

Pareto advises Dilasso Timber AB on the successful placement of a SEK 750 million senior secured bond

Pareto Securities AB has advised Dilasso Timber AB (publ) (the "Issuer"), ultimately owned by the investment fund ESSVP IV – advised by Orlando Nordics AB, on placing a 4-year SEK 750 million senior secured bond under a framework of SEK 1,150 million (the "Bonds"). The Bonds, maturing in 2023, will carry a floating rate coupon of 3 month STIBOR + 5.75 per cent, with interest paid quarterly. The Bonds will be governed by Swedish law and the Issuer has undertaken to list the Bonds on any regulated market within 12 months of the issue date.

The proceeds from the transaction will be applied towards the acquisition of Bergkvist-Insjön AB ("Bergkvist"), a sawmill company located in Dalarna, and for refinancing existing debt. The Issuer has been the owner of the sawmill company Siljan Group AB ("Siljan") since 2018. Following closing of the acquisition, the operating companies Bergkvist and Siljan will form the new wood processing group Bergkvist-Siljan, which will be the largest sawmill company in the Dalarna region and the 6th largest in Sweden.

The oversubscribed bond issue was very well received by the investors, attracted interest primarily from Nordic institutional accounts and was closed on the same date as it was launched into the market.

"With this financing solution in place, two companies with some 100 years of history are now embarking on a joint journey to become one of the leading sawmill players in Sweden. Bergkvist-Siljan (Dilasso Timber AB) achieves an efficient and flexible balance sheet that will allow it to develop its business and capitalize on a strong industrial logic underpinning the combination. Being able to obtain bond financing at favourable terms in a competitive Nordic bond market, closing the transaction on the same day it was launched, is a strong vote of confidence in Bergkvist-Siljan." says Johanna Struthmann, Partner at Orlando Nordics, the advisor to ESSVP IV, which is the ultimate majority shareholder of Bergkvist-Siljan.

Pareto Securities AB acted as Sole Bookrunner in connection with the bond issue.

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