



Quarterly Report

Third Quarter 2024

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 in the home.

The company leads the development of digital drug dispensing through the pharmaceutical robot Dosell and the digital dosett device Pilloxa. The company's solutions reduce the risk of incorrect medication in the home, relieve the burden on public healthcare, increase the quality of life and create a safer environment for relatives.



Financial Performance in Summary

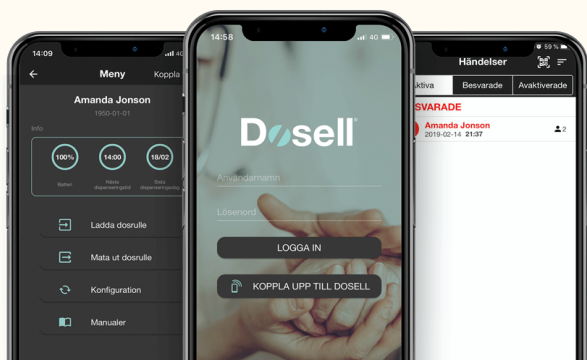
- ✔ Total revenue for the quarter amounted to 2,434 (927) TSEK, an organic growth approximately 2.5 times higher than the corresponding quarter of the previous year.
- ✔ The operating result (EBIT) for the quarter amounted to -4,148 (-5,012) TSEK.
- ✔ The operating profit before depreciation (EBITDA) for the quarter amounted to -3,166 (-3,159) TSEK.
- ✔ The result after financial items for the quarter amounted to -4,955 (-5,004) TSEK.
- ✔ The period's cash flow from operating activities amounted to -2,913 (-2,854) TSEK.
- ✔ Earnings per share for the quarter before / after dilution amounted to -0.02 (-0.02) SEK.
- ✔ Equity per share at the end of the period amounted to 0.1 (0.2) SEK.
- ✔ The solidity at the end of the period amounted to 58.0 (82.9) percent.

Significant events during the quarter

- ✔ iZafe Group AB received an order for 500 Dosell units from its partner Ti Medi. This order is part of Ti Medi's launch of a new concept, where Dosell is integrated with their dose-packaging machines to offer pharmacies a complete solution that improves patient medication adherence.
- ✔ iZafe Group AB entered into a loan agreement for 5.5 MSEK with Exelity AB, which replaces the previous TO14B series warrants that were canceled due to high costs and uncertainty. The loan will be used to increase production volumes and intensify sales and marketing efforts, supporting the company's long-term growth strategy.
- ✔ iZafe Group AB has entered a three-party collaboration with Zafe Care Systems AB and Sensorem AB. The partnership combines Dosell with Sensorem's safety alarms to enhance independence and safety in medication management, even outside the home, strengthening both freedom and quality of care in the healthcare sector.
- ✔ iZafe Group AB has entered a partnership with Randstad in Norway to streamline the implementation of Dosell in Norwegian municipalities. Through Randstad's presence and expertise in staffing, sustainable implementation and improved medication management are ensured, potentially leading to cost savings in healthcare.

Significant events after the end of the quarter

- ✔ iZafe Group AB launched Dosell in Spain in collaboration with Ti Medi. At an event in Granada, Dosell was presented to Ti Medi's network of 1,400 pharmacies. This launch marks an important milestone and signifies that Dosell is now commercially available in Spain, with the first units to be in use shortly. The collaboration aims to improve medication management and adherence among patients.



Comments from CEO



It is with great pleasure that I can state that we are in a very exciting and expansive phase. Our growth journey has truly gained momentum, and we are seeing clear results from our efforts to revolutionize healthcare through innovation and digitalization. The number of active units has increased by 29% compared to the previous quarter, and we have now delivered approximately 2,000 Dosell units to our partners. Our mission to digitalize healthcare and ensure the right medicine at the right time is starting to take shape in earnest.

Spain – A New Market with Great Potential

Earlier this year, we received an order for 500 Dosell units from our partner Ti Medi, and I am proud to announce that Ti Medi has now launched our innovative solution in the Spanish market. Together with Ti Medi and their 1,400 pharmacies, we are offering a unique solution that combines their dose-packaging machines with our medication robot, Dosell. This is a groundbreaking offering that will change how pharmacists monitor patient medication adherence, leading to better healthcare. This launch is our first major venture outside Sweden targeting the consumer market, and next year, we look forward to extending this offering to the healthcare sector as well.

New Phase – Clearer Forecasts and Increased Insight into Growth Potential

We are now entering a new and very important phase for iZafe Group. For the first time, we can forecast our growth based on actual key metrics, showing how the number of active Dosell units increases each month. This means that, starting from the next quarterly report, we will be able to present clear and credible forecasts that give you, our existing shareholders, and potential new investors, an even better understanding of the company's future potential. This is an important milestone for us and something that will further strengthen our position moving forward.

More Markets and Continued Growth

Our expansion is not limited to Spain. We have seen strong demand from both Swedish municipalities and our international markets. The Netherlands and Sweden have continued to deliver steady growth, and we expect Norway and Finland to follow suit during the final quarter. Our business model is based on

active units with recurring revenue, and we are working diligently to ensure that we can meet increasing demand and create steady growth month by month.

At the same time, our total revenue has tripled compared to the first three quarters of last year, further confirming the positive development.

Strategic Partnerships and Innovation

We have also taken an important step forward with our strategic three-party collaboration with Zafe Care Systems and Sensorem. Together, we offer a holistic solution for increased independence and security in medical care. Through the integration of Sensorem's safety alarms with Dosell, we can ensure that users are reminded to take their medicine even when they are far from home, creating a safer daily life for those who rely on continuous medication. This is a strong symbol of our vision to create solutions that not only streamline healthcare but also give users greater freedom and security in their everyday lives.

Opportunities for the Future

We now look forward to further strengthening our presence, with more Dosell units being implemented in municipalities and healthcare institutions across Europe. Particularly exciting is our expansion in Norway, where we have entered into a partnership with Randstad to ensure an efficient and successful implementation of our solutions. We are confident that this partnership will help us ensure high quality in the transformation process and that our solutions reach as many users as possible.

Thanks to increased sales, strong partnerships, and innovative solutions, we are now facing a bright future with continued growth and opportunities. I would like to extend my heartfelt thanks to all our employees, partners, and shareholders for your commitment and support – together, we are making a real difference.

Thank you for being part of our journey.

Stockholm in November 2024

Anders Segerström

Chief Executive Officer, iZafe Group

Company overview

Addressing an Aging Population

An rapidly aging population and a significant increase in chronic health conditions are increasing the risk of medication errors. A growing number of people are being prescribed medications, and up to 70 percent of those over 60 years old take three or more medications, just in Europe alone. Demographically, there are clear changes occurring where the population over 65 years old is projected to increase from around 21 percent of the total population in 2022 to over 24 percent by 2030. This is happening alongside the growing challenge of ensuring an adequate quantity and quality of workforce in home healthcare. Studies indicate that it will be necessary to introduce digital aids to manage the changing conditions that healthcare is facing.

Improving Health Through Correct Medication

Within the EU, poor medication adherence results in 200,000 deaths annually, costing society 125 billion Euros. iZafe Group develops and commercializes digital products and services that ensure people take the right medication at the right time. iZafe Group's patented product, Dosell, is a digital medication dispensing robot specially designed to ensure medication adherence. With Dosell, conditions are created for more individuals to lead healthier and more independent lives. iZafe Group also markets and sells the connected pillbox, Pilloxa, along with its accompanying mobile application, which serves the same purpose as Dosell by ensuring medication adherence. Pilloxa currently targets a different demographic primarily comprised of pharmaceutical companies.

A Growing Market

Digital platforms enable people to receive care where and when it's needed, reducing the risks of medication errors and enabling more personalized care. By the end of 2022, globally, 4.4 million connected devices were being used to ensure medication adherence. This market is expected to grow at an annual growth rate of 13.2 percent over the coming years, reaching 8.2 million units by 2027. According to a recent report from 2023 conducted by Berg Insight, the market for connected medication management solutions offers growth opportunities for companies in the industry. The industry is expected to grow from a value of USD 4.6 billion to USD 8.4 billion by 2027. By deploying the right welfare technology, patients can live more independently in their own homes, while healthcare resources can be allocated more favorably. A medication robot can thus ensure that the user receives the right medication at the right time, allowing caregivers or home service visits to focus on tasks other than medication management.

Digitalization Ensures Efficient and Patient-Safe Care

iZafe's product Dosell enables welfare and healthcare resources to be used more efficiently by automating processes that would otherwise consume time; time that could be better spent on other forms of care than medication management. Dosell is designed to be used by the patient at home, in healthcare settings, or in elderly care. Dosell dispenses medication pouches to the patient at specified times indicated on the pouch. At the same time, a caregiver, relative, or friend can be connected to the Dosell unit via a mobile app or alarm platform to monitor adherence and whether the patient has taken their medication at the specified time. If, for example, a medication has not been taken, an alert is sent to the caregiver or a relative. This results in increased patient safety and greater independence for the patient. In Sweden, over 280,000 people currently use medication pouches according

to the eHealth Authority, and this number is expected to grow as the population ages. The smart pillbox developed by Pilloxa also ensures adherence and provides data for patients who do not receive their medications in pouches but still need a tool to ensure the right medication at the right time. Together with Dosell, Pillbox, and mobile applications, iZafe can ensure adherence throughout the patient journey.

Business model

iZafe Group's products and services are sold through selected corporate partners with local market knowledge. iZafe Group receives recurring revenue in the form of license fees from sales to public and private welfare and healthcare partners, as well as subscription fees from sales to consumers. In addition to recurring revenue, a hardware cost is charged for each Dosell and Pillbox. B2B sales target partners who develop and sell digital welfare and healthcare platforms. This means that iZafe Group does not need to build a large sales organization but can leverage the expertise of its respective partners. B2C sales currently take place on Dosell's own website for the Swedish consumer market. In markets outside of Sweden, B2C sales are to be conducted through partners offering integrated welfare and healthcare solutions directly to consumers.

Increasing Partnership Distribution and Rising B2C Interest

iZafe Group currently has partners committed in eight countries in Europe. The growing interest in the Dosell medication robot is evident, and several additional entities are interested in the opportunity to sell Dosell. The focus will continue to be on ensuring quality-assured implementation, training, support, and delivery in line with increased volumes. The company sees an increased interest in being able to ensure medication adherence independently and safely.

Dosell consolidates its position in the European market.

One of iZafe Group's central focus areas has been to ensure that Dosell meets the needs of both partners and patients. The primary focus for the upcoming period will be to ensure high-quality delivery and implementation in line with the commitments of our partners as previously communicated. Furthermore, iZafe will continue to work on identifying growth opportunities through acquisitions, new partnerships, and further development and commercialization of products and services with partners to facilitate more patients in getting the right medication at the right time.



Key figures

THE GROUP

	2024	2023	2024	2023	2023
TSEK	Jul-Sept	Jul-Sept	Jan-Sept	Jan-Sept	Jan-Dec
Net sales	2 434	927	6 805	2 343	3 395
Operating result (EBIT)	-4 148	-5 012	-13 728	-15 160	-35 635
Operating result before depreciation and amortization (EBITDA)	-3 166	-3 159	-10 781	-9 263	-12 649
Profit after financial items (EBT)	-4 955	-5 004	-14 601	-15 327	-35 716
Earnings per share before/after dilution, SEK	-0,02	-0,02	-0,06	-0,07	-0,06
Equity per share, SEK	0,1	0,2	0,1	0,2	0,1
Equity ratio, %	58,0%	82,9%	58,0%	82,9%	73,2%
Share price at the end of the period, SEK	0,21	0,28	0,21	0,28	0,29
Number of shares at the end of the period	275 586 171	250 586 171	275 586 171	250 586 171	250 586 171
Average number of outstanding shares	275 586 171	250 586 171	262 908 515	225 409 560	231 755 446
Average number of employees	8	7	8	7	7
Number of employees at the end of the period	7	6	7	6	7

Definitions

Operating profit (EBIT)

Profit before financial items.

Earnings per share before dilution

Earnings per share before dilution is calculated by dividing profit attributable to the parent company's shareholders by the weighted average number of outstanding common shares during the period.

Equity per share

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

Financial overview

THE GROUP

TURNOVER AND RESULTS, JULI-SEPTEMBER 2024

Net sales for the quarter amounted to 2,031 TSEK (512), representing an organic growth of approximately four times compared to the same period last year. Revenue for the quarter consists of income from sales of the digital medication robot Dosell, which contributes through both hardware sales and recurring subscription fees, as well as revenue from sales of the medical device Pilloxa. The increase in revenue is a result of higher license income in existing markets and the launch in the Spanish market.

Other operating income for the quarter amounted to 403 TSEK (415) and relates to the subletting of part of the company's premises.

Cost of goods sold for the quarter was -2,063 TSEK (-781) and relates entirely to costs associated with sold and delivered Dosell units and the medical device Pilloxa. The increase is mainly due to higher production volumes as a result of intensified delivery efforts of Dosell to new customers, which is part of the company's expansion in existing and new markets.

Other external costs for the quarter were -1,589 TSEK (-2,033) and include ongoing costs for commercialization as well as continuous modifications to Dosell. The company is actively working to optimize cost structures and streamline procurement to reduce total expenses.

Personnel costs for the quarter amounted to -1,961 TSEK (-1,266). The number of employees at the end of the period was 7 compared to 6 for the same period last year.

Depreciation of intangible assets amounted to -714 TSEK (-1,586), attributable to capitalized development costs for Dosell. Depreciation in the previous year also included goodwill from the acquisition of Pilloxa, which was subject to a one-time impairment charge of 15,234 TSEK in the fourth quarter of 2023, with no cash flow effect. Depreciation of tangible assets amounted to -268 TSEK (-267), related to right-of-use assets and equipment.

Net financial items for the quarter amounted to -807 TSEK (8), mainly due to interest and arrangement fees for the loan taken up during the period. This item also includes interest related to lease liabilities and deferrals from the Swedish Tax Agency.

Income tax for the period amounted to 0 TSEK (180), relating in the comparative year to the reversal of deferred tax attributable to goodwill arising from the acquisition of Pilloxa.

The result for the period was -4,955 TSEK (-4,824). Earnings per share amounted to -0.02 SEK (-0.02).

TURNOVER AND RESULTS, JANUARY-SEPTEMBER 2024

Net sales for the period amounted to 5,609 TSEK (1,143), representing an organic growth of approximately five times compared to the same period last year. Revenue for the period includes income from sales of the digital medication robot Dosell, which generates revenue both through hardware sales and recurring subscription fees, as well as income from sales of the medical device Pilloxa. A significant part of the growth is linked to increased license income in existing markets and the launch in the Dutch and Spanish markets.

Other operating income for the period amounted to 1,196 TSEK (1,200) and relates to the subletting of part of the company's premises.

Cost of goods sold for the period was -5,912 TSEK (-1,058) and refers to costs associated with sold and delivered Dosell units and the medical device Pilloxa. The gross profit is mainly affected by a significant increase in deliveries of Dosell units to new markets, which has led to higher costs for goods sold.

Other external costs for the period amounted to -5,231 TSEK (-5,578), including ongoing expenses for commercialization and continuous modifications of Dosell. The company continues to review the cost structure and improve procurement processes to reduce total expenses.

Personnel costs for the period were -6,335 TSEK (-4,959). The increase can partly be explained by a one-time bonus for employees, as approved at the general meeting in Q1, allowing their participation in the company's option incentive program. At the end of the period, the number of employees was 7, compared to 6 for the same period last year.

Depreciation of intangible assets for the period amounted to -2,143 TSEK (-5,061), mainly related to capitalized development expenses for Dosell. Depreciation in the previous year included goodwill from the acquisition of Pilloxa, which was subject to a one-time impairment charge of 15,234 TSEK in the fourth quarter of 2023, with no cash flow effect. Depreciation of tangible assets amounted to -804 TSEK (-836), referring to right-of-use assets and equipment.

Net financial items for the period amounted to -873 TSEK (-167), mainly due to interest and arrangement fees associated with the loan taken during the quarter. This item also includes interest on lease liabilities and deferred payments to the Swedish Tax Agency.

Income tax for the period was 0 TSEK (540). For the comparative period, the tax related to the reversal of deferred tax associated with goodwill arising from the acquisition of Pilloxa.

The result for the period was -14,601 TSEK (-14,787). Earnings per share were -0.06 SEK (-0.07).



FINANCIAL POSITION, CASH FLOW AND LIQUIDITY

Cash flow from operating activities for the quarter was -2,913 TSEK (-2,854), driven by the adaptation of Dosell for new markets and product commercialization, with limited revenue. For January-September, cash flow was -11,177 TSEK (-9,310), in line with the quarterly trend.

Cash flow from investing activities during the quarter amounted to -180 TSEK (-87), mainly attributable to intangible investments to modernize Dosell. This development work aims to make the product compatible with newer technology and prepare it for broader market adaptation. Total cash flow from investing activities for January-September amounted to -748 TSEK (-897), following the pattern of the quarter.

Cash flow from financing activities for the quarter amounted to 5,114 TSEK (-251), which includes repayment of lease liabilities and deferred payments to the Swedish Tax Agency. The quarter was also positively impacted by an external loan of 5.5 MSEK. For the period January-September, cash flow from financing activities amounted to 9,329 TSEK (17,346), including receipts from the loan, a new share issue, and option subscription. Cash flow for the comparative period was primarily affected by proceeds from a rights issue.

Cash and cash equivalents at the end of the period amounted to 3,238 TSEK, compared to 5,834 TSEK as of December 31, 2023. The decrease is mainly due to investments in production and adaptations to support expansion into new markets and attract more customers. These strategic efforts are expected to strengthen the company's future revenue streams and position in multiple European markets.

The balance sheet total at the end of the quarter amounted to 26,973 TSEK (51,534), representing a decrease primarily due to impairments of goodwill and excess values arising from the acquisition of Pilloxa, which were written down in the fourth quarter of 2023.

INVESTMENTS AND DEVELOPMENT EXPENDITURE

Investments during the quarter amounted to 748 TSEK (87), primarily related to capitalized development costs. The company has invested in platforms to enable increased sales in additional markets. At the same time, development of Dosell has continued, focusing on strengthening the product's capabilities and market adaptation. Investments for Dosell 3.0 are primarily being capitalized.

CONTINUING OPERATIONS

The company's ability to meet future liquidity needs is largely dependent on its sales performance and profitability. With the current liquid assets, implemented cost savings, and revenues from future agreements, the company's liquidity for the next 12 months is secured. The Board therefore assesses that, at the time of this report, there is no uncertainty regarding the company's continued operations. However, it should be noted that there are no guarantees that the company will be able to secure additional necessary liquidity if required.

PARENT COMPANY

In the parent company, group-wide functions are conducted, and the CEO as well as parts of the management team are employed in this company. The parent company has invoiced the subsidiary companies for management fees, which are eliminated at the group level.



Condensed income statement

GROUP

TSEK	2024	2023	2024	2023	2023
	Juli-Sept	Juli-Sept	Jan-Sept	Jan-Sept	Jan-Dec
Operating income					
Net sales	2 031	512	5 609	1 143	1 822
Other operating income	403	415	1 196	1 200	1 573
Total revenue	2 434	927	6 805	2 343	3 395
Operating costs					
Goods for resale	-2 063	-781	-5 912	-1 058	-1 529
Other external expenses	-1 589	-2 033	-5 231	-5 578	-7 574
Personell costs	-1 961	-1 266	-6 335	-4 959	-6 925
Depreciation of tangible and intangible assets	-982	-1 853	-2 947	-5 897	-22 986
Other operating expenses	13	-6	-108	-11	-16
Other costs	-6 582	-5 939	-20 533	-17 503	-39 030
Operating profit/loss	-4 148	-5 012	-13 728	-15 160	-35 635
Net financial items	-807	8	-873	-167	-81
Profit/loss after financial items	-4 955	-5 004	-14 601	-15 327	-35 716
Tax on profit for the period	0	180	0	540	3 541
PROFIT/LOSS FOR THE PERIOD	-4 955	-4 824	-14 601	-14 787	-32 175
Basic earnings per share (SEK)	-0,02	-0,02	-0,06	-0,07	-0,06

Condensed statement of financial position

GROUP

TSEK	2024 30 Sept	2023 30 Sept	2023 31 Dec
ASSETS			
Non-current assets			
Balanced development expenditure	16 839	18 361	18 216
Goodwill	0	1 542	0
Other intangible assets	32	14 625	51
Tangible fixed assets	64	131	114
Right-of-use assets	1 257	2 661	2 410
Current assets			
Inventories	4 040	4 329	4 052
Accounts receivable	510	516	3 223
Current receivable	993	529	714
Cash and cash equivalents	3 238	8 840	5 834
Total assets	26 973	51 534	34 614
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	55 117	50 117	50 117
Other capital contributions	130 867	130 983	130 983
Retained earnings including profit/loss for the period	-170 348	-138 359	-155 747
Total shareholders' equity	15 636	42 741	25 353
Non-current liabilities			
Deferred tax liability	0	3 001	0
Interest-bearing liabilities	308	372	372
Lease liabilities	269	1 752	1 487
Current liabilities			
Interest-bearing liabilities	5 563	307	279
Lease liabilities	1 080	1 026	1 037
Accounts payable	2 012	950	1 224
Other current liabilities	2 105	1 385	4 862
Total liabilities	11 337	5 792	9 261
Total equity and liabilities	26 973	51 534	34 614

Condensed statement of changes in equity

GROUP

TSEK	2024	2023	2024	2023	2023
	Juli-Sept	Juli-Sept	Jan-Sept	Jan-Sept	Jan-Dec
Equity, opening balane	20 591	47 565	25 353	38 961	38 961
Total result					
The result of the period	-4 955	-4 824	-14 601	-14 787	-32 175
Transactions with owners					
New share issue	0	0	5 000	0	0
Issue with warrent rights	0	0	0	19 361	19 361
Share issue expenses	0	0	-204	-794	-794
Warrent rights, paid premium	0	0	88	0	0
Equity, closing balance	15 636	42 741	15 636	42 741	25 353

Condensed statement of cash flows

GROUP

TSEK	2024	2023	2024	2023	2023
	Juli-Sept	Juli-Sept	Jan-Sept	Jan-Sept	Jan-Dec
Operating profit/loss	-4 148	-5 012	-13 728	-15 160	-35 635
Adjustments for non-cash items	982	1 853	2 947	5 897	22 986
Interest received, etc.	0	0	0	0	159
Interest paid, etc.	-709	8	-775	-167	-240
Tax paid	0	0	0	0	0
Cash flow from operating activities before change in working capital	-3 875	-3 151	-11 556	-9 430	-12 730
Cash flow from changes in working capital	962	297	379	120	1 474
Cash flow from operating activities	-2 913	-2 854	-11 177	-9 310	-11 256
Cash flow from investment activities	-180	-87	-748	-897	-1 457
Cash flow from financing activities	5 114	-251	9 329	17 346	16 846
Cash flow for the period	2 021	-3 192	-2 596	7 139	4 133
Cash and cash equivalents at the beginning of the period	1 217	12 032	5 834	1 701	1 701
Cash and cash equivalents at close of period	3 238	8 840	3 238	8 840	5 834

Distribution of revenues

TSEK	2024	2023	2024	2023	2023
	Juli-Sept	Juli-Sept	Jan-Sept	Jan-Sept	Jan-Dec
Dosell	1 965	24	5 349	427	1 244
Pilloxa	66	488	260	716	578
Total	2 031	512	5 609	1 143	1 822

Reporting by business segment

TSEK	2024	2023	2024	2023	2023
	Juli-Sept	Juli-Sept	Jan-Sept	Jan-Sept	Jan-Dec
External revenue					
Dosell	1 965	24	5 349	427	1 244
Pilloxa	66	488	260	716	578
	2 031	512	5 609	1 143	1 822
Direct costs					
Dosell	-2 063	-781	-5 912	-1 050	-1 521
Pilloxa	0	0	0	-8	-8
	-2 063	-781	-5 912	-1 058	-1 529
Contribution margin					
Dosell	-98	-757	-563	-623	-277
Pilloxa	66	488	260	708	570
	-32	-269	-303	85	293
Other items					
Other operating income	403	415	1 196	1 200	1 573
Other external costs	-1 576	-2 039	-5 339	-5 589	-7 590
Personnel costs	-1 961	-1 266	-6 335	-4 959	-6 925
	-3 134	-2 890	-10 478	-9 348	-12 942
Operating profit before depreciation	-3 166	-3 159	-10 781	-9 263	-12 649

Condensed income statement

PARENT COMPANY

TSEK	2024	2023	2024	2023	2023
	Juli-Sept	Juli-Sept	Jan-Sept	Jan-Sept	Jan-Dec
Operating income					
Net sales	450	450	1 357	1 350	1 800
Other operating income	396	399	1 189	1 179	1 571
Total revenue	846	849	2 546	2 529	3 371
Operating costs					
Other external expenses	-1 082	-1 367	-3 300	-4 020	-5 310
Personnel costs	-747	-553	-2 301	-2 296	-3 019
Depreciation and amortization of property, plant and equipment, and intangible assets	-13	-13	-38	-38	-51
Total costs	-1 842	-1 933	-5 639	-6 354	-8 380
Operating profit/loss	-996	-1 084	-3 093	-3 825	-5 009
Net financial items	-1 074	47	-1 625	-44	-13 545
Profit/loss after financial items	-2 070	-1 037	-4 718	-3 869	-18 554
Tax on profit for the period	0	0	0	0	0
PROFIT/LOSS FOR THE PERIOD	-2 070	-1 037	-4 718	-3 869	-18 554

Condensed balance sheet

PARENT COMPANY

TSEK	2024 30 Sept	2023 30 Sept	2023 31 Dec
ASSETS			
Non-current assets			
Property, plant and equipment	54	105	92
Non-current financial assets	32 000	35 112	32 000
Current assets			
Current receivables	9 995	10 112	2 207
Cash and bank balances	2 710	8 314	5 311
Total assets	44 759	53 643	39 610
SHAREHOLDERS' EQUITY AND LIABILITIES			
Restricted equity			
Share capital	55 117	50 117	50 117
Unrestricted equity			
Share premium reserve	130 425	130 628	130 628
Retained earnings including profit/loss for the period	-147 844	-128 528	-143 213
Total shareholders' equity	37 698	52 217	37 532
Current liabilities			
Liabilities to credit institutions	5 500	0	0
Accounts payable	331	376	580
Other current liabilities	1 230	1 050	1 498
Total liabilities	7 061	1 426	2 078
Total equity and liabilities	44 759	53 643	39 610

Accounting principles, risks, and other information.

NOTE 1. COMPANY INFORMATION

The group's operations include the development and marketing of products that contribute to a more qualitative and secure healthcare at home, both in the Swedish and international markets. The group develops and sells the product Dosell, with the aim of promoting reliable and safe medication management, and engages in the development and sales of the medical device, the connected pillbox Pilloxa, to improve medication adherence.

The parent company of the group, iZafe Group AB (org. no. 556762-3391), is a public limited company headquartered in Stockholm, Sweden. The company's B-shares are listed on the Nasdaq First North Growth Market. iZafe Group AB has two wholly-owned subsidiaries, the subsidiary Dosell AB (org. no. 556898-3018) and the subsidiary Pilloxa AB (org. no. 559019-3354).

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 TSEK unless otherwise stated.

NOTE 2. PRINCIPLES FOR PREPARING THE INTERIM REPORT

The Group applies the Swedish Annual Accounts Act and the International Financial Reporting Standards (IFRS) as adopted by the EU, as well as RFR 1 Supplementary Accounting Rules for Groups when preparing financial reports. The parent company applies the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities when preparing financial reports. 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 to significant accounting policies

Several new standards and changes to standards will come into effect for financial years beginning on 1 January 2024. None of these are expected to have an impact on the Group's financial reports.

NOTE 3. TRANSACTIONS WITH RELATED PARTIES

The company's board has invoiced consulting services from related companies amounting to 0 TSEK (0) for the quarter. In addition to this, the group has not conducted any transactions with related parties during the reporting period other than customary salaries and compensations to the corporate management.

NOTE 4. FINANCIAL RISKS

Through its operations, iZafe is exposed to several financial risks, such as market risk, credit risk, currency risk, and liquidity risk. The group's management and board actively work to minimize these risks. A detailed account of these risks is provided in the latest published annual report.



NOTE 5. SIGNIFICANT RISKS AND UNCERTAINTIES

The group's operations consist of selling the patented medication robot Dosell along with associated subscription fees. Dosell has recently been launched on the market. Therefore, it is not yet possible to draw far-reaching conclusions about the market's acceptance of the product or observe any trends in sales and profitability. Furthermore, the company relies on intellectual property rights that are difficult to protect through registration. The developed technical platform for Pilloxa follows the same risk pattern as Dosell, given that the company is relatively young.

The company's ability to cover future liquidity needs largely depends on its sales results and profitability. With current liquid assets, cost savings, and revenues from future contracts, the company's liquidity for the next 12 months is secured. Therefore, the board assesses that, at the time of this report, there is no uncertainty regarding the company's ongoing operations. However, it should be noted that there are no guarantees that the company can secure additional necessary liquidity if needed.

NOTE 6. SEGMENTS

The Group operates in two segments: Dosell and Pilloxa.

NOTE 7. IZAFE SHARES

iZafe has issued two classes of shares, A-shares and B-shares. The B-share is traded on the Nasdaq First North Growth Market.

Each A-share carries ten votes per share, while each B-share carries one vote per share. As of September 30, 2024, the share capital amounted to 55,117,234 SEK, divided into 600,000 A-shares and 274,986,171 B-shares, with a nominal value of 0.2 SEK per share.

NOTE 8. OPTIONS AND CONVERTIBLE LOAN

The group has three outstanding stock option programs.

TO11 - Incentive program for certain employees

Each TO11 option entitles the holder to subscribe for one (1) new Series B share in the Company against cash payment equivalent to 200 percent of the volume-weighted average price according to Nasdaq's official stock exchange list for shares during the 10 trading days immediately preceding the extraordinary general meeting. The subscription price is therefore SEK 0.88. Subscription for the shares under the option terms shall be made during the period from November 1, 2025 to November 30, 2025. The total number of options in TO11 is 1,700,000.

Upon full exercise, the share capital will increase by SEK 340,000. The options are subject to customary adjustment conditions in connection with issuances, etc.

TO12 - Incentive Program for Board Members

Each option of series TO12 entitles the holder to subscribe for one (1) new B-share in the Company against cash payment corresponding to 200 percent of the volume-weighted average price according to Nasdaq's official price list for the shares during the 10 trading days immediately preceding the extraordinary general meeting. The subscription price is thus 0.88 SEK. The subscription of shares under the option program is to be made in accordance with the terms of the options during the period from November 1, 2025, to November 30, 2025. The total number of options in TO12 is 2,900,000.

Upon full exercise, the share capital will increase by 580,000 SEK. The options are subject to customary adjustment conditions in connection with share issues, etc.

LTIP 2023 - Incentive Program for CEO, Executives, and Other Employees

LTIP 2023 comprises three series of options for the Company's CEO, executives, and other employees. Participants are offered to acquire an equal number of options of each series. LTIP 2023 comprises a total of approximately 7,900,000 options, which together entitle the holder to subscribe for a maximum of approximately 13,180,000 B-shares.

Each series of options entitles the holder to subscribe for B-shares in the Company at the par value of the B-share of 0.20 SEK per B-share, subject to a certain share price for the Company's B-share on Nasdaq First North Growth Market (or another trading venue in the event of a listing change) has been achieved as the average closing price for the ten trading days preceding the first day of exercise of the options. Upon full exercise, the share capital will increase by approximately 2,636,000 SEK. The options are subject to customary adjustment conditions in connection with share issues, etc. The number of B-shares that each series entitles to subscribe for, the subscription period, and the Share Price Target for each series are specified below.

Series	Total number of options per series	B shares per option upon exercise	Share price target	Exercise price per B share at the achievement of the Share Price Target	Exercise period
A	2,635,959	2	250%	Par value (0.20 kr)	1-31 December 2025
B	2,635,959	2	375%	Par value (0.20 kr)	1-31 December 2025
C	2,635,959	1	500%	Par value (0.20 kr)	1-31 December 2025

Convertible Loan

iZafe Group AB entered into a loan agreement of 5.5 MSEK with Exelity AB during the quarter. The loan is due for repayment on June 30, 2025. The lender has the right to convert the loan into shares in the company at any time during the term at a subscription price of 0.24 SEK per share

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

The maximum dilution effect of the option programs amounts to approximately 6% of the total number of shares and votes in the company.

AUDIT REVIEW

This report has not been subject to review by the auditor of iZafe Group.

CERTIFIED ADVISER

Mangold Fondkommission.

UPCOMING FINANCIAL REPORTS

2025-02-14	2024 Year-End report
2025-04-25	2025 Interim report Q1
2025-04-30	2024 Annual report
2025-08-30	2025 Interim report Q2

Financial reports are available on the company's website, www.izafegroup.com, the same day as they are published.

DECLARATION

The Board of Directors and the CEO confirm that the interim report provides a true and fair overview of the parent company's and the Group's operations, position, and results, as well as describes the significant risks and uncertainties facing the parent company and the companies included in the Group.

Stockholm, November 1, 2024.

iZafe Group AB (publ.)

Anders Segerström	CEO
Richard Wolff	Chairman of the Board
Göran Hermansson	Vice Chairman of the Board
Magnus Engman	Board Member
Jenny Styren	Board Member

CONTACT



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