

Morrow Bank AB announces fully guaranteed rights issue of approximately SEK 600 million in connection with the acquisition of MedMera Bank AB

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The Board of Directors of Morrow Bank AB (publ) ("Morrow Bank" or the "Company") has today resolved on a fully guaranteed rights issue of 51,476,320 new shares with preferential rights for the Company's existing shareholders, expected to provide the Company with proceeds of approximately SEK 600 million before transaction related costs (the "Rights Issue"). The resolution is made pursuant to the authorisation granted by the Annual General Meeting on 28 April 2026. The net proceeds from the Rights Issue will be used to finance the previously announced acquisition of MedMera Bank AB ("MedMera Bank"), as announced on 24 March 2026.

The Rights Issue is fully guaranteed through subscription and guarantee undertakings from the Company's largest shareholder Kistefos AS (up to SEK 300 million), AS Straen (up to SEK 54.5 million), Belair AS (up to SEK 50 million) and Jotelino AS (up to SEK 5.5 million), together representing approximately 27.3 per cent of the shares and votes in the Company. In addition, Christen Sveaas has personally provided a guarantee undertaking of SEK 190 million in connection with the Rights Issue.

"The Rights Issue secures equity financing for the MedMera Bank acquisition and allows all shareholders to participate on equal terms. We recently received approval from the Swedish Financial Supervisory Authority for the acquisition and now focus on closing the transaction, completing the integration and realizing the platform's synergy potential," said Øyvind Oanes, CEO of Morrow Bank.

Background and rationale for the Rights Issue

Morrow Bank announced its intention to acquire MedMera Bank from Kooperativa Förbundet ekonomisk förening (the "Seller") on 24 March 2026. The proceeds from the Rights Issue will be used to finance the acquisition of MedMera Bank.

The acquisition of MedMera Bank strengthens Morrow Bank's position in the Nordic consumer finance market and is the fourth M&A transaction completed by the Company in less than two years. The transaction values MedMera Bank at SEK 1.96 billion implying ~1.06x P/B at closing and ~11x 2025 P/E (excluding synergies), supporting strong return on invested capital. The transaction will be financed through a combination of excess capital, issuance of 32,780,579 new shares in Morrow Bank to the Seller, the Rights Issue and approximately SEK 500 million in planned issuances of AT1 and T2 bonds.

The combined platform is expected to support the Company's target of more than doubling earnings per share by 2028 compared with 2025, alongside a return on target equity above 20 per cent.

Morrow Bank expects to maintain a strong capital base post-transaction, with an estimated total capital ratio of ~17 per cent by end-2026, retaining solid headroom to regulatory requirements.

Terms and conditions for the Rights Issue

The Rights Issue comprises 51,476,320 new shares in the Company.

The subscription price in the Rights Issue amounts to SEK 11.50 per share. The subscription price corresponds to a discount of 8.2 per cent to the theoretical share price following separation of the subscription rights (so-called TERP – theoretical ex-rights price) based on the closing price of the Company's share on Nasdaq Stockholm on 28 May 2026 (SEK 12.76).

Those who are registered as shareholders in the share register maintained by Euroclear Sweden AB on the record date of 5 June 2026 have preferential rights to subscribe for shares in the Rights Issue. Shareholders will receive one (1) subscription right for each existing share held on 5 June 2026. Nine (9) subscription rights will entitle to subscription for two (2) new shares in the Company. Only entire new shares can be subscribed for (no fractions).

The subscription period will start on 9 June 2026 and end on 23 June 2026. Subscription for new shares with subscription rights shall be made by payment in cash. Application for subscription for new shares can also be made without subscription rights on a relevant application form.

Assuming that the Rights Issue is fully subscribed, the share capital will increase by no more than SEK 51,476,320 through the issue of no more than 51,476,320 new shares. The subscription price has been set to SEK 11.50 per new share, corresponding to total issue proceeds of approximately SEK 592 million before issue costs. The number of shares in the Company will increase by 51,476,320 from 231,643,441 to 283,119,761, and the share capital will increase by SEK 51,476,320 from SEK 231,643,441 to SEK 283,119,761.

The existing shares are traded including the right to receive subscription rights up to and including 3 June 2026 and the first day of trading in shares excluding the right to receive subscription rights is 4 June 2026. The subscription period runs from and including 9 June 2026 up to and including 23

June 2026 at 15:00 CEST. Trading in paid subscribed shares (BTA) takes place from 9 June 2026 until the new shares have been registered with the Swedish Companies Registration Office. Morrow Bank's Board of Directors has the right to extend the subscription period which, when applicable, will be announced through a press release at the latest on 23 June 2026 at 15:00 CEST.

Should all shares not be subscribed for with subscription rights, the Board of Directors shall, within the limits of the Rights Issue's maximum amount, resolve on the allotment of shares to those who subscribed without subscription rights, according to the following allocation criteria:

- firstly, new shares shall be allocated to those who have subscribed for shares by virtue of subscription rights (regardless of whether the subscriber was a shareholder on the record date or not), and in the event that full allocation cannot be made to these subscribers, allocation shall be made pro rata in relation to the number of new shares subscribed for by virtue of subscription rights and, to the extent this is not possible, by the drawing of lots,
- secondly, new shares shall be allocated to others who have applied to subscribe for shares without subscription rights (applicable to the general public in Sweden, Norway and qualified investors), and in the event that full allocation cannot be made to these subscribers, allocation shall be made pro rata in relation to the number of shares each subscriber has applied to subscribe for and, to the extent this is not possible, by the drawing of lots, and
- thirdly, new shares shall be allocated to Kistefos AS, AS Straen, Belair AS, Jotelino AS and Christen Sveaas in accordance with their guarantee undertakings.

Existing shareholders who choose not to participate in the Rights Issue will have their ownership diluted by approximately 18.2 per cent, but are able to financially compensate for this dilution by selling their subscription rights. Unexercised subscription rights must be sold in order not to lapse without value.

Complete terms and conditions for the Rights Issue and information about Morrow Bank will be included in the prospectus that is intended to be published around 4 June 2026.

Subscription and guarantee undertakings

The Rights Issue is covered by subscription and guarantee undertakings from existing shareholders up to approximately SEK 600 million, corresponding to approximately 101.4 per cent of the Rights Issue:

- Kistefos AS – up to SEK 300 million
- Christen Sveaas – guarantee undertaking up to SEK 190 million
- AS Straen – up to SEK 54.5 million
- Belair AS – up to SEK 50 million
- Jotelino AS – up to SEK 5.5 million

These shareholders, together representing approximately 27.3 per cent of the shares and votes in the Company, with Kistefos AS being the largest shareholder with 24.1 per cent of the shares and votes in the Company, have committed to subscribe to their respective pro rata shares of the Rights Issue. These shareholders have also entered into guarantee undertakings regarding the subscription for additional shares in the event the Rights Issue is not fully subscribed up to SEK 600 million. Accordingly, 27.3 per cent of the Rights Issue will be covered by subscription undertakings and the remaining 73.7 per cent of the Rights Issue will be covered by guarantee undertakings. The subscription undertaking is not secured by bank guarantees. The subscription and guarantee undertakings are subject to customary conditions. The subscription undertakings do not carry any commission. The guarantee undertakings entitle the respective shareholders to a commitment fee amounting to five per cent of the guaranteed amount.

Dilution

Through a fully subscribed Rights Issue, the total number of shares in the Company increases from 231,643,441 to 283,119,761 shares and the share capital increases from SEK 231,643,441 to SEK 283,119,761. Consequently, shareholders that do not participate in the Rights Issue will be subject to dilution of 18.2 per cent of their shares and votes in the Company.

Shareholders in eligible jurisdictions will have the opportunity to financially compensate themselves for the dilution effect of the Rights Issue by selling their subscription rights. Trading in subscription rights on Nasdaq Stockholm will take place during the period 9 June 2026 up to and including 17 June 2026. Upon a sale of a subscription right, the preferential right transfers to the new holder of the subscription right.

Preliminary timetable

Date	Event
3 June 2026	Last day of trading in Morrow Bank's share including the right to receive subscription rights
4 June 2026	First day of trading in Morrow Bank's share excluding the right to receive subscription rights
4 June 2026	Publication of the prospectus for the Rights Issue
5 June 2026	Record date for participation in the Rights Issue
9 June 2026 – 17 June 2026	Trading in subscription rights on Nasdaq Stockholm
9 June 2026 – 23 June 2026	Subscription period

9 June 2026 – 1 July 2026	Trading in paid subscribed shares (<i>Sw. betald tecknad aktie, BTA</i>) on Nasdaq Stockholm
24 June 2026	Publication of preliminary outcome of the Rights Issue
29 June 2026	Publication of final outcome of the Rights Issue

Prospectus

A prospectus relating to the Rights Issue will be prepared by the Company and submitted to the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*) for approval. The complete terms and instructions for the Rights Issue, together with certain information about the Company and risks associated with an investment in the Company, will be presented in the prospectus, expected to be approved and published on 4 June 2026, ahead of the commencement of the subscription period, and will be made available on the Company's website (ir.morrowbank.com) and on Nordea's website.

Shareholder approval

The Rights Issue is carried out pursuant to the authorisation granted by the Annual General Meeting on 28 April 2026.

Advisers

Nordea Bank Abp, filial i Sverige acts as Financial Adviser and Sole Global Coordinator and Bookrunner to Morrow Bank and Advokatfirman Vinge acts as legal adviser to Morrow Bank. Capient acts as strategic and capital markets adviser to the Company.

Contact

For further information, please visit morrowbank.com or contact:

Øyvind Oanes, CEO

Tel: +47 98 90 60 60

Email: ir@morrowbank.com

About Morrow Bank

Morrow Bank is a Nordic consumer finance bank offering digital and flexible financing solutions to creditworthy individuals in Norway, Sweden and Finland. The bank offers consumer loans, credit cards and high-yield deposit accounts, supported by a modern and scalable banking platform.



About MedMera Bank

MedMera Bank is a digital bank that has been offering basic and fair banking services in savings and lending since 2007. With a focus on smooth solutions for private individuals, MedMera Bank now has around 135,000 customers across Sweden, whom MedMera Bank helps save easily and borrow safely. For further information, visit www.medmerabank.se.

Important information

The release, announcement or distribution of this press release may, in certain jurisdictions, be subject to restrictions and the recipients of this press release in jurisdictions where this press release has been published or distributed shall inform themselves of and follow such restrictions. This press release does not constitute an offer, or a solicitation of any offer, to buy or subscribe for any securities in Morrow Bank in any jurisdiction.

This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the Rights 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 the Sole Global Coordinator and Bookrunner. 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. This announcement does not constitute a recommendation concerning any investor's option with respect to the Rights Issue. The price and value of securities can go down as well as up. Past performance is not a guide to future performance. The Sole Global Coordinator and Bookrunner is acting for the Company in connection with the Rights Issue and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Rights Issue or any other matter referred to herein.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein, have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into the United States of America, Australia, the Hong Kong Special Administrative Region of the People's Republic of China, Japan, South Africa or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

This announcement is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. Morrow Bank has not authorised any offer to the public of shares or other securities in any member state of the EEA. In any EEA Member State other than Sweden and Norway, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of Regulation (EU) 2017/1129 (the "Prospectus Regulation"). Any offer in respect of any securities in connection with the Rights Issue will only be made through the prospectus that Morrow Bank AB expects to publish on 4 June 2026 on (ir.morrowbank.com).

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, "qualified investors" (as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024, as amended), who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order; or (iii) other persons to whom this document may be lawfully communicated (all such persons together being referred to as "relevant persons"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, 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", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialise or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are

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This information is information that Morrow Bank 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 2026-05-29 07:52 CEST.