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Insider Policy

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1 Purpose

This insider policy (the "Insider Policy") for Balco Group AB (publ) (the "Company" or "Balco") has been established to serve as a guide to persons in senior positions at Balco, employees and/or other persons who may come into contact with insider information (see the section "Insider information" below). By listing the Company's shares on Nasdaq Stockholm, the laws and regulations on securities trading are applicable to all trading related to Balco's shares. This means that traders in financial instruments issued by the company must comply with Swedish securities trading laws and regulations, such as Regulation (596/2014/EU) of the European Parliament and of the Council on market abuse ("MAR"), the Act (2005:377) on punishment of market abuse in the trading of financial instruments (the "Market Abuse Act") and the Act (2016:1306) with supplementary provisions to the EU market abuse regulation ("Compl").

MAR, the Market Abuse Act and Compl contain provisions signifying a prohibition on trading in shares or other financial instruments in certain cases. These provisions mean that persons who possess insider information relating to the Company, or insider information relating to other companies whose financial instruments are listed on an exchange or other trading venue, are not allowed to acquire or dispose of financial instruments issued by the Company or any other company to which the insider information relates, or through advice or otherwise induce another person to acquire or dispose of financial instruments issued by the Company or such other companies listed on the exchange or other trading venue to which the insider information pertains. A holder of insider information may not disclose it, except where disclosure is made as a normal part of the performance of a service, activity or obligation. The Market Abuse Act and Compl also contain, among other things, a prohibition on proceeding or acting in a manner which gives false or misleading signals relating to the price, supply of or demand for financial instruments issued by the Company or other companies whose financial instruments are listed on the exchange or other trading venue or otherwise misleading the buyers or sellers of such financial instruments.

Balco's approach to insider issues is important both for compliance with laws and regulations and for maintaining Balco's trust and reputation in the capital market. If the insider policy conflicts with any applicable laws and regulations, such laws and regulations shall take precedence over the insider policy.

What is stated in this policy regarding trading in financial instruments issued by the Company shall, wherever applicable, also apply to trading in other financial instruments that are linked to financial instruments issued by the Company.

2 Scope

This policy applies to all employees of the Balco, or other companies in the group of which Balco is the parent company, and other persons who have senior positions at Balco, as well as closely related persons and/or persons who may be considered to come into contact with insider information.

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3 Reporting obligations

Both persons in senior positions and those who are closely related to them (see section "Persons in senior positions and those who are closely related to them" below) are required to notify Balco and the Swedish Financial Supervisory Authority without delay and no later than three business days after the date of the transaction of any transaction carried out on their behalf in respect of shares or debt instruments issued by Balco or related derivatives or other financial instruments. Pledging as security, lending and capital insurance transactions in listed securities shall also be reported.

There is a threshold for the notification obligation of EUR 5,000 per calendar year, which means that the transaction resulting in the threshold being reached or exceeded and all subsequent transactions must be reported. The threshold of EUR 5,000 shall be calculated without netting, i.e. the amounts in all transactions shall be added regardless of whether the transactions relate to the acquisition or disposal of financial instruments.

All notifications to the Swedish Financial Supervisory Authority shall be made according to the Swedish Financial Supervisory Authority's current procedures for the reporting of transactions carried out by persons in senior positions and those who are closely related to them. Persons who neglect the above reporting obligations may have to make sanction payments to the Swedish Financial Supervisory Authority.

All notifications to the Company shall be made to the address insider@balco.se. Balco publishes the holdings of the insiders and changes in holdings after notification on its website.

4 Persons in senior positions and those who are closely related to them

A **"person in a senior position"** is a person at the Company who is:

- a) a member of the Company's administrative, management or supervisory bodies, or
- b) a person in a senior position who is not a member of the bodies referred to in point (a), who has regular access to insider information directly or indirectly related to the Company and the authority to take decisions at management level that affect the Company's future development and business prospects.

Persons in senior positions have the following obligations:

- a) Report their transactions in financial instruments issued by Balco (and in instruments that are linked to such instruments). The notification shall be made to both the Swedish Financial Supervisory Authority and Balco (see the heading "Reporting obligations" above).
- b) Inform their closely related persons in writing that they are related and that they shall notify their transactions in financial instruments issued by Balco (and in instruments that are linked to such instruments) to both the Swedish Financial Supervisory Authority and Balco in accordance with Appendix 1.
- c) Keep copies of the notifications to closely related persons.
- d) Inform Balco about who are closely related to them and about any changes in the circle of closely related persons.

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“ **Closely related persons**” to a person in a senior position are the following:

- a) spouse, cohabitant or person otherwise deemed to be equivalent to a spouse;
- b) children whom the person in a senior position has custody of;
- c) relatives who have shared the same household for at least one year; or
- d) a juridical person:
 1. for which the person in a senior position or a closely related natural person (i.e. (a) – (c) above) performs managerial tasks, or
 2. that is controlled directly or indirectly by the person in a senior position or a closely related natural person (i.e. (a) – (c) above), or
 3. that is created for the benefit of the person in a senior position or a closely related natural person (i.e. (a) – (c) above), or
 4. whose financial interests essentially correspond to the interests of the person in a senior position or a closely related natural person (i.e. (a) – (c) above).

The Company's CEO is responsible for ensuring that the company at any given time:

- a) identifies all persons in senior positions and informs them in written form in accordance with Appendix 1 (which shall be updated at all times in accordance with the Company's and the Swedish Financial Supervisory Authority's current routines), and
- b) maintains a list of persons in senior positions and those who are closely related to them.

5 Prohibition on trading in financial instruments in Balco prior to publication of reports and news

During 30 calendar days prior to the publication of the interim and year-end reports (not including the date of publication), persons in senior positions are prohibited from performing transactions on their own or on behalf of third parties, directly or indirectly, in respect of shares or debt instruments issued by Balco or related derivatives or other financial instruments. The prohibition on trading does not cover persons closely related to persons in senior positions.

In certain exceptional circumstances, Balco may make exemptions from this prohibition on trading. Such exemptions are communicated in writing by the Company's CEO (and if the CEO has applied for an exemption, the exemption shall be communicated by the chair of the board of directors). Provided that a transaction is not prohibited under the insider dealing rules, the company may give exemptions from the prohibition on trading if the following conditions are met:

- a) There are exceptional circumstances, such as serious financial difficulties, which require the immediate sale of shares, or
- b) because of the specific nature of the trading in respect of transactions carried out under, or related to, share option or savings schemes for employees, equity-linked terms or rights or transactions where the underlying interest in the security concerned does not change, and
- c) the person in a senior position can show that the transaction in question cannot be carried out at a different time than during the closed period.

Persons who perform transactions in contravention of the trading prohibition may have to make a sanction payment to the Swedish Financial Supervisory Authority. In circumstances referred to in 5.2 (a), a person in a senior position, prior to any trading during a closed period, shall submit a reasoned written request to Balco in order to obtain the company's authorization to complete the

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sale of the shares. The written request shall include a description of the proposed transaction and an explanation of why the sale of shares is the only reasonable option for obtaining the necessary funding and shall be sent to the CEO or to the chair of the board of directors if it concerns board members or the CEO.

6 Insider information

“Insider information” refers to unpublished information of a specific nature directly or indirectly related to Balco or a financial instrument issued by or linked to Balco and which, if it became public, is likely to have a material impact on the price of the instrument or a related derivative instrument. The information shall be considered to be specific if it indicates (i) circumstances that exist or may reasonably come to exist or (ii) events that have occurred or can reasonably be expected to occur, and if it is possible to draw conclusions on the potential effect on the price of the circumstance or event. Information shall be considered to have a material effect on price if a sensible investor is likely to use such information as part of the basis of his or her investment decision. In relation to an ongoing process aimed at realizing, or resulting in, certain circumstances or an event, in this context the future circumstances or the future event and also the intermediate steps of the process relating to the realization of the future circumstances or the future event may be considered to be specific information. An intermediate step in an ongoing process over time shall also be considered insider information if it itself meets the criteria for insider information.

The following circumstances are typical of those which may affect the price of Balco’s securities and thus constitute insider information:

- Investment or disposal decisions.
- Partnership agreements or other significant agreements.
- Purchase and sale of companies.
- New joint ventures
- Settlement of legal disputes and relevant court decisions.
- Financial difficulties.
- Changes to the board of directors, group management and auditors.
- Decisions of the authorities.
- Shareholder agreements which are known to the Company and which might affect the transferability of the Company's financial instruments
- Rumors in the market and information leaks.
- Information concerning subsidiaries, associated companies and portfolio companies.
- Significant change in earnings or financial position.
- Major changes in Balco’s operations.

As a general rule, Balco is obliged to disclose insider information. However, provided the requirements for deferring public disclosure are met and a specific decision is taken, Balco may postpone the disclosure of insider information. For more information on public disclosure of insider information, refer to Balco’s communication policy.

No person in possession of insider information may, on his or her own account or on behalf of someone else, trade in Balco’s securities. A person in possession of insider information may not advise or otherwise induce another to acquire or dispose of Balco’s securities. The prohibition therefore means that it is not permitted to make use of the advantage that possession of insider information gives.

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A holder of insider information may not disclose insider information about Balco, except in cases where disclosure is made as a normal part of the performance of a service, activity or obligation.

A person may not proceed in a manner which is liable to improperly influence the price or other conditions for trading in Balco's securities or otherwise mislead buyers or sellers of such securities.

A person who has access to insider information about the Company shall not disseminate it to any closely related party or other third party. Neither may a person who is employed by or has assignments for the Company or its subsidiaries disseminate insider information to other employees or contractors if the persons who are to receive the information do not absolutely need access to the information in order to fulfil their tasks or duties. If insider information is disseminated as above, the sender must make clear to the recipient that the information is insider information and that the recipient may be included in the Company's in-sider list. The sender must also provide the person responsible for the Company's insider list with the information necessary to satisfy the requirements for the content of the insider list. If the recipient is an outside person, he or she must also have signed a non-disclosure agreement.

Any procedure contrary to the foregoing may constitute a criminal offence and be punishable pursuant to the Market Abuse Act.

7 Logbook

Balco shall continuously maintain an insider list ("logbook") of natural persons who, because of employment by or assignment for Balco, have access to insider information, in that form is provided via external supplier of logbook (currently Insiderlog).

The purpose of the logbook is to comply with applicable legislation and regulations and to facilitate any enquiry from or investigation by an authority. The logbook also provides a tool that enables Balco to have control over which persons have access to insider information.

A new section shall be opened in the logbook, for each event that constitutes insider information. Insider information may also arise from recurring events, such as prior to the publication of annual or interim reports. In such cases, a section shall be opened in the logbook for each such event. The logbook may contain a specific section on persons who, due to the nature of their function or position, always (permanently) have access to insider information about Balco. People who are listed in the section on people with permanent access to insider information shall not be added to other sections of the logbook.

With each new event that leads to the opening of a new section in the logbook, a decision shall also be taken if the case will be made public as soon as possible or if the case prompts deferred public disclosure of insider information (which requires that special conditions are met and that a specific decision is taken). For more information on public disclosure of insider information, refer to Balco's communication policy.

The logbook shall be kept in electronic form. No unauthorized person shall be able to access the logbook and it shall be password protected. The insider list must be up-to-date, which normally means that changes must have been made to the list within 24 hours of the event. The list shall be kept for at least five years after its creation or after the date on which it was last updated. The logbook shall be kept by the company's IR manager. The insider list shall be submitted to the Swedish Financial Supervisory Authority as soon as possible upon request.

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Balco shall notify in writing those who are listed in the log book of what this entails, and it should be done at the same time as the person concerned is entered in the logbook. This also means that Balco has an obligation to take the necessary measures to ensure that the person understands the legal obligations that the inside information brings with it under applicable legislation and regulations and is also aware of the legal sanctions that may be applied in case of misuse or prohibited disclosure of the insider information that the person has been given access to. Those who are informed of their inclusion in the logbook shall confirm in writing that they are aware of the legal obligations arising from this and the sanctions that apply to infringements of the prohibition on market abuse. Notification is made by e-mail, according to the template provided by the logbook service provider. When a person ceases to have Insider information, the Company must notify the person that he is no longer listed in Balco's Logbook. Notification is made by e-mail, according to the template provided by the supplier.

8 Roles and responsibilities

The Company's CEO is responsible for this policy and for the Company's compliance with its reporting obligations in accordance with applicable legislation and regulations. The insider policy shall be revised if necessary and adopted at least once a year by the Board.

List of roles and responsibilities related to the specific policy.

9 Compliance criteria

For this Insider Policy to be considered compliant, the following criteria must be met:

- Subscriptions to supplier of logbook hardware have been subscribed
- List of people in senior positions ("insiders")
- Signed "Notices" according to Appendix 1 exist.