midsummer

PRESS RELEASE
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Midsummer shelves plans for new Swedish solar cell factory in Flen and declines EU grant

Swedish solar energy company Midsummer halts its plans for a factory for the production of solar cells in Sweden and declines the EU grant the company has been awarded for this purpose. Instead, Midsummer wants to focus on continued international expansion with a different, significantly less capital-intensive business and financing model for new factories.

Midsummer has decided to put previously communicated plans for a solar cell factory in Flen, Sweden on hold. The commercial opportunities for expanding production capacity are considered to be greater outside Sweden and together with partners rather than local self-financed facilities.

“We are happy to establish a new factory in Sweden in the future when the commercial and financial conditions allow it, but it will not happen within the framework of the specific project we have been awarded time-limited EU support for. A major reason is that we have strategically decided to choose other financing models for new factories than self-financing,” said Midsummer's CEO Eric Jaremalm.

The financing of the factory in Flen was negatively affected when Midsummer was denied financial support from the Swedish Energy Agency's Industriklivet program. Subsequently, new attractive and significantly less capital-intensive opportunities for establishing factories abroad in collaboration with established global and very large industrial players have opened up.

“Asset light” model for new factories

Midsummer has changed its long-term production strategy to a so-called asset light model that is based on collaboration with large industrial partners. Instead of owning and operating all the factories itself, the company supplies machinery, raw materials and know-how to enable local production of solar cells on different continents. This provides significant early income in the form of machine orders and also ongoing income after the factory is operational.

Last year, Midsummer was commissioned to deliver machinery with operational responsibility to a solar cell factory in Colombia, with an annual production capacity of at least 100 MW. So far, the company has received machinery orders worth approximately SEK 380 million [EUR 34.5m] for this purpose. Midsummer also continuously expands production in its own factory in Bari, Italy, which, fully operational, produces 50 MW annually.

“Even with the EU grant, self-financing a completely new factory of this size in Flen would have cost us several hundred million SEK, and we do not find it responsible to take such large loans or ask our shareholders for such amounts when we have found other ways to finance our expansion, which in addition to being financially more advantageous are also geographically closer to the fastest growing markets today”, commented Mr. Jaremalm.

Links to images and other press material: Press – Midsummer.

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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. The Company’s Certified Adviser is Tapper Partners AB. For more information, please visit: midsummer.se

Attachments

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