

## **MIDWAY LIMITED (ASX: MWY)**

30 June 2022

### **Midway Capital Management Review**

A special fully franked dividend for shareholders and debt reduction in FY23 are the two key capital management priorities arising from a strategic review by Midway Limited (“**Midway**” or “the **Company**”), one of Australia’s leading forestry managers and woodfibre exporters.

Midway Chair, Mr Gordon Davis, said that distribution of a special fully franked dividend of up to \$17 million would represent a payment of up to approximately 19.5 cents per share for shareholders.

Mr Davis said the debt reduction initiatives include repayment of approximately \$30 million of the “Strategy Liability” and approximately \$30 million in corporate debt in FY23.

The FY23 capital management initiatives will be funded from settlement of the first tranche of the sale of Midway’s plantation assets to a special purpose vehicle (**SPV**) owned by a client of MEAG, Munich Re’s asset manager.

Around 60% of the sale proceeds are expected to be received in FY23, with further tranches in FY24 and FY25. In estimating the amounts available for the proposed special dividend, Midway has had regard to costs relating to the sale, tax payable, repayment of debt, and the Company’s operating cash requirements.

Mr Davis said the debt repayment leaves the Company with a strong balance sheet that provides a solid platform for future growth of the Company including leveraging its existing expertise in the plantation management and decarbonisation sector.

The Midway Board aims to distribute the special dividend expeditiously. However, the estimated amount and timing of the special dividend are based on several assumptions regarding future events and financier consents. As a result, Midway will provide an updated estimate of the form and quantum of the special dividend around the time of settlement of the first tranche.

The Midway Board will decide on future capital management options, including additional special dividends to shareholders, when additional tranches of the sale proceeds are received in FY24 and FY25.

The sale of the Company’s plantation assets to the SPV was announced to the Australian Securities Exchange (ASX) on 12 May 2022 and remains subject to approval by the Foreign Investment Review Board (FIRB).

This announcement has been approved by the Midway Board.

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### **About Midway Limited**

Midway Limited is a leading Australian forestry company with headquarters in Geelong, with 100% shareholdings in Plantation Management Partners (PMP) based on Melville Island and majority shareholdings in South West Fibre Pty Ltd (SWF) based in the Green Triangle and Queensland Commodity Exports Pty Ltd (QCE) based in Brisbane. Founded in 1980, Midway is primarily involved in the production, processing and export of high-quality wood fibre to producers of pulp, paper and associated products in the Asian region. Midway is now also expanding into the emerging carbon management sector. For further information, visit [www.midwaylimited.com.au](http://www.midwaylimited.com.au).