BALCO
GROUP

Press release
Växjö, March 6, 2024

Balco Group acquires Suomen ohutlevyasennus Oy

and carries out a small directed new issue of shares

Balco Group AB has today entered into an agreement on and completed the acquisition of sixty (60) percent of the shares in Suomen ohutlevyasennus Oy, a Finnish turnkey- and facade company. Access has taken place today. The purchase price is paid partly in cash and partly through a directed new issue of shares in Balco Group to the sellers of Suomen ohutlevyasennus Oy. The acquisition is expected to be consolidated from March 1, 2024 and is expected to contribute positively to earnings per share during the full year 2024.

Through the acquisition, Balco Group further strengthens its position on the Finnish market and strengthens the offer in the renovation segment as well as in turnkey and green transformation. The acquisition also strengthens Balco Group's market position in the Nordics, in line with the group's long-term strategy. Balco Group's latest acquisition Riikku is a major supplier to Suomen Ohutlevyasensu. and together the two acquisitions lead to the group establishing itself as a leading player in Finland.

Suomen ohutlevyasennus Oy was founded in 1984 and is a turnkey company with facade renovation as an area of expertise. The projects mainly include facade renovation with additional insulation and often installation of balcony glazing. Over 90 percent of the company's turnover comes from the renovation segment, and the customers are tenant owned associations and construction companies.. The company is situated in Turku, Finland and had a turnover of just over 11 MEUR in 2023 with a higher operating margin than Balco Group's for several years. Suomen ohutlevyasennus will continue to be run by co-owners Jukka Stam and Mikko Jokinen.

"Through the acquisition of Suomen Ohutlevyasensu, we take a leading market position in Finland. The acquisition is in line with the group's long-term strategy to become the obvious choice for balcony solutions in the Nordics and northern Europe. We also see good synergies between Suomen Ohutlevyasensu's operations and our other Finnish company Riikku. The two companies already collaborate today in several renovation projects and we see good growth opportunities in the future." says Camilla Ekdahl, President and CEO of Balco Group.

The agreed purchase price is financed partly with own cash and partly with newly issued shares to Suomen ohutlevyasennus' former owner. Balco Group has an option to buy the remaining 40 percent of the shares.

In light of the fact that part of the purchase price will be paid with Balco Group's own shares, the board, with the support of the authorization from the annual general meeting on May 9, 2023, has today decided on a directed new issue of a total of 383,480 shares in the company to the sellers of Suomen ohutlevyasennus Oy with payment by offsetting the reverse issued by Balco Group to the sellers. The subscription price for the shares issued to the sellers, which according to the share transfer agreement would correspond to the volume-weighted average price for Balco Group's share during the period from February 28 to March 5 2024, amounted to 41.88 SEK per share.

After the directed new issue, the total number of shares and votes in Balco Group amounts to 23,021,648 shares and votes. The share capital increases to 138,135,309.99 SEK.

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Balco Group is a leading player in the balcony industry, focused on providing innovative, patented and energy-efficient solutions for multi-dwelling buildings. The company's tailored products contribute to increasing the quality of life, safety and value of homes. Through a decentralized and efficient sales process, Balco Group has full control over its value chain from production to delivery. Founded in 1987 in Växjö, the company now employs approximately 700 people and is a market leader in Scandinavia with operations in several markets in Northern Europe. The company's revenue for 2023 was 1,215 MSEK, and it is listed on the Nasdaq Stockholm. For more information visit www.balcogroup.se.