

# The board of directors of Midsummer resolves on a rights issue of units of MSEK 277.6 and initiates a written procedure regarding the outstanding MSEK 200 senior unsecured green notes

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The board of directors of Midsummer AB (publ) ("Midsummer" or the "Company") has resolved to carry out an issue of units for a maximum of approximately MSEK 277.6 with preferential rights for existing shareholders (the "Rights Issue"). The board of directors' resolution on the Rights Issue is subject to approval of the extraordinary general meeting to be held on April 14, 2023. The Rights Issue is carried out through issuing shares and warrants ("Units"). One Unit consists of four (4) new shares and one new warrant of series TO2. The subscription price amounts to SEK 12.00 per Unit, corresponding to SEK 3.00 per share, as the warrants are issued without consideration. The Rights Issue strengthens the Company's working capital and enables upscaling of production. The Rights Issue is secured to approximately 65 percent through subscription undertakings and underwriting commitments. Upon full exercise of all warrants of series TO2 issued through the Rights Issue, the Company will receive an additional approximately MSEK 92.5.

In conjunction with the Rights Issue, Midsummer has instructed Nordic Trustee & Agency AB (publ) (the "Agent") as agent under the Company's outstanding MSEK 200 senior unsecured green notes 2019/2023 with ISIN SE0012455772 (the "Notes") to initiate a written procedure to request the noteholders under such Notes (the "Noteholders") to vote in favour of certain amendments of the terms and conditions of the Notes, including a three-year extension of the tenor, as set out in the attached notice of written procedure (the "Written Procedure"). The Company has received undertakings from Noteholders representing approximately 55 percent of the adjusted nominal amount of the Notes (the "Adjusted Nominal Amount") to vote in favour of the request.

## Summary

- The board of directors of Midsummer resolves on the Rights Issue, being a capitalization of a maximum of approximately MSEK 277.6 through a new issue of a maximum of 23,133,315 Units with preferential rights for the Company's existing shareholders.
- The issue proceeds from the Rights Issue will strengthen the Company's working capital and enable upscaling of production and sales.
- For each existing share held in the Company on the record date April 24, 2023, one (1) unit right is obtained. Three (3) unit rights entitle to subscription of one (1) Unit.
- One (1) Unit consists of four (4) shares and one (1) warrant of series TO2. One (1) warrant of series TO2 entitles the holder to subscribe for one (1) new share during the period November 2 – 16, 2023, at a subscription price of SEK 4.00.
- The subscription price for one Unit is SEK 12.00, which corresponds to SEK 3.00 per new share. The warrants are issued without consideration.
- The board of directors' resolution on the Rights Issue is subject to approval of the extraordinary general meeting to be held on April 14, 2023. Notice of the extraordinary general meeting will be published separately in due course.
  
- The Rights Issue is secured to approximately 65 percent, corresponding to approximately MSEK 180, through subscription undertakings and underwriting commitments. The subscription undertakings and underwriting commitments are not secured by bank guarantee, blocking funds, pledging or similar arrangements.
  
- All Management team members in Midsummer has undertaken to subscribe for new shares in the Rights Issue
  
- Midsummer has instructed the Agent for the Notes to initiate the Written Procedure to request Noteholders to vote in favour of certain amendments of the terms and conditions of the Notes, including a three-year extension of the tenor. The Company has received undertakings from Noteholders representing approximately 55 percent. of the Adjusted Nominal Amount to vote in favour of the request.
  
- The Agent will send the notice of Written Procedure to all Noteholders on March 20, 2023. The record date for being eligible to vote in the Written Procedure is March 24, 2023, and the deadline for voting is 12.00 p.m. (CEST) on April 6, 2023.

### Background and reasons for the Rights Issue

Midsummer is a Swedish solar energy company that manufactures, sells and installs solar roofs and also develops and sells equipment for the production of flexible thin-film solar panels. Midsummer owns the entire chain from manufacturing equipment to installed solar roofs. The solar cells are of the type CIGS (solar cells consisting of copper, indium, gallium and selenium) and are thin, light, flexible, discreet and with a minimal carbon footprint. The Company's flexible, tough and lightweight solar panels can be mounted on roofs where light weight is a requirement, which allows Midsummer to take a larger market share. The solar panels are manufactured through the Company's own production system DUO where Midsummer is of the opinion that this is the most widespread production system for bendable CIGS solar cells in the world.

Production takes place in Sweden with the Company's own production system DUO and towards the end of 2023, production will also be launched in Italy. The subsidiary Midsummer Italia is in the final stages of completing an already fully financed factory in Bari, which with 50 MW of production capacity will be the largest manufacturer of thin-film solar cells in Europe.

The Company further plans to increase production capacity in Sweden by establishing a large-scale manufacturing facility with the possibility of expanding the Swedish production to 200 MW. Midsummer's long-term goal is to expand the total production to over 1GW by 2030.

The upcoming Rights Issue is carried out to enable continued growth and expansion. Upon full subscription in the Rights Issue, the Company will receive net proceeds of approximately MSEK 246.3 after deduction of issue costs of MSEK 31.3. The net proceeds of the Rights Issue are intended to be used for the following areas of uses:

- Costs for the production of DUO-machines, approximately 45 percent
- Costs for the purchase of other manufacturing equipment, approximately 25 percent
- Costs for adjustments to factories (cooling water, electricity, etc.), approximately 15 percent
- Customer onboarding/marketing, approximately 15 percent

#### **Preliminary timetable for the Rights Issue**

April 14, 2023: Extraordinary general meeting

April 24, 2023: Estimated date for publication of prospectus

April 24, 2023: Record date for participation in the Rights Issue

April 26 – May 10, 2023: Subscription period

April 26 – May 5, 2023: Trading in unit rights

May 12, 2023: Estimated date for publication of the outcome of the Rights Issue

#### **The Rights Issue in summary**

The right to subscribe for shares is granted with preferential rights to the Company's shareholders. For each existing share held in the Company on the record date April 24, 2023, one (1) unit right is obtained. Three (3) unit rights entitle to subscription of one (1) Unit. The subscription price for one (1) Unit is SEK 12.00, corresponding to SEK 3.00 per new share. The warrants are issued without consideration. One (1) Unit consists of four (4) shares and one (1) warrant of series TO2. One (1) warrant entitles the holder to subscribe for one (1) new share during the period November 2 – 16, 2023, at a price of SEK 4.00. To the extent that Units are not subscribed for with preferential rights, these shall be offered to shareholders and other investors who have submitted a wish to subscribe for shares in Midsummer. Upon full subscription in the Rights Issue, the Company will receive approximately MSEK 277.6 before issue costs. Upon full exercise of all warrants issued through the Rights Issue, the Company will receive an additional approximately MSEK 92.5 before issue costs.

The complete terms and conditions for the Rights Issue and information about Midsummer will be presented in the prospectus regarding the Rights Issue that will be published on or around April 24, 2023, and will be available on Midsummer's website <https://midsummer.se/investerare/>.

### **Shares and share capital**

Through the Rights Issue, the share capital in the Company increases by a maximum of SEK 3,701,330.40, from SEK 2,775,997.80 to SEK 6,477,328.20, through the issuance of a maximum of 92,533,260 shares. The number of shares thus increases from 69,399,945 to a maximum of 161,933,205 shares. The dilution amounts to 57.1 percent if the Rights Issue is fully subscribed.

Upon full subscription in the Rights Issue and upon full exercise of all issued warrants of series TO2, the share capital will increase by an additional SEK 925,332.60 and the number of shares by 23,133,315. The subscription price for new shares resulting from the exercise of the warrants amounts to SEK 4.00 per new share. The Company will thus receive an additional maximum of MSEK 92.5 before issue costs.

### **Subscription undertakings, underwriting commitments and voting undertakings**

The Rights Issue is secured to approximately 65 percent, corresponding to approximately MSEK 180, through subscription undertakings and underwriting commitments.

Subscription undertakings have been entered into by existing shareholders as well as senior executives and board members and amount to approximately 18 percent of the Rights Issue, corresponding to approximately MSEK 49.5. Approximately 47 percent of the issue is secured by underwriting commitments, corresponding to approximately MSEK 130.5. Subscription undertakings and underwriting commitments entered into are not secured by bank guarantee, blocking funds, pledging or similar arrangements.

Furthermore, entered subscription undertakings and underwriting commitments are conditional on that certain amendments of the terms and conditions of the Notes described in this press release are made. More detailed information about the subscription undertakings and the underwriting commitments will be included in the prospectus intended to be published on April 24, 2023, see above.

The Company has, in addition to the above, received undertakings to vote for the approval of the Rights Issue at the extraordinary general meeting from shareholders representing a total of approximately 32 percent of the outstanding shares and votes in the Company.

### **Initiation of Written Procedure and summary of proposed terms**

Midsummer has instructed the Agent for the Notes to initiate the Written Procedure to request Noteholders to vote in favour of certain amendments of the terms and conditions of the Notes. The proposed amendments include, *inter alia*:

- a. an extension of the original final maturity date (the "Original Final Maturity Date") with three years until April 25, 2026 (the "Extended Final Maturity Date");
- b. an increase of the final redemption price at the Extended Final Maturity Date to 108 percent of the nominal amount of the Notes (together with accrued but unpaid interest) (the "Nominal Amount and Interest");
- c. an amendment of the interest rate of the Notes to a fixed cash interest of 3 percent *per annum* plus a fixed PIK interest of 10 percent *per annum* (capitalised annually);
- d. an amended call structure, pursuant to which the Company may redeem all outstanding Notes in full:
  - i. any time from and including the Written Procedure has been approved to, but excluding, the Original Final Maturity Date at a price per Note equal to 100 percent of the Nominal Amount and Interest;

- ii. any time from and including the Original Final Maturity Date to, but excluding, the first business day falling twelve months after the Original Final Maturity Date at a price per Note equal to 101 percent. of the Nominal Amount and Interest;
  - iii. any time from and including the first business day falling twelve months after the Original Final Maturity Date to, but excluding, the first business day falling twenty-four months after the Original Final Maturity Date at a price per Note equal to 105 percent. of the Nominal Amount and Interest; and
  - iv. any time from and including the first business day falling twenty-four months after the Original Final Maturity Date to, but excluding, the extended Final Maturity Date at a price per Note equal to 108 percent. of the Nominal Amount and Interest;
- a. inclusion of a voluntary partial redemption option pursuant to which the Company may partially redeem Notes at any time by way of reducing the outstanding nominal amount of each Note pro rata subject to certain repayment premia; and
  - b. a new event of default giving a right to accelerate the Notes should not a share issue raising at least SEK 150,000,000 in gross proceeds have been completed within 20 business days after July 31, 2023.

For full details on the proposed amendments, see the attached notice of Written Procedure. The Company has received undertakings from Noteholders representing approximately 55 percent of the Adjusted Nominal Amount to vote in favour of the request.

The Company continues to explore possibilities to raise capital in the form of a convertible bond issue to refinance the Notes and for the purpose of further expanding the Company's production capacity and to fund growth.

The Agent will on March 20, 2023, send the notice of Written Procedure to all direct registered owners and registered authorised nominees of the Notes in the Company's debt ledger held with Euroclear Sweden as per March 17, 2023. The record date for being eligible to vote in the Written Procedure is March 24, 2023, and the deadline for voting is 12.00 p.m. (CEST) on April 6, 2023. The Written Procedure may, however, be concluded before the expiry of the voting deadline if a requisite majority has accepted the requests or if the request has been withdrawn by the Company.

The notice of Written Procedure is available on the Company's website ([www.midsummer.se](http://www.midsummer.se)) and on Stamdata ([www.stamdata.com](http://www.stamdata.com)).

For questions regarding the proposals and requests set out in the notice of Written Procedure, please contact DNB Bank ASA, Sweden Branch ("DNB Markets") at [bond.syndicate@dnb.no](mailto:bond.syndicate@dnb.no). For questions regarding the administration of the Written Procedure, please contact the Agent at [voting.sweden@nordictrustee.com](mailto:voting.sweden@nordictrustee.com) or +46 8 783 79 00.

#### **Advisors for the Rights Issue**

Erik Penser Bank AB acts as financial advisor and Advokatfirman Lindahl KB acts as legal advisor to Midsummer in connection with the Rights Issue. Eversheds Sutherland Advokatbyrå AB acts as legal advisor to Erik Penser Bank in connection with the Rights Issue.

#### **Advisors for the Written Procedure**

DNB Markets has been retained as financial advisor in connection with the Written Procedure. Mannheimer Swartling Advokatbyrå AB acts as legal advisor to Midsummer, and Advokatfirman Cederquist KB acts as legal advisor to DNB Markets in connection with the Written Procedure.

**For more information, please contact**

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**About Midsummer**

Midsummer is a Swedish solar energy company that develops and markets equipment for the production of thin film solar cells and also manufactures, sells and installs solar roofs. The solar cells are of CIGS technology and thin, light, flexible, discreet and with a minimal carbon footprint compared with other solar panels.

The solar roofs are produced in Sweden using the Company's own unique DUO system which has taken the position as the most widespread manufacturing tool for flexible CIGS solar cells in the world. The Company's shares (MIDS) are traded on Nasdaq First North Growth Market with G&W Fondkommission as Certified Adviser. For more information, please visit: [midsummer.se](http://midsummer.se)

**Important information**

This press release and the information herein is not for publication, release, dissemination or distribution, in whole or in part, directly or indirectly, in or into the United Kingdom, the United States, Australia, Canada, Hong Kong, Japan, Singapore, or South Africa or any other state, territory or jurisdiction in which publication, release, dissemination or distribution would be unlawful or where such action would require additional prospectuses, filings or other measures in addition to those required under Swedish law.

The press release is for informational purposes only and does not constitute an offer to sell or issue, or the solicitation of an offer to buy or acquire, or subscribe for, any of the securities mentioned herein (collectively, the "**Securities**") or any other financial instruments in Midsummer AB. Any offer in respect of any of the Securities will only be made through the prospectus that Midsummer AB expects to publish in due course. Offers will not be made to, and application forms will not be approved from, subscribers (including shareholders), or persons acting on behalf of subscribers, in any jurisdiction where applications for such subscription would contravene applicable laws or regulations, or would require additional prospectuses, filings, or other measures in addition to those required under Swedish law. Measures in violation of the restrictions may constitute a breach of relevant securities laws.

The Securities mentioned in this press release have not been registered and will not be registered under any applicable securities law in the United Kingdom, the United States, Australia, Canada, Hong Kong, Japan, Singapore, or South Africa and may, with certain exceptions, not be offered or sold within, or on behalf of a person or for the account or benefit of a person who is registered in, these countries. The company has not made an offer to the public to subscribe for or acquire the Securities mentioned in this press release other than in Sweden.

None of the Securities have been or will be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state or other jurisdiction in the United States (including its territories, possessions and the District of Columbia), and unless so registered, may not be offered, pledged, sold, delivered or

otherwise transferred, directly or indirectly, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with other applicable securities laws. There will not be any public offering of any of the Securities in the United States.

In the EEA Member States, with the exception of Sweden, (each such EEA Member State, a “**Relevant State**”), this press release and the information contained herein are intended only for and directed to qualified investors as defined in the Prospectus Regulation. The Securities mentioned in this press release are not intended to be offered to the public in any Relevant State and are only available to qualified investors except in accordance with exceptions in the Prospectus Regulation. Persons in any Relevant State who are not qualified investors should not take any actions based on this press release, nor rely on it.

In the United Kingdom, this press release is directed only at, and communicated only to, persons who are qualified investors within the meaning of article 2(e) of the Prospectus Regulation (2017/1129) who are (i) persons who fall within the definition of “investment professional” in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”), or (ii) persons who fall within article 49(2)(a) to (d) of the Order, or (iii) persons who are existing members or creditors of Midsummer AB or other persons falling within Article 43 of the Order, or (iv) persons to whom it may otherwise be lawfully communicated (all such persons referred to in (i), (ii), (iii) and (iv) above together being referred to as “**Relevant Persons**”). This press release must not be acted on or relied on by persons in the UK who are not Relevant Persons.

This press release does not constitute an investment recommendation. The price and value of securities and any income from them can go down as well as up and you could lose your entire investment. Past performance is not a guide to future performance. Information in this announcement cannot be relied upon as a guide to future performance.

This press release contains forward-looking statements that reflect Midsummer AB’s current view of future events as well as financial and operational development. Words such as “intend”, “assess”, “expect”, “may”, “plan”, “estimate” and other expressions involving indications or predictions regarding future development or trends, not based on historical facts, identify forward-looking statements and reflect Midsummer AB’s beliefs and expectations and involve a number of risks, uncertainties and assumptions which could cause actual events and performance to differ materially from any expected future events or performance expressed or implied by the forward-looking statement. The information contained in this press release is subject to change without notice and, except as required by applicable law, Midsummer AB does not assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained in it and nor does it intend to. You should not place undue reliance on forward-looking statements, which speak only as of the date of this press release. As a result of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements as a prediction of actual future events or otherwise.

*This information is information that Midsummer 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 2023-03-20 08:15 CET.*

## Attachments

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The board of directors of Midsummer resolves on a rights issue of units of MSEK 277.6 and initiates a written procedure regarding the outstanding MSEK 200 senior unsecured green notes

Midsummer AB (publ) ISIN SE0012455772 Notice Of Written Procedure