of our glucose sensor, finalizing LFS-SEN-001 and executing the first sensor longevity Clinical Development Study (LFS-SEN-002).

Alongside the clinical development studies, we will continue our strategic preparations for sensor production in compliance with regulatory quality requirements for medical devices. These efforts include the aim to achieve ISO 9001 certification and prepare for ISO 13485 compliance.

On the basis of LFS-SEN-001 and -002, and ISO compliance, we plan to initiate preparations for our third Clinical Study (LFS-SEN-003) by end of 2023. The purpose of LFS-SEN-003 is to ensure technical documentation in line with the European Medical Device Regulations, to obtain CE mark of the glucose sensor in the mid-term future.

Without reducing the necessary focus on the important task related to the glucose sensor, Lifecare will in addition increase the focus on new markets for our technology. We will also consider additional strategic measures, with the purpose to strengthen the Company and shareholder values.



Joacim Holter  
CEO



# OUR Technology

## Huge potential

Lifecare's proprietary sensor technology, Sencell, is based on osmotic pressure as the sensing principle. It has the potential to change the lives for patients with various diseases by enabling multi-biomarker sensing based on very small sensors.

Lifecare's main focus is to bring the smallest glucose sensor in the world to the market. Sencell for glucose monitoring is in the stage of first-in-human clinical testing and is currently evaluated in a Clinical Development Study.

### CONTINUOUS GLUCOSE MEASUREMENT (CGM)

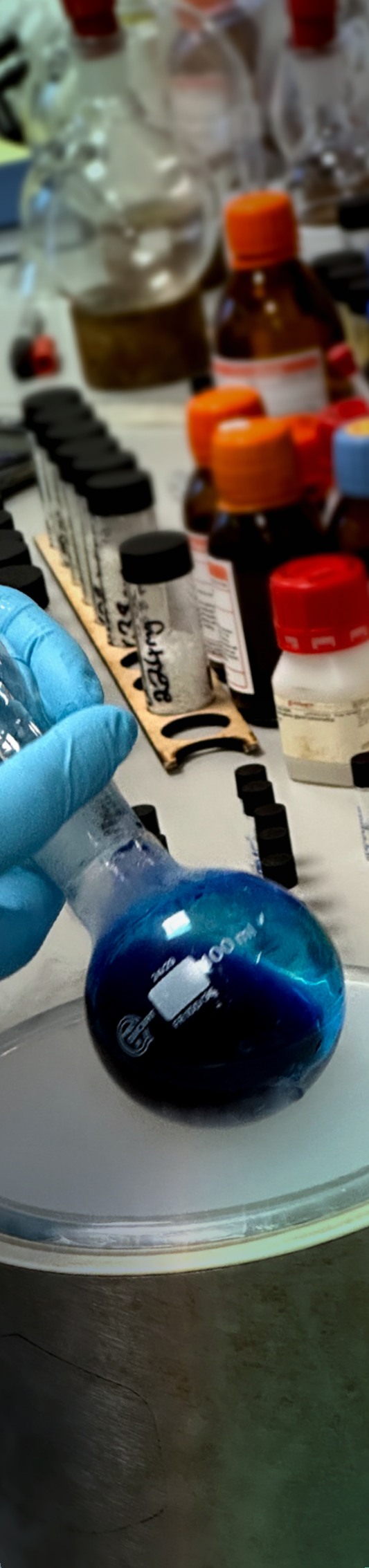
Measuring glucose levels is part of the multiple daily routine procedures for patients with diabetes. Based on the measurement results, millions of therapy decisions on insulin dosage are made every day worldwide, which can have an influence on the patient's short- and long-term well-being. Various systems for CGM have become available in the last two decades. Current systems monitor glucose levels in interstitial fluid in the subcutaneous tissue based on glucose-oxidase measurement technology by means of needle-based sensors. A measurement result is usually obtained every 5 minutes and transmitted to a receiving handheld or smart phone.

Current glucose sensors have interference and accuracy issues and need to be replaced every 10 to 14 days. There is a medical need for small glucose sensors with improved measurement properties. Ideally, such sensors would be implanted and used for longer time periods.

### SENCELL

Lifecare's solution is the development of Sencell, currently in the stage of first-in-human Clinical Development Study. The small and implantable glucose sensor monitor glucose-induced changes in an osmotic pressure chamber for continuous glucose monitoring. The pressure changes are induced by changes in the interstitial fluid glucose concentrations in the subcutaneous tissue. The device will be the size of a grain of rice and has a lifetime of at least 6 months.

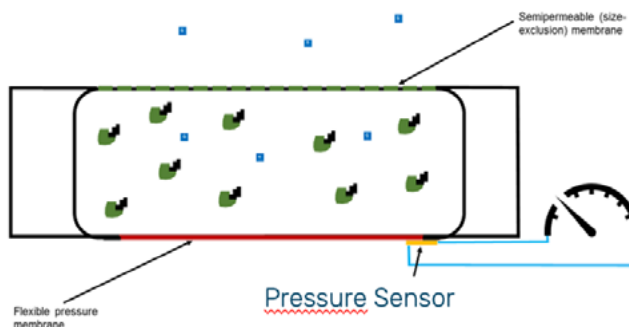
Data points collected from early readouts in the Clinical Development Study (LFC-SEN-001) provide a proof-of-concept in human tissue. The first prototypes show a sensitivity in line with that of widely used CGM systems.



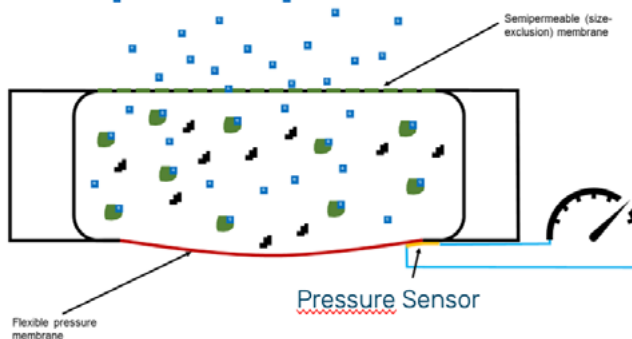
### THE UNDERLYING OSMOTIC PRESSURE TECHNOLOGY

The underlying osmotic pressure technology for Sencell and its CGM is based on biochemical reactions where glucose connects to molecules in a closed chamber. The process creates a pressure increase within the chamber that can be read out for measuring and/or monitoring purposes.

#### Low glucose concentration in the interstitial fluid



#### High glucose concentration in the interstitial fluid






-  **GBM:** Glucose-Binding Molecule, e.g. Concanvalin A
-  **GL:** Glucose ligand – a molecule that can bind to the GBM, e.g. dextrane
-  **G:** isolated glucose molecule

Figure 1 When glucose penetrates through a semipermeable (size exclusion) membrane into the chamber, GL is going off from the GBM binding sites, as glucose has a slightly higher binding affinity to the GBM-receptor. Subsequently, every GL molecule freed.



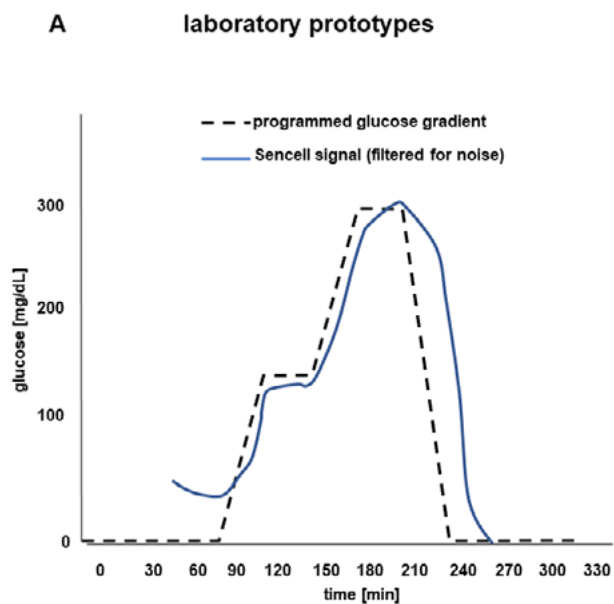
The process is fully reversible. Decreasing glucose concentrations will make glucose molecules leave the connections and the osmotic pressure decline. There is a linear relationship between the glucose concentration in the external fluid and the measurable osmotic pressure in the chamber. The technology does not consume any molecules when generating the signal, providing a potential for long-term usage of the sensor within the body.

#### ADOPTING NANO-GRANULAR TUNNELLING RESISTIVE SENSORS FOR DEVICE MINIATURIZATION

Lifecare has licensed a manufacturing process for sensing elements at nano scale (Nano3Dsense®, Nanoscale Systems, Darmstadt, Germany). This makes it possible to miniaturize the sensor technology.

#### IN VITRO TESTING

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







## B miniaturized (needle sensor) prototypes

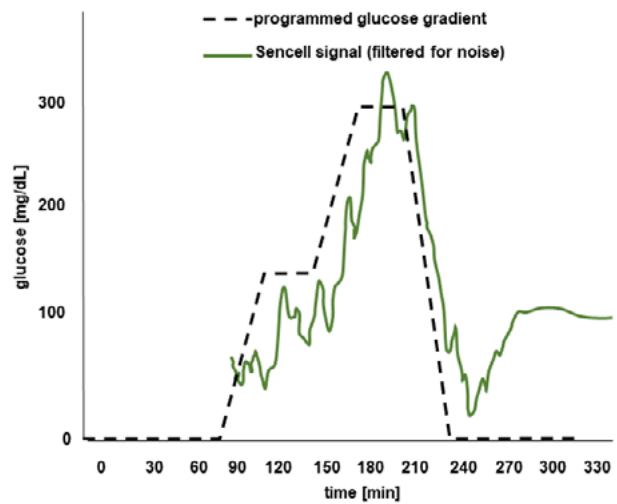


Figure 2 Successful miniaturization of the Sencell device without loss of sensor performance: in-vitro glucose measurement results of the preclinical prototypes with piezo-resistive pressure transducers and after mi miniaturization with NTR-pressure sensors

### TECHNOLOGY PORTFOLIO

#### As of 31/12-22, Lifecare Group's technology portfolio included:

- Sencell, proprietary sensor technology for continuous and accurate measurements based on the osmotic pressure in the body.

The core technology is protected in the form of three active patents that include membrane (duration until 2024), extended osmotic pressure (valid until 2030), as well as measurement with sensor based on two chambers with pressure sensor (valid until 2038)

In addition, Lifecare AS has active patent applications with the aim of obtaining patent protection also for the biochemical composition used to identify changes in glucose levels.

- Nano3DSense™, licensed manufacturing method for mass production of pressure-based sensor using focused electron radiation.

# Directors and Committees

## BOARD OF DIRECTORS



**Morten Foros Krohnstad,**  
Chairman of the Board

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Krohnstad is a partner in the law firm Schjødt and has extensive experience as a business lawyer and serves on several boards in Norwegian listed and un-listed companies.



**Trine Teigland,**  
Board member

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MBA from University of St. Gallen (HSG)  
Managed Swiss company Osmotex' sales and marketing activities  
Worked in Singapore for the world's leading provider of integrated shipping services  
BA in International Business with Chinese



**Prof. Dr. Lutz Heinemann,**  
Board member

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Broad academic background with a special focus on research and development in insulin pharmacology and diabetes technology.  
Established the Profil Institute for Metabolic Research in Neuss, Germany in 2009 and since 2011 he has been Managing Editor of The Journal of Diabetes Science and Technology.



**Bo Petersson,**  
Board member

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Ph.D. in Chemistry from The Technical University of Denmark.  
Over 20 years of work experience in developing diabetes technology products, most recently as Head of Diabetes Care at Cambridge Consultants, Cambridge, UK.



**Hans Johan Hekland,**  
Board member

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Master's degree in economics from the Norwegian School of Management (Siviløkonom -NHH). Worked as Managing Partner in Sarsia Venture Management since 2001. Broad expertise in fund management, strategy, business development and finance. Extensive experience from board positions and involvement in the medical development companies and other listed and unlisted companies.

#### EXECUTIVE MANAGEMENT



**Joacim Holter,**  
CEO

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16 years of management experience, including 6 years' experience leading international R&D and product development based in Switzerland. Broad experience from board positions including as chairman and later member of the Lifecare Board of Directors from 2011 to 2020. LL.M from the University of Bergen, Norway



**Prof. Dr. med. Dr. rer. Nat. Andreas Pfützner**  
CSO

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Managing Director of PFÜTZNER Science & Health Institute GmbH, Diabetes Center & Practice, Mainz/ Germany, since 2013. Professor for internal medicine and laboratory medicine at DTMD University Luxembourg. Over 30 years of pharmaceutical and device development experience within diabetes technology.

## COMMITTEES

### Clinical Evaluation Committee

The Board of Directors has appointed a committee to follow up and evaluate the Company's technical development. The members of the committee include:

Prof. Lutz Heinemann	Lifecare Board of Directors
Bo Petersson	Lifecare Board of Directors
Prof. Andreas Pfützner	Lifecare Chief Scientific Officer
Joacim Holter	Lifecare Chief Executive Officer

Additional scientific personnel in the Lifecare Group participate on demand. The committee was convened for 5 meetings in 2022.

### Scientific Advisory Board

The Company has an established Scientific Advisory Board with recognized specialists in diabetes technology, clinical medicine with a focus on endocrinology, physics and nanotechnology:

Prof. David Klonoff (Chairman)	University California San Francisco (USA)
Prof. Lutz Heinemann	Profile Institut für Stoffwechselforschung (DE)
Prof. Kåre Birkeland	Rikshospitalet (NO)
Prof. Michael Huth	Goethe University Frankfurt (DE)

### Nomination Committee

The Company's Nomination Committee is responsible for nominating board members, as well as advising the Company's general meeting and Board of Directors on issues relating to compensation for the Board of Directors and the Nomination Committee. During the period, the committee has been composed of a representative of the third largest owner, as well as former Lifecare non-executive directors with considerable business experience:

Marita Haugen	Leader
Svein Milford	Member
Trond Eidsnes	Member

EHT = 5.00 kV

WD = 10.2 mm



# Board of Directors Report

## Strong achievements

Lifecare AS (“Company”) is a Norwegian based clinical stage medical sensor company with subsidiaries in Mainz, Reutlingen (Germany) and Bath (UK) (“Lifecare Group”). Lifecare’s main focus is to bring the next generation of Continuous Glucose Monitoring (“CGM”) systems to market. The Company’s sensor technology is suitable for identifying and monitoring the occurrence of a wide range of analytes and molecules in the human body.

Lifecare AS is listed on the Oslo Stock Exchange, Euronext Growth, with ticker LIFE.

As of 31.12.22, the Company had issued 117,865,742 shares divided among 2404 shareholders, of which:

- 98,13% of shareholders were registered in Norway
- 1,66% were registered in EU/EFTA
- 0,21% were registered outside the EU/EFTA

### ORGANIZATION AND LOCATIONS

In 2022 the Lifecare Group increased significantly with two new subsidiaries and an increase of staff and consultants involved in the daily operations, from five in the beginning of the year to 31 in the end of 2022.

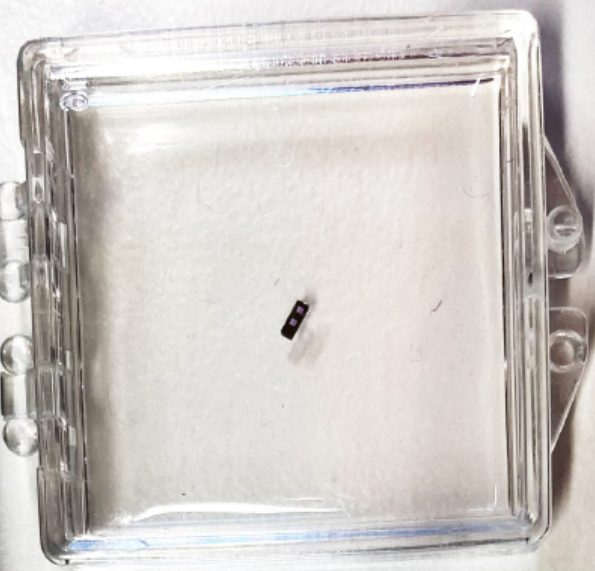
Lifecare AS is the parent company and head office of the Lifecare Group, located in Bergen, Norway. The Company is the administrative body of the Lifecare Group counting four employees and one full-time consultant.

Lifecare AS has organised its operational development activities in subsidiaries as well as through research collaborations with the University of Bath (Bath, UK) and the Goethe University of Frankfurt (Frankfurt, Germany).

Lifecare NanoBioSensors GmbH is located in Reutlingen, Germany. The unit is responsible for the development and production of Lifecare’s sensors and sensor-systems including electronics, read-out technology etc. The unit has licensed the Nano3DSense production method, which makes it possible to produce pressure-sensor elements at nanoscale printed on Lifecare’s micro sensors.

The production method for the nano sensor elements has been a crucial element in the process of miniaturizing the sensors from centimetres to millimetres. This miniaturization ensures that our sensors are suitable for implantation in the subcutaneous tissue in humans.

Lifecare Laboratory GmbH was acquired by Lifecare AS in August 2021.



The transaction was formally finalized and registered in the company register, and consequently finalized with accounting effect, from 1 February 2022. The unit is responsible for key development tasks of sensors and chemistry validation and evaluation, as well as processing test results in vitro and in vivo.

In addition, the unit is commercially operational and offers services in sensor validation and evaluation to external customers. The laboratory also provides a wide range of services related to clinical research and tests for the pharmaceutical and biotechnical industries during the process of approval of drugs and medical devices, as well as general laboratory services for medical institutions. Throughout 2022, the unit was an officially accredited and approved Covid PCR and rapid test centre as part of the national German Infectious Disease Defence act.

Lifecare Chemistry Ltd was established and incorporated in November 2022. The entity is a spin-out from Lifecare's long-standing research collaboration with Professor Tony James at the University of Bath and his research team. Lifecare Chemistry Ltd is established to further strengthen the existing research cooperation and ensure Lifecare's ownership to the scientific, strategic, and operational developments of Lifecare's improved analyte specific chemical receptors.

#### BOARD OF DIRECTORS

Lifecare's Board of Directors includes representatives of the largest owner, international expertise in diabetes technology, legal and financial expertise. The Board takes an active approach to technical development and other operations. The cooperation and communication with the administration is good.

#### HUMAN RESOURCES, WORKING ENVIRONMENT AND EQUALITY

The Lifecare Group includes 25 employees (31.12.2022), up from a total of 2 at the end of 2021. In addition, 6 consultants are engaged and involved in the daily operations.

The working environment in the Group is considered good. No incidents or reports of work-related accidents resulting in significant material damage or personal injury occurred during the year. Leave of absence due to illness was 111 days (3%) in 2022.

The Lifecare Group provides equal employment opportunities to all qualified candidates and employees. Lifecare actively creates and promotes an environment that is inclusive of all people and their unique abilities, strengths, and differences. We do not tolerate discrimination against any employee based on age, gender, sexual orientation, disability, race, nationality, political opinions, religion, or ethnic background, or other.

Lifecare AS's Board of Directors includes one woman and four men. The Chief Executive Officer and Chief Scientific Officers are both men.

The employees in Lifecare AS consists of 50% women and 50% men, while the Lifecare Group consists of 44% women and 66 % men.



#### KEY PARTNERS

The Lifecare Group has continued key collaborations with Prof. Andreas Pfützner as CSO of Lifecare AS, Prof. Tony James and his research group at the University of Bath (UK) as responsible for the further development of biochemical solutions, Prof. Michael Huth at the Goethe University of Frankfurt as central advisor in physics and especially the field FEBID, Natural and Medical Sciences Institute in Reutlingen providing access to customized Scanning Electron Microscopes and other equipment essential for R&D and production, as well as our Scientific Advisory Board led by Prof. David Klonoff of the University of California San Francisco and The Diabetes Technology Society.

#### OPERATIONS

In 2022, Lifecare focused on important milestone achievements and organizational development. Lifecare increased the organization's R&D capacity through its subsidiaries Lifecare NanoBioSensors and Lifecare Laboratory, as well as the Company's close research collaboration with the University of Bath. In addition, Lifecare has expanded the organization at the Norwegian Headquarter to ensure coordination of development projects including quality management preparations, financial and organizational uniformity and early product and business development measures.

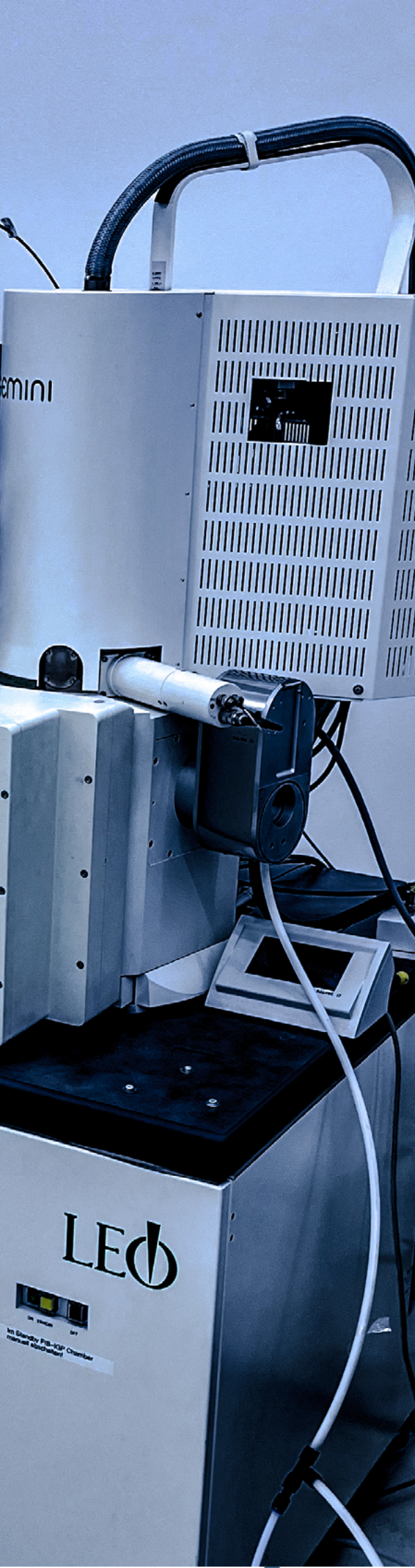
The improved R&D capacity was very important for the Lifecare Group's preparations and later execution of the Clinical Development Study LFS-SEN-001. In June 2022, Lifecare reached an important scientific milestone when the team at Lifecare NanoBioSensors managed to reproduce stable signals and measurements in vitro with the miniaturized sensor prototype intended for use in LFS-SEN-001.

This milestone achievement confirmed functionality of Lifecare's proprietary technology both in the nanoscale of the miniaturized sensors, as well as the signal readout based on the Nano Tunneling Resistive (NTR) pressure sensing.

The main focus in 2022 was to initiate the first-in-human Clinical Development Study LFS-SEN-001, on the basis of the development and production of miniaturized sensors at Lifecare NanoBioSensors. The focus and timeline were initiated mid-2021 when Lifecare acquired Lifecare NanoBioSensors, including the license agreement for Nano3DSense. This license ensured the Lifecare Groups production capacity of nanoscale pressure elements on the sensor, being essential for the miniaturization process. Furthermore, personnel with direct experience from the production of nano-pressure sensors for use on Sencell were recruited to ensure effective on-house development and production.

Lifecare initiated the Clinical Development Study LFS-SEN-001 in end of June 2022, when the first sensor was implanted in the first patient. An important part of the development study has been to adjust, improve and further develop the sensors.

The study has been carried out at the Diabetes Centre and Practice of Lifecare CSO Prof. Pfützner, co-located and in close cooperation



with Lifecare Laboratory, as well as Lifecare NanoBioSensors. The units involved in the study have ensured an effective and continuous interdisciplinary evaluation optimizing the development steps and adjustments throughout the study.

LFS-SEN-001 has continued throughout 2H 2022 and is still ongoing. The purpose of the study is to ensure proof-of-concept of functionality in human tissue and to optimize the signal reading from the sensor. In September 2022, Lifecare disclosed that early readouts in the study showed that the sensor follow glucose variations in humans with a sensitivity in line with that of widely used Continuous Glucose Monitoring systems. These early readouts confirmed the functionality observed in the previous animal trials.

In parallel with the execution and development related to LFS-SEN-001, the Lifecare Group has invested resources in continued development of the newly formed organization. This includes both technical and organizational alignments, including preparations for ISO certifications planned for 2023.

#### PREPARATIONS FOR QUALITY ASSURANCE IN THE EARLY PHASES OF PRODUCT DEVELOPMENT

In addition to LFS-SEN-001 it has been an important task throughout 2022 to prepare the organizations to meet necessary Quality Assurance in 2023. The preparations for Quality Assurance and upcoming ISO certifications have been handled in the Lifecare Group and primarily executed at Lifecare Laboratory. The goal is to ensure ISO 9001 (Quality management) and ISO 13485 (Medical devices – quality management) compliance in 2023 as necessary preparations for the regulatory processes to ensure CE mark for Sencell Glucose.

#### COVID-19 AND GEO-POLITICAL DISTURBANCE

The Lifecare Group, like all companies, has been affected by the Covid-19 pandemic, in the form of reduced travel activity and periodic geographical declines. Restrictions as a result of Covid were limited to, in particular, the first quarter of 2022. After this, the Covid requirements became less stringent.

However, the direct negative consequences the Lifecare Group has experienced during the pandemic are considered less invasive compared to industries with more advanced and established commercial activity.

The ongoing war in Ukraine, rising energy and commodity prices, inflation and increased interest rates create an unpredictable situation, including in the investment market. The Lifecare Group is to some degree affected of disruptions in supply chains and increased pricing. Given the international nature of our operations and organization, the Lifecare Group is affected by the increase in travel and accommodation costs.

In overall, activities have been affected to a limited extent by the pandemic.





## Financing, financial risk, other risks and uncertainty factors

### CAPITAL INCREASE

Lifecare raised NOK 45 million in gross proceeds in an accelerated bookbuilding process on 26 October 2022 between 16:30 CEST and 18:30 CEST with Carnegie as bookrunner and manager. The Company issued 18,000,000 new shares at a price per share of NOK 2.50, leading to an issued share capital of NOK 47,146,297 divided into 117,865,742 shares, each with a par value of NOK 0.4.

The share capital increase was resolved by the Board of Directors of the Company pursuant to authorizations granted by the extraordinary general meeting held 6 May 2022.

A total of 26 companies/private individuals subscribed for shares under the capital increase, under which 5 of the 10 largest shareholders was allocated shares in the transaction, as was the primary insider Hannibal Invest AS, a company wholly owned by the Company's board member Hans Johan Hekland.

The Board of Directors resolved to conduct a subsequent offering (repair issue) of up to 3,000,000 new shares at a price of NOK 2.50 per share, dependent on the development of the price of the shares in the Company after completion of the private placement.

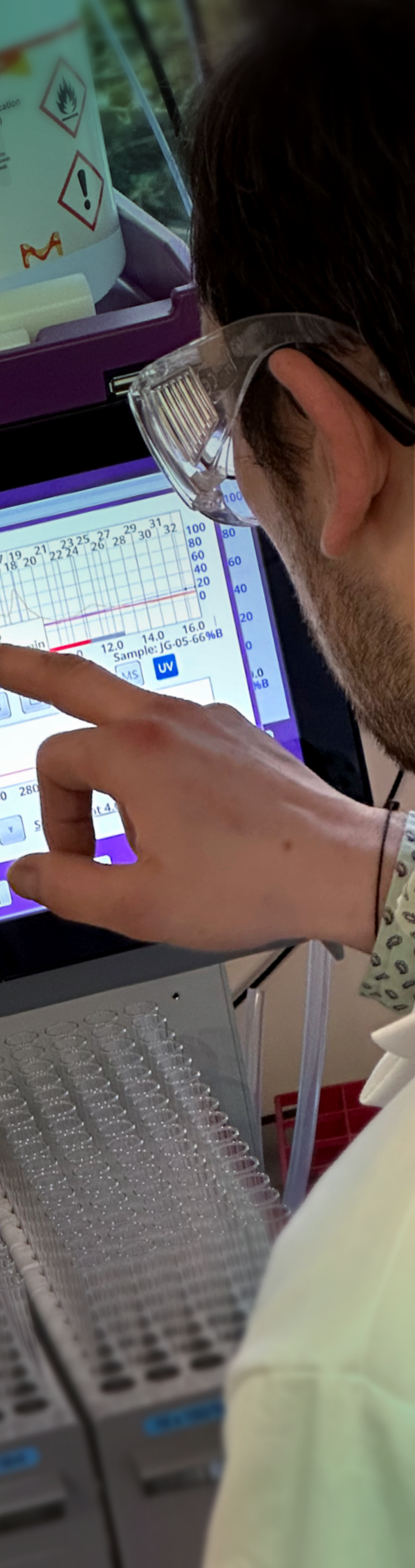
Following the completion of the private placement the shares in the Company were traded around or below the subscription price, with volumes exceeding the planned size of the subsequent offering. On this basis, the Board of Directors decided to cancel the subsequent offering as any shareholders wishing to reduce the dilutive effect of the private placement have had the opportunity to purchase shares at prices similar to or below what would have been the subscription price in the subsequent offering.

### PUBLIC SUPPORT SCHEMES

For the financial year 2022, Lifecare AS had three approved public support schemes from the Research Council of Norway and the EU. In addition, Lifecare Laboratory GmbH had four approved public support schemes throughout 2022; from the German state of Rhineland-Palatinate, the German Federal Ministry of Research, as well as the EU through two different support schemes. Lifecare NanoBioSensors GmbH and Lifecare Chemistry GmbH had no public support schemes in 2022.

#### Lifecare AS:

1. *The Research Council of Norway has approved the ongoing development of Sencell for use in glucose monitoring as eligible for compensation under the tax discovery scheme in the period 2020 - 2023.*
2. *The Research Council of Norway has also approved the development of Sencell for use in lactate monitoring as eligible for compensation under the tax discovery scheme in the period 2020 - 2023. As a result of priorities in 2022, the company has not initiated development work aimed at lactate measurements.*



By using the public reimbursement scheme «Skattefunn», development costs linked to defined projects will be compensated with 19% refund in connection with the annual tax assessment.

3. *European Commission, Horizon 2020. Lifecare is a participant in the FORGETDIABETES consortium and receives in this regard financial support. The goal of the FORGETDIABETES project is to develop an artificial pancreas. Under which Lifecare's role is to develop a glucose monitoring sensor, as a central component of the artificial pancreas. This project has a planned duration until 2025.*

#### **Lifecare Laboratory GmbH:**

4. *Landesregierung Rheinland-Palatinat. Support under Covid-19 compensation scheme for business*

5. *Bundesministerium für Bildung und Forschung. Lifecare Laboratory is a participant in the Panamea consortium and receives financial support. The purpose of the project is to develop a diagnostic tool for measuring activity in the pancreas, as well as indirectly measuring glucose levels in the blood.*

6. *European Commission, Eurostar. Lifecare Laboratory is a participant in the European consortium that entitles financial support. The project includes developing a method for safe dosing for use in insulin pumps for young children.*

7. *European Commission, Horizon 2020. Lifecare Laboratory is a participant in the FORGETDIABETES consortium on an independent basis - independent of Lifecare as the parent company - and consequently also receives financial support from Horizon 2020. The Lifecare Laboratory's role in the FORGETDIABETES project includes in-vitro testing and evaluation of the artificial pancreas, including preparations for clinical trials. The project has a planned duration until 2025.*

#### **Credit risk**

Lifecare AS is equity financed and exposure with respect to credit risk is consequently limited.

#### **Liquidity risk**

Liquidity risk is the risk that Lifecare does not have the liquidity to meet payment obligations at maturity, or that losses arise as a result of the company having to sell assets to meet its liquidity needs. Liquidity is monitored continuously by the Group management and is subject to frequent reporting to the Board of Directors. The Group works continuously to ensure financial flexibility in the short and long term to achieve its strategic and operational goals. The management considers the Group's liquidity situation to be satisfactory. The Group secured equity financing of in total NOK 45 million in October 2022.



### **Currency risk**

The company is exposed to currency fluctuations due to the international nature of its operations. Fluctuations in euro constitute a risk, as most of the company's purchases come from suppliers who invoice in euro. Currently, there is no currency hedging.

The board considers that the company is exposed to moderate financial risk.

### **Scientific and regulatory risk**

Lifecares Board of Directors, committees and management brings significant experience from the international diabetes technology scene, providing insight in scientific and strategic trends, competitors, and markets. Sencell has expectations of significant advantages when compared to existing continuous glucose monitoring solutions, as well as projects in development. The most prominent include the very small size, measurement sensitivity, ease of use without repeated calibration and the goal of 6 months lifetime per sensor.

Research, development and adaptation to regulatory requirements are, by definition, uncertainties. The company has a good overview of the remaining development steps and how the regulatory requirements are to be met, both in the EU / Europe and in the USA.

Overall, the scientific and regulatory risks associated with the Lifecare Group's research and development are considered moderate.

### **LIABILITY INSURANCE**

Lifecare has liability insurance for the board and executive personnel, covering any indemnity for financial loss arising from personal managerial liability related to the Lifecare Group. The limit of the liability is NOK 5 000 000 per claim.

The insured under this policy is any past, present, or future individual member of the board of directors and/or executive board or similar executive body of the company as well as any past, present or future officer, de facto director, shadow director or employee of the company who is capable of incurring personal managerial liability.

### **ANNUAL STATEMENT ON CORPORATE GOVERNANCE**

The Annual Report includes a separate report on Lifecare's corporate governance compliance. This is an integrated element of the Board of Directors Report.

### **CONTINUED OPERATIONS**

The annual accounts for 2022 are prepared on the assumption of continued operations. It is hereby confirmed that the prerequisite for continued operation is present.

## Statement of the annual accounts and allocation of profit and loss statement

The Board is of the opinion that the annual accounts provide a true and fair picture of the Company's assets and liabilities, financial position and results. Costs related to research and development are expensed on an ongoing basis. No other circumstances have occurred after the end of the financial year that are of significance for the assessment of the financial statements.

For 2022, the Company had a loss of NOK 17,696,945 before tax.

Tax expense for the Company is 0,-

The deficit is proposed to be covered by:

Transferred to uncovered loss NOK 17,696,945,-

Total disposed of NOK 17,696,945,-

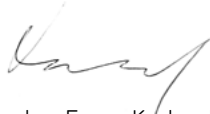
For 2022, the Group has had a deficit of NOK 16,949,848 before tax,-.

The tax expense for the Group is negative at NOK 527,152 which gives a deficit of NOK 17,477,000,- which is proposed to be covered by:

Transferred to uncovered loss NOK 17,477,000,-

Total disposed of NOK 17,477,000,-

### Bergen, 27.03.23



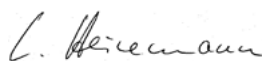
Morten Foros Kröhnstad  
Chairman of the Board



Trine Teigland  
Board Member



Bo Arne Petersson  
Board Member



Lutz Walter Heinemann  
Board Member



Hans Johan Hekland  
Board Member



Joacim Holter  
CEO

# ANNUAL STATEMENT ON CORPORATE GOVERNANCE

## LIFECARE AS EMPHASIZES GOOD CORPORATE GOVERNANCE.

Lifecare AS (“Lifecare” or “The Company”) bases its policy for corporate governance on the Norwegian Code of Practice of 14 October 2021 (“the Code”), a guideline for listed companies to help regulate the division of roles between shareholders, the board of directors and executive management more comprehensively than is required by legislation.

Lifecare’s Board of Directors (“the Board”) has resolved as main principles that the Company and its subsidiaries comply with relevant legislations and regulations, as well as the recommendations of the Code. The Board has imposed routines to ensure follow-up of established principles and guidelines, amongst others in relation to ethical behaviour, compliance with the law, health environment and safety. The follow-up routines aim to ensure balanced compliance taking the Company’s size and stage of development into account.

Adherence to the Code is implemented based on a «comply or explain principle»: explanations of non-conformance to the Code are provided if not fully implemented. Lifecare’s compliance with the Code is described in this report and section numbers refer to the Code’s chapters.

### 1. Implementation and reporting on corporate governance

Lifecare acknowledges the division of roles between shareholders, the Board of Directors, and the executive management team. The Board has implemented a sound corporate governance policy. Guidelines on corporate governance and statement of compliance with the Code are presented in the Company’s annual report. The Company ensures that the policy is adopted by holding regular Board of Directors’ meetings which the executive management team attends to present strategic, operational, and financial matters.

Lifecare adheres to the Code for corporate governance. The company has, to date, two deviations from the Code and the reasons for the deviations and solutions selected are further explained under section: 6.

Deviations from the Code: None

### 2. Business

Lifecare is a Norwegian based company with subsidiaries in Germany and the United Kingdom. The Company is focusing on research and development of sensor technology for continuous monitoring of body analytes. The main focus for the company is to develop sensor technology for continuous monitoring of glucose for people with diabetes.

The objective and purpose of Lifecare’s business is clearly defined and described in the articles of association. “The company’s objective is to undertake development, production, licensing and sale of medical equipment and technology, and everything connected with this”. The Company’s articles of association are made available on the Company’s website, and the Company’s objectives and strategy are available in the annual report.

As of 31 December 2022, the Lifecare Group (“the Group”) comprised 29 employees, including consultants engaged in the daily operations. This equals 22 FTE’s as of 31 December 2022. The core competencies of the Group are possessed by these employees. Additional resources are purchased from public and private research institutions across Europe.

The German subsidiary Lifecare Laboratory GmbH (“LL”) offers medical laboratory services focusing on clinical research and developments of medical devices. Other than this the Group has no sale of services to external customers and hence a limited complexity in terms of commercial operations.

Lifecare has defined the development by milestones and objectives. The Board has evaluated the strategies and risk profiles for the Company’s business activities to enable Lifecare to create long-term and sustainable values for its shareholders. The Board of Directors performs annual evaluations of the objectives, strategies, and risk profiles.

Lifecare has not used any specific reporting standards or guidelines for Corporate social responsibility, Sustainability reporting and Ethical guidelines, other than the Code and this section of reporting of social and environmental considerations.

In general, Lifecare’s strategy and operations are focused on human welfare through our vision: “Changing lives through medical technology”.



### 2.1. Corporate social responsibility

The Group has established anti-corruption & anti-bribery policies with procedures and standards in accordance with internal control policies for comparable businesses of similar size, complexity, and industry to fight corruption. The Group requires and expects its directors and employees to demonstrate high ethical standards in business and interpersonal relationships. Other principles followed are prevention through awareness-raising, limitation of opportunities, high detection risk of, and zero tolerance for corruption.

The Group has established its internal control policies and system in line with requirements within the activities that the Group operates. The quality control procedures are based on the relevant activities in relation to the different phases of operation and the development of procedures is thus a continuous and systematic process.

The Group is concerned with animal welfare, human- and labour rights, social issues and sustainable development. The Group's management conducts regular performance reviews and internal evaluations, and the Group adapts according to relevant legislation within the areas. The Group's subcontractors are mainly public and private European research institutions and service providers. Preclinical and clinical research is subject to strict government regulation of animal welfare, human rights, and social conditions in all the countries where the research and development work is carried out. The Group therefore considers that animal welfare, human rights, labour rights, and social issues are well taken care of, both internally and among its subcontractors.

### 2.2. Sustainable development

Lifecare focuses its development of sensor technology for continuous monitoring of glucose and other body analytes. This vision and focus may directly contribute to one of the UN's seventeen sustainable development goals, goal #3: "Good health and well-being".

All international medical development is strictly regulated regarding animal welfare and high focus on safety and well-being for patients participating in clinical trials. Lifecare has internal routines securing that the Group and service providers comply with all relevant standard in these regards.

The Group's operations are of such character that they do not significantly affect the environment beyond normal course of business for a small MedTech company. Travelling, and the need for shipment of devices and materials, are identified as the activities with the most environmental impact. Group meetings and external meetings are evaluated for use of virtual meeting tools when appropriate, to limit travel to what is considered necessary from an operational perspective.

### 2.3. Ethical guidelines

The Board of Directors and the management of Lifecare are dedicated to ensuring that the development and daily operations of the Group is value-based and performance oriented in compliance with laws and regulations. They will also maintain a high focus on ethics, integrity and HSE.

The Board of Directors and the management of Lifecare work to ensure that the Group's daily operations comprise work environment, interaction with different stakeholders, intragroup transactions, employees' loyalty, conflicts of interest, confidentiality, environment, accounting, financial reporting, trading of Company shares as well as other employee activities in compliance with formal and non-formal ethical guidelines.

Deviations from the Code: None

### 3. Equity and dividends

Lifecare's equity as of 31 December 2022 was NOK 54,936,092 million. The capital structure is regularly assessed considering the Company's objectives, strategy and risk profile. The equity level is assessed as satisfactory per year-end 2022.



To date, the Company has not distributed any dividends, and this dividend policy will apply as long as Lifecare is in a research and development phase. The Board of Directors have no mandate to approve the distribution of dividend.

The Board of Directors was authorised by the Company's General Assembly in May 2022 to increase the share capital by share issue of up to 4,987,051 shares - up to 5% of the registered share capital of the Company, in connection with the Company's employee incentive program, and to issue up to 29,922,606 shares in connection with private placements by an amount up to 30% of the share capital of the Company. The authorisations are valid one year from the date of the resolution. Other than the above the Board of Directors has no general authorisation to issue shares.

Deviations from the Code: None

#### **4. Equal treatment of shareholders**

Lifecare has only one class of shares and all shares have equal rights. Each share carries one vote. The Board of Directors and the management are committed to treat all shareholders equally. The Company had no transactions in own shares during 2022.

In October 2022 the Board resolved to issue new shares in a private placement initially waiving the pre-emptive rights of existing shareholders. The Board decided to initiate a repair issue to ensure equal treatment of all shareholders, in line with the recommendation of the Code and the regulations and recommendations at Euronext Oslo.

In the days following the private placement, a significant number of shares was traded at a price level equal to or lower than the issue price in the private placement. The Board considered that the market development ensured the opportunity for existing shareholders - not participating in the private placement - to buy shares in the market on the same or better terms than in a repair issuance. On this base the repair issue was cancelled.

The Board's decisions related to the share issue, the planned repair issue and the cancellation of such was noted at Euronext Oslo NewsWeb.

Deviations from the Code: None

#### **5. Shares and tradability**

The shares in Lifecare are freely tradable with no form of restriction. No restrictions regarding voting, ownership or tradability are placed on the shares in the Company's articles of association.

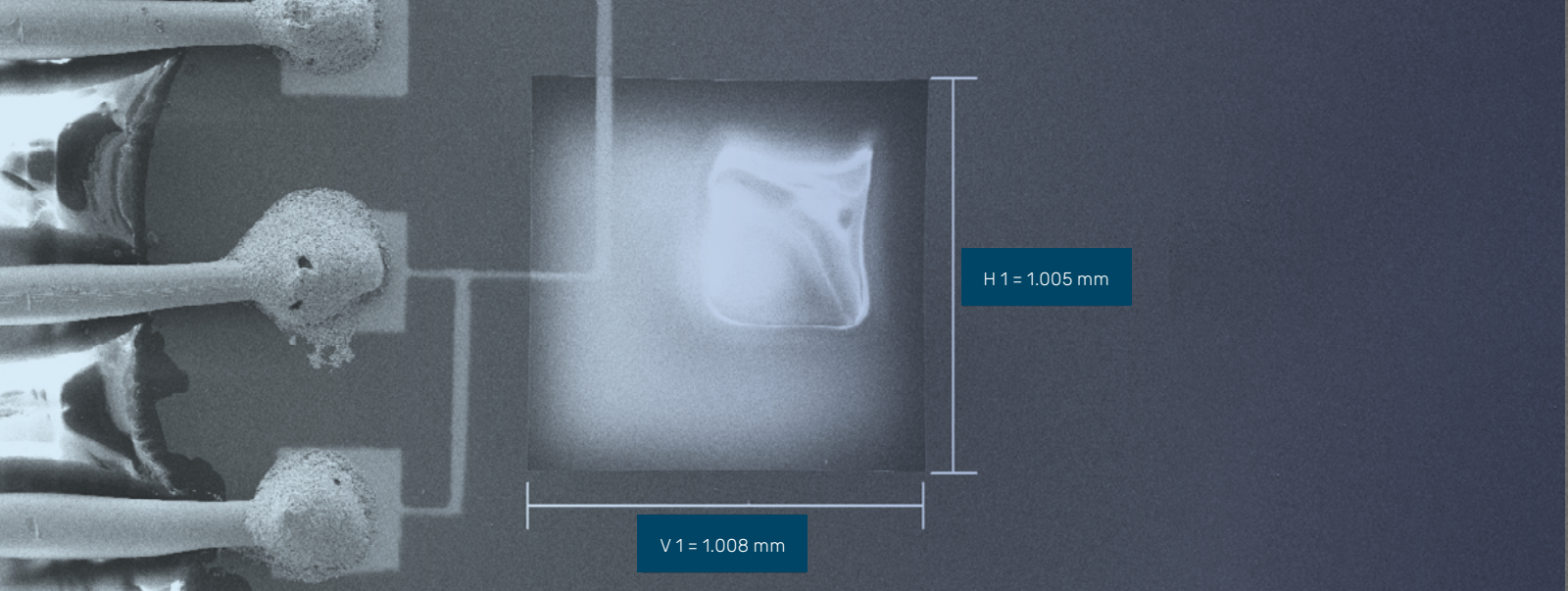
Deviations from the Code: None

#### **6. General Meetings**

The Board facilitates that as many shareholders as possible may exercise their rights by participating at the General Meeting either in person or via digital meeting-platforms. The General Meetings of Lifecare is an effective forum for both the views of shareholders and the Board.

The Chairman and the Chief Executive Officer (CEO) are present at the Annual General Meeting, along with representatives from the Nomination Committee. Lifecare's Articles of Associations authorize the Board to decide that voting at the General Meeting can be done by casting in advance, as well as via electronic communication. Shareholders who are unable to participate themselves may vote by proxy, and a person can also be appointed to vote for the shareholders as a proxy. The Board of Directors may decide that shareholders may submit their votes in writing, including by use of electronic communication, in a period prior to the general meeting.

Notice of the meeting and relevant documents are distributed and made available on the company website minimum two weeks in advance of the meeting. Recommendations from the Nomination Committee is made available on the Company's website no later than the 7th day before the meeting. Notice of the meeting is



sent to all shareholders individually, or to their depository banks, minimum two weeks in advance of the meeting. The meeting notice includes information regarding shareholders' rights, guidelines for registering and voting at the meeting. The company provides information on the procedure for representation at the meeting through proxy, nominations of a person to vote on behalf of the shareholders and, to the extent possible, prepare a form which allows separate voting instructions for each matter (hereunder for individual candidates for appointment to the Group's governing bodies).

Deviations from the Code: Due to practical and economic reasons the members of the Board have not been present in person at the Annual General meeting and the Board has not ensured that the General Meeting has been able to elect an independent chairman of the General Meeting.

## 7. Nomination Committee

The requirement for a Nomination Committee is stated in article 9 of the articles of association. The duties of the Nomination Committee are described in the said article and further elaborated in the guidelines stipulated by the Company's General Meeting "Instructions for the Nomination Committee" (available on Lifecare's webpage). In short, they include the following: To propose candidates for election to the Board and to propose remuneration, as well as to propose members of the Nomination Committee and to propose remuneration for such.

The Nomination Committee shall consist of a chairperson and two members. The chairperson is elected by the General Meeting for two years at a time, while the members are elected for one year at a time. The remuneration to the members of the Nomination Committee is determined by the General Meeting.

The Nomination Committee ensures that shareholders' views are considered when qualified members are nominated to the governing bodies of Lifecare. Shareholders are encouraged to submit proposals to the Nomination Committee for candidates for election to the

board of directors. Such proposals are recommended to be in writing with justification. The Nomination Committee can decide to fix a deadline for inputs to be considered by the Committee, and if so, the deadline will be communicated on the Company's website.

None of the Committee's members represent Lifecare's management or Board and they are all considered to be independent of daily management and the Board. The Nomination Committee is considered to have a composition that reflects the common interests of the community of shareholders.

The nomination committee currently consists of the following three members: Marita Haugen (chairperson), Svein Milford and Trond Eidsnes. The current members have been elected by the general meeting with terms until the Company's ordinary general meeting in respectively 2023 (Milford and Eidsnes) and 2024 (Haugen). The Nomination Committee's contact details are available at Lifecare's website.

Deviations from the Code: None

## 8. Board of Directors, composition and independence

The Board is composed to ensure that the body can operate independently, attend the common interest for all shareholders and the Company's need for expertise, capacity, and diversity. The Board evaluates its own work annually, both as a whole to ensure effective functionality as a collegial body and individually per member of the Board.

The main shareholder of Lifecare, Teigland Eiendom AS, is represented in the Board by Trine Teigland.

In accordance with the Company's Articles of Associations the Board consists of 3 to 7 members according to the resolution of the General Meeting. The Chairman of the Board is elected by the General Meeting. All members of the Board are elected for two-year terms by the General Meeting. The Board of Directors is presented on the company website.





All board members are considered to be independent from the Company's day-to-day management, and material business connections, and no members of the Board are executive personnel of the Company. The composition of the Board is considered to ensure that the collegial body operates independently from any special interest. All board members are encouraged to be shareholders and their shareholdings are disclosed in the Annual Report.

Deviations from the Code: None

### 9. Work of the Board of Directors

The Board of Lifecare has issued instructions for its own work and for the CEO emphasizing clear internal allocation of responsibilities and duties providing rules on the Board's work and case handling, as well as the relationship between the Board and the management. The document "Instructions to the Board and the CEO" is available on the Company's website. These instructions are subject to annual revision by the Board.

The Board has the overall responsibility for the Company's management and to ensure that the operations are conducted in accordance with all relevant laws and regulations, as well as guidelines issued by the General Meeting or the Board. It is within the Board's responsibility to prepare and implement the Company's strategy, safeguard the Company's responsibility towards, and communication to, the shareholders, and to ensure that the Company is properly organized and financed.

It is the responsibility of the Board to ensure that the Company has a well-functioning internal control environment in accordance with the regulations that apply to its activities and to supervise daily management and activities of the company in general. In addition, the Board is responsible for appointment of Chief Executive Officer (CEO) and convening and preparing for general meetings. The objectives, responsibilities and functions of the Board of Directors and the CEO are in compliance with rules and standards applicable for the company.

The Board's instructions include regulations of conflicts of interest to ensure that no members of the Board or executive management participate in considerations or decision of an issue with special significance for his or her own or closely relative's part that leads to a prominent personal or financial interest in the case. Furthermore, the Board has issued guidelines for the Company's primary insiders as well as anti-bribery and anti-corruption policy. These guidelines and policies are made available on the Company's website.

The Board of Directors adopts an annual plan for its work. The CEO is responsible for keeping the Board of Directors informed about the company's activities, position and financial and operational developments. The Board of Directors evaluates its performance and expertise annually and the evaluation is made available to the Nomination Committee.

Due to the Company's size and complexity the Board has decided to not implement an Audit Committee. However, the Board will consider establishing an Audit Committee. The Company's Nomination Committee advice the General Meeting on remuneration for the members of the Board and the Nomination Committee. The Board and the CEO act as Remuneration Committee for executive personnel, except for remuneration matters for the CEO where the Board act as Remuneration Committee.

The Board evaluates its performance and expertise annually.

The Board conducted ten meetings in 2022. Board members had the following attendance at these meetings:

Morten Foros Krohnstad,	10/10
Bo Petersson,	10/10
Trine Teigland,	10/10
Hans Hekland,	10/10
Lutz Heinemann,	7/10

Deviations from the Code: None



### 10. Risk management and internal control

It is the responsibility of the Board of Directors to ensure that the Company has sound internal controls and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities. Significant risks include strategic risks, market risks, financial risks, liquidity risks and operational risks including risks related to development of products.

The Company's significant risk areas and internal control systems are assessed on an on-going basis and at least once a year by the Board of Directors.

Please also refer to The Board of Directors' report, for a description of relevant risk factors.

Deviations from the Code: None

### 11. Remuneration of the Board of Directors

The General Meeting determines the remuneration to the Board of Directors based on a proposal from the Nomination Committee. Remuneration reflects the Board of Directors responsibility, expertise, time commitment and the business complexity. The remuneration is not linked to the Company's performance, and no share options are granted to members of the Board of Directors. Detailed information on the remuneration of the Board of Directors can be found in the Annual Report.

Board members, or companies to which they are connected, should not undertake separate assignments for the Group in addition to the Board appointment. If they nevertheless do, the whole Board is to be informed. Fees for such assignments are to be approved by the Board. If remuneration has been paid above the normal Board fee, this is to be specified in the annual report.

Deviations from the Code: None

### 12. Remuneration of executive personnel

Determination of salaries and other remuneration of the executive personnel in the Company is concluded on a case-by-case basis. Such determinations are based on clear and easily understandable principles with the purpose to contribute to the long terms interest of the company in combination with financial viability and commercial strategies.

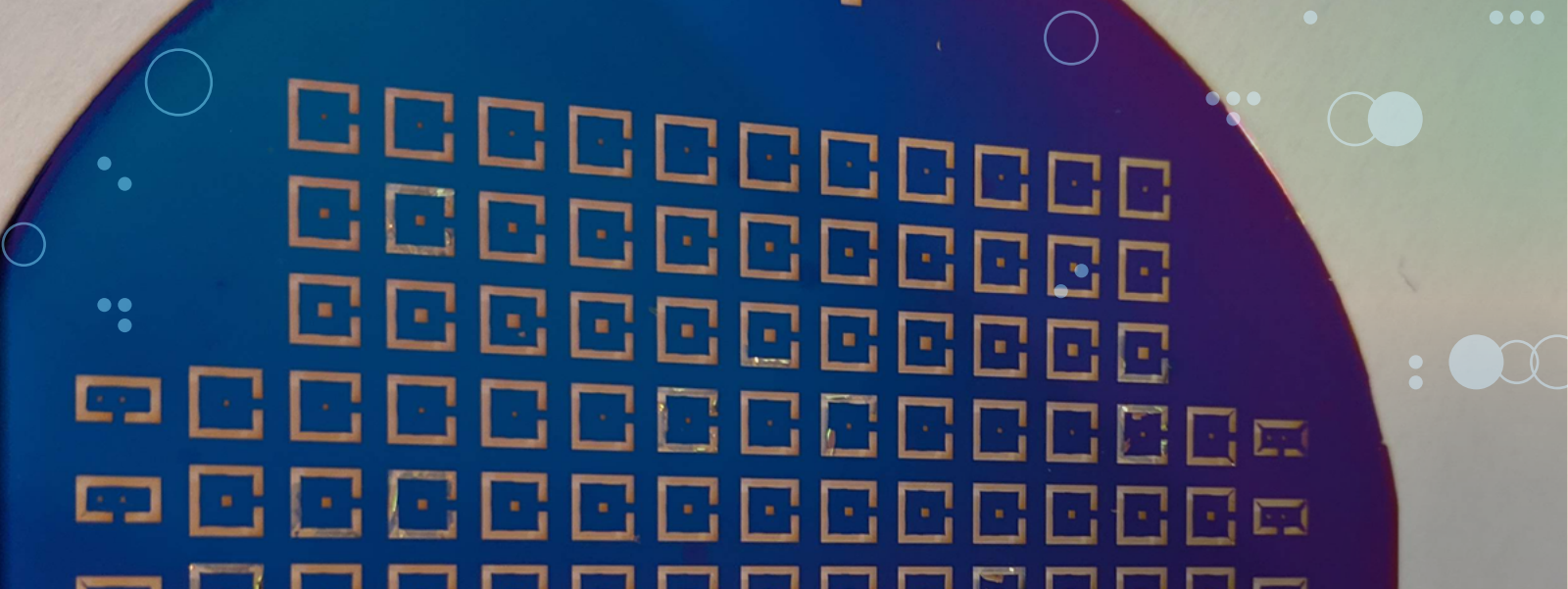
On the basis of authorization from the General Meeting the Board has outlined a share purchase program for all employees in Lifecare and a share option program for the Company's executive and leading personnel.

The Company's share option program for executive and leading personnel is, to some extent, performance related. The performance related remuneration is limited and, in all aspects, linked to performance targets that influence the Company's long-term value creation interests. The Board has taken great care when awarding options to the executive and leading personnel, with the overall aim to contribute to the Company's commercial strategy, long-term interests and financial viability. The Board considers its praxis in line with market standards and the interests of the shareholders, and is consequently appropriate.

Deviations from the Code: None

### 13. Information and communication

The Company presents its financial statements in accordance with NRS, and procedures have been established to ensure compliance with NRS interim and annual reporting requirements. The Company's management, the Chief Executive Officer (CEO) and Financial Controller are responsible for preparing the financial statements, and annual and semi-annual financial reports are approved by the Board of Directors prior to publication. Lifecare reports in accordance with the rules in the Norwegian Securities Trading Act, as well as with the requirements specified by the Oslo Børs for companies with listed shares.



The Board has approved guidelines and procedures relating to the handling of insider information and trading in the company's shares.

The Company's guidelines for reporting of financial and other information are based on transparency and consider the requirement for equal treatment of all participants in the securities market. The Company is committed to report financial results and other relevant information on an accurate and timely basis. The Company publishes a financial calendar on an annual basis, including dates for release of interim and annual reports and dates for general meetings. Lifecare considers it important to inform shareholders about the Group's development and economic and financial status. Management members are available for discussions with shareholders, other than through general meetings, to develop a balanced understanding of such shareholders' situation and focus, subject however to the provisions in legislation and regulations. The Chair of the Board ensures that shareholders' viewpoints are communicated to the whole Board.

Deviations from the Code: None

#### **14. Take-overs**

The Board of Directors endorses the principles concerning equal treatment of all shareholders. In the event of a take-over bid, it is obliged to act in accordance with the requirements of Norwegian law and in accordance with the Code and all applicable principles for good corporate governance.

The Board of Directors will not hinder or obstruct takeover bids for Lifecare's activities or shares. The Board will ensure

that shareholders are given sufficient information and time to form an opinion on an offer. If a takeover offer is received, the Board will issue a statement with a recommendation as to whether shareholders should or should not accept the offer.

A transaction that in fact is a business disposal shall be approved by a General Meeting.

Deviations from the Code: None

#### **15. Auditor**

RSM Norge AS (RSM) is the appointed auditor of Lifecare.

The auditor shall annually in writing confirm to the Board of Directors that he/she satisfies established requirements for independence and objectivity. The auditor participates at least one Board of Directors meeting per year, where he/she presents auditors plan for the audit, the assessment of the Company's internal control and participate during the approval of the annual accounts.

The Board of Directors has established separate guidelines for use of non-audit services. Fees paid to the external auditor for audit and non-audit services are reported in the Company's Annual Report, which are, in turn, approved by the annual general meeting. The auditor is requested to participate at the annual general meeting for consideration of the annual financial statement.

Deviations from the Code: None

# Financial Report 2022

## Financial Statement

Parent				Group	
2021	2022		Note	2022	2021
		<b>Operating income and operating expenses</b>			
		<b>Operating income:</b>			
		<b>Revenue</b>			
1 274 676	5 481 736	Other income	1	22 134 660	1 599 088
<b>1 274 676</b>	<b>5 481 736</b>	<b>Total income</b>		<b>22 134 660</b>	<b>1 599 088</b>
		<b>Operating expense:</b>			
1 540 186	3 810 279	Employee benefits expense	2	11 258 057	1 748 583
22 842	91 087	Depreciation and amortisation expense	4,5	2 748 466	598 058
15 735 636	19 324 072	Other expenses	1,2	25 445 303	15 182 873
<b>17 298 664</b>	<b>23 225 438</b>	<b>Total expenses</b>		<b>39 451 826</b>	<b>17 529 514</b>
<b>-16 023 988</b>	<b>-17 743 702</b>	<b>Operating result</b>		<b>-17 317 166</b>	<b>-15 930 426</b>
		<b>Financial income and expenses</b>			
16 872	0	Other interest income		0	16 872
76 611	554 096	Other financial income		554 096	76 611
0	0	Depreciation of financial current assets		0	0
1 575	637	Other Interest expenses		637	4 220
138 312	179 703	Other financial expenses		186 141	138 312
<b>-46 404</b>	<b>373 757</b>	<b>Net financial items</b>		<b>367 318</b>	<b>-49 049</b>
<b>-16 070 392</b>	<b>-17 369 945</b>	<b>Net profit before tax</b>		<b>-16 949 848</b>	<b>-15 979 475</b>
0	0	Income tax expense	3	-527 152	102 557
<b>-16 070 392</b>	<b>-17 369 945</b>	<b>Net profit or loss</b>		<b>-17 477 000</b>	<b>-15 876 918</b>

## Balance Sheet

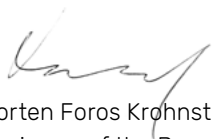
Parent		Balance sheet	Note	Group	
2021	2022			2022	2021
		<b>Assets</b>			
		<b>Non-current</b>			
		<b>Intangible assets</b>			
193 000	174 000	Concessions, patents, licences, and similar	4,5	6 234 193	7 185 530
0	0	Goodwill	5	5 980 009	1 538 357
<b>193 000</b>	<b>174 000</b>	<b>Total intangible assets</b>		<b>12 214 202</b>	<b>8 723 887</b>
		<b>Property, plant and equipment</b>			
15 366	1 262 067	Equipment and other movables	4,5	2 989 532	29 740
<b>15 366</b>	<b>1 262 067</b>	<b>Total property, plant and equipment</b>		<b>2 989 532</b>	<b>29 740</b>
		<b>Non-current financial assets</b>			
6 877 294	15 589 023	Investments in affiliated companies	6	0	0
0	0	Other fixed financial assets		0	0
<b>6 877 294</b>	<b>15 589 023</b>	<b>Total non-current financial assets</b>		<b>0</b>	<b>0</b>
<b>7 085 660</b>	<b>17 025 090</b>	<b>Total fixed assets</b>		<b>15 203 734</b>	<b>8 753 627</b>
		<b>Currents assets</b>			
		<b>Receivables</b>			
74 947	74 948	Receivables		1 321 634	138 696
2 594 741	2 854 578	Other short-term receivables	7	5 817 383	2 288 479
<b>2 669 688</b>	<b>2 929 526</b>	<b>Total receivables</b>		<b>7 139 017</b>	<b>2 427 175</b>
20 171 311	44 677 834	Cash and cash equivalents	8	47 630 404	21 041 862
<b>22 840 999</b>	<b>47 607 360</b>	<b>Total current assets</b>		<b>54 769 421</b>	<b>23 469 037</b>
<b>29 926 659</b>	<b>64 632 450</b>	<b>Total assets</b>		<b>69 973 156</b>	<b>32 222 664</b>

# Balance Sheet

Parent		Balance sheet	Note	Group	
2021	2022			2022	2021
		<b>Equity and debt</b>			
		<b>Equity</b>			
		<b>Inserted equity figure</b>			
39 193 659	47 146 297	Share capital		47 146 297	39 193 659
0	40 306 997	Premium rate		40 306 997	0
0	0	Other contributed capital		0	0
<b>39 193 659</b>	<b>87 453 294</b>	<b>Total contributed equity</b>	<b>9</b>	<b>87 453 294</b>	<b>39 193 659</b>
		<b>Earned equity</b>			
0	0	Other equity		-18 947 526	-14 948 093
-15 147 257	-32 517 202	Uncovered loss		-13 255 677	
		Fund for valuation differences		0	
<b>-15 147 257</b>	<b>-32 517 202</b>	<b>Total retained earnings</b>		<b>-32 203 203</b>	<b>-14 948 093</b>
<b>24 046 402</b>	<b>54 936 092</b>	<b>Total equity</b>	<b>10</b>	<b>55 250 090</b>	<b>24 245 566</b>
		<b>Debt</b>			
		<b>Provision for liabilities</b>			
0	0	Deferred tax		1 333 243	1 538 357
<b>0</b>	<b>0</b>	<b>Total provision for liabilities</b>		<b>1 333 243</b>	<b>1 538 357</b>
		<b>Other long-term debt</b>			
2 696 976	4 244 949	Other long-term debt		4 353 994	2 696 976
<b>2 696 976</b>	<b>4 244 949</b>	<b>Total other long-term debt</b>	<b>11</b>	<b>4 353 994</b>	<b>2 696 976</b>
		<b>Short-term debt</b>			
1 527 906	706 119	Accounts payable		1 627 636	1 972 425
0	0	Payable tax		1 461 517	0
164 524	85 440	Due public fees		85 440	243 528
0	0	Dividend		0	0
0	0	Debt to group companies		0	0
1 490 851	4 659 850	Other short-term debt	12	5 861 235	1 525 812
<b>3 183 281</b>	<b>5 451 409</b>	<b>Total current liabilities</b>		<b>9 035 828</b>	<b>3 741 765</b>
<b>5 880 257</b>	<b>9 696 358</b>	<b>Total debt</b>		<b>14 723 065</b>	<b>7 977 098</b>
<b>29 926 659</b>	<b>64 632 450</b>	<b>Total equity and debt</b>		<b>69 973 156</b>	<b>32 222 664</b>
0	0	Kontroll		0	0

**Bergen, 27.03.2023**

Board of Lifecare AS



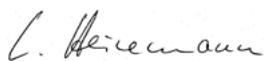
Morten Foros Krohnstad  
Chairman of the Board



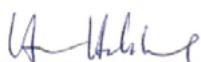
Trine Teigland  
Board Member



Bo Arne Petersson  
Board Member



Lutz Walter Heinemann  
Board Member



Hans Johan Hekland  
Board Member



Joacim Holter  
CEO

## Cash Flow

Parent			Group	
2021	2022	Cash flow statement	2022	2021
		<b>Cash flow from operating activities:</b>		
-16 070 392	-17 369 945	Ebit	-16 949 848	-15 979 475
0	0	Taxes paid	-527 152	0
22 842	91 087	Depreciation	2 748 466	598 058
1	-1	Change in resivables	-1 182 938	-63 747
1 069 431	-821 787	Change in accounts payable	-344 789	1 513 950
74 819	1 456 148	Changes in other accrued income and expenditure	-1 812 918	153 214
0		Currency conversion differences	221 888	5 689
<b>-14 903 299</b>	<b>-16 644 498</b>	<b>Net cash flow from operating activities</b>	<b>-17 847 291</b>	<b>-13 772 311</b>
		Cash flow from investment activities:		
-19 208	-1 337 788	New non-current assets	-5 708 258	-7 493 110
-6 872 242	-8 692 729	Investments in fixed financial assets	-3 490 315	0
243 530	0	New short-term receivables		549 792
<b>-6 647 920</b>	<b>-10 030 517</b>	<b>Net cash flow from investment activities</b>	<b>-9 198 573</b>	<b>-6 943 318</b>
		Cash flow from financing activities:		0
2 696 976	1 547 973	New long.term debt	1 451 904	2 696 976
759 012	1 373 929	New short term debt	3 922 866	793 973
26 790 575	48 259 635	Paid- in equity	48 259 636	26 790 575
		Dividend	0	
<b>30 246 563</b>	<b>51 181 537</b>	<b>Net cash flow from financing activities</b>	<b>53 634 405</b>	<b>30 281 524</b>
<b>8 695 344</b>	<b>24 506 522</b>	<b>Net cash flow total</b>	<b>26 588 541</b>	<b>9 565 895</b>
<b>11 475 968</b>	<b>20 171 312</b>	<b>Cash at beginning of the period</b>	<b>21 041 863</b>	<b>11 475 968</b>
<b>20 171 312</b>	<b>44 677 834</b>	<b>Cash at the end of the period</b>	<b>47 630 404</b>	<b>21 041 863</b>



# Notes

## ACCOUNTING PRINCIPLES

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The company is listed on Euronext Growth.

## BASIS FOR CONSOLIDATION

The consolidated financial statements comprise Lifecare AS ("Lifecare" or "Company") and companies in which Lifecare AS has a controlling interest ("Lifecare Group" or "Group"). A controlling interest is normally obtained when the Group owns more than 50% of the shares in the company and can exercise control over the company. Minority interests are included in the Group's equity. Transactions between Group companies have been eliminated in the consolidated financial statement. The consolidated financial statement has been prepared in accordance with the same accounting principles for both parent and subsidiary.

The purchase method is applied when accounting for business combinations. Companies which have been bought or sold during the year are included in the consolidated financial statements from the date when control is achieved and until the date when control ceases.

Acquired subsidiaries are recognized in the consolidated financial statements based on the parent company's acquisition cost. Acquisition cost is assigned to identifiable assets and liabilities of the subsidiary, such as is listed in the consolidated financial statements at fair value at the time of acquisition. Any added value beyond what is attributable to identifiable assets and liabilities is recognized on the balance sheet as goodwill. Goodwill treated as a residual and capitalized with the proportion observed in the acquisition transaction. Added value in the consolidated financial statements is depreciated over the acquired assets life expectancy. For 2022, a new subsidiary, Lifecare Laboratory GmbH has been consolidated from 1 February and the new UK subsidiaries Lifecare Chemistry Ltd are consolidated in at the end of the year. Conversion of foreign subsidiaries takes place by converting the balance sheet at the current balance sheet price, and that the income statement is translated at an average price. Any material transactions converted to the transaction day's exchange rate. Translation differences are recognized directly against equity.

## USE OF ESTIMATES

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses, and information on potential liabilities in accordance with generally accepted accounting principles in Norway.

## FOREIGN CURRENCY TRANSLATION

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognized in the income statement as they occur during the accounting period.

## REVENUE RECOGNITION

Revenues from the sale of goods are recognized in the income statement once delivery has taken place and most of the risk and return has been transferred.

Revenues from the sale of services and long-term manufacturing projects are recognized in the income statement according to the project's level of completion provided the outcome of the transaction can be estimated reliably. Progress is measured as the number of hours spent compared to the total number of hours estimated. When the outcome of the transaction cannot be estimated reliably, only revenues equal to the project costs that have been incurred will be recognized as revenue. The total estimated loss on a contract will be recognized in the income statement during the period when it is identified that a project will generate a loss.

## INCOME TAX

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22% percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.

## BALANCE SHEET CLASSIFICATION

Current assets and short-term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / long term liabilities.

Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value. Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

# Notes

## RESEARCH AND DEVELOPMENT

Development costs are capitalized providing that a future economic benefit associated with development of the intangible asset can be established and costs can be measured reliably. Otherwise, the costs are expensed as incurred. Capitalized development costs are amortized linearly over its useful life. If the economic useful life of the capitalized development costs cannot be reliably estimated, the capitalized development costs must be amortized over a maximum period of ten years. Research costs are expensed as incurred.

## PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment is capitalized and depreciated linearly over the estimated useful life. Significant fixed assets which consist of substantial components with dissimilar economic life have been unbundled; depreciation of each component is based on the economic life of the component. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net realizable value and value in use. In assessing value in use, the discounted estimated future cash flows from the asset are discounted are used.

## SUBSIDIARIES AND INVESTMENT IN ASSOCIATES

Subsidiaries and investments in associates are valued

at cost in the company accounts. Investments are valued as cost of shares in the subsidiary, less any impairment losses. An impairment loss is recognized if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contributions and other distributions from subsidiaries are recognized in the same year as they are recognized in the financial statement of the provider. If dividends / Group contribution exceeds withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

## SHORT TERM INVESTMENTS

Short term investments (stocks and shares seen as current assets) are valued at the lower of acquisition cost and fair value at the balance sheet date. Dividends and other distributions are recognized as other financial income.

## PENSIONS

The cost of a defined contribution pension scheme corresponds to the period's premium to the insurance company.

## CASH FLOW STATEMENT

The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

## Note 1 Public grants and research and development costs

	2022	2021
Skattefunn-refund	1 629 191	1 274 676
Other public grants	3 790 967	-
<b>Total public subsidies</b>	<b>5 420 158</b>	<b>1 274 676</b>

In 2022, the Company has recognized NOK 1.6 million in grants in estimated tax savings. R&D costs of NOK 9.4 million in 2022 have been booked as an expense. Other public grants consist of public funding from the European Commission, the project Horizon 2020 at NOK 3.8 million in 2022.

In 2021, the Company expensed NOK 7.9 million in R&D. Under other income, NOK 1.3 million in estimated tax savings for 2021 have been recognized as income.

## Note 2 Salary costs, employees and services from related parties and auditors

<b>Salary costs Lifecare</b>	<b>2022</b>	<b>2021</b>
Board fee	1 015 000	704 000
Salaries	2 090 903	538 828
Payroll tax	442 396	236 886
Pension costs	71 614	28 549
Other benefits	190 367	31 923
<b>Total</b>	<b>3 810 279</b>	<b>1 540 186</b>
<b>Employees</b>	<b>2022</b>	<b>2021</b>
Number of employees	4	0,7
Number of man-years	2,1	0,7
<b>Salary costs Lifecare Group</b>	<b>2022</b>	<b>2021</b>
Board fee	1 015 000	704 000
Salaries	7 921 498	672 869
Payroll tax	1 743 986	275 393
Pension costs	266 580	44 569
Other benefits	310 994	51 725
<b>Total</b>	<b>11 258 057</b>	<b>1 748 583</b>
<b>Group Employees</b>	<b>2022</b>	<b>2021</b>
Number of employees	25	2
Number of man-years	18,5	0,9

### Pension

The parent company has an agreement on a defined contribution pension in accordance with the Act on Mandatory Occupational Pensions.

### Purchase of services from related parties

	<b>2022</b>	<b>2021</b>
Consultancy cost CEO	1 800 000	1 800 000

### Incentive program

Share options

In accordance with the authorization granted by the Annual General Meeting 6 May 2022, the Board of Directors of Lifecare AS has established a long-term incentive program and awarded a total of 2,594,173 share options in 2022.

Each share option gives the right to acquire one share, based on vesting and exercisability terms. The vesting terms under the program includes performance targets and/or vesting dates. The options may only be exercised within time periods defined by the Board of Directors.

Strike price of options is equal to the volume weighted average share price (VWAP) of the Lifecare AS stock 10 consecutive trading days prior to the date of grant:

Strike Price (NOK)	Number of options
2,38	2,369,173
4,03	150,000
4,35	25,000
4,82	25,000
4,85	25,000
Total	2,594,173

All options laps 5 years after date of grant.

Options allocated to members of the Group management, based on individual vesting and performance target schedules:

Name	Position	Number of options	Strike price (NOK)
Joacim Holter	CEO	1 496 115	2,376631
Andreas Pfützner	CSO	748 058	2,376331

### Employee Share Purchase Program

Employees in the Lifecare Group (as of June 30th, 2022) were invited to each purchase up to 20,000 shares in the Company under the Company's Employee Share Purchase Program. The shares were offered at a volume weighted average share price of the Company's stock traded 10 days prior, and including, the last day of the subscription period (June 30th, 2022) less 25 % discount.

In total, 9 employees/consultants subscribed for 124,719 new shares under the program, at a subscription price of 3,22962 NOK per share.

Both CEO Joacim Holter and CSO Prof. Andreas Pfützner subscribed for 20 000 new shares to a subscription price of 3,22962 NOK per share.

<b>Audit Expenses (Parent and Group)</b>	<b>2022</b>	<b>2021</b>
Audit	179 900	46 500
Other Services	52 600	47 038
<b>Total Audit Expenses</b>	<b>232 500</b>	<b>93 538</b>

### Note 3 Tax

<b>Tax Lifecare</b>		<b>2 022</b>	<b>2 021</b>
Tax on operating result			
Payable tax		-	-
Change in deferred tax benefit	-	-	
<b>Tax cost ordinary profit</b>	<b>-</b>	<b>-</b>	
Taxable income			
Result before taxes		-17 369 945	-16 070 392
Permanent differences	-1 581 894	- 759 079	
Change in temporary differences	189 272	99 017	
<b>Taxable income</b>		<b>-18 762 567</b>	<b>-16 730 454</b>
Payable tax in the balance sheet			
Payable tax on the year's profit	0	0	
Total tax payable in the balance sheet	0	0	

The tax effect of temporary differences and losses to be carried forward that have given rise to deferred tax on undetermined tax benefits, specified by type of temporary differences.

	<b>2022</b>	<b>2021</b>	<b>Change</b>
Fixed assets	170 157	- 25 571	- 195 728
Deposits	-1 015 000	- 630 000	385 000
<b>Total</b>	<b>- 844 843</b>	<b>- 655 571</b>	<b>189 272</b>

Accumulated loss carried forward	-109 879 105	-91 116 539	18 762 566
Not included in the calculation of deferred tax	110 723 949	91 772 110	-18 951 839
<b>Deferred tax benefit (22%)</b>	<b>-24 359 269</b>	<b>-20 189 864</b>	<b>4 169 405</b>

In accordance with good accounting practice, deferred tax benefits are not recognized in the balance sheet. The Group has a tax-related income of – NOK - 16 949 848. The tax-related loss carried forward amounts to NOK 109,879,105. Deferred tax benefits are not booked.

Tax cost of NOK -205 114 is a change in deferred tax related to acquisitions. Deferred tax related to added value on acquisition amounts to NOK 1,333,243 31.12.22.

#### Note 4 Non-current assets Lifecare

	Patents	Other tangible assets	Property, plant and equipment	Total
Cost 01.01.22	321 244	32 500	19 208	372 952
Purchased fixed assets		1 318 788	1 318 788	
Cost 31.12.22	321 244	32 500	1 337 996	1 691 740
Acc. depreciation	147 244	32 500	75 929	255 673
<b>Book value 31.12.22</b>	<b>174 000</b>	<b>-</b>	<b>1 262 067</b>	<b>1 436 067</b>
This year's ordinary depreciations	19 000		72 087	91 087
Economic life	15-20 years	3 years	5 years	

#### Note 5 Non-current asset Group

	Patents and licenses	Goodwill	Tangible assets	Total
Cost 01.01.22	7 812 443	1 640 914	73 127	9 526 484
Purchased fixed assets		3 508 415	3 508 415	
Asset consolidation	5 689 918		5 689 918	
Cost 31.12.22	7 812 443	7 330 832	3 581 542	18 724 817
Acc. depreciation	1 578 250	1 350 823	592 009	3 521 083
<b>Book value 31.12.22</b>	<b>6 234 193</b>	<b>5 980 009</b>	<b>2 989 532</b>	<b>15 203 734</b>
Depreciation 2022	951 337	1 248 266	548 862	2 748 466

Asset consolidation of NOK 5,7 mill relates to acquired value of goodwill. Deprecation period is set for 5 years.

Asset consolidation of NOK 5,7 mill relates to acquired value of goodwill. Deprecation period is set for 5 years.

**Note 6 Subsidiaries**

Lifecare owns 100% of Lifecare NanoBioSensors GmbH. The company's result for 2022 is NOK 0.1 million and the equity is NOK 0.2 million as of 31.12.22. The company has been consolidated into the consolidated accounts with effect from 01.07.2021. See also note 5.

Lifecare owns 100% of Lifecare Laboratory GmbH. The company's profit for 2022 is NOK 2.4 million and the equity is NOK 4.6 million as of 31.12.22. The company is consolidated into the consolidated accounts with effect from 01.02.2022. See also note 5.

Lifecare owns 100% in Lifecare Chemistry Ltd. The company was established 3.11.22 and will initiate operational activities from 2023. The company is consolidated into the consolidated accounts with effect from 01.12.2022.

**Note 7 Other short-term receivables.**

Other short-term receivables mainly consist of receivables estimated tax refund from Skattefunn with NOK 1.6 million, receivables from subsidiaries with NOK 0.7 million, advance payments with NOK 0.5 million and outstanding value added tax with NOK 0.2 million.

**Note 8 Bank deposits - tied up funds.**

For statutory purposes a total of NOK 242 570 is deposited on tax withholding bank accounts.

**Note 9 Share capital and shareholders.**

The share capital of Lifecare as of 31.12.22 consists of 117,865,742 ordinary shares of NOK 0.40, totalling to NOK 47,146,297. The main shareholders per 31.12.22 was:

<b>Shareholder</b>	<b>Shares</b>	<b>Stake</b>
Teigland Eiendom AS	24 691 829	20,95 %
Lacal AS	18 187 712	15,43 %
Vpf Nordea Avkastning	8 974 413	7,61 %
Spit Air AS	3 087 735	2,62 %
Westhawk AS	3 018 480	2,56 %
Sandquist	2 919 900	2,48 %
Nordnet Livsforsikring AS	2 243 208	1,90 %
Deutsche Bank Aktiengesellschaft	2 119 718	1,80 %
Deutsche Bank Aktiengesellschaft	1 812 600	1,54 %
Nexus Marketing	1 732 024	1,47 %
Einarsen	1 590 000	1,35 %
Andreassen	1 332 872	1,13 %
Cimter AS	1 331 355	1,13 %
Other (under 1% share)	44 823 896	38,03 %
<b>Total shareholders</b>	<b>117 865 742</b>	<b>100,00 %</b>

	2022	2021	Stake 2022
<b>Primary insiders and related holdings</b>			
Teigland Eiendom AS (primary insider Trine Teigland)	24 691 829	20 691 829	20,95 %
Hanibal Invest AS (primary insider Hans Hekland)	200 000	-	0,17 %
Cimter AS (primary insider Joacim Holter)	1 331 355	1 331 355	1,13 %
Joacim Holter	317 997	272 997	0,27 %
Islay Venture GmbH (primary insider Andreas Pfützner)	2 620 499	843 623	2,22 %
<b>Total shareholders</b>	<b>29 161 680</b>	<b>23 139 804</b>	<b>24,74 %</b>

The CEO directly/indirectly owns 1.4% of the shares in the company.

The CSO indirectly owns 2,2 % of the shares in the company.

#### Note 10 Equity

Equity Lifecare	Share capital	Share premium reserve	Retained equity	Total equity
01.01.2022	39 193 659		-15 147 257	24 046 402
Share capital increase	7 952 638	40 306 997		48 259 635
Currency conversion differences			0	
Result 2022			-17 369 945	-17 369 945
<b>Book value 31.12.22</b>	<b>47 146 297</b>	<b>40 306 997</b>	<b>-32 517 202</b>	<b>54 936 092</b>

Equity Group	Share capital	Share premium reserve	Retained equity	Total equity
01.01.2022	39 193 659		-14 948 093	24 245 566
Share capital increase	7 952 638	40 306 997		48 259 635
Currency conversion differences		221 890	221 890	
Result 2022			-17 477 000	-17 477 000
<b>Book value 31.12.2022</b>	<b>47 146 297</b>	<b>40 306 997</b>	<b>-32 203 203</b>	<b>55 250 091</b>

#### Note 11 Other long-term debt.

The Company has an obligation of NOK 4.2 million to Islay Ventures GmbH in connection with the purchase of Lifecare Laboratory GmbH.

#### Note 12 Other short-term debt.

The Company has a debt to Nanoscale Systems, Nanoss GmbH of NOK 1.5 million. This debt is interest-free and the last instalment is due in 2023. The company have allocated accrued costs at NOK 3.2 million.



To the General Meeting of Lifecare AS

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## Independent Auditor's Report

### *Opinion*

We have audited the financial statements of Lifecare AS showing a loss of NOK 17 369 945 in the financial statements of the parent company and a loss of NOK 17 477 000 in the financial statements of the group. The financial statements comprise:

- the financial statements of the parent company Lifecare AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Lifecare AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

### In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Information*

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.


In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Bergen, 27 March 2023  
RSM Norge AS

A handwritten signature in blue ink that reads "Tom H Rønshaugen".

Tom Henning Rønshaugen  
state Authorised Public Accountant

## Other information

### LIFECARE AS

Company Number	990 251 657
Registered address	Ytrebygdsvegen 215, 5258 Blomsterdalen, Norway
Post address	Postboks 7120, 5020 Bergen, Norway
CEO	Joacim Holter

### LIFECARE NANOBIOSENSORS GMBH

Company Number	HRB 96121
Registered address	Haifa-Allee 20, 55128 Mainz, Germany,
Operational addresss	Gerhard-Kindler-Strasse 6, 72770 Reutlingen
Managing Director	Joacim Holter
Procurist	Prof. Andreas Pfützner

### LIFECARE LABORATORY GMBH

Company Number	HRB 45565
Registered address	Haifa-Allee 20, 55128 Mainz, Germany
Operational address	Haifa-Allee 20, 55128 Mainz, Germany
Managing Directors	Joacim Holter, Prof. Andreas Pfützner

### LIFECARE CHEMISTRY LTD

Company Number	14460638
Registered address	11 Laura Place, Bath, BA2 4BL, United Kingdom
Operational address	Claverton Down, Bath, BA2 7AY, United Kindom
Director	Joacim Holter



LIFECARE