

N.B. The English text is an in-house translation of the original Swedish text. Should there be any disparities between the Swedish and the English text, the Swedish text shall prevail.

NOTICE OF ANNUAL GENERAL MEETING IN BALCO GROUP AB

The shareholders in Balco Group AB, reg. no. 556821-2319, are invited to the Annual General Meeting, to be held on Wednesday 17 June 2020, at 3.00 pm at Kök 11, Honnörsgatan 15 in Växjö. Registration starts at 2.30 pm.

Due to the continued spread of the coronavirus, precautionary measures will be implemented in connection with the AGM. The AGM will be held as short as possible and no food will be offered. Shareholders, proxy holders and assistants showing any symptoms of infection, who have infected family members or who belong to a risk group should refrain from participating in the AGM. Shareholders are encouraged to carefully consider the opportunity to issue a power of attorney and voting instructions to a proxy.

RIGHT TO ATTEND AND NOTIFICATION TO THE COMPANY

Shareholders who wish to attend the Annual General Meeting shall:

be registered in the shareholders' register maintained by Euroclear Sweden AB on Thursday 11 June 2020, and

notify the Company of their intention to attend the meeting no later than Thursday 11 June 2020 by mail to: Balco Group AB, Annual General Meeting 2020, Box 191, 101 23 Stockholm or by telephone on +46 8 402 91 98 or via the website <https://anmalan.vpc.se/balcoAGM>.

The notification shall set forth the name/business name, personal identity/reg. number, address, telephone number (daytime), the number of shares held and, when applicable, the number of assistants (not more than two).

Anyone who does not attend the Annual General Meeting in person may exercise their shareholder's rights at the Annual General Meeting by proxy with a dated power of attorney, which shall be in writing and signed by the shareholder. If the power of attorney is issued by a legal entity, a certified copy of a certificate of registration for that entity or equivalent certificate of authority must be enclosed to it. The power of attorney, certificate of registration and other certificates of authority should be submitted to the Company to the above address in due time prior to the Annual General Meeting. A form of power of attorney is available on the Company's website www.balcogroup.se and can also be obtained at the Company's office or ordered by telephone according to the above.

Shareholders whose shares are registered in the name of a nominee must temporarily re-register their shares in their own names to be entitled to participate in the Annual General Meeting. Such registration, which can be temporarily, shall be executed by Euroclear Sweden AB no later than Thursday 11 June 2020, which means that the shareholder must inform the nominee of such request well in advance of this date.

PROPOSED AGENDA

1. Opening of the Annual General Meeting
2. Election of chairman for the Annual General Meeting
3. Preparation and approval of the voting list
4. Approval of the agenda

5. Election of one or two persons to verify the minutes
6. Determination of whether the Annual General Meeting has been duly convened
7. Presentation of the annual report and the auditor's report as well as the consolidated accounts and the auditor's report on the consolidated accounts
8. Statement by the CEO and the auditor
9. Resolutions regarding:
 - a) adoption of the profit and loss statement and the balance sheet as well as the consolidated profit and loss statement and consolidated balance sheet;
 - b) disposition of the Company's profits according to the adopted balance sheet; and
 - c) discharge from liability for the members of the Board of Directors and the CEO for the financial year 2019
10. The Nomination Committee's statement regarding its proposals for the Annual General Meeting and the Nomination Committee's explanatory statement regarding their proposal of election of Board members
11. Determination of the number of Board members
12. Determination of the number of auditors
13. Determination of remuneration to the Board members
14. Determination of remuneration to the auditor
15. Election of Board members and chairman
16. Election of auditor
17. Resolution on guidelines for remuneration to senior executives
18. Resolution on offer to repurchase warrants of series 2017/2020
19. Resolution on issue authorisation for the Board of Directors
20. Resolution regarding:
 - a) authorisation for the Board of Directors to resolve on acquisition of own shares; and
 - b) authorisation for the Board of Directors to resolve on transfer of own shares
21. Closing of the Annual General Meeting

THE NOMINATION COMMITTEE

The Nomination Committee has prior to the Annual General Meeting consisted of the following members: Carl-Mikael Lindholm, appointed by the Hamrin Family (the Nomination Committee's chairman), Lennart Björkman, appointed by Skandrenting AB, Claes Murander, appointed by Lannebo Fonder, Gabriel Urwitz, appointed by Segulah, and Tomas Johansson, the Company's chairman.

THE BOARD OF DIRECTORS' AND THE NOMINATION COMMITTEE'S PROPOSALS

Proposal under item 2: Election of chairman of the Annual General Meeting

The Nomination Committee proposes Tomas Johansson, the Company's chairman, as chairman of the Annual General Meeting.

Proposal under item 9 b): Disposition of the Company's profits according to the adopted balance sheet

The Board of Directors proposes that no distribution of profits is made for the financial year 2019, and that funds at the disposal of the Annual General Meeting are carried forward.

In light of the current situation, the Board of Directors has decided to propose that a decision on distribution of profits shall not be made at the Annual General Meeting. When

the consequences of the Covid-19 pandemic becomes more clear, the Board of Directors intends to, if the conditions are appropriate, convene an Extraordinary General Meeting, at which the shareholders will be able to decide on dividend.

Proposal under item 11: Determination of the number of Board members

The Nomination Committee proposes that the Board of Directors, for the period until the end of the next Annual General Meeting, unchanged shall consist of six members elected by the Annual General Meeting, without deputies.

Proposal under item 12: Determination of the number of auditors

The Nomination Committee proposes that the number of auditors, for the period until the end of the next Annual General Meeting, unchanged shall consist of one auditor, without deputies.

Proposal under item 13: Determination of remuneration to the Board members

The Nomination Committee proposes, for the period until the end of the next Annual General Meeting, unchanged remuneration on a yearly basis as follows:

- (i) SEK 500,000 to the chairman of the Board of Directors;
- (ii) SEK 190,000 to each of the other members of the Board of Directors;
- (iii) SEK 70,000 to the chairman of the Audit Committee;
- (iv) SEK 40,000 to each of the other members of the Audit Committee;
- (v) SEK 40,000 the chairman of the Remuneration Committee; and
- (vi) SEK 25,000 to each of the other members of the Remuneration Committee.

Proposal under item 14: Determination of remuneration to the auditor

The Nomination Committee proposes that remuneration to the auditor shall be paid in accordance with the approved bill.

Proposal under item 15: Election of Board members and chairman

The Nomination Committee proposes, for the period until the end of the next Annual General Meeting, re-election of Board members Mikael Andersson, Ingaliil Berglund, Tomas Johansson, Carl-Mikael Lindholm and Johannes Nyberg and election of Vibecke Hverven.

Vibecke Hverven was born in 1963 and holds a degree in civil engineering from the Norwegian Institute of Technology. Vibecke Hverven has had a long career within OBOS Prosjekt AS, DNV GI Energy Advisory AS, SWECO Norge AS as well as Statkraft Engineering AS. Vibecke Hverven has a long experience of working as CEO in the construction and energy industry, as well as many years of experience of Board work in several companies. Vibecke Hverven currently holds a Board position in six other Norwegian companies.

The Board member Åsa Söderström Winberg has declined re-election.

Tomas Johansson is proposed to be re-elected as Chairman of the Board of Directors.

A full presentation of the Nomination Committee's proposed Board members is available on the Company's website www.balcogroup.se.

Proposal under item 16: Election of auditor

The Nomination Committee proposes, in accordance with the Audit Committee's recommendation, for the period until the end of the next Annual General Meeting, re-election of the authorised accounting firm Öhrlings PricewaterhouseCoopers AB ("PwC") as the Company's auditor. PwC has notified that, if the Annual General Meeting approves the Nomination Committee's proposal, the authorised auditor Martin Odqvist will continue as auditor in charge.

Proposal under item 17: Resolution on guidelines for remuneration to senior executives

The Board of Directors proposes that the Annual General Meeting resolves on the following guidelines for remuneration to the Company's senior executives.

'Senior executive' means the CEO and Group management. These guidelines shall apply to contractual remuneration and changes made to already agreed remuneration after adoption of the guidelines by the 2020 Annual General Meeting. Remuneration decided upon by the shareholders at general meetings falls outside the scope of these guidelines. Thus, share-related incentive programs for senior executives or remuneration to the directors for board work are not covered by these guidelines.

The guidelines contribute to the Company's business strategy, long-term interests and sustainability

The Company's business strategy is aimed, in brief, at strengthening the Company's leading position on the market as a supplier of high-quality balcony solutions that are tailored to the customer's specific needs and demands. For more information about the Company's business strategy, see the Company's website, www.balco.se. Successful implementation of the Company's business strategy and realisation of its long-term interests, including its sustainability, are conditional on the Company being able to attract, incentivise and retain senior executives. The objective with the remuneration offered by the Company is to be competitive, while at the same time being in line with the shareholders' interests. The types of remuneration provided by the Company shall, together, create well-balanced remuneration which reflects individual skills, responsibility and performance, in both the short-term and long-term, as well as the Company's overall performance.

Decision-making process

The Board of Directors has established a Remuneration Committee, whose duties include preparing remuneration-related issues and proposals for the Board of Directors with respect to senior executives, as well as any decisions regarding deviations from the guidelines. The Board of Directors shall prepare a proposal for new guidelines when the need for significant change arises, however at least every fourth year, and shall present the proposal for adoption by the Annual General Meeting. The guidelines shall apply until such time as new guidelines have been adopted by the Annual General Meeting. The Remuneration Committee shall also monitor and assess current and concluded programs for variable remuneration to senior executives, the application of the guidelines for remuneration to senior executives, as well as applicable remuneration structures and remuneration levels in the Company. Senior executives do not participate in the Board of Directors' discussions and decisions regarding remuneration-related issues insofar as such relate to the senior executive.

Types of remuneration

Remuneration to senior executives may comprise fixed and variable salary as well as pension and other benefits. In addition, notwithstanding these guidelines the general meeting may, among other things, decide on share-related remuneration.

Fixed and variable salary

The executives' fixed annual salary shall be competitive and based on the individual executive's skills, responsibilities and performance.

In addition to fixed annual salary, the executive shall be able to receive variable remuneration. Such variable remuneration shall be based on predetermined and measurable criteria which may be financial and non-financial. The variable salary may be linked directly or indirectly to the achievement of the financial targets set by Balco's Board of Directors, which among other things relate to the Group's operating profit. The non-financial criteria may be linked to sustainability. The variable salary is normally paid out based on performance during twelve months (the calendar year) and is based on the Company's most recently published financial information. The variable cash remuneration is thus linked to the Company's business strategy, long-term interests and sustainability.

The criteria shall be adopted, monitored and assessed annually by the Board of Directors. The variable remuneration for each senior executive may not exceed 50% of fixed annual salary.

Other benefits and pension

The Group offers senior executives other benefits in accordance with local practice. Such benefits may, for example, include a Company car and corporate healthcare. Where appropriate, the Company may also offer housing for a limited period of time.

Senior executives shall be entitled to pension benefits based on what is customary in the country in which they are employed. Pension obligations shall be premium-defined and secured through payment of premiums to an insurance company, except where the individual in question is covered by a defined benefit pension in accordance with the provisions of an applicable collective agreement. Variable remuneration shall only constitute the basis for pension benefits if it is in accordance with the provisions of an applicable collective agreement. For each senior executive, pension may not exceed 30% of fixed annual salary, unless higher provisions are stipulated in an applicable pension plan pursuant to a collective agreement.

With respect to employment conditions that are subject to rules other than Swedish rules, pension benefits and other benefits may be adapted to comply with such mandatory rules or local practice, whereupon the overall objectives of these guidelines shall be met.

Salary and employment terms for employees

When preparing the Board's proposal for guidelines for remuneration, salary and employment terms for the Company's employees have been taken into consideration inasmuch as information regarding the total remuneration paid to employees, the components of the remuneration and the increase and rate of increase of the remuneration over time have constituted an element in the information on which the decisions of the Remuneration Committee and the Board of Directors are taken when assessing the reasonableness of the guidelines and the limitations which follow from them.

Termination and severance compensation

Employment agreements entered into between the Company and senior executives are generally open-ended. If the Company terminates the employment of a senior executive, the termination period may not exceed twelve months. Severance compensation is payable only upon termination by the Company and shall not exceed an amount corresponding to the fixed annual salary during the termination period. In the event of termination by the senior executive, the termination period may not exceed six months and severance compensation shall not be paid in the event of termination by the senior executive.

Deviations from the guidelines

The Board of Directors is entitled to deviate from these guidelines, wholly or in part, where special reasons so justify and a deviation is necessary to meet the Company's long-term interests, including sustainability, or to ensure the Company's financial viability. As stated above, the duties of the Remuneration Committee in preparing decisions for the Board on the issue of remuneration includes the taking of decisions regarding deviations from the guidelines.

Proposal under item 18: Resolution on offer to repurchase warrants of series 2017/2020

The Board of Directors proposes that the Annual General Meeting resolves that the Company shall make an offer to the holders of warrants of series 2017/2020 to repurchase warrants at market terms.

A total of 803,580 warrants of series 2017/2020 have been issued by the Company. 679,083 warrants are held by the Company's senior executives and other key employees, in total 39 persons. The remaining 124,497 warrants are held by the Company's wholly owned subsidiary Balustrade AB.

The warrants may according to their terms and conditions be exercised by subscribing for new shares in the Company during the period 5 September–5 October 2020 (the "**Exercise Period**").

The Company shall make an offer to each holder of warrants of series 2017/2020, however not to Balustrade AB, to, during the Exercise Period and against cash payment, transfer as many warrants to the Company as needed in order for the total consideration from the transfer to correspond to what the holder shall pay for the shares subscribed by exercising the remaining warrants.

The offer price per warrant shall correspond to the closing price for the Company's share on Nasdaq Stockholm on the second to last day of the Exercise Period, with deduction of the warrant's subscription price. When determining the price in the offer, recalculations of the warrants shall be taken into account.

The proposal does not entail any changes to the terms and conditions of the warrants. Holders who choose not to accept the offer to repurchase may, without being affected by the offer, exercise their warrants for subscription of shares in the Company during the Exercise Period in accordance with the terms and conditions of the warrants. Holders who choose to accept the offer to repurchase shall undertake to use the consideration from the transfer to exercise their remaining holding of warrants.

The purpose of the proposal is to make it less burdensome for the warrant holders to exercise their respective holdings of warrants compared to if the warrants are exercised and the holders, in order to finance the exercise, subsequently sell the new shares on the market. After the completion of the offer, the Company intends to cancel repurchased warrants.

The Board of Directors shall be authorised to resolve on the more detailed terms and conditions for the implementation of the offer and on the administrative measures that may be required to implement the resolution.

Proposal under item 19: Resolution on issue authorisation for the Board of Directors

The Board of Directors proposes that the Annual General Meeting shall decide to authorise the Board of Directors to, at one or several occasions until the next Annual General Meeting, resolve to issue, with or without preferential rights for the shareholders, against payment in cash, payment in kind or payment through set-off, shares or share warrants or convertibles referring to such shares, signifying an increase or potential increase of the Company's share capital with a maximum of ten per cent or 2,162,331 shares.

The purpose of the authorisation and the reasons for a possible deviation from the shareholders' preferential rights is that new issues of shares shall be able to occur to finance company acquisitions, to raise capital, or to finance further growth in the Company in other ways.

Proposal under item 20 a): Resolution regarding authorisation for the Board of Directors to resolve on acquisition of own shares

The Board of Directors proposes that the Annual General Meeting shall decide to authorise the Board of Directors to, at one or several occasions until the next Annual General Meeting, on the following terms, acquire own shares in the share class that, at the time of the authorisation, is admitted to trading on Nasdaq Stockholm.

Acquisitions of shares in the Company may be carried out on Nasdaq Stockholm. The number of shares that may be acquired shall not exceed a number implying that the Company's total shareholding of own shares after acquisition corresponds to more than one tenth of all shares in the Company at any time. The shares in the Company on Nasdaq Stockholm shall be acquired only within the price range applicable, i.e. the spread between the highest purchase price and the lowest selling price.

The purpose of the proposed authorisation to acquire own shares is to enable an improvement of the Company's capital structure and to give the Board of Directors an increased scope of action.

Proposal under item 20 b): Resolution regarding authorisation for the Board of Directors to resolve on transfer of own shares

The Board of Directors proposes that the Annual General Meeting shall decide to authorise the Board of Directors to, at one or several occasions until the next Annual General Meeting, on the following terms, resolve on transfers of own shares in the share class that, at the time of the utilisation of the authorisation, is admitted to trading on Nasdaq Stockholm.

Transfers of own shares may be carried out on Nasdaq Stockholm or by other means. Transfer of own shares may be made with deviation from the preferential rights of the shareholders. The maximum number of shares that may be transferred is the total number of own shares held by the Company at the time of the Board of Directors' resolution to transfer the shares. Transfers of own shares made on Nasdaq Stockholm shall be carried out at a price within the price range applicable, i.e. the spread between the highest purchase price and the lowest selling price. Transfer of own shares in another manner shall be made at a minimum price that shall be determined in close connection with the shares' quoted price at the time of the Board of Directors' resolution to transfer the shares. Payment for own shares that are transferred can be made in cash, in kind or through set-off. The Board of Directors is entitled to determine the other terms and conditions of the transfer which, however, shall be in accordance with the market practice.

The purpose of the proposed authorisation to transfer own shares and the reason for the deviation from the shareholders' preferential rights is to enable an improvement of the Company's capital structure and to give the Board of Directors an increased scope of action in relation to future acquisitions by facilitating a fast and cost-effective financing through the disposition of own shares.

NUMBER OF SHARES AND VOTES

The total number of shares and votes in the Company, at the time of the issue of the notice, is 21,623,311. The Company does not possess any own shares at the time of the issue of the notice.

SPECIFIC MAJORITY REQUIREMENTS

Resolution in accordance with the Board of Directors' proposals under item 19, 20a) and 20b) above requires that shareholders representing a minimum of 2/3 of both the votes cast and the shares represented at the Annual General Meeting approve the proposal.

AUTHORISATION

The Board of Directors, or any person appointed by the Board of Directors, is authorised to make such minor adjustments to the Annual General Meeting's resolution that may be necessary in connection with the registration with the Swedish Companies Registration Office, Euroclear Sweden AB or due to other formal requirements.

SHAREHOLDERS' RIGHT TO REQUEST INFORMATION

The Board of Directors and the CEO shall, if requested by a shareholder and if the Board of Directors considers that it can be done without significant harm to the Company, at the Annual General Meeting provide information about circumstances that may affect the assessment of an item on the agenda and about circumstances that may affect the assessment of the Company's or the subsidiary's financial situation, the consolidated accounts as well as the Company's relation to another group company.

PROCESSING OF PERSONAL DATA

For information on how your personal data is processed, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

AVAILABLE DOCUMENTS

Documents that shall be provided prior to the Annual General Meeting will be available at the Company's office and on the Company's website, www.balcogroup.se, at the latest on Wednesday 27 March 2020 and will also be sent free of charge to the shareholders who make a request to that effect and provide their postal address. The annual report for 2019 was published on Wednesday 8 April 2020.

Växjö in May 2020
Balco Group AB (publ)
The Board of Directors