

The Board of Directors of Midsummer resolves on a fully guaranteed rights issue of SEK 66 million

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES OR ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION. THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OF OR THE SOLICITATION OF AN OFFER TO BUY SECURITIES IN ANY JURISDICTION.

Midsummer AB (publ) ("Midsummer" or the "Company") hereby announces that the Company's Board of Directors has today decided to carry out a rights issue of no more than 77,639,967 shares at a subscription price of SEK 0.85 per share, with preferential rights for existing shareholders (the "Rights Issue"). The Rights Issue is subject to approval at an Extraordinary General Meeting to be held on December 1, 2023, and is expected to raise a maximum of approximately SEK 66 million for the Company before transaction costs. The record date for participation in the Rights Issue with preferential rights is December 6, 2023. According to the terms of the Rights Issue, five (5) existing shares in Midsummer entitle the holder to subscribe for three (3) new shares. The Rights Issue is 100 percent guaranteed through subscription commitments and guarantee undertakings. A notice to the Extraordinary General Meeting will be published separately in a press release.

Summary

- The Board of Directors of Midsummer decides on a capitalization of a maximum of approximately SEK 66 million through an issue of no more than 77,639,967 shares, with preferential rights for the Company's existing shareholders.
- The proceeds from the Rights Issue are intended to strengthen the Company's working capital and enable the completion of the factory in Bari, Italy, thus scaling up production to an annual production of 50 MW by the end of 2024.
- For each existing share held in the Company on the record date of December 6, 2023, one (1) subscription right is received. Five (5) subscription rights entitle the holder to subscribe for three (3) shares.
- The subscription price is SEK 0.85 per share.
- The Board's decision on the Rights Issue is subject to approval by an Extraordinary General Meeting scheduled for December 1, 2023. The notice of the Extraordinary General Meeting will be published separately in due course.

- The Rights Issue is covered to 100 percent by subscription commitments and guarantee undertakings, of which subscription commitments correspond to approximately 21.6 percent of the Rights Issue, bottom guarantee undertakings approximately 52.1 percent of the Rights Issue, and top guarantee undertakings approximately 26.3 percent of the Rights Issue. Top guarantee undertakings refer to the undertaking from approximately 73.7 percent up to 100 percent of the Rights Issue. The subscription commitments and guarantee undertakings have been agreed upon in writing. No compensation is due for the subscription commitments. For the guarantee undertakings, a guarantee fee of thirteen (13) percent of the guaranteed amount is paid in cash, or alternatively fourteen (14) percent of the guaranteed amount in the form of newly issued shares in the Company. The commitments and guarantees are not secured through bank guarantees, blocking funds, pledges, or similar arrangements.
- 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 26.5 percent of the outstanding shares and votes in the Company.

Background and reason

In light of the market's shifting view on risk appetite, the Board of Directors of the Company has decided to focus on achieving a positive cash flow as quickly as possible rather than the fastest possible volume growth.

In October and November 2023, Midsummer implemented an efficiency program aimed at better positioning Midsummer for profitable growth. The program is estimated to yield savings of just over SEK 40 million annually and bring short-term improvements in employed capital.

The efficiency program means that the Company, at a sales pace of 50 MW per year, will achieve a positive EBITDA and cash flow. An annual production rate of 50 MW is expected to be reached by the end of 2024.

The capital injection from the rights issue, together with the financial support from Invitalia of just over SEK 100 million, and the aforementioned efficiency program, mean that Midsummer has the necessary funding to scale up sales to 50 MW during 2024, consequently reaching positive cash flow.

Status update on EU grant and Swedish factory

In addition to the Italian factory and the new share issue now being conducted to bring the company to positive cash flow, the company plans to increase production capacity in Sweden by establishing a large-scale manufacturing facility to expand Swedish production to 200 MW.

In July 2023, Midsummer was selected by the EU's Innovation Fund to receive a grant of just over EUR 32 million, corresponding to approximately SEK 375 million, for the new 200 MW production facility in Sweden. During the fall of 2023, Midsummer will negotiate the final terms with the EU, and the contract with the EU is expected to be signed in December 2023. Before the first payment can be made, the project must have its financing fully secured. The grant from the EU's Innovation Fund corresponds to approximately 50 percent of the remaining co-financing required to participate in the grant. Midsummer is now exploring opportunities to co-finance the EU grant with a combination of venture capital, loans, and other public financing. Midsummer's long-term goal is to expand the total production to over 1 GW by 2030.

"Through our efficiency program and capital from the upcoming rights issue, we are well on our way to reaching a sales rate of 50 MW per year and thereby a positive cash flow by the end of 2024," says Sven Lindström, CEO.

Preliminary timetable for the Rights Issue

December 1, 2023: Extraordinary General Meeting

December 6, 2023: Record date for participation in the Rights Issue

December 7, 2023: Estimated date for the publication of the prospectus

December 8 – 22, 2023: Subscription period

December 8 – 19, 2023: Trading in subscription rights

December 28, 2023: Estimated date for the announcement of the outcome of the Rights Issue

Summary of the Rights Issue

The shareholders of the Company have preferential rights in the Rights Issue. For each existing share held in the Company on the record date of December 6, 2023, one (1) subscription right is received. Five (5) subscription rights entitle the holder to subscribe for three (3) newly issued shares at a subscription price of SEK 0.85 per share. To the extent that shares are not subscribed for with preferential rights, they shall be offered to shareholders and other investors who have expressed an interest in subscribing for shares in Midsummer. If the Rights Issue is fully subscribed, the Company will receive approximately SEK 66 million before transaction costs.

The complete terms and conditions of the Rights Issue and information about Midsummer will be provided in the prospectus regarding the Rights Issue that is expected to be published on or around December 7, 2023, and will be available on Midsummer's website at <https://midsummer.se/investerare/>.

Share and share capital

Through the Rights Issue, the share capital of the Company will increase by a maximum of SEK 3,105,598.68, from SEK 5,175,997.80 to SEK 8,281,596.48, by the issuance of no more than 77,639,967 shares. The number of shares will thus increase from 129,399,945 to a maximum of 207,039,912 shares. If the Rights Issue is fully subscribed, the dilution will amount to approximately 37.5 percent.

If the Rights Issue is fully subscribed and all guarantors choose to receive the guarantee fee in the form of shares, the share capital in the Company will increase by a maximum of SEK 340,965.36 from SEK 8,281,596.48 to SEK 8,622,561.84 through the issuance of a maximum of 8,524,134 shares. The number of shares will thereby increase from 207,039,912 shares to 215,564,046 shares. The dilution would amount to approximately 3.95 percent.

Advisors

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

For more information, please contact

Peter Karaszi

Head of Communications, Midsummer

Email: peter.karaszi@midsummer.se

Tel: + 46 70 341 46 53

About Midsummer

Midsummer is a Swedish solar energy company that develops, manufactures and sells solar cells to construction, roofing and solar cell installation companies and also manufactures, sells and installs solar roofs directly to end customers. The company also develops and sells equipment for the production of flexible thin film solar cells to strategically selected partners and machinery for research. The solar cells are of CIGS technology (consist of copper, indium, gallium and selenide) and are 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

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 2023-11-07 08:30 CET.

Attachments

The Board of Directors of Midsummer resolves on a fully guaranteed rights issue of SEK 66 million