

# Simris resolves on a share issue, repayment of convertible debentures, prolongation of loan agreements, entering into and to call for a general meeting to resolve to enter into new loan agreements

Simris Group AB (publ) ("Simris Group" or the "Company") today announces that the board of directors has resolved on a financing package in order to secure the working capital in the Company. Therefore, the board of directors has resolved (i) on a directed issue of 277,074,328 new shares of series B in the Company amounting to approximately SEK 13,850,000, with a subscription price of SEK 0.05 per share, (the "Directed Share Issue"), (ii) to repay the outstanding convertible debentures amounting to EUR 1,150,000, approved by the extraordinary general meeting on 5 April 2024, (the "Convertibles") which become due, as of the Directed Share Issue, (iii) to enter into convertible loan agreements amounting to EUR 600,000, with an option of the lenders to increase the loans with an additional amount of EUR 900,000 (the "Investor Loan Agreements"), (iv) to propose that a general meeting resolves to enter into new convertible loan agreements amounting to EUR 140,000 with the management of the Company (the "Management Loan Agreements"), and (v) to prolong the existing loan agreement with The Brand Laboratories FZ amounting to EUR 777,832 (excluding accrued interest).

Due to recent events with the passing of the Company's long time chairman Steven Schapera, as has been disclosed to the market through earlier press releases, Simris Group is facing financial uncertainties. Therefore, the board of directors has decided to take action in order to secure financing for the Company to continue its operations.

Please find more information regarding each action below.

## Directed Share Issue

The board of directors has, based on the authorisation from the annual general meeting held on 28 June 2024, resolved on the Directed Share Issue of 277,074,328 shares of series B to The Brand Laboratories FZ, Mountain High Trust, Claremont Trust, Trevor Heneck, Erik Karlsson and Martin Rudling. The shares in the Directed Share Issue are issued at a subscription price of SEK 0.05 per share. Through the Directed Share Issue, the Company receives proceeds of approximately SEK 13,850,000 before transaction costs.

The board of directors has carefully considered all available fundraising options, before resolving on the Directed Share Issue together with the rest of the financing package. The board of directors assessed that the Company was not able to carry out a rights issue without an addition of working capital. Furthermore, the lack of participation in the recent rights issue, the prevailing sentiment in the market, the share price volatility that has been observed for smaller growth companies in

general and Simris Group in particular, and the unproportional costs of a rights issue entail that the Directed Share Issue is to prefer for the Company in this extraordinary position.

The board of directors determines that the subscription price is market-based and correctly reflects their assessment of market conditions, demand and the Company's situation. The subscription price equals the closing price on 20 December 2024 and has been determined after negotiations at arm's length and the board of directors has been able to safeguard the interest of the shareholders by carrying out this directed issue without the issue discounts common in the current market. The subscription price of SEK 0.05, hence without a discount in relation to the closing price of the last trading day before the decision, is superior to the subscription price that would have to be set in a rights issue. 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.

The proceeds from the Directed Share Issue will be used as working capital for the Company and for repayment of the Convertibles as further described below. Furthermore, the proceeds, together with the loan amount from the Investor Loan Agreements and the Management Loan Agreements as further described below, will secure the Company's liquidity going forward.

The Directed Share Issue entails a dilution effect of approximately 44.32 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 increase by 277,074,328 from 348,070,570 to 625,144,898. The share capital increases by SEK 2,770,743.28 from SEK 3,480,705.7 to SEK 6,251,448.98.

### **Repayment of the Convertibles**

The Convertibles amount to EUR 1,150,000 plus accrued interest, amounting to approximately EUR 60,115.08 per 31 December 2024, with a maturity date of 31 March 2025, unless converted into shares at a conversion price of SEK 0.10. The Directed Share Issue, as described above, will be deemed a qualified financing under the terms of the Convertibles that requires the holders of the Convertibles to either request conversion or repayment of the Convertibles in connection with the qualified financing event. Considering the high conversion price, the holders of the Convertibles have declared that they will request repayment but have agreed, as part of the financial package, to invest further in the Company and to grant additional loans provided that the management of the Company also participates. As a result of the qualified financing event under the terms of the Convertibles, the Convertibles become due for repayment in connection with the Directed Share Issue. Consequently, the Company will repay the Convertibles amounting to EUR 1,150,000 and interest, amounting to approximately EUR 60,115.08 per 31 December 2024, in accordance with the terms of the Convertibles.

The Convertibles carried an interest rate of 18 per cent and were set to be repaid on 31 March 2025. As a result of the financing package, the (soon to be repaid) Convertibles are replaced with equity capital and further loans with a lower interest rate. Furthermore, the board of directors assesses that the Convertibles have constituted an obstacle to raising capital through other means and the Company may now be more flexible in raising capital.

## Entering of Loan Agreements

The Company has entered into Investor Loan Agreements for a total loan amount of EUR 600,000; of which EUR 350,000 with Mountain High Trust, EUR 100,000 with Claremont Trust, EUR 100,000 with Ron Goldstein, EUR 30,000 with Glen Heneck, and EUR 20,000 with Trevor Heneck. Furthermore, the lenders have the option to grant additional loans corresponding to 150 per cent of the initial amount, equal to an aggregate amount of EUR 900,000, to the Company.

The investors have required that the Management Loan Agreements are entered into by the Company for a total loan amount of EUR 140,000; of which EUR 50,000 with Frank Puccio, EUR 10,000 with Royce CoLabs AB, a company controlled by Jonathan Royce, EUR 30,000 with Magnus Högström, EUR 20,000 with Arminnovate Ltd, a company controlled by Dr Alexis Roberts-McIntosh and EUR 30,000 with Christoffer Tell AB, a company controlled by Christoffer Tell.

The board of directors has determined itself not able to resolve on the entering of the Management Loan Agreements due to conflicts of interest of its members in accordance with the Swedish Companies Act. Consequently, the board of directors has resolved to propose that a general meeting resolves on the entering of the Management Loan Agreements and to instruct the board of directors to execute the agreements.

The Investor Loan Agreements and the Management Loan Agreements shall have the following conditions. The agreements shall have a monthly interest rate of one (1) per cent and a maturity date of 31 December 2025. The lenders shall be able to convert all outstanding loans and accrued interest to B-shares at a subscription price of SEK 0.05 per B-share. If the Company conducts a capital raise before 31 December 2025 the subscription price shall be lowered to correspond with the subscription price in such capital raise. The right to conversion into B-shares will be subject to the board of directors having sufficient authorisation from the general meeting or the approval of the general meeting (as applicable).

Further information regarding the Management Loan Agreements will be disclosed separately in a notice for an extraordinary general meeting.

## Prolongation of Loan Agreement with The Brand Laboratories FZ

The Company has previously, on 25 August 2022, entered into a flexible finance facility with The Brand Laboratories FZ, a company associated with the late Steven Schapera. The parties have now, as part of the financing package, agreed to amend the flexible finance facility in order to postpone the maturity date of the facility until 31 December 2025. In addition, the Company will not be able to make any further drawdowns under the amended agreement. The outstanding loan amount excluding interest amounts to EUR 777,832.

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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.

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 2024-12-23 09:44 CET.*

**Attachments**

[Simris resolves on a share issue, repayment of convertible debentures, prolongation of loan agreements, entering into and to call for a general meeting to resolve to enter into new loan agreements](#)