

## Simris Group AB completes a directed share issue of approximately 3 MSEK to strategic investors

**The board of directors of Simris Group AB (publ) ("Simris Group" or the "Company") has today, based on the authorisation from the annual general meeting held on 29 May 2023, resolved to approve a directed share issue of 10,850,000 series B shares to the strategically important investors Mountain High Trust and Ran Goldstein. The shares in the directed share issue are issued at a subscription price of SEK 0.27 per share, which is a 4.2% premium to the 30-day VWAP. Through the directed share issue the Company receives proceeds of SEK 2,929,500, before transaction costs.**

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The proceeds from this directed share issue will provide increased financial flexibility and freedom of action for the Company in order to drive the business forward. The directed share issue also enables the board to implement other financing solutions in the future.

*Simris Group Chairman, Steven Schapera commented: "It is most reassuring that Mountain High Trust has sought to increase their recent commitment made just over a month ago, and also to be joined by Ran Goldstein, another strategic investor with an interest in the longer-term future of Simris. The fact that they have invested at a small premium to the 30-day VWAP is a robust vote of confidence."*

The recent, fully underwritten, Rights Issue was approximately 58.9 percent subscribed for with and without the support of subscription rights and completed on 18th August 2023. At the same time the Company ran a strategic directed share issue whereby the participants in the directed issue also acted as underwriters of the Rights Issue and whereby any funds not called upon to underwrite the Rights Issue, would roll over into a directed issue. This resulted in a shortfall of approximately SEK 10,0m versus the target for the total capital raising.

In determining how best to fill all or part of this shortfall, the board of directors has carefully considered all available fundraising options.

Based upon an approach from two strategic investors, namely Mountain High Trust and Ran Goldstein, it was agreed to accept their offer to subscribe via a directed share issue. This decision was made against the background of the size of the shortfall not justifying for a new Rights Issue, the lack of participation in the recent Rights Issue despite its discounted offer price, decreasing access to risk capital investors, the prevailing sentiment in the market, and the share price volatility that has been observed for smaller growth companies in general and the Company in particular.

The board also considered that the costs of a Rights Issue would be disproportionately high in relation to the capital raised. In addition, a Rights Issue would probably have been made at a lower subscription price, given the discount levels that existed in Rights Issues carried out in growth companies on the market recently. In summary, the board of directors assessed that the choice to carry out a top-up directed share issue to strategic investors ensures that a larger proportion of the raised proceeds will be raised without delay and at significantly lower cost, thereby benefitting the Company and its shareholders compared with a Rights Issue.

The board of the Company has determined that the subscription price is market-based and correctly reflects their assessment of market conditions and demand. The subscription price has been negotiated at arm's length and the board of directors has been able to safeguard the interest of shareholders by carrying out this directed issue without the issue discounts common in the current market. This issue has been carried out at an issue premium to the 30-day VWAP, which are far better issue conditions for the Company than what is generally established in transactions of the same kind or in Rights Issues. The board of directors therefore assesses that the subscription price is favorable for the Company's shareholders and that it is in the Company's and the shareholders interest to carry out the directed share issue at the established subscription price and that the subscription price is clearly within the framework of what should be considered marketable at present, given the subscription premium.

The directed share issue entails a dilution effect of approximately 3.2 per cent of the number of shares and votes in the Company. Through the directed share issue, the number of shares and votes in the Company increases by 10,850,000 from 332,050,556 to 342,900,556. The share capital increases by SEK 942,597.30 from SEK 28,847,001.67 to SEK 29,789,598.97.

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**About Simris Group AB (PUBL):**

Simris Group is a biologics company identifying high value, natural, biologically active compounds found in microalgae and cyanobacteria to extract for applications in skincare, nutrition, and biopharmaceuticals. The company sustainably grows microalgae and cyanobacteria at industrial scale within its photobioreactor facility whereby conditions are optimized for production of these high-value compounds.

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

Certified Adviser is Amudova AB, telephone: 08-546 017 58, email: [info@amudova.se](mailto:info@amudova.se).

*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 2023-10-29 19:55 CET.*

**Attachments**

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