

Midsummer AB (publ) has completed a directed share issue of approximately SEK 20.4 million to a Turkish industrial group which becomes a new strategic partner

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Midsummer AB (publ) ("**Midsummer**" or the "**Company**") has, subject to approval from an extraordinary general meeting, carried out a directed share issue of 1,658,536 shares at a subscription price of SEK 12.30 per share (the "**Directed Share Issue**") to the Turkish industrial group Murel Investment Construction Co. ("**Murel**"). Through the Directed Share Issue, the Company will receive proceeds of approximately SEK 20.4 million before deduction for related transaction costs. The net proceeds of the Directed Share Issue will be primarily used to contribute to a secured financing for an expanded production capacity and working capital for the Company's facility in Järfälla, Sweden, in an initial step to an annual production capacity of solar cells corresponding to 20 MW, with a possible future scale-up to 200 MW. The Directed Share Issue is subject to approval by the extraordinary general meeting taking place on January 24, 2023.

The Board of Directors has, subject to approval by an extraordinary general meeting, resolved on the Directed Share Issue of 1,658,536 new shares at a subscription price of 12.30 SEK per share. The subscription price corresponds to the volume-weighted average price (VWAP) of the Company's shares on Nasdaq First North Premier Growth Market during the last 30 trading days prior to the Board of Directors' resolution on the Directed Share Issue and a discount of approximately three percent compared to the closing price on Nasdaq First North Premier Growth Market on December 21, 2022. Through the Directed Share Issue, the Company will receive proceeds of approximately SEK 20.4 million before related transaction costs. The Board of Directors assesses that the subscription price in the Directed Share Issue reflects current market conditions and demand as the subscription price has been determined through negotiations on arm's length basis with Murel.

Through the Directed Share Issue, the Company secures a new strategic owner in Murel, a family-owned Turkish engineering and construction company primarily active in the energy sector with investments in, among other things, renewable energy and the development of solar parks. Murel has approximately 300 employees and a yearly turnover of approximately USD 75 million. Murel has an expressed long-term interest in Midsummer and plans for continued financial support. Murel is also a potential customer to Midsummer both in terms of the purchase of flexible thin-film solar cells, and equipment for the manufacturing of solar cells. Murel and its partner intend to support Midsummer in the long-term in line with the Company's development and growth strategy.

"We are pleased to be able to have Murel as a new shareholder and strategic long-term partner. They are proficient industrialists and we believe their investment in Midsummer is the first step of many in our new partnership. With the capital raised from this share issue, we can proceed with the expansion of the factory in Järfälla in order to better meet the great demand for our solar roofs and solar panels", comments Midsummer's CEO Sven Lindström

Midsummer sees a great demand for the Company's products and announced on December 14, 2022 that the Company has signed a letter of intent with one of Europe's leading producers and suppliers of waterproofing products for roofs for the delivery of at least 303 MW of solar panels in the years 2023 through 2027. In total, the Company has thus signed offtake agreements for a volume exceeding 700 MW of solar panels. The Company's long-term goal is to reach an annual production capacity by 2030 corresponding to at least 1,000 MW, which would require several mega-factories around Europe. The purpose of the Directed Share Issue is to contribute to securing financing for an expanded production capacity and working capital for the Company's facility in Järfälla, Sweden, in an initial step up to an annual production of solar cells corresponding to 20 MW, with a possible future scale-up to 200 MW.

The Directed Share Issue will entail an increase in the number of shares in the Company by 1,658,536 shares to 69,399,945 and increase the share capital by SEK 66,341.44 to SEK 2,775,997.80. The Directed Share Issue will thereby entail a dilution effect for current shareholders of approximately 2.39 percent of the number of shares and votes in the Company, based on the total number of shares and votes in the Company after the Directed Share Issue.

Notice of the extraordinary general meeting, including the Board of Directors' complete proposal regarding the Directed Share Issue, will be published separately in close connection to this press release. The Board of Directors also propose, in accordance with the Company's previously communicated intention to explore the possibilities to raise further capital by way of a convertible bond issue, that the extraordinary general meeting shall resolve to authorize the Board of Directors to resolve on an issue of convertible bonds with a maximum nominal amount of SEK 300 million. In addition, the Board of Directors proposes that the extraordinary general meeting shall resolve to authorize the Board of Directors to resolve on an issue of shares corresponding to a dilution of no more than 20 percent of the Company's registered share capital. In order to enable the issuance of shares and convertible bonds in accordance with the aforementioned authorisations, the Board of Directors proposes changes to the Company's articles of association. The extraordinary general meeting will be held on January 24, 2023.

The Board of Directors has investigated the conditions and carefully considered the possibility of carrying out a rights issue in order to raise the capital secured through the Directed Share Issue. After a market sounding with several of the Company's major shareholders, the Company has concluded that the major shareholders' preference in the current situation is that the financing is carried out as a directed share issue, and a directed share issue has therefore been determined as the best alternative for the Company. In this assessment, the Board of Directors has also taken into account that a rights issue is deemed to be significantly more resource-, time-consuming and costly, especially taking into account the limited size of the share issue, and above all that a directed share issue entails an opportunity for the Company to secure Murel as a new strategic investor with an expressed long-term interest as a shareholder in the Company and with the ability and competence to support the Company in its future development as a central player on the European market for thin-film solar cells. Considering the above, the Board has made the assessment that the Directed Share Issue with deviation from the shareholders' preferential rights is the most favorable alternative for the Company and in the best interests of the current shareholders.

Advisors

G&W Fondkommission acts as financial advisor in connection with the Directed Share Issue and Mannheimer Swartling Advokatbyrå AB is legal advisor to Midsummer

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 Premier Growth Market with G&W Fondkommission as Certified Adviser. For more information, please visit: midsummer.se

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Any investment decision in connection with the Directed Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by G&W Fondkommission. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness.

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This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or expectations about the Company's future results, financial condition, liquidity, development, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect",

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Attachments

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