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## **IZAFE GROUP SECURES LOAN OF SEK 5.5 MILLION AND CANCELS PREVIOUSLY ISSUED WARRANTS OF SERIES TO14B**

**iZafe Group AB ("iZafe Group" or the "Company"), a company engaged in the research, development, and marketing of digital medical solutions and services for safer medication management at home, announce today that the Board of Directors of iZafe Group has decided to enter into a loan agreement of SEK 5.5 million (the "Loan") issued by Exelity AB (the "Lender"). The Loan has been secured because the board has determined that the issuance of the warrants of series TO14B (the "Warrants") would entail excessive administrative costs and financial uncertainty.**

### **Background and rationale for the Loan**

In connection with a directed issue conducted on April 9, 2024, the board of iZafe Group, with the authorization granted by the annual general meeting on May 16, 2023, decided to issue 25,053,288 warrants of series TO14B. These warrants were intended to be issued free of charge to the Company, which would then transfer them free of charge to the shareholders of the Company in proportion to the number of shares each shareholder owned on the record date for the warrant issue.

Since the decision was made, new information has been provided to the Company, revealing that the warrant issue would entail significantly higher costs than previously indicated. Given the financial uncertainty associated with the outcome of the warrants, the board of iZafe Group has decided that it is more advantageous for the Company to cancel the issued Warrants and instead secure the Loan.

iZafe Group's CEO, Anders Segerström, comments on the Loan: "Considering the new information we have received and the uncertainty that the warrant exercise would entail, we are convinced that the decision to replace the warrant exercise with this loan is the best solution for iZafe Group. This decision ensures the necessary financing to continue our growth journey and meet the increasing demand for our products. By scaling up production and strengthening our recurring revenue, which is at the core of our business model, we are creating significant value over time.

Our original ambition with the directed issue and the warrant exercise was to raise SEK 10 million, and although the conditions have changed, we have found a stable and sustainable solution with this loan. This will provide us with the financial stability and resources we need to increase sales and strengthen our recurring license revenue, which is crucial for achieving a cash flow-positive result."

**Loan terms**

The Loan amounts to SEK 5.5 million. The payment occurs upon signing of the loan agreement. The Loan matures for payment on June 30, 2025.

The Loan is subject to a set-up fee of 5.0 percent of the Loan amount and carries a monthly interest rate of 1.3 percent on the borrowed amount. Interest accrues from the payment until the loan amount and accrued interest are fully repaid. The Company has the option to repay the Loan before the maturity date without any redemption fee. The Lender has the right to convert the Loan into shares of the Company at any time during the term at a subscription price of SEK 0.24 per share. The board has assessed the loan terms as market competitive and considers taking the Loan to be in the best interest of both the Company and its shareholders.

**Use of the Loan**

The net proceeds from the Loan are intended to be used for the following purposes:

- Ensuring larger production volumes
- Sales and marketing activities to boost sales in existing and new markets

**Advisor**

Mangold Fondkommission AB is financial advisor to the Company in connection with the Loan.

**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 2024-08-21 09:12 CEST.*

## Image Attachments

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## Business Partners 4

## Attachments

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**iZafe Group secures loan of SEK 5.5 million and cancels previously issued warrants of series TO14B**