

Bulletin from Simris Group's Extraordinary General Meeting

Simris Group AB (publ), reg. no. 556841-9187 (the "Company") held an extraordinary general meeting on 5 April 2024. Below follows a summary of the resolutions that were passed at the meeting.

Resolution to approve the board of directors' resolution to issue convertible debentures

The general meeting resolved to approve the board of directors' resolution on 15 March 2024 to raise a convertible loan of a nominal maximum of EUR 1,150,000 through a directed issue of convertible debentures, entailing an increase of the share capital, if fully converted, with a maximum of SEK 11,489,262.41.

The right to subscribe for the convertible debentures shall vest in The Brand Laboratories FZ, Mountain High Trust, Claremont Trust, Trevor Heneck and Erik Karlsson. The reason for not applying the shareholders' pre-emption rights is that the board of directors has carefully considered the likelihood of acquiring equity through a rights issue and determined that there currently are several reasons that make it more advantageous for the Company to acquire equity through a directed issue of convertible debentures. The Company does not have the liquid funds to be able to conduct a rights issue of convertible debentures, and a rights issue of convertible debentures would likely have to be conducted at a significantly lower subscription rate, and at a higher cost, and take longer owing to the need for an investment memorandum. There is also a substantial risk that a rights issue would not have been fully subscribed, thereby requiring guarantee commitments, which would entail additional costs for the Company and even greater dilution for current shareholders.

The nominal amount of the convertible debenture shall be EUR 5,000 or multiples thereof. The loan carries an annual interest rate of 18 per cent. The subscription price corresponds to the nominal amount of the convertible debenture.

Subscription shall be made on a separate subscription list during the period from the date of this decision until 1 February 2025. Subscription may however not take place after the Company has decided on a Qualified Financing or upon the occurrence of a Change of Control. The board of directors is entitled to extend the subscription period.

The convertible debenture may be converted into Class B shares during the period commencing 3 March 2025 up to and including 31 March 2025, or the earlier date or period in accordance with the provisions of Appendix 1A, at a conversion price of SEK 0.10. The number of Class B shares to be issued upon conversion is determined by first re-calculating the nominal amount into SEK by applying a fixed exchange rate in accordance with the provision of Appendix 1A. Any share premium shall be transferred to the unrestricted premium reserve. The pricing of the convertible debentures has been negotiated at arm's length and was finally determined on 11 March 2024, when the closing price of the share was SEK 0.1. Neither The Brand Laboratories FZ, nor Steven Schapera, have participated in the decision-making of the remaining three board directors

agreeing to the terms of the convertible debenture. The board's assessment is that the terms, negotiated at arm's length, are more favorable for the Company than market standard and that a loan with the same maturity and security could only be taken up on significantly less favorable terms for the Company.

Resolution on the approval of pledge agreement

The general meeting resolved to approve the entering into a pledge agreement with all subscribers, including The Brand Laboratories FZ, as set out below.

The agreement stipulates that the parties' withdrawals from the loan facility through the convertibles shall be made in proportion to the total number of subscribed convertibles at each individual withdrawal. The Company undertakes to only draw down on loans to the extent deemed necessary on each individual occasion.

The Company will pay the subscribers a total set-up fee of EUR 28,750 to be paid within ten (10) days from the first drawdown from the loan facility.

As security for the fulfilment of repayment or conversion of the loan in accordance with the convertible debentures, the Company shall grant a corporate mortgage to subscribers amounting to the value of each subscriber's share of the loan.

According to the Swedish Securities Council's statement 2019:25, certain related party transactions must be submitted to the general meeting for approval. Transactions to be approved are transactions which, together with other transactions carried out with the same related party during the past year, have a value of at least SEK 1 million and correspond to at least one per cent of the Company's value (calculated as total market capitalization). This pledge agreement constitutes a related party transaction to the Company due to the fact that the chairman of the board of directors of the Company, Steven Schapera, is associated with The Brand Laboratories FZ.

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About Simris Group AB (PUBL):

Simris Group is a biologics company identifying and commercialising high value, natural, biologically active compounds found in microalgae and cyanobacteria to extract for applications in biopharmaceuticals, dietary supplements and cosmetics.

Simris Group's shares are traded on the Nasdaq First North Growth Market with the short name SIMRIS and ISIN code SE0008091664.

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Press Release
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Attachments

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