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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") has been prepared to serve as guidance to persons discharging managerial responsibilities in Balco Group, employees and/or other persons who may encounter Insider Information (see section "Insider Information" below). In connection with the Company's shares being listed on Nasdaq Stockholm, laws and regulations on securities trading became applicable to all trading related to Balco Group's shares. This means that those who trade in financial instruments issued by the Company must comply with Swedish laws and regulations for securities trading, such as the Regulation (596/2014/EU) of the European Parliament and of the Council on Market Abuse ("MAR"), the Act (2005:377) on Penalties for Market Abuse in Trading in Financial Instruments ("Market Abuse Act") and the Act (2016:1306) with supplementary provisions to the EU Market Abuse Regulation ("Kompl").

MAR, the Market Abuse Act and the Kompl contain provisions that prohibit trading in shares or other financial instruments in certain cases. These provisions mean that persons who are in possession of Insider Information relating to the Company, or Insider Information relating to another company whose financial instruments are listed on a stock exchange or other trading venue, may not acquire or dispose of financial instruments issued by the Company or such other company to which the Insider Information relates, or by advice or otherwise induce anyone else to acquire or dispose of financial instruments issued by the Company or such other company listed on a stock exchange or other trading venue to which the Insider Information relates. A person who holds Insider Information may also not disclose it, except in cases where the disclosure takes place as a normal part of the performance of a service, business or obligation. MAR, the Market Abuse Act and Kompl also contain, among other things, a prohibition against conducting or acting in a manner that gives false or misleading signals regarding the price, supply or demand of financial instruments issued by the Company or another company whose financial instruments are listed on a stock exchange or other trading venue, and otherwise misleading buyers or sellers of such financial instruments.

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

What is stated in this policy as trading in financial instruments issued by the Company shall, where applicable, also apply to trading in other financial instruments related to financial instruments issued by the Company.

2. Extent

This policy applies to all employees of Balco Group, or any other company in the group within which Balco Group is the parent company, and other persons who are persons discharging managerial responsibilities in Balco Group, as well as to persons closely associated with them and/or

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persons who may be considered to encounter Insider information.

3. Reporting obligations

Both persons discharging managerial responsibilities and persons closely associated with them (see section "Discharging managerial responsibilities and persons closely associated with them" below) are obliged, without delay and no later than three business days after the date of the transaction, to notify Balco Group and the Swedish Financial Supervisory Authority of any transaction carried out on their behalf in respect of shares or debt instruments issued by Balco Group or related derivatives or other financial instruments. Pledges, loans and endowment insurance transactions of listed securities must also be reported.

There is a threshold for the notification obligation of 20,000 EUR per calendar year, which means that the transaction that results in the threshold being reached or exceeded, and all subsequent transactions must be reported. The threshold of 20,000 EUR shall be calculated without netting, i.e. the amounts of 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 in accordance with the Swedish Financial Supervisory Authority's procedures for reporting transactions carried out by persons discharging managerial responsibilities and persons closely associated with them. Persons who breach their reporting obligation above may be subject to an administrative fine from the Swedish Financial Supervisory Authority.

Balco Group publishes the holdings of the Board of Directors and Group Management on its website.

4. Persons discharging managerial positions and persons closely associated with them

A "**person discharging managerial responsibilities**" is a person with the Company who is:

- a) member of the Company's administrative, management or control bodies, or
- b) a senior executive, who is not a member of the bodies set out in point a), who has regular access to Insider information directly or indirectly relating to the Company and the authority to make decisions at management level that affect the Company's future development and business prospects.

The following obligations are incumbent on a person discharging managerial responsibilities:

- a) Notify its transactions in financial instruments issued by Balco Group (and in instruments linked to such instruments). Notification must be made to both the Swedish Financial Supervisory Authority and Balco Group (see the heading "Reporting obligation" above).
- b) Notify its related persons in writing that they are related to the latter and that they shall report their transactions in financial instruments issued by Balco Group (and in instruments linked to such instruments) to the Swedish Financial Supervisory Authority in accordance with what is set out in Appendix 1.

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- c) Register in MCLogg who is related to him or her and about any changes in the circle of related persons.

"Related Person" to a person discharging managerial responsibilities is the following persons:

- a) spouse, cohabiting partner or person who is otherwise considered to be equal to a spouse.
- b) children in custody of the person in a managerial position.
- c) a relative, who has shared the same household for at least one year; or
- d) legal person:
 - i. in which the person discharging managerial responsibilities, or a natural person related to him or her (i.e. (a) to (c) above) performs managerial duties in the legal entity, or
 - ii. which is directly or indirectly controlled by the person discharging managerial responsibilities or a natural person closely related to him or her (i.e. (a) to (c) above), or
 - iii. established for the benefit of the person discharging managerial responsibilities or a natural person closely related to him or her (i.e. (a) to (c) above), or
 - iv. whose economic interests mainly correspond to those of the person discharging managerial responsibilities or a natural person closely related to him (i.e. (a) to (c) above).

The Company's CEO is responsible for always ensuring that the Company:

- a) identify all persons discharging managerial responsibilities and inform them in writing (which shall be updated from time to time in accordance with the Company's and the Swedish Financial Supervisory Authority's procedures in force from time to time), and
- b) for a list of people discharging managerial responsibilities and persons closely associated with them, which is done in MCLogg.

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

During the 30 calendar days prior to the publication of the interim report and year-end report (not including the date of publication), persons discharging managerial responsibilities are prohibited from conducting transactions on their own behalf or on behalf of third persons, directly or indirectly, in shares or debt instruments issued by Balco Group or related derivatives or other financial instruments. The trade ban does not apply to persons closely related to persons discharging managerial positions.

In certain exceptional circumstances, Balco Group may grant exemptions from this trading ban. Such exemption shall be granted in writing by the Company's CEO (and if the CEO applies for an exemption, the exemption shall be granted by the Chairman of the Board). Provided that a transaction is not prohibited under the rules on insider trading, the Company may grant exemptions from the trading ban if the following conditions are met:

- a) there are exceptional circumstances, such as severe financial difficulties, which require the immediate sale of shares, or

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- b) due to the characteristics of the trading that takes place in connection with transactions carried out under or related to employee stock options or savings schemes, share-based terms or rights or transactions where the underlying interest in the security in question does not change, and
- c) The person discharging managerial responsibilities can demonstrate that the transaction in question cannot be carried out at a time other than during the closed period.

Persons who carry out transactions in violation of the trading ban may be subject to an administrative fine from the Swedish Financial Supervisory Authority. In the event of circumstances set out in 5.2(a), a person discharging managerial responsibilities shall, prior to any trading during a closed period, submit a reasoned written request to Balco Group to obtain the Company's permission to complete the sale of the shares. The written request shall include a description of the contemplated transaction and an explanation of why the sale of shares is the only reasonable alternative to obtain the necessary financing and shall be sent to the CEO or the Chairman of the Board of Directors if it concerns the members of the Board of Directors or the CEO.

6. Insider information

"Insider information" means undisclosed information of a specific nature that directly or indirectly relates to the Balco Group, or a financial instrument issued by or linked to the Balco Group and which, if made public, would be likely to have a material effect on the price of the instrument or a related derivative instrument. The information shall be considered specific if it indicates (i) circumstances that exist or may reasonably occur or (ii) events that have occurred or that can reasonably be expected to occur, and if it is possible to draw conclusions about the potential price effect of the circumstance or event. Information shall be considered to have a material effect on price if a reasonable investor would be likely to use such information as part of the basis for his investment decision. In that regard, in relation to a process that is ongoing over time which aims to bring about, or which results in, certain circumstances or events, the future circumstances or future event, and the intermediate steps in that process which are linked to the realization of the future circumstances or event, may be regarded as specific information. An intermediate step in a process that is ongoing over time shall also be considered Insider information if it meets the criteria for Insider information.

The following circumstances are typically those that may affect the price of Balco Group's securities and thus constitute Insider information:

- Investment or divestment decisions.
- Cooperation agreements or other significant agreements.
- Purchase and sale of companies.
- New "joint ventures".
- Settlement of legal disputes and relevant court orders.
- Financial difficulties.
- Change of Board of Directors, Group Management and auditors.
- Decisions by the authorities.

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- Shareholders' agreements that are known to the Company and that may affect the transferability of the Company's financial instruments.
- Rumors in the market and information leaks.
- Information regarding subsidiaries, associates and portfolio companies.
- Material changes in profit or loss or financial position.
- Radical changes in Balco Group's operations.

As a starting point, Balco Group is obliged to disclose Insider information. However, provided that the requirements for postponing a disclosure are met and a special decision is made to that effect, Balco Group may postpone the disclosure of Insider information. For more information on the disclosure of Insider information, please refer to Balco Group's communication policy.

No one in possession of Insider information may, in their own account or on behalf of anyone else, trade in Balco Group's securities. A person who has Insider information may not, by advice or in any other way, induce anyone else to acquire or dispose of Balco Group's securities. The prohibition thus means that it is not permitted to exploit the advantage that it gives to dispose of Insider information.

A person in possession of Insider information may not disclose Insider information about Balco Group, except in cases where the disclosure takes place as a normal part of the performance of a service, business or obligation.

A person may not act in a manner that is likely to unduly influence the price or other terms of trading in Balco Group's securities or otherwise mislead buyers or sellers of such securities.

A person who has access to Insider information about the Company may not disclose it to related parties or other third parties. A person who is employed or has assignments for the Company or its subsidiaries may also not disseminate Insider information to other employees or contractors if the person who is to receive the information does not absolutely need access to the information to be able to perform their duties or assignment. If Insider information is disseminated as described above, the sender must make it clear to the recipient that the information is Insider information and that the recipient may be included in the Company's insider list. The sender must also provide the person responsible for the insider list at the Company with the information necessary to meet the requirements for the content of the insider list. If the recipient is a third party, he or she must also have entered into a confidentiality agreement.

A practice in violation of the above may constitute a criminal offence and be punishable under the Market Abuse Act.

7. Logbook

Balco Group shall continuously maintain an insider list ("**Logbook**") of natural persons who, due to

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employment or assignments for Balco Group, have access to Insider information, in the form provided via an external provider of logbook (currently MCLogg).

The purpose of the Logbook is to comply with applicable legislation and regulations and to facilitate any inquiry or investigation by an authority. The logbook also constitutes a tool for Balco Group to have control over which people have access to Insider information.

For each event that constitutes Insider information, a new section shall be opened in the Event Viewer. Insider information may also arise in the event of recurring events, for example prior to the publication of full or interim reports. The logbook may contain a special section with people who, due to the nature of their function or position, always have access to Insider information about Balco Group in connection with full or interim reports. If only these people have access to Insider information in connection with a full or interim report, no separate logbook needs to be created for such an event.

In the event of each new event that causes a new section to be opened in the Logbook, a decision must also be made as to whether the matter will be made public as soon as possible or whether the matter will lead to a postponement of the disclosure of Insider information (which requires that special conditions are met and that a special decision is made in this regard). For more information on the disclosure of Insider information, please refer to Balco Group's Communication Policy.

The logbook shall be kept in electronic form. No unauthorized person shall be able to gain access to the Event Viewer and it shall be password protected. The insider list must be up-to-date, and normally this 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 it was drawn up or after the date on which it was last updated. The logbook shall be kept by the Company's IR manager. The insider list must be submitted to the FIN-FSA as soon as possible upon request.

Balco Group shall notify the person who is entered in the Logbook in writing of what this means, and this should be done at the same time as the person in question is entered in the Logbook. It also means that Balco Group has an obligation to take the necessary measures to ensure that the person understands the legal obligations under applicable legislation and regulations that the Insider information entails and is also aware of the legal consequences that may arise in the event of misuse or unauthorized dissemination of the Insider information to which the person has gained access. Anyone who is notified of its inclusion in the Logbook must confirm in writing that they are aware of the legal obligations that this entails and the sanctions applicable to infringements of the prohibitions against market abuse. Notification is made by e-mail, according to the template provided by the provider of the logbook service. When a person ceases to have Insider information, the Company shall notify the person in question that the person is no longer listed in Balco Group's Logbook. Notification is made by e-mail, according to the template provided by the supplier.

8. Roles and responsibilities

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

List of roles and responsibilities related to the specific policy.

9. Compliance criteria

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

- Subscription to logbook service provider signed
- List of persons discharging managerial responsibilities ("insiders")
- Confirmations in the logbook service of received information that you are listed as an insider.