

Rights issue Q&A

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Background

1. Why does Midsona enter into a rights issue?

Midsona has during the last four quarters experienced a challenging market and been affected by several subsequent unfavourable external factors. Overall, the market development and unfavourable external factors have had a significant negative effect on the Company's result during the last four quarters. As a result of Midsona's deteriorated financial results and also partly due to increased inventory subsequent to transport and delivery disruptions, the leverage ratio on a rolling 12-months basis has increased to a level that the Board of Directors does not consider sustainable in the long term.

Midsona's credit facility is subject to financial commitments regarding leverage ratio. The external factors that have affected and may affect the Company, could potentially make it difficult for the Company to meet the limits the financial commitments in the credit facility prescribes.

To reduce the Company's leverage ratio through partial repayment of the Company's loans and to generally strengthen the Company's financial position in order to facilitate a sustainable long-term capital structure and increase the Company's financial flexibility, Midsona's Board of Directors resolved on a new issue of shares with preferential right for existing shareholders of approximately SEK 600 million, on 25 October 2022. An extraordinary general meeting in Midsona approved the Board of Directors' resolution on 24 November 2022.

2. How large is the rights issue?

Assuming that the rights issue is fully subscribed, issue proceeds will amount to approximately SEK 600 million before deduction of transaction costs.

3. What is the timing of the rights issue?

The subscription period runs from 30 November 2022 through 14 December 2022.

Commitments from current owners

1. Is the rights issue fully covered by subscription commitments and / or underwriting commitments?

The Company's largest shareholder Stena Adactum AB, representing approximately 29.8 per cent of the total number of shares and approximately 29.8 per cent of the total number of votes in the Company has undertaken to subscribe for its pro rata share in the rights issue.

In addition, Stena Adactum AB has committed to underwrite the remaining part of the rights issue not covered by above subscription commitment. Hence, the rights issue is fully covered by subscription and underwriting commitments.

Neither the subscription nor the underwriting commitment is secured by, for example, a bank guarantee.

2. What is the maximum share of votes and capital Stena Adactum AB may hold in Midsona post the rights issue?

The maximum share of votes and capital that Stena Adactum AB may hold in Midsona as a result of the rights issue is 64.9 per cent and 64.9 per cent respectively.

3. How will Stena Adactum AB handle a potential mandatory bid obligation?

The Swedish Securities Council has granted Stena Adactum AB an exemption from the mandatory bid obligation, which could emerge due to the subscription and underwriting commitments.

Rights issue basics and additional information

1. What is a rights issue?

A rights issue is an offering to all shareholders to subscribe for new shares in the company to a predetermined price and during a shorter time period. The rights issue will provide cash and equity to the company's balance sheet. Registered shareholders in Midsona on the record date 28 November 2022 will receive subscription rights with preferential right to subscribe for new shares in proportion to their existing shareholdings, in the rights issue. In rights issues, companies typically offer shareholders a chance to buy new shares at a discount to the current share price at the time of the resolution.

2. As a shareholder, do I need to do anything to receive subscription rights in Midsona's rights issue?

No, all registered shareholders in Midsona on the record date 28 November 2022 will automatically receive subscription rights.

3. Which is the final day for trading in the Company's shares including right to participate in the rights issue with preferential right?

If you want to buy shares in the Company and assure that those include the right to receive subscription rights, you need to carry out the trade in the share no later than two trading days before the record date 28 November 2022. Shares traded from and including the trading day before the record date do not include the right to participate in the rights issue.

4. What is a subscription right?

It is a security that gives you the right to subscribe for new shares in a company for a certain period at a certain price. The subscription right has an economic value if the subscription price is lower than the share price.

5. What if I do not do anything?

Then you risk losing the potential value of your subscription rights. To avoid this you must:

- exercise your subscription rights and subscribe for new shares before the subscription period ends (14 December 2022); or
- sell your subscription rights before the subscription rights trading period ends (9 December 2022).

6. When can I subscribe for new shares in the rights issue?

The subscription period is expected to run during a two week period, starting 30 November 2022 and running through 14 December 2022.

7. How many subscription rights do I need to subscribe for new shares?

One (1) subscription right confers the right to subscribe for one (1) new share (for the respective share class).

8. To which price can I subscribe for new shares?

The subscription price has been set to SEK 8.25 per new share (regardless of share class).

9. Where can I find complete terms and conditions for the rights issue?

The terms of the rights issue were published on 25 October 2022 through a press release available on Midsona's website, www.midsona.com. The terms are also available in Swedish, in the prospectus relating to the rights issue published on 28 November 2022, available on Midsona's website, www.midsona.com, the Swedish Financial Supervisory Authority's website, www.fi.se, as well as on Danske Bank's website, www.danskebank.se/prospekt.

10. Can I subscribe for more shares than I have received subscription rights for?

Yes, you can buy more subscription rights at Nasdaq Stockholm during the subscription rights trading period. The last day for buying subscription rights is 9 December 2022. Shareholders can also subscribe for additional shares without subscription rights, but this does not guarantee any allocation.

11. How do I buy or sell subscription rights?

You can buy and sell subscription rights over the stock exchange or by contacting your bank or nominee during the subscription rights trading period running from 30 November 2022 through 9 December 2022. The subscription rights will be traded on Nasdaq Stockholm.

12. When should I use the preprinted bank giro form?

Directly registered shareholders will receive the preprinted issue statement with attached bank giro form sent by mail. If you wish to participate in the rights issue as a directly registered shareholder, and use all the subscription rights shown in the issue statement, use the preprinted bank giro form at the bottom of the issue statement. No additions or changes can be made to the bank giro form. Directly registered shareholders who are not residents in Sweden and who cannot use the preprinted issue statement can instead use a subscription form. Shareholders with nominee-registered holdings will not receive a preprinted issue statement with attached bank giro form, but are asked to turn to their nominee for instructions on participation in the rights issue.

13. When should I use the subscription form?

If you are a directly registered shareholder and want to participate in the rights issue, but want to use a different number of subscription rights than those listed on the preprinted issue statement, for example if you have purchased or sold subscription rights, use a subscription form. The subscription form is available at www.midsona.com and www.danskebank.se/prospekt.

14. How do I pay for the new shares?

If you use the preprinted bank giro form on the issue statement, you can pay just as you pay your regular bills, for example via Bankgiro, Plusgiro, internet bank or at the nearest branch. If you use the subscription form, you can pay via your internet bank (and then submit the subscription form).

15. What happens after I have subscribed and paid for my new shares?

Your subscriptions and payments are registered in the Euroclear system and a few days later booked as paid subscribed shares (Sw: "Betalda tecknade aktier", so called "BTA") on your VP account. When the rights issue is registered with the Swedish Companies Registration Office, your paid subscribed shares is automatically converted into ordinary shares.

16. How do I subscribe for shares without the support of subscription rights?

Application to subscribe for new shares without subscription rights must be made on the relevant subscription form marked "Teckning av aktier utan stöd av teckningsrätter" (Eng. "Subscription for shares without subscription rights"), which will be available on Midsona's website, www.midsona.com, and on Danske Bank's website, www.danskebank.se/prospekt, before the subscription period ends.

If all of the new shares are not subscribed for with subscription rights (primary preferential right), the Board of Directors shall, up to the maximum amount of the rights issue, resolve on allocation of new shares which have been subscribed for without subscription rights, in accordance with the following:

- Primarily, allocation shall be made to those who have also subscribed for shares (regardless share class) with subscription rights, regardless of the subscriber being shareholder at the record date or not and in case of oversubscription, allocation shall be made pro rata in proportion to the number of subscription rights used for subscription and, to the extent the shares cannot be allocated as stated above, allocated through drawing of lots (subsidiary preferential right).
- Secondly, allocation of shares to those who have subscribed for shares without subscriptions rights shall be made to others who have only registered for subscription without subscription rights, and in case of oversubscription, allocation shall be made pro rata in proportion to the number of shares subscribed for and, to the extent the shares cannot be allocated as stated above, allocated through drawing of lots.
- Thirdly, allocation shall be made to Stena Adactum AB, as underwriter.

As confirmation of allocation of new shares subscribed for without subscription rights, a contract note will be sent to the subscriber around 19 december 2022. No communication will be sent to subscribers who have not been allocated shares. For nominee-registered shareholders, the allocation will be handled through the nominee, which will be informed by Danske Bank.

17. Can I withdraw my application if I regret to participate in the rights issue?

No, the application is binding.

18. How do I proceed if my holdings are nominee-registered?

Shareholders whose holdings are registered with a bank or other nominee will not receive an issue statement with attached bank giro form. Subscription and payment of new Midsona shares with or without support of subscription rights shall be done by the respective nominee and in accordance with instructions from the nominee.

19. Are there any tax implications for me as a shareholder due to the rights issue?

If you use your subscription rights to subscribe for new shares, you will not be subject to any taxation in Sweden. However, if you sell subscription rights, your income from the sale is subject to taxation. The prospectus, published on 28 November 2022, contain a brief summary of certain tax rules that are applicable in connection with the rights issue.

This document is an English translation of the Swedish original. In the event of any discrepancies, the Swedish version shall govern.

About Midsona AB (publ)

Midsona develops and markets strong brands within health and well-being, with products that help people live a healthier and more sustainable life, with an increased understanding of the origin of the raw material and with transparency as to the content. The Midsona share is listed on Nasdaq Stockholm, Mid Cap. For more information www.midsona.com/en.

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