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The Nomination Committee's motivated statement regarding its proposal for the Board of Directors of Balco Group AB prior to the Annual General Meeting 2026

The Nomination Committee's composition and report on its work during the year

The following individuals have been appointed to the Balco Group AB's Nomination Committee prior to the Annual General Meeting 2026:

- Carl-Mikael Lindholm, representing the Hamrin Family (Chairman of the Nomination Committee);
- Annica Nordin, appointed by Skandrenting AB;
- Lena Björkman, representing herself;
- Magnus Sjöqvist, appointed by Swedbank Robur Fonder; and
- Ingalill Berglund, Chairman of the Board of Directors of Balco Group.

The Nomination Committee's members are supported by shareholders who together represent more than 46 percent of all shares and voting rights in the Company.

The Nomination Committee duties has consisted of those following from the Swedish Corporate Governance Code (the "**Code**") and the Nomination Committee Instruction adopted by the General Meeting.

The Nomination Committee held its first meeting on November 14, 2025, and has thereafter held three additional meetings in 2026. In addition to the recorded meetings, the Nomination Committee has also maintained contact by e-mail and telephone. All the Nomination Committee's decisions have been unanimous.

The Chairman of the Board of Directors has described the work of the Board of Balco Group to the Nomination Committee and explained how the evaluation of the Board was conducted. The Nomination Committee has conducted interviews with the current members of the Board. The Nomination Committee has also reviewed the Audit Committee's recommendation concerning external auditors.

The Nomination Committee has discussed how the work of the Board has continued during the year and discussed the need for additional competence enhancements. The major shareholders have discussed the composition of the Board of Directors. Based on this, the Nomination Committee has assessed that the current Board of Directors has the competence and experience that the company requires, and that the Board members complement each other in a way that provides the conditions to operate a

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well-functioning and for the company stimulating work of the Board.

No proposals have been received by the Nomination Committee from other shareholders.

The Nomination Committee's proposals for election of the Board of Directors and the Chairman of the Board of Directors

The Nomination Committee makes the following proposals:

- That the Board of Directors appointed by the General Meeting shall consist of six ordinary members with no deputies.
- Re-election of the Board members, Vibecke Hverven, Carl-Mikael Lindholm and Thomas Widstrand as well as new election of Anders Davidsson, Johan Dyberg and Michael Wickell. Ingalill Berglund and Mikael Andersson have declined re-election.
- Election of Anders Davidsson as the Chairman of the Board of Directors.

Thus, the Nomination Committee proposes that the following persons are elected as members of the Board of Directors for the period until the end of the 2027 Annual General Meeting:

- Anders Davidsson, Chairman of the Board of Directors,
- Vibecke Hverven,
- Carl-Mikael Lindholm,
- Thomas Widstrand
- Johan Dyberg
- Michael Wickell

Anders Davidsson, born in 1970, holds a Master of Science in Economics from Uppsala University. Anders is currently CEO of Herenco AB, Balco's main owner and has many years of experience as CEO of Fristad Kansas AB and Bong AB (publ). Anders Davidsson has no shares in Balco.

Anders Davidsson is independent in relation to the company, its executive management, but dependent in relation to major shareholders of the company.

Johan Dyberg, born in 1967, holds a degree in mechanical engineering from the Royal Institute of Technology in Stockholm. Johan is a partner in Inivi AB and a member of the Board of Pronect AB (part of Liljedahl Group AB) and has extensive experience

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from Addtech AB (publ) as Executive Vice President and Head of Division and from Husqvarna AB (publ). Johan Dyberg has no shares in Balco.

Johan Dyberg is independent in relation to the company, its executive management and the major shareholders of the company.

Michael Wickell, born in 1970, holds a degree in mechanical engineering and economics from Linnaeus University in Växjö. Michael is the CEO and owner of Viverk AB. Prior to that, he was CEO of Hydroware AB and also has extensive experience from various positions at Balco, where he left in 2014, after several years as CEO. Michael Wickell has no shares in Balco.

Michael Wickell is independent in relation to the company, its executive management and the major shareholders of the company.

Information about all proposed Board members is available on Balco Group's website <https://baltogroup.se>.

Other proposals from the Nomination Committee concerning resolutions at the 2026 Annual General Meeting appear from the notice of the Annual General Meeting.

The Nomination Committee's motivated statement regarding its proposal

The Board of Directors shall, in accordance with clause 4.1 of the Code, have a composition appropriate to the company's operations, phase of development and other circumstances, characterized by diversity and breadth regarding qualifications, experience, and background of the Directors of the Board elected by the General Meeting. The company is striving for gender balance.

The Nomination Committee has discussed the composition of the Board of Directors and agreed on the main requirements for the Board members, including requirements for independent members. The Nomination Committee's discussion has been based on diversity and breadth in the Board of Directors, as well as the strive to achieve a broad representation of both men and women. In its proposal for the Board of Directors, the Nomination Committee has considered the Board of Directors' competence in terms of industry knowledge and experience. Experience of corporate governance in listed companies, general experience of active Board work and continuity of the Board of Directors have also been important assessment criteria for the Nomination Committee during the preparation of the proposal for Board members. The starting point has been the company's future challenges and the

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competence that Balco Group's Board of Directors onwards should possess, both together and individually.

Considering the above, the Nomination Committee proposes the election of Anders Davidsson, Johan Dyberg and Michael Wickell as new members of the Board and the re-election of the other eligible members i.e. re-election of Vibecke Hverven, Carl-Mikael Lindholm and Thomas Widstrand. It is the opinion of the Nomination Committee that Anders Davidsson, Johan Dyberg and Michael Wickell will add valuable competence and experience and that they are well suited to be members of the Board in Balco thanks to their vast experience within corporate management.

The Nomination Committee is of the opinion that the proposed Board of Directors has a sound composition that is well-suited for Balco Group's operations, needs and phase of development. The assessment is that the Board of Directors brings valuable expertise, diversity, and breadth, both in terms of experience and background.

The Nomination Committee has applied clause 4.1 in the Code as diversity policy when preparing the proposal regarding the Board of Directors. If all the members who are proposed for new and re-election are elected, the proportion of female members on the Board of Directors is approximately 17 percent. Nomination Committee intends to continue working to achieve a gender balance in the long term.

In its work to prepare proposals for the 2026 Annual General Meeting the Nomination Committee has evaluated the proposed Board members independence in accordance with the Code. The Nomination Committee's assessment is that all the proposed Board members are independent in relation to the company and its management, and that four out of six proposed Board members are independent in relation to major shareholders in the company (for further information on independence, please refer to Balco Group's website). Therefore, the proposed composition of the Board of Directors complies with the rules of independence in the Code.

The Nomination Committee has reviewed the current instruction for the Nomination Committee and has decided to propose new instructions, as outlined in the Notice to the Annual General Meeting.

March 2026

The Nomination Committee of Balco Group AB (publ)