Simris Group AB resolves on directed issue of units, proposes that an extraordinary general meeting resolves on additional share issues and announces acceptance of premature conversion of convertible debentures

The board of directors of Simris Group AB (publ) ("Simris Group" or the "Company") has today resolved on a directed issue of units consisting of one (1) class B share and two (2) warrants of series 2025/2027 by virtue of the authorization from the annual general meeting (the "Directed Issue"). The board has further resolved to consign to an extraordinary general meeting to resolve on amendments to the articles of association and on a potential directed issue of units consisting of one (1) class B share and two (2) warrants of series 2026/2027 to certain investors (the "Investment Issue"). The board has further, based on the investors request and the board being conflicted in relation to conversion of its loan, resolved to consign to an extraordinary general meeting to resolve on a potential directed issue of class B shares to the management of the Company (the "Management Issue"). The board of directors will convene an extraordinary general meeting to be held on or around 19 January 2026. The notice for the extraordinary general meeting will be announced through a separate press release.

Background and motive

The Company has during the past months sought to secure capital to strengthen its liquidity and financial position in order to fulfil both its long-term and short-term financial obligations and continue its operations. During the last twelve months, the Company has on several occasions entered into loan agreements, issued convertibles and taken other measures to maintain its business operations. For example, the Company has taken the following measures:

- On 23 December 2024, Simris Group announced that the board of directors had resolved 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**"). The Investor Loan Agreements were entered into as Simris Group was facing financial uncertainties following the passing of the Company's previous chairman, the owner of the larger shareholder The Brand Laboratories FZ. The Investor Loan Agreements were entered into with Mountain High Trust, Claremont Trust, Ron Goldstein, Glen Heneck and Trevor Heneck respectively (the "**Investor Lenders**"). The outstanding amount of the Investor Loan Agreements is currently EUR 640,478.50.
- On 20 January 2025, an extraordinary general meeting resolved to enter into loan agreements with certain members of the Company's management and board of directors consisting of Frank Puccio, Royce CoLabs AB, a company controlled by Jonathan Royce, Magnus Högström, Arminnovate Ltd, a company controlled by Dr Alexis Roberts-McIntosh, and Christoffer Tell AB, a company controlled by Christoffer Tell (the "**Management Loan Agreements**"). The outstanding amount of the Management Loan Agreements is currently

EUR 148,426.35. Originally, the maturity date of the Investor Loan Agreements and the Management Loan Agreements was 31 December 2025, but the maturity date has on 16 April 2025 been amended to 31 March 2026. The Investor Loan Agreements and the Management Loan Agreements entitle the lenders to repayment in cash or to require repayment by way of set-off against newly issued shares in the Company at a subscription price of SEK 0.05 per class B share, or if the Company conducts a capital raise before 31 March 2026, the subscription price shall be lowered to correspond with the subscription price in such capital raise.

- On 27 July 2025, Simris Group announced that the board of directors had resolved on a directed issue of convertible debentures amounting to EUR 678,000 (the "**Convertible Issue**"). The issue was directed to the investors Praesidio Wealth Solutions Fund SPC Ltd, Osiris International Trustees Limited as trustee of the Mountain High Trust, Russel Ziman and Glen Phillip Heneck. In connection therewith, the existing loan facilities, including the loans under the Investor Loan Agreements and the Management Loan Agreements, were amended to interest free loan facilities as from 1 August 2025. In addition, the holders may force premature conversion in connection with a capital raise in the Company, at the lower of (i) SEK 0.125 and (ii) price corresponding to 70 per cent of the share price offered to investors in the next capital raise. Furthermore, the maturity date for the loan facility with The Brand Laboratories FZ was extended to 1 January 2027. In the press release disclosed on the same day, the Company described that the measures were part of a package deal to provide further bridge financing to the Company and reduce running costs in the preparation for an anticipated capital raise in the Company.

In light of the above, the board of directors has explored the possibility of conducting a rights issue. However, the board of directors has assessed that a rights issue in the Company is not feasible at this time due to the Company's indebtedness and the lack of interest in such a capital raise from both shareholders and external investors.

However, the external investors Culross Investment Holding LTD, Lital Avivi, St Andrew Street Trustees Limited as trustees of the Aerro Gold trust, Praesidio Wealth Solutions Fund SPC LTD, Longstone PCC Limited, Russel Ziman and Primafides (Suisse) SA as trustee of Cumulus Trust, and the shareholders Osiris International Trustees Limited as trustee of The Claremont Trust and Osiris International Trustees Limited as Trustee of Mountain High Trust (the "**New Investors**") have communicated their interest to participate in a directed issue on the following conditions: (i) an issue consisting of shares of class B and warrants is resolved , where the warrants can be exercised at any time until 31 December 2027, (ii) the Company heavily reduces its indebtedness by setting-off a majority of its outstanding loans, including the Investor Loan Agreements and the Management Loan Agreements, and (iii) the current board of directors and management participate in a capital raise with the aim of increasing their own interest in the Company's further success either by setting-off claims against the Company or by participating in a shares issue through payment in cash, and lastly (iv) the current holders of convertible debentures accepts a conversion into shares under the terms of the convertible debenture (the "**Proposed Structure**").

The Company and the Investor Lenders have negotiated regarding the repayment of the Investor Loan Agreements due to the Proposed Structure from the New Investors. The Investor Lenders declared that they preferred to receive repayment in cash. However, given the Company's current financial position with its dependence of a capital injection being completely necessary to avoid bankruptcy, the Investor Lenders agreed reluctantly to receive repayment on the Investor Loan Agreements in the form of set-off in accordance with the terms of the Investor Loan Agreement, namely that the Investor Lenders receive the same terms in the Directed Issue as the New Investors.

The holders of the convertible debentures have also accepted to undertake to force premature conversion into shares, under the terms of the convertible debentures.

Furthermore, the current board of directors and management, including the lenders under the Management Loan Agreements have accepted to undertake to participate in an issue of shares in accordance with the Proposed Structure but without receiving warrants.

The board of directors assesses that there is no realistic alternative to a directed issue as set out in the Proposed Structure by the New Investors. The lenders have declared that they are only prepared to convert their loans into shares under the Proposed Structure and any alternative capital raise would only be able to finance the repayment of the loans under the Investor Loan Agreements. A rights issue would under such circumstances only, at best, finance the repayment of the Company's outstanding loans and not provide any liquid funds or otherwise finance the current operations. Consequently, the board of directors has determined that the only viable solution to address the Company's liquidity requirements is to accept the Proposed Structure as further described below.

Directed Issue

The board of directors has today, by virtue of the authority granted by the annual general meeting held on 28 May 2025, resolved on a directed issue of 330,000,000 units, consisting of one (1) class B Share and two (2) warrants of series 2025/2027. The subscribers in the Directed Issue are the New Investors and certain of the Investor Lenders. Through the Directed Issue, the Company receives proceeds of approximately EUR 1.5 million before transaction costs.

The reasons for the deviation from the shareholders' preferential rights are that the Company is experiencing significant financial difficulties, and the Directed Issue is the only realistic alternative to filing for bankruptcy. The board of directors has considered the possibility of raising capital through a preferential rights issue and believe that it would not be possible to conduct a rights issue, and had it been possible it would take too long to complete as the Company is in urgent need of a rapid inflow of capital. The board of directors has also assessed that alternative financing solutions such as traditional bank financing or other debt instruments, are not available to the Company given its current financial position, indebtedness and lack of cash flow. The board of directors also believe that it is necessary for the Company's financial position to accept the opportunity to repay the Investor Loan Agreements in the form of issued shares and warrants instead of cash payment. The board of directors has carefully weighed the dilutive effect on existing shareholders against the benefits of securing the Company's continued operations and avoiding bankruptcy proceedings and has concluded that the Directed Issue is in the best interest of all shareholders as it preserves shareholder value that would otherwise be lost in the bankruptcy scenario. The board of directors' overall assessment is that there are predominant reasons to deviate from the main rule of preferential rights for existing shareholders and that the directed share issue overall contributes to creating value for all shareholders of the Company.

The Directed Issue also diversifies and strengthens the Company's shareholder base with new strategically important investors with abilities to inject additional capital in the future, thereby broadening the base of financially strong shareholders and strengthening the liquidity in the Company's share.

A subscription price of SEK 0.05 shall be paid for each unit subscribed for, which corresponds to a subscription price of SEK 0.05 per class B share. The warrants will be issued free of charge. The basis for the subscription price of SEK 0.05 is negotiations between the Company and the New Investors at arm's length, which were carried out in consultation with external counsel and advisors. The board of directors has determined the subscription price based on a number of factors, including the Company's urgent financing needs, the terms of the Investor Loan Agreements, the cost for alternative financing, the assessed market interest for an investment in the Company and the current market situation, where the Company's share price has fallen rapidly during the last quarter and remains extremely volatile. In addition, the Company has not been able to find any alternative source of additional funding, regardless of subscription price. The board of directors therefore assesses that the subscription price is in line with market conditions.

Each warrant shall entitle the holder to subscribe for one (1) new class B share in the company at a subscription price corresponding to SEK 0.05. Subscription of class B shares by virtue of warrants shall be made in accordance with the terms and conditions of the warrants during the period from the date of issuance up to and including 31 December 2027.

Through the Directed Issue, the total number of shares in the Company will increase by 330,000,000 class B shares, from 625,144,898 class B shares (calculated before the Investor Issue, the Management Issue and the conversion of convertible debentures) to 955,144,898 class B shares, corresponding to a maximum dilution effect of 34.55 per cent of the number of shares and votes in the Company (calculated before the Management Issue and the conversion of convertible debentures). The share capital will increase by SEK 3,300,000.00 from SEK 6,251,448.98 (calculated before the Investor Issue, the Management Issue and the conversion of convertible debentures) to SEK 9,551,448.98.

Through the exercise of all warrants of series 2025/2027 another 660,000,000 class B shares may be issued. Furthermore, the share capital may increase by SEK 6,600,000.00 through the exercise of the warrants of series 2025/2027.

Investor Issue

The Proposed Structure requires that the Company heavily reduces its indebtedness by setting-off a majority of its outstanding loans, including the Investor Loan Agreements. However, the current limits on share capital and number of shares set out in the Company's articles of association are insufficient to accommodate a directed issue of shares to the Investor Lenders. Accordingly, the board of directors will propose that an extraordinary general meeting approves amendments to increase the limits on the number of shares and the share capital in the Company' s articles of association. Furthermore, the board of directors will propose that an extraordinary general meeting resolves on a directed share issue to the Investor Lenders of not more than 140,905,267 units, consisting of one (1) class B share and two (2) warrants of series 2026/2027. The matters will be addressed at the extraordinary general meeting, to be held on or around 19 January 2026. The participants in the potential Investor Issue are the Investor Lenders. Through the Investor Issue, the Company receives proceeds of approximately SEK 7.0 million before transaction costs.

The reasons for the deviation from the shareholders' preferential rights are that the Company is experiencing significant financial difficulties, and the directed unit issue is the only realistic alternative to filing for bankruptcy. The board of directors has considered the possibility of raising capital through a rights issue and based on the outcome of the last rights issues believes that it would not be possible to conduct a rights issue, and had it been possible it would take too long to complete as the Company is in urgent need of an immediate inflow of capital. The board of directors has also assessed that alternative financing solutions such as traditional bank financing or other debt instruments, are not available to the company given its current financial position, indebtedness and lack of cash flow. The board of directors also deems that it is necessary for the Company's financial position to accept the opportunity to repay the company's loan agreements in the form of issued shares and warrants instead of cash payment. The board of directors has carefully weighed the dilutive effect on existing shareholders against the benefits of securing the Company' s continued operations and avoiding bankruptcy proceedings, and has concluded that the directed issue is in the best interest of all shareholders as it preserves shareholder value that would otherwise be lost in the bankruptcy scenario. The board of directors' overall assessment is that there are predominant reasons to deviate from the main rule of preferential rights for existing shareholders and that the directed share issue overall contributes to creating value for all shareholders of the Company.

As stated above, the New Investors agreed to participating in the Directed Issue on the condition that Company heavily reduces its indebtedness by setting-off a majority of its outstanding loans, including the Investor Loan Agreements. The participants in the Investor Issue aim achieve this objective by receiving repayment by way of set-off.

A subscription price of SEK 0.05 shall be paid for each unit subscribed for, which corresponds to a subscription price of SEK 0.05 per class B share. The warrants will be issued free of charge. The basis for the subscription price of SEK 0.05 is negotiations between the Company and the Investor Lenders at arm's length, which were carried out in consultation with external counsel and advisors. The board of directors has determined the subscription price based on a number of factors, including the Company's urgent financing needs, the terms of the Investor Loan Agreements, the cost for alternative financing, the assessed market interest for an investment in the Company and the current market situation, where the Company's share price has fallen rapidly during the last quarter and remains extremely volatile (a volatility in excess of 100 % over the last 30 trading days). In addition, the Company has not been able to find any alternative source of additional funding, regardless of subscription price. The board of directors therefore assesses that the subscription price, being the only available alternative to bankruptcy, is in line with market conditions.

Through the Investor Issue, the total number of shares in the Company will increase by 140,905,267 class B shares, from 625,144,898 class B shares (calculated before the Directed Issue, the Management Issue and the conversion of convertible debentures) to 766,050,165 class B shares, corresponding to a maximum dilution effect of 18.39 per cent of the number of shares and votes in the Company (calculated before the Directed Issue, the Management Issue and the conversion of convertible debentures). The share capital will increase by SEK 1,409,052.67 from SEK 6,251,448.98 (calculated before the Directed Issue, the Management Issue and the conversion of convertible debentures) to SEK 7,660,501.65.

Through the exercise of all warrants of series 2026/2027 another 281,810,534 class B shares may be issued. Furthermore, the share capital may increase by SEK 2,818,105.34 through the exercise of the warrants of series 2026/2027.

Management Issue

The Proposed Structure requires the management and the board of directors to undertake to participate in the Management Issue. However, under applicable legislation on conflict of interest the board of directors may not decide on an issue of shares to its members, and an issue of shares to the management can only be decided upon by the shareholders at a general meeting. Consequently, the board of directors will refer to the discretion of the shareholders to resolve on a potential issue of not more than 36,783,108 class B shares in accordance with the Proposed Structure. The matter will be addressed at an extraordinary general meeting, to be held on 19 January 2026. The participants in the potential Management Issue are Daniel Kubitza, Frank Puccio, Royce CoLabs AB, a company controlled by Jonathan Royce, Magnus Högström, Christoffer Tell AB, a company controlled by Christoffer Tell. Through the Management Issue, the Company receives proceeds of approximately SEK 1.8 million before transaction costs.

The reasons for the deviation from the shareholders' preferential rights are identical to the reasons for the deviation from the shareholders' preferential rights in the Directed Issue. Mainly that the Company is experiencing significant financial difficulties, and the Proposed Structure is the only alternative to filing for bankruptcy. The board of directors has considered the possibility of raising capital through a rights issue and believe, based on the outcome of the last rights issues, that it would not be possible to conduct a rights issue and had it been possible it would take too long to complete as the Company is in urgent need of a rapid inflow of capital. The board of directors has also assessed that alternative financing solutions such as traditional bank financing or other debt instruments, are not available to the Company given its current financial position and indebtedness. The board of directors also believe that it is necessary for the Company's financial position to accept the opportunity to repay the loan agreements in the form of issued shares and warrants instead of cash payment. The board of directors has carefully weighed the dilutive effect on existing shareholders against the benefits of securing the Company's continued operations and avoiding bankruptcy proceedings, and has concluded that the Proposed Structure is in the best interest of all shareholders as it preserves shareholder value that would otherwise be lost in the bankruptcy scenario. The board of directors' overall assessment is that there are predominant reasons to deviate from the main rule of preferential rights for existing shareholders and that the directed share issue overall contributes to creating value for all shareholders of the Company.

Furthermore, the deviation from the shareholders' preferential rights is crucial for the Company to be able to comply with the Proposed Structure.

As stated above, the New Investors agreed to participating in the Directed Issue on the condition that the management of the Company also shows commitment for the Company's future by participating in a share issue. The participants of the Management Loan Agreements aim to show such commitment by receiving repayment by way of set-off. On 10 November 2025, the board of directors appointed Daniel Kubitza as interim CEO with immediate effect. Due to the condition of the Investor Lenders and the Company's financial situation, the board of directors proposes that Daniel Kubitza may participate in the Management Issue on the same terms as the participants in the Management Loan Agreement.

The subscription price of SEK 0.05 shall be paid for each class B share subscribed for. The basis for the subscription price is negotiations between the Company and the participants at arm's length, which were carried out in consultation with advisors. The board of directors has determined the subscription price based on a number of factors, including the Company's urgent financing needs, the cost for alternative financing, the assessed market interest for an investment in the Company and the current market situation, where the Company's share price has fallen rapidly during the last quarter and remains extremely volatile (a volatility in excess of 100 % over the last 30 trading days). The subscription price also corresponds to the repayment price stipulated in the Management Loan Agreements, which were approved by an extraordinary general meeting on 20 January 2025. The board of directors therefore assesses that the subscription price, being the only available alternative to bankruptcy, is in line with market conditions.

Through the Management Issue, the total number of class B shares in the Company will increase by 36,783,108 class B shares, from 625,144,898 class B shares (calculated before the Directed Issue, the Investor Issue and the conversion of convertible debentures) to 661,928,006 class B shares, corresponding to a maximum dilution effect of 5.56 per cent of the number of class B shares and votes in the Company (calculated before the Directed Issue, the Investor Issue and the conversion of convertible debentures). The share capital will increase by SEK 367,831.08, from SEK 6,251,448.98 (calculated before the Directed Issue, the Investor Issue and the conversion of convertible debentures) to SEK 6,619,280.06.

Premature conversion of convertible debentures

Under the convertible debentures issued on 27 July 2025 the holders may force premature conversion in connection with a capital raise in the Company, at the lower of (i) SEK 0.125 and (ii) price corresponding to 70 per cent of the share price offered to investors in the next capital raise. The Proposed Structure requires the holders of convertible debentures to accept conversion into shares. Following this requirement, the holders have accepted to undertake to convert the convertible debentures into shares in accordance with the applicable terms therein. Following the holder's formal conversion request, the conversion will be carried out as soon as possible after the Directed Issue.

The total conversion into new class B shares in the Company corresponds to SEK 7,593,600. The pre-determined subscription price corresponds to 70 per cent of the share price offered in the Directed Issue, amounting to SEK 0.035 per class B share.

Through the Conversion, the number of class B shares in the Company will increase by 216,960,000 class B shares, from 625,144,898 class B shares (calculated before the Directed Issue, the Investor and the Management Issue) to 842,104,898 class B shares, corresponding to a maximum dilution effect of 25.76 per cent of the number of shares and votes in the Company (calculated prior to the Directed Issue, the Investor Issue and the Management Issue). The share capital will increase by SEK 2,169,600, from SEK 6,251,448.98 (calculated prior to the Directed Issue, the Investor Issue and the Management Issue) to SEK 8,421,048.98.

Total potential dilution effect
In aggregate, through the Directed Issue, the Investor Issue, the Management Issue, the conversion of convertible debentures and the exercise of all warrants of series 2025/2027 and series 2026/2027 a total of 1,666,458,909 new class B shares may be issued entailing a maximum dilution effect of approximately 72.72 per cent of the number of shares and votes in the Company. The share capital may increase by a maximum of SEK 16,664,589.09 from SEK 6,251,448.98 to SEK 22,916,038.07.

The new class B shares will be registered with the Swedish Companies Registration Office and the delivery of the class B shares will be carried out to the custody accounts designated by the Investors.

Advisers
Simris Group has engaged Advokatfirman Delphi as legal advisor and Aqurat Fondkommision AB as issuing agent in connection with the Directed Issue and the Management Issue.

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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.

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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 2025-12-16 20:43 CET.

Attachments

Simris Group AB resolves on directed issue of units, proposes that an extraordinary general meeting resolves on additional share issues and announces acceptance of premature conversion of convertible debentures