

EOFlow to Raise 100 Billion Korean Won and Offer Stock Split**Capital Raised Will Be Used For Global Market Expansion**

► 100 billion Won to be raised with new common stock offering, to be followed by a 2:1 stock split

EOFlow Co., Ltd. (KOSDAQ: 294090) (EOFlow or the Company), a provider of wearable drug delivery solutions, has announced today that the Company will raise some 100 billion Won with new common stock offering, after which it will do a 2:1 stock split.

The Company will make a new public offering of its common stocks. The company will issue up to 3,000,000 shares of common stocks, representing 25.99% of the current total number of issued shares. The issuance price of new shares will be 45,050 Korean won, subject to change. Shareholders will have right to buy 0.2599 new share per each share owned by the end of the base date, and the base date is expected to be November 16th.

Subscription for the existing shareholders is scheduled from December 20 to 21, and general public offering is scheduled from December 23 to 24 at Hanyang Securities. Expected listing date for the new shares is January 10, 2022. All dates are subject to change.

Along with the paid-in capital increase, the Company will also carry out a free capital increase (equivalent to a stock split) that allocates one new share per current one common share. Total of up to 14,544,655 shares will be newly issued. The base date for allocation of new shares will be December 30, and the expected listing date for the new shares is January 17, 2022. All dates are subject to change.

Shareholders who acquire newly issued shares from the paid-in capital increase can also participate in the free share capital increase and receive additional new shares. Existing shareholders may benefit from the free share capital increase without participating in the paid-in capital increase.

The Company plans to proactively expand manufacturing capacity, using the funds secured, towards its efforts for global market expansion as European exports and domestic sales are expected to grow. In addition, the Company will use the funds for ▲ improvement and enhancement of the manufacturing facilities and processes ▲ overseas certification of wearable artificial pancreas solutions and establishment of sales network, and ▲ clinical trials of other wearable product.



EOFlow successfully commercialized the world's second disposable, wearable insulin pump, 'EOPatch.' EOFlow expanded its reach to Europe, starting with the first shipment completed on September 30th. Also, on October 27th, the Company announced signing of a contract with China's largest diabetes management instrument company to establish a joint venture company in China where the world's largest diabetic population live.

EOFlow plans to earmark a portion of the newly raised capital to establish global sales network for markets where the Company has not yet announced its entry into, such as the United States, the Middle East, and South America, and to accelerate the commercialization of new products including wearable artificial pancreas solutions such as 'EOPatch X' and 'EOPancreas'. EOFlow plans to establish its position as a wearable drug delivery solutions provider in this global smart healthcare market, differentiating itself from the other major competitors.

"After a close review of measures to secure funds and to increase trading volume, we decided on paid-in capital and free share capital increases," said an IR officer at EOFlow. "In particular, a free share capital increase is a useful practice for shareholder return that increases its value. In addition, the company has seen very low trading volume in the recent days, and this increase in the outstanding volume should help ease this problem, helping our shareholders with better liquidity." "We will continue to look for ways to increase shareholder value in the future while making efforts to become a market-friendly company," he said.

According to EOFlow's founder CEO Jesse J. Kim, "With domestic commercial sales over the past six months, EOPatch has proven itself to be an innovative medical device that can change the landscape of the wearable insulin pump market- which has been monopolized by one company for more than 15 years. And, now is the time for EOFlow to make the most of its agility inherent to a venture company to expand our market faster than the competitor."

"The capital requirement for market expansion is high, but this stock offering should be the last capital increase before achieving profitability," he added.