

## NORVIK ANNOUNCES A RECOMMENDED PUBLIC CASH OFFER OF SEK 44.50 PER SHARE TO THE SHAREHOLDERS OF BERGS TIMBER AB (PUBL)

The Offer is not being made, and this press release may not be distributed, directly or indirectly, in or into, nor will any tender of shares be accepted from or on behalf of shareholders in Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States, or in any other jurisdiction in which the making of the Offer, the distribution of this press release or the acceptance of any tender of shares would contravene applicable laws or regulations or require further offer documents, filings or other measures in addition to those required under Swedish law or otherwise contemplated in connection with the Offer. Shareholders should refer to the offer restrictions included in the section titled "Important information" at the end of this press release and in the offer document which will be published before the beginning of the acceptance period for the Offer.

Norvik Hf, through its wholly-owned subsidiary Kivron AB[1] ("Norvik"), hereby announces a recommended public cash offer to the shareholders of Bergs Timber AB (publ) ("Bergs" or the "Company") to tender any and all shares in Bergs to Norvik at a price of SEK 44.50 in cash per share (the "Offer"). The shares in Bergs are listed on Nasdaq Stockholm, Small Cap.

### Summary of the Offer

- Norvik offers SEK 44.50 in cash per share in Bergs (the "**Offer Price**").
- Norvik is Bergs' largest shareholder, owning 58.67 per cent of the outstanding shares.
- The Offer values the total number of shares in Bergs to approximately SEK 1.54 billion. The total value of the Offer, based on the 14,330,744 outstanding shares in Bergs that are not owned by Norvik, amounts to approximately SEK 637.7 million.
- The Offer Price represents a premium of:
  - 86.2 per cent compared to the closing price of SEK 23.90 for Bergs' series B share on Nasdaq Stockholm on 26 October 2023 (which was the last trading day prior to the announcement of the Offer);
  - 79.2 per cent compared to the volume-weighted average share price of SEK 24.83 for Bergs' series B share on Nasdaq Stockholm during the last 30 trading days up to and including 26 October 2023; and
  - 65.4 per cent compared to the volume-weighted average share price of SEK 26.91 for Bergs' series B share on Nasdaq Stockholm during the last 90 trading days up to and including 26 October 2023.

- The independent members of Bergs' Board of Directors ("Bergs' Board of Directors") have resolved to recommend that Bergs' shareholders accept the Offer. The recommendation is supported by a fairness opinion provided by Svenska Handelsbanken, concluding that, subject to the qualifications and assumptions set out therein, the Offer, from a financial point of view, is fair to the shareholders of Bergs.
- The acceptance period for the Offer is expected to commence on or about 1 November 2023 and expire on or about 29 November 2023.

Gísli Jón Magnússon, CEO of Norvik, comments on the Offer:

*"Our partnership with Bergs is built on a solid foundation, thanks to their outstanding operations in our focus areas. Since we became the largest shareholder in Bergs in 2016, we've been dedicated to supporting Bergs' development within a listed environment. We initially envisioned growth in Bergs through selected targeted acquisitions and to actively make use of the Bergs' listed share as consideration in such transactions. However, market conditions have changed, and recent strategic actions by Bergs haven't been reflected in the valuation of the Company in our view. It is therefore our belief that the possibilities for unlocking Bergs full potential is greater in a private environment, by leveraging Norvik's strategic and financial resources. We are also pleased to see that Bergs' Board of Directors', based on a fairness opinion, has resolved to recommend that the shareholders accept the Offer."*

### **Background and reasons for the Offer**

Norvik has been Bergs' largest shareholder since 2016. Norvik obtained its current holding of 58.67 per cent of the shares in Bergs in 2018, in connection with Bergs' acquisition of Norvik's subsidiaries within the wood products industry against a consideration consisting of newly issued shares in Bergs. In its position as the largest shareholder in the Company, Norvik has supported the development of Bergs in a listed environment. The intentions in 2018 were to grow the Company by selected targeted acquisitions and actively make use of the Company's listed share as consideration and thereby gradually diluting Norvik's large shareholding in the Company. However, these intentions have not been realised to the extent and outcome planned as, among other things, market conditions have changed, which has been reflected in the weak price development of the Company's shares. Furthermore, recent strategic actions made by the Company, including sale of sawmills in Sweden, closure of Laesti in Estonia, and the purchase of Hedlunda in Sweden, have not influenced the share price development as expected. Norvik now aims to take Bergs private, as it is Norvik's view that the Company has the best possibilities to reach its full potential in a non-listed environment, where the Company can take full advantage of Norvik's strategic and financial resources.

Considering the current market conditions, and given Norvik's current knowledge of Bergs, Norvik does not intend to implement any changes regarding the Company's business or its management and employees, including their terms of employment, or regarding occupation and the locations where Bergs conducts its operations. Nor does Norvik currently have any strategic plans for Bergs which may have an impact on employment or the locations where the Company conducts its operations.

### Conflicts of interest and applicable Takeover Rules

Jón Helgi Gudmundsson and Guðmundur H Jónsson are Board members in Bergs and also Board members and part owners of Norvik. They are therefore deemed to have a conflict of interest in relation to the Offer and have not participated in the Company's handling of, or resolutions regarding, matters relating to the Offer. Consequently, Section III of the Takeover Rules is applicable to the Offer, entailing, *inter alia*, that Bergs is required to obtain and publish a fairness opinion regarding the Offer.

### Recommendation from Bergs' Board of Directors

Bergs' Board of Directors has resolved to recommend the shareholders of Bergs to accept the Offer. For more information, please see the statement from Bergs' Board of Directors that is published in a separate press release by Bergs today. Bergs' Board of Directors has also obtained a fairness opinion from Svenska Handelsbanken, concluding that, subject to the qualifications and assumptions set out therein, the Offer, from a financial point of view, is fair to the shareholders of Bergs.

### The Offer

#### *Consideration and acceptance period*

Norvik offers SEK 44.50 in cash per share in Bergs.

Should Bergs, prior to commencement of settlement in the Offer, distribute dividends or in any other way distribute or transfer value to its shareholders with a record date occurring prior to the commencement of settlement under the Offer, the Offer price will be reduced accordingly.

No commission will be charged in connection with the settlement of the Bergs shares tendered in the Offer.

The acceptance period for the Offer is expected to commence on or about 1 November 2023 and expire on or about 29 November 2023.

#### *Premium*

The Offer Price represents a premium of:

- 86.2 per cent compared to the closing price of SEK 23.90 for Bergs' series B share on Nasdaq Stockholm on 26 October 2023 (which was the last trading day prior to the announcement of the Offer);
- 79.2 per cent compared to the volume-weighted average share price of SEK 24.83 for Bergs' series B share on Nasdaq Stockholm during the last 30 trading days up to and including 26 October 2023; and
- 65.4 per cent compared to the volume-weighted average share price of SEK 26.91 for Bergs' series B share on Nasdaq Stockholm during the last 90 trading days up to and including 26 October 2023.

*The total value of the Offer*

The Offer values the total number of shares in Bergs to approximately SEK 1.54 billion. The total value of the Offer, based on the 14,330,744 outstanding shares in Bergs which are not owned by Norvik, amounts to approximately SEK 637.7 million.

**Norvik's shareholding in Bergs**

As of the date of the Offer, Norvik owns 20,342,084 shares in Bergs, which corresponds to 58.67 per cent of the share capital and votes in Bergs.

Apart from the above, neither Norvik, nor any of its closely related companies or other closely related parties own any shares or other financial instruments in Bergs that give a financial exposure to Bergs' shares.

During the six months preceding the announcement of the Offer, neither Norvik, nor any of its closely related companies or other closely related parties have acquired shares in Bergs.

**Conditions for completion of the Offer**

The completion of the Offer is conditional upon:

1. the Offer being accepted to such extent that Norvik becomes the owner of shares representing more than 90 per cent of the total number of outstanding shares in Bergs;
2. with respect to the Offer and completion of the acquisition of Bergs, receipt of all necessary regulatory, governmental, or similar clearances, approvals, decisions and other actions from authorities or similar, including from competition authorities, in each case on terms which, in Norvik's opinion, are acceptable;
3. neither the Offer nor the acquisition of Bergs being rendered wholly or partially impossible or significantly impeded as a result of legislation or other regulation, any decision by court or public authority, or any similar circumstance;
4. no circumstances having occurred that could have a material adverse effect or could reasonably be expected to have a material adverse effect upon Bergs' sales, results, liquidity, solvency, equity or assets;
5. no information made public by Bergs being inaccurate, incomplete or misleading, and Bergs having made public all information which should have been made public by Bergs; and
6. Bergs not taking any measures that are likely to impair the prerequisites for making or completing the Offer.

Norvik reserves the right to withdraw the Offer in the event that it is clear that any of the above conditions are not satisfied or cannot be satisfied. However, with regard to conditions 2 – 6 above, the Offer may only be withdrawn provided that the non-satisfaction of such condition is of material importance to Norvik's acquisition of Bergs or if otherwise approved by the Swedish Securities Council (Sw. *Aktiemarknadsnämnden*).

Further, Norvik reserves the right to waive, in whole or in part, one, several or all of the conditions set out above, including the right for Norvik to complete the Offer at an acceptance level at 90 per cent or lower.

### **Brief information about Norvik and Kivron AB**

Norvik is an Icelandic private limited liability company ("*Hlutafélag*") owned by Jón Helgi Gudmundsson and his family, with its registered office at Vallakor 4, 203 Kopavogur, Iceland. Norvik was founded in 2000 as a holding company for a group that then included BYKO, an Icelandic retail and wholesale distributor of wood and building materials founded in 1962 and still part of Norvik's portfolio. Norvik is a private investment company with a long track record of direct investments with a focus on the wood products industry, retail and wholesale trade in building materials, real estate and logistics. Norvik became the largest shareholder in Bergs in 2016, and obtained its current holding of 58.67 per cent of the shares in Bergs in 2018 in connection with Bergs' acquisition of Norvik's former subsidiaries with operations in the wood products industry. In addition to Bergs, Norvik's key portfolio assets include BYKO, Smaragardur, Kambstal, Kaldalon, Greengold and Heimkaup. In 2022, Norvik had consolidated sales of approximately 30.6 billion Icelandic kronur (equivalent to approximately SEK 2.3 billion). For more information, see [www.norvik.is](http://www.norvik.is).

Kivron AB is a newly formed Swedish private limited liability company (with reg. no. 559449-9062 and registered office in Stockholm) wholly-owned by Norvik. Kivron AB was founded on 4 September 2023 and registered with the Swedish Companies Registration Office on 26 September 2023. Kivron AB has never conducted and does not currently conduct any business, and its sole business purpose is to make the Offer.

### **Financing of the Offer**

The consideration payable in connection with the Offer will be financed through Norvik's own cash and credit facilities, made available by the parent company Norvik Hf. Thus, Norvik will have sufficient cash resources to fully pay the Offer consideration and, accordingly, completion of the Offer is not subject to any financing condition.

### **Preliminary timetable**

- Publication of the offer document: 30 October 2023
- Acceptance period: 1 November - 29 November 2023
- Commencement of settlement: On or about 6 December 2023

The aforementioned dates are indicative and may be subject to change. Norvik reserves the right to extend the acceptance period for the Offer as well as to postpone the settlement date. A notice of any such extension or postponement will be announced by Norvik by means of a press release in accordance with applicable laws and regulations.

### Approvals from authorities

As set out above, the completion of the Offer is conditional upon, *inter alia*, receipt of all necessary regulatory, governmental or similar clearances, approvals, decisions and other actions from authorities or similar, including from competition authorities, in each case on terms which, in Norvik's opinion, are acceptable.

According to Norvik's assessment, the transaction will require the approval from competition authorities in Iceland and Latvia.

### Voting rights restriction and statement from the Swedish Securities Council

In connection with Bergs' acquisition of Norvik's former subsidiaries with operations in the wood products industry in 2018 and Norvik's subsequent increase of its shareholding in Bergs, Norvik undertook *inter alia* to limit its influence in Bergs such that Norvik would not represent a majority of the votes at general meetings in Bergs, regardless of its majority shareholding in the Company (the "**Voting Restriction**").[2]

The Swedish Securities Council has in its ruling AMN 2023:49 confirmed that from the point of view of good practice on the stock market, Norvik's undertaking *inter alia* may terminate at the earliest six months after announcement of such termination. The ruling in its entirety is available at [www.aktiemarknadsnamnden.se](http://www.aktiemarknadsnamnden.se).

In connection with the Offer, Bergs and Norvik have agreed that if the Offer is accepted to such extent that Norvik, directly or indirectly, becomes the owner of shares representing more than 90 per cent of the total number of outstanding shares in Bergs, the Voting Restriction shall lapse immediately, or otherwise the Voting Restriction shall lapse on 30 April 2024.

### Compulsory redemption proceedings and delisting

If Norvik, whether in connection with the Offer or otherwise, acquires shares representing more than 90 per cent of the total number of shares in Bergs, Norvik intends to commence compulsory redemption proceedings under the Swedish Companies Act (2005:551) (Sw. *aktiebolagslagen* (2005:551)) to acquire all remaining shares in Bergs and to promote delisting of Bergs' shares from Nasdaq Stockholm.

### Governing law and disputes

The Offer and the agreements entered into between Norvik and Bergs' shareholders in relation to the Offer, shall be governed by and be interpreted in accordance with Swedish law. Disputes concerning, or arising in connection with the Offer, shall be settled exclusively by Swedish courts, with Stockholm District Court (Sw. *Stockholms tingsrätt*) as first instance.

The Takeover Rules and the Swedish Securities Council's rulings and statements on the interpretation and application of the Takeover Rules including, where applicable, the Swedish Securities Council's former interpretations of the Swedish Industry and Commerce Stock Exchange Committee's rules on public offers (Sw. *Näringslivets Börskommittés Regler om offentliga uppköpserbjudanden på aktiemarknaden*), are applicable to the Offer. Furthermore, Norvik has, in accordance with the Swedish Act (2006:451) on Public Takeovers on the Stock Market (Sw. *lagen (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*) on 25 October 2023 contractually undertaken, in writing, towards Nasdaq Stockholm to comply with the above-mentioned rules and statements and to submit to any sanctions that can be imposed on Norvik by Nasdaq Stockholm in the event of a breach of the Takeover Rules. Norvik informed the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) of the Offer and the above-mentioned undertaking on 27 October 2023.

**Advisors**

Norvik has retained Erneholm Haskel AB as financial advisor and Cederquist Law Firm as legal advisor in connection with the Offer.

**For additional information, please contact:**

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Information about the Offer is available at: [www.kivron.se](http://www.kivron.se)

*The information in this press release was submitted for publication on 27 October 2023, at 07:30 (CEST).*

**Important information**

The Offer, pursuant to the terms and conditions presented in this press release, is not being made to persons whose participation in the Offer requires that an additional offer document is prepared or registration effected or that any other measures are taken in addition to those required under Swedish law and regulations or otherwise contemplated in connection with the Offer.

This press release and any other documentation related to the Offer are not being distributed and must not be mailed or otherwise distributed or sent in or into any country in which the distribution or offering would require any such additional measures to be taken or would be in conflict with any law or regulation in such country – any such action will not be permitted or sanctioned by Norvik. Any purported acceptance of the Offer resulting directly or indirectly from a violation of these restrictions may be disregarded.



The Offer is not being and will not be made, directly or indirectly, in or into, by use of mail or any other means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange of Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States. This includes, but is not limited to e-mail, social media, telephone, the internet and other forms of electronic transmission. The Offer cannot be accepted and shares may not be tendered in the Offer by any such use, means, instrumentality or facility of, or from within Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States, or by persons located or resident in these jurisdictions. Accordingly, this press release or any other documentation related to the Offer are not being and should not be mailed or otherwise transmitted, distributed, forwarded or sent in or into Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States, or to any Australian, Hong Kong, Japanese, Canadian, New Zealand, South African or American persons or any persons located or resident in Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States.

Any purported tender of shares in the Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of shares made by a person located in Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from or within any of these jurisdictions will be invalid and will not be accepted. Each person who holds shares and participates in the Offer will certify to not being an Australian, Hong Kong, Japanese, Canadian, New Zealand, South African or American person, not being located or participating in the Offer from Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States and not acting on a non-discretionary basis for a principal in any of these jurisdictions, or that is located in or giving order to participate in the Offer from any of these jurisdictions. Norvik will not deliver any consideration relating to the Offer to Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States.

Banks, brokers, dealers and other nominees holding shares for persons in Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States must not forward this press release, or any other document related to the Offer, to such persons.

The "United States" in this section means the United States of America (its territories and possessions, any state of the United States, and the District of Columbia).

The Offer, the information and documents contained in this press release are not being made, and have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000, as amended (the "**FSMA**"). The communication of the information and documents contained in this press release to persons in the United Kingdom is exempt from the restrictions on financial promotions in section 21 of the FSMA on the basis that it is a communication by or on behalf of a body corporate which relates to a transaction to acquire shares in a body corporate and the object of the transaction may reasonably be regarded as being the acquisition of day to day control of the affairs of that body corporate within article 62 (Sale of body corporate) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.



This press release has been published in Swedish and English. In the event of any discrepancy in content between the two language versions, the Swedish version shall prevail.

*Forward-looking information*

Information in this press release relating to future events or circumstances, including information regarding future results, growth and other projections as well as benefits of the Offer, are forward-looking information. Such information may generally, but not always, be identified by the use of words such as “anticipates”, “expects”, “believes”, or similar expressions.

By its nature, forward-looking information involves risk and uncertainty, because it relates to events which depend on circumstances that may occur in the future. Due to several factors, of which a number of them are outside Norvik’s control, there are no guarantees to that actual results will not materially differ from the results expressed or implied by the forward-looking information. Any such forward-looking information only applies as per the date it was given and Norvik has no obligation (and undertakes no such obligation) to update or revise it, whether as a result of new information, future events or otherwise, except as required by applicable laws and regulations.

[1] Kivron AB is a newly-formed Swedish private limited liability company with corporate registration number 559449-9062, wholly-owned by Norvik Hf, domiciled in Stockholm and with registered address at c/o Advokatfirman Cederquist, Hovslagargatan 3, SE-111 48 Stockholm.

[2] At the time, the Swedish Securities Council granted Norvik exemption from the mandatory bid requirements, AMN 2018:05.