

## **THE BOARD OF IZAFE GROUP AB HAS DECIDED TO CARRY OUT A DIRECTED ISSUE OF SHARES AND AN ISSUE OF WARRANTS**

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The board of iZafe Group AB ("iZafe Group" or the "Company") has today, April 9, 2024, with authorization from the annual general meeting on May 16, 2023, decided on a directed issue of 25,000,000 shares of series B to certain shareholders (the "Directed Issue"). The Directed Issue is carried out at a subscription price of SEK 0.20 per share, equivalent to a discount of approximately 6.0 percent to the volume-weighted average price of the Company's shares on the Nasdaq First North Growth Market during the last five (5) trading days. The board has also, with authorization from the annual general meeting on May 16, 2023, decided on a directed issue of 25,053,288 warrants of series TO14B to the Company, which will transfer these free of charge to shareholders in relation to the number of shares held as of the record date (the "Warrants Issue"). Through the Directed Issue, iZafe Group will receive SEK 5 million before transaction costs. Upon full utilization of TO14B, the Company may receive an additional maximum of approximately SEK 7.5 million SEK before transaction costs.

### **The Directed Issue**

The board of iZafe Group has, with authorization received at the annual general meeting of May 16, 2023, today decided to carry out a directed issue of 25,000,000 shares of series B with deviation from existing shareholders' preferential rights. The subscription price per share amounts to SEK 0.20. The Company hereby receives approximately SEK 5 million before transaction costs. The Directed Issue is carried out to the Company's major shareholders Patrik Björn and Stefan Wård (through company). The subscription price in the Directed Issue has been determined through arm's length negotiations with the investors, based on the current share price of the Company's share of series B. The subscription price corresponds to a discount of approximately 6.0 percent of the volume weighted average price of the Company's share on the Nasdaq First North Growth Market during the last five (5) trading days, from and including April 2, 2024, up to and including April 8, 2024, which amounted to approximately 0.213 SEK. Furthermore, the board has ensured the market adequacy of the subscription price in consultation with financial advisors based on current market conditions and previously indicated price levels in discussions with potential investors. Against this background, the board considers the subscription price to be market adequate.

The reason for the deviation from the shareholders' preferential right is that the Company's board considers, on the basis of an overall assessment and after careful considerations of available financing solutions, that the Directed Issue is a better alternative for the Company and its shareholders than a rights issue at prevailing market conditions. The board also assesses that it is objectively in the interest of both the Company and its shareholders to carry out the Directed Issue. The board's assessment is that the Directed Issue is the most appropriate financing solution to promptly ensure the Company's capital requirements in order to meet the increasing demand for the Company's products and to ensure the capacity for larger production volumes, which is crucial to support the Company's continued development and growth. A rights issue is deemed to entail significantly increased costs for the Company where, among other things, a possible underwriting consortium would have to be procured and would take longer time.

After consultation with financial advisors, the board also assesses that a rights issue, or a directed issue to a broader group of external investors or existing shareholders, would only be feasible at a significantly discounted share price, which under the current circumstances was judged not to be beneficial for either the Company or its shareholders. The Directed Issue enables the Company to raise capital in a fast, cost-effective, and resource-efficient manner. It also provides an opportunity to capitalize on current interest in the Company's stock among subscribers at a price that is in line with the prevailing share price, which is why subscribers are granted subscription in the Directed Issue.

In light of the above, the board assesses that the Directed Issue enables the Company to raise capital on favorable commercial terms and in a fast, cost- and resource-efficient manner. Additionally, the Directed Issue is objectively advantageous for the shareholders compared to an alternative issuance structure or financing solution. Therefore, the board considers that the reasons for deviating from the shareholders' preferential rights to outweigh the reasons justifying the general rule that new issuances should be conducted with preferential rights for shareholders.

iZafe Group's CEO, Anders Segerström, comments on the Directed Issue: "I'm pleased that our major shareholders are showing their support for the Company in this crucial phase. We see an urgent need to expand our workforce to meet the growing demand and keep pace with all the development projects we have underway. Right now, we're in a situation where our product team risks becoming a bottleneck for sales, especially as we expand our partnerships in both existing and new markets. With this injection of capital, we not only have the opportunity to hire more talent but also ensure that our production capacity isn't a limiting factor. This is crucial for swiftly launching our devices into the market. By accelerating the rollout of more units, we can increase our monthly license revenues, which is a critical factor in achieving profitability faster."

### **The Warrants Issue**

The board of iZafe Group has also today, with the support of authorization from the annual general meeting of May 16, 2023, decided on the Warrants Issue, whereby 25,053,288 warrants of series TO14B are issued to the Company. The warrants are issued free of charge to the Company, which will transfer them free of charge to the shareholders in the Company in relation to the number of shares that each shareholder holds on the record date for the Warrants Issue.

The record date for the Warrant Issue will be announced as soon as it is determined by the board of the Company. The warrants of series TO14B are intended to be admitted to trading on the Nasdaq First North Growth Market.

Eleven (11) shares held on the record date means that shareholders are allotted one (1) warrant of series TO14B. Final distribution and allocation upon transfer of the warrants of series TO14B to iZafe Group's shareholders will take place through a separate board resolution. The Warrants Issue can provide iZafe Group with a maximum of approximately SEK 7.5 million in the event that all warrants of TO14B are exercised for subscription of new shares of series B in the Company.

**Main terms of warrants of series TO14B**

iZafe Group will issue a total of 25,053,288 warrants of series TO14B. One (1) warrant of series TO14B entitles the holder to subscribe for one (1) new share of series B in the Company during the period that runs from and including September 30, 2024 to and including October 14, 2024. The subscription price for shares supported by warrants of series TO14B amounts to 70 percent of the volume weighted average price of the Company's share of series B on the Nasdaq First North Growth Market during the period from and including September 13, 2024 to and including September 26, 2024, however, the share's minimum quota value (currently SEK 0.20) and a maximum of SEK 0.30.

**Use of issue proceeds from the Directed Issues**

The proceeds from the Directed Issue of SEK 5 million is intended to be used for the following:

- Expansion of personnel in the product team
- Ensuring larger production volumes
- Sales and marketing activities to boost sales in existing and new markets

**Number of shares, share capital and dilution**

The Directed Issues result in a total dilution effect of approximately 9.1 percent of the number of shares and 8.9 percent of the votes in the Company. Through the Directed Issue, the number of outstanding shares of series B increases by 25,000,000 shares of series B, from 250,586,171 shares of series B to 275,586,171 shares of series B. The number of shares after the Directed Issue will amount to 275,586,171 shares, of which 600,000 are shares of series A and 274,986,171 are shares of series B. The Company's share capital increases by SEK approximately 5,000,000.00, from SEK 50,117,234.20 to approximately SEK 55,117,234.20.

Upon exercise of all warrants of series TO14B issued in the Warrants Issue, the number of outstanding shares will increase by an additional 25,053,288 shares, from 275,586,171 shares to 300,639,459 shares and the share capital will increase by an additional approximately SEK 5,010,657.60, from approximately SEK 55,117,234.20 to approximately SEK 60,127,891.80, implying an additional dilution of approximately 8.3 percent of the number of shares and 8.2 percent of the votes in the Company.

**Notification Obligation**

As a result of Patrik Björn and Stefan Wård increasing their ownership in the Company in a manner that triggers a notification obligation according to the Foreign Direct Investments Screening Act (2023:560), allocation in this part shall occur only when the investment can be executed under said law, which is expected to occur indicatively before the end of May 2024.

**Advisor**

Mangold Fondkommission AB is the financial advisor to iZafe Group in connection with the Directed Issue and the Warrant Issue.

**Important information**

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Within the European Economic Area, no offer is made to the public of securities in any country other than Sweden. In other member states of the European Union, such an offer can only be made in accordance with an exception in the Prospectus Regulation (EU) 2017/1129.

**Forward-Looking statements**

This press release contains certain forward-looking information that reflects the Company's current view of future events as well as financial and operational development. Words such as "intended", "assessed", "expected", "may", "plans", "believes", "estimates", and other expressions that imply indications or predictions about future development or trends, and which are not based on historical facts, constitute forward-looking information. Forward-looking information is by its

nature associated with both known and unknown risks and uncertainty factors because it depends on future events and circumstances. Forward-looking information does not constitute any guarantee regarding future results or development, and the actual outcome may materially differ from what is stated in the forward-looking information.

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## About iZafe Group AB (publ.)

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iZafe Group is a Life Science company that conducts research, development and marketing of digital medical solutions and services for safer medication management at home.

The company leads the development of digital drug dispensing through the drug robot Dosell as well as the SaaS solution Pilloxa with the smart pillbox. The company's solutions reduce the risk of incorrect medication in the home, increase compliance, relieve public health care, increase the quality of life for patients and create a safer environment for relatives.

The customers consist of private individuals, pharmaceutical companies and public and private healthcare providers in Sweden, the Nordics and globally. iZafe Group primarily sells through well-established partners who already have long and deep customer relationships with the prioritized customer groups. The head office is in Stockholm.

iZafe Group AB has been listed on the Nasdaq First North Growth Market since 2018. Mangold Fondkommission AB is the company's Certified Adviser. Further information is available at [www.izafegroup.com](http://www.izafegroup.com)

*This information is information that iZafe Group is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2024-04-09 08:10 CEST.*

**Image Attachments**

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**100512242 Dosell Lkemedelsautomat**

**Attachments**

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**The board of iZafe Group AB has decided to carry out a directed issue of shares and an issue of warrants**