



Press release from Bergs Timber AB (publ)

Vimmerby, 30 March 2020

Bergs Timber restructures the Swedish sawmill business

A strategic review of the Swedish sawmill business has been carried out during the winter in order to create opportunities for long term profitability. The plan clearly indicates the potential to concentrate efforts in development and investments to three of the today's four sawmills.

In light of this plan, the Board of Directors of Bergs Timber has decided to immediately initiate discussion with the unions to close Gransjö sawmill. The sawmilling business will cease as soon as possible and the remaining business during the autumn 2020. The closure will affect about 45 employees.

"We do not see it financially realistic to continue to develop our four sawmills and will therefore concentrate our resources and investments to the sawmills in Vimmerby, Mörlunda and Orrefors. This will strengthen the opportunities for long term profitability in the Swedish sawmill business. Unfortunately it means that 45 of our employees have to leave the company" says Peter Nilsson, CEO of Bergs Timber.

The closure of Gransjö sawmill will affect the result for the first quarter 2020 with about SEK 30 million related to impairment of fixed assets and costs for the closure. The closure will have a positive effect on cash flow with about SEK 60 million when the closure has been concluded.

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 CFO Anders Marklund, +46 702 84 47 96.

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 30 March 2020 at 14.05 (CEST).

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