

# Information regarding Midsummer's Preferential rights issue

Subscription period 21 October – 5 November 2020

## Summary of the Rights Issue:

<b>Issue amount:</b>	Approximately SEK 235.5 million	<b>Preferential right:</b>	Seven (7) unit rights entitle the holder to subscribe for five (5) Units
<b>Subscription price:</b>	SEK 10.50 per Unit	<b>Record date for participation in the Rights Issue:</b>	19 October 2020
<b>Units:</b>	Each Unit consists of one (1) share and one (1) warrant. Two (2) warrants entitles for subscription of one (1) share at a subscription price of 15,20 SEK per share during the period of 1 November 2021 until 30 November 2021	<b>Guarantee commitments:</b>	Subscription commitments and guarantee undertakings amount in total to approximately 235,5 MSEK, corresponding to 100 percent of the issue
<b>Subscription period:</b>	21 October – 5 November 2020	<b>Subscription without preferential rights:</b>	In addition, shareholders and other investors may apply for subscription of new Units in Midsummer without preferential rights
<b>Trading in Unit rights:</b>	21 October – 3 November 2020		

*Please note that allocated unit rights are expected to have an economic value. In order for the value of the Unit Right not to be lost, the holder must either exercise the obtained unit rights and subscribe for Units no later than 5 November 2020 or, no later than 3 November 2020, sell the obtained Unit rights that are not intended to be used for subscription of Units. Please note that shareholders with nominee-registered holdings subscribe for Units through their respective nominees.*

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*“Midsummers vision is that all buildings in the future will be powered by solar energy”*

## This is Midsummer

Midsummer manufactures and sells solar panels and integrated solar cell roofs as well as turnkey production equipment for flexible thin-film solar cells. The production equipment enables the manufacturing of solar panels that are discreet, flexible, durable, with low weight that can be mounted on a variety of surfaces. During the past couple of years, the Company has developed its operations and today owns the entire chain, from manufacturing equipment to the installation of solar cell roofs.

Midsummer believes that the Company is the only player in the market that competitively can manufacture this type of product, and thereby assesses that it has the potential to take significant market shares in the future. Midsummer believes the Company has a significant technical lead and that it is one of the few remaining manufacturers of solar panels in the EU. The intention is to capitalize on the lead and begin an ambitious expansion by significantly increasing production capacity and thereby also manufacturing and selling solar panels under its own auspices.

The end products, the solar panels, are flexible, durable, with low weight and can be mounted on a variety of surfaces. These characteristics enable Midsummer's solar panels to be used in a large number of applications where the weight and fragility of traditional silicon-based panels limit or even exclude installation. These proper-

ties mean that the Company has attractive products for the growing BIPV-market (Building Integrated Photovoltaics), where the solar panels are integrated with the building.

### Business model and expansion strategy

Midsummer's business areas are (i) **selling building-integrated solar cells** and (ii) **selling production equipment and processes**. A fundamental aspect of Midsummer's business model is to control the entire value chain, from the production of production equipment, through the production of solar panels to the installation of solar cell roofs. The advantages that Midsummers believes in owning the entire value chain is that the Company can be scalable and adapt production to market conditions.

### Midsummer's two business areas:

#### Building integrated solar cells



- Launched in 2019
- Forthcoming European expansion

The Company develops and produces solar panels both for the private market and commercial properties with a focus on the European market. Distribution to these markets takes place through a combination of Midsummer's own sales and installation as well as through distributors. Invoicing takes place in connection with the completion of the installation.

#### Production equipment and processes



- Sales of DUO-machines, including process support

The Company produces production equipment for customers globally. Revenues from this business area are intermittent, and takes place upon order and final delivery to the customer. In connection with the sale of production equipment, customers are also offered to sign operating and service agreements that for Midsummer generate recurring revenues.

### Investment in the European market and establishment of a factory in Italy

Midsummer has identified an attractive opportunity to build up a production capacity in Italy. Establishment of a production facility in Italy plays a central role in the Company's strategy to significantly scale up production. The Italian market for solar panels has the attractive combination of high solar radiation, high electricity prices and subsidies of up to 110 percent of the investment cost. This investment means that the company carries out the long term strategy which was presented in the prospectus that was published in conjunction with Midsummer's IPO in 2018, regarding an increased percentage of revenue deriving from the sale of solar panels.

The establishment of a production facility in Italy is considered favorable, partly from a sales perspective, as the Company considers that it has suitable products for the Italian solar panel market, and mainly due to the advantages associated with the start-up aid with soft loans and grants via authorities offered as incentives for companies that want to establish production and create jobs in Italy.

The Company plans to submit an application for start-up aid in the fall of 2020 to Invitalia for investment support regarding the production facility. The investment in Italy is dependent of support from Invitalia. The total investment for the production facility in Italy is expected to amount to approximately EUR 50 million, where Midsummer's investments in the project will consist of production of DUO machines supplied by Midsummer to the subsidiary Midsummer Italia. The remaining part of the project is expected to be financed with the advantageous establishment grants Invitalia has to offer. The production plant in Italy is estimated to be able to achieve a yearly production capacity of 50 MW.

*"A third-party life cycle analysis (LCA) shows that the carbon footprint of Midsummer's Swedish-made solar panels is almost 90 percent lower than from conventional silicon-based solar panels made in China."*

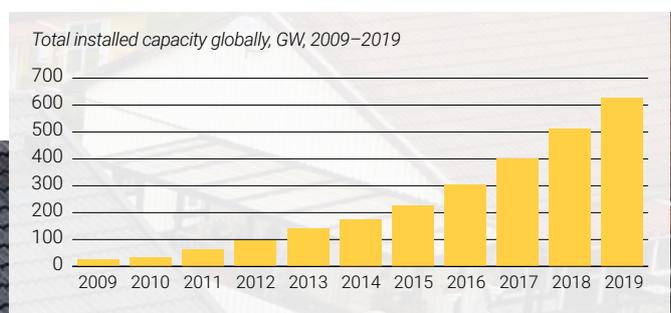
### The market's driving forces

The market for solar cells has historically been driven by a combination of political incentives and increased environmental awareness, thereby also increasing the demand for environmentally friendly energy production.

Continuous technological development for many years has enabled a constantly improving performance in combination with decreasing prices.

From having been an expensive product only suitable for a few selected and price-insensitive applications such as the space industry, the solar cell has become a mass market product that with today's performance can compete well or in many cases even surpass several established sources of energy.

The global market for solar cells is growing very rapidly. Since 2009, it has grown over 25 times measured in total installed capacity. Midsummer estimates that the next major change in the market will be the integration of solar cells directly into buildings and vehicles. Globally, there were approximately 627 GW of installed solar panel capacity at the end of 2019, of which approximately 115 GW (18%) were installed in 2019 alone. After a strong growth in annual installed capacity until 2017 when it reached about 100 GW, the market stagnated during 2018 before it began to grow again in 2019. The price of solar panels and installations has fallen continuously as technology has developed and the performance of solar cells has improved.



## Motives for the issue

In order to achieve its vision, the Company's ambition is to capitalize on the growing market for BIPV by:

- Significantly increase production capacity.
- Reduce production costs.
- Offer reliable and attractive products with extra benefits for the customer.

To fulfill the above ambitions, Midsummer needs to finance the increase in production of solar panels, whereby the Company's production costs is expected to decrease. With increased sales, the technology is expected to gradually be offered to new markets and in more designs. The forthcoming issue aims to provide the financial resources that are deemed necessary to be able to effectively execute on the expansion plans and take full advantage of the technical lead Midsummer has.

### Planned use of net proceeds

The issue will provide approximately SEK 253.5 million before issue costs and the net proceeds provided by the Company will mainly be used accordingly:

- |                                 |                   |
|---------------------------------|-------------------|
| (i) Investments                 | approximately 45% |
| (ii) Sales- and marketing costs | approximately 6%  |
| (iii) Working capital           | approximately 49% |

*"Midsummer's long term vision is that all buildings in the future will be powered by solar energy. To achieve this vision, we must transform the concept of solar panels. The solar panels of the future must be light and flexible, aesthetically appealing and generate electricity more cost-effectively than the existing electricity grid."*

Sven Lindström, CEO



## Why should you invest in Midsummer?

### Midsummer operates in a significant and growing market

- The global market for solar cells is growing rapidly. Since 2009, it has grown over 25 times measured in total installed capacity. Midsummer estimates that the next major change in the market will be the integration of solar cells directly into buildings and vehicles.
- The positive properties of Midsummer's solar panels makes the growing BIPV-market highly attractive. The market for BIPV is expected to show an annual average growth rate between 2015-2021 of 36 percent. In 2021, the market value is expected to be EUR 11 billion.

### Midsummer offers unique and competitive solar panels

- Midsummer offers solar panels with discreet designs for all types of roofs. The solar panels are produced locally with 90 percent lower CO2 emissions than conventional solar panels.
- Through extensive research and development, Midsummer has made possible the production of thin (2 mm thick), flexible, highly efficient CIGS (Copper Indium Gallium Selenium) solar cells on steel substrates without using the environmentally hazardous element cadmium. The solar panels are light and weigh only ¼ of silicon solar panels.

### Reference to the published prospectus:

This material is an introduction to Midsummer and the Offer to subscribe for Units, which has been published. This is not a complete summary of the prospectus prepared in conjunction with the Offer and which was published on October 16, 2020. This introduction does not contain a description of the risks that Midsummer deems to be significant to evaluate in connection with an investment in the Company's securities. These risks and other relevant information which is important for a complete evaluation of the Offer and of an investment in Midsummer are included in the prospectus. Before making an investment decision, the Prospectus should be studied in detail.

The prospectus is available for download on [www.midsummer.se](http://www.midsummer.se).

### Midsummer controls the entire value chain, from the manufacturing of production equipment to sales and installations of solar panels

- The advantages that Midsummer believes in owning the entire value chain is that the Company can be scalable and adapt production to market conditions.
- The Company also considers itself to be developing the technology and new products at a high rate and can produce these in an efficient and good quality manner in order to meet market demand.

### Midsummer plans for a European expansion and a significant increase in production capacity

- Midsummer has identified an attractive opportunity to build up a production capacity in Italy. Establishment of a production facility in Italy plays a central role in the Company's strategy to significantly scale up the production, from the current annual capacity of 5 MW to 50 MW.
- The Italian market for solar panel has the attractive combination of high solar radiation, high electricity prices and subsidies of up to 110 percent of the investment cost, which both reduces the investment cost and gives high value of the produced solar energy.

### Sustainability is a competitive advantage

- A third-party life cycle analysis showed that Midsummer's production process leaves up to 90 percent lower carbon footprint than the production process of traditional silicon solar panels. The difference is due to that Midsummer uses a smaller amount of input material and thereby consumes less energy.
- Midsummer makes the assessment that solar cell suppliers in the future, to a greater extent than today, will be evaluated based on their climate impact from the production process. This is a distinct competitive advantage for Midsummer!

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Midsummer AB (publ)  
Elektronikhöjden 6  
SE-175 43 Järfälla, Sweden  
Tel: +46 8 525 09 610  
[www.midsummer.se](http://www.midsummer.se)