

SIMRIS GROUP

INTERIM REPORT

JANUARY–MARCH 2024

QUARTER 1, JANUARY – MARCH 2024

- Net revenue increased by 6% to SEK 519k (488k).
- EBITDA improved by 11% to SEK -5 325k (-5 999k).
- EBIT/Operating result improved by 6% to SEK -9 037k (-9 595k).

KEY EVENTS DURING THE QUARTER

- Simris signed a Head of Terms for an offtake agreement valued at minimum €2M.
- Simris confirmed that it will temporarily pause production at its facility in Hammenhög to complete efficiency study.
- Simris appointed Dr Alexis Roberts-McIntosh to CEO with immediate effect.
- The Board of Simris resolved placement of a directed issue of convertible notes of €1.15M subject to approval at the Extraordinary General Meeting.

KEY EVENTS AFTER THE END OF THE QUARTER

- Simris confirmed that its proposed directed issue of convertible debentures of €1.15M was approved by the EGM on April 5, 2024. The directed issue of convertible debentures was fully subscribed.
- Simris confirmed it had extended maturity to 31 March 2025 for the flexible funding facility.
- Simris published its Annual Report for 2023.
- Simris Board resolved to move the Annual General Meeting to June 28, 2024.

THE PERIOD IN BRIEF

SEK thousands	Jan-Mar 2024	Jan-Mar 2023	Δ	Full year 2023
Net revenue	519	488	6%	4 354
EBITDA	-5 325	-5 999	11%	-22 366
EBIT / Operating result	-9 037	-9 595	6%	-36 635
Result before tax	-10 007	-10 485	5%	-40 622
Cash flow from operating activities	-5 437	-6 632	18%	-36 353
Cash at the end of the period	185	1 849	90%	5 665

CEO UPDATE

Simris Biologics holds an extremely strong, defensible, position in the ADC payload space with its patented toxins derived from cyanobacteria. It is also sitting on the world's largest strain library of cyanobacteria. Combined, this gives the company a sustainable competitive advantage that is unmatched in the ADC space. For this reason, I am excited at the real prospect of unlocking and adding value, both at Simris Biologics level as well to the broader Group. The prospect of continuing to build a substantial business around key products that do good for people is a privilege, and I am honored to join the Team.



Within a month in this role, it is clear Simris Group's vision can readily be achieved by focusing on bioconjugate science innovation and delivery, specifically of ADC payloads, to meet the growing need to fight a number of target cancers and improve treatment outcomes for patients globally.

In the last 22 months considerable work has been completed by the Simris Team to redefine the corporate objectives and activities. The transformation from the low-margin and highly competitive dietary supplement space to the high-margin ADC biopharma and biosimilars space is where the company now has a sustainable competitive advantage with its highly novel IP protected bioconjugate platform.

The sales of Simris Omega 3 supplements via distributors and our own website are not in our core focus and are not profitable, and we have therefore decided to sell out the remaining stock and not refill stock.

As communicated previously, production in Hammenhög is paused whilst a full feasibility on this facility is conducted. Whilst a Heads of Terms covering a 3yr takeoff agreement valued at more than €2m has been signed, committing to a contract would require significant up-front capital expenditure to secure profitability. This is not the best use of Simris capital, and hence other options, including collaborating with others, is under review. The contract negotiation for the take-off agreement with a value up to €2M is paused until further decisions are made.

Almost to the day, the Board's 3 year turnaround plan is on track: the repositioned and repurposed Simris Group now has a dominant biotech pathway, with a clear purpose and capability to commercialise its proprietary ADC payload platform, including potential to expand into other non-cancer therapeutic areas. My vision for our Simris Group is to build a flexible and agile "hub and spoke" business model pivoting around our patented Simris Bioconjugate Platform. This model will retain and grow our deep technical expertise while building individual license opportunities with successive biopharma partners with specific payload needs. Inherent in this approach is the ability to keep pace with ADC novel scientific innovation requirements. This will also enable Simris Group to form meaningful, value-creating opportunities with collaborators and commercial biopharma partners.

Over the next 3- 6 months we plan to continue to grow our expert Simris Team in the development and commercialization of bioconjugates for the biotech space. In partnership with other key external teams build our novel platform further and secure appropriate license opportunities and wider collaborations.

These license agreements with pharmaceutical companies are expected to bring significant revenue, with each license agreement for a single payload typically worth around \$100m, including milestone payments, and additionally in the longer term through sales of payloads/toxins as well as royalties of any ADC drugs approved & delivered to market. Tapping into my 27 years in the pharma space, I am currently progressing several key collaborations and partnerships, each of which will drive us closer to our first license agreement.

Our mission is to treat cancer with greater precision than chemotherapy or radiotherapy. We will do this using our groundbreaking ADC payload technology, through strategic alliances with drug developers. Every day we move closer towards this goal.

Dr Alexis Roberts-McIntosh

CEO Simris Group

OVERVIEW

NET REVENUE AND PROFIT

Sales for the quarter increased by 6% and amounted to SEK 519k (488k).

The EBITDA result for the quarter improved by 11% to SEK -5 325k (-5 999k). The EBIT/ Operating result for the quarter improved by 6% to SEK -9 037k (-9 595k).

Financial net is charged during the quarter with SEK 306k of non-realized exchange rate costs for conversion of exchange rate changes due to additional purchase price in EUR for Simris Biologics.

The total inventory value amounted to SEK 1 097k (2 226k) at the end of the quarter.

FIXED ASSETS

The total value of the Group's fixed assets amounted to SEK 167 411k (177 393k) at the end of the period. Intangible Assets at the end of the period were SEK 147 696k (155 276k). Tangible Assets at the end of the period were SEK 19 715k (22 210k). There were no investments in fixed assets during the quarter.

The depreciation of fixed assets was made according to relevant accounting standards, with SEK 3 712k (3 596k) during the quarter. Fixed assets are depreciated over 5–10 years for most fixtures and fittings, and over the remaining lifetime for patents - 15 years for the patents and technology gained through the Cyano Biotech acquisition), and up to 40 years for the buildings.

LIQUIDITY AND FINANCING

Cash flow from operating activities improved by 18 percent to SEK -5 437k (-6 632k) during the quarter. Cash flow amounted to SEK -5 480k (-2 145k) for the quarter. At the end of the period, cash and cash equivalents amounted to SEK 185k (1 849k). The total liabilities at the end of the period amounted to SEK 153 704k (169 846k).

The deferred tax liability at the end of the quarter amounted to SEK 44 683k (47 110k) is not a payable debt since its related to purchase price allocation of Simris Biologics.

It is important to note that €8m of the long-term debt on the balance sheet is associated with the acquisition of Cyano Biotech (now Simris Biologics). This is the maximum earn-out remaining to be paid for the acquisition of the ADC platform. For this to become payable, Simris Biologics would have to first earn sales revenue of at least €80m from the ADC platform over the next 15 years. This revenue would be expected to be at a very high profit margin. Importantly, Simris Group has executed a back-to-back agreement with Simris Biologics whereby Simris Biologics will recompense Simris Group for the amount of this future earn-out payment.

On the August 25, 2022, The Brand Laboratories FZ (TBL), a company associated with Simris Chairman, Steven Schapera, provided the business with a flexible funding facility of up to €1.0m to be drawn down as and when required. The loan was to be paid back within twelve months and accumulated interest at 1.0% per month. On 24th January 2023 Simris announced that TBL had offered to increase the funding facility by a further €0,5m on the same terms as the original €1,0m facility. On 21st April 2023 the Board accepted an offer from TBL to extend the loan facility by a further €150k. On 5th May 2023, the Board accepted an offer from TBL to extend the due date for payment of its flexible loan facility, from 25th August 2023 to 2nd October 2023. On 5th July 2023, a Shareholder proposed that an EGM, to be held on 24th July, should approve a proposal from the Board for TBL to convert €1m of TBL's loan into Simris shares as a part of the upcoming capital raising. At the same time the Board proposed that the EGM resolves to accept an offer from TBL to extend the term of its remaining loan facility to 31st December 2024. At the end of the period the loan facility used is €778k.

After the end of the quarter, an Extraordinary General Meeting resolved on a directed issue of convertible debentures with a combined value of €1,15M to a group of investors including a company closely associated with Simris chairman, Steven Schapera. The Convertibles have a maturity date of 31 March 2025, to the extent

conversion has not taken place before such date. The subscribers will be entitled to demand conversion of all or parts of their claim into new shares of class B in the Company at a conversion price of SEK 0.1 during the period commencing 3rd March 2025 up to and including 31st March 2025. With a conversion price of SEK 0.1 and at full conversion of the Convertibles, calculated as of the date of this announcement, the dilution would amount to approximately 28 percent, meaning that the Company's share capital would increase by approximately SEK 11,489,262.41, from approximately SEK 30,238,745.67 to approximately SEK 41,728,008.08 and the number of shares in the Company would increase by 132,250,000 shares from 348,070,570 shares to 480,320,570 shares.

EQUITY

The Group's equity amounted to SEK 17 312k (13 795k) at the end of the quarter. The solidity was 10.1 percent, compared with 14.7 percent on December 31, 2023.

The total number of shares amounted to 348 070 570 B and the share capital amounted to SEK 30 238 745.67. Each share has a quota value amounting to approximately 0,0869 SEK.

OPTION PROGRAM

At the end of the period, Simris Group had five outstanding Option programs.

Series 2019/1 consists of 43 438 options and was issued to employees of the company in May 2019. The options have a term of five years and for each option, 1.45 B shares can be subscribed for at a price of 4.44 SEK per share. Exercise of outstanding options corresponds to a dilution of the share capital by less than 0.1 percent.

Series 2021/2024:S consists of 2 000 000 options and was issued to the Board in May 2021. The options have a term of three years, and each option gives the right to subscription of 1.35 B shares at a subscription price of SEK 1.41 per share. Utilization of outstanding options corresponds to a dilution of the share capital by 0.78 percent.

Series 2021/2024:L consists of 1 820 000 options and was issued to senior executives and employees in the company in May 2021. The options have a term of three years, and each option gives the right to subscription of 1.35 B shares at a subscription price of SEK 1.41 per share. Utilization of outstanding options corresponds to a dilution of the share capital by 0.71 percent.

Series 2022/1 consists of 1 750 000 options and was issued to the CEO of the company, at that time, in May 2022. The options have a term of three years, and each option gives the right to subscription of 1.35 B shares at a subscription price of SEK 0.90 per share. Utilization of outstanding options corresponds to a dilution of the share capital by 0.68 percent.

Series 2022/2 consists of 1 750 000 options and was issued to the CEO of the company, at that time, in May 2022. The options have a term of two years, and each option gives the right to subscription of 1.35 B shares at a subscription price of SEK 1.41 per share. Utilization of outstanding options corresponds to a dilution of the share capital by 0.68 percent.

Full utilization of all outstanding warrants at the end of the period corresponds to a dilution of 2.86 percent.

STAFF AND ORGANIZATION

The average number of full-time equivalents (FTEs) employed during the quarter amounted to 9 (9). At the end of the quarter, the Group had 8 FTEs. After consultation with employees and their Trade Union, all employees in the Hammenhög production facility have been advised that their employment will end, and as at the end of the quarter 1 employee and 1 consultant will remain at the Hammenhög facility until the beginning of June. Offsetting this, Simris plans to expand the team at Simris Biologics in the upcoming quarters.

PARENT COMPANY

Simis Group AB is the parent company. Net revenue for the Parent Company during the quarter amounted to SEK 67k (505k). EBIT/ Operating result amounted to SEK -4 575k (-5 023k) for the quarter. Result before tax amounted to SEK -5 215k (-5 770k) for the quarter.

TRANSACTIONS WITH RELATED PARTIES

At the end of the quarter and year, Simris held a loan of €778k to The Brand Laboratories (TBL) FZ, a company associated with Simris Chairman, Steven Schapera. The loan earns interest at 1.0% per month which is paid out monthly.

In addition to normal Board work during the quarter, Board Directors performed consulting services for the company, of which Brand Laboratories FZ LLC (a company associated with Steven Schapera), invoiced SEK 294k, Magnus Högström SEK 12k and Frank Puccio SEK 39k.

ACCOUNTING PRINCIPLES

Simris Group prepares its accounts in accordance with the Annual Accounts Act and the Accounting Boards general advice 2012:1(K3). Information on accounting principles in general is provided in the Financial Statement for 2023.

AUDIT

This report has not been reviewed by Simris Group's auditor.

RISKS AND UNCERTAINTIES

Simris Group's operations, financial position and earnings can be affected by a number of risks and uncertainties. These are described in Simris Group's Financial Statement for 2023, at www.simrisgroup.com.

Simris Group is in the start-up phase and still lacks sufficient earnings to cover the costs of the business through sales revenue. Simris Group is reliant upon planned additional external funding to be able to continue its operations, repay loans, and implement growth plans. Whilst the Board is confident that the business is in its strongest position ever, and that it will be able to raise the funds required for future investment and growth, there is always a risk that new capital cannot be acquired when needed, or that new capital cannot be obtained on satisfactory terms, or that the procured capital is not sufficient to finance the operations in accordance with established development plans and objectives.

The Board of Directors and the CEO assure that the report provides a fair overview of the group's operations, position and results.

Steven Schapera
Chairman

Magnus Högström
Board Director

Dr Alexis Roberts-McIntosh
CEO

Robert Quandt
Board Director

Frank Puccio
Board Director



INCOME STATEMENT - CONSOLIDATED GROUP

SEK thousands	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Net revenue	519	488	4 354
Change of finished goods and work in progress	-17	-47	-1 096
Other operating income	0	151	798
Raw materials and consumables	-179	-300	-1 251
Other external expenses	-3 193	-4 006	-15 324
Personnel expenses	-2 455	-2 285	-9 847
Depreciation and amortization	-3 712	-3 596	-14 269
Operating result / EBIT	-9 037	-9 595	-36 635
Financial net	-970	-890	-3 987
Result before tax	-10 007	-10 485	-40 622
Tax	862	846	3 317
Result for the period	-9 145	-9 639	-37 305
(Attributable to the parent company's shareholders)	-9 145	-9 639	-37 305

BALANCE SHEET - CONSOLIDATED GROUP

SEK thousands	31 Mar 2024	31 Mar 2023	31 Dec 2023
Assets			
Fixed Assets			
Intangible assets	147 696	155 276	144 848
Tangible assets	19 715	22 110	20 489
Financial assets	0	7	0
Total Fixed Assets	167 411	177 393	165 337
Current Assets			
Inventory	1 097	2 226	1 091
Other receivables	2 323	2 173	2 459
Cash and bank balances	185	1 849	5 665
Total Current Assets	3 605	6 248	9 215
Total Assets	171 016	183 641	174 552
Equity and Liabilities			
Equity	17 312	13 795	25 614
Provisions			
Deferred tax	44 683	47 110	43 858
Liabilities			
Long-term Liabilities	94 137	92 613	90 740
Short-term Liabilities	14 884	30 123	14 340
Total Liabilities	153 704	169 846	148 938
Total Equity and Liabilities	171 016	183 641	174 552

CASH FLOW ANALYSIS - CONSOLIDATED GROUP

SEK thousands	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Cash flow from operating activities before changes in working capital	-6 111	-6 535	-25 744
Cash flow from working capital	674	-97	-10 609
Cash flow from operating activities	-5 437	-6 632	-36 353
Cash flow from investing activities	0	-545	-1 611
Cash flow from financing activities	-43	5 032	39 635
Cash flow for the period	-5 480	-2 145	1 671
Cash and cash equivalents opening balance	5 665	3 994	3 994
Cash and cash equivalents closing balance	185	1 849	5 665

CHANGES IN EQUITY - CONSOLIDATED GROUP

SEK thousands	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Opening balance	25 614	23 034	23 034
Issue	0	0	45 446
Issue costs	0	0	-6 175
Translation differences	843	400	614
Result for the period	-9 145	-9 639	-37 305
Closing balance	17 312	13 795	25 614

KEY FIGURES - CONSOLIDATED GROUP

SEK thousands	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Net revenue (kSEK)	519	488	4 354
EBIT (kSEK)	-9 037	-9 595	-36 635
Cash at the end of the period (kSEK)	185	1 849	5 665
Equity (kSEK)	17 312	13 795	25 614
Earnings per share (SEK)	neg.	neg.	neg.
Earnings per share after full dilution (SEK)	neg.	neg.	neg.
Equity per share (SEK)	0,05	0,08	0,07
Equity per share after full dilution(SEK)	0,05	0,08	0,07
Number of shares, average	348 070 570	180 302 520	228 627 315
Number of shares, end of period	348 070 570	180 302 520	348 070 570
Number of shares after full dilution*	348 070 570	180 302 520	348 070 570
Solidity (%)	10,1	7,5	14,7
Balance sheet total (kSEK)	171 016	183 641	174 552
Cash liquidity (%)	17	13	57
Average number of employees	9	9	9

*Simris Group has five outstanding warrant programs. Dilution effects have not been taken into account for any of the programs for any of the above period, as the average price of Simris Groups's share in each period has been less than the subscription price in the programs. If full subscription takes place within the framework of the option programs, the number of shares will increase by 9 944 985.

INCOME STATEMENT - PARENT COMPANY

SEK thousands	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Net revenue	67	505	2 815
Change of finished goods and work in progress	-17	-278	-184
Other operating income	0	0	506
Raw materials and consumables	-22	-213	-842
Other external expenses	-2 408	-2 845	-10 254
Personnel expenses	-1 449	-1 462	-6 148
Depreciation and amortization	-746	-730	-2 971
Operating result / EBIT	-4 575	-5 023	-17 078
Financial net	-640	-747	-3 752
Result before tax	-5 215	-5 770	-20 830
Tax	-3	-3	-13
Result for the period	-5 218	-5 773	-20 843

BALANCE SHEET - PARENT COMPANY

SEK thousands	31 Mar 2024	31 Mar 2023	31 Dec 2023
Assets			
Fixed Assets			
Tangible assets	17 386	20 374	18 132
Financial assets	127 317	117 899	121 878
Total Fixed Assets	144 703	138 273	140 010
Current Assets			
Inventory	382	438	404
Receivables from group companies	0	626	0
Other receivables	1 435	1 182	1 760
Cash and bank balances	0	1 338	5 436
Total Current Assets	1 817	3 584	7 600
Total Assets	146 520	141 857	147 610
Equity and Liabilities			
Equity	38 868	19 884	44 086
Provisions			
Deferred tax	117	104	114
Liabilities			
Long-term Liabilities	94 137	92 613	90 740
Short-term Liabilities	13 398	29 256	12 670
Total Liabilities	107 652	121 973	103 524
Total Equity and Liabilities	146 520	141 857	147 610



ABOUT SIMRIS GROUP

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.

FINANCIAL CALENDAR:

Annual General Meeting	28 June 2024
Interim Report Q2, 2024	14 August 2024
Interim Report Q3, 2024	13 November 2024
Year-end Report 2024	26 February 2025

Certified Adviser

Amudova AB is the Company's Certified Adviser on Nasdaq First North and can be reached at info@amudova.se or +46 (0) 8-546 017 58.

FOR MORE INFORMATION:

Dr Alexis Roberts-McIntosh, CEO
 Phone: +44 (0)7940 585298
 Email: IR@simris.com

KEY FIGURE DEFINITIONS

Balance sheet total - The sum of all assets in the balance sheet or sum of all liabilities and equity.

Equity per share - Adjusted equity (equity and untaxed reserves less deferred tax) divided by the number of shares at the end of the period.

Equity per share after full dilution - Adjusted equity (equity and untaxed reserves less deferred tax) divided by the number shares at the end of the period taking into account after conversion and adjusted for effect of share-based payments.

Cash liquidity - Current assets excluding inventories and work in progress as a percentage of current liabilities

Net revenue - Operating main income, invoiced costs, side income and income corrections.

Earnings per share - Earnings for the period divided by the number of shares after the end of the period.

Earnings per share after full dilution - Earnings for the period divided by number shares after the end of the period, taking into account after conversion and adjusted for effect of share-based payments.

EBIT/ Operating result - Result before financial expenses and tax.

Solidity - Adjusted equity at the end of the period as a percentage of total asset.

This information is information that Simris 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 08:00 CET on 15 May 2024.