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Press release 6 October, 2017

First day of trading in the Balco share

Balco Group AB (“Balco” or the “Company”), a leading provider of balcony solutions in Northern Europe, today announces the outcome of the Initial Public Offering of the Company’s shares (the “Offering”) and the listing of the shares on Nasdaq Stockholm. The Offering attracted very strong interest from both Swedish and international institutional investors as well as the general public in Sweden. The Offering was over-subscribed multiple times.

The Offering in brief

- As previously announced, the price per share in the Offering was SEK 56, corresponding to a total value of the number of outstanding shares in Balco upon completion of the Offering of SEK 1,200 million.
- In accordance with the terms of the Offering, the Offering has been increased with 2,142,877 shares, implying that a total of 12,857,264 shares, corresponding to 60 percent of the total number of existing shares in the Company upon completion of the Offering, were sold by Segulah IV, L.P. (“Segulah” or the “Principal Owner”).
- In order to cover any over-allotment in connection with the Offering, Segulah has undertaken, upon request by Carnegie Investment Bank AB (publ) (“Carnegie”), in its capacity as Global Coordinator and Joint Bookrunner and Danske Bank A/S, Danmark, Sverige Filial (“Danske Bank”), in its capacity as Joint Bookrunner (and together with Carnegie “Joint Bookrunners”), to sell up to 1,928,589 additional existing shares (the “Over-Allotment Option”), corresponding to no more than 15 percent of the total number of shares in the Offering and approximately 9 percent of the total number of shares in the Company upon completion of the Offering.
- Assuming the Over-Allotment Option is exercised in full, the Offering will comprise 14,785,853 shares, corresponding to SEK 828 million or 69 percent of the total number of shares in the Company upon completion of the Offering.
- Immediately following the completion of the Offering, and assuming that the Over-Allotment Option is exercised in full, Balco’s largest shareholders will be Segulah (19.0 percent of the total number of shares in Balco upon completion of the Offering), Erik Selin (10.4 percent), Swedbank Robur Fonder AB (6.2 percent), Vätterleden

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Aktiebolag (2.9 percent), Lazard Asset Management GmbH (2.9 percent), Stiftelsen Riksbankens Jubileumsfond (2.9 percent), Taiga Fund Management AS (2.9 percent), the Hamrin family (2.9 percent) and LMK Venture Partners AB (2.9 percent).

- Trading in the Balco share on Nasdaq Stockholm commences today on 6 October, 2017 and settlement will take place on 10 October, 2017.
- The shares will be traded under the ticker “BALCO”.

Kenneth Lundahl, CEO of Balco, comments:

“I am very pleased and proud about the strong interest in Balco demonstrated by the public and institutional investors during the listing process. We in the management team welcome our new shareholders and are very positive about the additional growth opportunities that the listing will enable. As CEO I look forward to continue our journey as a listed company and continue to create value for both existing and new shareholders.”

Lennart Kalén, Chairman of the Board of Directors, comments:

“The strong demand from both Nordic and international investors confirms our belief in our strategy, our offering as well as our potential. The listing is an important milestone for Balco. We in the Board of Directors welcome all new shareholders and look forward to continuing to support Balco in its future development.”

Balco in brief

Since Balco was founded in 1987 in Växjö, Sweden, the Company has grown from being a local product-oriented supplier of concrete balconies into a leading market-oriented supplier of glazed balcony solutions. Balco primarily offers customised, innovative balcony solutions under its own brand to tenant-owner associations, private landlords, the public housing sector and construction companies. Balco operates on its Main Markets, which comprise Sweden, Denmark and Norway, as well on its Other Markets, which comprise Germany, Finland, the UK and the Netherlands.

Balco's core expertise is in delivering glazed balconies and balcony solutions, primarily on the renovation market and to tenant-owner associations. The Company is specialised in replacing existing balconies with new glazed balconies in accordance with the so called Balco-method. The method provides many advantages for the customer, such as lower energy costs, enhanced living standard and an increase in the value of the property. Balco has a successful sales process which means that the Company assumes overall

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responsibility and guides the customer through the entire construction process, from project planning to concluded final inspection and aftermarket service. The Company is one of few complete balcony suppliers on its Main Markets who has the ability to provide customised and high-quality balcony solutions, irrespective of order size and complexity, with short delivery times.

Since its inception, Balco has expanded to several European countries and has today 18 sales offices in seven countries. The Company has three wholly-owned production facilities in Sweden, Denmark and Poland, and is part-owner of a strategic Polish subcontractor which, together with the large sales force, constitutes the platform from which Balco delivers its balcony solutions to customers around Northern Europe. The Company has made significant investments in its operational platform, thereby creating positive conditions for continued growth in both sales and earnings.

Balco is today the market leader in the balcony market on its Main Markets. Balco is a strong challenger in the Company's Other Markets.

Balco's strong market position within the Renovation segment, combined with its high quality balcony solutions, operational platform and positive underlying market trends, has contributed to a positive development in recent years. During the period 2014 to the twelve-month period ending 30 June 2017, the Group's sales increased from SEK 568.4 million to SEK 929.0 million and adjusted EBIT increased from SEK 41.0 million to SEK 109.8 million, equivalent to an increase in adjusted EBIT margin from 7.2 percent to 11.8 percent. This makes Balco one of the most profitable companies in the balcony market.

Advisors

Carnegie is Global Coordinator and Joint Bookrunner. Danske Bank is Joint Bookrunner. Gernandt & Danielsson is legal advisor to Balco and the Principal Owner. Baker McKenzie is legal advisor to the Global Coordinator and the Joint Bookrunners.

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This information is information that Balco is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was released for public disclosure, through the agency of the contact person above, on 6 October, 2017, at 08.00 a.m. CET.

About Segulah

Founded in 1994, Segulah is a private equity firm focused on mid-market buyouts in the Nordic region. The business model is based on majority ownership and an active engagement through its extensive network of industrial advisors. Segulah Advisor AB is the exclusive investment advisor to several Segulah funds including Segulah IV, L.P. which is an English Limited Partnership.

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This press release does not contain or constitute an invitation or an offer to acquire, sell, subscribe for or otherwise trade in shares or other securities in Balco. Invitation to the persons concerned to acquire shares in Balco will only be made through the prospectus referred to in this press release. The prospectus will contain, among other things, risk factors, financial statements as well as information regarding the Company's Board of Directors. This press release has not been approved by any regulatory authority and is not a prospectus and accordingly, investors should not acquire any securities referred to in this press release, except on the basis of information provided in the prospectus referred to in this press release.

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This press release contains forward-looking statements which reflect Balco's current view on future events and financial and operational development. Words such as "intend", "will", "expect", "anticipate", "may", "plan", "estimate" and other expressions than historical facts which imply indications or predictions of future development or trends, constitute forward-looking statements. Forward-looking statements inherently involve both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not guarantee future results or development and the actual outcome could

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differ materially from the forward-looking statements. The information, opinions and forward-looking statements concluded in this announcement speak only as of its date and are subject to change without notice.

In connection with the Offering or sale of securities referred to herein, the Global Coordinator may over allot securities/conduct stabilization or effect transactions with a view to supporting the market price of the securities at a level higher than that which might otherwise prevail. The stabilizing measures aimed at supporting the share price may be performed from the first day of trading in the shares on Nasdaq Stockholm, and for a maximum subsequent period of 30 calendar days. These stabilizing transactions can be carried out at a price not exceeding the price set in the Offer, and can be made on Nasdaq Stockholm, the OTC-market or otherwise.

The stabilizing measures may result in the market price of the shares reaching a level which is not sustainable in the long term and which exceeds the price that would otherwise prevail in the market. The fact that stabilizing measures may be carried out does not mean that these measures will necessarily be carried out. Further, stabilizing measures that have been initiated may be discontinued at any time. When the stabilizing period of 30 calendar days has expired, an announcement will be made of whether stabilizing measures have been carried out, and in such case the dates when stabilization measures were carried out, including the date when stabilization measures were last made, and within which price range the stabilizing measures were taken. Any stabilization action or over-allotment will be conducted by the Global Coordinators in accordance with all applicable laws and rules.