



Press release from Bergs Timber AB (publ)

Mörlunda, 8 May 2019.

Bergs Timber has signed a letter of intent to acquire Fågelfors Hyvleri

Bergs Timber AB (publ) ("Bergs Timber") has today signed a letter of intent (the "Letter of Intent") with AB Fogelfors Bruk ("Fogelfors Bruk") regarding a potential acquisition of all shares in Fågelfors Hyvleri AB ("Fågelfors Hyvleri").

The transaction is subject to the signing of a share purchase agreement ("SPA"), conducting a due diligence to the satisfaction of Bergs Timber, financing and board decision. Bergs Timber will make an announcement once the SPA is signed and closing of the transaction is planned to 30 June 2019. The Letter of Intent grants Bergs Timber exclusivity for the period up until 30 June 2019.

The indicative purchase price for the shares in Fågelfors Hyvleri is SEK 48 million. SEK 30 million is intended to be paid in cash and SEK 18 million in newly issued class B shares in Bergs Timber AB (corresponding to approx. 5.14 million new shares, or approx. 1.49% of the total number of shares post share issue, if the Bergs Timber share price would be SEK 3.50 at the time of the new share issue). Subject to the SPA, the board of Bergs Timber intends to issue the new class B shares by virtue of the authorization to issue new shares proposed to be decided at the annual general meeting in Bergs Timber to be held today on 8 May 2019.

Fågelfors Hyvleri is a wood pellet producer with an annual capacity of approx. 90,000 tons of pellets and approx. 20,000 tons of heating logs. In addition, Fågelfors Hyvleri operates a planing mill with an annual capacity of approx. 30,000 cubic meters.

"Fågelfors Hyvleri suits very well in our strategy to increase further processing. It is also well located in the area around our Swedish saw mills", says Peter Nilsson, CEO of Bergs Timber.

Further information about this press release can be provided by Bergs Timber's CEO and group president Peter Nilsson (+46 703 15 09 27 or +46 10 19 98 504).

The information is such that Bergs Timber AB (publ) is required to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on 8 May 2019 at 08:00 (CEST).

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