

# SIMRIS GROUP INTERIM REPORT JANUARY–SEPTEMBER 2023

## THE PERIOD IN BRIEF - GROUP

SEK thousands	Jul-Sep 2023	Jul-Sep 2022	Δ	Jan-Sep 2023	Jan-Sep 2022	Δ	Full year 2022
Net revenue	532	316	68%	1 697	3 762	-55%	4 080
EBITDA	-4 525	-4 471	-1%	-16 963	-11 941	-42%	-18 005
EBIT / Operating result	-8 042	-6 115	-32%	-27 952	-15 026	-86%	-24 657
Result before tax	-8 395	-6 305	-33%	-30 320	-15 418	-97%	-25 766
Cash flow from operating activities	-6 758	-5 801	-16%	-18 926	-11 402	-66%	-18 188
Cash at the end of the period	18 782	3 356	460%	18 782	3 356	460%	3 994

Note: numbers in brackets are comparable figures from the previous year.

### Q3, JULY - SEPTEMBER 2023

- Net revenue increased by 68% to SEK 532k (316k) driven by an increase in sales of Omega-3 and sales of cyanobacterial standards.
- Personnel and other external costs increased by 25% to SEK -5 799k (-4 629k) largely driven by the new costs of staff acquired with the Cyano Biotech acquisition.
- With the additional investments outlined above, EBITDA declined by 1% to SEK -4 525k (-4 471k).
- With the additional investments outlined above, the EBIT/ Operating result declined by 32% to SEK -8 042k (-6 115k).

### JANUARY - SEPTEMBER 2023

- Net revenue decreased by 55% to SEK 1 697k (3 762k). Sales revenue from B2B biomass sales was delayed into Q4.
- Personnel & other external costs increased by 54% to SEK -19 089k (-12 403k) behind investments in the algae farm, marketing of Omega-3 products in USA, and the additional personnel at Simris Biologics.
- EBITDA declined by 42% to SEK -16 963k (-11 941k).
- EBIT/ Operating result declined by 86% to SEK -27 952k (-15 026k).

### KEY EVENTS IN Q3

- On 5<sup>th</sup> July 2023, Simris announced an extension to the term of the flexible funding facility from TBL, a company associated with the Simris Chairman, Steven Schapera.
- On 5<sup>th</sup> July 2023, the Board of Simris proposed that an Extraordinary General Meeting (EGM) resolves on a rights issue of no more than ca. SEK 24,3m and a Shareholder proposed a directed issue of no more than ca. SEK 26,6m.

- On 5<sup>th</sup> July 2023, Simris announced that it was bringing forward the date of the Interim Report for Quarter 2 from 9<sup>th</sup> August to 24<sup>th</sup> July 2023.
- On 5<sup>th</sup> July 2023, Simris gave notice of an EGM of Simris Group AB to be held on 24<sup>th</sup> July 2023 to resolve on a capital raising comprised of a rights issue in combination with a directed issue.
- On 17<sup>th</sup> July 2023, Simris CEO published a letter to the shareholders.
- On 24<sup>th</sup> July 2023, Simris published a bulletin from an EGM which resolved on the terms of a capital raising which was to include both a preferential Rights Issue to existing shareholders and a Directed Issue to a group of strategic investors.
- On 27<sup>th</sup> July 2023, Simris confirmed that its preferential Rights Issue was 100% underwritten.
- On 28<sup>th</sup> July 2023, Simris confirmed that it had strengthened its management team through the appointment of Dr Heike Enke as CSO for Simris Group.
- On 31<sup>st</sup> July 2023, Simris published its first forward looking statement and a financial forecast for its subsidiary Simris Biologics.
- On 31<sup>st</sup> July 2023, Simris published its information memorandum for the Rights Issue.
- On 2<sup>nd</sup> August 2023, Simris confirmed a new patent application based around its ADC-payload platform.
- On 8<sup>th</sup> August 2023, Simris announced that it had signed a Letter of Intent (LoI) with Protinext BV that secured industrial scale production capacity via a commercial partnership.
- On 18<sup>th</sup> August 2023, Simris announced the outcome of its fully secured Rights Issue, which was approximately 58.9 percent subscribed with and without the support of subscription rights.

### KEY EVENTS AFTER Q3

- On 29<sup>th</sup> October, Simris completes a Directed Share issue of approximately SEK 3m to strategic investors.
- On 7th November 2023, Simris announced the appointment of a distributor in the USA that will sell Simris Omega-3 products on Amazon and other relevant eCommerce platforms.

## WORDS FROM THE CEO

Whilst the summer months in Europe are often a period of lower intensity, the third quarter for Simris was as busy as ever. Shareholders in Simris will be aware that the company completed a capital raising which combined a fully guaranteed preferential Rights Issue with a Directed Issue, attracting new strategic investors. In total we succeeded in raising 41.1MSEK before transaction costs. This significantly improved our balance sheet and extended our runway into 2024. Q3 is also peak season for growing and harvesting algae at our algae farm in Hammenhög, culminating in the shipment of biomass to our customers in October. Finally, I have been greatly encouraged by the commercial interest shown in our platform for novel ADC payloads at the recent World ADC summit I attended last month in San Diego. With over 1,400 ADCs now in development, the industry has matured to the point where the need for product differentiation through the use of new payloads is obvious. Simris is uniquely poised to provide drug developers with a pipeline of novel payloads for their ADC development programmes and is well positioned to ride this trend. We are currently following up on a number of sales leads generated at the San Diego summit.



Julian Read  
CEO

The Simris Group is built on three pillars:

1. The Hammenhög growing facility where we cultivate a proprietary strain of microalgae biomass for the production of fucoxanthin, a potent antioxidant, for B2B sale;
2. Simris-branded Omega 3 supplements, derived from microalgae, that we market internationally primarily B2B; and
3. Simris Biologics, a Berlin-based biotech that we acquired just less than 18 months ago, and which develops toxins extracted from microalgae for use in the lucrative pharmaceutical space as a key compound in ADC (Antibody Drug Conjugate) cancer therapeutics.

It's hard for me to believe that it's been just 18 months since I was brought in by the Board to lead the transformation of Simris. I had 3 challenges: first, to refocus the growing facility in Hammenhög to high value fucoxanthin and to significantly increase productivity. Second, to reformulate the SIMRIS Omega 3 product for global regulatory approval and adopt a new business model. Third, to lead the acquisition of Cyano Biotech GmbH (now Simris Biologics) to take SIMRIS into the pharmaceutical space where cyanobacterial toxins can command prices of around €3.0m per kg. Our long-term shareholders will have followed this transformation, and (hopefully), will have noted that we have made significant progress.

**Hammenhög:** Following the investments made to upgrade the smaller reactors last winter, they have produced biomass at their highest ever rates and at consistently good levels of fucoxanthin. The data that we have generated from these upgraded reactors, together with data captured from numerous other trials, has enabled us to create and submit a capital investment plan to the Board. Our major B2B customer retains a strong interest in the high-quality biomass we produce and as demand for their product is increasing, they are forecasting an increased demand for biomass from Simris. Based on this relationship, and the success of the investments made in the first phase of improvements, the Board is currently reviewing the capital investment strategy which is designed to make the Hammenhög site into one of the top microalgae production facilities in Europe.

**Simris Omega 3:** The Simris brand of Omega 3 dietary supplements has been reformulated such that it is approved for sale in the EU. At the same time, it is now packaged in more recyclable packaging, which better fits with Simris' commitment to making the world a better place. As you may have seen from our recent announcement of 7 November, we have now moved to a Distributor model in North America. The switch to a distributor model will deliver annual savings of approximately €200,000, costs previously associated with the administration of Simris Inc, which will shortly be closed, and the management of direct sales operations via amazon.com. All stock currently held by Simris Inc. in the USA will be sold to the Distributor, generating revenue of approximately €60,000. This completes the final phase of the Simris' Omega 3 transformation.

**Simris Biologics:** Four months after joining Simris, and two weeks after we closed on the acquisition of Cyano Biotech GmbH, I travelled to San Diego to attend my first World ADC summit. I returned to Stockholm with a very bullish view of the technology platform we had acquired and a handful of newly forged relationships. One of those relationships resulted in us partnering with the world's largest ADC manufacturer, Lonza Ltd, as announced 28th February 2023. In the last 12 months we have progressed in building relationships with many others, whilst developing our technology further. I again attended the World ADC summit

\* Beacon Intelligence, Hanson Wade

\*\*NASDAQ Biotechnology Index dropped 30.6% between August 2021 (5,348) and May 2022 (3,711) and stood at 3,637 end October 2023.

\*\*\*Stifel Healthcare: Biopharmaceutical sector report, October 30, 2023

in San Diego in mid-October, this time where Simris Biologics was a Lead Partner of the event. With over 1,000 attendees from across the industry globally it was the perfect opportunity to meet with the decision makers within drug discovery and drug development. Just one year ago those I talked with were mostly concerned about the specificity of the antibody, and the stability of the linker. Their focus was therefore on improving these technologies before taking on novel payloads (which is what ours are). Just twelve months later things have changed significantly. There are reported to be more than 1,400 ADCs in current development\*. This is driving drug developers to differentiate their ADCs from those being developed by others towards the same or similar cancer targets. As a result, the interest in novel payloads is greater than it has ever been and Simris is perfectly placed to take advantage of this developing trend.

Much of our time currently is spent following up on the leads generated at the summit. The primary aim is to enable drug developers to evaluate our payloads on their antibody through small-scale feasibility studies. Alternatively, or in parallel, we are evaluating whether to enter collaborative projects with partners to develop jointly owned IP. One such example could be a payload-linker product comprised of a Simris payload and a partner's proprietary linker. Alternatively, the IP could even be a full ADC where a payload-linker is attached to an antibody. Such IP could later be commercialized by one or both partners or via licensing of the product to a third party.

Beyond our internal progress, the market for Antibody Drug Conjugates (ADCs) continues to accelerate at pace. At the end of October Daiichi Sankyo and Merck announced an agreement whereby Merck will pay a record \$4bn up-front to license three ADCs that Daiichi has in development. In the week before, Eli Lilly announced that they were to acquire Mablink for their proprietary linker technology for an undisclosed sum. Also in October, Pfizer gained unconditional anti-trust approval for its acquisition of Seagen, considered the leaders in the ADC field, who have three commercial ADCs and multiple other ADCs at various stages of clinical development.

**Financing:** To enable the business to complete its transformation, and unlock the full value of its assets, it must be properly capitalised. The recent preferential Rights Issue and Directed Issue raised a total of 41,1MSEK before transaction costs (which amounted to approximately 6,0MSEK). As described in the Information Memorandum, Simris has used these funds to pay the second and final installment of €1m for the acquisition of Cyano Biotech GmbH. A further €1m of debt was converted to equity, thereby clearing a loan of the same value from The Brand Laboratories, a company associated with Simris Chairman, Steven Schapera. Combined, this significantly reduced company debt, in turn reducing interest payments and strengthening the Balance Sheet.

The original goal of the Board was to raise a total of 51,1MSEK. The capital raising therefore had a shortfall of 10MSEK, and on this basis the Board therefore accepted an approach from strategic investors to subscribe for 2,93MSEK. This was accepted, and recently completed as an additional Directed Issue. The Board continues to evaluate options to ensure that the company is adequately funded and can execute its strategic plan.

**Summary:** When I joined Simris in May 2022, biotech shares had already been falling from their peak in the summer of 2021\*. By the end of October of this year, they had not recovered any of that lost value\*. Furthermore, the top 20 pharmaceutical companies in the world had, by the end of October, lost \$190bn in value since the start of the year\*\*. However, the ADC space is bucking the trend in the biotech space as evidenced by significant license agreements such as those announced by Daiichi / Merck and M&A activity such as Eli Lilly's acquisition of Mablink and Pfizer's acquisition of Seagen.

The distressed market is resulting in many biotech companies being undervalued and I believe this is true for Simris. The market has not yet fully understood the scale of revenue that our ADC platform can bring the Simris Group. This is exacerbated by many still viewing Simris through the lens of a struggling algal Omega 3 business.

The market for Antibody Drug Conjugates continues to accelerate and there is a new and significant interest in novel payloads of the type that Simris' technology platform can develop and produce. Since our acquisition of the platform last year, we have been able to develop the science and submit new patents. We gained Lonza as a collaboration partner to promote our technology and are now negotiating R&D collaborations with the type of organisations that could eventually want a license agreement. Taken together, I remain confident that we will see a significant uplift in the valuation of the company as investors come to better understand the opportunity.

I will continue my work to ensure that the market properly understands the transformation Simris is going through. I thank you, as always, for your ongoing support and loyalty, as we complete the journey to securing our first ADC license agreement by the end of 2024.

\* Beacon Intelligence, Hanson Wade

\*\*NASDAQ Biotechnology Index dropped 30.6% between August 2021 (5,348) and May 2022 (3,711) and stood at 3,637 end October 2023.

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# OVERVIEW

## NET REVENUE AND PROFIT

Sales for the second quarter amounted to SEK 532k (316k). The increase in sales during the quarter is attributed to an increase in sales of Omega-3 and the inclusion of sales of cyanobacterial standards from Simris Biologics (formerly known as Cyano Biotech).

Sales for the period Jan-Sept 2023 amounted to SEK 1 697k (3 762k). Shipping of freeze-dried biomass for the majority of the order announced on 2<sup>nd</sup> May was made in October with the remaining biomass to be delivered in the new year.

The EBITDA result for the second quarter declined by 1% to SEK -4 525k (-4 471k) and for the period Jan-Sept declined by 42% to SEK -16 963k (-11 941k).

The EBIT/ Operating result for the second quarter declined by 32% to SEK -8 042k (-6 115k) and for the period Jan-Sept declined by 86% to SEK -27 952k (-15 026k).

The change in inventory during the quarter amounted to SEK 894k (2 205k) and the total inventory value amounted to SEK 2 745k (3 063k) at the end of the period.

## FIXED ASSETS

The total value of the Group's fixed assets amounted to SEK 173 103k (178 863k) at the end of the period.

Tangible Assets at the end of the period were SEK 20 327k (23 271k). There were no Investments during the quarter.

Intangible Assets at the end of the period were SEK 152 766k (155 556k).

The depreciation of fixed assets was made according to relevant accounting standards, with SEK 3 517k (1 644k) during the quarter. Fixed assets are depreciated over 5–10 years for most fixtures and fittings, and over the remaining lifetime for patents – 15 years for the patents and technology gained through the Cyano Biotech acquisition), and up to 40 years for the buildings.

## LIQUIDITY AND FINANCING

Cash flow from operating activities amounted to SEK -6 758k (-5 801k) for the quarter. Cash flow amounted to SEK 16 526k (-15 035k) for the quarter. At the end of the period, cash and cash equivalents amounted to SEK 18 782k (3 356k). The total liabilities at the end of the period amounted to SEK 166 620k (154 731k).

It is important to note that the long-term debt of €8m on the balance sheet is associated with the acquisition of Cyano Biotech. This takes account of the maximum earn-out due from the ADC platform. For this earn-out to be paid out at the maximum value, Simris would have to first earn sales revenues of €80m from the ADC platform within the next 15 years. Such revenue would be expected to be at a high profit margin.

On 5<sup>th</sup> May 2023, the Board accepted an offer from the former owners of Cyano Biotech to extend the due date for the second payment of €1m

for the acquisition, from 25<sup>th</sup> August 2023 to 2<sup>nd</sup> October 2023. The payment was executed in the beginning of October 2023.

On the August 25, 2022, The Brand Laboratories FZ (TBL), a company associated with Simris Chairman, Steven Schapera, provided the business with a flexible funding facility of up to €1.0m to be drawn down as and when required. The loan was to be paid back within twelve months and to accumulate interest at 1.0% per month. On 24<sup>th</sup> January 2023, Simris announced that TBL had offered to increase the funding facility by a further €0,5m on the same terms as the original €1,0m facility. On 21<sup>st</sup> April 2023, the Board accepted an offer from TBL to extend the loan facility by a further €150k. On 5<sup>th</sup> May 2023, the Board accepted an offer from TBL to extend the due date for payment of its flexible loan facility, from 25<sup>th</sup> August 2023 to 2<sup>nd</sup> October 2023. On 5<sup>th</sup> July 2023, a Shareholder proposed that an EGM, to be held on 24<sup>th</sup> July 2023, should approve a proposal from the Board for TBL to covert €1m of TBLs loan into Simris shares as a part of the upcoming capital raising. At the same time the Board proposed that the EGM resolves to accept an offer from TBL to extend the term of its remaining loan facility to 31<sup>st</sup> December 2024. At the end of the period the loan is utilized to its full facility of €778k.

During the quarter the company has carried out two issues, a Rights Issue and a Directed Issue. The company received SEK 41,1m before transactions costs. Of this SEK 41m, SEK 16,6m were set-off and the rest paid in with cash.

After the closing of the quarter the company carried out another Directed Issue of SEK 2,93m before transactions costs.

The Board's assessment is that existing funding will cover the company's working capital requirements until the end of Q1 2024.

## EQUITY

The Group's equity amounted to SEK 30 333k (31 936k) at the end of the period. The solidity was 15.4 percent, compared with 12.0 percent on December 31, 2022.

During the quarter the company has carried out two issues, a Rights Issue and a Directed Issue, both at a price of SEK 0.27 with right to set-off. The Rights Issue increased the share capital by SEK 7 832k through the issue of 90 151 260 B shares. The Directed Issue increased the share capital by SEK 5 351k through the issue of 61 596 776 B shares. The share capital after these two issues amounted to SEK 28 847k.

## SHARES AND THE OWNERS

The total number of shares on issue amounts to 332 050 556 B-shares at the end of the period.

As of 30<sup>th</sup> September 2023, Simris Group AB had 6 518 shareholders (6 625), of which the ten largest had 48 percent of the share capital and the votes. Simris Group's B shares have been listed on Nasdaq First North Growth Market since April 22, 2016. During the last quarter, the highest price paid for the share was SEK 0.375 and the lowest was SEK 0.234. The last paid price at the end of the period was SEK 0.259, which gave a market capitalization value of approximately SEK 86.0m. A total of 11.6 million shares were traded during the quarter.





## OPTION PROGRAM

At the end of the period, Simris Group had five outstanding Option programs.

Series 2019/1 consists of 43 438 options and was issued to employees of the company in May 2019. The options have a term of five years and for each option, 1.45 B shares can be subscribed for at a price of 4.44 SEK per share. Exercise of outstanding options corresponds to a dilution of the share capital by less than 0.1 percent.

Series 2021/2024:S consists of 2 000 000 options and was issued to the Board in May 2021. The options have a term of three years, and each option gives the right to subscription of 1.35 B shares at a subscription price of SEK 1.41 per share. Utilization of outstanding options corresponds to a dilution of the share capital by 1.5 percent.

Series 2021/2024:L consists of 1 820 000 options and was issued to senior executives and employees in the company in May 2021. The options have a term of three years, and each option gives the right to subscription of 1.35 B shares at a subscription price of SEK 1.41 per share. Utilization of outstanding options corresponds to a dilution of the share capital by 1.4 percent.

Series 2022/1 consists of 1 750 000 options and was issued to the CEO of the company in May 2022. The options have a term of three years, and each option gives the right to subscription of 1.35 B shares at a subscription price of SEK 0.90 per share. Utilization of outstanding options corresponds to a dilution of the share capital by 1.3 percent.

Series 2022/2 consists of 1 750 000 options and was issued to the CEO of the company in May 2022. The options have a term of two years, and each option gives the right to subscription of 1.35 B shares at a subscription price of SEK 1.41 per share. Utilization of outstanding options corresponds to a dilution of the share capital by 1.3 percent.

## STAFF AND ORGANIZATION

The average number of full-time equivalents (FTEs) employed during the quarter amounted to 12 (8) of which 5 are employed in Simris Biologics (formerly known as Cyano Biotech – acquired August 2022). During the period Jan-Sept the average number of FTEs employed amounted to 10 (8) of which 3,5 are employed in Simris Biologics. At the end of the quarter the Group had 8 FTEs.

## PARENT COMPANY

Simis Group AB is the parent company. Net revenue for the Parent Company during the quarter amounted to SEK 68k (47k) and 853k (3039k) for the period Jan-Sept 2023. EBIT/ Operating result amounted to SEK -3 415k (-4 828k) for the quarter and -13 540k (-13 547k) for the period Jan-Sept 2023. Result before tax amounted to SEK -3 771k (-5 019k) for the quarter and -16 556k (-13 943k) for the period Jan-Sept 2023.

The Board of Directors and the CEO assure that the interim report provides a fair overview of the group's operations, position and results.

**Steven Schapera**  
Chairman

**Robert Quandt**  
Board Director

**Magnus Högström**  
Board Director

**Frank Puccio**  
Board Director

**Julian Read**  
CEO

## TRANSACTIONS WITH RELATED PARTIES

During the recent capital raising, Simris set-off €1m of its €1,65 loan from The Brand Laboratories (TBL) FZ, a company associated with Simris Chairman, Steven Schapera. The loan had a setup fee of 2.5%, earns interest at 1.0% per month. At the end of the quarter the debt was €778k. From September 1<sup>st</sup>, 2023, interest is paid out monthly and is not capitalised.

Board members Steven Schapera, Robert Quandt and Frank Puccio provided a guarantee, partially underwriting the company's Rights Issue. On identical terms to other guarantor underwriters, they received 20% in commission paid in shares for the guarantee. Steven Schapera received SEK 2 335k, Robert Quandt SEK 351k and Frank Puccio SEK 234k.

In addition to normal Board work during the third quarter, Board Directors performed consulting services for the company, of which Brand Laboratories FZ LLC (a company associated with Steven Schapera), invoiced SEK 226k, Magnus Högström SEK 7k and Frank Puccio SEK 32k.

## ACCOUNTING PRINCIPLES

Simris Group prepares its accounts in accordance with the Annual Accounts Act and the Accounting Boards general advice 2012:1(K3). Information on accounting principles in general is provided in the Financial Statement for 2022.

## AUDIT

This report has not been reviewed by Simris Group's auditor.

## RISKS AND UNCERTAINTIES

Simris Group's operations, financial position and earnings can be affected by a number of risks and uncertainties. These are described in Simris Group's Financial Statement for 2022, at [www.simrisgroup.com](http://www.simrisgroup.com).

Simris Group is in the start-up phase and still lacks sufficient earnings to cover the costs of the business through sales revenue. Simris Group is reliant upon planned additional external funding in 2023 to be able to continue its operations, as well as to make the final payment for the acquisition of Cyano Biotech, repay loans, and implement growth plans. Whilst the Board is confident that the business is in its strongest position ever, and that it will be able to raise the funds required for future investment and growth, there is always a risk that new capital cannot be acquired when needed, or that new capital cannot be obtained on satisfactory terms, or that the procured capital is not sufficient to finance the operations in accordance with established development plans and objectives.



## INCOME STATEMENT - GROUP

SEK thousands	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
Net revenue	532	316	1 697	3 762	4 080
Change of finished goods and work in progress	911	-191	548	-2 849	-3 676
Activated work for own account	0	0	0	0	0
Other operating income	3	79	668	211	646
Raw materials and consumables	-172	-46	-787	-662	-1 146
Other external expenses	-3 295	-2 680	-11 481	-7 361	-10 865
Personnel expenses	-2 504	-1 949	-7 608	-5 042	-7 044
Depreciation and amortization	-3 517	-1 644	-10 989	-3 085	-6 652
<b>Operating result / EBIT</b>	<b>-8 042</b>	<b>-6 115</b>	<b>-27 952</b>	<b>-15 026</b>	<b>-24 657</b>
Financial net	-353	-190	-2 368	-392	-1 109
<b>Result before tax</b>	<b>-8 395</b>	<b>-6 305</b>	<b>-30 320</b>	<b>-15 418</b>	<b>-25 766</b>
Tax	824	326	2 593	296	1 344
<b>Result for the period</b>	<b>-7 571</b>	<b>-5 979</b>	<b>-27 727</b>	<b>-15 122</b>	<b>-24 422</b>
(Attributable to the parent company's shareholders)	<b>-7 571</b>	<b>-5 979</b>	<b>-27 727</b>	<b>-15 122</b>	<b>-24 422</b>

## BALANCE SHEET - GROUP

SEK thousands	30 Sep 2023	30 Sep 2022	31 Dec 2022
<b>Assets</b>			
<b>Fixed Assets</b>			
Intangible assets	152 766	155 556	155 899
Tangible assets	20 327	23 271	22 417
Financial assets	10	36	0
<b>Total Fixed Assets</b>	<b>173 103</b>	<b>178 863</b>	<b>178 316</b>
<b>Current Assets</b>			
Inventory	2 745	3 063	2 257
Other receivables	2 323	1 385	1 145
Cash and bank balances	18 782	3 356	3 994
<b>Total Current Assets</b>	<b>23 850</b>	<b>7 804</b>	<b>7 396</b>
<b>Total Assets</b>	<b>196 953</b>	<b>186 667</b>	<b>185 712</b>
<b>Equity and Liabilities</b>			
Equity	30 333	31 936	23 034
<b>Provisions</b>			
Deferred tax	46 284	47 258	47 331
<b>Liabilities</b>			
Long-term Liabilities	94 260	89 379	91 480
Short-term Liabilities	26 076	18 094	23 867
<b>Total Liabilities</b>	<b>166 620</b>	<b>154 731</b>	<b>162 678</b>
<b>Total Equity and Liabilities</b>	<b>196 953</b>	<b>186 667</b>	<b>185 712</b>

## CASH FLOW ANALYSIS – GROUP

SEK thousands	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
Cash flow from operating activities before changes in working capital	-4 961	-4 487	-19 646	-12 049	-17 961
Cash flow from working capital	-1 797	-1 314	720	647	-227
<b>Cash flow from operating activities</b>	<b>-6 758</b>	<b>-5 801</b>	<b>-18 926</b>	<b>-11 402</b>	<b>-18 188</b>
Cash flow from investing activities	0	-22 382	-545	-22 382	-22 382
Cash flow from financing activities	23 284	13 148	34 259	36 179	43 603
<b>Cash flow for the period</b>	<b>16 526</b>	<b>-15 035</b>	<b>14 788</b>	<b>2 395</b>	<b>3 033</b>
Cash and cash equivalents opening balance	2 256	18 391	3 994	961	961
<b>Cash and cash equivalents closing balance</b>	<b>18 782</b>	<b>3 356</b>	<b>18 782</b>	<b>3 356</b>	<b>3 994</b>

## CHANGE IN EQUITY – GROUP

SEK thousands	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
Opening balance	3 494	36 080	23 034	18 221	18 221
Issue (including issue costs)	34 982	1 244	34 982	28 022	28 022
Stock option program	0	0	0	105	105
Translation differences	-572	591	44	710	1 108
Result for the period	-7 571	-5 979	-27 727	-15 122	-24 422
<b>Closing balance</b>	<b>30 333</b>	<b>31 936</b>	<b>30 333</b>	<b>31 936</b>	<b>23 034</b>



## KEY FIGURES – GROUP

SEK thousands	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
Net revenue (kSEK)	532	316	1 697	3 762	4 080
EBIT (kSEK)	-8 042	-6 115	-27 952	-15 026	-24 657
Cash at the end of the period (kSEK)	18 782	3 356	18 782	3 356	3 994
Equity (kSEK)	30 333	31 936	30 333	31 936	23 034
Earnings per share (SEK)	neg.	neg.	neg.	neg.	neg.
Earnings per share after full dilution (SEK)	neg.	neg.	neg.	neg.	neg.
Equity per share (SEK)	0,09	0,18	0,09	0,18	0,13
Equity per share after full dilution(SEK)	0,09	0,18	0,09	0,18	0,13
Number of shares, average	213 291 223	177 396 077	191 419 592	129 623 366	142 397 290
Number of shares, end of period	332 050 556	180 302 520	332 050 556	180 302 520	180 302 520
Number of shares after full dilution*	332 050 556	180 302 520	332 050 556	180 302 520	180 302 520
Solidity (%)	15,4	17,1	15,4	17,1	12,0
Balance sheet total (kSEK)	196 953	186 667	196 953	186 667	185 712
Cash liquidity (%)	81	26	81	26	22
Average number of employees	10	8	10	8	8

\*Simris Alg has five outstanding warrant programs. Dilution effects have not been taken into account for any of the programs for any of the above period, as the average price of Simris Alg's share in each period has been less than the subscription price in the programs. If full subscription takes place within the framework of the option programs, the number of shares will increase by 9 871 785.

## KEY FIGURE DEFINITIONS

**Balance sheet total** – The sum of all assets in the balance sheet or sum of all liabilities and equity.

**Equity per share** – Adjusted equity (equity and untaxed reserves less deferred tax) divided by the number of shares at the end of the period.

**Equity per share after full dilution** – Adjusted equity (equity and untaxed reserves less deferred tax) divided by the number shares at the end of the period taking into account after conversion and adjusted for effect of share-based payments.

**Cash liquidity** – Current assets excluding inventories and work in progress as a percentage of current liabilities.

**Net revenue** – Operating main income, invoiced costs, side income and

income corrections.

**Earnings per share** – Earnings for the period divided by the number of shares after the end of the period.

**Earnings per share after full dilution** – Earnings for the period divided by number shares after the end of the period, taking into account after conversion and adjusted for effect of share-based payments.

**EBIT/ Operating result** – Earnings before financial expenses and tax.

**EBITDA** – Earnings before interest, taxes, depreciation, and amortization.

**Solidity** – Adjusted equity at the end of the period as a percentage of total asset.



## INCOME STATEMENT – PARENT COMPANY

SEK thousands	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
Net revenue	68	47	853	3 039	3 060
Change of finished goods and work in progress	948	-19	635	-2 219	-2 357
Activated work for own account	0	0	0	0	0
Other operating income	0	0	380	132	258
Raw materials and consumables	-106	-28	-552	-644	-1 016
Other external expenses	-2 124	-2 393	-7 879	-6 893	-9 751
Personnel expenses	-1 453	-1 717	-4 752	-4 810	-6 093
Depreciation and amortization	-748	-718	-2 225	-2 152	-2 872
<b>Operating result / EBIT</b>	<b>-3 415</b>	<b>-4 828</b>	<b>-13 540</b>	<b>-13 547</b>	<b>-18 771</b>
Financial net	-356	-191	-3 016	-396	-1 108
<b>Result before tax</b>	<b>-3 771</b>	<b>-5 019</b>	<b>-16 556</b>	<b>-13 943</b>	<b>-19 879</b>
Tax	-3	-3	-10	-10	-13
<b>Result for the period</b>	<b>-3 774</b>	<b>-5 022</b>	<b>-16 566</b>	<b>-13 953</b>	<b>-19 892</b>

## BALANCE SHEET – PARENT COMPANY

SEK thousands	30 Sep 2023	30 Sep 2022	31 Dec 2022
<b>Assets</b>			
<b>Fixed Assets</b>			
Tangible assets	18 879	21 278	20 558
Financial assets	123 190	112 185	113 887
<b>Total Fixed Assets</b>	<b>142 069</b>	<b>133 463</b>	<b>134 445</b>
<b>Current Assets</b>			
Inventory	1 221	899	739
Receivables from group companies	782	0	1 117
Other receivables	1 380	1 145	808
Cash and bank balances	18 295	2 598	3 490
<b>Total Current Assets</b>	<b>21 678</b>	<b>4 642</b>	<b>6 154</b>
<b>Total Assets</b>	<b>163 747</b>	<b>138 105</b>	<b>140 599</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>	<b>44 074</b>	<b>31 596</b>	<b>25 657</b>
<b>Provisions</b>			
Deferred tax	110	97	101
<b>Liabilities</b>			
Long-term Liabilities	94 260	89 379	91 480
Short-term Liabilities	25 303	17 033	23 361
<b>Total Liabilities</b>	<b>119 673</b>	<b>106 509</b>	<b>114 942</b>
<b>Total Equity and Liabilities</b>	<b>163 747</b>	<b>138 105</b>	<b>140 599</b>



## FINANCIAL CALENDAR:

Interim Report Q3, 2023: 08 November 2023  
Year-end Report 2023: 14 February 2024

## FOR MORE INFORMATION:

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This information is information that Simris Group is obliged to make public pursuant to the EU Market Abuse Regulation.  
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