

Oboya's subsidiary in Denmark files for bankruptcy and takes write-downs of SEK 54 million

Oboya Horticulture Industries AB ("Oboya" or the Company) takes write-downs and provisions and files the Danish subsidiary for bankruptcy. Concluded write-downs and provisions amounted to SEK 54 million, of which SEK 0 million has a liquidity effect. Over the past year, the Danish subsidiary has shown unsatisfactory results, accentuated by the outbreak and spread of COVID-19 (coronavirus) the last few weeks. The sharp decline in the flower industry has had a strong negative impact on Oboya's Danish operations, with the Board having to file for that part of the business to go bankrupt as of March 31, 2020.

Oboya's sales on the Danish market are heavily weighted towards the flower industry, which, with COVID-19, has shown a very sharp decline in demand for the past two weeks. The Board of Directors considers that the downturn is relatively lasting and will significantly damage the business and is thus forced to take these drastic measures.

Resolved write-downs and provisions negatively affect Oboya's equity by SEK 54 million, of which SEK 0 million negatively affects the Company's liquidity. This affects all employees in Denmark, who will be made redundant.

The measures adopted are expected to have a positive impact on cash flow for the full year 2020.

"It is very sad to be forced into this measure that puts employees, suppliers and customers in a difficult situation. At the same time, we see no other option when the demand for our products in Denmark has decreased dramatically in a very short time. We will now put all our efforts into supporting and developing our other parts within the Company. It is reassuring for us to see increased demand in Norway, Sweden and Finland, especially for fruit and vegetables," says Martin Dahlberg, CEO of Oboya Horticulture Industries AB.

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About Oboya Horticulture Industries AB

Oboya Horticulture aims to develop into a world-leading total supplier in daily consumables and logistics products to the cultivation industry as well as consumer products for home cultivation and indoor environments. Production takes place in factories in China, Vietnam and Poland. More information about the company can be found at www.oboya.se.

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