



Year-End Report

Fourth 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.

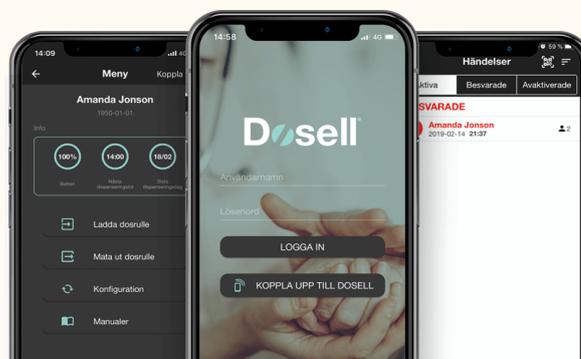


Financial Performance in Summary

- ✓ The net sales for the quarter amounted to 679 (194) TSEK, representing a growth of 250% compared to the corresponding quarter of the previous year. The increase in sales can be attributed partly to organic growth and partly to growth through acquisitions, as Pilloxa was acquired in 2022. The quarter's sales consist of revenue attributable to the sale of the digital medication robot Dosell, as well as sales of the medical device Pilloxa. Pilloxa AB was acquired on November 28, 2022, and therefore only partially contributed to the sales for the previous year's quarter.
- ✓ The operating result (EBIT) for the quarter amounted to -20,475 (-5,556) TSEK. A one-time impairment of 15,234 TSEK related to excess values and goodwill arising from the acquisition of Pilloxa impacts the result. The impairment does not affect cash flow. The impairment was carried out because the company decided to prioritize its resources for a limited period to scale up the distribution of the Dosell product in more markets.
- ✓ The earnings before interest, taxes, depreciation, and amortization (EBITDA) for the quarter amounted to -3,386 (-4,318) TSEK.
- ✓ The result after financial items for the quarter amounted to -20,389 (-5,570) TSEK.
- ✓ The cash flow from operating activities for the period amounted to -1,946 (-5,972) TSEK.
- ✓ The earnings per share for the quarter before / after dilution amounted to -0.07 (-0.02) SEK.
- ✓ The equity per share at the end of the period amounted to 0.1 (0.3) SEK.
- ✓ The solvency ratio at the end of the period amounted to 73.2% (76.8%).

Significant events during the quarter

- ✓ iZafe entered into an agreement with Atea Sweden AB following a successful tender with the Västra Götaland Region for the provision of Dosell. The tender encompasses between 1,800 and 2,250 units with an estimated value of 42–52 million SEK. The contract period is two years with the possibility of an additional two-year extension.
- ✓ iZafe received an official order for 1,000 units of Dosell from IVE Ventures ("IVE") in accordance with the agreement announced on February 27, 2023. These units are being produced as soon as possible and are expected to be delivered to IVE in February 2024.



Comments from CEO



It is with great joy and pride that I summarize yet another successful quarter and the eventful year 2023 for iZafe Group. Our journey from start-up to scale-up phase has been inspiring and the result of our dedicated work and strategic focus.

During the year, we have successfully negotiated deals totaling an impressive amount of 106-124.7 million SEK over the next 4-6 years starting from 2024. The projected recurring revenue of 37 million SEK annually from the fourth year, with an impressive 90% margin, underscores the strength of our business model and provides a clear indication of the stability and profitability we are now achieving. The fact that we increase our net sales by 150% compared to the previous year for the full year 2023 is a clear signal that our business is gaining momentum.

One of the highlights of the year was our successful procurement win with the Västra Götaland Region, in collaboration with ATEA. This win means that Dosell will, for the first time, become a prescribed medical device, enabling 46 municipalities to incorporate Dosell into their operations. This success will enhance the daily lives, safety, and quality of life for as many as 1,800-2,200 users, as the procurement encompasses the same number of Dosell units. Additionally, it alleviates concerns for all relatives who find security in ensuring the right medication at the right time, as well as saving valuable time for healthcare professionals, who, thanks to Dosell, can focus on tasks other than medication sorting. The procurement is expected to generate a value of 42-52 million SEK and further strengthen our position and trust in the Swedish market.

On the international stage, we have established significant partnerships, including the exclusive collaboration agreement with IVE Ventures in the Netherlands. Just before the year's end, the first order for 1,000 units was placed, with a commitment to at least 1,000 Dosell units annually for three years, totaling approximately 16 million SEK. We look forward to delivering these 1,000 units during the first quarter of this year. The order to IVE is a clear sign of our increasing influence and success in the European market.

We continue to drive our partner strategy for smooth scalability and sustainable revenue. Our partners are key to our expansion, and our business model involving hardware sales, recurring license fees, and cost-effectiveness enables a stable and continuous revenue stream.

The growing interest from our partners has provided us with the opportunity to set higher standards and push our existing partners to achieve desired volumes. Over the coming year, this approach will be intensified, and our focus will be on partners with significant commitments. At the same time, we are evaluating partnerships that should be terminated, considering that we operate in different size segments and they may not be able to deliver according to our requirements.

Our successful investment in Dosell has opened up new opportunities, and we plan to increase market pressure with higher volumes. This temporarily means reduced focus on Pilloxa, resulting in the need for impairment regarding excess values and goodwill arising from the acquisition. This adjustment is necessary to ensure a stable financial foundation and good results in the future. I look forward to further developing Pilloxa to its full potential once we have taken Dosell to levels that provide the financial prerequisites needed for the group.

I would like to extend a warm thank you to our employees, board, and shareholders for your continued support and trust. Together, we look forward to a continued exciting journey characterized by growth and innovation.

Thank you for being an active part of our journey.

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

Stockholm in February 2024

Anders Segerström

Chief Executive Officer, iZafe Group

Company overview

Addressing an Aging Population

A 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. Demographically, clear changes are occurring, with the population over 65 years old expected to increase from around 21 percent of the total population in 2022 to over 24 percent by 2030. This is happening alongside the increasing difficulty in ensuring an adequate amount and quality of workforce within home healthcare. Studies show 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 each year, 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 audience primarily consisting of pharmaceutical companies.

A Growing Market

Digital platforms enable people to receive care when and where needed, reducing the risks 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. The 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 implementing appropriate welfare technology, patients can live more independently in their own homes, while healthcare resources can be allocated more efficiently. A medication robot can thus ensure that the user receives the right medication at the right time, allowing caregivers or home care 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 require time; time that can be better spent on other forms of care than medication management. Dosell is designed to be used by patients at home, in healthcare settings, or in elderly care. Dosell dispenses medication pouches to the patient at the specified time 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 200,000 people currently use medication pouches, and this number is expected to grow as the population ages.

The smart Pillbox developed by Pilloxa also ensures adherence and 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 entire 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 incurred for each Dosell and Pillbox. B2B sales target partners who develop and sell digital welfare and healthcare platforms. This allows iZafe Group to avoid building a large sales organization and instead 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 planned to occur 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 significant, 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 securely.

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 partners and patients. The primary focus during the upcoming period will be to ensure high-quality delivery and implementation according to the commitments communicated by our partners. 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 receiving the right medication at the right time.



Key figures

THE GROUP

TSEK	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net sales	679	194	1,822	729
Operating result (EBIT)	-20,475	-5,556	-35,635	-23,404
Operating income before depreciation and amortization (EBITDA)	-3,386	-4,318	-12,649	-19,039
Profit after financial items (EBT)	-20,389	-5,570	-35,716	-23,586
Earnings per share before/after dilution, SEK	-0.07	-0.02	-0.14	-0.10
Equity per share, SEK	0.1	0.3	0.1	0.3
Equity ratio, %	73.2%	76.8%	73.2%	76.8%
Share price at the end of the period, SEK	0.3	0.3	0.3	0.3
Number of shares at the end of the period	250,586,171	153,780,330	250,586,171	153,780,330
Average number of outstanding shares	250,586,171	106,895,710	231,755,446	79,953,171
Average number of employees	7	11	7	12
Number of employees at the end of the period	7	11	7	11

Definitions

Operating profit (EBIT)

Profit before financial items.

Operating income before depreciation and amortization (EBITDA)

Profit before tax, financial items, and depreciation

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, OCTOBER-DECEMBER 2023

The net sales for the quarter amounted to 679 TSEK (194), a growth of 250% compared to the same quarter of the previous year. The increase in sales can partly be attributed to organic growth and partly to growth through acquisitions, as Pilloxa was acquired in December 2022. The quarter's turnover consists of revenue related to the sale of the digital medication robot Dosell, which generates revenue through hardware sales, recurring subscription fees, and revenue from the sale of the medical device Pilloxa.

Other operating income amounted to 373 TSEK (119) and is attributed to the subletting of part of the company's premises for the current year.

Cost of goods sold for the quarter amounted to 471 TSEK (-190) and is entirely attributed to costs related to sold and delivered Dosell units and the medical device Pilloxa. The gross profit for the quarter amounted to 31%, and the corresponding amount for the previous year was negative due to inventory write-down.

Other external expenses for the quarter amounted to 1,996 TSEK (2,834). This item includes ongoing costs for commercialization and ongoing modifications of Dosell. The company continuously reviews its cost structure and streamlines purchases to reduce overall costs.

Personnel expenses for the quarter amounted to 1,966 TSEK (1,976). The number of employees at the end of the period was 7 people compared to 11 people for the corresponding period of the previous year. At the previous year's year-end, there were also employed personnel at Pilloxa, which only incurs the cost of one month.

Depreciation of intangible assets for the quarter amounted to 16,821 TSEK (956) and is partly attributable to capitalized development expenses related to Dosell and partly attributable to goodwill arising from the acquisition of Pilloxa. During the quarter, a one-time impairment of 15,234 TSEK related to goodwill arising from the acquisition of Pilloxa has impacted the result. The impairment is not cash flow-affecting. The impairment was made as the company decided to focus its resources on bringing the Dosell product to market. Depreciation of tangible assets for the quarter amounted to 268 TSEK (282) and is attributable to depreciation of rights of use and fixtures.

The financial net for the quarter amounted to 86 TSEK (-14) and relates to interest on lease liabilities, loans to credit institutions, deferrals from the Swedish Tax Agency, and interest income from credit institutions. At the end of the year, all liabilities to credit institutions have been settled.

Earnings per share amounted to -0.07 SEK (-0.02).

The tax on the period's result amounted to 3,001 TSEK (60) and pertains to the dissolution of deferred tax related to goodwill arising from the acquisition of Pilloxa.

The period's result amounted to -17,388 TSEK (-5,510).

TURNOVER AND RESULTS, JANUARY-DECEMBER 2023

The net sales for the period amounted to 1,822 TSEK (729), a growth of 150% compared to the same period of the previous year. The increase in sales can partly be attributed to organic growth and partly to growth through acquisitions, as Pilloxa was acquired in December 2022. The revenues for the period are attributed to the sale of the digital medication robot Dosell, which generates revenue through hardware sales, recurring subscription fees, and revenue from the sale of the medical device Pilloxa.

Other operating income amounted to 1,573 TSEK (123) and is attributed to the subletting of part of the company's premises for the current year.

Cost of goods sold for the period amounted to 1,529 TSEK (606) and is entirely attributed to costs related to sold and delivered Dosell units and the medical device Pilloxa. The gross profit amounted to 16% (17%). The company is actively working to improve the gross profit.

Other external expenses for the period amounted to 7,574 TSEK (11,026), a decrease of 31% compared to the previous year. This item includes ongoing costs for commercialization and ongoing modifications of Dosell. The company continuously reviews its cost structure and streamlines purchases to reduce total costs.

Personnel expenses for the period amounted to 6,925 TSEK (8,240), a decrease of 16% compared to the previous year. The number of employees at the end of the period was 7 people compared to 11 people for the corresponding period of the previous year.

Depreciation of intangible assets for the period amounted to 21,882 TSEK (3,217) and is partly attributable to capitalized development expenses related to Dosell and partly attributable to the goodwill arising from the acquisition of Pilloxa. During the fourth quarter, a one-time impairment of 15,234 TSEK related to goodwill and overvalued assets arising from the acquisition of Pilloxa has impacted the result. The impairment does not affect cash flow. It was made as the company decided to focus its resources on bringing the Dosell product to market. Depreciation of tangible assets for the period amounted to 1,104 TSEK (1,148) and is attributable to depreciation of rights of use and fixtures.

The financial net for the period amounted to -81 TSEK (-182) and is attributed to interest on lease liabilities, loans to credit institutions, deferral from the Swedish Tax Agency, and interest income from credit institutions. At the end of the year, all liabilities to credit institutions have been settled. The amount for the previous year mainly relates to interest on the lease liability.

The tax on the period's result amounted to 3,541 TSEK (60) and pertains to the dissolution of deferred tax related to goodwill arising from the acquisition of Pilloxa.

The period's result amounted to -32,175 TSEK (-23,526). Earnings per share amounted to -0.14 SEK (-0.10).

FINANCIAL POSITION, CASH FLOW AND LIQUIDITY

The cash flow from operating activities for the quarter amounted to -1,946 TSEK (-5,972) as a result of adapting Dosell for foreign markets and commercializing the products in combination with continued limited revenues. The cash flow from operating activities for the period January-December amounted to -11,256 TSEK (-21,457) and follows the same pattern as for the quarter.

The cash flow from investing activities for the quarter amounted to -560 TSEK (-94), mainly attributable 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. The cash flow from investing activities for the period January-December amounted to -1,457 TSEK (-2,510) and follows the same pattern as for the quarter.

The cash flow from financing activities for the quarter amounted to -500 TSEK (7,696) and pertains to the amortization of the leasing debt and the deferral to the Swedish Tax Agency. The previous year's quarter was also affected by liquidity from new share issuance and the redemption of subscription options. The cash flow from financing activities for the period January-December amounted to 16,846 TSEK (6,942) and pertains to liquidity from the issuance of shares with the support of subscription rights. The issuance provided the company with 18,567 TSEK after issuance costs.

The financing activities are also affected by the amortization of the leasing debt and the redemption of loans from financial institutions, as well as the payment of deferrals to the Swedish Tax Agency. The previous year's amount only pertains to the amortization of the leasing debt.

Cash and cash equivalents at the end of the period amounted to 5,834 TSEK (1,701), representing an increase resulting from the issuance in the first quarter of 2023.

The total assets at the end of the quarter amounted to 34,614 TSEK (50,701). Intangible assets are the most significant item on the balance sheet, amounting to 18,267 TSEK (38,690) at the end of the year. This item now only includes development costs related to Dosell. The decrease in the item between the years can be attributed to the write-down of goodwill and overvaluations arising from the acquisition of Pilloxa in the fourth quarter.

INVESTMENTS AND DEVELOPMENT EXPENDITURE

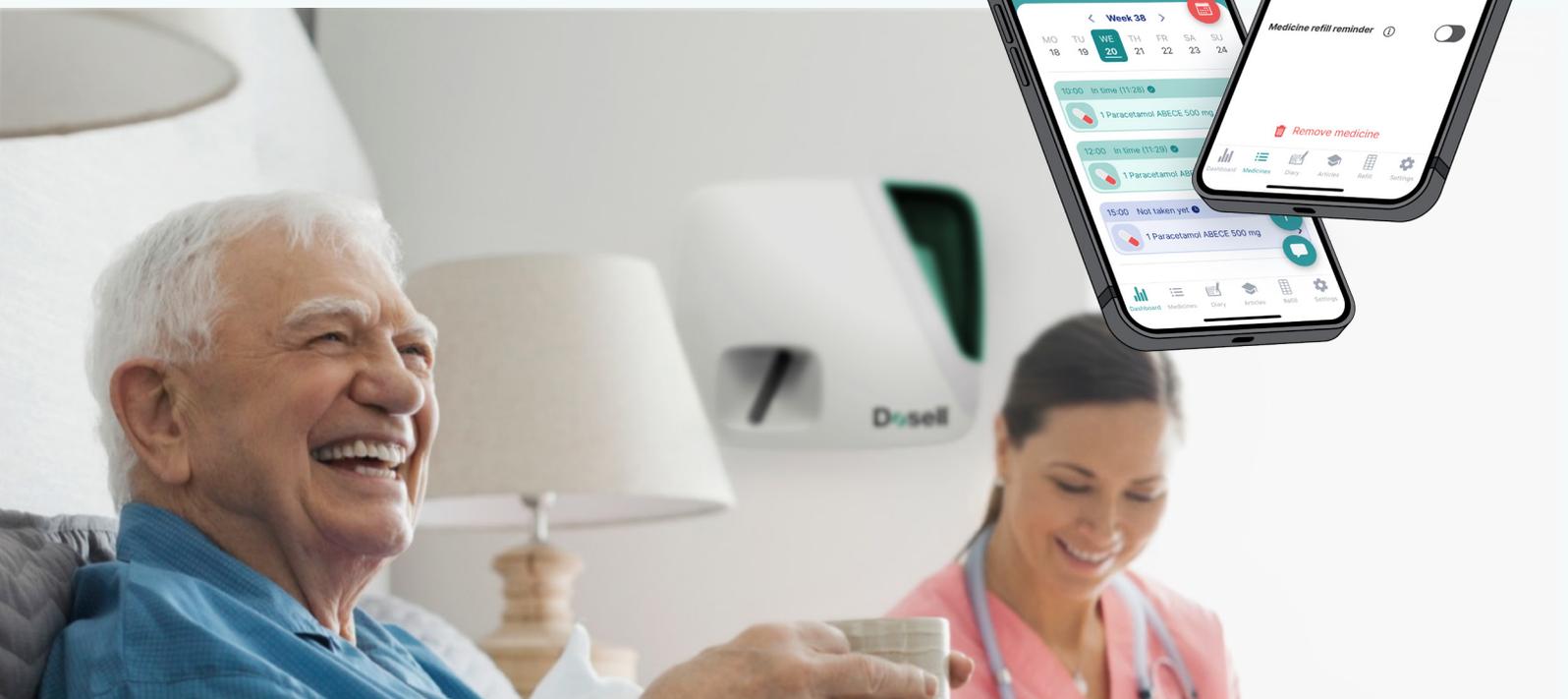
Investments in the quarter amounted to 560 TSEK (243) and relate to capitalized development costs for the further development of Dosell.

CONTINUING OPERATIONS

The company's ability to meet future liquidity needs is largely dependent on sales success and profitability. There is no guarantee that the company will be able to obtain necessary liquidity if needed. The Board continuously evaluates 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 absence of securing at the time of this report indicates an uncertainty regarding the company's ability to continue operating.

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 subsidiaries for management fees, which are eliminated at the group level.



Condensed income statement

GROUP

TSEK	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Operating income				
Net sales	679	194	1,822	729
Other operating income	373	119	1,573	123
Total revenue	1,052	313	3,395	852
Operating costs				
Goods for resale	-471	190	-1,529	-606
Other external expenses	-1,996	-2,834	-7,574	-11,026
Personell costs	-1,966	-1,976	-6,925	-8,240
Depreciation of tangible and intangible assets	-17,089	-1,238	-22,986	-4,365
Other operating expenses	-5	-11	-16	-19
Other costs	-21,527	-5,869	-39,030	-24,256
Operating profit/loss	-20,475	-5,556	-35,635	-23,404
Net financial items	86	-14	-81	-182
Profit/loss after financial items	-20,389	-5,570	-35,716	-23,586
Tax on profit for the period	3,001	60	3,541	60
PROFIT/LOSS FOR THE PERIOD	-17,388	-5,510	-32,175	-23,526
Basic earnings per share (SEK)	-0.1	0.0	-0.1	-0.1

Condensed statement of financial position

GROUP

TSEK	2023	2022
	31 Dec	31 Dec
ASSETS		
Non-current assets		
Balanced development expenditure	18,216	15,681
Goodwill	0	1,542
Other intangible assets	51	21,467
Tangible fixed assets	114	214
Right-of-use assets	2,410	3,416
Current assets		
Inventories	4,052	5,211
Accounts receivable	3,223	524
Current receivable	714	945
Cash and cash equivalents	5,834	1,701
Total assets	34,614	50,701
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	50,117	30,756
Other capital contributions	130,983	131,777
Retained earnings including profit/loss for the period	-155,747	-123,572
Total shareholders' equity	25,353	38,961
Non-current liabilities		
Deferred tax liability	0	3,541
Interest-bearing liabilities	372	984
Lease liabilities	1,487	2,527
Current liabilities		
Interest-bearing liabilities	279	390
Lease liabilities	1,037	995
Accounts payable	1,224	964
Other current liabilities	4,862	2,339
Total liabilities	9,261	8,199
Total equity and liabilities	34,614	50,701

Condensed statement of changes in equity

GROUP

TSEK	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Equity, opening balane	42,741	22,717	38,961	40,733
Total result				
The result of the period	-17,388	-5,510	-32,175	-23,526
Transactions with owners				
Set-off issue	0	13,750	0	13,750
New share issue	0	5,000	0	5,000
Issue with warrent rights	0	3,139	19,361	3,139
Share issue expenses	0	-431	-794	-431
Warrent rights, paid premium	0	296	0	296
Equity, closning balance	25,353	38,961	25,353	38,961

Condensed statement of cash flows

GROUP

TSEK	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Operating profit/loss	-20,475	-5 556	-35,635	-23,404
Adjustments for non-cash items	17,089	1,138	22,986	4,265
Interest received, etc.	112	0	159	0
Interest paid, etc.	-26	-14	-240	-182
Tax paid	0	0	0	0
Cash flow from operating activities before change in working capital	-3,300	-4,432	-12,730	-19,321
Cash flow form changes in working capital	1,354	-1,540	1,474	-2,136
Cash flow from operating activities	-1,946	-5,972	-11,256	-21,457
Cash flow from investment activities	-560	-94	-1,457	-2,510
Cash flow from financing activities	-500	7,696	16,846	6,942
The period's cash flow	-3,006	1,630	4,133	-17,025
Cash and cash equivalents at the beginning of the period	8,840	71	1,701	18,726
Cash and cash equivalents at close of period	5,834	1,701	5,834	1,701

Distribution of revenues

TSEK	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Dosell	528	194	1,244	507
Pilloxa	151	0	578	222
Total	679	194	1,822	729

Reporting by business segment

TSEK	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
External revenue				
Dosell	528	-28	1,244	507
Pilloxa	151	222	578	222
	679	194	1,822	729
Direct costs				
Dosell	-471	186	-1,521	-610
Pilloxa	0	4	-8	4
	-471	190	-1,529	-606
Contribution margin				
Dosell	57	158	-277	-103
Pilloxa	151	226	570	226
	208	384	293	123
Other items				
Other operating income	373	119	1,573	123
Other external costs	-2,001	-2,845	-7,590	-11,045
Personnel costs	-1,966	-1,976	-6,925	-8,240
	-3,594	-4,702	-12,942	-19,162
Operating profit before depreciation	-3,386	-4,318	-12,649	-19,039

Condensed income statement

PARENT COMPANY

TSEK	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Operating income				
Net sales	450	500	1,800	2,003
Other operating income	392	121	1,571	121
Total revenue	842	621	3,371	2,124
Operating costs				
Other external expenses	-1,290	-1,596	-5,310	-5,337
Personnel costs	-723	-1,250	-3,019	-4,166
Depreciation and amortization of property, plant and equipment, and intangible assets	-13	-12	-51	-50
Total costs	-2,026	-2,858	-8,380	-9,553
Operating profit/loss	-1,184	-2,237	-5,009	-7,429
Net financial items	-13,501	-5,501	-13,545	-20,094
Profit/loss after financial items	-14,685	-7,738	-18,554	-27,523
Tax on profit for the period	0	0	0	0
PROFIT/LOSS FOR THE PERIOD	-14,685	-7,738	-18,554	-27,523

Condensed balance sheet

PARENT COMPANY

TSEK	2023	2022
	31 Dec	31 Dec
ASSETS		
Non-current assets		
Property, plant and equipment	92	142
Non-current financial assets	32,000	35,112
Current assets		
Current receivables	2,207	4,363
Cash and bank balances	5,311	1,379
Total assets	39,610	40,996
SHAREHOLDERS' EQUITY AND LIABILITIES		
Restricted equity		
Share capital	50,117	30,756
Unrestricted equity		
Share premium reserve	130,628	131,422
Retained earnings including profit/loss for the period	-143,213	-124,659
Total shareholders' equity	37,532	37,519
Current liabilities		
Accounts payable	580	479
Other current liabilities	1,498	2,998
Total liabilities	2,078	3,477
Total equity and liabilities	39,610	40,996

Accounting principles, risks, and other information.

NOTE 1. COMPANY INFORMATION

The Group's operations include the development and marketing of products aimed at enhancing the quality and safety of 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 sale of the medical device, the connected pillbox Pilloxa, to improve medication adherence.

The Group's parent company, iZafe Group AB (reg. no. 556762-3391), is a publicly listed company based 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, namely Dosell AB (reg. no. 556898-3018) and 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 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

iZafe is exposed to various financial risks through its operations, including 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 primarily consist of selling the patented medication robot Dosell along with associated subscription fees. Dosell has been relatively recently introduced to the market, making it difficult to draw extensive conclusions regarding market acceptance or identify trends in sales and profit development. Furthermore, the company relies on intellectual property rights that are challenging to protect through registration. The risk pattern for Pilloxa's developed technical platform is similar to Dosell's due to the company's relatively young age.

The company's ability to meet future liquidity needs is heavily dependent on sales success and profitability. There is no guarantee that the company will be able to obtain necessary liquidity if needed. The Board continuously evaluates various financing options to ensure ongoing operations, as the company has additional financing needs within the next 12 months that have not yet been secured. The absence of securing financing at the time of this report implies uncertainty regarding the company's ability to continue operations.

NOTE 6. SEGMENTS

The Group operates in two segments: Dosell and Pilloxa.

NOTE 7. IZAFE SHARES

iZafe has issued shares in two classes, A-shares and B-shares. The B-shares are listed 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 December 31, 2023, the share capital amounted to 50,117,234 SEK, divided into 600,000 A-shares and 249,986,171 B-shares, with a par value of 0.2 SEK per share.

NOTE 8. OPTIONS

The group has three outstanding stock option programs, TO11 and TO12, which were decided at the extraordinary general meeting on October 5, 2022, and LTIP 2023, which was decided at the extraordinary general meeting on December 21, 2023.

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

The maximum dilution effect of the option programs amounts to approximately 7% of the total number of shares and votes in the company.

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

2024-04-26	Q1 2024 Interim Report
2024-04-30	2023 Annual Report
2024-08-30	Q2 2024 Interim Report
2024-11-01	Q3 2024 Interim Report
2025-02-14	2024 Year-End Report

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

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on May 30, 2024. The notice, along with further information, will be sent out no later than four weeks before the meeting.

DIVIDEND

No dividend is proposed to the shareholders. Proposal for dividend distribution will be made to the shareholders only when the company achieves stable profitability.

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, February 9, 2024.

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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