



Q3 Interim Report

Third Quarter 2023

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

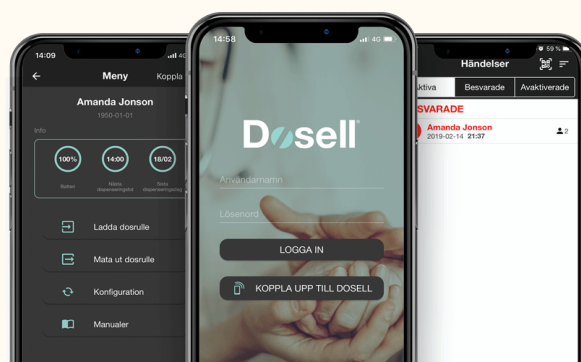
- ✓ The net sales for the quarter amounted to 512 (75) TSEK, representing a growth of 583% compared to the corresponding quarter of the previous year. The increase in revenue can be attributed partly to organic growth and partly to growth through acquisitions, as Pilloxa was acquired in December 2022. Excluding revenue from the acquired company, the growth amounted to 317%. The quarterly revenue consists of income related to the sales of the digital pharmaceutical robot Dosell and sales of the medical technology aid Pilloxa. Pilloxa AB was acquired on November 28, 2022, and is therefore not included in the quarterly revenue for the previous year.
- ✓ The operating result for the quarter amounted to -5,012 (-5,680) thousand SEK.
- ✓ The result after financial items for the quarter amounted to -5,004 (-5,751) thousand SEK.
- ✓ The cash flow for the period amounted to -3,192 (-4,513) thousand SEK.
- ✓ Earnings per share for the quarter before / after dilution amounted to SEK 0.02 (-0.08).
- ✓ Equity per share amounted to SEK 0.2 (0.3) at the end of the period.
- ✓ The equity ratio at the end of the period amounted to 82.9 (75.2) percent.

Significant events during the quarter

- ✓ iZafe successfully completed the implementation of Dosell in Spain. A series of customizations and tests have been carried out to ensure a successful pilot that has commenced.
- ✓ During the quarter, iZafe introduced its new visual identity and expression that better aligns with where the company stands today and where it is headed. Alongside this, the new website was also launched, available in both Swedish and English.
- ✓ iZafe completed all the necessary technical integrations and adjustments to launch Dosell in the Dutch market. As a result, the first delivery was made as part of the 1,000 units communicated to be delivered to the Dutch partner IVE Ventures during 2023.

Significant events after the end of the quarter

- ✓ iZafe, together with Atea Sverige AB, was awarded a contract by the Västra Götaland Region for the provision of Dosell. The contract encompasses between 1,800 and 2,250 units with an estimated value of 42–52 million SEK. The agreement spans a period of two years with the option for an additional two-year extension.



Comments from CEO



We look back on a quarter where our business plan and strategy have yielded results in both growth and successful major procurement, marking a significant milestone. An increase in net revenue by a staggering 583 percent compared to the same quarter the previous year, even considering a lower revenue base, is a clear indication of the positive trend we have established. This is the outcome of our dedication to refining our business model while maintaining a cost-effective structure.

Despite increased revenue, we have preserved our modest size, underscoring our determination to optimize every investment and talent within our team. This has been and will continue to be a central component of our ambition to avoid additional external capital and to maintain a cash flow that is both stable and proportionate to our growing income.

On the international stage, we have achieved significant progress, especially in Holland, where the implementation of the first 100 units of our product has been met with enthusiastic reception. It is a strong testament to the quality of our product and the customer journey our partner has crafted. This success is crucial as it forms the cornerstone of our ability to deliver at scale.

In Sweden, we have taken a significant step forward by winning a comprehensive procurement with the Västra Götaland Region, covering 47 municipalities. We are preparing to sign the contract in the coming days, a step that confirms our company's growing influence and trust within the sector.

It is particularly heartening to see increasing interest from municipalities seeking effective and user-friendly alternatives to the more complicated and costly solutions they have used in the past. Our offering, Dosell, is at the forefront of this demand, and we are enthusiastic about more and more people recognizing its value.

With a plan for larger deliveries in both the Swedish and Dutch markets and expectations of other regions increasing

their demand in the coming year, we stand on the threshold of a period of expansion. These prospects reinforce our focus on providing our partners and customers with unparalleled service and support.

Regarding Pilloxa, successfully integrated into our group over the past year, I am pleased to report significant progress. Our ongoing collaboration with the German pharmaceutical company Chiesi has paid off, with their team expressing deep satisfaction with our solution. Their positive view of our technology and its potential to change the lives of patients with rare diseases is a powerful affirmation of our work. Together, we strive to expand Pilloxa's applications, aiming to broaden our impact across a wider spectrum of diseases and geographic markets.

Interest in both our service and the innovative pillbox is overwhelming, and we have received numerous inquiries that we are eager to address. We are carefully planning the next steps, with continuous improvements and adjustments to refine our service before launching it on a full scale. This work aligns with our overarching vision to contribute to a healthier future with the right medication at the right time, every time. It is with great satisfaction that I see Pilloxa's offering not only complement but also reinforce our core vision of improving patients' health and quality of life.

We close the year 2023 with strong and growing demand for our product, as well as a firm belief that our strategic direction and operational excellence will continue to bear fruit. I want to express my deepest gratitude to our board and employees for their tireless work and to our shareholders for their unwavering trust and support.

Thank you for being part of this exciting journey.

A handwritten signature in black ink, appearing to be 'AS', written in a cursive style.

Stockholm in November 2023

Anders Segerström

Chief Executive Officer, iZafe Group

Company overview

Addressing an Aging Population

A rapidly aging population and an increase in chronic health conditions are elevating the risk of medication errors. A growing number of people are prescribed medications, and up to 70% of individuals over 60 years old take three or more medicines in Europe alone. Demographically, there are clear changes on the horizon, with the population over 65 years old expected to rise from approximately 21% of the total population in 2022 to over 24% by 2030. This is happening in conjunction with the increasing challenge of securing an adequate and high-quality healthcare workforce for home care. Studies indicate that it will be necessary to introduce digital aids to adapt to the evolving healthcare landscape.

Improving Health Through Correct Medication

In the European Union, poor medication adherence results in 200,000 deaths each year, costing society 125 billion euros. iZafe Group develops and commercializes digital products and services to ensure people take the right medication at the right time. iZafe Group's patented product, Dosell, is a digital medication dispensing robot designed to ensure medication adherence. With Dosell, there are improved chances for more people to lead healthier and more independent lives. iZafe Group also markets and sells the connected pillbox, Pilloxa, with a mobile application aimed at a different audience, primarily pharmaceutical companies.

A Growing Market

Digital platforms allow people to receive care where and when it is needed, reducing the risk of medication errors and enabling more personalized care. By the end of 2022, globally, 4.4 million connected devices were used to ensure medication adherence. This market is expected to grow at an annual rate of 13.2% over the coming years, reaching 8.2 million devices by 2027. A recent 2023 report by Berg Insight suggests that the market for connected medication management solutions offers growth opportunities for companies in the industry. The industry is expected to transition from a value of USD 4.6 billion to USD 8.4 billion by 2027. By implementing the right aids, patients can lead more independent lives in their homes, while healthcare resources can be allocated more efficiently. With a medication robot ensuring that users receive the right medicine at the right time, caregiver or home care visits can focus on activities other than medication management.

Digitalization Ensures Efficient and Patient-Safe Care

iZafe's product, Dosell, allows limited welfare and healthcare resources to be used more efficiently by automating processes that would otherwise consume time. This time can be better spent on other forms of care than medication management. Dosell is designed for use by the patient at home, in healthcare settings, or in elderly care. Dosell dispenses medication pouches to the patient at specified times marked on the pouch. At the same time, a healthcare provider, a relative, or a friend can connect to the Dosell device via a mobile app to monitor adherence and whether the patient has taken their medication at the specified time. If the medication is not taken, an alert is sent to the healthcare provider or relatives. This results in increased patient safety and greater independence. Currently, over 200,000 people in Sweden use medication pouches, 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 medication in pouches but still need assistance in taking the right

medication at the right time. Together with Dosell, Pillbox and mobile applications, iZafe can ensure medication adherence throughout the entire patient journey.

Business model

iZafe Group develops and sells the automated medication robot Dosell and the connected pillbox Pilloxa. Sales are made through selected corporate partners with local market expertise. iZafe Group generates recurring revenue through license fees from sales to public and private welfare and healthcare partners, as well as subscription fees from consumer sales. 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 allows iZafe Group to leverage the expertise of its respective partners without the need for a large sales organization. B2C sales occur on Dosell's own website for the Swedish consumer market. In markets outside of Sweden, B2C sales will be carried out through partners who offer integrated welfare and healthcare solutions directly to consumers.

Increasing Partnership Distribution and Rising B2C Interest

iZafe Group has committed partners in eight European countries. The growing interest in the Dosell medication robot has facilitated broad distribution, and many are interested in the opportunity to sell Dosell. The focus remains on ensuring quality-assured implementation, training, support, and delivery in line with increased volumes. In the B2C sector, iZafe Group continues to market Dosell Consumer on its own website. The company observes increased interest in securing medication independently and safely.

Dosell Solidifies Its Position in the European Market

One of iZafe Group's central focuses has been to ensure that Dosell meets the needs of partners and patients. The primary focus for the upcoming period will be to guarantee high-quality delivery and implementation according to our partners' commitments, as previously communicated. Furthermore, iZafe will continue to identify growth opportunities through acquisitions, new partnerships, and the development and commercialization of products and services with partners to make it easier for more patients to receive the right medication at the right time.



Key figures

THE GROUP

TSEK	2023 July-Sept	2022 July-Sept	2023 Jan-Sept	2022 Jan-Sept	2022 Jan-Dec
Net sales	512	75	1 143	535	729
Operating result (EBIT)	-5,012	-5,680	-15,160	-17,848	-23,404
Profit after financial items (EBT)	-5,004	-5,751	-15,327	-18,016	-23,586
Earnings per share before/after dilution, SEK	-0.02	-0.08	-0.07	-0.25	-0.30
Equity per share, SEK	0.2	0.3	0.2	0.3	0.3
Equity ratio, %	82.9%	75.2%	82.9%	75.2%	76.8%
Share price at the end of the period, SEK	0.3	0.4	0.3	0.4	0.3
Number of shares at the end of the period	250,586,171	70,874,308	250,586,171	70,874,308	153,780,330
Average number of outstanding shares	250,586,171	70,874,308	225,409,560	70,874,308	79,953,171
Average number of employees	7	8	7	8	12
Number of employees at the end of the period	6	7	6	7	11

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, JULY-SEPTEMBER 2023

The net revenue for the quarter amounted to 512 TSEK (75), representing a growth of 583% compared to the same quarter of the previous year. The increase in revenue can be attributed partly to organic growth and partly to growth through acquisitions, as Pilloxa was acquired in December 2022. Excluding revenue from the acquired company, the growth amounted to 317%. The quarter's revenue is derived from the sale of the digital medication robot Dosell, which generates revenue through both hardware sales and a recurring subscription fee, as well as revenue from the sale of the medical technology aid Pilloxa.

Other operating income of 415 TSEK (0) is related to the subleasing of part of the company's premises.

Cost of goods for the quarter amounted to 781 TSEK (522) and is entirely related to costs associated with the sale and delivery of Dosell units and the medical technology aid Pilloxa. The gross profit for the quarter is negative due to the company's inventory write-down.

Other external expenses for the quarter amounted to 2,033 TSEK (2,448). This category includes ongoing expenses related to the commercialization and continuous modifications of Dosell. The company is continuously working to review its cost structure and streamline procurement to reduce overall costs.

Personnel expenses for the quarter amounted to 1,266 TSEK (1,795). The number of employees at the end of the period was 6 people, compared to 7 people for the corresponding period the previous year.

Amortization of intangible assets for the quarter amounted to 1,586 TSEK (754) and is partly related to capitalized development expenses for Dosell and partly related to the goodwill that arose from the acquisition of Pilloxa. Depreciation of tangible assets for the quarter amounted to 267 TSEK (236) and is related to the depreciation of leasehold rights and equipment.

The financial net for the quarter amounted to 8 TSEK (-71) and is related to interest on leasing debt and deposit interest from credit institutions.

Tax on the period's result amounted to 180 TSEK (0) and pertains to the resolution of deferred tax regarding goodwill that arose from the acquisition of Pilloxa.

The period's result amounted to -4,824 TSEK (-5,751). Earnings per share amounted to -0.02 SEK (-0.08).

TURNOVER AND RESULTS, JANUARY-SEPTEMBER 2023

The net revenue for the period amounted to 1,143 TSEK (535), a growth of 114% compared to the same period the previous year. The increase in revenue can be attributed in part to organic growth and in part to growth through acquisitions, as Pilloxa was acquired in December 2022. Excluding the revenue from the acquired company, the growth was 34%. The period's revenues are related to the sale of the digital pharmaceutical robot Dosell, which generates revenue through the sale of hardware, recurring subscription fees, and revenue from the sale of the medical device Pilloxa.

Other operating revenues of 1,200 TSEK (4) for the current year are related to the subleasing of part of the company's premises.

Cost of goods sold for the period amounted to 1,058 TSEK (796) and is entirely related to expenses for sold and delivered Dosell units and the medical device Pilloxa. The gross profit is lower than in previous quarters due to the write-down of the inventory value of Dosell units.

Other external costs for the period amounted to 5,578 TSEK (8,192). This category includes ongoing expenses for the commercialization and continuous modifications of Dosell. The company is continuously working to review its cost structure and streamline procurement to reduce overall expenses.

Personnel costs for the period amounted to 4,959 TSEK (6,264). The number of employees at the end of the period is 6, compared to 7 employees for the corresponding period the previous year.

Amortization of intangible assets for the period amounted to 5,061 TSEK (2,261) and is partly related to capitalized development expenses for Dosell and partly related to the goodwill that arose from the acquisition of Pilloxa. Depreciation of tangible assets for the period amounted to 836 TSEK (866) and is related to depreciation of leases and equipment.



The financial net for the period amounted to -167 TSEK (-168) and is related to interest on leasing debt, loans to credit institutions, and deposit interest from credit institutions. The amount for the previous year primarily pertains to interest on the leasing debt.

Tax on the period's result amounted to 540 TSEK (0) and pertains to the release of deferred tax related to the goodwill that arose from the acquisition of Pilloxa.

The period's result amounted to -14,787 TSEK (-18,016). Earnings per share amounted to -0.07 SEK (-0.25).

FINANCIAL POSITION, CASH FLOW AND LIQUIDITY

The cash flow from operating activities for the quarter amounted to -2,854 TSEK (-3,736) as a result of adapting Dosell for foreign markets and commercializing the products, combined with continued limited revenues. The cash flow from working capital was 297 TSEK (1,025). The cash flow from operating activities for the period from January to September amounted to -9,310 TSEK (-15,485) and follows the same pattern as for the quarter.

The cash flow from investing activities for the quarter was -87 TSEK (-611), primarily related to intangible assets. The company is further developing Dosell, making it compatible with more modern technology, and all investments related to this development are capitalized. The cash flow from investing activities for the period from January to September was -897 TSEK (-2,416) and follows the same pattern as for the quarter.

The cash flow from financing activities for the quarter was -251 TSEK (-166) and pertains to the amortization of the leasing debt. The cash flow from financing activities for the period from January to September was 17,346 TSEK (-754) and relates to the liquidity received from the issuance of shares with the support of subscription rights. The issuance added 18,567 TSEK to the company's funds after issuance costs.

The financing activities are also affected by the amortization of leasing debt and the redemption of loans from credit institutions. The amount for the previous year pertains only to the amortization of the leasing debt.

Cash and cash equivalents at the end of the period amounted to 8,840 TSEK (71) and have increased as a result of the issuance in the first quarter of 2023.

The total assets at the end of the quarter amounted to 51,534 TSEK (30,221). Intangible assets are the most significant item in the balance sheet, amounting to 34,528 TSEK (20,240). The increase in this item can be attributed to the acquisition of Pilloxa, which added goodwill in the form of a brand, customer contracts, and an IT platform/hardware. This item also includes development expenses related to Dosell.

INVESTMENTS AND DEVELOPMENT EXPENDITURE

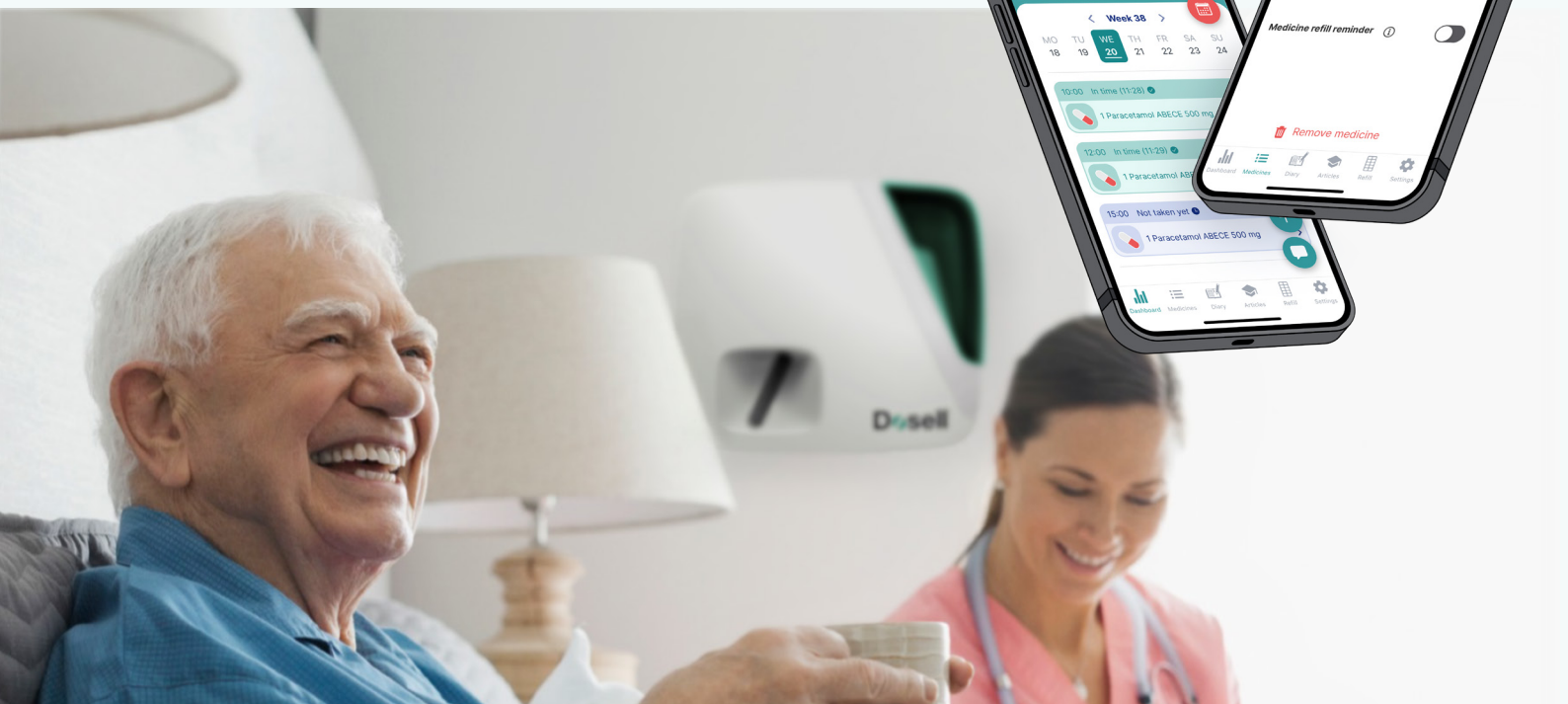
Investments in the quarter amounted to 87 TSEK (611) and pertain to capitalized development expenses for the further development of Dosell.

CONTINUING OPERATIONS

The company's ability to meet future liquidity needs is highly dependent on sales success and profitability. With existing liquid assets, cost savings, and future contracted revenues, the company's liquidity is ensured for the next 12 months. Therefore, the board's assessment at the time of issuing this report is that there is no uncertainty regarding the company's ability to sustain future operations. However, there is no guarantee that the company would be able to obtain necessary liquidity if needed.

PARENT COMPANY

The parent company carries out group-wide functions, and the CEO and 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	2023	2022	2023	2022	2022
	July-Sept	July-Sept	Jan-Sept	Jan-Sept	Jan-Dec
Operating income					
Net sales	512	75	1 143	535	729
Other operating income	415	0	1 200	4	123
Total revenue	927	75	2,343	539	852
Operating costs					
Goods for resale	-781	-522	-1,058	-796	-606
Other external expenses	-2,033	-2,448	-5,578	-8,192	-11,026
Personell costs	-1,266	-1,795	-4,959	-6,264	-8,240
Depreciation of tangible and intangible assets	-1,853	-990	-5,897	-3,127	-4,365
Other operating expenses	-6	0	-11	-8	-19
Other costs	-5,939	-5,755	-17,503	-18,387	-24,256
Operating profit/loss	-5,012	-5,680	-15,160	-17,848	-23,404
Net financial items	8	-71	-167	-168	-182
Profit/loss after financial items	-5,004	-5,751	-15,327	-18,016	-23,586
Tax on profit for the period	180	0	540	0	60
PROFIT/LOSS FOR THE PERIOD	-4,824	-5,751	-14,787	-18,016	-23,526
Basic earnings per share (SEK)	0.0	-0.1	-0.1	-0.3	-0.3

Condensed statement of financial position

GROUP

TSEK	2023 30-Sept	2022 30-Sept	2022 31-Dec
ASSETS			
Non-current assets			
Balanced development expenditure	18,361	20,156	15,681
Goodwill	1,542	0	1,542
Other intangible assets	14,625	84	21,467
Tangible fixed assets	131	155	214
Right-of-use assets	2,661	3,696	3,416
Current assets			
Inventories	4,329	4,658	5,211
Accounts receivable	516	0	524
Current receivable	529	1 401	945
Cash and cash equivalents	8,840	71	1,701
Total assets	51,534	30,221	50,701
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	50,117	14,175	30,756
Other capital contributions	130,983	126,605	131,777
Retained earnings including profit/loss for the period	-138,359	-118,063	-123,572
Total shareholders' equity	42,741	22,717	38,961
Non-current liabilities			
Deferred tax liability	3,001	0	3,541
Interest-bearing liabilities	0	0	333
Lease liabilities	1,752	2,787	2,527
Current liabilities			
Interest-bearing liabilities	0	0	144
Lease liabilities	1,026	1,043	995
Accounts payable	950	2,813	964
Other current liabilities	2,064	861	3,236
Total liabilities	5,792	7,504	8,199
Total equity and liabilities	51,534	30,221	50,701

Condensed statement of changes in equity

GROUP

TSEK	2023	2022	2023	2022	2022
	July-Sept	July-Sept	Jan-Sept	Jan-Sept	Jan-Dec
Equity, opening balane	47,565	28,468	38,961	40,733	40,733
Total result					
The result of the period	-4,824	-5,751	-14,787	-18,016	-23,526
Transactions with owners					
Set-off issue	0	0	0	0	13,750
New share issue	0	0	0	0	5,000
Issue with warrent rights	0	0	19,361	0	3,139
Share issue expenses	0	0	-794	0	-431
Warrent rights, paid premium	0	0	0	0	296
Equity, closning balance	42,741	22,717	42,741	22,717	38,961

Condensed statement of cash flows

GROUP

TSEK	2023	2022	2023	2022	2022
	July-Sept	July-Sept	Jan-Sept	Jan-Sept	Jan-Dec
Operating profit/loss	-5,012	-5,680	-15,160	-17,848	-23,404
Adjustments for non-cash items	1,853	990	5,897	3,127	4,265
Interest received, etc.	0	0	0	0	0
Interest paid, etc.	8	-71	-167	-168	-182
Tax paid	0	0	0	0	0
Cash flow from operating activities before change in working capital	-3,151	-4,761	-9,430	-14,889	-19,321
Cash flow from changes in working capital	297	1,025	120	-596	-2,136
Cash flow from operating activities	-2,854	-3,736	-9,310	-15,485	-21,457
Cash flow from investment activities	-87	-611	-897	-2,416	-2,510
Cash flow from financing activities	-251	-166	17,346	-754	6,942
Cash flow for the period	-3,192	-4,513	7,139	-18,655	-17,025
Cash and cash equivalents at the beginning of the period	12,032	4,584	1,701	18,726	18,726
Cash and cash equivalents at close of period	8,840	71	8,840	71	1,701

Condensed income statement

PARENT COMPANY

TSEK	2023	2022	2023	2022	2022
	July-Sept	July-Sept	Jan-Sept	Jan-Sept	Jan-Dec
Operating income					
Net sales	450	500	1,350	1,503	2,003
Other operating income	399	0	1,179	0	121
Total revenue	849	500	2,529	1,503	2,124
Operating costs					
Other external expenses	-1,367	-1,107	-4,020	-3,741	-5,337
Personnel costs	-553	-766	-2,296	-2,916	-4,166
Depreciation and amortization of property, plant and equipment, and intangible assets	-13	-13	-38	-38	-50
Total costs	-1,933	-1,886	-6,354	-6,695	-9,553
Operating profit/loss	-1,084	-1,386	-3,825	-5,192	-7,429
Net financial items	47	-14,592	-44	-14,593	-20,094
Profit/loss after financial items	-1,037	-15,978	-3,869	-19,785	-27,523
Tax on profit for the period	0	0	0	0	0
PROFIT/LOSS FOR THE PERIOD	-1,037	-15,978	-3,869	-19,785	-27,523

Condensed balance sheet

PARENT COMPANY

TSEK	2023 30-Sept	2022 30-Sept	2022 31-Dec
ASSETS			
Non-current assets			
Property, plant and equipment	105	155	142
Non-current financial assets	35,112	24,000	35,112
Current assets			
Current receivables	10,112	435	4,363
Cash and bank balances	8,314	46	1,379
Total assets	53,643	24,636	40,996
SHAREHOLDERS' EQUITY AND LIABILITIES			
Restricted equity			
Share capital	50,117	14,175	30,756
Unrestricted equity			
Share premium reserve	130,628	126,545	131,422
Retained earnings including profit/loss for the period	-128,528	-117,217	-124,659
Total shareholders' equity	52,217	23,503	37,519
Current liabilities			
Accounts payable	376	583	479
Other current liabilities	1,050	550	2,998
Total liabilities	1,426	1,133	3,477
Total equity and liabilities	53,643	24,636	40,996

Accounting principles, risks, and other information.

NOTE 1. COMPANY INFORMATION

The Group's business includes the development and marketing of products that contribute to a more qualitative and secure home healthcare on both the Swedish and international market. The Group develops and sells the product Dosell, with the aim of promoting reliable and safe medication, and engages in the development and sales of medical aid the digital dosett box Pilloxa to improve medication adherence.

The Group's parent company, iZafe Group AB (reg. no. 556762-3391), is a public limited company based in Stockholm, Sweden. The company's Class B shares are listed on Nasdaq First North Premier. iZafe Group AB has two wholly owned subsidiaries, the subsidiary Dosell AB (reg. no. 556898-3018) and the subsidiary Pilloxa AB (reg. 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 thousands of Swedish kronor (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 2023. 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 consultancy services from its own companies amounting to SEK 0 thousand (0) for the quarter. In addition to this, the group has not done any business with related parties during the reporting period beyond customary salaries and compensation for the company management.



NOTE 4. FINANCIAL RISKS

Through its operations, iZafe is exposed to various 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 risks can be found in the latest published annual report.

NOTE 5. SIGNIFICANT RISKS AND UNCERTAINTIES

The company's operations consist of the sale of the patented medication robot Dosell and associated subscription fees. Dosell was recently launched on the market. Therefore, no far-reaching conclusions can be drawn about the market's acceptance of the product or any trends in sales and performance development. The company is also dependent on intellectual property rights that are difficult to protect through registration. The same risk pattern applies to Pilloxa's developed technical platform as for Dosell since the company is relatively young.

The company's ability to meet future liquidity needs is highly dependent on sales success and profitability. With existing liquid assets, cost savings, and future contracted revenues, the company's liquidity is ensured for the next 12 months. Therefore, the board's assessment at the time of issuing this report is that there is no uncertainty regarding the company's ability to sustain future operations. However, there is no guarantee that the company would be able to obtain necessary liquidity if needed.

NOTE 6. iZAFE SHARES

iZafe has issued shares in two share classes, A shares and B shares. B shares have been traded on NASDAQ First North Premier since January 2, 2018. A shares carry ten votes per share, and B shares carry one vote per share. As of September 30, 2023, the share capital amounted to 50,117,234 SEK, distributed among 600,000 A shares and 249,986,171 B shares, with a par value of 0.2 SEK per share.

NOTE 7. OPTIONS

The company has two outstanding options programs, TO11 and TO12, which were decided at an extraordinary general meeting on October 5, 2022.

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 the board members

Each TO12 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 TO12 is 2,900,000.

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

In addition to the above-mentioned stock option programs, there are currently no other outstanding warrants, convertibles, or similar financial instruments that can entitle the subscription of new shares or otherwise affect the share capital of 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

2024-02-09 Year-End Report 2023
2024-04-26 Q1 2024 Interim Report
2024-08-30 Q2 2024 Interim Report
2024-11-01 Q3 2024 Interim Report

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 17, 2023.

iZafe Group AB (publ.)

Anders Segerström	CEO
Björn Rosengren	Chairman of the Board
Göran Hermansson	Vice Chairman of the Board
Bo Johansson	Board Member
Richard Wolff	Board Member
Magnus Engman	Board Member

CONTACT



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