

iZafe resolves on a fully guaranteed rights issue of units of approximately SEK 53 million

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The Board of Directors of iZafe Group AB (publ) ("iZafe" or the "Company") has today, subject to the shareholders' subsequent approval, decided to carry out of an issue of units consisting of shares and warrants with preferential rights for existing shareholders of approximately SEK 53 million (the "Rights Issue"). The Rights Issue is covered to approximately 18 percent through subscription commitments and to approximately 82 percent through underwriting commitments and is thus covered to 100 percent in total through subscription commitments and underwriting commitments. Notice to the extraordinary general meeting will be published in a separate press release.

Summary

- The Board of Directors of iZafe has resolved to carry out the Rights Issue of units consisting of shares and warrants of series TO10 which, when fully subscribed, initially can provide iZafe with approximately SEK 53 million before issue costs. The resolution is subject to approval from an extraordinary general meeting in the Company. Should the Rights Issue be oversubscribed, the Board of Directors may decide to issue additional units corresponding to a value of up to approximately SEK 7 million against payment by set-off directed to an issuer of a credit facility (the "**Over-Allotment Issue**").
- In the event of full subscription and full exercise of all warrants of series TO10 in conjunction with offered units, the Company may be provided with an additional maximum of either approximately SEK 80 million or approximately SEK 90 million, depending on whether the Over-Allotment Issue is carried out.
- The Rights Issue is covered to approximately 18 percent through subscription commitments and to approximately 82 percent through underwriting commitments. Thus, the Rights Issue is covered to 100 percent in total through subscription commitments and underwriting commitments.
- All existing shareholders will receive one (1) unit right for each one (1) share owned on the record date, September 30, 2021. One (1) unit right gives the right to subscribe for one (1) unit. One (1) unit consists of one (1) newly issued share and one (1) warrant of series TO10. The subscription price per unit is SEK 1.50, corresponding to SEK 1.50 per share (the warrants are issued free of charge).
- The subscription period for the Rights Issue will run from October 4, 2021 to October 18, 2021.

- The subscription price for subscription of shares with the support of warrants of series T010 corresponds to 70 percent of the volume-weighted average price paid for the Company's shares on Nasdaq First North Premier Growth Market during the period from September 12, 2022 to September 23, 2022, but not less than SEK 1.00 (the share's quota value) and not more than SEK 2.25.
- The exercise period for subscription of shares with the support of the warrants runs from September 27, 2022 to October 11, 2022.
- The Rights Issue is carried out in order to be able to produce, continuously develop, sell and market Dosell to partners and consumers on a long-term and large-scale basis.

Comment from the CEO

"We are facing a number of exciting business opportunities in the coming years and need to strengthen the company financially ahead of our impending offensive expansion. Finally, as a company, we can go from being a start-up to becoming a scale-up where we launch Europe's first consumer-adapted pharmaceutical robot in Sweden and soon in Italy. We also look forward to delivering significant volumes to our partners in the Nordic region and developing sales through these so that we can adapt quickly and agile based on the needs of public care. With one leg in the consumer market and the other in the corporate market, we need to ensure long-term production, development and warehousing to fundamentally change healthcare and digitize drug management for users who want to live a safe and independent life at home longer - today and in the future", comments Anders Segerström, CEO of iZafe.

Background and rationale in summary

iZafe is a medical technology company that develops digital solutions for easier and safer drug handling at home. The Company's products and services reduce the risk of incorrect medication, increase security for family and relatives, and relieve public care. The Company's main product, Dosell, is a patented digital machine that is placed in the home or within healthcare and ensures that the user receives the right medicine at the right time.

For the past two years, iZafe has streamlined its operations, invested in product development and pilot projects, and established a partner network. Thus, the Company is well positioned to grow and capitalize on the major challenges facing society today; the population is aging, an increasing amount of people are living longer lives, and the prescription of medicines to people over the age of 65 is increasing. When the increased efforts of society to digitize care are now implemented, and measures to strengthen care for the elderly are intensified, iZafe has positioned Dosell as the clear alternative.

In the late spring of 2021, an upgraded version of Dosell was launched. Dosell 2.0 is a result of the ongoing work where iZafe, together with users, partners and participants in pilot studies, exchanged experiences and documented data that provided important information for the Company's ongoing development process. In addition to previous capabilities, Dosell 2.0 has been supplemented to meet all Medical Device Regulation requirements and includes a host of improvements and new built-in features such as a safer and simpler process, rechargeable lithium-ion batteries, an updated Dosell app and updated design that makes the product more flexible and user-friendly.

In 2021, iZafe will also be the first supplier to market and provide a consumer version of a pharmaceutical robot with drug dispensing via sachets. With the launch of Dosell Consumer, a completely new market opens which consists of the approximately 200,000 people who already medicate via sachets and the approximately 500,000 people in Sweden who medicate manually, for example using dosages. The consumer version is a subscription service that provides the opportunity to subscribe privately to a pharmaceutical robot without being dependent on the care or home service providing the equipment.

In order to be able to produce, continuously develop, sell and market Dosell to partners and consumers on a long-term and large-scale basis, the Board for iZafe has now resolved to carry out the Rights Issue.

Terms for the Rights Issue

The Board of Directors of iZafe has resolved on the Rights Issue, subject to the subsequent approval from an extraordinary meeting in the Company, in accordance with the following main terms:

- All existing shareholders will receive one (1) unit right for each (1) share owned on the record date, September 30, 2021, and one (1) unit right gives the right to subscribe for one (1) unit. One (1) unit consists of one (1) newly issued share and one (1) warrant of series T010. The subscription price per unit is SEK 1.50, corresponding to SEK 1.50 per share (the warrants are issued free of charge).
- The Rights Issue entails an issue of a maximum of 35,435,674 units, corresponding to 35,435,674 shares and 35,435,674 warrants.
- Upon full subscription in the Rights Issue, the Company receives approximately SEK 53 million before issue costs.
- The subscription period for subscription of units will run from October 4, 2021 to October 18, 2021.
- Should the Rights Issue be oversubscribed, the Board of Directors may decide to carry out the Over-Allotment Issue of additionally not more than 4,666,666 units, corresponding to a value of up to SEK 7 million, directed to Formue Nord Markedsneutral A/S which provides the credit facility raised by the Company during the first quarter of 2021. Payment in the Over-Allotment Issue will be made by way of set off.
- Through the Rights Issue, the share capital may increase by a maximum of SEK 35,435,674.00, from SEK 35,435,674.00 to SEK 70,871,348.00. If the Company carries out the Over-allotment Issue, the share capital may increase by a further maximum of SEK 4,666,666.00 to a total of a maximum of SEK 75,538,014.00. Upon full exercise of the warrants covered by the Rights Issue, the share capital may increase by an additional SEK 35,435,674.00. If the Over-Allotment Issue is carried out, the share capital can instead be increased by an additional SEK 40,102,340.00 as a result of full exercise of all warrants of series T010.
- The existing shareholders in the Company who do not subscribe for units in the Rights Issue will be subject to dilution. A fully subscribed Rights issue entails a dilution corresponding to 50.0 percent. If the Over-allotment Issue is carried out, the dilution amounts to approximately 53.1 percent. The maximum increase in the number of shares in the Company as a result of full subscription of the Rights Issue and full exercise of attached warrants of series T010 may

entail a total dilution of approximately 66.7 percent. The maximum increase in the number of shares in the Company as a result of full subscription in the Rights Issue and the Over-allotment Issue, including the exercise of all pending TO10 series warrants, may entail a total dilution of approximately 69.4 percent.

- The exercise period for subscription of shares with the support of the warrants will run from September 27, 2022 to October 11, 2022.
- The subscription price for subscription of shares with the support of warrants of series TO10 corresponds to 70 percent of the volume-weighted average price paid for the Company's shares on Nasdaq First North Premier Growth Market during the period from September 12, 2022 to September 23, 2022, but not less than SEK 1.00 (the share's quota value) and not more than SEK 2.25.
- In the event of full subscription and full exercise of all warrants of series TO10 in conjunction with offered units, the Company may be provided with an additional maximum of either approximately SEK 80 million or approximately SEK 90 million, depending on whether the Over-Allotment Issue is carried out.
- The warrants are intended to be admitted to trading on the Nasdaq First North Premier Growth Market after final registration with the Swedish Companies Registration Office.

Subscription commitments, underwriting commitments and lock up

The Rights Issue is covered to approximately 18 percent through subscription commitments and to approximately 82 percent through underwriting commitments. In total, 100 percent of the Rights Issue is covered by subscription commitments and underwriting commitments. The subscription commitments and underwriting commitments are not secured through bank guarantees, pledge or similar arrangements. Subscription commitments have been made by a number of existing shareholders in the Company (by, among others, Chairman of the Board Joachim Källsholm, Board member Richard Wolff, CEO Anders Segerström, CFO Ida Almgren, Sales Manager Tobias Johansson, former Chairman of the Board Carl Johan Merner and the Company's founders Göran Sjönell and Sten Röing) as well as external investors. The underwriting commitments have been provided by external investors. For the underwriting commitments, an underwriting commission of ten (10) percent of the guaranteed amount in cash compensation or twelve (12) percent of the guaranteed amount in the form of shares is paid. The subscription price for any shares issued to underwriters shall correspond to the subscription price in the issue. No compensation is paid for the subscription commitments. Furthermore, the Company's CEO, Anders Segerström, has undertaken not to sell his shares in the Company for a period of 12 months through a so-called lock-up agreement.

Prospectus

An EU growth prospectus and application form will be available before the beginning of the subscription period on the Company's website, www.izafegroup.com.

Timetable

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| September 28, 2021 | Last day of trading in iZafe's shares including the right to receive unit rights |
| September 29, 2021 | Last day of trading in iZafe's shares excluding the right to receive unit rights |

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| September 30, 2021 | Record date for obtaining unit rights. Shareholders who are registered in the share register kept by Euroclear Sweden AB on this day, receive unit rights for participation in the Rights Issue. |
| October 4 – October 13 2021 | Trading in unit rights on Nasdaq First North Premier Growth Market |
| October 4 – October 18 2021 | Subscription period for the Rights Issue |
| October 21, 2021 | Estimated date for publication of issue results |

Advisors

Mangold Fondkommission AB is the financial advisor to iZafe in connection with the Rights Issue. Eversheds Sutherland Advokatbyrå AB is the legal advisor to the Company in connection with the Rights Issue.

Important information

Release, announcement or distribution of this press release may, in certain jurisdictions, be subject to restrictions according to law and people in those jurisdictions, in which this press release has been announced or distributed, should inform themselves of and follow such legal restrictions. This press release does not constitute an offer, or a solicitation of any offer, to buy or subscribe for any securities in iZafe in any jurisdiction. Invitation to the persons concerned to participate in the Rights Issue will only take place through the EU growth prospectus which the Company intends to publish in connection with the Rights Issue.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended. The information in this press release may not be announced, published or distributed in or into the United Kingdom, the United States, Canada, Japan, Australia, Hong Kong, New Zealand, Switzerland, South Africa or in any other jurisdiction where the announcement, publication or distribution of the information would not comply with applicable laws and regulations.

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

This press release contains certain forward-looking information that reflects the Company's present view of future events as well as financial and operational development. Words such as "intend", "assess", "expect", "may", "plan", "believe", "estimate" and other expressions entailing indications or predictions of future development or trends, not based on historical facts, constitute forwardlooking

information. Forward-looking information is inherently associated with both known and unknown risks and uncertainties as it depends on future events and circumstances. Forward-looking information is not a guarantee of future results or development and actual outcomes may differ materially from the statements set forth in the forward-looking information.

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About Us

iZafe Group is a Swedish Life-Science company that develops and markets medical and digital security solutions to create safer drug handling at home. The company's digital medication dispenser Dosell reduces the risk of incorrect medication, increases security for family and relatives and relieves public care personnel. The products form a holistic concept that facilitates patient medication and gives those who are treated at home better conditions for a happy and safe life. Customers today consist of public and private care providers in Sweden, the Nordic countries and globally. iZafe Group sells primarily through well-established partners who already have long and deep customer relationships with the priority customer groups. The head office is located in Stockholm.

The company is listed on the NASDAQ First North Premier Growth Market. FNCA Sweden AB is the company's Certified Adviser. Phone: +46 (0) 8 528 00 399. E-mail: info@fnca.se. Further information is available at www.izafe.se/investor-relations/.

This information is information that iZafe Group is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2021-09-06 08:30 CEST.

Attachments

[iZafe resolves on a fully guaranteed rights issue of units of approximately SEK 53 million](#)