

# The board of Simris Group AB (publ) resolves on a directed issue of convertible debentures up to EUR 1,000,000 subject to the approval of the General Meeting.

The board of directors of Simris Group AB (publ) ("Simris Group" or the "Company") has today resolved on a directed issue of convertible debentures to The Brand Laboratories FZ, Mountain High Trust, Claremont Trust and Trevor Heneck (the "Subscribers"), of up to EUR 1,000,000, subject to the approval of an extraordinary general meeting (the "Convertible Issue"). The board of directors will summon an extraordinary general meeting ("EGM") for approval of the board of directors' resolution on the Convertible Issue and an associated pledge agreement. The notice for the EGM, planned to be held on 5 April 2024, will be announced through a separate press release.

The Convertible Issue consists of 200 convertibles at a nominal value of approximately EUR 5,000 per convertible (the "**Convertibles**"). The subscription price will be equal to the nominal value of the Convertibles. The Convertibles carry an annual interest of 18 percent of their nominal value. The term of the Convertibles are approximately 12 months with a maturity date of 31 March 2025, to the extent conversion has not taken place before such date.

The Company and the Subscribers have additionally agreed to enter into an agreement under which the Company will pay a set-up fee of 2.5 per cent of the total loan amount in the Convertible Issue and provide security for the loan amount through corporate mortgages (*Sw. företagsinteckning*). The agreement is subject to approval from the general meeting of the Company as the agreement is considered to constitute a material transaction with related parties in accordance with Chapter 16 a of the Swedish companies act as the Company's chairman of the board, Steven Schapera, is associated with The Brand Laboratories FZ.

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 3 March 2025 up to and including 31 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 25 percent, meaning that the Company's share capital would increase by approximately SEK 9,990,662.96, from approximately SEK 30,238,745.67 to approximately SEK 40,229,408.63 and the number of shares in the Company would increase by 115,000,000 shares from 348,070,570 shares to 463,070,570 shares.

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 have to be conducted at a significantly lower subscription rate. 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 terms and conditions for the convertible loan, including the conversion price, have been established after arms' length negotiations with the Subscribers. Thus, the board of directors' assessment is that the terms and conditions of the Convertibles are in accordance with market conditions. Notice of the general meeting will be announced in a separate press release.

The board of directors therefore believes that the Convertible Issue will provide financial security for the Company, thereby promoting value creation for all shareholders in the Company.

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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 2024-03-14 18:35 CET.*

**Attachments**

[The board of Simris Group AB \(publ\) resolves on a directed issue of convertible debentures up to EUR 1,000,000 subject to the approval of the General Meeting.](#)