

# Notice of an Extraordinary General Meeting of Simris Group AB (publ)

**Simris Group AB (publ), reg. no. 556841-9187 (the "Company") will hold an extraordinary general meeting on 24 July 2023 at 10:30. Registration takes place from 10:00. The general meeting will be held at Advokatfirman Delphi's premises at Nordenskiöldsgatan 11A in Malmö.**

Right to participate in the meeting:

Shareholders who wish to participate in the meeting must: (i) be entered in their own name in the share register maintained by Euroclear Sweden AB on 14 July 2023, and (ii) notify the Company of their participation no later than 18 July 2023.

Nominee registered shares:

Shareholders with nominee-registered shares must temporarily have the shares re-registered in their own name as of the record date of 14 July 2023, and contact should be made with the bank /nominee well in advance. The nominee has the option to make such voting rights registration retroactive, however no later than 18 July 2023 in order for it to be taken into account when preparing the share register.

Notification:

Notification of attendance at the meeting can be made in writing to Simris Group AB, Herrestadsvägen 24A, 276 50 Hammenhög or by e-mail to [ir@simris.com](mailto:ir@simris.com).

When submitting a notification of attendance please state name, personal identity number /corporate identity number, address, telephone number, number of shares and number of assistants.

Shareholders who are represented by proxy are asked to send a written and dated proxy to the Company together with the notification. The proxy may be valid for a maximum of five years from issuance. The person representing a legal person must be able to show a certificate of registration or an equivalent document of authority that indicates the authorised signatory. The proxy (original), certificate of registration or equivalent authorisation documents, which have not been sent to the Company in connection with the notification, must be brought to the meeting. A proxy form is available on the Company's website ([www.simrisgroup.com](http://www.simrisgroup.com)).

Proposal for the agenda

1. Opening of the meeting
2. Election of chairman of the meeting
3. Preparation and approval of a voting list
4. Approval of the agenda
5. Election of one or two persons to verify the minutes

6. Determination as to whether the meeting has been duly convened
7. Resolution on entering into subscription commitments and guarantee commitments
8. Resolution on related party transaction regarding guarantee compensation
9. Resolution on related party transaction regarding financing facility
10. Resolution on rights issue
11. Resolution on directed share issue and set-off in accordance with Chapter 13, Section 41 of the Swedish Companies Act
12. Closing of the meeting

## Item 2

The nomination committee proposes that the lawyer Micael Karlsson shall be appointed chairman of the meeting.

## Item 7

The board of directors proposes that the general meeting resolves on the conclusion of subscription commitments and guarantee commitments with Robert Quandt, through JCL Investments AB, and Frank Puccio, Appendix 7, in order to secure the rights issue in accordance with item 10 below.

Robert Quandt and Frank Puccio have communicated intentions to enter into subscription commitments and guarantee commitments whereby Robert Quandt and Frank Puccio undertake to subscribe for shares corresponding to SEK 3,789,927.92 in the event that the impending rights issue is not fully subscribed, partly by subscribing for their pro rata share amounting to SEK 867,427.92, and partly by guaranteeing parts of the rights issue amounting to SEK 2,922,500. In accordance with the guarantee commitments, Robert Quandt and Frank Puccio shall be entitled to receive a guarantee compensation of 20 percent to be paid in equity and with a value equal to SEK 584 500, in total, for their guarantee commitments. No compensation is paid for their subscription commitments. Robert Quandt and Frank Puccio are obligated, under the guarantee commitments, to offset the guarantee remuneration in the proposed directed share issue in accordance with paragraph 11 below.

The general meeting is further proposed to instruct the board of directors, or the person appointed by the board of directors, to execute the resolution as above and to make such minor adjustments to the said proposal for resolution as may prove necessary.

In addition, underwriting agreements have been entered into with a consortium of strategic investors with an interest in the field of Antibody Drug Conjugates (ADCs) comprising of Claremont Trust, based in the British Virgin Islands, Mountain High Trust, based in the British Virgin Islands, and Trevor Heneck, resident in South Africa. The guarantee commitments described above, together with the guarantee commitments in accordance with paragraph 8 below, aim to guarantee a total amount of approximately SEK 22.2 million, corresponding to approximately 91.2 percent of the issue amount, of the rights issue.

## Item 8

The board of directors proposes that the general meeting resolves on the conclusion of subscription commitments and guarantee commitments with The Brand Laboratories FZ and Namaqua Holdings Ltd as set out below, in accordance with the below and Appendix 8.

The Brand Laboratories FZ has communicated an intention to enter into subscription commitments and guarantee commitments whereby The Brand Laboratories FZ undertakes to subscribe for shares corresponding to SEK 11,674,947.24 as a guarantee commitment in the event that the impending rights issue is not fully subscribed. Furthermore, The Brand Laboratories FZ has communicated an intention to subscribe for its pro rata share in the rights issue amounting to SEK 482,855.04. In accordance with the guarantee commitments, The Brand Laboratories FZ shall be entitled to receive a guarantee compensation of 20 percent to be paid in equity and with a value equal to SEK 2,334,989.45 for its guarantee commitment. No compensation is paid for the subscription commitment. The Brand Laboratories FZ is obligated under the guarantee commitments to offset the guarantee compensation in the proposed directed share issue in accordance with item 11 below. The conclusion of the guarantee commitment is subject to a resolution from the general meeting as the guarantee compensation is considered to constitute a material transaction with related parties in accordance with the Swedish Securities Council's statement no. 2019:25.

Furthermore, Namaqua Holdings Ltd has communicated an intention to subscribe for its pro rata share in the rights issue amounting to SEK 794,610. There is no compensation for the subscription commitment.

According to the Swedish Securities Council's statement no. 2019:25, certain related party transactions shall be submitted to the general meeting for approval. Transactions to be approved are transactions that, together with other transactions carried out with the same related party during the past year, relate to a value that is at least SEK one million and corresponds to at least one percent of the company's value (calculated as total market capitalization).

The guarantee commitment and the subscription commitments constitute a related party transaction to the Company due to the Company's chairman of the board Steven Schapera, being associated with The Brand Laboratories FZ and Namaqua Holdings Ltd. The intended agreements shall be entered into in order to ensure sufficient financing in connection with the present capital raising is secured.

The Board of Directors will prepare a report on the transaction in accordance with the Swedish Securities Council's statement no. 2019:25, which will be published on the Company's website no later than two weeks before the meeting.

A valid resolution requires that the resolution has been supported by shareholders representing more than half of the votes cast at the meeting. Shares and votes held directly or indirectly by Steve Schapera, The Brand Laboratories FZ and Namaqua Holdings Ltd shall not be considered.

## Item 9

The board of directors proposes that the general meeting approves an extension of the bridge loan agreement with The Brand Laboratories FZ as set out below.

The Company requested an extension of the flexible financing facility that The Brand Laboratories FZ provided to the Company on 25 August 2022, and which was extended on 21 April 2023, and The Brand Laboratories FZ have agreed to this request. The agreement is conditional upon approval from the general meeting of the Company as it is considered to constitute a material transaction with a related party in accordance with the Swedish Securities Council's statement no. 2019:25. The board of directors proposes that the general meeting resolves to approve the entering of the agreement on mainly the following terms.

The agreement constitutes an agreement with a related party to Simris Group due to the Company's chairman of the board Steven Schapera being associated with The Brand Laboratories FZ. The agreement is entered into with the aim of improving the Company's liquidity.

If the general meeting resolves pursuant to this item 9, the flexible financing facility will be extended from 25 August 2023 until 31 December 2024. As of 5 July 2023, the total outstanding loan amount is EUR 1,744,378. The Brand Laboratories FZ intends to offset EUR 1,000,000 of the outstanding loan amount in the proposed issues in accordance with items 10 and 11 below. Interest is charged at the rate of 1 percent per month. From 24 July 2021 to 31 December 2024, approximately EUR 140,933 is forecast to be paid in interest to The Brand Laboratories FZ. The Company may at any time repay the outstanding loan amount in full or in part. If such premature repayment is made the Company shall, in addition to the repayment, also pay an early repayment fee of 5 percent of the repayment amount.

The Board of Directors will prepare a report on the transaction in accordance with the Swedish Securities Council's statement no. 2019:25, which will be published on the Company's website no later than two weeks before the meeting.

A valid resolution requires that the resolution has been supported by shareholders representing more than half of the votes cast at the meeting. Shares and votes held directly or indirectly by Steve Schapera or The Brand Laboratories FZ shall not be considered.

## Item 10

The board of directors proposes that the general meeting resolves to carry out a rights issue in respect of not more than 90,151,260 shares, entailing an increase in the share capital of not more than SEK 7,831,920.472649. The resolution shall otherwise be governed by the following terms and conditions.

1. The right to subscribe for the new shares shall accrue with preferential rights to the person who is registered as a shareholder in the company on the record date 31 July 2023. Holding one (1) existing share gives one (1) subscription right and two (2) subscription rights entitles the holder to subscribe for one (1) new share.

2. It shall also be possible to subscribe for shares without subscription rights. If not all shares are subscribed for with subscription rights, the Board of Directors shall decide that allotment of shares without subscription rights may be made within the framework of the highest amount of the issue. Such allocation shall:
  - a. in the first instance, be made to such subscribers who have also subscribed for shares with subscription rights, regardless of whether the subscriber was a shareholder on the record date or not, and in the event that allotment to these cannot be made in full, allotment shall be made pro rata in proportion to the number of subscription rights exercised for subscription of shares and, to the extent that this cannot be done, by drawing of lots;
  - b. in the second instance, be made to others who have subscribed for shares without subscription rights, and in the event that allotment to these cannot be made in full, allotment shall be made pro rata in proportion to the number of shares subscribed for by each and, to the extent that this cannot be done, by drawing of lots; and
  - c. in the third instance, be made to guarantors in accordance with guarantee agreements entered into in proportion to the guarantee commitments, and to the extent that this cannot be done, by drawing of lots.
3. A subscription price of SEK 0.27 shall be paid for each share subscribed for. The share premium shall be transferred to the unrestricted premium reserve. The board of directors has the right to decide on payment by set-off in accordance with the rules of the Swedish Companies Act.
4. Subscription of shares shall take place during the period from and including 2 August 2023 to and including 16 August 2023. Subscription with the support of subscription rights shall be made by payment. Subscription made without subscription rights shall be made on a special subscription list and payment shall be made no later than the third banking day after notification of allotment has been sent to the subscriber. The board of directors shall be entitled to extend the subscription period and the time for payment.
5. The new shares shall entitle to dividend for the first time on the record date for dividend that falls immediately after the new shares have been entered in the company's share register.
6. The board of directors or a person appointed by the board of directors shall be authorised to make any minor adjustments required to register the resolution with the Swedish Companies Registration Office and Euroclear Sweden AB.

A valid resolution requires that the resolution has been supported by shareholders representing more than half of the votes cast at the meeting

#### **Item 11**

The shareholder Martin Rudling proposes that the general meeting resolves to carry out a directed issue in respect of not more than 98,648,654 shares, entailing an increase in the share capital of not more than SEK 8,570,134,381,504. The resolution shall otherwise be governed by the following terms and conditions.

1. The right to subscribe for the new shares shall vest in each of Steven Schapera, Frank Puccio, Robert Quandt, Osiris International Trustees Limited as trustee for Claremont Trust and Mountain High Trust and Trevor Heneck, or their nominees.
2. A subscription price of SEK 0.27 shall be paid for each share subscribed for. The basis for the subscription price is the market value of the share. The board of directors has the right to decide on payment by set-off in accordance with the rules of the Swedish Companies Act.
3. The share premium shall be transferred to the unrestricted premium reserve.
4. Subscription shall be made by payment or on a subscription list during the period from and including 18 August 2023 to and including 22 August 2023. If subscription is made on a subscription list, payment shall be made during the period from and including 18 August 2023 to and including 24 August 2023.
5. The board of directors shall be entitled to extend the subscription and the payment period.
6. The board of directors has the right to decide on allotment, which shall not exceed the number of shares each guarantor has guaranteed through its guarantee commitments, and the shares to which each guarantor is entitled as guarantee compensation, reduced by the number of shares allotted to the guarantors within the rights issue.
7. The new shares shall entitle to dividend for the first time on the record date for dividend that falls immediately after the new shares have been entered in the company's share register.
8. The board of directors or a person appointed by the board of directors shall be authorised to make any minor adjustments required to register the resolution with the Swedish Companies Registration Office or Euroclear Sweden AB.

The reason for the deviation from the shareholders' preferential rights is that Simris Group has a strained liquidity and needs additional working capital to effectively pursue its growth objectives and to execute its strategy towards more profitable markets and market segments. Shareholder Martin Rudling's assessment is that the rights issue pursuant to item 10, together with the directed issue pursuant to this paragraph, enables the Company to raise the necessary capital in a very resource-efficient manner.

Conditional to the execution of the agreements and the approval of item 7 and 8 by Shareholders at the extraordinary general meeting, the rights issue will be fully underwritten through subscription commitments and guarantee commitments made by members of the Company's board and an informal consortium of external strategic investors. The shareholder considers that the guarantee remuneration negotiated for the guarantee commitments provided prior to the rights issue is on market terms under current market conditions. The shareholder also believes that it is to the advantage of all shareholders that the guarantors are long-term strategic investors. For the company, in a situation where liquidity is in the priority, it is also advantageous that the guarantors can receive compensation in the form of shares and not cash.

The shareholder considers that without the accompanying directed issue, the rights issue would have to be carried out at a significantly lower subscription price based on the discounts applied in recent rights issues. This supports the reason why the company should choose to carry out the directed issue to the guarantors in connection with the rights issue, and thus deviate from the shareholders' preferential rights. The shareholder believes, in order to secure the corresponding capital injection, that all available alternatives considered would have entailed additional costs and required significantly greater dilution. In support of this assessment, the company held discussions and exchanged written communication with four different financial advisors and concluded that the agreed terms are more favorable to the company than those suggested by the financial advisors. It is the shareholder's assessment that the subscription price, in the directed issue has been negotiated at arm's length with the guarantors, and is on market terms.

On this basis, it is proposed that the general meeting instructs the board of directors to implement the above resolution and to offset the guarantee remuneration to related parties in accordance with items 7 and 8 above in accordance with the rules in Chapter 13, Section 41 of the Swedish Companies Act.

A valid resolution requires that the resolution has been supported by shareholders, representing nine-tenths (9/10) of both the votes cast and the shares represented at the meeting.

### **Information at the meeting**

The shareholders are informed of their right to request information at the general meeting regarding conditions that may affect the assessment of a matter on the agenda and conditions that may affect the assessment of the Company's financial situation.

### **Documents available**

All documents that shall be made available to shareholders at the general meeting in accordance with the Swedish Companies Act will be made available to shareholders at the Company's premises in Hammenhög and on its website, [www.simrisgroup.com/investerare](http://www.simrisgroup.com/investerare), no later than two weeks before the meeting. The documents will be sent by post to shareholders who request it and state their address. The documents will also be available at the meeting.

### **The number of shares and votes in the Company**

The total number of shares and votes in the Company on the day of this notice amounts to 180,302,520. The Company does not hold any own shares.

### **Processing of personal data**

For information on how your personal data is processed, please refer to the privacy policy available on Euroclear's website: <https://www.euroclear.com/dam/ESw/Legal/Integritypolicy-bolagsstammor-svenska.pdf>.

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Hammenhög July 2023

Simris Group AB

The Board

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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).

**Attachments**

[Notice of an Extraordinary General Meeting of Simris Group AB \(publ\)](#)

[Appendix 7 To Notice](#)

[Appendix 8 To Notice](#)