

Q2 Interim report

Second quarter 2022

Summary of financial performance

- Net sales for the quarter amounted to SEK 84 (12) thousand. The quarter's net sales consist of revenues related to the sale of the Dosell digital pharmaceutical robot.
- Operating profit for the quarter amounted to SEK -5,184 (-7,962) thousand.
- Profit after financial items for the quarter amounted to -5,233 (-8,258) TSEK.
- Cash flow for the period amounted to SEK -7,155 (-5,400) thousand.
- Earnings per share for the quarter before / after dilution amounted to SEK -0.1 (-0.2).
- Equity per share at the end of the period amounted to SEK 0.4 (0.4).
- The equity/assets ratio at the end of the period was 81.8 (39.5) percent.

Significant events in the quarter

- The company has launched an updated version of Dosell that includes several new improvements and features that enhance both the user experience and reliability.
- During the month of June, the company has delivered a large batch to Apoteket AB, which has had a high demand for the company's products and has sold out of its stock.

Significant events after the end of the quarter

- iZafe signs a Letter of Intent to acquire Pilloxa AB. Pilloxa has developed a technical platform for improved adherence that pharmaceutical companies use to design digital patient support. The purchase price will be paid in 70,874,308 newly issued iZafe shares with an indicative value of approximately 30 million SEK.

About iZafe Group

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 is leading the development of digital dispensing of medication through its medication-dispensing robot Dosell, which reduces the risk of medication errors at home, relieves the burden on public healthcare systems, improves quality of life for patients and creates a safer environment for relatives.

iZafe's consumers comprise both consumers and public and private healthcare providers in Sweden, the Nordic region and worldwide. iZafe Group primarily sells through well-established partners that already have close, long-term customer relationships with prioritized customer groups. The head office is located in Stockholm, Sweden.

iZafe Group AB is listed on Nasdaq First North Premier Growth Market since 2018.



iZafe Group AB (publ.)

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COMMENTS FROM THE CEO

Our vision is to ensure health through better adherence and in the last quarter we have taken an even bigger step through our updated vision and strategy presented in May.



During the second quarter, we focused on consumer advertising, which continues to deliver good results and improved Dosell's performance. At the same time, we are seeing increased interest among municipalities in both pharmaceutical robots and the data they can bring to medication management. After the end of the quarter, we announced a letter of intent to acquire Pilloxa AB.

The acquisition of Pilloxa creates a unique position in digital health

With the acquisition of Pilloxa, we have the opportunity to create a more comprehensive offering that meets the different needs of consumers, from independent medication management to the choice of a smart connected pillbox or a fully automated medication robot.

The acquisition of Pilloxa also gives us access to additional sales channels as we complement each other very well. Pilloxa has had pharmaceutical companies as its primary customer group and has developed a unique SaaS solution as well as support for the conduct of clinical studies. Immediately after the acquisition, we will start the journey towards making Pilloxa's solution more commercially viable in our existing sales channels.

Pilloxa's employees and the expertise they bring, are an important part of the acquisition. They come in with the right kind of knowledge and the experience we need to create a company that takes the position of being the leader in the market to ensure adherence to medication and ultimately, to demonstrate the health benefits of it. We are working to optimize our organization to cut costs and prepare for a future merge.

The company is continuing discussions with investors, who are keen to see more acquisitions and organic growth in a market that is largely untapped. Following our communication regarding the acquisition of Pilloxa, interest has increased further - which is positive for future funding of the company in addition to the warrant program T010B which, depending on the stock price, will provide a better capital contribution.

B2C - continual increased sales and the potential outside Sweden

In recent months, we have invested in television advertising to spread awareness of Dosell. As a result, we now sell around 100 units a month via the Apoteket website and the consumer version of Dosell accounts for around 90% of all dispensations today. This is a very good start for a brand-new type of product and service, but not enough and hence need to find more ways to get higher volumes out.

Our investment here in Sweden with the consumer version of Dosell has been crucial in creating the experience and knowledge needed to export the solution to other countries and markets. In all dialogues with potential partners, there has also been interest in our vision's future solutions, which we will now be able to sell and distribute much more quickly in connection with the acquisition of Pilloxa.

However, the concept in Italy continues with delays due to production and software changes. The Italian market has great potential where we see great advantages in the customer being able to have their medicines packaged in sachet bags directly by the local pharmacy together with their Dosell. In the Swedish market this is a challenge where we see long lead times to get their medicines in sachet bags if they do not already use it when they have bought their Dosell. Therefore, we see great potential in the Italian concept, which is also applicable to more markets in Europe.

B2B - interest in medication data

We see a clear trend that more municipalities are starting to demand pharmaceutical robots, with many tenders just coming out in both Sweden and Norway.

We have also noticed strong demand from welfare platforms that want to get data on medication. With the acquisition of Pilloxa, this becomes a complete solution for welfare platforms as we can provide even more data around medication adherence.

Continuous improvement

We are constantly working to improve Dosell's performance. As we communicated in the spring, we had production challenges and a software release that included improvements necessary for our partners to deploy their Dosell in the field. These elements were completed too late into the summer holidays and as a result our partners are now able to go live after the summer months.

We have an exciting and intense period ahead of us. Our many partners and customers will start up the use of Dosell, we will finalize all the elements around the acquisition and ensure to develop an attractive joint future offering.

Stockholm in August 2022
Anders Segerström
CEO, iZafe Group

Market overview

Digitalization ensures better and more efficient healthcare services

A rapidly ageing population and an increase in chronic conditions in turn increase the demand on society's resources to provide long-term care, whether in public care settings or in the home. Spending on long-term care for the elderly in the EU is expected to increase from 1.7% of GDP in 2019 to 2.5% of GDP in 2050. One solution to this challenge is digital welfare and healthcare platforms. Digital platforms enable people to receive care where it is needed, reduce risks and enable proactive and individualized care by using data generated from the different services on the platform.

The better medication improves patient health

iZafe Group will fulfil its vision by developing and commercializing digital products and services that ensure people take the right medicine at the right time by integrating with new and existing digital welfare and healthcare platforms but also as a consumer product

iZafe Group products and services integrate with digital platforms

There is a growing number of people being prescribed medicines and up to 70% of people over 60 take three or more medicines in Europe alone. This means there is also a need to manage the risks of medication not being taken as prescribed - not taking the right medicine at the right time - which leads to 200,000 preventable deaths every year in the EU, costing society €125 billion.

iZafe Group's first product, Dosell, is a fully digital medication dispensing robot specifically designed to ensure that people take the right medication at the right time.

Dosell is the only drug dispensing robot that can integrate with a third party's welfare and healthcare platforms.

As part of an integrated platform, Dosell can provide data over time that can be used to reduce the risk of poor adherence and be used to develop better proactive and individualized care.

Dosell allows scarce welfare and healthcare resources to be used more efficiently by automating processes that are otherwise subject to human error. Dosell can also be used as a stand-alone device in the home where a caregiver such as a relative or friend can be connected to the Dosell device via a phone app and then dispense doses at the right time. In Sweden, over 200,000 people already use medicine sachets.

Business model

The iZafe Group's business model is to sell products that dispense medicine and receive recurring revenue in the form of licensing fees for sales to public and private welfare and health care partners or subscription fees for stand-alone consumer sales. B2B sales are targeted at partners who develop and sell digital welfare and healthcare platforms. This approach allows iZafe Group to leverage its partners' expertise in platform integration and avoids the need to build a large sales organization.

B2C sales are made through distributors who provide direct-to-consumer sales or partners who offer integrated welfare and healthcare solutions directly to the consumer.

The main momentum of iZafe Group's business is the ageing population, the increasing number of people using multiple medicines daily and the growth in the market for digital wellness and healthcare platforms.

The global digital healthcare market is expected to grow to USD 441.8 billion by the end of 2025. At the same time, advances in technology have created the global automated medication dispensing market, which is expected to grow at a CAGR of 9.5% to over USD 2 billion by the end of 2027.

Key partnerships are already in place

The iZafe Group is currently focusing on developing its B2B operations in Sweden, Norway and Finland and its B2C operations in Sweden and Italy. In addition to the B2B partners iZafe Group is working with in the Nordic markets, and iZafe Group has a collaboration with a global provider of digital healthcare platforms that may lead to Dosell being made available in more European markets.

Within B2C, iZafe Group sells Dosell in Sweden through Apoteket AB, the country's largest pharmaceutical chain, to meet the needs of customers and their families.

In Italy, iZafe Group has partnered with a private healthcare provider that develops digital platforms to enable the elderly to stay in their homes longer. An integral part of iZafe Group's Italian partners' plans is the development of the dosing bag market in Italy, in which Dosell is the natural leader.

The iZafe Group has invested heavily in ensuring that Dosell meets the needs of its partners as well as users and continues to work to keep Dosell at the forefront of the digital medication dispensing market.

In order to meet the needs of the growing digital healthcare market, iZafe Group will in the future identify opportunities either internally or through acquisitions to develop, commercialize and sell products and services to make it easier for more people to receive medication at the right time.

Key figures

GROUP

	2022	2021	2022	2021	2021
TSEK	April-June	April-June	Jan-June	Jan-June	Jan-Dec
Net sales	84	12	460	184	442
Operating profit/loss (EBIT)	-5 184	-7 962	-12 168	-15 181	-33 273
Profit/loss after financial items (EBT)	-5 233	-8 258	-12 265	-17 149	-36 275
Earnings per share before/after dilution, SEK	-0,1	-0,2	-0,2	-0,5	-0,8
Equity per share, SEK	0,4	0,4	0,4	0,4	0,6
Equity ratio, %	81,8%	39,5%	81,8%	39,5%	84,1%
Share price at balance sheet date, SEK	0,5	2,4	0,5	2,4	0,8
Number of shares at the end of the period	70 874 308	35 435 674	70 874 308	35 435 674	70 874 308
Average number of shares outstanding	70 874 308	35 129 561	70 874 308	34 527 075	46 249 414
Average number of employees	8	9	9	9	9
Number of employees at the end of the period	8	9	8	9	8

Definitions

Operating profit/loss

Profit/loss before net financial items.

Basic earnings per share

Basic earnings per share are calculated by dividing earnings attributable to Parent Company shareholders by the weighted average number of common shares outstanding during the period.

Equity per share

Equity at the end of the period divided by the number of shares at the end of the period.

Equity ratio

Equity as a percentage of total assets.

Average number of employees

Average number of employees during the period converted to full-time equivalents.

Financial overview

Group

TURNOVER AND EARNINGS, APRIL-JUNE 2022

Net sales for the quarter amounted to SEK 84 thousand (12). The quarter's revenue is attributed to the sale of the Dosell digital pharmaceutical robot, which generates revenue partly through the sale of hardware and partly through a recurring subscription fee.

Merchandise for the quarter amounted to SEK 26 thousand (77) and is entirely attributed to costs related to Dosell sold and delivered. Other external costs for the quarter amounted to SEK 1,802 thousand (4,359). The item includes ongoing costs for commercialization and ongoing modifications of the Dosell. The Company is continuously reviewing its cost structure and streamlining its purchasing to reduce overall costs.

Personnel costs for the quarter amounted to SEK 2,347 thousand (2,014). The average number of employees for the quarter was 8 compared to 9 for the corresponding period last year.

Amortization of intangible assets for the quarter amounted to SEK 753 thousand (988) and is mainly attributable to capitalized development expenses relating to Dosell. Depreciation of tangible assets for the quarter amounted to SEK 332 thousand (446) and is attributable to the depreciation of rights of use and inventories.

Net finance items for the quarter amounted to SEK -49 thousand (-296) and are mainly attributed to interest on lease debt. The comparative year's figures also include borrowing costs of SEK 14,000 thousand for the credit facility.

Profit before tax for the quarter amounted to SEK -5,233 thousand (-8,258). Earnings per share amounted to SEK -0.1 (-0.2).

TURNOVER AND EARNINGS, JANUARY-JUNE 2022

Net sales for the period amounted to SEK 460 thousand (184). The period's revenue is attributed to the sale of the Dosell digital pharmaceutical robot, which generates revenue partly through the sale of hardware and partly through a recurring subscription fee.

Merchandise for the period amounted to SEK 274 thousand (296) and is entirely attributed to costs related to sold and delivered Doses. Other external costs for the period amounted to SEK 5,744 thousand (8,491). The item includes ongoing costs for commercialization and ongoing modifications of the Dosell. The Company is continuously reviewing its cost structure and streamlining purchasing to reduce overall costs.

Personnel costs for the period amounted to SEK 4 469 thousand (3 995). The average number of employees for the half year was 9 compared to 9 for the corresponding period last year.

Amortization of intangible assets for the period amounted to SEK 1,507 thousand (1,975) and is mainly related to capitalized development expenses for Dosell. Depreciation of tangible assets for the period amounted to SEK 630 thousand (541) and is attributable to depreciation of rights of use and inventories.

Net financial income for the period amounted to SEK -97 thousand (-1,968) and is mainly attributed to interest on lease debt. The comparative year's figures also include borrowing costs for the credit facility of SEK 14,000 thousand and interest on loans to related parties.

Profit before tax for the period amounted to SEK -12 265 thousand (-17 149). Earnings per share amounted to SEK -0.2 (-0.5).

FINANCIAL POSITION, CASH FLOW AND LIQUIDITY

Cash flow from operating activities for the quarter amounted to SEK -5,708 thousand (-7,140) as a result of the adaptation of Dosell for foreign markets and the commercialization of the product combined with continued limited revenues. Cash flow from working capital amounted to SEK -1 560 thousand (-316). Cash flow from operating activities for the period January-June amounted to SEK -11,749 thousand (-14,565) and follows the same pattern as for the quarter.

Cash flow from investing activities for the quarter amounted to SEK -1,127 thousand (-74), which is attributed to intangible assets. The company is further developing Dosell and this work will enable Dosell to be compatible with more modern technology. All investments related to this development are capitalized. Cash flow from investing activities for the period January-June amounted to SEK -1,805 thousand (-74) and follows the same pattern as for the quarter.

Cash flow from financing activities for the quarter amounted to SEK -320 thousand (1,814) and relates to repayment of lease debt. The comparative year is also positively impacted by the redemption of warrants. Cash flow from financing activities for the period January-June amounted to SEK -588 thousand (20,028) and relates to the repayment of lease debt. The comparative year is also positively affected by capital from the credit facility of SEK 14,000 thousand, redemption of warrants and the proceeds from the rights issue.

Cash equivalents at the end of the period amounted to SEK 4,584 thousand (7 937).

The total assets at the end of the quarter amounted to SEK 34,817 thousand (39,688). Intangible assets are the most significant item on the balance sheet, which is largely attributable to development costs for Dosell amounting to SEK 20,398 thousand (22,060).

INVESTMENT AND DEVELOPMENT EXPENDITURE

Investments in the quarter amounted to SEK 1,127 thousand (74) and relate to development costs for the current year relating to the further development of Dosell. The comparative year relates to the purchase of inventory.

CONTINUED OPERATION

The company's ability to meet future liquidity needs is highly dependent on sales success and profitability. There is no guarantee that the Company will be able to raise the necessary liquidity if needed. The Board is continually evaluating various financing options to ensure continued operations, as the Company has additional financing needs within the next 12 months that have not yet been secured. The Board and management are working continuously to create the best possible conditions for the exercise of the TO10 B warrant program, which, if fully subscribed, would bring the company between SEK 7 087 129 and SEK 79 730 266 in the third quarter, depending on the subscription price. The absence of collateral at the time of issuing this report means that there is an element of uncertainty regarding the company's ability to continue as an operation.

Parent company

Group-wide functions are carried out in the parent company and the CEO and part of the management team are employed in this company. The Parent Company has invoiced the subsidiaries for management fees, which are eliminated at Group level.

Condensed income statement

GROUP

	2022	2021	2022	2021	2021
TSEK	April-June	April-June	Jan-June	Jan-June	Jan-Dec
Operating income					
Net sales	84	12	460	184	442
Other operating income	0	-90	4	-67	-66
Total revenue	84	-78	464	117	376
Operating expenses					
Goods for resale	-26	-77	-274	-296	-1 580
Other external expenses	-1 802	-4 359	-5 744	-8 491	-19 173
Personnel costs	-2 347	-2 014	-4 469	-3 995	-8 049
Depreciation of tangible and intangible assets	-1 085	-1 434	-2 137	-2 516	-4 847
Other operating expenses	-8	0	-8	0	0
Total cost	-5 268	-7 884	-12 632	-15 298	-33 649
Operating profit/loss	-5 184	-7 962	-12 168	-15 181	-33 273
Net financial items	-49	-296	-97	-1 968	-3 002
Profit/loss after financial items	-5 233	-8 258	-12 265	-17 149	-36 275
Tax on profit for the period	0	0	0	0	0
PROFIT/LOSS FOR THE PERIOD	-5 233	-8 258	-12 265	-17 149	-36 275
Earnings per share before dilution, SEK	-0,1	-0,2	-0,2	-0,5	-0,8

Condensed statement of financial position

GROUP

TSEK	2022 30-June	2021 30-June	2021 31-Dec
ASSETS			
Non-current assets			
Other intangible assets	20 398	22 060	20 085
Property, plant and equipment	168	62	193
Right-of-use assets	3 960	5 467	4 924
Current assets			
Inventories	4 305	2 524	2 571
Accounts receivable	201	390	222
Current receivable	1 201	1 248	1 708
Cash and cash equivalents	4 584	7 937	18 726
Total assets	34 817	39 688	48 429
EQUITY AND LIABILITIES			
Equity			
Share capital	70 874	35 436	70 874
Other contributed capital	69 905	61 157	69 905
Retained earnings including profit/loss for the period	-112 311	-80 920	-100 046
Total equity	28 468	15 673	40 733
Non-current liabilities			
Lease liabilities	3 017	4 441	3 894
Current liabilities			
Interest-bearing liabilities	0	14 000	0
Lease liability	1 035	1 067	1 090
Accounts payable	898	2 201	1 340
Other current liabilities	1 399	2 306	1 372
Total liabilities	6 349	24 015	7 696
Total equity and liabilities	34 817	39 688	48 429

Condensed statement of changes in equity

GROUP

	2022	2021	2022	2021	2021
TSEK	April-June	April-June	Jan-June	Jan-June	Jan-Dec
Equity, opening balance	33 701	21 611	40 733	29 458	29 458
Comprehensive income					
Profit/loss for the period	-5 233	-8 258	-12 265	-17 149	-36 275
Transactions with owners					
Set-off issue	0	0	0	862	862
New share issue	0	0	0	0	53 154
Issue with subscription rights	0	2 621	0	2 621	2 625
Share issue expenses	0	-301	0	-119	-9 091
Equity, closing balance	28 468	15 673	28 468	15 673	40 733

Condensed statement of cash flows

Group

	2022	2021	2022	2021	2021
TSEK	April-June	April-June	Jan-June	Jan-June	Jan-Dec
Operating profit/loss	-5 184	-7 962	-12 168	-15 181	-33 273
Adjustments for non-cash items	1 085	1 434	2 137	2 516	4 847
Interest received, etc	0	0	0	0	0
Interest paid, etc.	-49	-296	-97	-1 968	-3 002
Tax paid	0	0	0	0	0
Cash flow from operating activities before change in working capital	-4 148	-6 824	-10 128	-14 633	-31 428
Cash flow from changes in working capital	-1 560	-316	-1 621	68	-2 065
Cash flow from operating activities	-5 708	-7 140	-11 749	-14 565	-33 493
Cash flow from investment activities	-1 127	-74	-1 805	-74	-214
Cash flow from financing activities	-320	1 814	-588	20 028	49 885
Cash flow for the period	-7 155	-5 400	-14 142	5 389	16 178
Cash and cash equivalents at the beginning of the period	11 739	13 337	18 726	2 548	2 548
Cash and cash equivalents at the end of the period	4 584	7 937	4 584	7 937	18 726

Condensed income statement

PARENT COMPANY

	2022	2021	2022	2021	2021
TSEK	April-June	April-June	Jan-June	Jan-June	Jan-Dec
Operating income					
Net sales	503	635	1 003	1 118	2 119
Other operating income	0	-91	0	-68	-67
Total revenue	503	544	1 003	1 050	2 052
Operating expenses					
Other external costs	-1 432	-2 188	-2 634	-3 749	-10 025
Personnel costs	-1 146	-722	-2 150	-1 688	-3 514
Depreciation of tangible and intangible assets	-12	-16	-25	-16	-21
Total costs	-2 590	-2 926	-4 809	-5 453	-13 560
Operating profit/loss	-2 087	-2 382	-3 806	-4 403	-11 508
Net financial items	-1	-205	-1	-1 870	-25 851
Profit/loss after financial items	-2 088	-2 587	-3 807	-6 273	-37 359
Tax on profit for the period	0	0	0	0	0
PROFIT/LOSS FOR THE PERIOD	-2 088	-2 587	-3 807	-6 273	-37 359

Condensed balance sheet

iZafe Group AB

Corporate ID number: 556762-3391

Interim report April-June 2022



PARENT COMPANY

TSEK	2022 30-June	2021 30-June	2021 31-Dec
ASSETS			
Non-current assets			
Tangible fixed assets	168	62	193
Financial fixed assets	23 000	30 000	23 000
Current assets			
Current receivables	13 933	9 862	3 658
Cash and bank balances	3 488	6 188	17 529
Total assets	40 589	46 112	44 380
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	70 874	35 436	70 874
Share premium reserve	69 845	61 097	69 845
Retained earnings including profit/loss for the period	-101 239	-66 346	-97 432
Total equity	39 480	30 187	43 287
Current liabilities			
Liabilities to credit institutions	0	14 000	0
Accounts payable	462	980	371
Other current liabilities	647	945	722
Total liabilities	1 109	15 925	1 093
Total equity and liabilities	40 589	46 112	44 380

Accounting policies, risks and
supplementary information

NOTE 1. COMPANY INFORMATION

The Group's activities include the development and marketing of products that contribute to a better quality and safer healthcare at home in both the Swedish and international markets. The Group develops and sells the product Dosell, with the aim of promoting reliable and safe medication.

The Group's parent company, iZafe Group AB (Corporate ID number 556762-3391), is a public limited company with its registered office in Stockholm, Sweden. The company's Class B shares are listed on Nasdaq First North Premier. The subsidiary Dosell AB (org.nr 556898-3018), develops and produces medical devices.

In this report, iZafe Group AB (publ) is referred to either by its full name or as the Parent Company, and the iZafe Group is referred to as iZafe or the Group. All amounts are expressed in SEK thousand unless otherwise stated.

NOTE 2. PRINCIPLES FOR PREPARING THE INTERIM REPORT

The Group applies the Annual Accounts Act and International Financial Reporting Standards (IFRS) as adopted by the EU and RFR 1 Supplementary Accounting Rules for Groups in preparing its financial statements. The Parent Company applies the Annual Accounts Act and RFR 2 Accounting for Legal Entities in preparing its financial statements. This quarterly report has been prepared in accordance with IAS 34 Interim Financial Reporting. For detailed information on the Company's accounting policies, please refer to the latest published Annual Report.

Changes in significant accounting policies

A number of new standards and amendments to standards are effective for annual periods beginning on or after 1 January 2022, none of which are expected to have an impact on the Group's financial statements.

NOTE 3. RELATED-PARTY TRANSACTIONS

The company's Board of Directors has invoiced consulting services from its own companies amounting to SEK 0 thousand (325) for the quarter. Other than this, the Group has not had any related party transactions during the reporting period other than customary salaries and remunerations to the Board of Directors and senior management.

NOTE 4. FINANCIAL RISKS

iZafe's activities expose it to a number of different financial risks, including market risk, credit risk, currency risk and liquidity risk. The Group's management and Board of Directors actively work to minimize these risks. A detailed discussion of risks is included in the most recently published Annual Report.

NOTE 5. MATERIAL RISKS AND UNCERTAINTIES

The group's business consists of the sale of the patented Dosell pharmaceutical robot and related subscription fees. Dosell has relatively recently been launched on the market. It is therefore not yet possible to draw any far-reaching conclusions about market acceptance of the product or to see any trends in sales and profits. Furthermore, the company is dependent on intellectual property rights which are difficult to protect through registration.

The company's ability to meet future liquidity needs is highly dependent on sales success and profitability. There can be no assurance that the Company will be able to obtain the necessary financing if required. The Board is continually evaluating various financing options to ensure continued operations, as the Company has additional financing needs within the next 12 months that have not yet been secured. The Board of Directors and management are continuously working to create the best possible conditions for the exercise of the TO10 B warrant program, which, if fully subscribed, would provide the company with between SEK 7 087 134 and SEK 79 730 266 in the third quarter, depending on the subscription price. The absence of collateral at the time of issuing this report means that there is an element of uncertainty regarding the company's ability to continue as a going concern.

NOTE 6. iZAFE SHARES

iZafe has issued shares in two classes, A shares and B shares. The B shares have been traded on NASDAQ First North Premier since 2 January 2018. The A shares carry ten votes per share and the B shares carry one vote per share. As of 30 June 2022, the share capital amounted to SEK 70,874,308 divided into 600,000 A-shares and 70,274,308 B-shares, with a quota value of SEK 1 per share.

At the Annual General Meeting on 12 May 2022, the Meeting resolved to amend the Articles of Association so that the share capital shall amount to a minimum of SEK 14 000 000 and a maximum of SEK 56 000 000. The Meeting also resolved to reduce the Company's share capital by a maximum of SEK 56,699,446.40 by means of a transfer to unrestricted equity. The reduction shall be implemented without cancellation of shares. In July 2022, the Swedish Companies Registration Office has registered the change.

NOT 7. SHARE WARRANTS

As of 30 June, the Group has an outstanding warrant program.

TO 10 B

Each warrant of series TO10 B entitles the holder to subscribe for one (1) new share of series B in the Company for a cash payment equal to 70 per cent of the volume weighted average price of the Company's share on the Nasdaq First North Premier Growth Market during the period 12 September 2022 to 23 September 2022, but not less than SEK 0.20 and not more than SEK 2.25 per share. Subscription for shares under the warrants shall be made in accordance with the terms and conditions of the warrants during the period from 27 September 2022 to 11 October 2022 inclusive. The total number of warrants in TO 10 B is 35 435 674.

If fully utilised, the share capital will increase by SEK 7 087 134. The warrants are subject to customary conversion conditions in connection with the issue, etc. The maximum dilution effect of the warrant program amounts to approximately 50 per cent of the total number of shares and votes in the company.

In addition to the option program, there are currently no other outstanding warrants, convertibles or similar financial instruments that may entitle the holder to subscribe for new shares or otherwise affect the share capital of the Company.

REVIEW

This report has not been subject to review by iZafe Group's auditor.

CERTIFIED ADVISER

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UPCOMING FINANCIAL STATEMENTS

2022-10-28 Quarterly report Q3 2022

Financial reports are available on the company's website, www.izafe.se, on the day they are published.

DECLARATION

The Board of Directors and the Managing Director declare that the Interim Report gives a true and fair view of the Parent Company's and the Group's business, position and results and describes the principal risks and uncertainties that the Parent Company and the companies in the Group face.

Stockholm on 26 August 2022

iZafe Group AB (publ.)

Anders Segerström	CEO
Joachim Källsholm	Chairperson
Göran Hermansson	Vice president of the board
Dr. B.-O. Ahrstrom	Board member
Richard Wolff	Board member
Carolin Wiken	Board member

CONTACT

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