

Växjö 8 April 2021

New acquisition strengthens and complements Balco's product offering

Balco Group AB has on 8 April 2021 entered into an agreement to acquire all shares in the company RK Teknik AB and its subsidiaries. Closing will occur at the end of April 2021. The acquisition will be consolidated from 1 April 2021 and is expected to make a positive contribution to earnings per share already in 2021.

RK Teknik offers balconies for extensions, renovation and new constructions, contracting and assembly operations as well as thereto related services and undertakings for the Swedish market. The company's products, which strengthen and complement Balco Group's product range and customer offering, will be launched on all markets in which the Group operates. In addition, the acquisition means that City balconies will now be introduced on the Swedish market, a product segment that has so far only been sold in Denmark.

RK Teknik had sales of approximately 115 MSEK in 2020 with an operating profit of approximately 10 MSEK. The company's order backlog amounts to approximately 60 MSEK. RK Teknik will continue to be run by the current management as a completely independent company within the Balco Group, strengthened with the resources and expertise that a larger group can provide. Johan Karlsson remains as CEO and Kristian Karlsson as Construction Manager.

The agreed purchase price amounts to 62 MSEK and is intended to be settled in cash upon closing. A variable additional purchase price, based on the acquired company's future development during the years 2021–2023, will be paid in 2024. Preliminarily, it is estimated to amount to approximately 20 MSEK. The acquisition is financed through existing cash and cash equivalents. The shares are acquired from the current two owners.

- *The acquisition of RK Teknik is in line with Balco's growth strategy and strengthens both our product range and our market position in Sweden and the rest of the Nordics. We assess that RK Teknik should be able to grow organically by 100 percent within a three-year period, says Kenneth Lundahl, President and CEO of Balco Group.*

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Pir In Sweden has assisted the sellers in conjunction with the transaction.

This information comprises such information as Balco Group AB is obliged to publish in accordance with the EU Market Abuse Regulation. The information was provided by the contact persons above for publication on 8 April 2021 at 12:15 CET.

Balco in brief:

Balco is a growth company offering high quality, innovative, patented and energy-saving balcony solutions. The company's customized products contribute to enhanced quality of life, security and an increase in value for residents of multi-family residential properties. Through a decentralized and efficient sales process, Balco has control over the entire value chain – from production to delivery. The company, which was founded in Växjö in 1987 and has over 400 employees, is a market leader in the Nordic region, and operates on several markets in northern Europe. Sales in 2020 amounted to 1,200 MSEK. Balco's shares are listed on the Nasdaq Stockholm Stock Exchange.