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Press release 20 October, 2017

Exercise of the over-allotment option in the IPO of Balco

Carnegie Investment Bank AB (publ) ("Carnegie") has today notified Balco Group AB ("Balco" or the "Company") and Segulah IV, L.P. (the "Selling Shareholder") that the over-allotment option has been exercised in full in respect of 1,928,589 existing shares in Balco and that the stabilisation period has ended.

In connection with the initial public offering of the shares in Balco and the listing of the shares on Nasdaq Stockholm on 6 October 2017 (the "Offering") the Selling Shareholder granted Carnegie, on behalf of Carnegie and Danske Bank A/S, Danmark, Sverige Filial (together the "Joint Bookrunners"), an over-allotment option to purchase an additional of up to 1,928,589 existing shares in Balco, exercisable in whole or in part within 30 calendar days after the first day of trading on Nasdaq Stockholm. Carnegie has exercised the over-allotment option in full.

Following the exercise of the over-allotment option, Segulah IV, L.P. will hold 4,079,373 shares in Balco, corresponding to an ownership of 19.04 per cent of the total number of shares and votes in Balco.

No price stabilisation activities have been carried out since the Offering, and due to Balco's share price performance, Carnegie has, as stabilising manager on behalf of the Joint Bookrunners, decided to end the stabilisation period.

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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 20 October, 2017, at 6.00 p.m. CET.

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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 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.

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