

PRESS RELEASE

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Segulah IV's portfolio company Balco has been listed on Nasdaq Stockholm

On October 6, 2017, Segulah IV LP's portfolio company Balco Group AB (publ) was listed on Nasdaq Stockholm. The Initial Public Offering attracted strong interest both from Nordic and international institutional investors, as well as from the general public in Sweden. The offering was several times over-subscribed.

The offering was set at a fixed price of SEK 56 per share, corresponding to a total market value of all issued shares of SEK 1,200 million. Assuming the over-allotment option is exercised in full, the offering will comprise 14,785,853 shares, corresponding to SEK 828 million or 69 percent of the total number of shares upon completion of the offering. Segulah IV will remain as the largest shareholder and hold approximately 19 percent of the shares after the IPO, assuming the over-allotment option is exercised in full.

Eight cornerstone investors, consisting of Erik Selin, Swedbank Robur Fonder AB, Vätterleden Aktiebolag, Lazard Asset Management GmbH, Stiftelsen Riksbankens Jubileumsfond, Taiga Fund Management AS, the Hamrin family and LMK Venture Partners AB, have in aggregate acquired 34.2 percent of the outstanding shares in Balco.

"Segulah IV is very satisfied with Balco's strong development in recent years and it has been a pleasure working together with management and the board. During Segulah IV's ownership, Balco has created a robust operational platform from which to continue to grow profitably for several years to come in the Nordics and in Europe. The listing is an important milestone in Balco's 30 years history and an opportunity for also new shareholders to participate in the next growth phase of the Company", says Percy Calissendorff, Partner, Segulah Advisor AB.

Carnegie Investment Bank acted as Global Coordinator and Joint Bookrunner, and Danske Bank as Joint Bookrunner.

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Founded in 1994, Segulah is a private equity partnership focused on mid-market buyouts in the Nordic region, with a business model of active ownership through its extensive network of industrial advisors. Segulah Advisor AB is the exclusive investment advisor to the UK Limited Partnerships Segulah III L.P., Segulah IV L.P. and Segulah V L.P.

Balco in brief:

Since Balco was founded in 1987 in Växjö, Sweden, the Company has grown from being a local product-oriented supplier of concrete balconies into a leading market-oriented supplier of glazed balcony solutions. Balco primarily offers customized, innovative balcony solutions under its own brand to tenant-owner associations, private landlords, the public housing sector and construction companies. Balco operates on its Main Markets, which comprise Sweden, Denmark and Norway, as well on its Other Markets, which comprise Germany, Finland, the UK and the Netherlands.

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Balco's core expertise is in delivering glazed balconies and balcony solutions, primarily on the renovation market and to tenant-owner associations. The company is specialized in replacing existing balconies with new glazed balconies in accordance with the Balco-method. The method provides many advantages for the customer, such as lower energy costs, enhanced living standard and an increase in the value of the property. Balco has a successful sales process which means that the Company assumes overall responsibility and guides the customer through the entire construction process, from project planning to concluded final inspection and aftermarket service. The Company is one of few complete balcony suppliers on its Main Markets who has the ability to provide customized and high-quality balcony solutions, irrespective of order size and complexity, with short delivery times.

Since its inception, Balco has expanded to several European countries and has today 18 sales offices in seven countries. The Company has three wholly-owned production facilities in Sweden, Denmark and Poland, and is part-owner of a strategic Polish subcontractor which, together with the large sales force, constitutes the platform from which Balco delivers its balcony solutions to customers around northern Europe. The Company has made significant investments in its operational platform, thereby creating positive conditions for continued growth in both sales and earnings.

Balco is today the market leader in the balcony market on its Main Markets. Balco is a strong challenger in the Company's Other Markets.

Balco's strong market position within the Renovation segment, combined with its high quality balcony solutions, operational platform and positive underlying market trends, has contributed to a positive development in recent years. During the period 2014 to the twelve-month period ending 30 June 2017, the Group's sales increased from SEK 568.4 million to SEK 929.0 million and adjusted EBIT increased from SEK 41.0 million to SEK 109.8 million, equivalent to an increase in adjusted EBIT margin from 7.2 percent to 11.8 percent. This makes Balco one of the most profitable companies in the balcony market.