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# INSTALCO

## Annual Report and Sustainability Report

# 2022

Instalco offers sustainable holistic electrical, heating & plumbing, ventilation, cooling, industrial solutions and technical consulting.





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### • SUSTAINABILITY INFORMATION

The statutory sustainability report in accordance with the Annual Accounts Act is included in the Annual Report on the following pages: social conditions and personnel issues, see pages 36-46. Environment, see pages 36-46. Human rights and anti-corruption, see pages 36-46 and 50. Business model and goals, see pages 6 and 8. Management of material sustainability risks is described on page 50. For the Taxonomy tables, see pages 104-106.

### • DIRECTORS' REPORT

The Board of Directors and CEO of Instalco AB (publ), CIN 559015-8944, hereby present the Annual Report for the 2022 financial year for the Parent Company and Group, which consists of the Directors' Report on pages 2, 7-8, 15-17, 32-34, 48-53, 57-68, and the financial statements, notes and comments on pages 69-99. The Corporate Governance Report, which was reviewed by the auditors, is available on pages 57-65.

## What

Instalco offers technical design, installation services, maintenance and service of properties and plants in six main areas:



HEATING & PLUMBING



ELECTRICITY



VENTILATION



COOLING



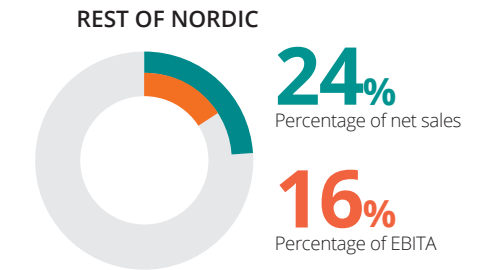
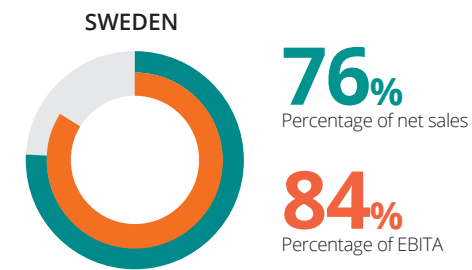
INDUSTRIAL



TECHNICAL CONSULTING

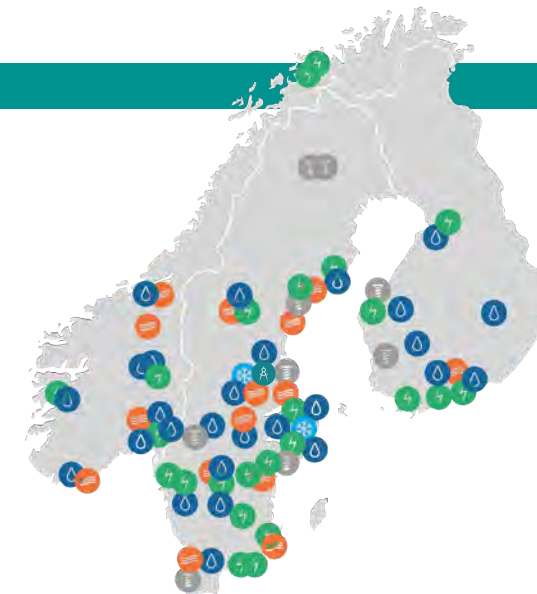
## Where

Instalco is represented at more than 110 locations in Sweden, Norway and Finland, with around 125 subsidiaries and 5,600 employees.



## To whom

Instalco's customers are primarily construction companies and property owners working with commercial facilities, office premises and residential property. Some of Instalco's major customers are government authorities engaged in the construction of schools, preschools, nursing homes, clinics and hospitals. Other customers include major retailers, refrigeration companies, caterers, companies in the food industry, county councils, municipalities, municipal companies, public administration organisations, shipping companies, industrial companies, mining companies, electricity & power companies and companies in the marine & fishing industry.



**125+**  
companies

**5,600+**  
employees

**12,063**  
million SEK, net sales

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## 2022 in brief

### January – March

- Instalco became listed on the Large Cap list on Nasdaq Stockholm.
- Acquisition of TC Kraft AB and Z-Signaler AB, Manglerud Rørleggerbedrift AS and Kyrön Sähkö Oy. Net asset acquisition of Inventijus AB. Start-up of Instair AB.
- The number of shares in the company has increased as a result of the 5:1 share split.

### April – June

- Instalco's technical consulting company, Intec, became established in Norway.
- Instalco embarked on a sustainability collaboration with Universeum.
- Acquisition of Highcon AB, Liab Instrumenteringar AB, Kuopion LVI-Talo Oy and Christiania AS companies. Start-up of Uudenmaan Automatiikkahuolto Oy.

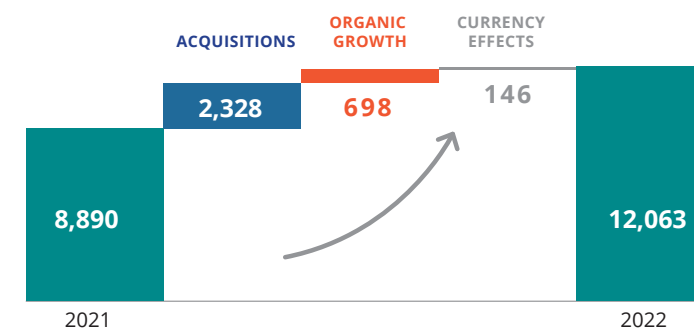
### July – September

- Instalco entered into a new credit agreement totalling SEK 3.4 billion to support future acquisitions.
- Tomas Börgesson was internally recruited as the new CEO for Orab Entreprenad AB, a move from his position as head of the Swedish operations for Nordpipe Composite Engineering (NCE), both of which are Instalco companies.
- Acquisition of Inlands Luft AB, Keyvent AB, Melins Plåtslageri AB, Grums Rör AB, Grevstad & Tvedt AS and Urd Klima AS companies.

### October – December

- Acquisition of Imes AS, Dymont Installation Oy and Bakke El-Installasjon AS. Acquisition of the additional companies, Satapaine Oy, Elektrikern Asker AS and Elkalkyl & Konsult Syd AB. Start-up of Ravcon Oy.

### NET SALES GROWTH, SEK M



### KEY FIGURES<sup>1)</sup>

SEK m	2022	2021	Change, %
Net sales	12,063	8,890	+35.7
EBITA	916	748	+22.5
EBITA margin, %	7.6	8.4	
Operating profit/loss (EBIT)	784	722	+8.6
Operating profit/loss (EBIT), %	6.5	8.1	
Earnings before taxes	697	699	-0.3
Cash flow from operating activities	753	610	+23.4
Order backlog	8,376	6,795	+23.3
Basic earnings per share (SEK)	1.99	2.10	-5.2
Diluted earnings per share (SEK)	1.96	2.06	-4.9
Dividends per share (SEK)	0.66	0.65	+1.5

<sup>1)</sup> All KPI calculations pertaining to SEK/share have been restated to reflect the 5:1 share split that was carried out in January 2022.

**+35.7 %**  
growth in net sales

**16**  
number of acquired companies

**+23.3 %**  
growth in order backlog

**7.6 %**  
EBITA margin

**SEK 0.66**  
proposed dividends per share

Swedish and English versions of the annual report are available on the company's website, [www.instalco.se](http://www.instalco.se). This annual report is also available in English as a PDF on the company's website, [www.instalco.se](http://www.instalco.se).

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## CEO Comments

# Our decentralised model is a strength in challenging times

*Instalco sums 2022 as a strong year, with total net sales of SEK 12,063 million and an EBITA margin of 7.6 percent. It was also Instalco's first year on Nasdaq Stockholm's Large Cap list.*

Our results are strong, particularly in light of the challenging circumstances that characterised the year. At the start of the year, we were impacted by the Omnicron variant and during January-February, our absenteeism was higher than it had ever been at any time during the entire pandemic. The whole of European society was then impacted by Russia's invasion of Ukraine and our industry was by no means exempt. We have had to find ways of coping with skyrocketing prices for materials, energy and transports, disruptions in the supply chain and higher interest rates. All of it has impacted us on many levels, particularly our fixed-price assignments.

### Results in line with the goals

Together, in the Group, we have dealt with the changed conditions in a very satisfactory way. We continued to take in new orders, both big and small, at a high pace and covering a broad range of services ranging from design, planning and installation to service and maintenance at properties and facilities in Sweden, Norway and Finland. We have a strong order backlog and continue to grow in the service area. Summing up the year, we are pleased to report that the results are in line with both our financial targets and sustainability goals. And, an impressive 95 projects were certified as Sustainable Instalco Projects in 2022.

It demonstrates the importance of decentralised leadership, entrepreneurship and adaptability. Once again, we have proved that our model works, regardless of the market conditions.

### New vision

During the year, there has been an interactive process within the Group to arrive at a new vision that has a clear focus on employees, customers, sustainability and continued growth. In parallel with that, we also developed a roadmap to 2027. In conjunction with this, we are taking the opportunity to adapt our leadership organisation so that it is able to work in the most optimal way towards achieving the new vision.

The name "Instalco" is associated with profitability and stability, which is how it has been and how it shall remain. In 2023, one of our focus areas will be boosting profitability even more in all parts of the Group. Our improvement programme, IFOKUS will play a key role here in our



- Stable long-term driving forces
- Strong order backlog
- Good prerequisites for continued solid profitability



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fully utilising all of the potential that exists within the Group and supporting our subsidiaries with their efforts to improved cash flow, efficiency and profitability.

This is how we have formulated our new vision: *We enable our companies, employees and customers to grow by collaborating on installations for transition to a green society for the next generation. We are the most competent and effective installation partner for our customers.*

With this vision, we are now taking the next steps towards the future by gearing up for our continued growth journey. A clear and challenging vision is important for all of our employees and it strengthens our attractiveness. Our decentralised business model with local entrepreneurship still lies at the foundation however.

### Higher demand for energy-efficient installation solutions

To a large extent, the installation market is driven by a number of stable, long-term trends and general societal development. Technology development, digitalisation, sustainability, ageing property holdings, urbanisation and a growing and ageing population are some of the biggest driving forces.

The underlying demand for our services is strong, not least when it comes to interest in, and the demand for resource-saving installation services, and better indoor climate. Overall, the willingness to invest is high.

Sustainability and energy transition are strong driving forces in the installation area. Adaptations to climate change and smart building solutions are strong trends. Instalco is well-positioned for offering customers the option of installing climate smart and energy optimal, all hand-in-hand with our sustainability offering. We can see that there is a large demand for energy-efficient and resource-saving installations and we can reduce energy use through climate-smart, sustainable installations.

Soaring electricity prices has been a hot topic this year. It thus feels very meaningful to be working at a company that is able to do something about it and what we offer can make a difference already today. Each day, Instalco suggests and installs energy-saving solutions at all sorts of properties. Installing modern systems that are energy-efficient is how we contribute to a better society. Energy efficiency is the key to lower electricity bills.

Because of rising interest rates, we expect new construction of residential property to fall, particularly in the major metropolitan areas. Instalco has a broad service portfolio and our exposure to new residential construction is low.

Our technical consulting area offers us a good overview of what to expect in the years ahead for the construction and installation industry. We are flexible and adaptable when it comes to different types of end customers and we can allocate our resources where they are most needed. Overall, I feel confident about the future since we have a favourable mix of expertise, services and contract forms, which gives us good prerequisites for continuing to deliver stable profitability.

### High rate of acquisition

In 2022, we continued pursuing our active acquisition agenda, supplemented by start-ups where good opportunities exist. We made 16 acquisitions during the past year, of which nine were in Segment Rest of Nordic. In total, their assessed annual sales are SEK 1,141 million. Despite the high rate of acquisition, we are maintaining both a sound level of indebtedness and strong balance sheet.

For 2023, our focus has been on expansion in the area of industrial installations and increasing the share of acquisitions in the Rest of Nordic segment. We also continued our journey in the technical consulting area via Intec, which is rather like its own Instalco within Instalco. The strategy is based on the logic that design and installation go hand in hand. It's a way of combining the theoretical knowledge with the practical. Intec has now been up and running for just over two years and it has established itself as a known player in the market, with its 320 employees and representation at some 25 locations in Sweden and Norway.

The installation industry has changed considerably during this last decade when Instalco has been doing business. I am able to conclude that Instalco has played a major role in consolidating the industry and pushing the sustainability agenda forward via energy efficiency.

In conclusion, I'm very proud of everyone here at Instalco for having dealt with the challenges of 2022 in such a positive way and I would like to sincerely thank all of our employees for their amazing efforts over the last year. Our decentralised model has enabled us to manage the circumstances we have faced extremely well and it is strong evidence that the Instalco model works well even in challenging times.

Robin Boheman  
President and CEO

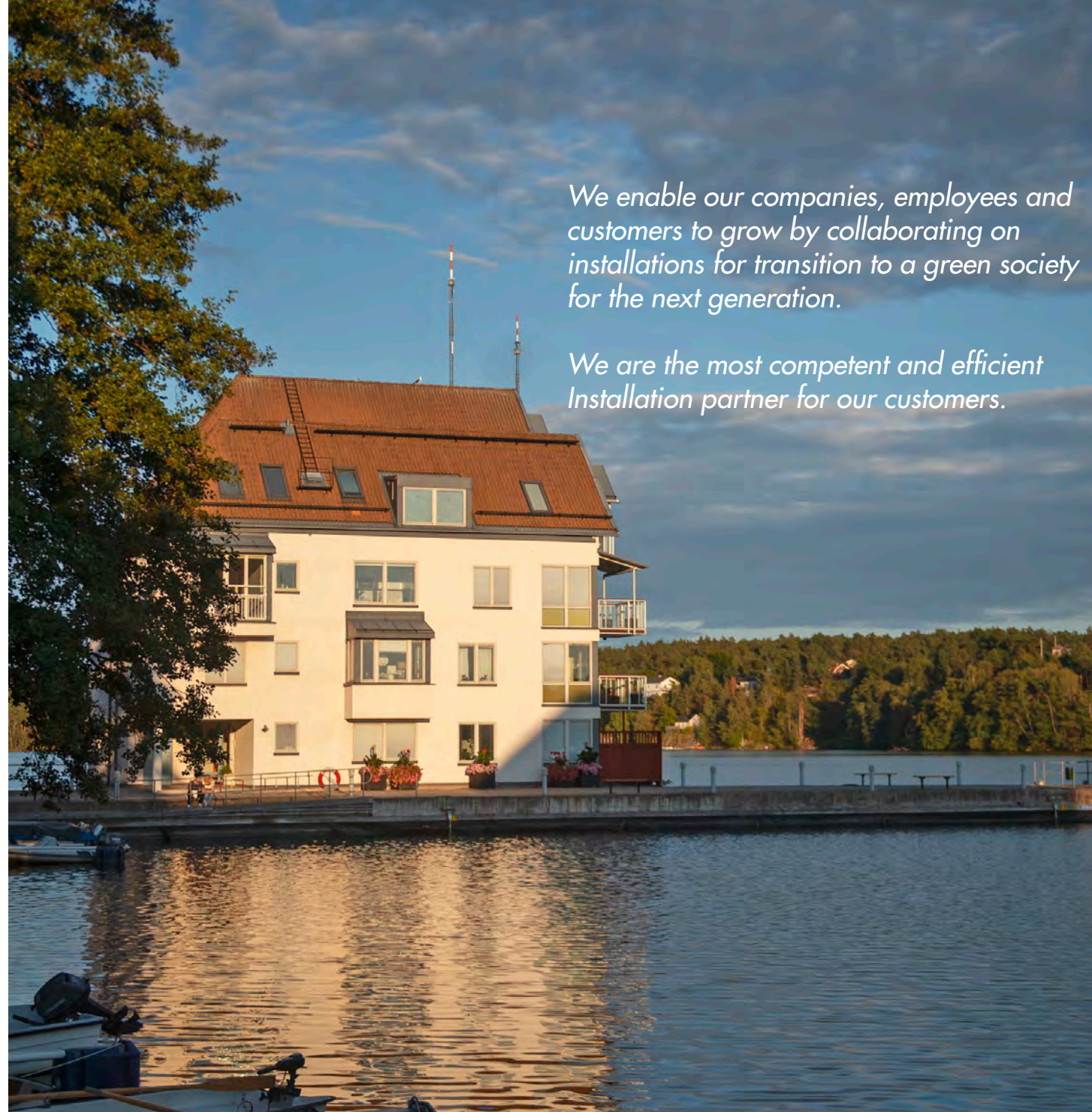


*I am able to conclude that Instalco has played a major role in consolidating the industry and pushing the sustainability agenda forward via energy efficiency.*



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*We enable our companies, employees and customers to grow by collaborating on installations for transition to a green society for the next generation.*

*We are the most competent and efficient Installation partner for our customers.*

## Our vision

*In 2022, Instalco pursued a Group-wide project to formulate a new vision and roadmap to 2027. The new vision has a clear focus on employees, customers, sustainability and continued growth.*

“We are sharpening our vision and taking the next steps towards 2027 by gearing up for our continued growth journey. A clear and challenging vision is important for all of our employees and it strengthens our attractiveness. Our decentralised business model with local entrepreneurship still lies at the foundation however,” says Robin Boheman, President and CEO of Instalco.

The work of formulating the new vision has been an interactive process within the Group that has been ongoing throughout 2022. In parallel with that, the activity plan through 2027 has also been formulated. The work got underway already at the end of 2021 during a conference with the CEOs of all the Instalco subsidiaries. We then continued working with this via various work groups set up at the subsidiaries, as well as in the Group management team and Board of Directors.

“We were feeling like we had essentially achieved our previous vision, which is why it was time to set our sights on the future. Neither Instalco, nor the world around us looks like it did a decade ago,” says Robin.

In order to work towards the new vision, Instalco has adapted the organisation and created some new responsibility areas.

“Our new vision should be inspiring, clear and challenging. It's meant to be a guiding star for all of us as we set our sights on the future together with our companies, employees and customers,” says Robin Boheman.



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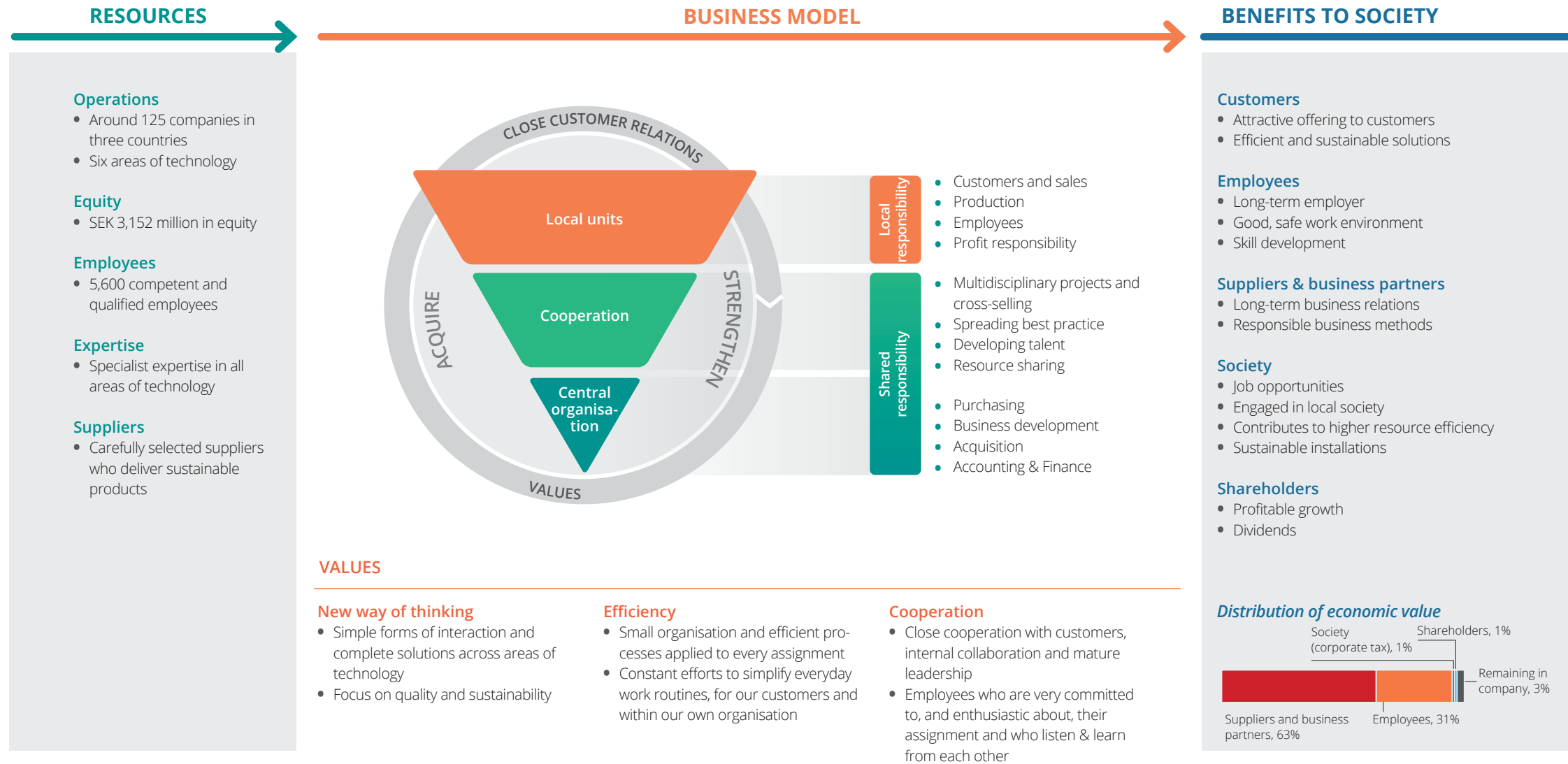
# Value creation

**Vision**

We enable our companies, employees and customers to grow by collaborating on installations for transition to a green society for the next generation. We are the most competent and effective installation partner for our customers.

**Business concept**

Instalco's business concept is to offer complete technical solutions for electrical, heating & plumbing, ventilation and cooling systems, along with solutions for industry and technical consulting, in the Nordic market. We work closely with customers, offering all the advantages of a local company, along with efficient collaboration and mature leadership.



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# Financial targets and results

GOALS	DESCRIPTION	RESULTS IN 2022
<p><b>Growth</b></p> <p><b>&gt;10%</b> annually over one business cycle</p>	<p>Demonstrates the company's ability to increase its market share via an attractive offering of its full range of expertise to customers.</p>	<p><b>35.7%</b></p> <p>With our high rate of acquisitions during the year and good organic growth, we have achieved sales growth of 35.7 percent, of which 7.9 percent<sup>1)</sup> was organic.</p>
<p><b>Margin</b></p> <p><b>&gt;8%</b></p>	<p>Measures the company's ability to generate profit so that it can create long-term value to its shareholders, customers, employees and other stakeholders.</p>	<p><b>7.6%</b></p> <p>The EBITA margin amounted to 7.6 percent, which is 0.4 percentage points below the target. Given the challenging circumstances during the year, the margins we have achieved reflect our strength and resilience.</p>
<p><b>Capital structure</b></p> <p><b>&lt;2.5 times</b></p>	<p>A low net debt/EBITDA is an indication of the company's ability to use own funds for new acquisitions.</p>	<p><b>2.1 times</b></p> <p>Net debt/EBITDA was 2.1 times.</p>
<p><b>Cash conversion rate</b></p> <p><b>100%</b> on a rolling 12-month basis over a business cycle</p>	<p>Measures the company's ability to generate cash for making new acquisitions without taking on more debt.</p>	<p><b>85%</b></p> <p>Cash conversion amounted to 85.0 percent.</p>
<p><b>Dividend Policy</b></p> <p><b>30%</b> of profit after tax</p>	<p>Demonstrates the company's ability to generate returns.</p>	<p><b>30%</b></p> <p>The proposed dividend is SEK 0.66 (0.65) per share<sup>2)</sup>, which corresponds to a dividend share of 30 (30) percent.</p>

1) Adjusted for currency.

2) All KPI calculations pertaining to SEK/share have been restated to reflect the 5:1 share split that was carried out in January 2022.



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# Sustainability goals and results

The KPIs have been reviewed by the company's auditors in accordance with ISRS 4400.

Safe and modern work environment	<b>KPIs</b>	<b>Vision of zero occupational injuries</b>	<b>Happiness, health and safety</b>			<b>Development opportunities</b>	
		Reported workplace injuries resulting in absence due to illness.	Employees that are satisfied with their work situation overall	Employee turnover	Absence due to illness	Employees who have participated in training via Instalco Academy	Employees who feel that they have been offered development opportunities
	<b>Goals</b>	0%	>90%	<10%	<5%	>200	>75%
	<b>Results 2022</b>	3.9%	85%	14.8%	5.4%	382	68%
Sustainable installations	<b>KPIs</b>	<b>Sustainable Instalco Project</b>			<b>Benefits to society</b>		
		Projects classified at Sustainable Instalco Project			Participation is a key initiative that contributes to societal benefits		
	<b>Goals</b>	>60			<ul style="list-style-type: none"> <li>• Collaborations with Universeum, Svenska Bussarna, Wayout Water and the Swedish Society for Nature Conservation.</li> <li>• Membership of the UN Global Compact sustainability initiative and Håll Nollan, which is the building sector's zero vision for occupational injuries.</li> </ul>		
	<b>Results 2022</b>	95					
Mature leadership	<b>KPIs</b>	<b>Business ethics</b>			<b>Social responsibility</b>		
		Reported cases of breaches to the Code of Conduct via the whistleblower function			Apprentices throughout the Group		
	<b>Goals</b>	0			>200		
	<b>Results in 2022</b>	0			369		

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# Strategies

*To achieve the established goals, Instalco is working with clear strategies for profitability, customers, sustainable growth, employees and leadership.*

## PROFITABILITY

Instalco focuses on profitability both centrally and in our subsidiaries. IFOKUS is our internal programme for running Group-wide improvements. It offers strategic tools for identifying and developing significant areas for improvement. IFOKUS is aimed at streamlining our processes in production, purchasing, sales, cross-selling and cash management. Cost consciousness permeates every level of the organisation.

Our central purchasing agreements are another important tool for improving the profitability of our subsidiaries.

### • Priorities

Efforts with IFOKUS are continuously underway at both existing and newly acquired companies. Special programme initiatives are also being implemented at companies performing below the Group's profitability targets. During the acquisition processes, there is a special focus on identifying companies with profitability that is consistent with or exceeds the Group's profitability targets.

To further strengthen our existing relationships with customers and benefit from our knowledge of completed projects, we have expanded our offering in service and maintenance after installation work has been completed via service contracts.

### • Activities in 2022

The prices for installation materials have sharply increased in recent months. There has thus been much focus during the year on supporting our subsidiaries in their efforts to manage the abnormal price increases. We also continued our efforts to strengthen the central purchasing agreements. We thus put a great deal of effort into how we manage purchasing, contracts and invoicing and are becoming increasingly restrictive about which projects to take on in order to safeguard both profitability and quality.

Efforts continued during the year within the scope of IFOKUS. The overall goals of IFOKUS are to improve profitability and cash flow. Work has been carried out during the year to improve the cash flow and changes in invoicing routines are now starting to generate the desired effect. There have also been some targeted initiatives at selected companies within the Group to support their management teams in their efforts to improve profitability.

## CUSTOMERS

With the Instalco model, acquired companies retain their name, brand and company culture, which facilitates continued close collaboration with customers and the ability to maintain their position in the local market. When a new company joins Instalco, they share their customers with the rest of the Group and gain access to the Group-wide network, all of which facilitates cross-selling.

The focus is projects with a value between SEK 1 and 75 million, which means that we avoid the risks associated with very large projects, while limiting the number of small assignments. It is a strategy that provides us with lower risks and greater growth opportunities. We are also striving to increase the number of framework agreements and partnering projects.

### • Priorities

A significant share of Instalco's sales is derived from long-term, repeat customers. With more collaboration between disciplines, we are able to package and expand our offering to existing customers, while simultaneously attracting new categories of customers.

In each area of technology, we share expertise between subsidiaries to achieve high standards and implement/develop new technologies.

### • Activities in 2022

During the quarter, there has been much focus on growing our Industrial business area, primarily by acquiring companies specialised in installations for the industrial sector. In doing so, we have broadened our customer base and expanded into new customer categories. We also continued growing our Technical Consulting business area, where Intec plays a key role. In 2022, Intec started running operations in Norway. With our own technical consultants, we will be able to get involved at an even earlier stage, with a wider offering, to even more customers. It also enables us to more easily offer sustainable, customised solutions.





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## SUSTAINABLE GROWTH

Growth shall occur both organically and via acquisitions in an economically, socially and environmentally sustainable way. Acquisition targets are companies with high profitability and very committed management teams primarily in growth regions throughout Sweden, Norway and Finland.

Organic growth is generated by such things as synergies, cross-selling and higher collaboration between the Group's subsidiaries. By matching specialist expertise from various units, opportunities for upselling to existing customers are created, along with the ability to take on larger projects requiring several disciplines. Instalco's start-up model of forming new companies also stimulates organic growth.

### • Priorities

The installation market is highly fragmented and there is still much room for consolidation, an area where Instalco will continue to play a leading role. To promote sustainable growth, we put much emphasis on identifying acquisition candidates that meet our criteria and can contribute to the green transition.

Rapid, standardised implementation of the Instalco model creates the conditions for more cross-selling and collaboration, all of which fuels organic growth. We strive for resource efficiency with energy and water, along with an air quality that creates healthy indoor environments, which promotes people's well-being and is beneficial to the environment. Environmental awareness, generating benefits to society, green transition and sustainability are of growing importance for us, our clients and end customers.

Our sustainability programme, Sustainable Installations, enables us to suggest and deliver sustainable solutions.

### • Activities in 2022

Instalco's growth is both organic and through acquisitions of new companies. In 2022, we continued acquiring niched quality companies and also set up several of our own new subsidiaries based on our start-up model. As the demand for energy-efficient solutions increases, so too does our focus on sustainability as one of the criteria for acquisition. During the year, we expanded our offering of resource-saving installation services.

We also started up new collaborations with Universeum and Svenska Bussarna and continued pursuing our collaborations with Swedish Society for Nature Conservation and Wayout Water.

## EMPLOYEES AND LEADERSHIP

One of the biggest challenges in the installation industry is securing talent. To maintain and solidify a leading position, we must attract the best employees. A fundamental aspect of that is having mature leadership, i.e. leaders who see the big picture instead of getting stuck on the details, promoting collaboration between Instalco companies and developing the talent of our employees in order to increase profitability. Instalco also applies a non-hierarchical and decentralised leadership model.

We are able to continue being an attractive employer by offering employees a workplace with interesting tasks, good leaders, short decision paths, as well as opportunities to make an impact and develop one's talent. Continual training for employees is a priority and with that in mind, we have established Instalco Academy. We encourage exchange and sharing of expertise in order to promote best practice throughout the organisation.

### • Priorities

Instalco Academy is the Group's internal training and education programme for developing the skills of our own employees and helping us attract new talent. Instalco Academy has a clear plan for developing talent and future leaders. Another goal is to ensure that all Instalco employees have the right expertise for being able to deliver in their respective roles.

Besides Instalco Academy, there is also a trainee system, along with courses, certificates and other necessary training.

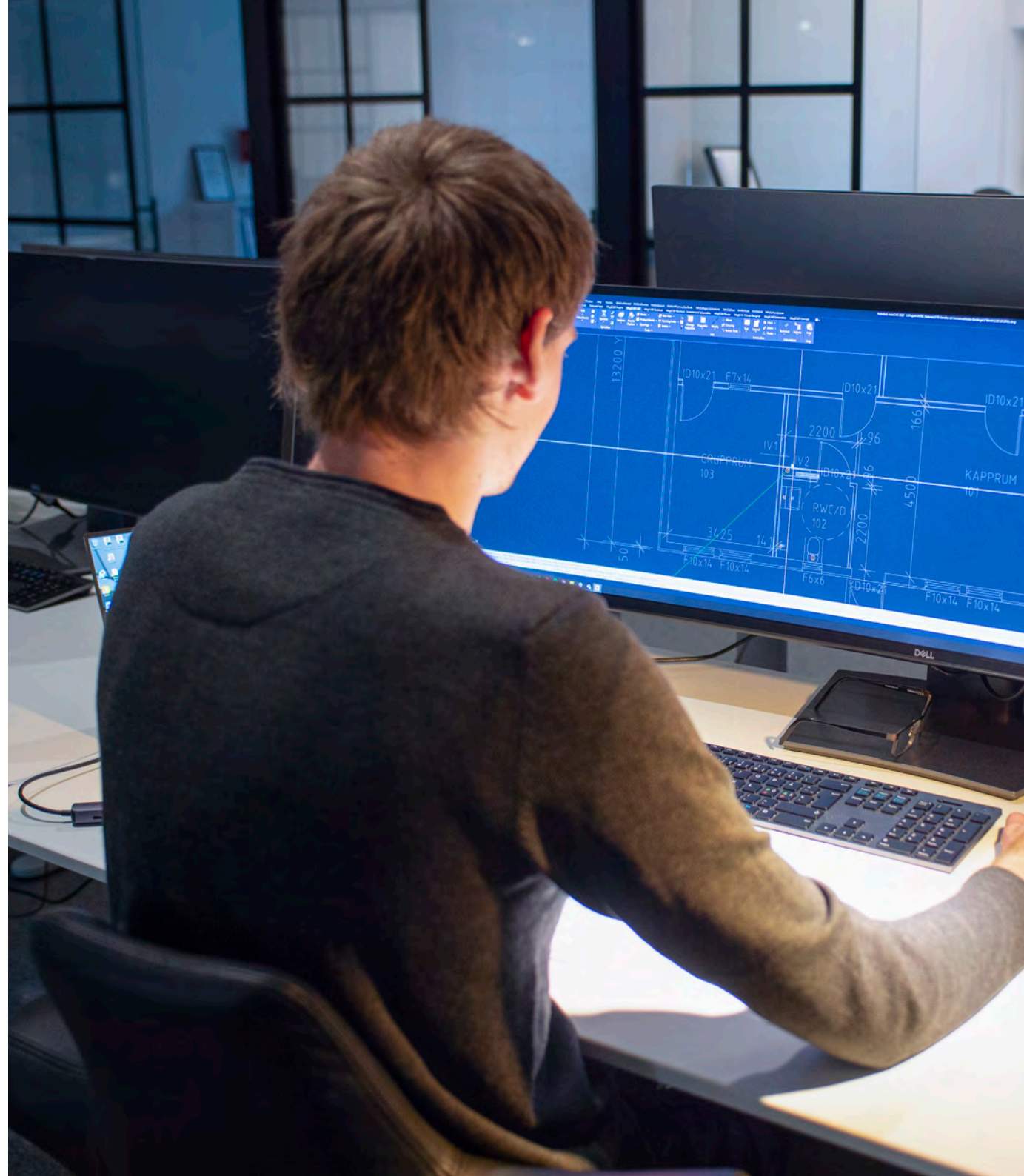
### • Activities in 2022

In 2022, we continued developing and working with Instalco Academy within our organisation aimed at training future leaders and retaining our competent staff. Instalco Academy offers training for leading assemblers, project managers, service managers, accounting managers and senior executives of our subsidiaries. It is now also established in Finland, where its first round of students completed their training during the year.



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## Intec designs for future schools

*In 2022, Intec was engaged as coordinator for a major project stretching over ten years, which also got underway during the year. The work pertains to renovation and new construction of three schools. The client is Gagnef Municipality and the buildings will be designed such that they can obtain Miljöbyggnad Certification, Silver level (a system set up by Sweden Green Building).*

Intec is the Instalco subsidiary for technical consulting. For this project, Intec's focus will be on optimal design from a lifecycle perspective. One important aspect of that will be installations of solar cells at the schools.

A great deal of emphasis will be put on compatibility of the installation systems from an operational point of view since the municipality would like the installation systems at its schools to be as similar possible. Because of these uniform choices on materials and systems, the operations department will be able to work more efficiently.

"Energy wells will be used for supplying energy to the heat pumps, and the boreholes will be used for comfort cooling by cooling the supply air. It means that essentially, no additional energy will be needed for these functions," says Ronny Tenggren, CEO at Intec Dalarna in Borlänge.

The three schools included in the project are Bäsenskolan (new construction), Kyrkskolan and Djurässkolan (new construction and additions at both of these).

"Comprehensive installation work will be done at all three schools. We just completed the system phase and will now start the construction phase. The construction projects will get underway successively, based on upcoming political decisions. The timeframe for all of it, however, is ten years," says Ronny Tenggren.

"We are working closely with Gagnef Municipality and its risk department to examine such things as battery storage of energy and reserve power," he says.

The contractor for this project is Byggpartner and Dalab (Instalco) has been engaged for the ventilation, assembly, heating & plumbing, electrical and control systems. Intec will design the ventilation, electrical, telecom, fire protection, energy, environmental and kitchen refrigeration systems. It is also responsible for coordination of building modulation. The existing schools have already been scanned in 3D by Intec's Reality Capture department.



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# Solutions that save energy for brewery giant

*The Instalco company, Kompressorteknik has been engaged for energy efficiency work at Spendrup's brewery in Grängesberg. Through innovative product solutions, Kompressorteknik has captured significant savings for Spendrups. Not only have the energy costs decreased, but there is now also a higher level of utilisation.*

Kompressorteknik in Ludvika specialises in refining compressors that have reached a certain age. It purchases used compressors to then disassemble them and renovate the various parts. Once the compressor is reassembled, it is essentially new, with nearly the same warranty of service life that it had when newly purchased.

Spendrups uses compressors to inflate PET bottles, which are later used in production. It is step one in a chain of production used at the brewery.

"Compressors are the source of the single largest energy consumption at the brewery," explains Mathias Lindgren, Founder and CEO of Kompressorteknik.

Spendrups has the stated goal of focusing on improvement efforts for higher energy efficiency.

"The savings have come about through lower energy consumption by having increased the level of utilisation, along with sustainability benefits in the form of longer service intervals," says Patrik Gustafsson, Operations Manager at Spendrups.

Mathias Lindgren highlights two distinct improvements revolving around energy efficiency that his company has captured for Spendrups.

"Our solutions have enabled Spendrups to transition from a static, hourly based service interval of 2,000 hours to longer, permit-based maintenance of around 3,000 hours using a machine monitoring system. Spendrups has also increased its utilisation level from 30 to more than 60 percent," says Mathias Lindgren.

Kompressorteknik's solutions also reduce Spendrup's environmental impact in that the need for oil changes and replacement parts in the compressors has decreased.

"If this isn't sustainability, I don't know what is," says Mathias Lindgren.

And, Spendrups has embraced his idea of reusing the large compressor after a complete overhaul and they invested in three smaller compressors instead.





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# Driving forces in the market

*The demand for technical installations and services is being fuelled by several long-term trends and societal development. Instalco is well-positioned to act on the market opportunities that arise.*



**ENERGY EFFICIENCY AND GREEN TRANSITION**

## General trends

The demand for energy-efficient solutions and resource-saving installation solutions is increasing in line with rising energy prices. The energy crisis in combination with the green transition act accelerate the demand for energy-efficient services. High electricity prices and investments in Swedish basic industry create a great need for energy-efficiency and investments in the grid.

## How Instalco responds

Instalco has extensive experience, knowledge and technical expertise in energy-saving electrical, heating & plumbing, ventilation, cooling, and industrial installation services, along with technical consulting and the closely related areas of automation and security. Instalco's offering is on the cutting edge when it comes to energy efficiency and our technical solutions help customers achieve efficient energy use. Instalco contributes to lower energy use via its climate-smart, sustainable installations.



**ENVIRONMENTAL AWARENESS**

Environmental awareness of clients, end customers and decision-makers is constantly rising, which is primarily evident in the form of environmentally conscientious decisions about consumption, procurement and political decisions such as the EU Taxonomy Regulation. It is a classification system for identifying environmentally sustainable economic activities and it describes how companies should report their sustainability efforts in a way that is aligned with achieving the goal of a climate-neutral EU by 2050. Demands for a better working environment and indoor air in workplaces such as offices, schools and hospitals are raising the requirements on high quality, energy-efficient ventilation solutions.

For Instalco, political decisions like the Taxonomy bring business advantages. It clarifies the sustainability work that we focus on and increases the demand for sustainable installations. Instalco's offering is on the cutting edge when it comes to environmental awareness. Geothermal heating, energy-saving programmes, photovoltaic systems, technical installations with renewable energy, LED lighting, charging stations, automation systems, heat exchangers, heat pumps and FTX systems are examples of products that contribute to a lower negative environmental impact. Society's transition to a green economy has led to an increase in the number of installations of EV charging stations.



**TECHNOLOGICAL DEVELOPMENT AND DIGITALIZATION**

The trends that we see in new construction projects are a rising occurrence of technical systems and applications of digital technology such as online IT systems, alarm & security systems and more efficient use of energy. Accordingly, the installations themselves have become more complex. Addressing this will require major investments in such things as communication systems and safety. There is also a growing need for new water supply and electricity networks and a stable energy supply. Installations are thus becoming an increasingly important component of the construction process and the share of total construction costs attributable to installation services is rising each year.

These trends benefit companies like Instalco, which have broad technical expertise. Our subsidiaries keep up with the latest developments in their respective technology areas and collaborate with the most innovative suppliers. The Instalco model enables us to offer multidisciplinary expertise in coordinated projects covering several areas of technical expertise, which makes things easier for the client. Through our Technical Consulting business area, we are able to offer customers an integration of project planning, technical execution and service.

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**General trends**

A large proportion of property holdings in the Nordic region were built in the late 1960s and early 1970s, which is typically referred to as the period of the Million Homes Programme. This is particularly noticeable in Sweden, where 25 percent of property holdings were built during this era. Many hospitals, clinics and schools were also built during that same era. Major investments are being made in expanding healthcare such that it is more efficient and aligned with new care needs. It is also a response to the rapid pace of technological developments in the care industry. The prison system and armed forces are also expanding and many infrastructure projects are underway as well, which impacts opportunities for new business and urban development.

The population of Sweden is growing and in particular, the population distribution across regions is also changing. There is a similar situation in Norway and for several years, Oslo has been one of the fastest growing cities in Europe. Urbanisation is a clear trend in Finland as well, where the population of Helsinki in particular is growing. There is also a housing shortage in many cities and towns throughout the Nordic region and population relocation is creating a constant need for new housing and workplaces. Over the longer term, the temporary decrease in new housing construction that is happening now will accelerate the housing shortage.

Awareness of the importance of sustainable entrepreneurship and creating a sustainable society has increased among both companies and consumers. It results in requirements that companies take responsibility in generating long-term benefits to society and lowering both climate and environmental impact.

**How Instalco responds**

Instalco has specialist expertise in technical installations at buildings. This applies to renovation work, upgrades and new construction. Many assignments have been for customers in the public sector, which has made Instalco a leader for installations at, for example, schools and hospitals. Our climate-smart solutions and installations ensure lower resource consumption and help make society future-proof.

Instalco has established a strong position in all growth regions of Sweden, Norway and Finland. Instalco is also represented in growing areas surrounding major cities. By offering installation services for electrical, heating & plumbing, ventilation, cooling, industrial and technical consulting, property owners in both the private and public sectors can easily obtain complete solutions that meet their needs in conjunction with new construction, renovation and conversion projects.

Each and every day, Instalco generates benefits to society via our sustainable, technical solutions that lower energy consumption and purify the air and water. Instalco has also created its own sustainability programme for certification of projects, called Sustainable Instalco Project. In recent years, Instalco has grown and developed the industrial part of the business and it is well equipped to implement industry's green investments. Within our sustainability programme, we are collaborating with Universeum, the Swedish Society for Nature Conservation, Wayout Water and Svenska Bussarna to create a better society and climate. Instalco's apprenticeship programme is another important way that we generate benefits to society.



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# Operations

*Instalco offers project planning and design, technical installation services, service and maintenance of buildings and facilities in Sweden, Norway and Finland, providing complete electrical, heating & plumbing, ventilation, cooling, industrial and technical consulting.*

Instalco has operations in Sweden, Norway and Finland, where we primarily focus on metropolitan regions with a higher growth rate than the market as a whole. In these regions, there is a housing shortage, ageing property holdings and urbanisation, all of which are trends that benefit our business.

Instalco continually works with installation solutions that improve energy efficiency and functionality, thereby lowering operating costs and negative environmental impact.

Installation involves installing both new and upgraded technical systems at buildings and facilities. Service is offered within all of these disciplines.

In the area of heating and plumbing, Instalco offers complete solutions for water, sewage, heating, cooling and energy. For electrical installation, Instalco offers energy-efficient solutions for, primarily, energy supply, automation, security, lighting and heating. For ventilation, Instalco offers complete solutions for air conditioning, air treatment and climate control. For cooling, Instalco offers complete solutions for properties and stores and in the industrial area, the company offers electrical, pipe and power installations as well as scaffolding and machine assembly. Our technical consulting business area primarily focuses on design and planning for these types of installations.

Instalco primarily focuses on projects with an order value between SEK 1 and 75 million. Approximately 80 percent of our revenue is currently derived from projects of this size.

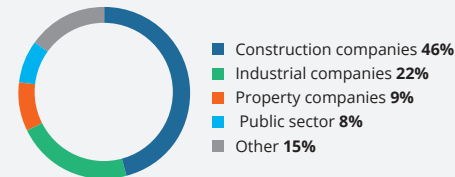
The company is domiciled in Stockholm.

## Organisation

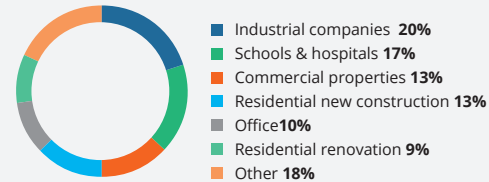
Operations are run through subsidiaries that have close relationships with customers. It also has a small central organisation. Operations are organised into two segments; Sweden and Rest of Nordic. The business has six divisions: North, Middle, Sweden, Technical Consulting, Norway and Finland. Included in Division North is our North, Stockholm and Industrial business areas, Division Middle consists of our Middle business area and included in Division South are our South and West business areas. There are six areas of operations run by the business areas: Electrical, Heating & Plumbing, Ventilation, Cooling, Industrial and Technical Consulting. The Parent Company runs its activities from the head office in Stockholm and it offers support functions including accounting/finance, acquisitions, business development, purchasing, communications, IR and sustainability.

Our 125 Instalco companies are sometimes grouped together and working under the same brand, while others have their own subsidiaries, i.e. additional companies. For this reason the number of legal entities that the Group has is sometimes more than what we refer to as Instalco companies.

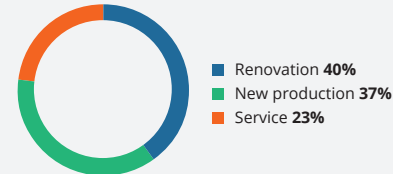
### SALES PER CUSTOMER GROUP



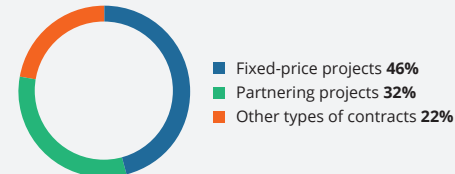
### SALES PER END PRODUCT



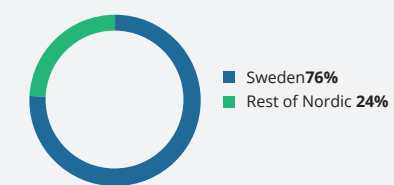
### SALES PER SERVICE



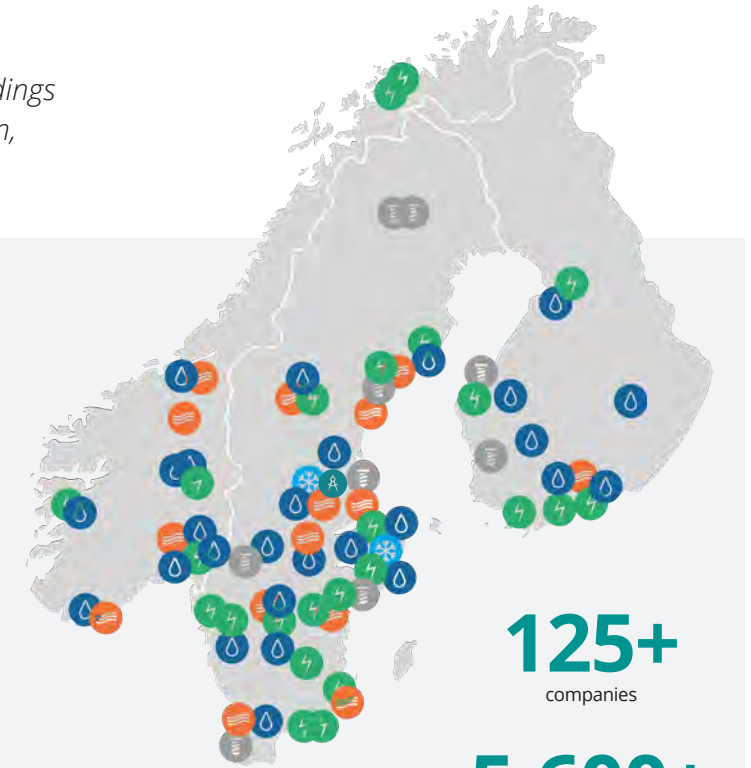
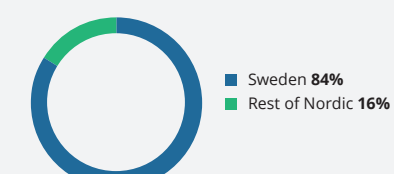
### SALES PER CONTRACT TYPE



### SALES PER SEGMENT



### EBITA PER SEGMENT



**125+**  
companies

**5,600+**  
employees

**220**  
billion SEK

Sales for Instalco's core market (Sweden, Norway, Finland) in 2022<sup>1)</sup>

**5.5**  
%, Instalco's  
market share

<sup>1)</sup> Source: Navet Analytics

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 Apartment project with focus on low energy consumption 56

**Offering**

Through close collaboration across subsidiaries and areas of technology, we create attractive and sustainable holistic solutions for long-term use. The business, which is highly decentralised, is run through our subsidiaries, with support from the central organisation.

Instalco's subsidiaries are all specialised in a particular area and together, we create collaboration and cross-selling opportunities, along with sharing best practice throughout the organisation. With our technical expertise and experience, we are able to participate in the construction process at an early stage, offering competitive, sustainable and customised solutions, while achieving efficiencies and benefits from coordination. Instalco's core values are: new way of thinking, efficiency and collaboration.

**Types of contracts**

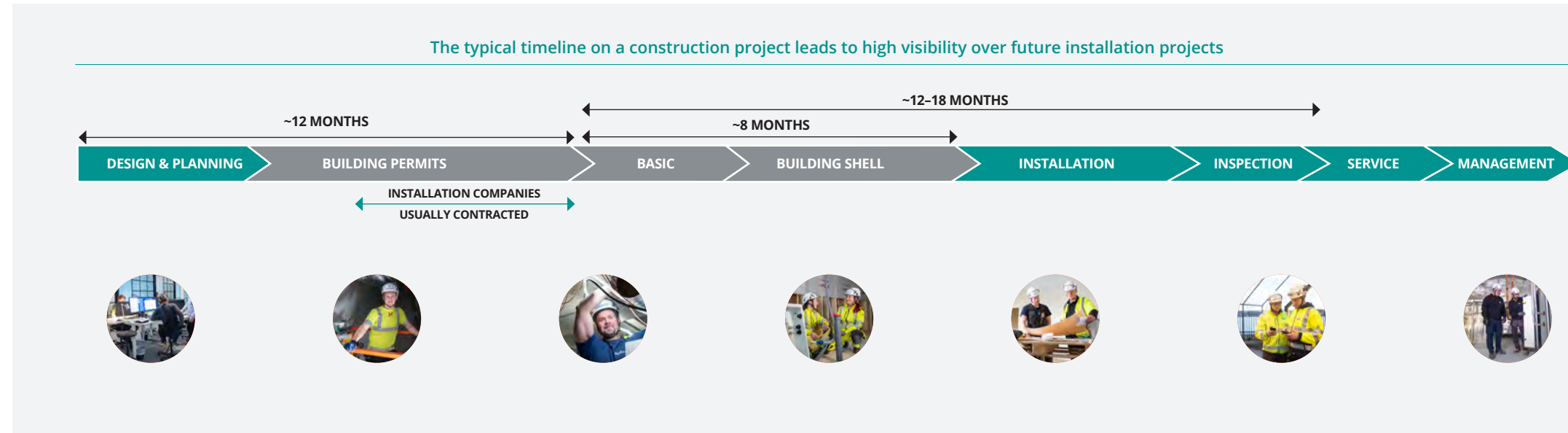
Instalco's services are procured either as single assignments or as general contractor. The latter means that we are responsible for design and project planning, which enables us to suggest appropriate technical solutions. Payment is typically for a fixed price on the total contract. Or, we receive reimbursement for expenses incurred, which is typically how it works for partnering projects.

Approximately 46 percent of Instalco's projects are run as fixed-price projects, slightly more than 32 percent as partnering projects and the remainder is other types of collaboration and payment forms, such as service assignments.

**Partnering**

Partnering projects are a form of collaboration where Instalco works together with the client, end customer, suppliers and other subcontractors in a transparent team, from start to finish. Synergies are created in this way, with each partner contributing their specific expertise to best meet the needs of the project. The financial side is also transparent. Customers have full knowledge of all costs and we are safeguarded by the cost-plus or fixed-price element of these types of contracts.

Partnering is a form of collaboration that is growing in the Nordic region and nearly all of Instalco's major projects involve some form of partnering.





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**ELECTRICITY**

*Services:*

- energy-efficiency
- design, project planning, assembly
- alarms and monitoring
- data network and control of technical equipment
- energy optimisation via integrated property automation
- charging posts for electric cars
- remote reading
- control technology and automatics
- service and maintenance
- marine installations

---

*Customers:*

- construction firms
- property companies
- government agencies, local authorities & regions
- housing companies
- industrial companies
- fishing industry

**35%**  
of sales



**HEATING & PLUMBING**

*Services:*

- installation of district heating, natural gas, heat pumps and comfort cooling
- pipe replacement and preventative maintenance
- water treatment and water consumption
- sprinkler systems
- new construction
- ongoing repairs
- service and maintenance
- ROT work
- project planning
- energy efficiency measures

---

*Customers:*

- construction firms
- property companies
- government agencies, local authorities & regions
- housing companies
- industrial companies

**31%**  
of sales



**VENTILATION**

*Services:*

- installation and solutions for indoor climate
- air treatment
- energy optimisation
- mandatory ventilation inspection
- control technology and automatics
- property automation
- service and maintenance
- project planning

---

*Customers:*

- construction firms
- property companies
- government agencies, local authorities & regions
- housing companies
- industrial companies

**15%**  
of sales



**COOLING**

*Services:*

- installation of cooling and heating equipment
- food cooling
- comfort cooling
- process cooling
- service and maintenance
- energy optimisation

---

*Customers:*

- retail chains
- food industry
- institutional kitchens
- hotels
- cold storage companies

**1%**  
of sales



**INDUSTRIAL**

*Services:*

- pipe installations
- cooling installations
- electric power installations
- infrastructure
- automation
- instrumentation
- emission control
- exhaust gas cleaning
- project planning
- energy
- safety
- industrial scaffolding
- compressors
- composite solutions
- steel assembly
- mechanical installations
- ground and mining work

---

*Customers:*

- industrial companies
- electricity and power companies
- mining companies
- shipping companies
- maritime transport companies
- local authorities & regions
- administrations

**16%**  
of sales



**TECHNICAL CONSULTING**

*Services:*

Project planning, studies inspection and coordination of:

- electricity
- communications
- safety
- heating & plumbing
- cooling
- BIM
- automation
- ventilation
- energy-efficiency
- fire and risk
- sustainable construction
- simulations calculation and certification

---

*Customers:*

- government agencies, local authorities & regions
- installation companies
- property owners
- industrial companies
- energy companies
- industrial construction companies

**2%**  
of sales

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# More and more installations of charging boxes

*The Instalco company, Nihlén Elmontage installed 100 charging boxes as part of a project for Kaptenens Samfällighetsförening in Gothenburg. Nihlén is one of several Instalco companies that is growing in this area, installing an ever-increasing number of charging boxes as part of the green transition.*

## verdie

For Nihlén Elmontage, this was its largest project of this type to date.

"We've noticed increased interest in this from more and more customers wanting to install charging boxes. Customers include property owners, construction companies, housing cooperatives, associations of local home owners and private individuals," explains Daniel Nihlén, CEO of Nihlén Elmontage AB.

He envisions a strong trend of Nihlén Elmontage and other Instalco companies installing an ever-increasing number of charging boxes in the future.

"Kaptenens Samfällighetsförening ordered charging boxes for all of the parking spots in building's garage. Most housing cooperatives are currently opting to equip around 20 percent of their parking spots with charging boxes. They also do the preparations for installing more of them later on, as the need increases," he says.

Daniel Nihlén highlights how this customer went "all in" by equipping all of its available parking with charging boxes, regardless of whether the spot is currently being used by a person with an electric car. The charging boxes that Nihlén Elmontage installed were acquired from the Norwegian company, Easee Charge. They are a popular choice among private individuals and housing cooperatives.

"They are also easy to install and have functions that can lower the electricity cost by opting to charge at times when the rates are lower," he explains.

The charging box is equipped with a function for dynamic load and phase balancing to maximize the available electrical capacity in the building.

"The challenge with this project was getting the load balancing to work. The customer was happy with the end result and for our part, we've helped in making the green transition a reality," he says.

The Kaptenens Samfällighetsförening project started up in mid-August of 2022 and was completed early in October of the same year. Nihlén Elmontage had a fixed-price contract for the project, which was also certified as a Sustainable Instalco Project.





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# Specialists in solar energy and energy storage

*The Instalco company, Vallacom in Linköping, is a pioneer in solar cells and electric car charging. It also has specialist expertise in energy storage, lighting and control systems. Vallacom is able to use its cumulative knowledge to offer optimal solutions to its customers.*

They have also assisted many other companies in the Instalco Group with technical support and sharing their vast installation knowledge.

"We've also set up a solar energy technology group that facilitates knowledge-sharing and best practice among companies in the Group. It will help us avoid less successful ways of working," explains Peter Andersson, CEO at Vallacom.

The Group is still in the early stages of getting set up. The idea is for Vallacom to, from time to time, invite all of Instalco's electrical companies to seminars, where presentations and discussions on the latest in solar energy technology will be offered. Peter Andersson has noticed that there is much interest in this.

Vallacom gathers assemblers from other Instalco companies to show them, in detail, how to best install a photovoltaic system.

One of the challenges, he says, is finding the most sustainable solutions for the customer, particularly when it comes to solar energy. It also applies to the best ways of charging electric vehicles.

"Because we have all the expertise on photovoltaic systems, energy storage, electric car charging, lighting and control systems in house, we are able to custom-design optimal, sustainable solutions for our customers. Energy efficiency and lower energy consumption is good for the bottom line. And, to make things easier for the customers and give them an overview of the investment, we always offer a lifecycle analysis over at least ten years. Our proposal might be an expensive investment on day one, but over time, it is more sustainable and substantially cheaper," he says.

Over the last few years, Peter Andersson has noticed that the demand for everything that can reduce energy costs has significantly increased.

"Solar cells and energy storage are highly sought after today. One of the things we noticed with the demand is that customers are increasingly looking at the overall picture at their facilities. Before, they were focusing more on getting their photovoltaic systems installed and starting to produce electricity. But now, customers are showing greater interest in how to use the systems, and eventually store their electricity. Those who have an electricity agreement with hourly rates can adapt their usage to the hours when electricity is cheapest. They can also charge their car or energy batteries at such times," he says.

Higher demand also brings more competitors onto the scene. Peter Andersson says that there are

many companies right now installing photovoltaic systems who have very little experience in the area.

"We put a lot of effort into showing customers how we work and the advantages of choosing an experienced company with a track record, high level of expertise and stable ownership structure. Because the pay-off and warranty periods are long, these are very important aspects for the customer to consider," he says.

Vallacom has many framework and partnering agreements with municipal companies, property owners and housing cooperatives. It also does work for private individuals, which is primarily energy storage and electric car charging.





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# Segment Sweden

*Instalco is one of Sweden's leading suppliers of technical installation services, design, maintenance and service. We currently have more than 85 companies in Sweden collaborating to provide energy-efficient, technological holistic solutions for long-term use.*

**140**

billion SEK  
market sales  
in 2022<sup>1)</sup>

**6.6**

%, Instalco's  
market share

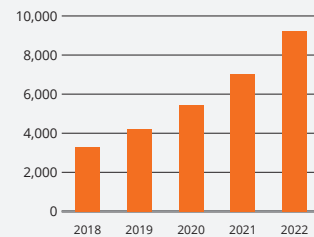
<sup>1)</sup> Source: Navet Analytics

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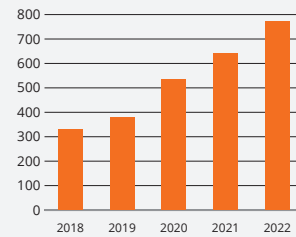
### NET SALES, SEK M

**9,220**  
**+31%**



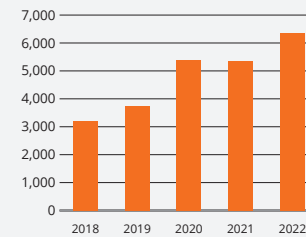
### EBITA, SEK M

**772**  
**+21%**

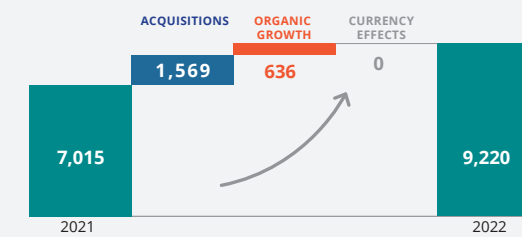


### ORDER BACKLOG, SEK M

**6,355**  
**+18%**



### REVENUE GROWTH, SEK M



### OUR LARGEST CUSTOMERS

- NCC
- Northvolt
- Peab
- Skanska
- LKAB

## PROJECT EXAMPLES

- Blomqvist Rör, Blomqvist Ventilation and Energibrunnar were contracted by Vatten och Miljöresurs in Härjedalen municipality to help develop the new treatment at Funäsdalen. The work involves installation of pipes and ventilation, along with drilling wells for heat pumps. Sustainability is an important component, in order to protect the area's sensitive and unique mountain environment.
- The Instalco company, Avent in Kalmar was contracted to participate in construction of the new Kalmarsundsverket treatment plant. They are responsible for the ventilation systems and it is a partnering project with Serneke and Kalmar Vatten.
- Ventpartner has signed an agreement with Skanska for the ventilation work in conjunction with construction of a new building for specialist psychiatry at Västervik Hospital. It is a partnering project involving Skanska and Region Kalmar. The new building will house facilities for forensic psychiatry, round-the-clock care and open adult psychiatry.
- APC Elinstallatören has signed an agreement with Region Östergötland for work that will be done at Linköping University Hospital. It pertains to electrical installations for stage two of the construction of the new building called Tinnerbäckshuset. Tinnerbäckshuset will house premises for psychiatry, addiction care, education and research.

## EXAMPLES OF ACTIVITIES DURING THE YEAR

### January

Instalco started up a new ventilation company in Stockholm, Instair AB. It offers installation and advice on air treatment systems. The company's main focus will be projects for offices, hospitals, shopping centres, schools and residences.

### April

Instalco expanded into the area of industrial scaffolding with the acquisition of Highcon AB, thereby strengthening its industrial discipline. It offers leasing and installation of scaffolding structures. The company has approximately 120 employees and serves most of Northern Sweden. It is domiciled in Härnösand.

### September

Tomas Börgesson was appointed CEO of the Instalco company, Orab Entreprenad AB in Gävle. Tomas has extensive experience from working in the industry, most recently at another Instalco company, Nordpipe Composite Engineering (NCE), where he was in charge of the Swedish operations.

### November

Highcon signed a new three-year framework agreement with LKAB to set up scaffolding needed for upcoming work at LKAB's facilities. The framework agreement enables LKAB to place regular call-off orders for scaffolding at its facilities in Gällivare, Kiruna and Svappavaara during the contract period.



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### Operations

The Swedish market is divided into four business divisions: North, Middle, South and Technical Consulting. Included in Division North is our North, Stockholm and Industrial business areas, Division Middle consists of our Middle business area and included in Division South are our South and West business areas. Each business area is coordinated by a manager who is responsible for promoting collaboration and ensuring implementation of the Instalco model at each subsidiary. The division heads and business area managers work closely with the subsidiaries to support and coach them in stimulating the business. Each subsidiary is strongly positioned in their local markets.

### Customers

Within the construction sector, design and installation services are required when building and renovating residential property, public facilities (like hospitals, schools and daycare centres and nursing homes), infrastructure, offices and other business facilities. The demand for design and installation of systems that lower the environmental impact is ever increasing, which is fuelling a new and growing market.

In the industrial sector, there is a demand for services in conjunction with such things as process electronics, industrial pipelines, industrial electricity, automation and flue gas purification in the marine sector. There is also a large demand for leasing and installing industrial scaffolding.

Instalco has a wide and varied customer base, although each individual customer typically represents only a small portion of the Instalco's revenue. The need for our services varies across customer groups, which helps stabilise the demand over a business cycle.



#### Strategic priorities in 2023

Continued growth in the Industrial area and setting up Technical Consulting at more locations

Design and implementation of installations that contribute to the green transition

### Performance in 2022

Through new acquisitions, we have expanded our offering of energy-saving installations.

During the year, we have prioritised the expansion of our Industrial business area primarily by acquiring companies specialised in installations for the industrial sector. Through acquisitions, we have also expanded into the installation of power, street lighting and traffic signals as well as leasing and installation of scaffolding and weather protection structures.

We have continued to develop the collaboration between our subsidiaries and successfully dealt with rising material prices, material shortages and purchases, primarily via IFOKUS, which is our internal programme to drive continuous improvements. We have also continued to strengthen the technical consulting area of our business, which is run through Intec. It has now been up and running for

just over two years and has established itself as a known player in the market, with its 320 employees and representation at some 25 locations in Sweden and abroad. Through an investment in our own technology consultants, we are able to reach our customers at an early stage and then work with them to find the most sustainable and energy-efficient solutions for new construction and renovation projects.

We have now established the business at several new locations, such as Alingsås, Stenungssund, Varberg, Hammarstrand, Örnköldsvik and Grums. We have also added more companies in Gothenburg, Stockholm, Kalmar, Östersund, Härnösand and Karlstad.



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## MARKET DEVELOPMENT AND COMPETITION

According to the latest report from Navet Analytics, the Swedish market for technical installation and services amounts to approximately SEK 140 billion. The largest area is for electrical installations, with it representing more than half of the total market stemming from higher level of complexity in buildings, where more time-consuming, comprehensive electrical installations are required.

In general, the market for new construction and renovation is good in both the private and public sectors. The underlying demand for the industry's services is strong and the interest and demand for energy-efficient and resource-saving installation services is increasing. The supply of installation projects in certain regions has temporarily declined somewhat, at a high level. For new production of residential property, we've noticed somewhat of a dampening effect, primarily due to uncertainty about the interest rate situation.

Construction investments in the industry remain at a high level, particularly in northern Sweden, where major investments will be made in the years ahead. For technical consulting, short-term demand is good, primarily for the industrial, ROT (a tax relief scheme for repairs, conversion, and extensions) and energy segments where significant needs exist.

In general, the market is driven by a number of long-term trends and general societal development. Technology development, digitalisation, sustainability, ageing property holdings, environmental awareness, urbanisation and a growing and ageing population are some of the biggest driving forces.

### Competition

The market is highly fragmented, consisting primarily of small companies with less than 10 employees and focus on a single area of technology. Only a few players in the Nordic region, Instalco being one of them, have the resources, expertise and size required for delivering services in several regions and within several areas of technology. Accordingly, our competition comes from just a few other big players and from small, local suppliers at each location.

### Investments in infrastructure

Swedish basic industry is on the brink of a major transition to more climate-neutral production. To achieve that, major investments are being made in the forestry, mining, steel and other industries. Sweden's power supply also needs to be updated and expanded in order to ensure good access to climate-neutral energy throughout the country. Instalco therefore assesses that the demand for our services within the industrial sector will increase and we are preparing ourselves to meet that demand.

### Investments in the green transition

The demand for energy-efficient solutions and resource-saving installation solutions is increasing in line with rising energy prices. The energy crisis in combination with the green transition act as a catalyst on the demand for energy-efficient services. Environmental awareness of clients, end customers and decision-makers is continuously rising, which is primarily evident in the form of environmentally conscientious decisions about consumption, procurement. Political decisions reflect this as well.

### Ageing property holdings

Around 25 percent of property holdings in Sweden were built in the late 1960s and early 1970s, which is typically referred to as the period of the Million Homes Programme. These buildings now require renovation and technical upgrades. For quite some time, there has been a low level of total investment in construction compared to the size of the economy in Sweden. With rising energy prices, there is an ever-increasing interest and demand for energy-efficient, resource-saving installation services in conjunction with both renovation and new construction.



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# Solar cells on the school roof an obvious choice

*The Instalco company, Einstallationer in Karlshamn was a key player in the construction of Mörrum's new school, which was completed in August 2022. In this partnering project, the company, with its vast experience, was responsible for both the design and installation of all the electrical installations.*

The customer requirements were clear: Cutting-edge, energy-efficient electrical installations including a photovoltaic system.

The project included complete installations of the lighting, data and fibre, control systems, entry systems, burglar and fire alarms, evacuation alarms, transformers and switchgear. It also included installation of a photovoltaic system and charging stations for electric vehicles. All of these aspects are in high demand in many of Instalco's assignments.

Clara Jönsson, works with system design at Einstallationer i Karlshamn and she designed many of the electrical installations at Mörrum School.

"We took on a very high level of sustainability responsibility in this project, which was very complex and quite technical. Coordinating the various workers in different professions and just the sheer number of people at the site was also a major challenge. The breadth of this project was exciting too, requiring total control during all stages, since the all parts of the building needed to be linked and cohesive," explains Clara Jönsson.

JSB was the main contractor for construction at the new Mörrum School, on behalf of the client, Karlshamn Municipality. The project also obtained Miljöbyggnad Certification, Silver level (a system set up by Sweden Green Building).

"We have a great deal of experience with these types of projects and have worked successfully with this customer before" she says.

Following the completion of this project, Einstallationer i Karlshamn was contracted for more assignments, including electrical installations at the school's sports centre, which will be completed in 2024.

### Mörrum school

Mörrum school, which was inaugurated on 17 August 2022, is focused on a sustainable, healthy work environment for both students and teachers. It can accommodate around 500 students, from grades 0-6, with a total area of 8,000 sq. m. and six linked, two-story buildings. It was designed without any hallways and much emphasis on sustainability and everything designed from the child's perspective.



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# Long-term customer relations resulted in an assignment focusing on sustainability at all levels

*When Casall, a company that offers workout clothing, decided to build a new head office in Norrköping, the Instalco company, Rörmokaren, was contracted for all of the heating & plumbing installations. There has been a clear environmental focus throughout the project, including installation of circularity showers with water recycling at the building.*

Rörmokaren i Kolmården has been working with the client, Byggrosen and its end customer, Mattssons Fastighetsutveckling, for around 35 years. Long customer relations is something that most Instalco companies have in common. In this case, it led to Rörmokaren i Kolmården winning the assignment to be a part of developing Casall's new head office, showroom and warehouse, with a total area of 5,200 sq. m.

"This is an excellent example of how a successful project can be executed together with the contractor and end customer. We are also very proud of the environmental focus in all stages of the construction, including water, heating & plumbing, cooling, geothermal heating, solar cells and charging boxes," says Kenneth Nilsson, Head of Service at Rörmokaren i Kolmården.

"A really fun aspect of this was the circularity showers we installed that purify the water and reuse it. They are like the showers used in outer space! They conserve around 90 percent of the water use and 80 percent of the energy use," he says.

When Casall decided to build a new head office, focus on sustainability and the smallest possible climate footprint were core elements of it all.

"We have put an enormous amount of effort into sustainability with this project. Choosing the right materials and an overall approach have been key. The property is able to generate more energy than it consumes. We have both geothermal heating and solar energy. We've also focused on the work environment for employees, since sustainability is so much more than just climate and environment," explains Lars Landin, CEO at Casall Pro.

The property has also obtained Miljöbyggnad certification, which is a system set up by Sweden Green Building and it uses 25 percent less energy compared to the new construction requirements issued by the Swedish National Board of Housing, Building and Planning.





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# Segment Rest of Nordic

*Rest of Nordic is the Instalco market area that consists of operations in Norway and Finland. Our goal is to expand our offering by adding more areas of technical expertise. We also want to become established in new regions. We have around 40 subsidiaries that deliver sustainable holistic solutions in close collaboration with customers.*

**80**  
billion SEK  
market sales  
in 2022<sup>1)</sup>

**3.5**  
%, Instalco's  
market share

<sup>1)</sup> Source: Navet Analytics

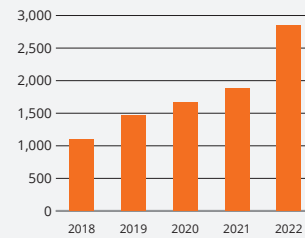


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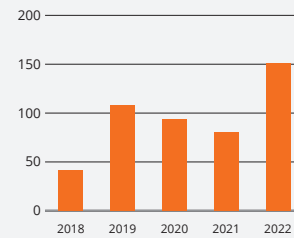
### NET SALES, SEK M

**2,844**  
+52%



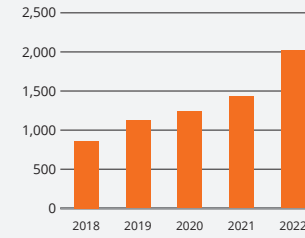
### EBITA, SEK M

**151**  
+89%

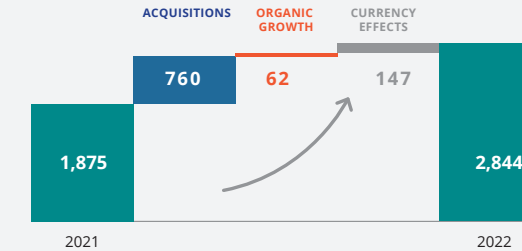


### ORDER BACKLOG, SEK M

**1,925**  
+34%



### REVENUE GROWTH, SEK M



### OUR LARGEST CUSTOMERS

- Håndverkskompaniet
- Veidekke
- Permascand
- Metsä Fibre
- Betonmast
- WK Entreprenør

## PROJECT EXAMPLES

- Moi Rør and Ventec, have been jointly contracted for installations in conjunction with the construction of a new school, Wilds Minne Skole in Kristiansand. The work involves heating, plumbing and ventilation installations, as well as fire sprinklers.
- Rørteft and Romerike Elektro have signed a joint agreement for installation of electrical, heating & plumbing and sprinkler systems. It pertains to new construction of 190 apartment units in Kløfta, north of Oslo, which has been contracted by Backe Romerike. The end client is OBOS.
- Teknisk Ventilasjon and Andersen are collaborating on the development of a new trading area called Oslo Airport City at Gardermoen Airport in Oslo. Teknisk Ventilasjon will deliver the ventilation solution at a logistics centre that will be built and Andersen og Aksnes will deliver the heating & plumbing installations at a new warehouse for special logistics.
- Voltmen has signed an agreement for electrical installations at six Tesla charging stations. The installations will occur at major highway interchanges stretching from Helsinki in the south to Lapland in the north.

## EXAMPLES OF ACTIVITIES DURING THE YEAR

### March

Intec, which offers technical consulting activities, became established in Norway. Initially, it will serve customers in the Oslo region.

### April

Instalco established its first start-up on Finland, Uudenmaan Automaatiikkahuolto Oy (UAH). It will work with property automation, with its main focus on service assignments. There are also plans of setting up a second start-up, Ravcon Oy, in Finland later in the year, which will work with service and installation of electrical, heating & plumbing and ventilation systems at properties.

### June

Instalco gains new ground in Finland via the acquisition of Kuopion LVI-Talo Oy. It works with heating, pipe and air conditioning installations in Kuopion. Instalco has previously concentrated its business to the Helsinki area, but is now expanding its geographic presence to other parts of Finland.

### November

Instalco has established itself in the area of marine and ship electronics via the acquisition of the Norwegian company, IMES AS. The company is domiciled in Tromsø, with focus on service and installations for the marine sector and fishing industry.

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### Operations

Rest of Nordic is divided into the divisions of Norway & Finland and Technical Consulting, as well as the Industrial business area, which works across both segments, Sweden and Rest of Nordic. In the Rest of Nordic segment, our subsidiaries primarily work with electrical, heating & plumbing and ventilation systems, primarily on projects in major cities. Instalco's subsidiaries are established in Oslo, Drammen, Bergen, Trondheim, Kristiansand, Lillehammer, Tromsø, Helsingfors, Uleåborg, Tammerfors, Kuopio and Jakobstad. These companies have strong positions in their local markets. Collaboration between companies occurs each day via joint, multi-disciplinary projects and by sharing both personnel and facilities.

### Customers

Instalco's customer base in Rest of Nordic consists primarily of customers in need of services associated with new construction, maintenance, renovation and industry. The customer base is broad, which means that each individual customer typically represents only a small portion of the Instalco's revenue.

Within the construction sector, design and installation services are required when building and renovating residential property, public facilities (like hospitals, schools and daycare centres and nursing homes), infrastructure, residential, offices, retail and industry. In all areas, there is a rising demand for energy efficiency.

### Performance in 2022

In Finland, we have had two division heads working in 2022 to put the prerequisites in place for more widespread collaboration between our Instalco subsidiaries there. We also set up our first two start-ups in Finland and are refining our position in the Industrial area. Instalco Academy is now up and running in Finland and its first students have completed their courses. During the year, we became established at Kuopio, Kyrö, Björneborg and Kauhajok, along with fortifying the business at Jakobstad.

In Norway, we continued pursuing our action plan to raise profitability in the business area. Collaboration between the companies has been



#### Strategic priorities in 2023

Multi-disciplinary at more locations via acquisitions

Growth in service

More support and collaboration between companies

Focus on profitability improvements

More work with sustainability

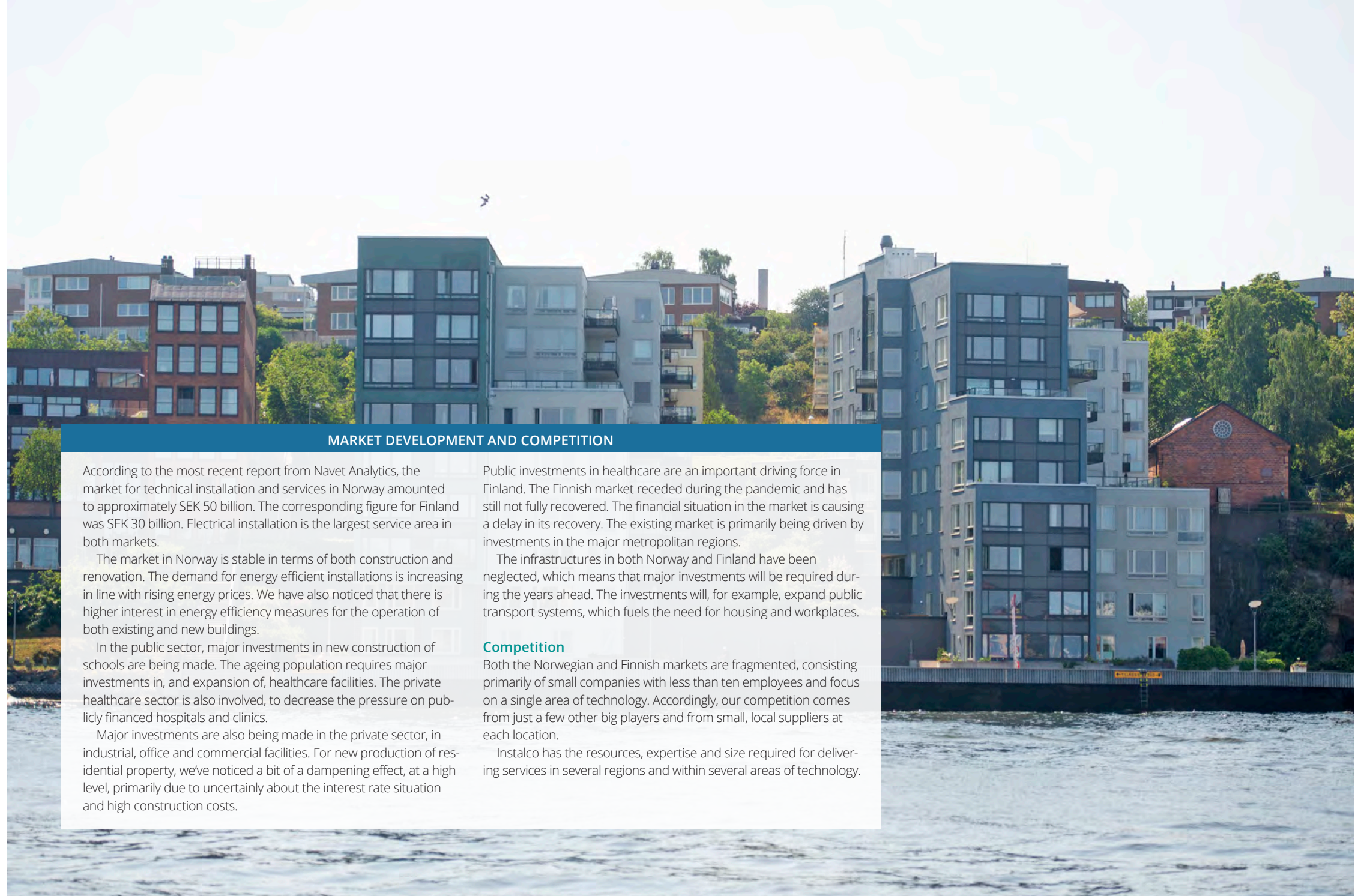
further strengthened by, for example, joint projects, sharing resources and working with IFOKUS to implement best practice. The efforts to improve profitability have continued and are showing results. We also established our technical consulting operations via Intec and have claimed a position in electrical installations for the fishing industry.

In addition, we have established ourselves at Oppdal and strengthened our presence in Tromsø and Oslo, along with becoming multi-disciplinary at Bergen and Lillehammer.



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### MARKET DEVELOPMENT AND COMPETITION

According to the most recent report from Navet Analytics, the market for technical installation and services in Norway amounted to approximately SEK 50 billion. The corresponding figure for Finland was SEK 30 billion. Electrical installation is the largest service area in both markets.

The market in Norway is stable in terms of both construction and renovation. The demand for energy efficient installations is increasing in line with rising energy prices. We have also noticed that there is higher interest in energy efficiency measures for the operation of both existing and new buildings.

In the public sector, major investments in new construction of schools are being made. The ageing population requires major investments in, and expansion of, healthcare facilities. The private healthcare sector is also involved, to decrease the pressure on publicly financed hospitals and clinics.

Major investments are also being made in the private sector, in industrial, office and commercial facilities. For new production of residential property, we've noticed a bit of a dampening effect, at a high level, primarily due to uncertainty about the interest rate situation and high construction costs.

Public investments in healthcare are an important driving force in Finland. The Finnish market receded during the pandemic and has still not fully recovered. The financial situation in the market is causing a delay in its recovery. The existing market is primarily being driven by investments in the major metropolitan regions.

The infrastructures in both Norway and Finland have been neglected, which means that major investments will be required during the years ahead. The investments will, for example, expand public transport systems, which fuels the need for housing and workplaces.

#### Competition

Both the Norwegian and Finnish markets are fragmented, consisting primarily of small companies with less than ten employees and focus on a single area of technology. Accordingly, our competition comes from just a few other big players and from small, local suppliers at each location.

Instalco has the resources, expertise and size required for delivering services in several regions and within several areas of technology.



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# High demand for efficient energy solutions

*The Finnish government is investing in energy-efficient solutions in conjunction with new property construction. Instalco's Finnish subsidiary, LVI-Urakointi Paavola is one of the first companies involved in that effort, at a major apartment building project at Pasila in Helsinki.*

It has been contracted by Evälahti Oy for comprehensive installations of geothermal, water, ventilation, automation and cooling systems. The project will be completed during spring 2023.

"In Finland, we notice an increase in investments of energy-efficient solutions. The government is giving financial support to property owners and others interested in installing such solutions. In recent years, significant advancements have been made in energy-efficient units and systems. For this project, the challenge has been associated with the advanced level of technology of the water recycling and geometric systems, along with the complexity of the automation system" explains Mikko Nokelainen, CEO of LVI-Urakointi Paavola.

Looking back on 2022, Mikko Nokelainen, is struck by the radical transformation that has occurred in Europe because of the energy crisis. And LVI-Urakointi Paavola is a company very well positioned for that.

"We've always worked with different types of energy solutions, such as ventilation systems for heat recycling, products that consume little water, energy-efficient ventilation equipment and geothermal heating systems. We are striving to have this classified as a Sustainable Instalco Project, perhaps also the first one for Instalco Finland," he says.

LVI-Urakointi Paavola offers heating, plumbing and ventilation installation services, primarily to Helsinki and the surrounding area. Some of its major projects in recent years have been with Finnair Air Cargo Center, Remeo recycling centre, Esbo shopping centre and the Gasum biogas plant.





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# Norway's first Sustainable Instalco Project

*When Kristiansand Municipality decided to invest in a new school centre, with three schools situated in the same area, it contracted Moi Rør for the heating & plumbing work. The project, Tangvall School Centre, became Norway's first Sustainable Instalco Project.*

It is a new development, consisting of three schools: Tangvall School, Kulturskolan (music school) and Søgne High School. The total area for all three is 22,000 sq. m.

Moi Rør was contracted for all of the plumbing, sprinkler, geothermal heating and cooling systems, with a total order value of NOK 54 million. It certainly wasn't an ordinary heating & plumbing assignment for Moi Rør. Already at the start, the end customer, Kristiansand Municipality and the contractor, BRG Entreprenør had established strict requirements that it should have the lowest possible climate impact.

"This was a perfect assignment for us, since we have specialist expertise in exactly this area. The most important aspects that we had to focus on were how to set up the heating and cooling system. With traditional heat pumps, there is a risk that they will leak environmentally hazardous cooling agents," explains Kåre Henning Åsly, CEO at Moi Rør.

"Our solution was to instead use heat pumps and the natural cooling agent, CO<sub>2</sub>, which collects geothermal heat from energy wells," he says.

Moi Rør got involved in the planning at an early stage, in fact, already during the architect competition a year before the actual construction got underway. This made it possible for Moi Rør to, already at an early stage, suggest systems and solutions that would meet the high energy and climate requirements for the buildings.

And, 2,500 solar panels were installed on the roof of the school buildings, with material selections that have low GHG emissions.

"It has been a very successful project, from start to finish. We have been working with the contractor, BRG Entreprenør for many years. We collaborate well together and are well acquainted with each other's expertise and what we can deliver," he says.



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# Acquisitions and start-ups

*Instalco's growth strategy is primarily based on acquisition of profitable companies with strong local ties. By belonging to Instalco, the acquired companies become part of a strong team with great opportunities for development and cooperation while retaining their identity and brand. Growth is also achieved by setting up entirely new start-up companies.*

Instalco is a niche acquirer, exclusively focused on quality companies. By giving our newly acquired subsidiaries opportunities to interact our other companies, we create synergies and collaboration between them. We enable our entrepreneurs to run their businesses in a larger context, with access to the coordination benefits that a larger Group can offer.

The CEO at each company retains the authority to continue fostering an entrepreneurial spirit and maintain a strong local presence. At the same time, companies benefit from having opportunities for cross-selling, allocation of resources and access to Instalco's functions for business development, purchasing, sustainability, accounting/finance, and training via Instalco Academy, as well as communication and marketing.

Besides working with Instalco's overall brand, we also strive to strengthen each subsidiary's own brand by, for example, offering a web platform.

## Coordination and synergies

By joining Instalco, new companies gain access to the knowledge and experience accumulated in our other subsidiaries. It opens up opportunities for reaching new customers participating in the kinds of multi-disciplinary projects that they would not have access to on their own. In many instances, several Instalco companies collaborate in the same project. We also coordinate tendering processes and resource allocation between companies. There is close collaboration among the local companies within each business area and they are supported by their Head of Division and Business Area Manager.

Our organisation has a flat structure and a highly decentralised governance model, whereby each subsidiary is responsible for its strategy, customers, employees, recruitment and results.

During the acquisition process, Instalco focuses on companies with high profitability and a very enthusiastic and committed leadership team. Acquisitions are primarily made in growth regions of Sweden, Norway and Finland, but they also occur in other regions and disciplines when companies have a strong local position and meet Instalco's other acquisition criteria.

Acquisition tips primarily come from Instalco's internal network, although we also get inquiries from companies outside the Group and

from brokers. Instalco has a well-established acquisition process, which creates security for existing companies and newly acquired ones.

Instalco fosters an entrepreneurial spirit. This is why we allow our acquired companies to keep their original name, brand, identity and culture, in other words, all of the things that made them successful in the first place. As part of the Instalco Group, they also gain access to our cumulative expertise and financial strength, which generates opportunities for growth, profitability improvement and skill development.

## Different types of acquisitions and start-ups

Strategic acquisitions involve an active decision to become established at a certain location or expand operations to new disciplines.

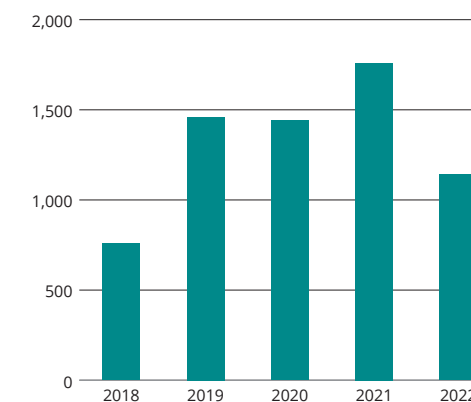
Opportunistic acquisitions are made when an opportunity to acquire a company arises spontaneously.

Complementary acquisitions are when one of our existing companies acquires a company to supplement its own operations.

A start-up is when a new company is set up together with a local entrepreneur. Start-ups occur primarily when Instalco is interested in setting up operations, but a suitable acquisition candidate does not exist.

A total of 16 acquisitions were made in 2022 with estimated annual sales of SEK 1,141 million. Our subsidiaries also made three add-on acquisitions where the combined annual sales is assessed at SEK 29 million. Besides that, we established nine new companies using our start-up modal and we made one net asset acquisition.

ACQUIRED SALES, SEK M



16  
companies acquired  
during the year

9  
company start-ups  
during the year

## ACQUISITION CRITERIA

- High profitability
- Long trend of stability and/or growth
- Strong cash flow
- Specialisation
- High percentage of repeat customers
- Commitment & decisiveness
- Clear sustainability direction
- Team player
- Interest in sharing best practice



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Instalco made the following company acquisitions during the period January – December 2022.

Access gained	Acquisition	Area of technology	Assessed annual sales, SEK m	Number of employees
<b>SWEDEN</b>				
January	TC Kraft AB and Z-Signaler AB	Electricity	50	25
April	Highcon AB	Industrial	325	120
May	Liab Instrumenteringar AB	Industrial	36	17
July	Inlands Luft AB	Ventilation	39	24
July	Keyvent AB	Ventilation	25	0
July	Melins Plåtslageri AB	Ventilation	29	11
July	Grums Rör AB	Heating & plumbing	32	14
<b>Total, Sweden</b>			<b>536</b>	<b>211</b>
<b>REST OF NORDIC</b>				
January	Manglerud Rørleggerbedrift AS	Heating & plumbing	25	14
February	Kyrön Sähkö Oy	Electricity	77	50
June	Kuopion LVI-Talo Oy	Heating & plumbing	65	30
June	Christiania AS-bolagen	Heating & plumbing	148	75
August	Grevstad & Tvedt AS	Heating & plumbing	110	70
September	URD Klima AS companies	Ventilation	48	28
November	Imes AS	Electricity	50	30
November	Dymont Installation Oy	Electricity	52	57
December	Bakke El-Installasjon AS	Electricity	30	23
<b>Total, Rest of Nordic</b>			<b>605</b>	<b>377</b>
<b>Total, Group</b>			<b>1,141</b>	<b>588</b>

### TC Kraft AB and Z-Signaler AB

TC Kraft primarily works with companies in the areas of installation high and low voltage, street lighting, hydroelectric power and electricity meter maintenance. Z-Signaler works in traffic technology sector and is specializing in traffic signal systems, street lighting, weather stations, traffic metering systems and traffic signs. Both companies have their head offices in Östersund.

### Highcon AB

The Highcon AB, with its head office in Härnösand, offers leasing and installation of scaffolding structures. It has grown to become a leader for various types of scaffolding structures. The company's main focus is on industrial scaffolding and various types of weatherproofing.

### Liab Instrumenteringar AB

Its main focus is on manufacturing and installation of automation equipment to industrial and process plants. Customers are primarily in the pharmaceutical, paper & cellulose and oil industries. The company is domiciled in Stockholm.

### Inlands Luft AB

Inlands Luft in Örnsköldsvik was founded in 2006 and it works with heating & plumbing and installation systems.

### Keyvent AB

Keyvent in Örnsköldsvik was founded in 1994 at it offers turnkey solutions for industrial heating, plumbing and ventilation systems.

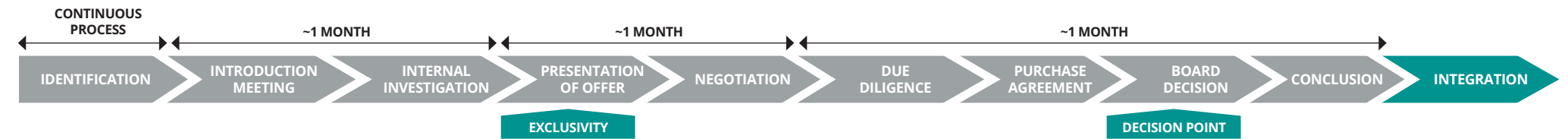
### Melins Plåtslageri AB

Melins Plåtslageri was founded in 1955 and it works with sheet metal processing and manufacturing of ventilation products. The company is domiciled in Örnsköldsvik.

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## ACQUISITION PROCESS



### Grums Rör AB

Grums Rör offers installation and service of heating & plumbing and ventilation systems. It has customers in both the private and public sector, working with both new construction and renovation of, for example, bathrooms, heat pumps and boilers.

### Manglerud Rørleggerbedrift AS

Manglerud Rørleggerbedrift AS in Oslo is specialised in pipe installations to and from properties. Its largest customers include Veidekke, Skanska, NCC, Backe and AF Gruppen.

### Kyrön Sähkö Oy

Kyrön Sähkö Oy, just outside of Åbo, is a full service company in the electricity sector, specialized in installations for the lumber and sawmill industry, as well as installations for power and heating plants. It primarily serves customers in Finland and Sweden, but also has some customers outside the Nordic region.

### Kuopion LVI-Talo Oy

Kuopion LVI-Talo offers heating, plumbing and air conditioning solutions for customers in and around the town of Kuopio, which is situated in the region of Finland called North Savo. Kuopion LVI-Talo is specialised in heating, plumbing and air conditioning projects and it primarily performs contracting and maintenance services for new production, conversion and commercial construction. The company's main customers are property owners and construction companies.

### Christiania AS-bolagen

Christiania Rørleggerbedrift AS is a heating & plumbing group that consists of five operational companies. The group offers heating & plumbing and pipe work through contracts and service activities. Its customers are construction and property companies, as well as individuals.

### Grevstad & Tvedt AS

Grevstad & Tvedt AS, situated in Bergen, serves companies and individuals in conjunction with new construction, renovation and service. They work with heating, plumbing, cooling and sprinkler systems.

### URD Klima AS companies

Urd Klima Oppdal AS and Urd Klima Service Oppdal AS in Oppdal work with ventilation, heating and cooling systems. It is focused on design and installation of heating, ventilation and cooling systems, along with service and maintenance of heat pumps, ventilation and cooling systems.

### Imes AS

The company is domiciled in Tromsø, with focus on service and installations for the marine sector and fishing industry. Imes is specialised in installation and service of electrical and technical equipment on ships and boats. It also works with the fishing industry. The company serves clients in both Norway and internationally.

### Dymont Installation Oy

Dymont Installation Oy in Kauhajoki, which is in the southern Ostrobothnia region, focuses on industrial and mechanical electrical installations and service. The company's end customers are primarily in the forest industry, as well as the timber, energy, steel and food industries.

### Bakke El-Installasjon AS

The company specialises in high and low current installations, with a wide range of services in electricity and technical equipment. Bakke El-Installasjon AS in Gjøvik, outside Lillehammer, serves customers in both the private and public sectors.





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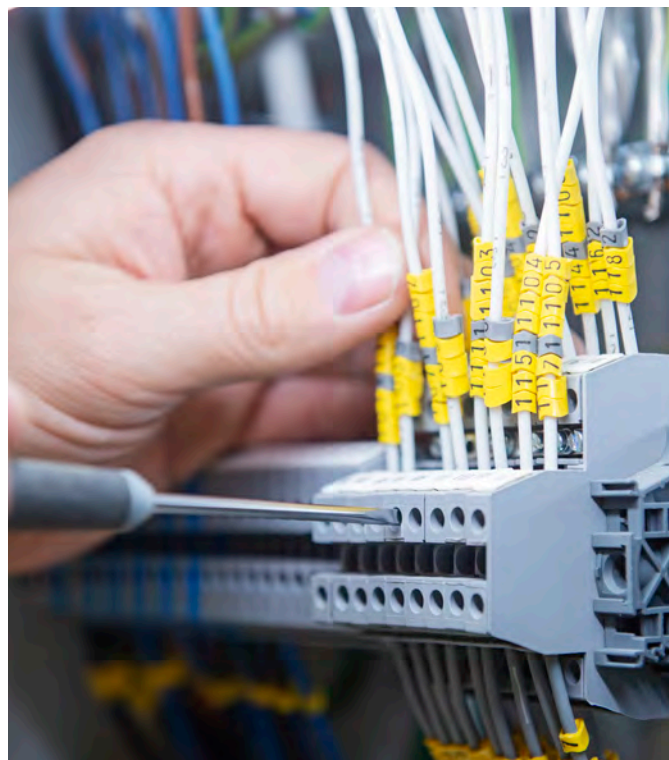
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**JOINING INSTALCO**

**Many benefits are offered as part of the Instalco Group:**

- Strong team
- Best practice, purchasing and shared business
- Local presence and support
- Skill development
- Part of a strong Nordic group
- A flat, decentralised organisation



**El-Pågarna is one of the pioneers in Instalco**

El-Pågarna is an electrical installation company in Malmö that has been doing business since the 1980s. It joined Instalco in 2015 and was thus one of the very first Instalco subsidiaries.

"It makes us somewhat of a pioneer and at the time, we never dreamed that Instalco would become so large. The entire journey has far exceeded our expectations," says Mikael Parnelöv, CEO of El-Pågarna and one of the prior owners.

At the time that the company was acquired, Mikael had been running the company together with his partner, Bo Mårtensson, for 25 years. They were wondering how to take the company further in its development.

"We had been collaborating with AB Rörläggaren for quite some time and when they joined Instalco, we started wondering if that might also be a good choice for us. Then, when I learned about Instalco's model, I really got interested. I saw the potential of synergies with other companies and the advantages of keeping our own name, policies and culture, continued to work in the same spirit as before," he says.

Eight years have now passed since El-Pågarna joined Instalco. Mikael Parnelöv is still the company's CEO and Bo Mårtensson works as a project manager. Everything has progressed in the same spirit as before.

"We've developed our company in a very good way and have gained access to much larger projects than we would have been able to participate in without Instalco. What's really great about it too, is the option to choose. We are never forced to participate in projects that aren't right for us," says Mikael.



**Inlands Luft got Instalco on the map at Örnsköldsvik**

Inlands Luft, together with Keyvent and Melin Plåtslageri is part of a group of companies doing business at Örnsköldsvik. In 2022, they joined Instalco and thereby strengthened Instalco's presence along the northern coast of Sweden.

Leif Wallrud is CEO of the group and in recent years, he had been wondering how to take the next steps into the future with his ventilation company, Inlands Luft. The answer, was to join Instalco.

"I knew right from the first meeting that Instalco really knew how to take care of its companies. It has nothing to do with micromanagement and there is a genuinely positive atmosphere throughout the entire Group," says Leif Wallrud.

"We've gained access to a network throughout Sweden and have already started working with several other Instalco companies, such as Norrtech, Rörtema and Intec. I'm extremely positive about it all, and we haven't even been a part of it all for a full year yet," he says.

Leif Wallrud is very happy about the family atmosphere and network that has given them access to many new valuable contacts.

"We've already learned so much and have started working in a more structured way in the company with many processes. We are also growing the service part of the business," he says.



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# Sustainability Report

*We specialise in electrical, heating & plumbing, ventilation and cooling systems. We offer system design, installation and service & maintenance of buildings and facilities in Sweden, Norway and Finland. Our climate-smart, sustainable installations help lower energy use.*

At Instalco, sustainability means running operations responsibly and applying a holistic approach to the economic, environmental and social aspects. We strive to, each day, contribute to a sustainable world through our local presence and by offering technical, efficient solutions in all disciplines. Providing safe, sustainable installations that help generate benefits to society is a high priority for us. We also put much emphasis on having a safe, stimulating work environment. Each day, in collaboration with customers and employees, Instalco generates benefits to society.

Each day, throughout the Nordic region, we design and install electrical, heating & plumbing, ventilation and cooling solutions at properties, industries and plants.

Our climate-smart installations lower energy and resource consumption to help future-proof society. We want to create a sustainable society by contributing what we know best. Our installations benefit schools & preschools, hospitals, nursing homes and other critical public services, helping them function optimally, every day, year round.

### Instalco's sustainability contribution

Instalco's contribution to a sustainable society involves, for example, designing and installing photovoltaic systems and more energy-efficient, environmentally-friendly heat pumps, geothermal heating systems, heat exchangers, LED lighting, charging stations and sprinkler systems. We also take part in a variety of air and water purification projects. New installations are more energy efficient and energy saving than older systems and installations.

We help the end clients of construction projects apply a holistic approach to sustainability, at all stages, providing them with more knowledge of what is possible, from an environmental perspective, when undertaking new construction or renovation.

The Group has a shared Code of Conduct, along with policies and guidelines for the environment, sustainability and work environment, along with a Code of Conduct for Suppliers, which are reviewed annually and decided by the Board of Directors. The Group CEO is ultimately responsible for ensuring that all subsidiaries act in accordance with the Group-wide policies and initiatives. The CEO of each subsidiary is responsible for implementing these policies at their company, with support from the Head of Division or Business Area Manager. All companies within the Group work proactively to reduce their negative environmental impact. In addition, each specific company is able to take its own initiative and set its own goals that benefit local society and create attractive workplaces.

### Sustainable Instalco Project

A key component of the sustainability work is our classification system, "Sustainable Instalco Project". The purpose of certification is to be able to offer our customers a guarantee that we have considered the important sustainability issues in all parts of the project's implementation. The criteria for a project obtaining classification includes questions about work safety, transports and deliveries, climate benefit, waste sorting and recycling, service via sustainability agreements and that the suppliers are expected to sign a Code of Conduct that covers certain values, like equality and anti-discrimination. The certification must be applied to projects corresponding to at least 1 percent of the subsidiaries' sales and to obtain that, at least six criteria must be fulfilled.

Certification as a Sustainable Instalco Project serves as a stamp of quality for the project, customer, the Instalco subsidiary that executed the assignment and its employees.

In 2022, we adapted the criteria for certification as a Sustainable Instalco Project for the technical consulting and industrial business areas.



## Main areas of the sustainability programme

Instalco's Sustainable Installations programme aims to raise the bar even higher for the Group's sustainability work in order to be able to deliver world-class sustainable installations. We aim to, every single day, generate benefits to society via climate-smart, energy-efficient installations that lead to lower consumption of resources and thus a more sustainable planet.

The sustainability programme has three focus areas:

### 1. Safe and modern work environment

- Vision of zero occupational injuries
- Happiness, health and safety
- Development opportunities

### 2. Sustainable installations

- Sustainable Instalco Project
- Benefits to society
- Customer satisfaction

### 3. Mature leadership

- Business ethics
- Social responsibility

*Please read more about it at [instalco.se](https://instalco.se)*



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# 1.

## Instalco's environmental efforts

All companies within Instalco are required to select materials and choose work methods that result in a lower impact on the internal and external environment. Instalco shall:

- Cooperate with customers and planners to lower the negative environmental impact
- Increase employee knowledge of the environmental aspects of our work
- Comply with laws and other environmental requirements established by the Group

Instalco is an environmentally conscious company, where all employees are responsible for giving as much consideration as possible to the environmental aspects in their everyday work. Work with environmental issues occurs in all areas of the Group's operations: from the selection of products and suppliers, via purchasing and logistic flows to the final offering with installations, operations and service. Active environmental efforts are an important success factor for Instalco's growth.

- Instalco participates in many projects where clients will seek Miljöbyggnad certification, which is a system set up by Sweden Green Building. To achieve such certification, the environmental efforts and the building's environmental performance are evaluated by a third party.
- Instalco is also often involved in BREEAM projects (BRE Environmental Assessment Method). It is the world's leading sustainability assessment method, set up and administered by Building Research Establishment (BRE). Sweden Green Building Council has adapted BREEAM to the Swedish market and prerequisites.
- We also participate in projects carried out in accordance with WELL Building Standard.
- And, we have our own certification system as well, Sustainable Instalco Project.

Instalco's core business is helping its customers reduce their energy consumption and environmental impact through resource & energy-efficient installations. The Group also strives to continually lower its environmental impact from travel, purchasing, waste management and the handling of hazardous substances. Management has assessed that Instalco's most significant environmental impact is its carbon dioxide emissions. One prioritised area is to take stock of the Group's vehicles and how they are used. The car fleet is gradually being made more efficient with the goal of lowering fuel-related carbon dioxide emissions on an annual basis. At present, we do not measure the Group's total carbon dioxide emissions. We have, however, implemented measures for lowering our carbon dioxide emissions by, for example, continuously increasing the car fleet of electric and hybrid cars, introducing delivery plans and increasing the use of transport hubs to coordinate transports to building sites. The total percentage of electric and hybrid cars in the Group is 33 percent.

### Purchasing

Because purchasing of materials and services for installations is a core part of Instalco's business, it is also important to focus on this as part of the overall sustainability effort. The core of Instalco's supplier base is suppliers that Instalco has collaborated with for many years and together, we discuss ways of developing the sustainability aspect. It covers such things as good product choices from a sustainability perspective and smarter logistics. All of Instalco's main suppliers run their own proactive sustainability efforts and it is a key issue throughout the entire value chain. Nearly all of the suppliers that Instalco has signed central contracts with have signed the Code of Conduct, which is also a requirement for being the supplier of a Sustainable Instalco Project.

Close collaboration with suppliers is the key to effectively ensuring that Instalco's companies continuously have the information needed for mak-



### Sustainable Instalco Project

In 2022, we conducted and certified 95 Sustainable Instalco Projects (see the example on page 42). In order for a project to become classified as a Sustainable Instalco Project, it must meet six specific sustainability indicators:

1. It must meet the requirements on occupational health and safety via the programme, "Safe Employee".
2. Suppliers are required to have signed the "Instalco Code of Conduct for Suppliers".
3. The project must meet the "climate smart" criteria established by Instalco.
4. It must have an established delivery plan with detailed transport and ordering procedures.
5. There must be adherence to the established routines for waste management and sorting at the source.
6. The customer must be offered a sustainability contract upon completion of the project.

ing the right product and material choices, and guiding customers and clients in that area. It's particularly important since customer requirements, at least in part, determine which products are used in installation projects. With the new EU Taxonomy Regulation, which classifies many of Instalco's relevant product groups, and the pending requirements on environmental product declarations (EPDs) for installation products, we anticipate a more rapid shift to a higher percentage of sustainable products in installation projects.

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# 2.

## Instalco's social responsibility

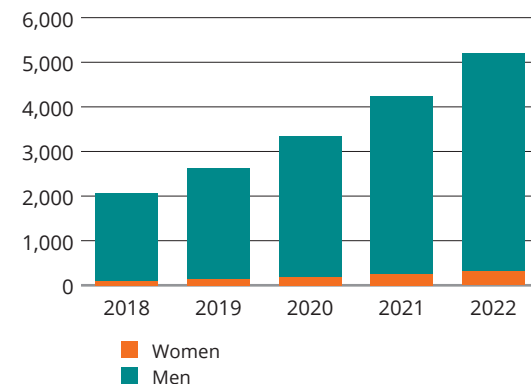
### Transports

There are significant transport flows associated with running Instalco's operations. For this reason, we work with companies that offer efficient, environmentally conscious logistics solutions. We are also lowering our environmental impact via efficient planning and execution of internal logistics. One requirement for classifying projects as Sustainable Instalco Projects is for there to be a delivery plan right from the project start, along with goals for minimising material deliveries.

### Employees

Instalco strives to be an attractive employer that offers interesting assignments, competent leaders, short decision paths and plenty of opportunities to make an impact and develop one's talent. There should be an open atmosphere that stimulates creativity and new ways of thinking that are in line with Instalco's values. Continual training is also important, along with sharing of expertise in order to promote best practice throughout the organisation.

**AVERAGE NUMBER OF EMPLOYEES**



Instalco is striving to recruit employees from a wide spectrum of society. Regardless of gender, age, ethnicity, religion or other beliefs, we shall offer the same opportunities for career and skill development to everyone.

Instalco's employees must respect and support the UN Declaration of Human Rights and comply with international agreements on child labour. We are actively striving to ensure that no employee or job applicant ever encounters discrimination. Instalco has zero tolerance for all forms of offensive behaviour, lack of respect or sexual harassment.

One of the ways that we monitor this is through the annual employee survey that is sent out to all employees of the Group. The response rate for the 2022 survey was 62 percent, of which 65 percent were assemblers and 35 percent were professionals. The results from parts of the survey are reported on page 42. The main channel for information flow within the Company is the Instalco intranet, which has 4,100 users who are employees of the Group.

Gender equality is given priority at all times, with a particular focus on it during recruitment efforts, skill development and setting salaries. Since Instalco operates in what has been a traditionally male dominated industry, we cooperate with schools, employer organisations and vocational committees to increase the percentage of women in the field. In 2022, the percentage of women working at the Group was slightly more than 6 percent. Six subsidiaries have female CEOs.

### The Instalco Club

Instalco Club is aimed at stimulating and prioritising activities that promote social interaction and the health/well-being of the Group's employees. It is a fund that exists within the company for employee-driven activities. Activities encourage and funded by Instalco Club should be initiated and executed by employees and everyone working at the subsidiary should be invited to participate. The activities may be social, cultural or physical, which is decided by the one(s) applying for resources from the fund.

**74**  
of the 81  
applications received  
were approved

### Apprenticeship programme

As a leader in the installation sector, Instalco has great social responsibility. Societal responsibility is also one of our sustainability goals and we measure it via the number of apprentices in our industry-unique apprenticeship programme.

Apprenticeship programme is an important part of Instalco's existing operations and a way of ensuring the long-term supply of talent to the organisation. Instalco strives to have close collaboration with high schools and vocational schools to ensure that students learn relevant subjects that are consistent with the latest technology, while also obtaining hands-on experience.

Our goal is to continuously have at least 200 apprentices working at the Group and in 2022, the number was 369.



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## Instalco's social responsibility

# 2.



Instalco Club is now up at running at a normal level. In 2021, its activities were hampered by the pandemic and its restrictions. In 2022, we received 81 applications, of which 74 were approved. Approximately 1,400 employees participated in Instalco Club activities during the year.

### Code of Conduct with whistleblower function

Instalco's Code of Conduct describes our shared values. It communicates the ethical values and guidelines on professional behaviour to all employees, customers, suppliers, other business partners and owners, along with providing them with guidance for carrying out their daily tasks. Areas covered include conflicts of interest, gifts, bribery, anti-corruption and entertainment. The Code of Conduct has been adopted by Instalco's Board of Directors. The Group CEO has delegated responsibility to the head of each subsidiary in order to ensure that the Code has been implemented and is being followed.

Instalco never accepts any form of discrimination. One basic requirement is that everyone complies with the applicable laws and regulations. Instalco also takes responsibility for applying the highest ethical standards and business morale in all of its business dealings and activities.

We are striving to run Instalco in a long-term, sustainable way that is consistent with our values and code of conduct. We are therefore intent on dealing with any irregularities that could seriously damage the business, our employees or others by making sure that they are identified, investigated and remedied as quickly as possible. Information about any such suspected irregularities can be submitted via our Whistleblower function. The whistleblower function is part of Instalco's preventive efforts against corruption, improprieties and wrongdoing. In 2021, we opened up an internal, digital whistleblower function managed by an external party and in 2022, it was also made available externally. In 2022, one case was reported via our whistleblower function. It was not a report having to do with violation of our Code of Conduct.



### Safe Employee

Work environment issues are an integral part of operations and the Group conscientiously and systematically strives to ensure that it offers a good physical and psychosocial work environment. The overall goal is to offer a secure, safe, healthy workplace that helps our employees and the company thrive. Instalco fosters an environment where it is natural and easy for employees and managers alike to bring up and discuss any matters related to the work environment.

Instalco shall have a good work environment that encourages cooperation and counters both bullying and harassment. Furthermore, defining characteristics of the workplace should be respect for, and understanding of, each other and our differences. We shall cooperate, care about and help each other whenever problems or crises arise.

As part of the new sustainability programme, managers are required to go through the Safe Employee introduction course with their employees at the start of each new project that is going to be certified as a Sustainable Instalco Project. Safe Employee covers the social perspective and psychosocial workplace, thereby supplementing the rules and routines for avoiding physical injury and accidents in the workplace. During the year, we made a video about the Safe Employee programme, which will be launched in 2023.

All companies belonging to the Instalco Group have collective agreements in place and they comply with national labour laws, which includes the right of association. All employees are entitled to join and participate in trade unions.

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## Instalco's social responsibility

# 2.

### Code of Conduct for Suppliers

Instalco's Code of Conduct for Suppliers provides them with clear guidelines on how they are expected to act and behave in our joint projects. The Code of Conduct for Suppliers applies to all suppliers with whom Instalco has a central contract, with no exception. At the end of 2022, all suppliers who had been asked had signed the Code of Conduct. If there is suspicion that the Code of Conduct has been violated, an investigation will be carried out.

Instalco's Code of Conduct for Suppliers is based on the UN Declaration of Human Rights, the UN Convention on the Rights of the Child, the UN Convention against Corruption, and the eight fundamental Conventions of the ILO. Instalco's operations should promote sustainable development, which is why it is so essential that our suppliers meet the requirements that the products they deliver to us have been produced under sustainable and responsible conditions. In 2022, special efforts were expended on ensuring that Instalco's suppliers are in compliance with the EU sanctions imposed on Russia and Belarus.

### Group-wide policies

Instalco has several overall policies that apply to the entire Group. The Group CEO is responsible for ensuring that there is compliance with all of the policies along with reviewing those policies each year. The CEO of each subsidiary has that same responsibility for ensuring that the company they are in charge of complies with the policies. All employees shall be informed of the policies in force and any changes that are made to them. New employees shall be informed of Instalco's policies in connection with starting their employment.

Instalco's Group-wide policies are detailed on page 62.

### Work environment

Instalco shall offer a safe, secure workplace that is healthy, promotes good health and is drug-free. Work environment issues shall be considered during ongoing and planned operations, and in conjunction with any changes that are being planned. The Group's employees are jointly responsible for ensuring that no employee is exposed to risks that could lead to serious physical or psychological injury. The Safe Employee programme clarifies that it is important to report irregularities in the work environment to the manager. We work conscientiously and systematically to achieve a good physical and psychosocial work environment.

Instalco has a vision of zero workplace accidents. In 2022, the number of reported occupational injuries was 210, which corresponds to 3.9 per cent of the total number of employees. There were no serious personal injuries or deaths in the workplace during the year. For occupational injuries, there are established routines that are followed.

### UN Global Compact

As part of the new sustainability programme, Instalco has become a signatory of the UN Global Compact, which is the world's largest corporate sustainability initiative. Signatories pledge to actively work with sustainability based on the Ten Principles of the UN Global Compact, which have been derived from international conventions.

### Håll Nollan

Instalco is a member of the building sector's zero vision for occupational injuries. It is called "Håll Nollan". As a member, we are part of the effort to improve safety at construction sites and, together with the other members, gather our existing knowledge, develop and share it with each other. It is important that we identify any knowledge gaps and fill them as regards the work environment and safety during all phases of a construction project.

Håll Nollan's vision is zero injuries at construction sites.



Instalco shall offer a stimulating work environment and opportunities for personal development. One of the ways we achieve that is through Instalco Academy, where we train future leaders and create opportunities for career growth within the Group. For example, we have the stated desire to recruit new CEOs for our subsidiaries from within the Group. It is a philosophy that also applies to project managers and leading assemblers. Another goal is to ensure that all Instalco employees have the right expertise for being able to deliver in their respective roles.

**Leading assemblers** are offered training in project collaboration, communication, leadership and contractual law.

**Project managers** are offered more comprehensive training in areas like project management, project accounting, procurement, negotiation and presentation techniques.

**Senior executives** are offered training in such areas as in-depth leadership, customer relations, sustainability, work environment and sales.

**Service managers** are offered training in behavioural change, business economics, personal development, planning, sales and added value to the customer.

**Accounting managers** are offered training in financial calculations, best practice, calculation of KPIs, income statements and balance sheets, profitability and financial concepts.

We are continuously working to develop the curriculum of Instalco Academy. In total, 382 employees participated in trainings offered via Instalco Academy in 2022.



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# 3.

## Instalco's responsibility for financial and governance issues

### Sustainable growth

Property owners of both newly constructed and older buildings are currently focusing more on investments in resource & energy efficient installations aimed at lowering operating costs and meeting the ever-increasing sustainability and energy-saving demands of the market and customers. This is why Instalco is convinced that energy-efficient and environmentally-smart services will strengthen the Group's competitiveness and fuel long-term growth.

### Quality and customer satisfaction

Instalco runs its operations in close collaboration with customers during the design and installation of future-safe, energy-efficient systems. Proposed technical solutions are reliable, energy efficient and environmentally friendly, with low life cycle costs, a high level of personal safety and high quality. Instalco has established long relationships with its customers, many of whom are repeat customers. Customer satisfaction is one of Instalco's eight sustainability indicators in the sustainability programme (page 36).

### Continual improvement efforts

IFOKUS was set up as a programme for promoting continual improvement within the Group. The programme uses several strategic tools to highlight and develop improvement areas. It also ensures that all Subsidiaries participate in the Group's development. The initiative should not, however, infringe on any subsidiary's autonomy.

The point of departure could be either existing challenges or opportunities. There are several internal forums, across various organisational functions and levels, for identifying challenges and opportunities for improvement. A strong company culture that encourages suggestions and ideas is key to continual improvement efforts. Opportunities for improvement that impact more than just one company are elevated to the business area or central level so that decisions can be made on

implementing improvements on a wider scale. A working group with the relevant expertise will be set up in such instances to plan and implement the initiative. Improvement initiatives might lead to structural changes, new working methods, training or knowledge-sharing, for example.

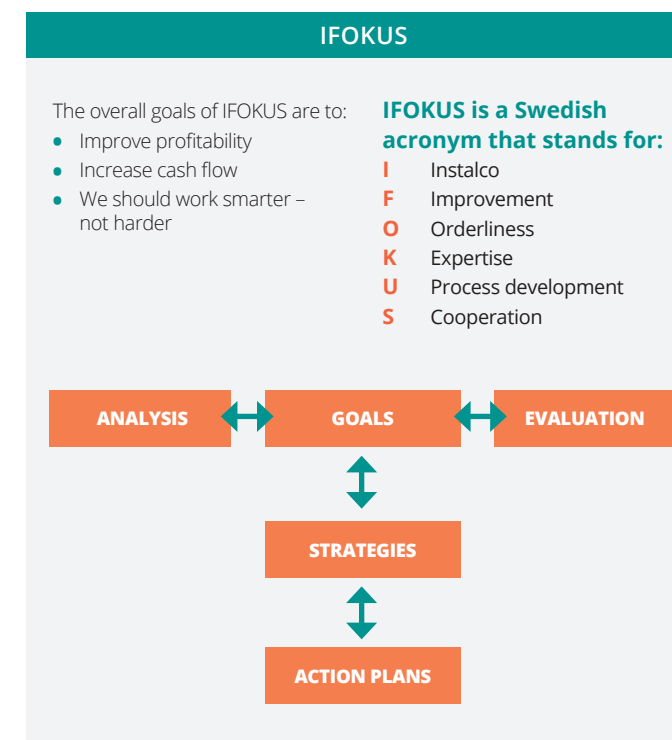
### Structure for internal meetings, follow-up and control

Instalco's routines for internal control, monitoring and evaluation are clearly regulated and described in the Policy for Internal Control. Twice per year, each subsidiary reviews its risk profile at a meeting of its Board of Directors. Each month, the subsidiary CEOs review projects with their project managers, business area managers and heads of division. Three times per year, the head of each division and business area meets with their companies to review the forecasts and each quarter, the CEO of each subsidiary must provide written confirmation that project reviews and reporting have been carried out in accordance with the instructions. The heads of division and business area managers are responsible for supporting and coaching the CEOs of the subsidiaries in their area.

Other formalised meetings at Instalco are: Group management team meetings, monthly meetings that the Group CEO has with all of the CEOs of subsidiaries, meetings for the heads of divisions and business area managers, and leadership meetings (between the CEOs of subsidiaries and the business area managers or division heads). There are also segment conferences for each area of technology and strategy meetings where the Group management team, head offices, CEOs and Deputy CEOs of all subsidiaries meet.

### COVID-19

During the pandemic, our primary focus was on the health and safety of our employees. During January and February of 2022, our absenteeism was higher than it had ever been during the entire pandemic due to the wave of illness from the Omnicron variant. At the beginning of the year, a higher than normal percentage of our staff worked from home to



care for their sick children or because the preschools and schools were closed due to the spread of infection.

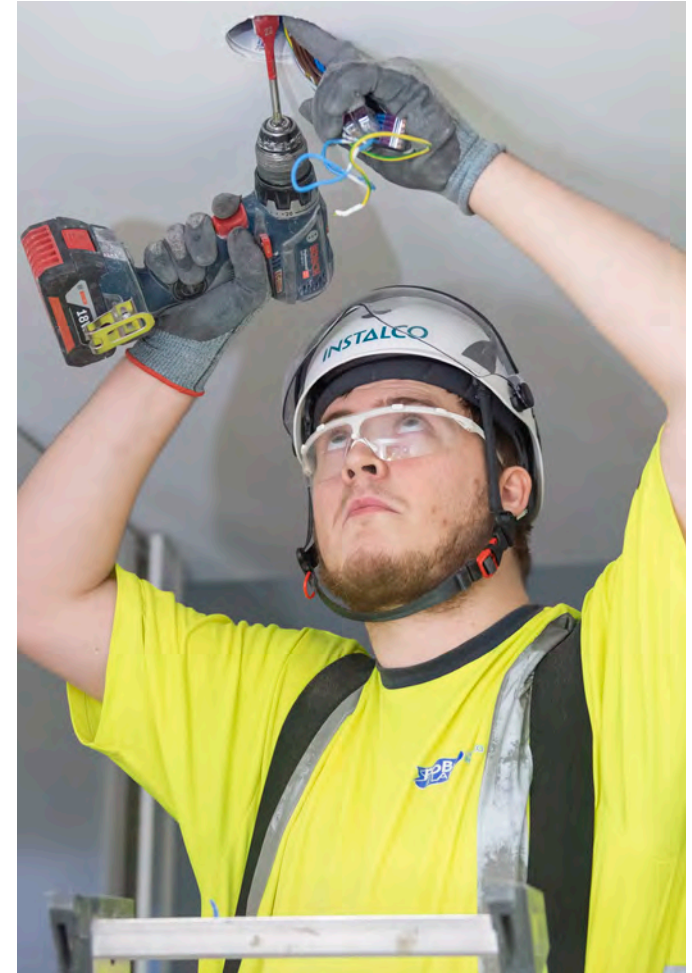
During the pandemic, we have followed the recommendations concerning COVID-19 and together with our customers, have made adaptations enabling us to run the business essentially as usual.

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- Examples of Sustainable Instalco Projects**
- Intec designed all of the installations for Kristiansborgsbadet (pool, spa, gym and water park) in Västerås. The outdated, inefficient lighting was replaced with LED lighting, a system for reuse of wastewater was introduced and the indoor climate system was replaced.
  - As part of project MS Belysning, Romerike Elektro installed charging boxes for electric and plug-in hybrid cars and LED lighting at the property. The end customer is Östlandske Bygg og Betong.
  - Sprinklerbolaget installed the complete sprinkler system at Heby Nursing Home for the customer, Veitech. The sprinkler system protects the building from total destruction by fire so that it can be salvaged, rather than needing to be totally rebuilt.
  - Klimatrör has been engaged by Vasakronan in project HGA02 to install a new office cooling system optimised for more efficient energy consumption. A new tap water system was also installed, optimally adjusted for more efficient energy consumption.
  - OTK Klimatinstallationer was contracted by Svenskt Tenn to install a new, energy-optimised ventilation system at the renovated Carl Malmsten store in Stockholm.
  - Mesab installed a BWT system on the vessel, MS Pride of Hull. The project contributes to cleaner seas and more protected ecosystems by treating ballast water on the vessel. The customer was P&O North Sea Ferries.





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## Collaboration initiative

### Universeum

*Within the scope of its Sustainability Program, Instalco will be collaborating with Universeum, which is the national science centre of Sweden, located in Gothenburg. The purpose of the collaboration is knowledge development in the area of sustainability.*

Instalco will support Universeum with its mission of strengthening Sweden's talent management and innovative abilities, along with contributing to sustainable urban development.

"One of the sub-goals of our sustainability efforts at Instalco is to generate benefits to society. We do that each day through our climate-smart, energy-efficient installations. We also do that through collaboration with various organisations focused on improv-

ing society and making it more sustainable. We want to create a better environment by contributing what we can, which is why this collaboration with Universeum is such a great fit," says Robin Boheman CEO at Instalco.

Instalco has aided Universeum in its efforts to sustainably develop Sweden in:

- talent management, competitiveness and innovation
- research, development and general education

- drive for sustainability within the scope of 17 SDGs of Agenda 2030
- The collaboration will raise the importance of sustainability from many different perspectives and contribute to knowledge development for several target groups for a sustainable societal development.

Instalco and Universeum will initially collaborate for three years.



### Svenska Bussarna



*During the year, Instalco supported Svenska Bussarna with its efforts to provide assistance to Ukraine. The project has helped many people and a country in need.*

Svenska Bussarna is a non-profit organisation where Swedish volunteers have used buses to transport equipment and necessities from Sweden to Ukraine.

Svenska Bussarna has collaborated with local aid organisations and authorities. Its activities have also been sponsored by companies and individuals. Instalco provided financial support and funded the working hours of one of its employees, who is an initiator of the project. Many within the Instalco Group also donated private funds to the effort.

"When I first heard about the project, I knew that Instalco and its employees would want to support it. We sponsored the time our employees have devoted to

this and funded one of the buses and a refrigeration truck. We also funded some of the overhead that made this great project possible. I'm so proud to have been a part of it and of our employees' willingness to help where it matters the most," says Robin Boheman, CEO of Instalco.

Besides delivering materials Svenska Bussarna and its volunteers have helped families, women and children who have fled from Ukraine to settle at safer places in Europe.

### Wayout Water

*Instalco and Wayout Water are collaborating on a sustainability project to increase access to clean water in vulnerable areas of the world.*

For many people around the world, clean drinking water is a scarce resource. Wayout Water offers turnkey micro-purification factories for local production and distribution of clean drinking water. They are distributed to vulnerable areas around the world. The collaboration makes it possible for Wayout Water to intensify its efforts with development, production and distribution of micro-purification factories to areas in the world where there is a shortage of clean drinking water.

### Swedish Society for Nature Conservation

*The Baltic Sea is the heart of future generations in Sweden. That's why Instalco is collaborating with the Swedish Society for Nature Conservation to clean up the Baltic Sea.*

The presence of pharmaceuticals in water is a global problem. Pollution from pharmaceuticals in nature can have many detrimental effects, such as inhibiting reproduction, affecting the behaviour of aquatic species and other toxic effects. To ensure a healthy aquatic ecosystem and clean drinking water, Instalco is collaborating with the Swedish Society for Nature Conservation on Sweden's vital water sources. Together, we work on water purification and reduction of pharmaceutical emissions.

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### Materiality analysis

Instalco's materiality analysis is based on engagement with stakeholders, world trends and the company's strategic priorities. The analysis serves as the basis for our sustainability work and the strategic priorities that we have set.



### Stakeholders

Instalco's operations impact, and are impacted by, a variety of stakeholders. The main stakeholder groups are customers, current employees, future employees, acquisition candidates, suppliers, subcontractors, owners, investors, analysts and the media. End-users are also impacted by Instalco's operations because they either live or work in buildings where Instalco has performed installation work. Instalco regularly engages in dialogue with its main stakeholders.

Stakeholder group	Forms of engagement	Main issues in 2022
<b>Customers</b> <ul style="list-style-type: none"> <li>• Existing customers</li> <li>• Future customers</li> </ul>	<ul style="list-style-type: none"> <li>• Sales meetings</li> <li>• Construction meetings, in-person and digital</li> <li>• Ongoing dialogue during projects</li> <li>• Evaluation meetings</li> <li>• Tenders</li> </ul>	<ul style="list-style-type: none"> <li>• Energy and environmental efficiency</li> <li>• Energy saving</li> <li>• Sustainable Instalco Project</li> <li>• Design, planning and technical solutions</li> <li>• Quality and specialisation</li> <li>• Multi-disciplinary offering</li> </ul>
<b>Other business partners</b> <ul style="list-style-type: none"> <li>• Developers</li> <li>• Collaborating contractors</li> <li>• Subcontractors</li> <li>• Suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• In-person and digital meetings</li> <li>• Ongoing dialogue during projects</li> <li>• Evaluation meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Energy optimisation</li> <li>• Prices of materials and raw materials</li> <li>• Multi-disciplinary activities</li> <li>• Work environment and safety</li> <li>• Code of Conduct for Suppliers</li> <li>• Business ethics</li> </ul>
<b>Capital market and the media</b> <ul style="list-style-type: none"> <li>• Shareholders</li> <li>• Investors</li> <li>• Analysts</li> <li>• Journalists</li> </ul>	<ul style="list-style-type: none"> <li>• Individual meetings and interviews</li> <li>• Presentations, seminars, road shows</li> <li>• Annual General Meeting</li> <li>• Press releases</li> <li>• Quarterly reports and annual report</li> <li>• Website</li> <li>• Social media</li> </ul>	<ul style="list-style-type: none"> <li>• Energy efficiency</li> <li>• Expansion of the industrial and technical consulting segments</li> <li>• Expansion in Norway and Finland</li> <li>• Sustainability programme</li> <li>• Growth strategy</li> <li>• Macroeconomic situation</li> <li>• Acquisition and new projects</li> </ul>
<b>Employees</b> <ul style="list-style-type: none"> <li>• CEOs at subsidiaries</li> <li>• Existing employees</li> <li>• Future employees</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings and conferences</li> <li>• Intranet</li> <li>• Employee survey</li> <li>• Business area meetings</li> <li>• Meetings within the disciplines</li> <li>• Instalco Academy and internal trainings</li> <li>• Performance appraisals</li> </ul>	<ul style="list-style-type: none"> <li>• Price increases for materials</li> <li>• The Instalco Club</li> <li>• Work environment and safety</li> <li>• Sustainability programme</li> <li>• Spreading best practice throughout the Group</li> <li>• Profitability-enhancing activities and IFOKUS</li> <li>• Work with the new vision and roadmap to 2027</li> </ul>
<ul style="list-style-type: none"> <li>• Acquisition candidates</li> </ul>	<ul style="list-style-type: none"> <li>• Individual meetings and discussions</li> </ul>	<ul style="list-style-type: none"> <li>• The Instalco model</li> <li>• Profitability</li> <li>• Best practice and local leadership</li> </ul>



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**UN Sustainable Development Goals (SDGs)**

The 2030 Agenda for Sustainable Development is an action plan for people, planet and prosperity. Participating countries are committed to achieving the goals in order to secure fundamental freedoms, welfare and a healthy environment for future generations. It is a concrete plan, consisting of 17 global sustainability goals which are integrated and indivisible, balancing the three dimensions of sustainable development. It acknowledges a shared responsibility for ensuring that the goals are achieved by 2030. The SDGs are used as a framework for formulating national plans, setting international agendas and establishing priorities and targets within the private sector. Instalco has determined that UN Sustainable Development Goals 5-7, 9, 11 and 17 are most material to the business.



**THE GLOBAL GOALS**  
 For Sustainable Development

**Instalco has assessed that it can make the most significant contribution to UN Sustainable Development Goals 5-7, 9, 11 and 17.**

		Examples of solutions from Instalco		Examples of solutions from Instalco	
	Instalco runs the business via value-based leadership that promotes equal rights and opportunities for all employees. We contribute to SDG 5 by ensuring that all employees, regardless of gender or ethnicity, sexual orientation or disability, have access to development opportunities, via further education, apprenticeships and similar initiatives. Our values are summarised in our Code of Conduct.	Instalco Academy is run as a company-internal school aimed at promoting individual development and training future leaders. Another purpose of the Academy is to ensure that everyone working at Instalco has the right skills and expertise for being able to deliver in their respective roles, based on our fundamental values. Instalco also runs an extensive apprenticeship programme.		Through our values and installations, we contribute to sustainable industry, innovation and infrastructure. We contribute to SDG 9 by enabling more efficient use of resources and promoting the use of environmentally friendly technologies in installations. Industrial is one of our six technology areas, where we focus on sustainable technical installations for industry.	Sustainable Instalco Project, which is the certification system developed by Instalco, offers customers incentives for choosing solutions that benefit the climate. It also serves as a role model in the industry for making environmentally friendly and long-term sustainable choices for installations. During the year, we made certain adaptations so that the certification system is more suited to our Industrial technical discipline.
	Our core business includes air and water purification, water consumption and lower energy use. Through our resource-saving installations, we contribute to United Nation's SDG 6, Clean Water & Sanitation, by making water consumption more efficient, safeguarding the water supply, improving sewage systems and more reuse/recycling.	Instalco offers technical consulting services such as system design and planning, through our subsidiary, Intec. Intec offers design and project planning to the installation sector aimed at offering customers the most sustainable and energy-efficient technical solutions.  The proposed solutions are then installed by Instalco's subsidiaries. In the area of heating & plumbing, Instalco offers installation of heat pumps and wastewater heat exchangers. In the Electrical area, Instalco offers energy optimisation via integrated building automation and solar cells, as well as installation of charging posts and charging stations for electric and hybrid cars. Within the heating & plumbing discipline, Instalco installs energy-saving cooling and ventilation systems, for example.		Each day, we install systems that purify air and water, while saving energy. Our installations contribute to SDG 11 about sustainable cities and communities. Climate-smart, sustainable installations help reduce energy use in society.	Instalco serves cities and societies in Sweden, Norway and Finland. Our subsidiaries work with renovation, new construction and service aimed at making buildings safe, resilient, energy-efficient and sustainable.
	Our core business is based on making both air and water cleaner, along with saving energy. Through our installations, we contribute to the United Nation's SDG 7, Affordable and Clean Energy, via access to electricity supply and modern energy, a higher percentage of renewable energy and Target 7.3 on higher rate of improvement in energy efficiency.			We believe that change is most easily achieved via cooperation. We therefore believe that partnerships and collaboration with other stakeholders in society (SDG 17) is the best way to contribute to the United Nation's SDGs 5, 6, 7, 9 and 11.	Instalco is a member of the building sector's zero vision for occupational injuries. It is called "Håll Nollan". We are also a signatory of the UN Global Compact. In 2022, new collaborations got underway with Universeum and Svenska Bussarna. We also continued pursuing our collaborations with the Swedish Society for Nature Conservation and Wayout Water to increase access to clean water.

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# EU Taxonomy Regulation

## EU Taxonomy Regulation

Instalco is obligated to submit a statutory sustainability report and report under the EU Taxonomy Regulation. It is a classification system for identifying sustainable economic activities, the aim of which is to help investors identify and compare sustainable investments. It is also an important tool for achieving the EU's environmental goals and goals of the Paris Agreement.

Instalco is in favour of the EU Taxonomy as a tool for harmonising industries in their sustainability reporting. It is another way of highlighting the sustainable work we carry out, and helping Instalco and its customers make better decisions about sustainability in the future.

### Sales

Instalco has reported its sales for the entire Group in accordance with the Taxonomy. Sales are reported both for activities covered by the Taxonomy and Taxonomy-eligible activities, for each activity selected. The NACE codes have been used to select the Taxonomy activities that Instalco has reported. Instalco's main activities can be linked to the NACE codes, F43 (Specialised construction activities) and M71 (Architectural and engineering activities; technical testing and analysis). For the amount pertaining to activities covered by the Taxonomy in the numerator, it includes the sales that can be classified in one of the selected activities and in the denominator the company's total sales. For the amount pertaining to Taxonomy-eligible activities in the numerator, it includes sales that meet the criteria listed for each activity selected and the denominator is the company's total sales.

### Operating expenses (Opex)

Operating expenses relevant to the Taxonomy are assets and economic activities that generate sales, and it includes all direct development costs to operate the asset that could be distinguished from the others. Salary costs for employees who perform repairs, maintenance and service on the relevant fixed assets are not included. The amount in the denominator includes the Group's total short-term leasing agreements (according to IFRS 16) as well as other materials and services in connection with operations and maintenance. The distribution of Taxonomy-relevant operating expenses (numerator) is determined based on the external sales that are generated. The relevant operating expenses have primarily been allocated in proportion the Taxonomy-relevant operating expenses. Instalco's business model is easily accessible and it does not require large-scale operating expenses to meet the EU Taxonomy Regulation. Expenditure is distributed evenly based on sales between the selected activities.

### Capital expenditure (Capex)

Capital expenditure relevant to the Taxonomy are assets and economic activities that generate sales, projects where sales are expected in the coming years or activities that limit or adapt to climate change by reducing greenhouse gas emissions. The denominator is the Group's total investments in 2022 as reported in the appendices. Instalco's investments primarily pertain to acquisitions of companies that do not fall under the scope of the Taxonomy. The relevant capital expenditure has been allocated in proportion the Taxonomy-relevant investments. Instalco's business model is easily accessible and it does not require large-scale investments to meet the EU Taxonomy Regulation. Expenditure is distributed evenly based on sales between the selected activities.

### Taxonomy compatible activities

Below is a list of the activities that Instalco included in the Taxonomy calculation, as well as a brief description of the boundaries and approach:

#### 7.3 Installation, maintenance and repair of energy efficiency equipment

For Instalco, it includes energy-efficient light sources (according to the EU standard energy-rated light sources, not luminaires or light sources integrated in luminaires), air conditioning systems (according to the EU standard energy-rated units for homes), water heating systems (according to the EU standard energy-rated water heaters and storage tanks, not peripheral equipment), kitchen and bathroom faucets. Calculations are based on sales related to the installation of individual included products. Products in the category of light sources, air conditioning systems and water heating systems that are not energy classified according to the EU standard have not been included in the data.

#### 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)

For Instalco, it includes all projects and parts of projects where charging stations for electric vehicles have been installed. Calculations are based on sales related to charging boxes and the related materials/services for these.

#### 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings

For Instalco, it includes all projects and parts of projects having to do with automation, measurement, regulation and control of energy-affecting equipment. Calculation is based on sales related to all relevant products linked to these categories.

#### 7.6 Installation, maintenance and repair of renewable energy technologies

For Instalco, it includes all projects and parts of projects involving installation of solar systems, solar panels and heat pumps. Calculations are based on sales related to all relevant products from the mentioned categories and the associated materials/services.

#### 9.3 Professional services related to energy performance of buildings

For Instalco, it includes all sales of consulting services for projects directly related to a building's energy performance (such as energy consultation, energy simulations and energy measurements). Other technical consultation with an indirect connection to the energy performance of buildings has not been included.

Interpretation of which activities are relevant for Instalco, how the guidelines on these activities should be interpreted, and how Taxonomy values should be calculated has been done through internal and joint industry working groups. Most categories have been governed by specific product choices in defined product categories (such as energy-efficient light sources), while others are more general types of installation projects (such as solar cell systems). The information per activity in the Taxonomy is not always so clear, complete or comprehensive, which leaves considerable room for interpretation. Because of this, and the fact that the Taxonomy is still evolving, the figures reported by Instalco could significantly change (upwards and downwards) in the coming years, even if the underlying business does not change. Changes in the interpretations, to more cautious and conservative levels are another reason why Instalco has a significantly lower percentage of sales covered by the Taxonomy in total for 2022 compared to what was reported for the 2021 financial year. This has happened despite the fact that the business has not significantly changed between 2021 and 2022.

	Total SEK million	Percentage of environmentally sustainable activities that are Taxonomy-eligible		Percentage of activities covered by the Taxonomy		Percentage of economic activities not covered by the Taxonomy	
		%	SEK m	%	SEK m	%	SEK m
Net sales	12,063	5.5	663	5.9	712	94.1	11,351
Operating expenses (Opex)	403	0.7	3	0.8	3.2	99.2	400
Capital expenditure (Capex)	382	2.9	11	2.9	11.1	97.1	371

The complete Taxonomy tables are provided on pages 104-106.

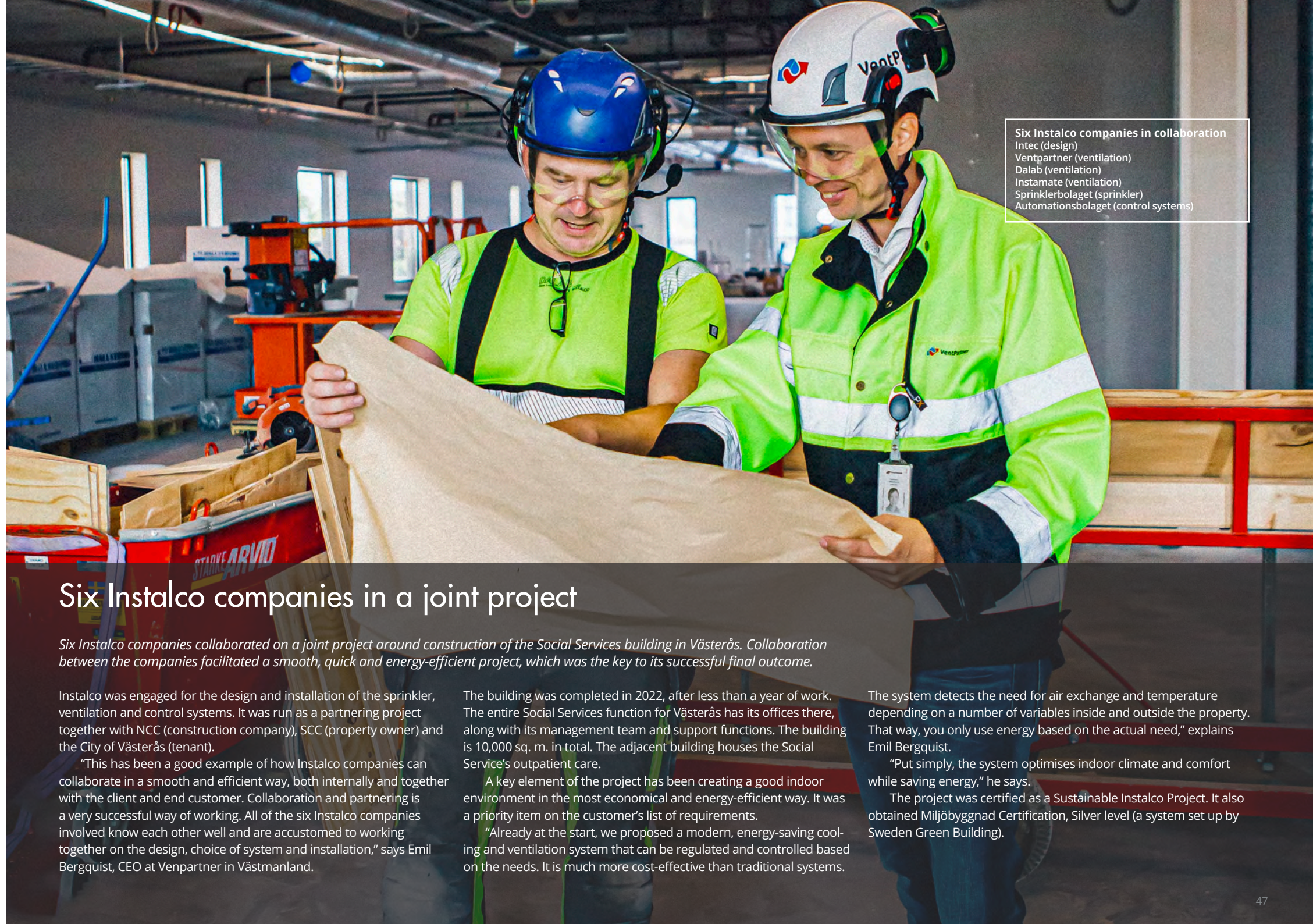


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**Six Instalco companies in collaboration**  
Intec (design)  
Ventpartner (ventilation)  
Dalab (ventilation)  
Instamate (ventilation)  
Sprinklerbolaget (sprinkler)  
Automationsbolaget (control systems)

## Six Instalco companies in a joint project

*Six Instalco companies collaborated on a joint project around construction of the Social Services building in Västerås. Collaboration between the companies facilitated a smooth, quick and energy-efficient project, which was the key to its successful final outcome.*

Instalco was engaged for the design and installation of the sprinkler, ventilation and control systems. It was run as a partnering project together with NCC (construction company), SCC (property owner) and the City of Västerås (tenant).

"This has been a good example of how Instalco companies can collaborate in a smooth and efficient way, both internally and together with the client and end customer. Collaboration and partnering is a very successful way of working. All of the six Instalco companies involved know each other well and are accustomed to working together on the design, choice of system and installation," says Emil Bergquist, CEO at Venpartner in Västmanland.

The building was completed in 2022, after less than a year of work. The entire Social Services function for Västerås has its offices there, along with its management team and support functions. The building is 10,000 sq. m. in total. The adjacent building houses the Social Service's outpatient care.

A key element of the project has been creating a good indoor environment in the most economical and energy-efficient way. It was a priority item on the customer's list of requirements.

"Already at the start, we proposed a modern, energy-saving cooling and ventilation system that can be regulated and controlled based on the needs. It is much more cost-effective than traditional systems.

The system detects the need for air exchange and temperature depending on a number of variables inside and outside the property. That way, you only use energy based on the actual need," explains Emil Bergquist.

"Put simply, the system optimises indoor climate and comfort while saving energy," he says.

The project was certified as a Sustainable Instalco Project. It also obtained Miljöbyggnad Certification, Silver level (a system set up by Sweden Green Building).



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# Risks and uncertainties

*A business is always associated with risks. Instalco's earnings and financial position, as well as its strategic position, are affected by a number of internal factors that Instalco has control over, as well as a number of external factors where the ability to impact the outcome is limited.*

## Risk management

An effective risk assessment unifies Instalco's business opportunities and earnings with the requirements of shareholders and other stakeholders on stable, long-term value growth and control. When assessing Instalco's future growth, it is thus important to, in addition to the opportunities for growth, also consider the various risks. For obvious reasons, it is not possible to describe all risk factors, which is why an overall evaluation must also include a general assessment of the surrounding world.

Instalco works with risk management at both the strategic and operational levels. Risk management involves identifying, measuring and preventing risks from arising, along with continuously making improvements to minimise the future risks. Instalco has the policies, instructions and a management system for preventing and counteracting risks. The risk level in the business is systematically monitored at Board meetings by identifying deviations or risks and taking necessary action.

## Uncertainty factors

Business risks and financial risks are the most significant risks and uncertainty factors affecting the Group. In recent years, the world economy, financial

markets and societies have been greatly affected by COVID-19. Just as the world was slowly recovering from the pandemic, uncertainty dramatically spiked with the changed geopolitical situation following Russia's invasion of Ukraine. How it all develops, with enormous suffering for people and society as well as stricter sanctions could have a major impact on the world economy. In addition, challenges in the supply chain, energy shortages, other geopolitical tensions, inflation and interest rate increases are other uncertainty factors that have also recently contributed to increased volatility in the financial markets.

Instalco does not have any direct exposure to Ukraine and Russia with either sales or purchasing. Instalco's assessment is that the indirect effects are currently limited, although disruptions in logistics chains and higher prices for raw materials where we are not able to compensate with a corresponding increase in our own prices impacts some of the Group's subsidiaries. Instalco is monitoring developments carefully but it is currently difficult to assess what future consequences the conflict could have on the economic situation in Europe. These uncertainties could have a significant negative impact on the Instalco Group's business activities and financial situation.

Business risks	Management
<p><b>Projects</b></p> <p>The business is primarily project-based. Approximately 46 percent of Instalco's projects are run as fixed-price projects, approximately 33 percent as partnering projects and the remainder is other types of collaboration and payment forms, such as service assignments. There is a risk that errors in the cost calculations for fixed projects could negatively impact the margins.</p>	<p>The Group primarily focuses on medium-sized projects, where there is less competition than the larger projects and where competitive advantages come in the form of work quality, long customer relations and short lead times, rather than price.</p> <p>For major projects or ones that are very complex, steering committees are set up. The steering committee's task is to conduct risk analyses, monitor the project, share experiences and, as required, initiate concrete action plans and allocate the right resources. Larger projects are typically run as partnering projects with a cost-plus model, to further limit the risk.</p> <p>The risk of miscalculation is limited via a clear delegation of authority.</p>
<p><b>Customers and suppliers</b></p> <p>In order to be able to deliver the Group's services, suppliers must fulfil their contractual obligations, regarding, for example, volume, quality and delivery time. Erroneous, delayed or cancelled deliveries could have a negative impact on the Group's financial position and earnings.</p> <p>Agreements with customers vary in terms of their length, guarantees and limitations on liability for damages.</p> <p>Interaction with customers or suppliers without an underlying agreement could result in legal or financial uncertainty.</p>	<p>Customer relations are typically long and they are established through the local units. The main customer groups are construction companies, real estate companies, industrial companies and public operations. Construction companies are the single largest customer group. Instalco has more than 1,000 customers and the three largest customers account for approximately 14 percent of revenue.</p> <p>Instalco has a good risk spread as regards geographic presence and customer segments.</p> <p>Supplier agreements are typically long and the Group has a central purchasing function that supports the units with their supplier agreements. It is something that boosts our competitiveness.</p>
<p><b>Attracting and retaining skilled employees</b></p> <p>Instalco's success very much depends on its ability to recruit, develop, motivate and retain skilled employees.</p>	<p>The Group's ambition is to offer a competitive overall compensation package, a workplace with interesting tasks, good leaders, short decision paths, as well as opportunities to make an impact and develop one's talent.</p> <p>Skills development is prioritised and via Instalco Academy, we are able to attract and maintain talent, along with training future leaders. The Group also has an apprentice system, as well as courses and programmes for certification and other necessary expertise.</p> <p>The Group's regular employee surveys are aimed at investigating how employees feel about their employer, work situation and what can be improved and developed.</p>
<p><b>Liability, product liability and damages</b></p> <p>Risks in the area of liability, product liability and damages are associated with Instalco's projects and customer assignments.</p>	<p>Instalco has a general insurance policy covering the core business. The insurance covers, for example, damage to the company's contracts, property damage, business interruptions, damage to third party property and product liability.</p>



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Business risks	Management
<p><b>Structural changes</b> Globalisation, digitisation and rapid technological development are driving structural change in the customer sector.</p> <p>The trends that we see in new construction projects are a rising occurrence of technical systems and applications of digital technology such as online IT systems, alarm &amp; security systems and more efficient use of energy. Accordingly, the installations themselves have become more complex.</p> <p>If the Group is unable to adapt to the structural changes, there is a risk that its financial performance weakens over time.</p>	<p>Structural changes benefit companies like Instalco, which have broad technical expertise. Our units keep up with the latest developments in their respective technology areas. Instalco strives to share the most successful concepts (best practice) throughout the Group. The Instalco model enables us to offer multidisciplinary expertise in coordinated projects covering several areas of technical expertise, which makes things easier for the client.</p> <p>Through our Technical Consulting business area, we are able to offer customers a leading supplier, integration of project planning, technical execution and service.</p>
<p><b>Cyber and information security risks</b> Cyber and information security risks are becoming a more serious operational risk and the threat of this is constantly changing. Security incidents, cyber attacks, data breaches and information leaks could have a direct impact on the business operations of the Group.</p>	<p>To ensure that the IT environments are stable and prevent incidents, Instalco is continuously evaluating the risks, performing maintenance and reviewing IT security.</p> <p>With a large number of decentralised units with local IT environments, the Group is less sensitive to cyber and information security risk.</p>
<p><b>Acquisitions and goodwill</b> In this area, the risk is that acquired companies do not live up to expectations on earnings. There are also risks associated with the acquired company's relationships with customers, suppliers and key personnel.</p> <p>If companies with significant problems are acquired, for example regarding financial earning capacity or important sustainability aspects, the Group's reputation or financial development may be jeopardised.</p> <p>There is a risk of goodwill becoming impaired if a segment underperforms in relation to the assumptions made upon valuation and impairment of goodwill could have a negative impact on the Group's financial position and earnings. Additional risks associated with acquisitions are integration risks and exposure to unknown obligations.</p>	<p>Over the years, Instalco has carried out a large number of acquisitions and has solid experience in acquiring and pricing companies. All potential acquisitions and their operations are carefully reviewed with regard to both legal, financial and sustainability aspects before the acquisition is carried out. There are well-established processes and structures for pricing and executing acquisitions, as well as integrating them into the Group. In contracts, emphasis is put on making sure that they contain certain guarantees that limit the risk of unknown obligations.</p> <p>Because Instalco has such a large number of subsidiaries, there is substantial risk diversification. Instalco has a unique model that makes it possible for the acquired companies and their entrepreneurs to run their operations in a larger context, where they can benefit from the economies of scale available to a larger Group of affiliated companies. The CEO of each company retains a great deal of autonomy as regards management of projects, employees and customers.</p> <p>Acquired companies maintain their entrepreneurial spirit and identity, while benefiting from having a central organisation, shared purchasing agreements, cross-selling, sharing of resources, spreading of best practice and access to Instalco's business development function. Being a part of Instalco also means that the new unit can develop and participate in the kinds of multi-disciplinary projects that they would not have been able to execute on their own.</p>

Market risks, macroeconomics and geopolitical instability	Management
<p><b>Macroeconomy and business cycle</b> Fluctuations in the economy, inflation, interest rates, changes in demand for new residential/office construction as well as investments from industry and public activities affect the installation industry.</p> <p>Disruptions in logistics chains and higher prices for raw material that cannot be compensated by own price increases could affect the Group.</p> <p>Political decisions and instability affect the ability and propensity of existing and potential customers to invest.</p> <p>Demand for installation services is also affected by macroeconomic factors, outbreaks of pandemics and Russia's invasion of Ukraine, which are beyond the Group's control.</p>	<p>Instalco does business in the Nordic countries and it has a decentralised structure. Instalco's subsidiaries are focused on a wide variety of niche markets and there are opportunities for upselling of technical service, support and consumables. Because of that, the Group is less sensitive to economic fluctuations in specific industries or geographical areas. The business model limits the aggregated business and financial risks.</p> <p>The market for technical installations and services is, in relation to the construction market, relatively less affected by the general economy. A large portion of revenue comes from repeat assignments and larger companies typically are not so dependent on individual customers or contracts. Contracts for installation services are usually entered into early in the development phase of a project, which makes it possible to get a good overview and plan operations well in advance.</p> <p>Instalco is carefully monitoring events that could have negative consequences via macroeconomic and political factors that impact the market and economic situation. Instalco works continuously with continuity planning for the business based on the potential consequences of various scenarios.</p> <p>By continuously acquiring companies in new niche markets, the Group can reduce market risks and better counter economic fluctuations.</p> <p>Instalco does not have any direct exposure to Ukraine and Russia with either sales or purchasing. Instalco's assessment is that the indirect effects are currently limited, although disruptions in logistics chains and higher prices for raw materials where we are not able to compensate with a corresponding increase in our own prices impacts some of units within the Group. Instalco is monitoring developments carefully but it is currently difficult to assess what future consequences the conflict could have on the economic situation in Europe.</p>
<p><b>Competitors</b> Most of the Group's units are active in industries that are exposed to competition. Consolidation in the industry could also put pressure on prices. Future competitive opportunities depend on the ability to be at the forefront and act quickly on new market needs. Increased competition, a reduced ability to meet new market needs or component shortages and long lead times could have a negative impact on the Group's financial position and earnings.</p>	<p>Instalco offers project planning and design, technical installation services, service and maintenance of buildings and facilities in Sweden, Norway and Finland, providing complete electrical, heating &amp; plumbing, ventilation, cooling, industrial and technical consulting. The Group primarily focuses on medium-sized projects, where there is less competition than the larger projects and where competitive advantages come in the form of work quality, long customer relations and short lead times, rather than price.</p> <p>By working closely with customers and in partnership, we continuously develop our know-how and competitiveness. In order to reduce the competitive risk, the Group works continuously to ensure that cooperation with our units is the most profitable sales strategy.</p>

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Financial risks	Management
<p><b>Liquidity risk</b> Liquidity risk is the risk of not being able to fully meet the company's payment obligations or only being able to do so on significantly disadvantageous terms due to a lack of liquid funds.</p>	<p>The Parent Company has central responsibility for the Group's financial transactions and risks and it follows the Financial Policy established by the Board. Ensuring payment readiness must be through agreed credit commitments. Excess liquidity is primarily used to repay outstanding loans.</p>
<p><b>Financing risk</b> Financing risk is the risk that financing of the Group's capital needs and refinancing of outstanding loans will become more difficult or expensive.</p>	<p>Financing consists of long-term credit agreements that ensure financing of the business. In order to limit refinancing risk, negotiations of long-term credit commitments must be initiated no later than nine months prior to when the credit commitment falls due. Instalco's goal over time is for net debt in relation to EBITDA not to exceed 2.5 times. A well-balanced net debt/EBITDA indicates the ability to make new acquisitions primarily with own funds.</p>
<p><b>Interest rate risk</b> Interest rate risk is the risk of changes in market interest rates that impact the Group's net interest income/expense and cash flow.</p>	<p>Instalco is primarily exposed to interest rate risk in its debt portfolio. The debt portfolio consists of bank overdraft and outstanding external loans. Financing is long term and the interest is linked to reference rates that reflect the confidence between the banks.</p>
<p><b>Currency risk</b> Currency risk is the risk that changes in currency rates will have a negative impact on the income statement, balance sheet and cash flow.</p>	<p>Instalco's policy is that it does not engage in hedging as a way of lowering its currency exposure. Financing occurs in SEK, NOK and EUR.</p>
<p><b>Credit and counterparty risk</b> Credit risk is the risk that the counterparty in a transaction does not fulfil their financial obligations and that any collateral that has been provided does not cover the Company's claim.</p>	<p>Credit checks are run on all new major customers. For installation projects, Instalco offers payment plans.</p>

Sustainability risks	Management
<p><b>Sustainable services</b> Sustainable installation services are in increasingly high demand by property owners and clients. It is an important component of Instalco's competitiveness.</p>	<p>Instalco's quality policy states that the company's proposed solutions must be highly reliable, resource &amp; energy efficient and environmentally friendly. In cooperation with the property developer and other contractors, Instalco engages in project planning and installs future-proof, energy-efficient systems in all types of buildings, which helps lower the climate impact.</p>
<p><b>Compliance</b> The installation sector is subject to extensive regulations and it is of utmost importance to Instalco's reputation in the market that the work is carried out in accordance with applicable laws and best practices.</p>	<p>One basic requirement is that all Instalco employees comply with the applicable environmental legislation, competition rules, labour law, tax legislation, safety requirements and other provisions that set the framework for the business. Besides compliance with laws and regulations, Instalco is responsible for ensuring that all of its employees act in accordance with the company's high standards of good business ethics. This is described in the Instalco Code of Conduct. The whistleblower function has been set up to deal with deviations from the Code of Conduct.</p>
<p><b>Health and safety</b> A high level of safety in the workplace is of the utmost importance so that Instalco's employees are able to carry out their assigned tasks without the risk of injury or accidents.</p>	<p>Instalco's goal is to ensure that none of its employees are exposed to risks that could cause physical or psychological injury. Preventive measures are continually being implemented to ensure that no employees are exposed to risks in their work environment. Technical equipment including work protection is designed based on the requirements of each employee.</p>
<p><b>Work conditions</b> Instalco's companies must comply with current labour laws and offer attractive workplaces to ensure employee well-being as well as Instalco's reputation in the market.</p>	<p>Work environment issues are an integral part of Instalco's operations. The company provides a stimulating work environment that promotes skill development based on the needs of the organisation. Managers have primary responsibility for creating a good work environment.</p>
<p><b>Corruption</b> Instalco shall win assignments having complied with the applicable procurement regulations and based on sound business ethics.</p>	<p>Instalco's Code of Conduct stipulates that the company's employees must never, directly or indirectly, offer, give or accept gifts, benefits or other forms of compensation for unauthorised purposes. Furthermore, Instalco's employees must follow the business code established by the Swedish Anti-Corruption Institute, which supplements Swedish legislation. Subsidiaries are required to sign the Code of Conduct each year.</p>
<p><b>Suppliers and subcontractors</b> Instalco requires its suppliers and subcontractors to comply with the Instalco Code of Conduct and other applicable legislation.</p>	<p>In conjunction with the supplier evaluation, Instalco's suppliers and subcontractors must themselves have a code of conduct that has been accepted by Instalco. Alternatively, they must accept the principles contained in Instalco's Code of Conduct. A supplier who violates the Code risks a termination of the business relationship with Instalco. Instalco also has a special Code of Conduct for Suppliers and they are required to sign it in order for a project to be certified as a Sustainable Instalco Project.</p>
<p><b>Climate and environment</b> Changes in the climate and environment from global working could involve risks and negatively impact Instalco. Physical risks include such things as flooding from extreme weather and natural disasters. Economic risks include such things as lack of resources, changed environmental legislation and taxes as well as increased prices for materials and energy.</p>	<p>Instalco runs operations and services that have a limited direct environmental impact, except for the Group's need of transports. Awareness of employees, customers and suppliers is increasing and we are working to meet the growing requirements and expectations on responsible and sustainable solutions. Our assessment is that changes in the climate and environment do not pose a threat in the short term, but could over the long term.</p>



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## Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Instalco AB (publ), corporate identity number 559015-8944

### Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2022 on pages 6, 8, 36–46, 50, 104–106 and that it has been prepared in accordance with the Annual Accounts Act.

### The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

### Opinion

A statutory sustainability report has been prepared.

Stockholm, date of digital signature  
Grant Thornton Sweden AB

### Camilla Nilsson

Authorized Public Accountant

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# Share information<sup>1)</sup>

Instalco AB is listed on Nasdaq Stockholm Large Cap under the ticker INSTAL.

## Share capital

Share capital at the end of the year amounted to SEK 0.8 (0.8) million allocated across a total of 260,564,020 (260,564,020) shares with a quotient value of SEK 0.003 per share. All shares belong to the same class, with equal voting right and share in the company's equity and profits.

## Repurchase of own shares and new issues

Since 2019, the Board has requested and received a mandate from the AGM to acquire and buy back own shares, provided that the own holding does not exceed 5 percent of the total number of shares in the Parent Company. In 2022, there was no acquisition and repurchase of own shares. At the end of the period, holdings of own shares totalled 310,545 (310,545).

Since 2018, the Board has requested and received a mandate from the AGM to decide on issue authorisation. There were no new share issues in 2022.

## Outstanding share-related incentive programmes

Instalco has two outstanding warrants scheme corresponding to a total of 7,546,280 shares that are directed at the expanded Group management team, CEOs of subsidiaries and other key individuals of the Group. Conditions for subscription price per share in both programmes correspond to 115 percent of the volume-weighted average price during the period of five trading days after each AGM. For more information on the programme, please see Note 5.

Outstanding programme	Number of options	Corresponding number of shares	Percentage of total shares	Price per option per option	Redemption rate per option	Redemption rate per share	Redemption period
2020/2023	989,256	4,946,280	2.00%	SEK 24.56	SEK 157.78	SEK 31.56	22 May 2023 - 16 June 2023
2022/2025	2,600,000	2,600,000	1.00%	SEK 7.80	SEK 50.92	SEK 50.92	22 May 2025 - 16 June 2025

## Shareholders

At the end of the year, Instalco has 14,879 (14,606) known shareholders. The company's ten largest shareholder accounted for 58.16 percent (52.7) of the share capital and votes. Owners based in Sweden accounted for 57.1 percent (50.9) of the capital.

## Dividend policy and dividends

The company's dividend policy is to distribute 30 percent of profit after tax as dividends.

The Board of Directors has decided to propose to the AGM in May 2023 a dividend of SEK 0.66 (0.65) per share. The dividend corresponds to approximately SEK 172 (169) million and a dividend share of approximately 30 percent (30).

## Share split of 5:1

In order to increase liquidity for our growing shareholder base, Instalco's Board of Directors decided on a 5:1 split at the EGM on 13 January 2022. The EGM approved the proposal, which is why each share was divided into five new shares. In conjunction with the split, the ISN code was changed to SE0017483506.

## Share price development and sales

The closing rate on 31 December 2022 was SEK 39.63 (86.88), corresponding to a market cap of approximately SEK 10.3 (22.6) billion. In total, 132.7 (146.6) million shares were traded in 2022, corresponding to a value of SEK 7.4 (10.7) billion. The average number of shares traded per trading day was 524,612 (579,385) Instalco's

Instalco's ten largest shareholders, 2022-12-31	Number of shares	Share of capital and votes, %
Per Sjöstrand	26,901,860	10.32
Swedbank Robur Fonder	24,799,827	9.52
Capital Group	22,030,970	8.46
AMF Pension & Fonder	16,555,164	6.35
Odin Fonder	11,755,515	4.51
SEB Fonder	11,000,294	4.22
Wipunen Varainhallinta	10,430,000	4.00
Heikintorppa	10,340,000	3.97
Handelsbanken Fonder	9,701,602	3.72
Vanguard	8,051,329	3.09
<b>Total, 10 largest shareholders</b>	<b>151,566,561</b>	<b>58.16%</b>

Data compiled by Monitor. Sources: Euroclear, Morningstar, FI, Nasdaq and Millistream.

Size categories (number of shares), 2022-12-31	Number of known shareholders	Holding, %
2,568,558	1.0	2.3
4,425,225	1.7	2.4
8,740,800	3.4	8.2
26,420,587	10.1	15.9
70,975,531	27.2	7.4
135,153,000	51.9	59.5
12,280,319	4.7	4.3
<b>260,564,020</b>	<b>100.0</b>	<b>100.0</b>

Data compiled by Monitor. Sources: Euroclear, Morningstar, FI, Nasdaq and Millistream.

1) All comparison figures on share information have been restated to reflect the 5:1 share split that was carried out in January 2022.



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share price fell by SEK 47.25 during the year, corresponding to a decrease of 54.4 percent (last year, an increase of 73.1 percent). Nasdaq's OMXSPI (the OMX Stockholm All Share Index) fell 25 (+35) percent in 2022.

### Investor Relations, IR

During the year, Instalco worked proactively with its relationships with existing and potential shareholders. These efforts were pursued in various types of investor meetings, investor conferences, seminars, presentations and events, as well as vial information in the IR section of the website at instalco.se.

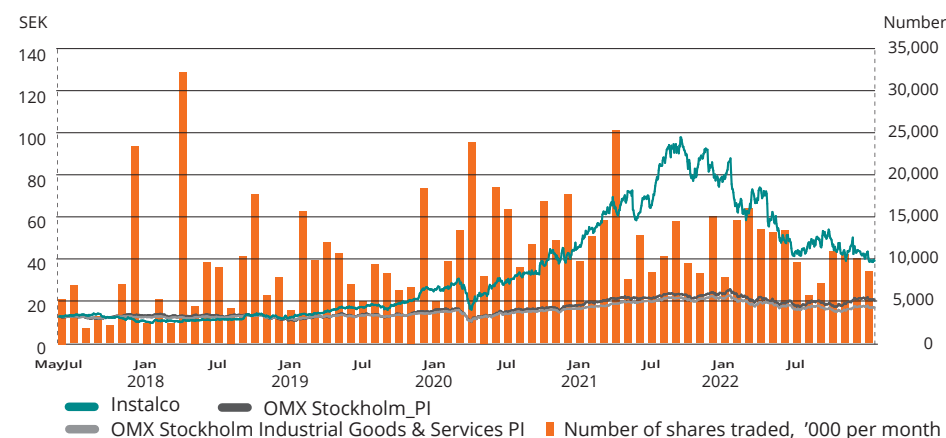
### Financial analysts

The following financial analysts follow and regularly publish financial analyses about Instalco.

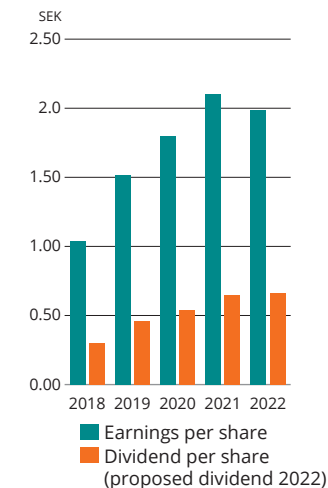
- SEB
- Carnegie Investment Bank
- Nordea Bank
- Erik Penser Bank
- ABG Sundal Collier
- DNB Markets

Data per share	2022	2021
Share price as of 31 December, SEK	39.63	86.88
Market capitalisation as of 31 December, MSEK	10,326	22,599
Dividend, SEK	0.66	0.65
Profit/loss (attributable to Parent Company shareholders), SEK	1.99	2.10
Equity, SEK	12.1	9.6
Cash flow from operating activities, SEK	2.7	2.3
Average number of shares, before dilution, (thousands)	260,564	260,113
Average number of shares, after dilution, (thousands)	265,510	265,060
Earnings per share before dilution, SEK	1.99	2.10
Earnings per share after dilution, SEK	1.96	2.06
Number of shareholders as of 31 December	14,879	14,606
Outstanding number of shares as of 31 December (thousands)	260,253	260,253
Highest price paid during the year, SEK	88.84	98.64
Lowest price paid during the year, SEK	38.28	50.60

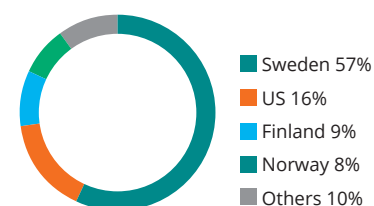
### SHARE PRICE DEVELOPMENT 2017-05-11- 2022-12-31



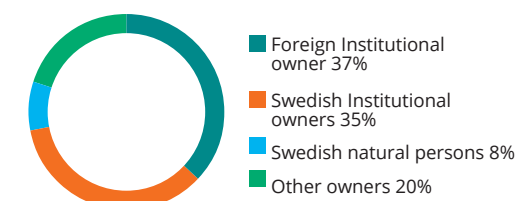
### EARNINGS AND DIVIDEND PER SHARE



### OWNERSHIP PER COUNTRY



### OWNERSHIP PER CATEGORY



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# Instalco's FAQs

## How does Instalco contribute to the green transition?

Our climate-smart installations lower energy and resource consumption to help future-proof society. Every day, we install photovoltaic systems and more energy-efficient, environmentally-friendly heat pumps, geothermal heating systems, heat exchangers, LED lighting, charging stations and sprinkler systems. We also take part in a variety of air and water purification projects. We help the end clients of construction projects apply a holistic approach to sustainability, at all stages, providing them with more knowledge of what is possible, from an environmental perspective, when undertaking new construction or renovation.

## What are your thoughts on the state of the economy, market and demand?

We can see that there is a strong demand for our installation services and overall, investment willingness is at a high level. There is a strong underlying demand for our services and there is a growing interest and demand for energy-efficient and resource-saving installation services. In general, the market for new construction, renovation and energy-efficiency measures is good in both the private and public sectors. The supply of installation projects in certain regions has temporarily declined somewhat, from a high level. For new production of residential property, we've noticed somewhat of a dampening effect, primarily due to uncertainty about the interest rate situation. Construction investments in the industry remain at a high level, particularly in northern Sweden, where major investments will be made in the years ahead.

## What type of exposure to you have to various types of assignments and end customers?

Instalco has a diversified product and service portfolio in the design and implementation of various types of technical installations. Instalco's customer group is primarily construction companies and property owners in the private and public sectors. Most end customers are in the education and healthcare sectors, commercial property, offices and industry. Around 40 percent of our assignments are renovation, nearly 37 percent is new productions and just over 23 percent is service.

## What are the biggest reasons why an entrepreneur sells their company to Instalco?

As part of the Instalco Group, the seller gains opportunities for developing their company and taking it to the next level, working together with our other subsidiaries as part of a strong team. Instalco fosters an entrepreneurial spirit in the companies it acquires, allowing them to carry on as usual, yet with access to Instalco's cumulative expertise and financial strength. The acquired companies keep their name, identity and culture. When new companies are added to the Instalco Group, it creates both synergies and opportunities for collaboration.

## How does the decentralised Instalco model work?

Instalco has a flat organisational structure and a highly decentralised governance model, whereby each subsidiary is responsible for its marketing plan, customers, employees, recruitment and results. The CEO at each subsidiary retains the authority to continue fostering an entrepreneurial spirit and maintain a strong local presence. At the same time, companies benefit from having opportunities for cross-selling, allocation of resources and access to Instalco's business development, marketing, communications/PR, purchasing, sustainability and accounting/finance functions. Instalco is divided into divisions and business areas, where the local subsidiaries closely collaborate in their respective areas.

## How do you create synergies between the subsidiaries?

At Instalco, we work quite a lot with Best Practice. It involves sharing the best ideas, working methods and solutions of our subsidiaries with each company in the Group, thereby growing the knowledge base. We coordinate business between companies and create both cross-selling and collaboration opportunities, where subsidiaries gain access to customers and projects that they wouldn't have had access to on their own. In many instances, several Instalco companies collaborate in the same project. We also coordinate tendering processes and resource allocation between companies. Instalco subsidiaries may also gain cost advantages by making their purchases on terms that apply in our centrally negotiated supplier agreements.

## What types of companies is Instalco interested in acquiring?

Instalco has a well-established, standardised acquisition process, which offers security to the existing companies in the Group and the new companies that join us. In their local markets, Instalco subsidiaries are leaders in one or more disciplines or a particular method. Attractive acquisition candidates are also financially stable, have a high level of customer satisfaction, mature leadership and, not least, make a nice fit with the Instalco family by being a team player. During the acquisition process and selection of companies, we prioritise those that have a clear sustainability profile.

## What type of contract terms and payment options do you have?

We are typically engaged either for single assignments or as general contractor. For the latter, we also design systems and offer project planning and as part of that, we propose technical solutions. Payment is typically for a fixed price on the total contract. Or, we receive reimbursement for expenses incurred, which is typically how it works for partnering arrangements. Partnering is becoming more common and for this type of arrangement, the customer has insight into the entire cost process and we secure our compensation. All of our larger projects are in the form of partnering. Around 46 percent of our assignments are at a fixed price, around 32 percent are partnering projects and around 22 percent are other forms of agreement.

## Have you considered growing the business outside the Nordic region?

Instalco is now established in Sweden, Norway and Finland. Our assessment is that there is still high growth potential via acquisitions throughout the Nordic region. Our focus right now is on expanding in Norway and Finland, and growing the industrial area of the business. We still have many geographic areas that are "white spots" on the map of the Nordic region, where we want to become established. We also aim to be multidisciplinary at many locations. One of the possible avenues for future growth would be expansion into new geographic areas.



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# Apartment project with focus on low energy consumption

*In 2022, the Instalco company, Tofta Plåt och Ventilation, worked with the apartment project, Nya Kvibergshuset, which was nominated for the Årets Bygge Award (Construction of the Year). Low energy consumption was a clear focus throughout the entire project.*

The construction project at Beväringsgatan in Gothenburg, which was concluded during fall 2022, has 250 newly built apartments, four small store premises and a two-story parking garage constructed by Tuve Bygg. The Årets Bygge Award is run by the magazine, Byggindustrin and they evaluate the nominees on five criteria: work environment, sustainability, time/quality/budget, technology/innovation and collaboration.

"We were responsible for the ventilation, both design and installation, along with the control system. Energy efficiency and sustainability were key aspects, which basically applies to all our projects," explains Richard Gustafsson, CEO of Tofta Plåt och Ventilation.

He also explains that for residential property, where the ventilation system is running 24/7, low energy consumption is extra important, particularly for the unit and fans.

"For this project, there was a clear focus on energy saving right from the start. For example, the customer required that the ventilation system should have the lowest possible energy consumption. With the air flow in the building today, it corresponds to a savings of just over 50,000 kWh per year. Given today's electricity prices, the customer is very happy that they made the investment," he says.

Richard Gustafsson notices with each day that passes an increased interest in these types of energy-saving installations that Tofta Plåt och Ventilation offers.

"Customers are putting increasingly higher requirements on us, as the supplier, to propose more and more energy-efficient solutions. We are spending increasingly more time calculating lifecycle costs and pay-off times these days than what we did in the past," he says.

"The challenge with this project was adequate space. We had a very small space to set up our unit and channels, which required a lot of coordination both at the drawing table and out at the work site. Over the last six years, we've collaborated closely with Tuve Bygg, which facilitated implementation of the project. They know they can trust us and that we deliver the right expertise at the right price."



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# Corporate governance report



**Instalco's new vision is inspiring, clear and challenging. It's meant to be a guiding star for all of us as we set our sights on the future together with our companies, employees and customers.**

## Comment from the Chairman

The stability and continuity of Instalco's growth and earnings over the years is impressive, particularly in light of the major challenges of late. It demonstrates the strength of the organisation and its business model.

Now, the installation market is facing new challenges with inflation, recession and less activity in the construction industry. With this new macroeconomic situation, the rate of new property construction will slow down, particularly for residential property, which is primarily attributable to rising interest rates and material prices. Instalco's exposure to new production and residential properties is low.

The decentralised organisation offers us the flexibility we need in challenging times and the agility for continuing to develop the business by quickly reprioritising. I am convinced that we will continue succeeding in this way. We continue growing the service side of the business, where there is much ambition for branching into new areas like we have already done with our technical consulting operations and the move into industrial scaffolding.

### Inspiring vision

Instalco's new vision is inspiring, clear and challenging. It's meant to be a guiding star for all of us as we set our sights on the future together with our companies, employees and customers. We believe that higher efficiency will facilitate growth, profitability and the ability to deliver societal benefits to our customers.

### Comprehensive expertise on the Board of Directors

In 2022, Olle Ehrén left Instalco's Board of Directors. He had served on the Board since Instalco was established in 2014 and his vast experience was essential to making the company what it is today. Over the years, the Board has become a cohesive team with comprehensive expertise, working together since the IPO in 2017. Each Director is well-informed, efficient, critical and strategic, providing a good sounding board for management.

During 2022, the Board has addressed both strategic and risk management issues, as well as other matters having to do with acquisitions and the interim reports. The Audit Committee, which consists of three individuals who are very competent and experienced in accounting and finance matters, has assisted the Board extremely well.

### Mutual respect

Sustainability and ESG are high priority stakeholder issues, which is something I fully support. It's what our planet needs and Instalco's energy-efficient, resource-saving solutions can really make a difference. What we offer can impact the climate and environment in a very positive way. ESG is an acronym for Environmental, Social and Corporate Governance. For Instalco, the Social and Corporate Governance aspects are reflected in the mutual respect that we have for each other, our behaviour, ethics & morals, our Code of Conduct, job satisfaction and forward-thinking. Our Board has always prioritised these things and it permeates the entire organisation, from the Board, right down to each individual employee. We maintain a high standard of business ethics and our business dealings never veer into the grey area. Behind it all is mature leadership. That, is Instalco in a nutshell.

### Unchanged strategies

Instalco's strategies and financial targets remain unchanged. We hold fast to our decentralised business model with local entrepreneurship. We envision major opportunities going forward to continue consolidating the installation industry in the Nordic countries. Continuing to expand our operations and geographic reach will make us even stronger.

I am enthusiastic about the road ahead for Instalco and interaction between the Board and management.

Per Sjöstrand  
Chairman of the Board

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Instalco is public Swedish limited company, listed on Nasdaq Stockholm. As such, it is obligated to adhere to the Swedish Corporate Governance Code (the Code). The Code is published on [www.bolagsstyrning.se](http://www.bolagsstyrning.se), along with a description of the Swedish model for corporate governance. This Corporate Governance Report has been prepared in accordance with the Annual Accounts Act and Swedish Corporate Governance Code. It describes Instalco's corporate governance during the 2022 financial year. Instalco has not deviated from the Code in 2022. Neither has it deviated from the Nasdaq Stockholm's Rules for issuers or good practice on the stock market. The Corporate Governance Report has been reviewed by Instalco's auditor, which is detailed in the Audit Report.

### Share capital and shareholders

At year-end 2022, Instalco had 14,879 according to Euroclear's shareholder register. All shares belong to the same class, with equal voting right and share in the company's equity and profits. Per Sjöstrand controls 10.32 percent of the share capital and votes, thus representing at least one-tenth of the number of votes of all shares in Instalco. At year-end, the ten largest shareholders controlled 58.2 percent of share capital. The percentage of shares owned by Swedish institutional owners at year-end amounted to 35.3 percent of share capital and votes. The percentage of shares owned by foreign institutional owners amounted to 32.5 percent of share capital and votes. Instalco has two outstanding warrant schemes for a total of 7,546,280 shares, which corresponds to 3 percent of the total number of shares.

Since 2018, the Board has requested and received a mandate from the AGM to decide on issue authorisation. Since 2019, the Board has requested and received a mandate from the AGM to acquire and repurchase own shares. There is a proposal to the 2023 AGM to resolve as it did at the 2022 AGM, to grant the Board the authority to issue new shares, along with repurchasing and transferring own shares. For more information on the Instalco shares largest shareholders, please see page 52 and the section on Share information.

In accordance with Chapter 6, Section 2 a of the Annual Accounts Act, companies must provide information about certain conditions that could affect the opportunities to take over the company through a public takeover bid for the shares in the company. If the Company's shares are delisted from Nasdaq Stockholm or one of its current main shareholders obtains an ownership share that exceeds 50 percent of the capital or votes, the granted credit facility will need to be renegotiated.

### Articles of Association

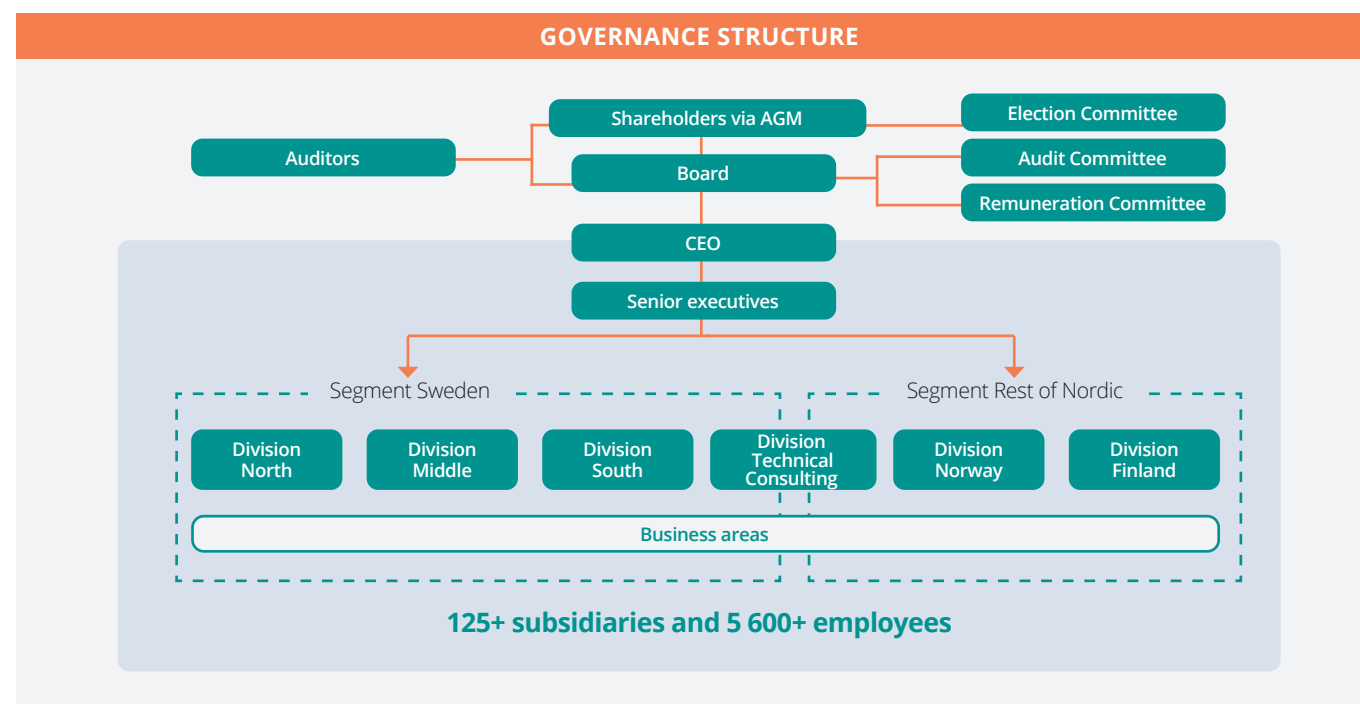
Besides legislation and Nasdaq Stockholm's regulations, the foundation for the Parent Company's corporate governance is its Articles of Association and its internal guidelines on corporate governance. The Articles of Association specify, among other things, the registered office, focus of the business, limits on share capital and number of shares, along with the prerequisites for participating in the AGM. There are no provisions in Instalco AB's Articles of Association that limit the right to transfer shares. For more information on the Articles of Association, please see Instalco's website.

### Annual General Meeting

Shareholder's exercise their influence at the AGM or EGMs, which are the Parent Company's highest decision-making body. The AGM is held in Stockholm, within six months of the end of the financial year.

At the AGM, resolutions are made on the election of the Board and Chairman of the Board, election of the auditor, adoption of the income statement and balance sheet, disposition of the company's profit and discharge of liability for the Board members and CEO, the Election Committee and its work, as well as guidelines for remuneration to senior executives. Resolutions at general meetings of shareholders are normally made by simple majority and in the case of elections, the person elected who has received the most votes is considered elected. For certain resolutions, such as a change to the Articles of Association, a qualified majority as required.

According to Instalco's Articles of Association and in addition to what follows from the law regarding the shareholder's right to participate in a general meeting of shareholders, advance notification is required within a certain time specified in the notice, whereby, where appropriate, notification must also be given if the shareholder intends to bring an assistant with them.





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These documents for notification are available on Instalco's website, along with the minutes from general meetings of shareholders. Information is also published there on shareholders' rights to have a matter dealt with, along with the deadline for submitting such matters to Instalco.

### EGM 2022

And Extraordinary General Meeting was held on Thursday, 13 January 2022 in Stockholm. Represented at the meeting were 31,573,859 shares and votes, either in person or via postal voting. Attorney Fredrik Palm was elected chairman of the EGM.

Resolutions of the EGM were:

- Resolution on a 5:1 share split.
- Resolution to change Section 5 of the company's Articles of Association concerning the limits for the lowest and highest number of shares such that the lowest amount must amount to at least 200,000,000 shares and the highest amount not more than 800,000,000 shares.
- Other resolutions are listed in the minutes of the EMG, which are published on Instalco's website.

### AGM 2022

The Annual General Meeting was held on Thursday, 5 May 2022 in Stockholm. Represented at the meeting were 185,075,615 shares and votes, either in person or via postal voting. The Chairman of the Board, Per Sjöstrand was elected as chairman of the AGM. Most of the members of the Board of Directors and Group management team attended the AGM. Camilla Nilsson, Chief Auditor for Instalco was also present at the AGM.

Resolutions of the AGM were:

- Dividends of SEK 0.65 per share.
- Re-election of Per Sjöstrand, Johnny Alvarsson, Carina Qvarngård, Carina Edblad, Per Leopoldsson and Camilla Öberg. Olof Ehrlén declined re-election. Per Sjöstrand was re-elected as Chairman of the Board.
- The registered audit firm, Grant Thornton Sweden AB was re-elected as auditor for the period until the next AGM.
- The AGM resolved, in accordance with the Board's proposal, to adopt new guidelines for remuneration to senior executives.
- The AGM resolved, in accordance with the Board's proposal, to introduce an incentive programme, a targeted issue of a maximum of 2,600,000 warrants.

- The Board was granted the authority to decide on new issues of shares, convertibles and warrants, up to ten percent of the total number of shares in the company as of the day of the general meeting's resolution.
- The Board was granted the authority to decide on acquisitions and transfers of own shares up to a maximum of five percent of all shares in the company.
- The AGM's other resolutions are detailed in the minutes, which are published on Instalco's website.

### AGM 2023

The AGM for 2023 will be held on Friday, 5 May 2023. More information about the 2023 AGM is published on the website.

### Election committee

The Election Committee's task is to, on behalf of the shareholders, evaluate the Board's composition and work, as well as submit proposals to the AGM regarding the chairman of the AGM, Board members, the Chairman of the Board and Board fees, where applicable the selection of a registered audit firm and audit fees, as well as principles for how members of the Election Committee are to be appointed. The members of the Election Committee do not receive remuneration from the company for their work on the committee. The complete proposals to the AGM from the Election Committee are detailed in the notice of the AGM and published on the company's website.

The composition of the Election Committee meets the requirements on its members being independent. The Election Committee's document for the AGM is published on the company's website.

The Election Committee for the 2023 AGM consists of the following members, as per Euroclear's shareholder register:

Name	Representing	Percentage of votes, % 2022-09-30
Per Sjöstrand	Per Sjöstrand	10.32
Lennart Francke	Swedbank Robur Fonder	9.26
Angelica Hanson	AMF Pension & Fonder	6.75
		<b>26.33</b>

### The Board's responsibilities

The Board has ultimate responsibility for Instalco's organisation and administration. The Board handles and decides on Group-wide issues such as:

- Strategic orientation and material goals.
- Significant issues relating to optimisation of capital structure, investments, acquisitions and divestitures.
- Follow-up and control of the business, financial position, publication of information provision and organisational issues, including evaluation of the Group's operational management.
- Overall responsibility for establishing effective systems for internal control and risk management.
- Important policies.

### Composition of the Board of Directors

According to the Articles of Association, the Board shall consist of at least three and a maximum of ten Directors without any deputy members. The Board members serve on the Board as of the end of the AGM when they are elected or re-elected and through to the end of the next AGM. There are no limits on how many terms a person may serve on the Board of Directors.

The Election Committee has applied rule 4.1 of the Code as its diversity policy when putting forth proposals to the Board. The goal is to achieve a well-functioning Board composition with regard to diversity and breadth in terms of, among other things, gender, nationality, age and industry experience. The current Board composition is the result of the Election Committee's work in preparation for the 2022 AGM. The Election Committee believes that the Board has an appropriate composition and size and that it is characterised by versatility and breadth in terms of the members' competence and experience in strategically important areas for Instalco. The percentage of women on the Board of Directors is 50 percent.

### Independence of Board of Directors

In preparation for the AGM, the Election Committee evaluates the independence of members of the Board of Directors. All Board members, except for Per Sjöstrand are independent in relation to the company, its executive management team and largest owner. The Board has thus been assessed as having met the requirements on its independence.

### The Board's rules of procedure

In accordance with the Swedish Companies Act, the Board issues written rules of procedure for Board work each year. The rules of procedure contain rules for how the work is to be distributed between the Board members including its committees, the number of regular Board meetings, matters to be dealt with at regular Board meetings and the duties of the Chairman of the Board. The Board has also issued written

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instructions, which state how the financial reporting to the Board must take place and how the work between the Board and CEO shall be distributed.

### Responsibilities of the Chairman of the Board

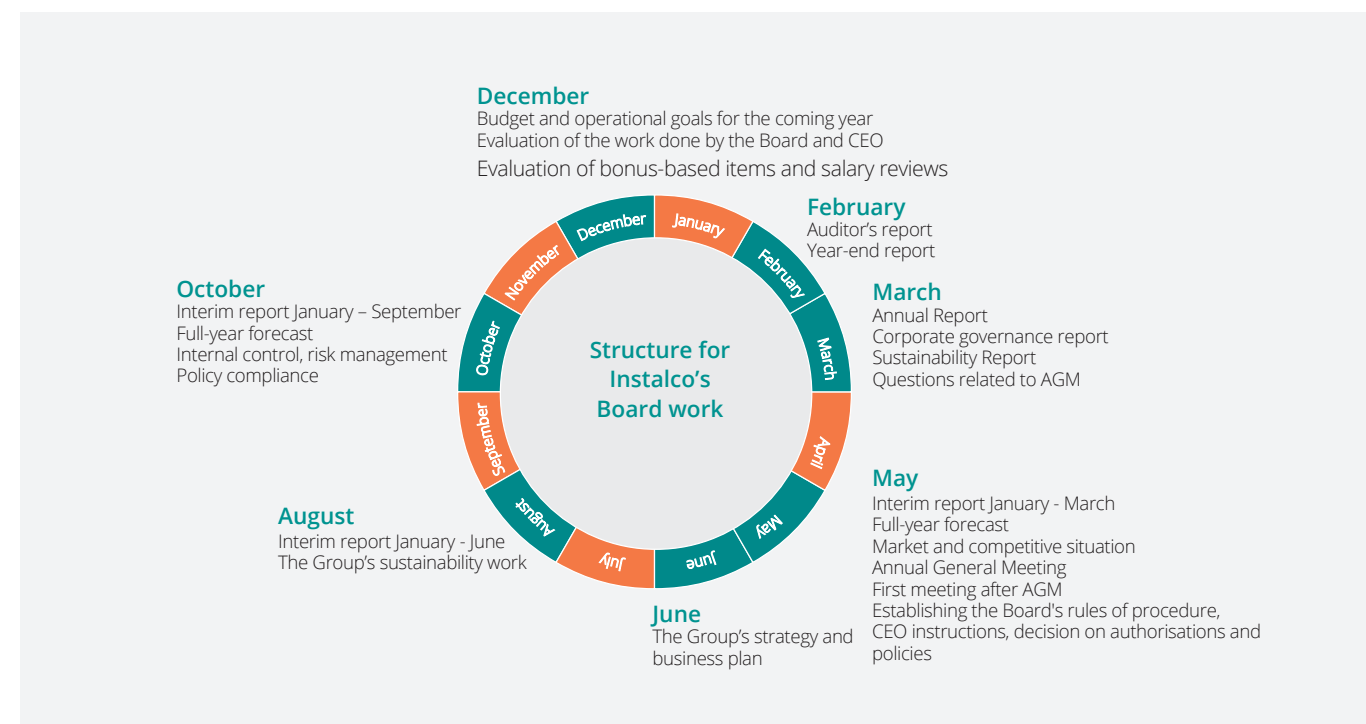
The Chairman of the Board is responsible for ensuring that the Board's work is well organised, conducted efficiently and that the Board fulfils its obligations. The Chairman of the Board monitors the business and maintains regular contact with the CEO. The Chairman is also responsible for ensuring that the other Board members receive the introduction, information and documentation that is necessary to maintain high quality in discussions and decisions, as well as checking that the Board's decisions are implemented.

### Board work in 2022

In total during the 2022 financial year, there were 13 Board meetings, of which 6 were held prior to the 2022 AGM and 7 after, not counting per capsulam meetings. Instalco's CFO served as the secretary at the Board meetings. An approved agenda was followed at each meeting and documentation for each item on the agenda was provided to each Board member prior to the meeting. Typically, an ordinary Board meeting lasts for half of the working day so that there is ample time for presentations and discussions. The CEO and CFO participate in most of the Board meetings. At each ordinary Board meeting, there is a review of the current business situation, the Group's results and financial position and outlook for the rest of the year.

The following are examples of items that the Board has dealt with at its meetings:

- Strategic orientation and material goals.
- Approval of interim reports, year-end report and annual report.
- Approval of important policies.
- Significant issues relating to optimisation of capital structure, share splits, financing, dividends, investments, acquisitions and sustainability work.
- Follow-up and control of operations, financial development, information publication and organisational issues.
- Reporting from the company's external auditors and review of the report.
- Review with the auditors, without the CEO or Group management team in attendance, to evaluate the performance of the CEO and Group management team.



### Board of Directors 2022

Director	Position	Elected	Independent in relation to:		Participation out of total number of meetings			Fees in accordance with the 2022 AGM SEK thousands		
			Company and senior executives	Major shareholders	Board meetings <sup>1)</sup>	Audit Committee	Remuneration Committee <sup>2)</sup>	Board fee	Audit Committee fees	Total fee
Per Sjöstrand	Chairman of the Board	2021	no	no	12 out of 12	-	-	620	-	620
Johnny Alvarsson	Director	2016	yes	yes	10 out of 12	-	-	310	-	310
Camilla Öberg	Director	2018	yes	yes	11 out of 12	5 out of 5	-	310	150	460
Per Leopoldsson	Director	2018	yes	yes	11 out of 12	5 out of 5	-	310	75	385
Carina Qvarngård	Director	2018	yes	yes	9 out of 12	4 out of 5	-	310	75	385
Carina Edblad	Director	2018	yes	yes	10 out of 12	-	-	310	-	310
<b>Total</b>								<b>2,170</b>	<b>300</b>	<b>2,470</b>

1) Per capsulam not included

2) The Remuneration Committee is run as an integral part of Board work at ordinary Board meetings.



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- Evaluation of the work done by the Board. The Chairman of the Board takes the initiative each year for evaluating the work done by the Board.

A presentation of the members of the Board of Directors can be found in the section on Board of Directors and on the company's website.

The total amount of fees to the Board of Directors was set by the 2022 AGM at SEK 2,470,000. Each Board member's attendance at Board meetings and the fees paid to them are detailed in the table.

### Evaluation of Board work

Each year, the Board conducts an evaluation of its work. The Chairman of the Board takes the initiative each year for evaluating the work done by the Board and leads that effort. The purpose of the evaluation is to further develop working methods, dynamics, efficiency and the working climate as well as clarifying the main focus of the Board's work. The evaluation also focuses on access to, and the need for, special expertise on the Board. The evaluation includes interviews, joint discussions and individual discussions between the Chairman and individual Board members. The evaluations were discussed at a Board meeting and also serve as a basis for the Election Committee's work of proposing Board members.

### Remuneration committee

The Board has set up a Remuneration Committee and it carries out its work as an integral part of Board work at regular Board meetings. The main tasks of the remuneration committee are to:

- Prepare the Board's decisions on issues of remuneration principles, remuneration and other terms of employment for senior executives,
- Monitor and evaluate ongoing programmes (along with programmes that were concluded during the year) on variable remuneration to senior executives, and
- Monitor and evaluate the application of any guidelines for remuneration to senior executives established by the AGM as well as applicable remuneration structures and remuneration levels.

### Audit Committee

The Audit Committee has a supervisory role regarding the company's risk management, governance and control as well as financial reporting. It maintains regular contact with the company's auditor to ensure that the company's internal and external reporting meets the requirements of a listed company, and discusses the scope and direction of the audit

work. The Audit Committee evaluates the completed audit work and informs the company's Election Committee about the results of that. It also assists the Election Committee in developing proposals for the company's auditors and remuneration for the audit work. The Audit Committee also evaluates the effectiveness of internal control, the Group's risk management and it monitors the financial structure.

During 2022, the Audit Committee consisted of the Camilla Öberg (Chair of the Audit Committee), Per Leopoldsson and Carina Qvarngård. The Audit Committee held five meetings, where the minutes were kept. Each Board member's attendance at these meetings and the fees paid to them are detailed in the table. The principal external auditor Camilla Nilsson and the CFO have participated in all meetings. Instalco's CFO served as the secretary at the Board meetings. The following are examples of items that the Committee dealt with at its meetings:

- Review of interim reports, year-end report and annual report. Scope and accuracy of the financial statements.
- Review of the company's risk management, governance and internal control.
- Significant accounting issues.
- Review of reports from the company's AGM-elected auditor, including the auditor's audit plan.

### Auditor

One of the Election Committee's tasks is to propose an auditor to the AGM. The audit firm, Grant Thornton Sweden AB (GT) was elected at the 2022 AGM to serve as the company's auditor through to the end of the 2023 AGM. Authorised Public Accountant Camilla Nilsson is the chief auditor. GT continuously tests its independence in relation to the company and each year, issues a written assurance to the Board that their audit firm is independent in relation to Instalco. GT conducts the audit of Instalco AB and in a majority of the subsidiaries. The independence of the external auditor is regulated by a special instruction decided by the Board, which states in which areas the external auditor may be engaged in matters other than the regular audit work.

- The auditors work according to an audit plan and continuously report their observations to the Audit Committee and the Board, partly during the course of the audit, partly in connection with the adoption of the Annual Report.
- The auditors also review one of the interim reports and the annual accounts to assess their accuracy, completeness and compliance with generally accepted accounting principles and relevant accounting principles.

- The chief auditor participates in the AGM, with a presentation of the audit work and any findings.

### CEO and Group management

The Board appoints the CEO and issues instructions for work of the CEO. The CEO is responsible for the day-to-day operations of Instalco, such as acquisitions, organisation, accounting and finance issues as well as ongoing contact with Instalco's stakeholders and the financial market. The CEO ensures that the Board receives the information required for the Board to be able to make well-founded decisions. The CEO has appointed a group management and extended management team to support the work with Instalco's operations.

The CEO and management are presented under the section Group management and extended management team and on the company's website.

### Guidelines for remuneration to senior executives

At the AGM that was held on 5 May 2022, it was decided to adopt guidelines for remuneration to the CEO and other senior executives.

A successful implementation of the company's business strategy and the safeguarding of the company's long-term interests, including its sustainability agenda, presupposes that the company can recruit and retain qualified employees. The company needs to offer competitive remuneration in order to do this. These guidelines make it possible for senior executives to offer competitive total remuneration packages.

The 2022 AGM resolved to adopt those guidelines and the proposal to the 2023 AGM is for the guidelines to remain unchanged. The most recent adopted guidelines for remuneration are presented on page 66 and are they are also published on the company's website.

The Board has prepared a remuneration report that will be presented at the 2023 AGM. It describes how the guidelines for remuneration, adopted at the 2022 AGM, have been implemented. The remuneration report also contains information about remuneration to the CEO and a summary of Instalco's outstanding programmes for long-term variable remuneration. The remuneration report is published on the company's website.

### Long-term incentive programme

At the end of the financial year, Instalco had two outstanding warrants scheme corresponding to a total of 7,546,280 shares that are directed at the expanded Group management team, CEOs of subsidiaries and other key individuals of the Group. The purpose of long-term share incentive

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programmes is to create the conditions for boosting the motivation of key employees (individuals that the Group has identified as important and trusted) over the short and long term. The Board is of the opinion that an incentive programme, according to the present proposal, is advantageous to the Group and the company's shareholders.

The Board's proposal to the 2023 AGM for a decision on a new warrants scheme is similar to the warrant schemes that were approved at the 2022 AGM.

### The Board's report on internal control related to financial reporting

In accordance with the Swedish Companies Act, the Board is responsible for the internal control. The Board's responsibilities are regulated by the Swedish Corporate Governance Code and the Annual Accounts Act. The financial reporting must be appropriate with the application of current accounting rules and other requirements for listed companies. At Instalco, the internal control for the financial reporting is primarily focused on ensuring efficient and reliable controls when accounting for the acquisition of subsidiaries, correct valuation and consolidation of the operating subsidiaries. Responsibility for the effectiveness of the subsidiaries' internal control structure, risk management and financial reporting lies with each subsidiary's board and management. The CFO reports annually to the Board about the Group's work with internal control. The internal control consists of, among other things, the control environment, risk assessment, control activities, information, communication and follow-up.

### Control environment

Effective Board work is the foundation for good internal control. The Board's rules of procedure and instructions for both the CEO and Board committees ensure that there is a clear division of roles and responsibilities that facilitate effective management of the organisation's risks. The Board has also established a number of basic guidelines and important policies for creating the conditions for a good control environment. Examples are the Code of Conduct, rules for authorisation and the Financial Policy. These policies are followed up and revised as needed.

The executive management team regularly issues instructions for the financial reporting which, together with the other policies adopted by the Board, are part of the Group's overall framework. The Group's accounting guide contains principles, guidelines and process descriptions for accounting, financial reporting, project reporting and project management.

Instalco has organised the business from the starting point of decentralised profitability and earnings responsibility. All subsidiaries have their own Board and CEO that are responsible for local operations in accordance with the guidelines and instructions from the Group level. Each subsidiary has its own administrative routines and they are in charge of their own bookkeeping and financial reporting. The local units primarily report to the Business Area Managers.

The Group has a shared reporting system as the basis for its monthly reporting, consolidation and monitoring.

### Risk assessment and control activities

Within the Board, the audit committee has primary responsibility for ongoing evaluation of the Parent Company's risk situation after which, the Board conducts an annual review of the risk situation. Risk assessment includes identifying and evaluating the risk of material errors in

the reporting and reporting at the Group and subsidiary level. Risk assessment is done on an ongoing basis in accordance with established guidelines and focus on specific projects.

Control activities are aimed at identifying and limiting risks. Examples of control activities are transaction-related controls such as rules on authorisation and investments as well as clear payment routines, but also analytical controls performed by the Group's central accounting and finance function. The Group's central accounting and finance function, along with the CFO at each subsidiary, play a key role in creating the environment necessary for transparent and accurate financial reporting. Seminars are regularly held for employees working with accounting and finance throughout the Group to facilitate exchange of knowledge and experience. Training on relevant topics is also offered at these seminars.

One important overall control activity is the monthly financial follow-up that is done via the internal reporting system. The financial perfor-

## GROUP-WIDE POLICIES

### Code of conduct

The aim is to communicate our shared ethical values and guidelines on professional behaviour to our employees, customers, suppliers, other business partners and owners, along with providing guidance for carrying out our daily tasks. Instalco's Code of Conduct for Suppliers contains clear guidelines on how they are expected to act and behave in our joint projects.

### Sustainability Policy

The purpose of the Sustainability Policy is to communicate that the business is being run responsibly with a holistic approach to the economic, environmental and social aspects. Instalco shall choose materials and work methods that result in a lower impact on the internal and external environment, along with providing a safe and thriving work environment.

### Information and Communications Policy

This policy aims to ensure correct and good quality, along with managing information, both externally and internally, primarily with focus on the applicable laws, regulations and other rules that apply to listed companies in Sweden and consistent with the Swedish Corporate Governance Code. The communication should be open and helpful to the Company's stakeholders.

### Financial Policy

The purpose of this policy is to state the rules and regulations for financing activities, establish the allocation of responsibility and create good control over the financial risks. The financial organisation must manage the financial risks that arise from the business, secure both short-term and long-term financing and minimise the financial costs.

### Internal Control Policy

The purpose of this policy is to create a general approach that facilitates a uniform way of evaluating all parts of the internal control, along with clarifying Instalco's basis principles for internal control. Good internal control ensures that there is efficient, cost-effective and secure operations, reliable financial reporting and compliance with applicable laws and regulations.

### GDPR Policy

This is aimed at ensuring that personal data administration is in accordance with GDPR. It covers all registration and processing of data in Instalco's IT systems where personal data is managed. The policy covers both structured and unstructured data.

### Dividend Policy

The purpose of this policy is to provide information on how much profit should be distributed to the company's owners as dividends. When proposing the amount of dividends, consideration is given to the size of the Group's equity, long-term financing and investing needs, growth plans and other factors that the Company's Board of Directors consider to be important.

### Other policies

- Insurance
- Quality
- Employees
- Company cars



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mance and projects at subsidiaries are regularly monitored against the set targets, forecasts and KPIs. All subsidiaries submit internal control reports on a quarterly basis, which are monitored. Other important components of internal control are the annual business planning and forecast processes.

With the launch of IFOKUS and establishment of Instalco Academy, a framework has been created for promoting continual improvement within the Group, which includes basic processes having to do with internal control.

### Information and communication

Instalco has information and communication channels designed to ensure that its external communication is complete and correct. The Board has also issued an Information and Communications Policy to ensure that the external communication is complete, correct and also released when it should be. In addition, there are internal instructions on how financial information between the Board, management and subsidiaries shall be communicated. The Board's central accounting and finance function is responsible for ensuring uniform application of the Group's principles and instructions for financial reporting. The central accounting and finance function regularly identifies and communicates areas where the financial reporting can be improved to all of the subsidiaries that report in to the Group. Furthermore, Instalco has a whistleblower system set up and it is available to all employees via the intranet and to external stakeholders via Instalco's website. It can be used anonymously, whenever needed. The subsidiaries also have whistleblower systems set up that can be used anonymously.

### Follow-up

Each month, the Board and executive management team monitor and evaluate the organisation's performance, earnings, position and cash flow via a reporting package that contains comments on the results and KPIs. The CEO and CFO report on these matters at each Board meeting as well. The Board, Group management and each subsidiary's board follow up on the quarterly internal control report. Each year, the Board is updated on the work with internal control and results of that.

The Audit Committee has a supervisory role over the company's financial reporting, risk management, governance and control. The Audit Committee regularly meets with the company's auditors to follow up on that the company's internal control, external reporting and related matters meet the requirements on listed companies. It also follows up on findings from the audit.

### Internal audit

Given the risk assessment described above and design of control activities, which include such things as self-evaluations and in-depth analysis of the internal control, the Board has concluded that it does not need to set up a special function for internal audit.



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# Board of Directors



## Per Sjöstrand

Born 1958  
Chairman of the Board, Director since 2021

### Other Board assignments

Chairman: Green Landscaping AB (publ), Uniwater AB, Handverksgruppen AS.

### Work experience

Founder of Instalco and CEO 2014-2021. CEO of several companies and both Director and Manager of major projects at the Swedish Transport Administration.

### Education

MSc Engineering, Chalmers University of Technology, Gothenburg

Dependent in relation to Instalco and its senior executives

Dependent in relation to major shareholders

**Shareholding in Instalco<sup>1)</sup>**  
26,901,860

**Number of options**  
25,000



## Johnny Alvarsson

Born 1950  
Director since 2016

### Other Board assignments

Chairman: FM Mattsson Mora Group and VBG Group. Director: Beijer Alma, Sdiptech and Rotundagruppen.

### Work experience

Extensive experience as senior executive at several listed companies, including Indutrade.

### Education

MSc Engineering, Management education

Independent in relation to Instalco and its senior executives

Independent in relation to major shareholders

**Shareholding in Instalco<sup>1)</sup>**  
85,940



## Carina Edblad

Born: 1963  
Director since 2018

### Current position

CEO Thomas Betong

### Other Board assignments

Director: Purmo Group

### Work experience

35 years of experience in the construction industry as both specialist and manager in a variety of segments. 10 years of experience serving on the board of directors of listed companies.

### Education

MSc Engineering, Chalmers University of Technology

Independent in relation to Instalco and its senior executives

Independent in relation to major shareholders

**Shareholding in Instalco<sup>1)</sup>**  
6,496



## Per Leopoldsson

Born 1960  
Director since 2018

### Current position

Head of Solavik Förvaltning AB

### Other Board assignments

Director of Layer Group AB, Director of the City Council for Fastighetsägarna Stockholm, Brandkontoret and NAI Svefa

### Work experience

Extensive experience in the property and construction industry. CFO Fastighets AB Näckebro, Ramböll and Bravida.

### Education

MBA, Stockholm School of Economics

Independent in relation to Instalco and its senior executives

Independent in relation to major shareholders

**Shareholding in Instalco<sup>1)</sup>**  
30,000



## Carina Qvarngård

Born 1959  
Director since 2018

### Current position

Senior consultant in organisational and business development with a sustainability focus for Nordic customers in need of industrialising and internationalising their operations.

### Other Board assignments

Chairman of Ability2Sustain. Director, RAK Systems

### Work experience

More than 35 years of experience in leading positions at international companies, including Ericsson, Sodexo Norden and Caverion.

### Education

MSc Engineering, KTH Royal Institute of Technology

Independent in relation to Instalco and its senior executives

Independent in relation to major shareholders

**Shareholding in Instalco<sup>1)</sup>**  
1,000



## Camilla Öberg

Born 1964  
Director since 2018

### Current position

CFO Yubico

### Other Board assignments

Director, Xvivo Perfusion

### Work experience

Extensive experience as CFO at international companies. CFO Cybercom Group, CFO Swegro Group, Head of Investor Relations WM-Data, CFO Logica.

### Education

MBA, Stockholm School of Economics  
Independent in relation to Instalco and its senior executives

Independent in relation to major shareholders

**Shareholding in Instalco<sup>1)</sup>**  
1,900

<sup>1)</sup> Holding as of 28 February 2023. Including closely related physical and legal persons' holdings.



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Back row: Johan Larsson, Patrik Persson.  
Middle row: Peter Hjerpe, Anders Lundin, Roger Aksnes.  
Front row: Robin Boheman, Gustaf Larsson Ernefelt, Christina Kassberg, Fredrik Trahn.

## Senior executive

### Robin Boheman

Born 1984  
CEO

#### Other significant assignments

No other significant assignments outside the Instalco Group.

#### Work experience

CFO and Head of Acquisitions at Instalco, Management Consultant M&A Integration and Carve-out PWC, Business Developer Scania

#### Education

Masters degree in accounting and finance, Uppsala University

**Number of shares:**<sup>1)</sup> 1,746,980

**Number of options** 25,000 options (2020/2023), 50,000 options (2022/2025)

### Christina Kassberg

Born 1968  
CFO

#### Work experience

CFO Climeon, Addtech, Resurs Holding, Stim and Medivir. Auditor Öhrling PricewaterhouseCoopers

#### Education

B.Sc. in Business & Economics, Stockholm University

**Number of shares:**<sup>1)</sup> 24,700

**Number of options** 70,000 options (2022/2025)

### Fredrik Trahn

Born 1969  
Head of Communications and IR

#### Work experience

Journalist SvD, Head of Information at Bristol-Meyers Squibb, Press Officer at Electrolux, Press Officer for Team SEB of Volvo Ocean Race, Head of Communications for the Swedish Athletics Association

#### Education

Degree from Grafiska Institutet (GI), studies in communications and Swedish language at Stockholm University

**Number of shares:**<sup>1)</sup> 5,175

**Number of options** 10,000 options (2020/2023), 20,000 options (2022/2025)

## Extended management team

### Roger Aksnes

Born 1972  
Head of Division Norway

#### Work experience

Project Manager and Head of Department at Bravida, CEO Andersen og Aksnes Rørleggerbedrift

#### Education

PHS technician and Pipe Layer, technical college

**Number of shares:**<sup>1)</sup> 396,500

**Number of options** 20,000 options (2020/2023), 35,000 options (2022/2025)

### Peter Hjerpe

Born 1964  
Head of Division Middle

#### Work experience

CEO JN EI

#### Education

High school

**Number of shares:**<sup>1)</sup> 59,975

**Number of options** 20,000 options (2020/2023), 35,000 options (2022/2025)

### Johan Larsson

Born 1976  
Head of Division North

#### Work experience

CEO DALAB Dala Luftbehandling, CEO DALAB Group AB

#### Education

Upper secondary and training in sheet metal and ventilation installations

**Number of shares:**<sup>1)</sup> 1,611,830

**Number of options** 20,000 options (2020/2023), 5,000 options (2022/2025)

### Gustaf Larsson Ernefelt

Born: 1987  
Head of Acquisitions

#### Work experience

Acquisitions and Business Development at Werksta Group, Management Consultant M&A Grant Thornton, Finance/Treasury at Findus

#### Education

Masters degree from Lund University in Corporate Finance

**Number of shares:**<sup>1)</sup> 7,465

**Number of options** 25,000 options (2020/2023), 50,000 options (2022/2025)

### Anders Lundin

Born 1966  
Head of Division Technical Consulting

#### Work experience

30 years of experience in the consulting industry in a variety of positions. Regional Manager and Business Area Manager at ÅF AO Buildings. CEO Intec Nordic

#### Education

Heating & Plumbing Engineer, Marketing and organisational theory at Luleå University of Technology

**Number of shares:**<sup>1)</sup> –

**Number of options** 9,000 options (2020/2023), 35,000 options (2022/2025)

### Patrik Persson

Born 1964  
Head of Division South

#### Work experience

Deputy CEO and CEO Rörläggaren

#### Education

PHS technician, technical college

**Number of shares:**<sup>1)</sup> 41,880

**Number of options** 20,000 options (2020/2023), 35,000 options (2022/2025)

Ulf Bergquist (Business Area Manager West) and Tobias Eriksson (Business Area Manager Stockholm) ended their participation in the expanded management team during the first quarter of 2023.

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## Guidelines for remuneration to senior executives adopted by the 2022 AGM

*These guidelines cover remuneration to Board members, the CEO and others in the executive management team (referred to jointly as "senior executives"). The guidelines decided at the AGM in May 2022 also apply to 2023 and no new proposal will be put forth to the 2023 AGM. The company's auditors have reviewed that the adopted guidelines have been followed. The guidelines adopted at the 2022 AGM shall be applied to remuneration is agreed, and changes that are made to already agreed remuneration. The guidelines do not cover remuneration decided by the Annual General Meeting.*

### How the guidelines promote the Company's strategy, long-term interests and sustainability

A successful implementation of the Company's business strategy and the safeguarding of the Company's long-term interests, including its sustainability agenda, presupposes that the Company can recruit and retain qualified employees. The Company needs to offer competitive remuneration in order to do this. These guidelines make it possible for senior executives to offer competitive total remuneration packages.

Variable cash remuneration that is covered by these guidelines is aimed at promoting the Company's business strategy and long-term interests, which includes its sustainability agenda. This is executed via the financial and non-financial targets upon which variable cash remuneration is based and which are clearly linked to the business strategy and the Company's sustainability agenda. The variable remuneration is described in more detail in the section, "Variable cash remuneration" below.

For more information on the Company's business strategy, please visit the website ([www.instalco.se](http://www.instalco.se)).

### Forms of remuneration, etc.

The total remuneration to each senior executive must be competitive and it shall be comprised of: fixed cash salary, variable cash salary, pension benefits and other benefits. The AGM may, in addition to this, and independent of these guidelines, decide on such things as share-based and share-price-based remuneration. Fixed and variable remuneration shall be set in relation to the senior executive's responsibilities and authority.

### Variable cash remuneration

Meeting the criteria for payment of variable cash remuneration shall be measured over one-year periods. There must be an upper limit for variable cash remuneration and it must be set in relation to the fixed salary. The maximum is 50 percent of the fixed annual cash salary.

The variable cash remuneration must be linked to pre-determined, measurable criteria, which can be financial, or non-financial. Individually-set quantitative and qualitative goals are also allowed. The outcome, in

relation to these pre-set targets forms the basis for the total amount of variable cash remuneration that is possible. The criteria must be designed in such a way to promote the Company's business strategy and long-term interests, including the sustainability agenda. For example, there must be a clear link to the business strategy or promoting the senior executive's long-term development.

Once the measurement period upon which variable cash remuneration is based has expired, there will be an evaluation to determine the extent to which the criteria has been fulfilled. The Board is responsible for the assessment of variable cash remuneration to the CEO. For other senior executives, the CEO makes that assessment. For remuneration based on financial targets, the most recent published financial information for the Company shall be used.

Sometimes, additional variable cash remuneration might be paid, in extraordinary circumstances, provided that they are limited in time, at the individual level and only aimed at recruiting or retaining senior executives, or, as remuneration for extraordinary work-related performance over and above the senior executive's regular duties. This type of compensation may not exceed 100 percent of the fixed annual cash salary and for each person, it may only be paid out once per year. Decisions about this type of remuneration to the CEO may only be made by the Board, based on a proposal by the Remuneration Committee. Decisions about this type of remuneration to other senior executives may only be made by the Remuneration Committee, based on a proposal by the CEO.

### Pension and insurance

For senior executives, pension benefits, including health insurance, must be defined-contribution. Variable cash compensation must be pensionable. The pension premiums for defined-contribution pensions shall amount to a maximum of 35 percent of the fixed and variable annual cash salary.

### Other benefits

Other benefits may include such things as life insurance, health insurance and company car. These benefits may not exceed 15 percent of the fixed annual cash salary.

With regard to pension benefits and other benefits in employment relationships that are subject to rules other than what applies in Sweden, appropriate adjustments may be made to comply with mandatory rules or established local practice, whereby the overall purpose of these guidelines shall be met as far as possible.

For senior executives who are stationed in a country other than their home country, additional remuneration and other benefits may be paid to a reasonable extent, taking into account the special circumstances associated with such postings abroad, whereby the overall purpose of these guidelines shall be met as far as possible. These benefits may not exceed 20 percent of the fixed annual cash salary.

### Remuneration to Board members in excess of Board fees

For Board members who do work for the Company over and above their Board responsibilities, it shall be possible for them to receive consultancy fees and other compensation for their efforts. Decisions about consultancy fees and other remuneration to AGM-elected Board members who are not employees of the Company shall be made by the Board.

### Termination of employment

The notice period for termination of employment is 12 months. Notice of termination is normally 6 months for the CEO and 3-6 months for other senior executives. For senior executives who wish to terminate their employment, the notice period shall be at most 6 months, without any right to severance pay.

Fixed cash salary during the notice period and severance pay may not exceed an amount corresponding to the fixed cash salary for 18 months. It is also possible to pay compensation for commitments to restrict competition. This form of remuneration is meant to compensate for loss of income and it may only be given for the extent to which the senior executive is denied severance pay. The maximum amount for that compensation is 100 percent of the fixed cash salary at the time of termination, unless otherwise provided by mandatory collective agreement provisions and paid during the period of the commitment to restrict competition, which shall not exceed 12 months after the termination of employment.



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### *Salary and benefits for employees*

The Board has considered a variety of things prior to formulating these guidelines and their limitations concerning remuneration and terms of employment for employees of the Company, including the total remuneration package, its various components, salary increases, the rate of such increases over time, etc.

### *Decision process for establishing, reviewing and implementing the guidelines*

The Board has set up a Remuneration Committee. The Remuneration Committee is responsible for proposing the guidelines for remuneration to senior executives and presenting its proposals to the Board. The Board is required to prepare a proposal for new guidelines at least once every 4 years and submit its proposal to the AGM for a decision. Those guidelines shall apply until new guidelines have been adopted by the AGM.

The Remuneration Committee is also responsible for monitoring and evaluating the programme for variable remuneration to senior executives, applying the guidelines for remuneration to senior executives, along with the current remuneration structures and levels in the Company.

Members of the Remuneration Committee are independent in relation to the Company and the executive management team. Whenever the Board of Directors makes decisions on remuneration issues, the CEO and other members of the executive management team may not be present, if the matter in any way concerns them.

### *Deviation from the guidelines*

The Board may decide to temporarily deviate from the guidelines, partially or fully, if, in individual cases, there are special reasons for doing so and the deviation is deemed necessary for meeting the Company's long-term interests, including its sustainability agenda and/or ensuring its financial viability. As stated above, the Remuneration Committee is responsible for putting forth proposals to the Board on remuneration issues, which includes decisions to deviate from the guidelines.

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# Other information

## Significant events after the end of the financial year

In January, Instalco acquired Telepatrol Oy with expected sales of SEK 48 million and 30 employees and Rörprodukter Montage Sverige AB with expected sales of SEK 24 million and 12 employees. In February, Instalco acquired Lysteknikk Elektroentreprenør AS, with anticipated sales of SEK 325 million and 120 employees.

In March, an agreement was signed to acquire Enter Ställningar AB, with anticipated sales of SEK 340 million and 120 employees. The acquisition is conditional, pending approval from the Swedish Competition Authority, with anticipated completion of the acquisition in March 2023.

## Employees and organisation

Instalco has a decentralised, dedicated organisation for driving the business forward. At the end of the financial year, there were 5,611 employees, compared to 4,887 at the end of the previous financial year. Over the last 12-month period, the average number of employees was 5,316 (4,235).

## Research and development

Instalco runs only very limited research and development activities of its own, or none at all.

## Activities subject to permit and notification

Instalco's operations do not require a permit for environmentally hazardous activities. In cases where there is a reporting or permit requirement, each country is responsible for ensuring that this is done.

## Sustainability Report

In accordance with Chapter 6, Section 11 of the Annual Accounts Act, Instalco has elected to prepare the statutory Sustainability Report separate to the Annual Report. The Sustainability Report was submitted to the auditor at the same time as the Annual Report. The Sustainability Report is presented on pages 6, 8, 36-46, 50 and 104-106.

## Expected future performance

Instalco's strategy is to continue acquiring companies in the installation and consulting sector, thereby continuing its growth. There is a strong underlying demand for the industry's services and there is a growing interest and demand for energy-efficient and resource-saving installation services. The market outlook is, however, difficult to assess in light of the prevailing macroeconomic situation.

Energy prices have risen sharply over the last few months. The prices of raw materials have stagnated at a high level. Because of rising interest rates, the pace of production of new building construction will slow.

In general, the market is driven by a number of long-term trends and general societal development. Technology development, digitalisation, sustainability, ageing property holdings, urbanisation and a growing and ageing population are some of the biggest driving forces.

Instalco does not have any direct exposure to Ukraine and Russia with either sales or purchasing. Instalco's assessment is that the indirect effects are currently limited, although disruptions in logistics chains and higher prices for raw materials where we are not able to compensate with a corresponding increase in our own prices impacts some of the Group's subsidiaries. We are monitoring developments carefully but it is currently difficult to assess what future consequences the conflict could have on the economic situation in Europe.

# Proposed appropriation of profits

## The following retained earnings shall be appropriated by the AGM (SEK t):

Share premium reserve	1,131,183
Accumulated profit or loss	-14,006
Profit/loss for the year	132,102
	<b>1,249,279</b>

## The Board and CEO recommend that

To be distributed as dividends, SEK 0.66 per share	171,767
the following amount is carried forward	1,077,512
	<b>1,249,279</b>

For the AGM in May 2023, the Board has proposed dividends of SEK 0.66 per (corresponds to approximately SEK 172 million).

The total dividend amount could change if the number of repurchased own shares changes or the number of shares via new share issues changes prior to the reconciliation date for the dividend. On the closing date, the company's holdings of own shares amounted to 310,545, which reduces the total dividend amount by SEK 0.2 million.

The dividend proposal is in line with Instalco's policy of distributing 30 percent of profit after tax as dividends. If the AGM resolves in accordance with the Board's dividend proposal, approximately SEK 1,078 million will be carried forward. The Board notes that after the proposed dividend, there is full coverage for the company's restricted equity. The Board's assessment is that the financial position remains strong after the proposed dividend and is sufficient for the company to be able to meet its obligations in both the short and long term, as well as to make any necessary investments.

With reference to the above and what has otherwise come to the Board's attention, it is the Board's assessment that the proposed dividend justifiable considering the demands that the nature of operations, scope and risks place on the size of the Parent Company's and the Group's equity, consolidation requirements, liquidity and position in general.



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# Consolidated income statement

AMOUNTS IN SEK M	Note	2022	2021
<b>Operating income</b>			
Net sales	2, 3	12,063	8,890
Other operating income		115	115
<b>Total operating income</b>		<b>12,179</b>	<b>9,005</b>
<b>Operating expenses</b>			
Materials and purchased services		-6,186	-4,552
Other external costs	4	-968	-521
Employee benefit costs	5	-3,805	-2,975
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets		-381	-198
Other operating expenses		-54	-37
<b>Total operating expenses</b>		<b>-11,395</b>	<b>-8,283</b>
<b>Operating profit/loss (EBIT)</b>		<b>784</b>	<b>722</b>
<b>Profit (loss) from financial items</b>			
Financial income		38	23
Financial expenses	7	-125	-46
<b>Earnings before taxes</b>		<b>697</b>	<b>699</b>
Income tax	8	-145	-142
<b>Profit/loss for the year</b>		<b>551</b>	<b>558</b>
<b>Profit (loss) attributable to:</b>			
Parent Company's shareholders		520	546
Non-controlling interests		31	12
<b>Earnings per share</b>	9		
Basic earnings per share, SEK		1.99	2.10
Diluted earnings per share, SEK		1.96	2.06

# Consolidated statement of comprehensive income

AMOUNTS IN SEK M	Note	2022	2021
<b>PROFIT/LOSS FOR THE YEAR</b>		<b>551</b>	<b>558</b>
<b>Items that could be reclassified to profit or loss</b>			
Translation effect for the year of foreign operations		117	69
Other comprehensive income after tax		117	69
<b>Total comprehensive income for the year</b>		<b>668</b>	<b>627</b>
<b>Comprehensive income attributable to:</b>			
Non-controlling interests		31	12
Parent Company's shareholders		636	615

## Comments on the consolidated income statement

### Net sales

Net sales for the period amounted to SEK 12,063 (8,890) million, which is an increase of 35.7 percent. Adjusted for currency effects, organic growth amounted to 7.9 percent and acquired growth was 26.2 percent. Currency fluctuations impacted net sales positively by 1.2 percent. A total of 16 acquisitions were made during the period, with estimated annual net sales of SEK 1,141 million.

### Earnings

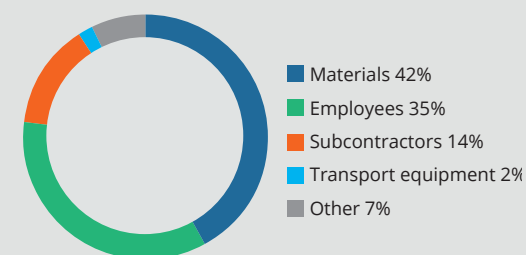
Operating profit before amortisation of acquired intangible assets (EBITA) for the period amounted to SEK 916 (748) million, which corresponds to an EBITA margin of 7.6 (8.4) percent. The EBITA margin amounted to 7.6 (8.2) percent, not excluding items affecting comparability of SEK 22 million from last year, which was related to the lump sum payment from AFA Försäkring. The lower margin is primarily attributable to higher absenteeism at the beginning of the year and higher prices for materials, for which there is a delay before it can be passed on to customers or compensated for via streamlining measures.

Operating profit (EBIT) for the period amounted to SEK 784 (722) million. Amortisation of acquired intangible assets increased by SEK 106 million and amounted to SEK 132 (26) million. The increase is attributable to a high acquisition rate, with a larger portion of depreciable assets related to acquisitions.

Net financial items for the period amounted to SEK -87 (-23) million, of which unrealised value changes amounted to SEK -26 (-7) million and the interest expense on external loans amounted to SEK -50 (-15) million.

Earnings for the period were SEK 551 (558) million, which corresponds to earnings per share before dilution of SEK 1.99 (2.10) and earnings per share after dilution of SEK 1.96 (2.06).

### COST STRUCTURE



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# Consolidated balance sheet

AMOUNTS IN SEK M	Note	2022-12-31	2021-12-31
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Intangible assets</i>	10		
Goodwill		4,610	3,847
Other intangible assets		543	176
<b>Total intangible assets</b>		<b>5,152</b>	<b>4,023</b>
<i>Property, plant and equipment</i>	11		
Other non-current assets		178	92
Right-of-use assets		568	446
<b>Total property, plant and equipment</b>		<b>746</b>	<b>538</b>
<i>Financial assets</i>	12		
Shares in associated companies and jointly run companies	14	8	10
Receivables from associated companies and jointly run companies	14	1	1
Securities held as non-current assets		14	11
Non-current receivables		11	7
<b>Total financial assets</b>		<b>34</b>	<b>30</b>
Deferred tax asset	8	5	2
<b>Total non-current assets</b>		<b>5,938</b>	<b>4,593</b>
<b>Current assets</b>			
Inventories, etc.		-	-
Finished goods and goods for resale		159	104
<b>Total inventories</b>		<b>159</b>	<b>104</b>
<i>Current receivables</i>	12		
Accounts receivable	15	1,891	1,448
Current tax asset		69	61
Other receivables		108	66
Contract assets	16	620	519
Prepaid expenses and accrued income		158	101
Other marketable securities		-	1
Cash and cash equivalents	17	631	695
<b>Total current receivables</b>		<b>3,477</b>	<b>2,891</b>
<b>Total current assets</b>		<b>3,636</b>	<b>2,996</b>
<b>TOTAL ASSETS</b>		<b>9,573</b>	<b>7,589</b>

AMOUNTS IN SEK M	Note	2022-12-31	2021-12-31
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	18		
Share capital		1	1
Share premium reserve		996	996
Reserve		117	1
Accumulated profit or loss incl. profit (loss) for the year		1,830	1,485
<b>Equity attributable to the Parent Company's shareholders</b>		<b>2,944</b>	<b>2,482</b>
Non-controlling interests		208	19
<b>Total equity</b>		<b>3,152</b>	<b>2,501</b>
<i>Non-current liabilities</i>	12		
Liabilities to credit institutions	20	2,569	1,903
Lease liabilities	20	372	295
Deferred tax liabilities	8	320	192
Other liabilities	27	299	-
<b>Total non-current liabilities</b>		<b>3,559</b>	<b>2,390</b>
<i>Current liabilities</i>	12		
Provisions	19	24	23
Liabilities to credit institutions	20	4	4
Lease liabilities	20	181	137
Accounts payable	21	1,042	788
Current tax liabilities		16	33
Other liabilities		447	730
Contract liabilities	16	461	403
Accrued expenses and deferred income	22	687	580
<b>Total current liabilities</b>		<b>2,862</b>	<b>2,698</b>
<b>Total liabilities</b>		<b>6,421</b>	<b>5,088</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,573</b>	<b>7,589</b>

## Comments on the consolidated balance sheet

### Financial position

Equity at the end of the period amounted to SEK 3,152 (2,501) million, with an equity ratio of 32.9 (33.0) percent. Cash and cash equivalents, together with its other short-term investments amounted to SEK 631 (695) million at the end of the period. Interest-bearing debt at the end of the period were SEK 3,135 (2,346) million. During the third quarter, Instalco signed a contract for a new credit facility with three banks of a total amount of SEK 3,400 million. As of the end of the period, Instalco's total credit facility amounted to SEK 3,700 million, of which SEK 2,550 million had been utilised. As of the end of the period, interest-bearing net debt amounted to SEK 2,503 (1,651) million, with a gearing ratio of 85.1 (66.5) percent and net debt in relation to adjusted EBITDA was 2.1 (1.8). Currency changes impacted net debt for the period by SEK -13 (15) million.



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# Consolidated statement of changes in equity

AMOUNTS IN SEK M	Note	Share capital	Share premium reserve	Reserve	Accumulated profit or loss incl. profit (loss) for the year	Total	Non-controlling interests	Total equity
<b>Opening balance 2022-01-01</b>		<b>1</b>	<b>996</b>	<b>1</b>	<b>1,485</b>	<b>2,483</b>	<b>19</b>	<b>2,501</b>
Profit/loss for the year		-	-	-	520	520	31	551
Translation effect for the year of foreign operations		-	-	116	-	116	1	117
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>116</b>	<b>520</b>	<b>636</b>	<b>32</b>	<b>668</b>
<b>Transactions with owners</b>								
Dividends		-	-	-	-169	-169	-2	-171
Change in non-controlling interests		-	-	-	-19	-19	159	140
Issue warrants		-	-	-	14	14	-	14
<b>Total transactions with owners</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-174</b>	<b>-174</b>	<b>157</b>	<b>-17</b>
<b>Closing balance 2022-12-31</b>	18	<b>1</b>	<b>996</b>	<b>117</b>	<b>1,830</b>	<b>2,944</b>	<b>208</b>	<b>3,152</b>
<b>Opening balance 2021-01-01</b>		<b>1</b>	<b>942</b>	<b>-68</b>	<b>1,085</b>	<b>1,960</b>	<b>12</b>	<b>1,973</b>
Profit/loss for the year		-	-	-	546	546	12	558
Translation effect for the year of foreign operations		-	-	69	-	69	-	69
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>69</b>	<b>546</b>	<b>615</b>	<b>12</b>	<b>627</b>
<b>Transactions with owners</b>								
Dividends		-	-	-	-140	-140	-1	-141
Change in non-controlling interests		-	-	-	-10	-10	-5	-15
New issue		-	53	-	-	53	-	53
Issue warrants		-	-	-	3	3	-	3
<b>Total transactions with owners</b>		<b>-</b>	<b>53</b>	<b>-</b>	<b>-147</b>	<b>-94</b>	<b>-6</b>	<b>-99</b>
<b>Closing balance 2021-12-31</b>	18	<b>1</b>	<b>996</b>	<b>1</b>	<b>1,485</b>	<b>2,483</b>	<b>19</b>	<b>2,501</b>

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# Consolidated cash flow statement

AMOUNTS IN SEK M	Note	2022	2021
<b>Operating activities</b>			
Earnings before taxes		697	699
Adjustment for items not included in cash flow, etc.	25	407	190
Paid income tax		-214	-150
<b>Cash flow from operating activities before changes in working capital</b>		<b>890</b>	<b>740</b>
<i>Changes in working capital:</i>			
Change in inventories		-28	-5
Change in accounts receivable and other receivables		-263	-195
Change in accounts payable and other liabilities		154	70
<b>Cash flow from operating activities</b>		<b>753</b>	<b>610</b>
<b>Investing activities</b>			
Acquisition of shares in subsidiaries, before deduction for cash/cash equivalents	26	-1,043	-953
Acquisition of intangible assets		-10	-3
Acquisition of property, plant and equipment		-54	-23
Disposal of property, plant and equipment		20	15
Decrease/increase in financial assets		7	-6
<b>Cash flow from investing activities</b>		<b>-1,080</b>	<b>-971</b>
<b>Financing activities</b>			
New issue		-	53
Issue warrants		14	3
Change in non-controlling interests		-22	-15
Dividends		-171	-141
Borrowings	12	3,529	917
Repayment of loan	12	-2,905	-10
Amortisation of lease liabilities		-205	-150
<b>Cash flow from financing activities</b>		<b>240</b>	<b>657</b>
<b>CASH FLOW FOR THE YEAR</b>		<b>-87</b>	<b>297</b>
Cash and cash equivalents at the beginning of the year		695	386
Exchange difference in cash and cash equivalents		22	12
<b>Cash and cash equivalents at the end of the year</b>		<b>631</b>	<b>695</b>
<b>Cash and cash equivalents from continuing operations</b>		<b>631</b>	<b>695</b>
Cash flow for the year from interest:			
Interest paid		-53	-21
Interest received		3	1

*Interest paid is attributable to financing activities. Interest received is attributable to operating activities.*

## Comments on the consolidated cash flow statement

### Cash flow

Cash flow from operating activities amounted to SEK 753 (610) million, with a change in working capital of SEK -137 (-130) million. The Group's working capital fluctuates from one quarter to the next primarily because of fluctuations in these line items: work-in-progress, accounts receivable and accounts payable.

Cash flow from investing activities amounted to SEK -1,080 (-971) million, of which acquisitions of subsidiaries and businesses amounted to SEK -1,043 (-953) million. Cash flow from financing activities amounted to SEK 240 (657) million, of which the net change in loans amounted to SEK 624 (907) million and amortisation of lease liabilities amounted to SEK -205 (-150) million. Dividends to the Parent Company's shareholders amounted to SEK -169 (-141) million, which corresponds to SEK 0.65 (0.54) per share. The dividends were paid out in the second quarter.



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## Parent Company income statement

AMOUNTS IN SEK M	Note	2022	2021
<b>Operating income</b>			
Net sales		25	22
<b>Total operating income</b>		<b>25</b>	<b>22</b>
<b>Operating expenses</b>			
Other external costs	4	-12	-7
Personnel costs	5	-16	-16
<b>Total operating expenses</b>		<b>-28</b>	<b>-22</b>
<b>Operating profit/loss</b>		<b>-3</b>	<b>-1</b>
<b>Profit (loss) from financial items</b>			
Profit from shares in Group companies	6	133	-
Interest income and similar profit or loss items		0	0
Interest expense and similar profit or loss items	7	-4	-2
<b>Profit (loss) after financial items</b>		<b>126</b>	<b>-3</b>
Group contributions received		7	10
<b>Earnings before taxes</b>		<b>133</b>	<b>7</b>
Tax on profit for the year	8	-1	-2
<b>Profit/loss for the year</b>		<b>132</b>	<b>6</b>

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# Parent Company balance sheet

AMOUNTS IN SEK M	Note	2022-12-31	2021-12-31
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Financial assets</i>			
Participations in Group companies	13	1,375	1,375
<b>Total financial assets</b>		<b>1,375</b>	<b>1,375</b>
<b>Total non-current assets</b>		<b>1,375</b>	<b>1,375</b>
<b>Current assets</b>			
<i>Current receivables</i>			
Other receivables		7	10
<b>Total current receivables</b>		<b>7</b>	<b>10</b>
<b>Cash and bank balances</b>		<b>27</b>	<b>54</b>
<b>Total current assets</b>		<b>35</b>	<b>64</b>
<b>TOTAL ASSETS</b>		<b>1,410</b>	<b>1,440</b>

AMOUNTS IN SEK M	Note	2022-12-31	2021-12-31
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	18		
<i>Restricted equity</i>			
Share capital		1	1
<b>Total restricted equity</b>		<b>1</b>	<b>1</b>
<i>Non-restricted equity</i>	28		
Share premium reserve		1,131	1,261
Accumulated profit or loss		-14	19
Profit/loss for the year		132	6
<b>Total non-restricted equity</b>		<b>1,249</b>	<b>1,286</b>
<b>Total equity</b>		<b>1,250</b>	<b>1,287</b>
<b>Non-current liabilities</b>			
Liabilities to credit institutions	20	149	143
<b>Total non-current liabilities</b>		<b>149</b>	<b>143</b>
<b>Current liabilities</b>			
Accounts payable	21	2	0
Other liabilities		2	3
Accrued expenses and deferred income	22	7	6
<b>Total current liabilities</b>		<b>11</b>	<b>10</b>
<b>Total liabilities</b>		<b>160</b>	<b>152</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,410</b>	<b>1,440</b>



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# Parent Company statement of changes in equity

AMOUNTS IN SEK M	Note	Share capital	Share premium reserve	Accumulated Profit or loss	Profit or loss Profit or loss	Total equity capital
<b>Opening balance 2022-01-01</b>		<b>1</b>	<b>1,261</b>	<b>19</b>	<b>6</b>	<b>1,287</b>
Dividends		-	-	-169	-	-169
Transfer of previous year's earnings		-	-	6	-6	-
Transfer		-	-130	130	-	-
Profit/loss for the year		-	-	-	132	132
<b>Closing balance 2022-12-31</b>	18	<b>1</b>	<b>1,131</b>	<b>-14</b>	<b>132</b>	<b>1,250</b>
<b>Opening balance 2021-01-01</b>		<b>1</b>	<b>1,208</b>	<b>155</b>	<b>5</b>	<b>1,369</b>
Dividends		-	-	-140	-	-140
Transfer of previous year's earnings		-	-	5	-5	-
New issue		0	53	-	-	53
Profit/loss for the year		-	-	-	6	6
<b>Closing balance 2021-12-31</b>	18	<b>1</b>	<b>1,261</b>	<b>19</b>	<b>6</b>	<b>1,287</b>

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# Parent Company cash flow statement

AMOUNTS IN SEK M	Note	2022	2021
<b>OPERATING ACTIVITIES</b>			
Profit (loss) after financial items		126	-3
Adjustment for items not included in cash flow	25	0	0
Paid income tax		-2	-2
<b>Cash flow from operating activities before changes in working capital</b>		<b>124</b>	<b>-5</b>
<i>Changes in working capital:</i>			
Change in accounts receivable and other receivables		3	-3
Change in accounts payable and other liabilities		2	-1
<b>Net cash flow from ongoing operations</b>		<b>5</b>	<b>-9</b>
<b>Cash flow from operating activities</b>		<b>129</b>	<b>-9</b>
<b>Investing activities</b>			
Shareholder contributions made/repaid	13	0	90
<b>Cash flow from investing activities</b>		<b>0</b>	<b>90</b>
<b>Financing activities</b>			
New issue		0	53
Dividends		-169	-140
Group contributions		7	10
Borrowings		150	-
Repayment of loan		-144	-
<b>Cash flow from financing activities</b>		<b>-156</b>	<b>-77</b>
<b>CASH FLOW FOR THE YEAR</b>		<b>-27</b>	<b>4</b>
Cash and cash equivalents at the beginning of the year		54	50
<b>Cash and cash equivalents at the end of the year</b>		<b>27</b>	<b>54</b>
<i>Cash flow for the year from interest</i>			
Interest paid		-3	-2
Interest received		0	0



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## Note 1. Accounting and valuation principles

### General information

The consolidated financial statements been prepared in accordance with EU-approved International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretative statements from the IFRS Interpretations Committee. The recommendations from the Swedish Financial Reporting Board, RFR 1 Supplementary Accounting Rules for Groups have also been applied.

The annual report for the Parent Company has been applied in accordance with the Annual Accounts Act (1995:1554) and

the recommendation RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board. In cases where the Parent Company applies different principles, information on that is provided under the heading "Parent Company" below. The consolidated financial statements are presented in SEK, which is the Parent Company's reporting currency.

The Parent Company's annual report and consolidated financial statements were approved for issuance by the Board on 17 March 2023. The Parent Company's and the Group's income statements and balance sheets will be put forth for adoption by the AGM on 5 May 2023.

### New and updated standards that enter into force for financial years starting on 1 January 2022 and later New standards that have been applied as of 1 January 2022

Certain changes that came into force on 1 January 2022 and which have therefore begun to be applied this year have not had any significant effect on the Group's earnings and position.

### Standards, amendments and interpretations of existing standards that have not yet entered into force and are not applied prematurely by the Group

As of the date that these financial reports were approved, no other new standards, amendments and interpretations of existing standards that have not yet entered into force or have been published by the IASB have been early-adopted by the Group.

The Board of Directors and CEO assume that all relevant statements will be included in the Group's accounting principles when the statement enters into force. New standards, amendments and clarifications that have not been applied are not expected to have a significant impact on the Group's financial reports.

### Basis for consolidation

Included in the consolidated financial statements are subsidiaries where the Group has direct or indirect control. The Group controls a company when it is exposed to, or is entitled to, variable returns resulting from its holding in the company and is able to influence the return through its influence in the company. Subsidiaries are included in the consolidated financial statements from the date on which the controlling influence is transferred to the Group. Subsidiaries are removed from the consolidated financial statements as of the date when the Group no longer has a controlling influence.

All intra-group transactions and balance sheet items are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. In cases where unrealised losses on intra-group sales of assets are reversed during consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts that are reported in the financial statements of subsidiaries have been adjusted where necessary to ensure compliance with the Group's accounting principles.

Earnings and other comprehensive income for subsidiaries that were acquired or sold during the year are reported from the date that the acquisition or disposal takes effect, according to what is applicable.

The Group attributes comprehensive income from its subsidiaries to the Parent Company's shareholders and non-controlling interests based on their respective ownership shares.

### Business combinations

The acquisition method is used for reporting the Group's business combinations. The remuneration transferred by the Group to obtain a controlling influence over a subsidiary is calculated as the sum of the fair values at the acquisition date of the transferred assets, the assumed liabilities and the equity shares issued by the Group, which includes the fair value of an asset or liability that arose in conjunction with an agreement on contingent consideration. Subsequent changes in the fair value of contingent consideration that has been classified as a financial liability are recognised in profit or loss (as a component of other operating expenses). More information on this is provided in the section on financial liabilities.

Acquisition-related costs are expensed as incurred and reported in other operating expenses.

Acquired assets and assumed liabilities are measured at fair value as of the acquisition date.

### Participations in associated companies

Associated companies are companies over which the Group has a significant, but not controlling, influence over the operational and financial management, usually through shareholdings between 20 and 50 percent of the voting rights.

Shares in associated companies are reported according to the equity method.

The carrying amount of holdings in associated companies is increased or decreased by the Group's share of the associated company's or joint venture's earnings and other comprehensive income. This is adjusted as required to ensure compliance with the Group's accounting principles. The Group's carrying amount of holdings in associated companies includes goodwill identified upon acquisition.

When the Group's share of reported losses in the associated company exceeds the carrying amount of the shares in the Group, the value of the shares is reduced to zero. Losses are also deducted from long-term financial transactions without collateral for which the economic substance comprises part of the owner's net investment in the associated company. Losses thereafter are not recognised provided that the Group has not provided guarantees to cover losses that arise in the associated company.

Unrealised gains and losses on transactions between the Group and its associated companies are eliminated corresponding to the Group's share in these companies. In cases where unrealised losses are eliminated, the underlying asset is also tested for impairment.

### FOREIGN CURRENCY TRANSLATION

#### Functional currency and presentation currency

The consolidated financial statements are presented in SEK, which is also the Parent Company's functional currency.

#### Transactions and balance sheet items in foreign currency

Transactions in foreign currency are converted to the functional currency of each Group company, based on the prevailing exchange rates on the transaction date (spot rate). Gains and losses in foreign currency as a result of the settlement of such transactions and as a result of revaluation of monetary items at the closing day rate are reported in the income statement.

Non-monetary items are not translated at the closing date. Instead, they are valued at historical cost (translated at the exchange rate on the

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transaction date), except for non-monetary items measured at fair value, which are translated at the exchange rate as of the date the fair value was determined.

### Foreign operations

In the consolidated financial statements, all assets, liabilities and transactions in Group companies that have a different functional currency than SEK (the Group's reporting currency) are translated to SEK upon consolidation. The functional currency of Group companies remained unchanged during the reporting period.

At the time of consolidation, assets and liabilities have been restated to the closing day rate. Adjustments to goodwill and fair value arising from the acquisition of a foreign operation have been reported as assets and liabilities in the foreign operations and translated to SEK at the closing day rate. Revenue and expenses have been translated into SEK at an average rate during the reporting period. Exchange rate differences are recognised directly against other comprehensive income and are reported in the currency translation reserve in equity. Upon divestment of a foreign operation, the attributable accumulated translation differences that have been recognised in equity are transferred to profit or loss and recognised as part of the gain or loss on disposal.

### Segment reporting

The Group has two operating segments: Sweden and Rest of Nordic. When identifying operating segments, Group management typically considers the Group's geographic business areas, which are its main segments.

Each operating segment is managed separately, since they require different types of resources and marketing methods. All transactions between the segments are carried out on a commercial basis and are based on prices charged to customers who are not related parties in connection with independent sales of identical goods or services.

The Group uses the same valuation principles in its segment reporting according to IFRS 8 as in its financial statements.

Common assets that are not directly attributable to a business segment are not distributed but are allocated under Group-wide income and expenses. This applies primarily to the Group's head office.

### Revenue

Revenue primarily stems from sales of the execution of installations, construction contracts and service contracts. The Group applies a 5-step process for revenue recognition:

- 1 Identification of the contract with a customer
- 2 Identification of the performance obligation
- 3 Establishing the transaction price
- 4 Allocating the transaction price to the performance obligations
- 5 Recognising revenue at the point when the performance obligation has been fulfilled.

### Contracts with customers

A contract is defined by the Group as an oral or written agreement between two or more parties. In cases where the Group has two or more contracts with the same customer, the contracts are analysed and in some certain situations, combined such that they are reported as a single, larger contract. This is done only when it is the same customer (counterparty) even if the contracts refer to different projects.

### Contract modifications (changes and additions)

If there is a change or addition to an existing contract, how the change is reported depends on its substance. Modifications to contracts frequently occur within the Group. One example is a change of the contract's scope (e.g. adding more products, services or changing the existing products/services), modification of the agreed price, or both. The modification to the contract is either reported as:

- Part of the original contract or
- A new, separate contract

### Performance obligations

The Group enters into agreements with customers which means that the Group provides a combination of products and services, e.g. installation work and associated service agreements. An assessment is then made of the agreement to determine whether it contains one performance commitment or several performance commitments. The Group has identified the following separate performance commitments:

- Installation work including design together with associated goods and materials.
- Service work. The type of service Instalco companies perform is to address temporary needs at customer premises, not contractual.

### Accounting for warranty obligations

Contracts contain guarantees on the work that is performed, in accordance with what is standard for the industry. The warranty is never an income-generating transaction. Warranties are managed by making a provision to a warranty reserve that is the average of the last three

years' costs for warranty work. If a major claim arises, it is immediately recognised.

### Transaction price and allocation

The transaction price for an assignment is established at the inception of the contract. The Group's assignments are typically fixed-price contracts, but sometimes it also has cost-plus/partnering contracts. Cost-plus contracts are reported in accordance with the expected value method, by calculating the sum of probabilistic amounts for contracts with similar terms. Typically, the Group does not have any variable components in its contracts, except for fines. The Group updates its assessments of the transaction price at the end of each reporting period and adjusts revenues in accordance with those assessments.

### Contract work

Revenue must be recognised at a specific time or over time, depending on when control over the item sold is transferred to the customer. The Group recognises revenue when its performance creates or improves an asset that the customer controls, which is the case with contract work, since the work is performed on a property or premises owned by the customer. The customer thus benefits from the Company's performance gradually, as the work is performed. It means that the Group fulfils its obligations gradually and reports revenue over time using the percentage of completion method. The percentage of completion of a contract is calculated based on the expenses incurred as of the closing date in relation to the total estimated expenses that will be incurred in order to complete the assignment. This serves as the basis for earned income based on project calculations.

### Service assignments

The revenue from service work is recognised when the services have been provided based on the percentage of completion for the assignment as of the closing date. For revenue recognition on service assignments, an estimate is made of the percentage of completion for each project, thereafter recognises revenue against the expenses thus far incurred in the project.

### Contract balances

The Group recognises a contract liability for remuneration it has received pertaining to unfulfilled performance obligations and it reports those amounts as "Other liabilities" in the Consolidated statement of comprehensive income. If the Group meets a performance obligation before



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receiving compensation for it, the Group will report a contract asset in the Consolidated statement of comprehensive income, provided that nothing other than the time aspect is decisive for when that compensation is due.

### Interest and dividends

> NOTE 7

Interest income and interest expenses are recognised as incurred in each reporting period by applying the effective interest method. Dividends, besides those derived from holdings in associated companies, are recognised when the right to receive payment has been established.

### Operating expenses

Operating expenses are recognised in profit or loss when the service has been rendered or when the event occurs.

### Borrowing costs

Borrowing costs that are directly attributable to acquisitions are capitalised during the period required for completing and preparing the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they arise and are reported in the item "Financial expenses".

### Goodwill

> NOTE 10

Goodwill represents the future economic benefits arising from a business combination, but which are not individually identified and reported separately. Goodwill is the difference between cost of acquisition for a business combination and the fair value of the acquired identifiable assets, assumed liabilities and contingent liabilities. Goodwill has an indefinite useful life and is valued at cost less any accumulated impairment losses. Goodwill is allocated to the cash-generating units or groups of cash-generating units (CGUs). It is not amortised, but tested annually for impairment. More information on this is provided in the description of the method for impairment testing.

### Other intangible assets and property, plant & equipment

> NOTE 10, 11

Other intangible assets and property, plant & equipment are reported by the Group at cost less accumulated amortisation/depreciation and any impairment losses. Cost includes the purchase price and any expenditure directly attributable to bringing the asset to its intended location and condition for its intended use.

Additional expenses are added to the asset's carrying amount or recognised as a separate asset, whichever is appropriate, only when it is probable that the future financial benefits associated with the asset will come to the benefit of the Group and the asset's cost of acquisition can be measured reliably. The carrying amount for the replaced portion is removed from the balance sheet. All other forms of reparation and maintenance are expensed as incurred in the income statement.

Gains or losses arising from the disposal of property, plant & equipment are calculated as the difference between what has been received and the carrying amount of the asset. The gain or loss is then reported in the income statement as part of "Other operating income" or "Other operating expenses", respectively.

Other intangible assets and items of property, plant & equipment are amortised/depreciated over the assessed useful life. The following amortisation and depreciation periods have been applied:

- Machinery and tools 3-5 years
- Equipment, installations and other technical facilities 3-5 years
- Scaffolding 20 years
- Computer systems, licenses 3-5 years.
- Right-of-use assets 3-10 years
- Customer relations 3-10 years

### Test of impairment of goodwill, other intangible assets and property, plant & equipment

For impairment testing, assets are grouped together as cash generating units (CGUs) which is the smallest identifiable group of assets that generates largely independent cash inflows. Goodwill is allocated to the CGUs that are expected to benefit from synergy effects in related business combinations and represent the lowest level in the Group where Group Management monitors goodwill. The write-down requirement for CGUs to which goodwill has been allocated is equivalent to the Group's operating segment. All other individual assets or CGUs are tested for impairment whenever there are events or circumstances indicating that the carrying amount is not recoverable.

An impairment loss is recognised for the amount by which the asset's (or CGU's) carrying amount exceeds its recoverable amount, which is the higher of the fair value less cost of disposal and the value-in-use. In the Group, the recoverable amount consists of the value-in-use. In order to determine the value-in-use, Group Management estimates the expected future cash flows from each CGU and determines an appropriate discount rate in order to calculate the present value of

these cash flows. The information used for impairment testing is directly linked to the Group's most recent approved budget, adjusted as needed to exclude the effects of future reorganisations and improvements of assets. The discount rate is established for each CGU and it reflects the current market assessments of the time value of money, along with risk factors specific to the asset type.

Impairment of a CGU lowers the carrying amount of any goodwill that has been recognised and allocated to it. Any remaining impairment is deducted proportionally from the other assets in the CGU. With the exception of goodwill, a new assessment is made of all assets to determine whether prior recognised impairment loss is no longer motivated. An impairment loss is reversed (but not for goodwill) if the asset's or CGU's recoverable amount exceeds its carrying amount.

### Leases

The Group's lease agreements include properties (rent of premises), car rentals, tools and machinery. Leases are reported in the balance sheet, except for short-term leases (duration of 12 months or less) and lease assets with a low underlying asset value.

When entering into an agreement, the Group assesses the extent to which the agreement carries with it the right to control the use of an identified asset for a period of time in exchange for payment and if it does, the agreement is classified as a lease.

The Group reports a right-of-use (lease asset) and a lease liability at the start date of the lease. The right-of-use is initially measured at cost, which includes the initial amount of the lease liability adjusted for any lease payments paid before the start date plus any initial direct costs and an estimate of costs for restoring the underlying asset, less any discounts received.

The right-of-use asset is thereafter depreciated on a straight-line basis over its useful life, which corresponds to the lease term. The duration of the Group's lease agreements is typically 3-5 years, except for a limited number of leases for premises, which have a longer duration. The carrying amount of the right-of-use asset is periodically adjusted for certain revaluations of the lease liability or to recognise any impairment.

The lease liability is initially estimated as the present value of the remaining lease fees, discounted using the rate implicit in the lease or, if it is not possible to determine that rate, using the Group's marginal lending rate. In most cases, the Group uses its marginal lending rate as the discount rate, with the addition of a risk premium for each asset category.

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The lease fee is valued at amortised cost using the effective interest method and is revalued when changes in future leasing fees arise through changes in the index or if the Group changes its assessment of whether it will constitute a purchase, extension or termination of the lease. A corresponding adjustment is made to the reported amount of the value-in-use, with any surplus over the asset's carrying amount recognised in profit or loss.

The Group has chosen to report short-term lease agreements (agreements with a contract period of less than 12 months) and leasing agreements for which the underlying asset has a low value by utilising the practical expedient found in IFRS 16. These are lease agreements for such things as office equipment and certain types of IT equipment. Rather than reporting a right-of-use asset and a lease liability, the lease fees for these types of lease agreements are expensed on a straight-line basis over the lease term.

The Group makes use of extension options in cases where the leases on premises are shorter than 3 years. The basis for assessment of each lease is each company's marketing plan, which extends for a maximum of three years. The Group considers it reasonably certain that the extension option will be utilised in leases with a duration shorter than three years.

### FINANCIAL INSTRUMENTS Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contract for the financial instrument. At initial recognition, a financial asset or a financial liability is measured at its fair value plus or minus (in the case of a financial asset or a financial liability not at fair value through profit or loss) transaction costs. Such are measured at fair value at initial recognition. Subsequent measurement of financial assets and financial liabilities is explained below.

Financial assets are removed from the report on financial position when the contractual rights associated with the financial asset no longer exist, or when the financial asset and all of the significant risks and advantages have been transferred. A financial liability is removed from the report on financial position when it has been extinguished, fulfilled or cancelled.

### Classification and subsequent measurement of financial assets

➤ NOTE 12

Subsequent measurement of financial assets is based on the category in which it was initially classified. The Group has the following categories of financial assets:

- Financial assets measured at amortised cost
  - Financial assets measured at fair value through profit or loss
- Impairment testing for all financial assets, except those measured at fair value through profit or loss, must be tested for impairment at the end of every reporting period to determine whether there is objective evidence of impairment of the financial asset or group of financial assets. Various criteria are used for each category of financial assets to determine whether it is necessary to recognise an impairment loss. This is explained below.

All income and expenses relating to financial assets recognised in profit or loss are classified as "Financial expenses" or "Financial income" except for impairment of accounts receivable, which is classified as "Other external costs".

#### Financial assets measured at amortised cost

Financial assets held for the purpose of, within the scope of the Group's business model, collecting their contractual cash flows (consisting of the principal amount and interest on the principal amount) are classified as financial assets at amortised cost. Loan receivables and accounts receivable are financial assets that are not derivative instruments, with fixed or determinable payments and which are not listed on an active market. After initial recognition, they are valued at amortised cost, using the effective interest method, after deductions for any impairment. Discounting is not applied when the effect of it is insignificant. The Group's cash & cash equivalents, accounts receivable and most of its other receivables/claims belong to this category of financial instruments.

Only significant receivables/claims are tested for impairment after they have fallen due or when there is other objective evidence that the counterparty is unable to pay. Receivables/claims which, individually are not tested for impairment, are grouped together and tested for impairment, with such grouping based on the industry, region or other credit risks that they have in common. The estimated write-down is then based on the latest information on payment trends for doubtful debts in each respective category of accounts.

For accounts receivable and contract assets, expected credit loss is applied.

#### Financial assets measured at fair value through profit or loss

Financial assets that are held in a business model category other than "hold to collect" or "hold to collect and sell" are measured at fair value through profit or loss. And, regardless of the business model, financial assets for which the contractual cash flow does not solely consist of principal and interest are also measured at fair value through profit or loss. All financial derivative instruments (except those designated hedging instruments) fall into this category. Shares in long-term securities holdings in the Group also fall into this category. Assets in this category are measured at fair value with gains or losses recognised in profit or loss.

#### Classification and subsequent measurement of financial liabilities

The Group's financial liabilities include loans, accounts payable and other liabilities.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method. However, this does not apply to financial liabilities in the category of measured at fair value through profit or loss. They are measured at fair value, with any gains or losses recognised in profit or loss after initial recognition. The Group is party to contracts on contingent consideration that has arisen in conjunction with acquisitions that are reported at fair value through profit or loss.

All interest-related fees and, if applicable, changes in an instrument's fair value that are recognised in profit or loss are included in "Financial expenses" or "Financial income".

#### Inventories

Inventories are measured at the lower of cost or net realisable value. The cost of acquisition includes all costs that are directly attributable to the purchase. Costs for commonly exchangeable items are allocated according to the FIFO principle. Net realisable value is the estimated sales price in the ordinary course of business less any applicable sales costs.

#### Income taxes

The tax expense reported in the income statement consists of the sum of deferred tax and current tax that is not reported in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax rules that have been decided or in practice decided at the end of the reporting period. Deferred tax is calculated in accordance with the balance sheet method on all temporary differences.



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A deferred tax asset is recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. This is assessed on the basis of the Group's forecast of future operating profit, adjusted for significant non-taxable income and expenses, and specific restrictions on the utilisation of unused tax losses or credits.

The Group does not recognise deferred tax liabilities on temporary differences arising from goodwill or investments in subsidiaries.

### Cash and cash equivalents

Cash and cash equivalents consist of cash and disposable balances with banks and corresponding institutions, together with other short-term liquid investments that fall due within 90 days from the date of acquisition and which can easily be converted into known amounts of cash and which are exposed to only a minor risk of value changes.

### Equity, reserves and dividends

Share capital represents the quotient value of issued shares. Issued options are classified as equity if they are not mandatorily redeemable, or contain agreements for mandatory payments to the holder.

Share premium reserve includes any premiums received in connection with a new share issue. Any transaction costs associated with the issue of new shares are deducted from the premium, taking into account any income tax effects.

Repurchase of own shares includes the value of the share at the time of purchase and the amount is reported as a deduction item in equity.

Other components of equity include:

- Retained earnings are all capitalised gains and share-based payments for current and previous periods.
- All transactions with the Parent Company's owners are reported separately in equity.

The translation reserve includes all foreign exchange differences arising from the translation of financial statements of foreign operations for which the financial statements have been prepared in a different currency than the currency in which the consolidated financial statements are presented.

### POST-EMPLOYMENT BENEFITS AND SHORT-TERM EMPLOYEE BENEFITS

#### Post-employment benefits

The Group provides post-employment benefits through various pension plans that are essentially defined contribution plans.

For a few employees who are not senior executives, there is a pension solution in the form of endowment insurance that has been pledged for pension commitments. The asset is defined as a financial instrument at fair value through profit or loss (see the separate section on financial instruments). The liability, i.e. the pension obligation, has the same value as the asset, plus additional special payroll tax. The obligation is reported in the consolidated financial statements at net amount.

#### Short-term employee benefits

Short-term employee benefits, including vacation pay, are current liabilities measured at the undiscounted amount that the Group is expected to pay resulting from the unused right. Short-term benefits are expensed at the rate that they are earned.

#### Provisions, contingent liabilities and contingent assets

Provisions for product guarantees, legal processes, loss contracts or other requirements are reported when the Group has a legal or informal obligation as a result of an earlier event, it is probable that an outflow of financial resources will be needed and the amounts can be estimated reliably. The time or amount of the outflow may still be uncertain.

Provisions are measured at the estimated amount required to settle the existing obligation, based on the most reliable information available on the closing date, including the risks and uncertainties associated with the existing obligation. In cases where there are a number of similar obligations, the probability of an outflow is determined by making an overall assessment of the obligations. Provisions are discounted to their present value whenever the time value of money is significant.

Any reimbursement that the Group is essentially certain that it will be able to obtain from an external party regarding the obligation is reported as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is reported if the outflow of financial resources as a result of existing obligations is unlikely. Such situations are reported as contingent liabilities unless the probability of an outflow of resources is extremely low.

### SIGNIFICANT ASSESSMENTS AND ESTIMATES WHEN APPLYING ACCOUNTING PRINCIPLES

Estimates and assessments are continuously evaluated and based on historical experience and other factors, including expectations of future events that are considered reasonable under the prevailing circumstances.

#### Significant assessments by the Group management team

> NOTE 27

When preparing the financial statements, the Group's Board of Directors and CEO make a number of assessments, calculations and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Below is information about estimates and assumptions that have the most significant impact on the recognition and measurement of assets, liabilities, revenue and expenses. The actual outcome can deviate significantly. Assessments made by Group management in the application of IFRS that have a significant impact on the financial statements, along with estimates that entail significant adjustments in subsequent financial statements are described in more detail in Note 27.

#### Impairment of non-financial assets and goodwill

> NOTE 10

When testing for impairment, Group management must calculate the recoverable amount for each asset or cash-generating unit based on expected future cash flows and using an appropriate discount rate for the future cash flows. Uncertainty exists in the assumptions on future operating profit and when establishing an appropriate discount rate. For more information on impairment testing, please see Note 9.

#### Business combinations and measurement at fair value

> NOTE 26

The Group is continuously acquiring companies, which are primarily small companies. For each acquisition, the acquired company is assessed based on, among others, IFRS 3 Business combinations and IAS 38 Intangible assets in order to identify whether there are acquired intangible assets that should be assigned a value. An intangible asset, in accordance with IAS 38 is one that has an intangible value, such as customer relations or backlog of orders. However, an item with intangible value will not always meet the definition of an intangible asset as per IAS 38. When that happens, the value is instead assigned to goodwill. The Group carefully assesses the likelihood of acquired future economic benefits based on reasonable, well-founded assumptions that constitute the best assessment of the economic conditions.

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## Continuation Note 1. Accounting and valuation principles

When calculating fair values, various measurement techniques for the specific assets and liabilities acquired in a business combination are used. The fair value of contingent consideration, for example, depends on several outcomes, such as the acquired company's future profitability.

The Group engages valuation specialists when calculating the fair value of financial instruments (whenever prices are not available on active markets) and for non-financial assets. It involves making estimates and assumptions that are consistent with how the instrument would be priced in the market. To the extent possible, assumptions are based on observable data. However, such data is not always available. When observable data is not available, the best information that is available is used instead. An estimated fair value may differ from the actual price that could possibly be achieved in a transaction on business terms on the closing date.

For acquisitions, an acquisition structure is typically applied that consists of the purchase price and contingent consideration. Payment of contingent consideration is based on future results. Companies that achieve higher profits over a specified period of time will thus be paid a higher amount of contingent consideration. Contingent consideration is paid within three years of the acquisition date and there is a fixed maximum level. Contingent consideration has been measured at fair value. It is classified in Level 3 of the fair value hierarchy and reported under Non-current liabilities and Other current liabilities in the balance sheet. For more information on contingent consideration and business combinations, please see Note 26.

### Revenue from construction contracts > NOTE 16

Revenue recognition from construction contracts requires management to make significant assessments when determining the actual incurred and anticipated costs for completing the work, along with follow-up of the forecast compared to the final outcome.

The amount of recognised revenue and associated contract assets on customers reflects Group management's best assessment of the outcome and percentage of completion for each contract. For more complex contracts, there is a considerable amount of uncertainty when assessing the costs for completion and profitability. The Group recognises revenue in its projects over time in accordance with the percentage of completion method. This involves comparing actual expenditure to the total expected expenditure at any given time. The Group has a well-established process for following up on the percentage of completion and total expected costs of each project. It includes monitoring and assessing the risk of losses that could occur in the project.

### The Parent Company's accounting and valuation principles

The Parent Company's annual report has been prepared in accordance with the Annual Accounts Act and RFR 2 Accounting for Legal Entities. RFR 2 requires the Parent Company to, in its annual report for the legal entity, apply all of the EU-approved IFRS and opinions, to the extent possible without deviating from the Annual Accounts Act and taking into consideration the relationship between accounting and taxation. The recommendation states which exceptions and additions shall be made to IFRS.

The Parent Company's annual report and financial statements are presented in the company's reporting currency, which is SEK.

The Parent Company's accounting and valuation principles are the same as those for the Group, with the exception of what is stated below.

### Presentation of the financial statements

The income statement and balance sheet are presented as required by the Annual Accounts Act. Presentation of the statement of changes in equity is the same as for the Group, but it must contain the columns specified in the Annual Accounts Act. Furthermore, there are differences in certain terminology compared to the consolidated financial statements, primarily for financial income, expenses and equity.

### Shares in subsidiaries

Shares in subsidiaries are recognised at cost less any impairment losses. The acquisition cost includes acquisition-related costs and any additional consideration.

When there is an indication that shares in subsidiaries have decreased in value, a calculation is made of the recoverable amount. An impairment loss is recognised if the recoverable amount is lower than the carrying amount. Impairment losses are recognised in "Profit or loss from participations in Group companies".

### Group contributions

All Group contributions made and received are reported as appropriations.

### Financial instruments

Financial instruments are recognised at cost. At each closing date, the Parent Company assesses whether there is an indication of impairment for any of its financial assets. An impairment loss is recognised if the decline in value is expected to be lasting. Impairment losses on interest-bearing financial assets reported at amortised cost are calculated as the

difference between the asset's carrying amount and the present value of management's best estimate of the future cash flows, which have been discounted using the asset's original effective interest rate. The amount of impairment loss for other financial assets is calculated as the difference between the carrying amount and either the fair value less selling expenses or the present value of management's best estimate of the future cash flows, whichever is higher.

## Note 2. Distribution of revenue<sup>1)</sup>

Revenue by significant category	2022		
	Contract	Service	Total
Sweden	6,452	2,767	9,220
Rest of Nordic	1,987	857	2,844
<b>Net sales</b>	<b>8,439</b>	<b>3,624</b>	<b>12,063</b>

Revenue by significant category	2021		
	Contract	Service	Total
Sweden	5,389	1,625	7,015
Rest of Nordic	1,418	457	1,875
<b>Net sales</b>	<b>6,808</b>	<b>2,082</b>	<b>8,890</b>

1) For more detailed information, please see Note 1 Accounting and valuation principles, under the heading, Revenue. For information on contract assets and contract liabilities, please see Note 16.



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## Note 3. Segment reporting

The Group management team categorises the Group's two operating segments geographically. These operating segments are monitored by the Group's executive decision maker and strategic decisions are made based on the operating profit or loss for each segment.

According to IFRS, the part of the business that does not constitute its own operating segments is called "Other segments". At Instalco, the

Parent Company and its two holding companies comprise the highest level of the Group. These companies do not meet the definition of an operating segment.

The earnings KPI that Instalco monitors is EBITA.

Net sales for the segments consist of external revenue from customers, most of which is recognised over time.

The breakdown of segments is as follows for the current reporting periods:

2022	Sweden	Rest of Nordic	Other	Elim	Total
Net sales	9,220	2,844	-	-	12,063
EBITA	772	151	-11	4	916
EBITA margin, %	8.4	5.3	-	-	7.6
2021	Sweden	Rest of Nordic	Other	Elim	Total
Net sales	7,015	1,875	-	-	8,890
EBITA	640	80	-3	30	748
EBITA margin, %	9.1	4.3	-	-	8.4

Revenue from external customers by country, based on where customers are located:

	2022	2021
Sweden	9,220	7,015
Norway	1,726	1,180
Finland	1,118	695
<b>Total</b>	<b>12,063</b>	<b>8,890</b>

Property, plant and equipment, other than financial instruments and deferred tax assets (there are no assets in connection with post-employment benefits or rights under insurance contracts), are distributed by country as follows:

	2022-12-31	2021-12-31
Sweden	526	409
Norway	126	78
Finland	68	51
<b>Total</b>	<b>721</b>	<b>538</b>

The Instalco Group does not have revenue from any single customer amounting to 10 percent or more, which is why no information on that has been provided.

## Note 4. Remuneration to auditor

Expensed amount and other remuneration amounts to:	Group		Parent Company	
	2022	2021	2022	2021
<b>Grant Thornton</b>				
Audit assignment	15	12	2	2
Audit activities in addition to the audit assignment	0	0	0	0
Tax advice	0	0	0	0
Other services	0	0	-	-
<b>Other audit companies</b>				
Audit assignment	1	1	-	-
Audit activities in addition to the audit assignment	0	0	-	-
Tax advice	0	0	-	-
Other services	1	1	-	-
<b>Total</b>	<b>18</b>	<b>14</b>	<b>2</b>	<b>2</b>

The audit assignment includes the statutory audit, which means the work necessary for issuing an auditor's report, along with audit advice in conjunction with carrying out the audit. Several other audit companies fall under the scope of Other audit companies, but none of them represented a significant amount in 2022 or previous year.

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## Note 5. Personnel costs and employees

The distribution of costs recognised for remuneration to employees is as follows:

	Group		Parent Company	
	2022	2021	2022	2021
Salaries – Board and CEO	7	6	7	6
Salaries – other employees	2,720	2,119	3	5
Pensions, defined contribution – CEO	1	1	1	1
Pensions, defined contribution – other employees	240	179	1	1
Other social security contributions	720	583	4	3
<b>Total</b>	<b>3,688</b>	<b>2,888</b>	<b>16</b>	<b>15</b>

Expensed remuneration and other benefits to the Board of Directors, CEO and other senior executives:

SEK t	Basic salary/ Board fee <sup>1)</sup>	Variable remuneration	Other benefits <sup>2)</sup>	Total
Per Sjöstrand, Chairman <sup>3)</sup>	610	–	85	<b>695</b>
Jonny Alvarsson	305	–	–	<b>305</b>
Camilla Öberg	455	–	–	<b>455</b>
Per Leopoldsson	368	–	–	<b>368</b>
Carina Qvarngård	368	–	–	<b>368</b>
Carina Edblad	305	–	–	<b>305</b>
Olof Ehrlén, Director through 5 May 2022	150	–	–	<b>150</b>
Robin Boheman, VD	3,307	1,000	94	<b>4,401</b>
Other senior executives <sup>4)</sup>	16,203	3,800	782	<b>20,784</b>
<b>Total</b>	<b>22,071</b>	<b>4,800</b>	<b>961</b>	<b>27,832</b>

1) Board fees have been paid out as salary.

2) Other benefits consist of company car, fuel subsidy and health insurance.

3) In addition to Board fees, a consulting fee in accordance with prior agreement was paid to Kreativo AB (Per Sjöstrand) of SEK 820 (400) thousand.

4) At the end of the period, other senior executives consisted of 10 (10) ordinary members, of which 1 (1) women.

### Number of employees

	Group		Parent Company	
	2022	2021	2022	2021
Average number of employees	5,202	4,235	3	4
Of which women	333	249	1	1
Of which women, %	6	6	33	30

Average number of employees by country is as follows:

	Group			
	2022	2022	2021	2021
	Total	Of which women	Total	Of which women
Sweden	3,919	246	3,287	197
Norway	702	41	572	33
Finland	579	46	375	20
<b>Total</b>	<b>5,201</b>	<b>332</b>	<b>4,235</b>	<b>249</b>

### Remuneration to the Board, CEO and other senior executives along with information about decision processes

The guidelines on remuneration that applied for the 2022 financial year pertaining to senior executives were adopted at the 2022 AGM.

Compared to the remuneration guidelines adopted at the 2020 AGM, the guidelines adopted at the 2022 AGM stipulate that remuneration for any non-compete obligations upon termination of employment may not exceed 100 percent of the fixed salary at the point of termination, unless otherwise is stipulated in collective bargaining agreements (before, it could not exceed 75 percent).

The principle for remuneration to the Board of Directors, CEO and Group Management is that it must be competitive. The Election Committee submits a proposal to the AGM on Board fees. Board fees are then based on the AGM decision.

For remuneration to the CEO, Group management and other senior executives of the Group, the Board has set up a Remuneration Committee, which performs its duties as an integral part of the Board work. Compensation to the CEO and other senior executives consists of fixed salary, variable remuneration and other ordinary benefits of employment. In addition to that, there are pension benefits and an incentive programme, as described below. The Remuneration Committee considers the guidelines for remuneration to senior executives that were decided by the AGM of Instalco AB.

In 2022, the Company followed the applicable guidelines and there were no deviations from those guidelines. Neither were there any deviations from the decision process which, according to the guidelines, shall be applied when establishing remuneration. The guidelines are published, in full, on Instalco's website.

### Board of Directors

At the end of the period, the Board consisted of 6 (7) ordinary members, of which 3 (3) women. The total for Board fees, SEK 2,470 (2,650) thousand, established by the AGM is distributed in accordance with the AGM decision. In addition to Board fees, a consulting fee in accordance with agreement was paid to Kreativo AB (Per Sjöstrand) of SEK 820 (400 thousand).

### CEO and Group management

Salary and other remuneration to the CEO and Group management during the financial year is presented in the table. Besides the obligations to pay ongoing remuneration in the form of salary, pension and other benefits, there are no other previously decided benefits that has not fallen due for payment.



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## Continuation Note 5. Personnel costs and employees

### Long-term share-related incentive programmes

At the end of the financial year, Instalco had two outstanding warrants scheme corresponding to a total of 7,546,280 shares that are directed at the expanded Group management team, CEOs of subsidiaries and other key individuals of the Group. The purpose of long-term share incentive programmes is to create the conditions for boosting the motivation of key employees (individuals that the Group has identified as important and trusted) over the short and long term. The Board is of the opinion that an incentive programme, according to the present proposal, is advantageous to the Group and the company's shareholders.

#### LTI 2022

At the Instalco AGM on 5 May 2022, it was decided to implement an incentive scheme for the Group's senior executives and other key employees by issuing warrants with the right to subscribe for new shares in the company.

With full subscription of all 2,600,000 warrants, at most 2,600,000 new shares may be issued which corresponds to a dilutive effect of approximately 1 percent of the number of outstanding shares and the maximum number of additional shares from previous programmes based on the share capital and votes at the time of the decision, subject to recalculation of the number of shares that each warrant entitles to subscription. Each warrant entitles the holder to subscribe for one new share in the Company at a subscription price corresponding to 115 percent of the volume-weighted average price according to Nasdaq Stockholm's official price list for the share during the period of five banking days after the 2022 Annual General Meeting.

The warrants have been transferred on market terms at a price (premium) that was established based on an estimated market value of the warrants using the Black & Scholes valuation model calculated by an independent valuation institute.

#### Outstanding share-related incentive programmes

Outstanding programmes	Number of options	Corresponding number of shares	Percentage shares of the total number of shares	Price per option	Redemption rate per option	Redemption rate per share	Redemption period
2020/2023 <sup>1)</sup>	989,256	4,946,280	2.00%	SEK 24.56	SEK 157.78	SEK 31.56	22 May 2023 - 16 June 2023
2022/2025	2,600,000	2,600,000	1.00%	SEK 7.80	SEK 50.92	SEK 50.92	22 May 2025 - 16 June 2025

<sup>1)</sup> The 2020/2023 programme has been restated to reflect the 5:1 share split that was carried out in January 2022.

Warrant holders may notify their intent to subscribe for shares during the period 22 May 2025 through 16 June 2025, or an earlier date that could arise in certain circumstances and which is explained in the terms and conditions that apply to the warrants.

#### LTI 2020

At the Instalco AGM on 7 May 2020, it was decided to implement an incentive scheme for the Group's senior executives and other key employees by issuing warrants with the right to subscribe for new shares in the company.

With full subscription of all 989,256 warrants, at most 989,256 new shares may be issued which corresponds to a dilutive effect of approximately 2 percent of the number of outstanding shares and the maximum number of additional shares from previous programmes based on the share capital and votes at the time of the decision, subject to recalculation of the number of shares that each warrant entitles to subscription. Each warrant entitles the holder to subscribe for one new share in the Company at a subscription price corresponding to 115 percent of the volume-weighted average price according to Nasdaq Stockholm's official price list for the share during the period of five banking days after the 2020 Annual General Meeting.

The warrants have been transferred on market terms at a price (premium) that was established based on an estimated market value of the warrants using the Black & Scholes valuation model calculated by an independent valuation institute.

Warrant holders may notify their intent to subscribe for shares during the period 22 May 2023 through 16 June 2023, or an earlier date that could arise in certain circumstances and which is explained in the terms and conditions that apply to the warrants.

There are no outstanding share-related incentive programmes besides the warrants described above.

## Note 6. Profit from shares in Group companies

	Parent Company	
	2022	2021
Dividends	133	–
<b>Total</b>	<b>133</b>	<b>–</b>

## Note 7. Financial expenses/Interest expenses and similar profit or loss items

	Group		Parent Company	
	2022	2021	2022	2021
Interest expenses, external	50	15	3	2
Exchange rate losses	56	17	–	–
Other	19	13	0	0
<b>Total</b>	<b>125</b>	<b>46</b>	<b>4</b>	<b>2</b>

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## Note 8. Taxes

The most important components of the tax expense for the financial year and the relationship between the expected tax expense based on the Swedish effective tax rate of 20.6 (20.6) percent and the reported tax expense in the income statement are as follows:

	Group		Parent Company	
	2022	2021	2022	2021
<b>Earnings before taxes</b>	<b>697</b>	<b>699</b>	<b>133</b>	<b>7</b>
Tax according to the current tax rate in Sweden, 20.6 %	-143	-144	-27	-1
Difference attributable to foreign tax rates	0	-1	-	-
Adjustment of prior years' tax	2	-1	-	-
Adjustment tax expense acquired companies	0	3	-	-
Non-taxable income	22	13	27	-
Non-deductible expenses	-20	-10	-1	0
The year's loss for which deferred tax asset has not been recognised	-6	-3	-	-
Value of prior years' loss carryforwards	0	1	-	-
Unutilised loss carryforward for the year, not previously recognised as an asset	1	0	-	-
Other	-	1	0	0
<b>Reported tax in the income statement</b>	<b>-145</b>	<b>-142</b>	<b>-1</b>	<b>-2</b>

Tax expense is comprised of the following components:

	Group		Parent Company	
	2022	2021	2022	2021
<b>Current tax</b>				
On profit for the year	-144	-124	-1	-2
Adjustment of prior years' tax	2	-1	-	-
<b>Deferred tax expense/revenue</b>				
Change in temporary differences	21	5	-	-
Untaxed reserves	-25	-20	-	-
Change in tax loss carryforwards	1	-2	-	-
<b>Reported tax in the income statement</b>	<b>-145</b>	<b>-142</b>	<b>-1</b>	<b>-2</b>

For the Group and Parent Company, there is no deferred tax expense/revenue in other comprehensive income.

### Reported deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to:

Change during the year:	2022-12-31		2021-12-31	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Intangible assets	-	-108	-	-35
Property, plant and equipment	0	-6	1	-
Financial assets	0	-	0	-
Inventories	0	-	0	-
Current receivables	-	0	1	-
Project provisions	-	-32	-	-15
Warranty provisions	1	-	1	-
Untaxed reserves	-	-174	-	-140
Unutilised loss carryforward	1	-	0	-
Other	3	0	-	0
<b>Total</b>	<b>5</b>	<b>-320</b>	<b>2</b>	<b>-192</b>
<b>Tax assets and liabilities, net</b>		<b>-315</b>		<b>-189</b>

Change during the year:	Reported in				
	2022-01-01	Income statement	Equity	Associated with acquisitions	2022-12-31
Intangible assets	-35	13	-	-86	-108
Property, plant and equipment	1	-1	-	-5	-6
Financial assets	0	0	-	-	0
Inventories	0	0	-	-	0
Current receivables	1	-1	-	0	0
Project provisions	-16	6	-22	-	-32
Warranty provisions	1	0	-	-	1
Untaxed reserves	-140	-25	-	-9	-174
Unutilised loss carryforward	0	1	-	-	1
Other	0	3	-	-	3
<b>Total</b>	<b>-189</b>	<b>-3</b>	<b>-22</b>	<b>-100</b>	<b>-315</b>

Change during the year:	Reported in				
	2021-01-01	Income statement	Equity	Associated with acquisitions	2021-12-31
Intangible assets	-1	5	-	-40	-35
Property, plant and equipment	0	1	-	-1	1
Financial assets	0	0	-	-	0
Inventories	0	0	-	-	0
Current receivables	2	-1	-	0	1
Project provisions	-10	0	-6	-	-16
Warranty provisions	1	0	-	-	1
Untaxed reserves	-106	-20	-	-14	-140
Unutilised loss carryforward	2	-2	-	-	0
Other	0	0	-	-	0
<b>Total</b>	<b>-112</b>	<b>-17</b>	<b>-6</b>	<b>-54</b>	<b>-189</b>



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## Note 9. Earnings per share

### Earnings per share

Both earnings per share before and after dilution have been calculated by using the profit attributable to the shareholders of the Parent Company as a numerator, i.e. no adjustments to the earnings needed to be made in 2022 or 2021.

Reconciliation of the weighted average number of shares used to calculate earnings per share after dilution can be reconciled with the weighted average number of ordinary shares used in the calculation of earnings per share before dilution as follows:

<b>Profit (loss) attributable to ordinary shareholders</b>	2022	2021
Profit (loss) attributable to Parent Company shareholders as per the income statement	520	546
Profit (loss) attributable to ordinary shareholders, before dilution and after dilution	520	546
<b>Number of shares, SEK 000s</b>	2022	2021
Weighted average number of shares used for calculating earnings per share before dilution <sup>1)</sup>	260,564	260,113
Weighted average number of shares used for calculating earnings per share after dilution <sup>1)</sup>	265,510	265,060

<sup>1)</sup> The number of shares has been restated to reflect the 5:1 share split that was carried out in January 2022.

## Note 10. Goodwill and other intangible assets

2022-12-31	Group			Total
	Goodwill	Customer relations	Other intangible assets	
Opening accumulated cost	3,886	202	8	4,095
Investments for the year	0	0	3	3
Acquisition of subsidiaries	676	488	0	1,164
Sales/disposals	0	0	-	0
Reclassifications	0	0	0	0
Exchange differences	86	11	0	97
<b>Closing accumulated cost</b>	<b>4,649</b>	<b>700</b>	<b>12</b>	<b>5,361</b>
Opening accumulated amortisation/depreciation	-39	-29	-4	-73
Amortisation/depreciation for the year	0	-132	-2	-134
Sales/disposals	-	-	-	-
Reclassifications	0	-	-	0
Exchange differences	0	-2	0	-2
<b>Closing accumulated amortisation/depreciation</b>	<b>-39</b>	<b>-163</b>	<b>-7</b>	<b>-209</b>
<b>Carrying amount</b>	<b>4,610</b>	<b>538</b>	<b>5</b>	<b>5,152</b>

### Impairment testing for goodwill

The Group reported goodwill amounts to SEK 4,610 (3,847) million. Monitoring of goodwill within the Group does not occur at levels lower than the two geographic business areas, which are Sweden and Rest of Nordic. Impairment testing is thus at this level. These geographic business areas are the same as the Group's operating segments. Goodwill is allocated as follows: SEK 3,077 (2,752) million for Sweden and SEK 1,532 (1,095) million for Rest of Nordic. The most recent impairment testing was in December 2022.

The recoverable amount has been calculated based on the value-in-use, where the starting point is a current assessment of the cash flows for the coming years. Forecasted earnings and investments in working capital and fixed assets for the next financial year, 2023, are based on

2021-12-31	Group			Total
	Goodwill	Customer relations	Other intangible assets	
Opening accumulated cost	2,822	5	9	2,836
Investments for the year	-	-	3	3
Acquisition of subsidiaries	1,041	167	0	1,208
Sales/disposals	-1	-	-	-1
Reclassifications	-21	30	-4	5
Exchange differences	44	0	0	44
<b>Closing accumulated cost</b>	<b>3,886</b>	<b>202</b>	<b>8</b>	<b>4,095</b>
Opening accumulated amortisation/depreciation	-42	0	-4	-46
Amortisation/depreciation for the year	0	-26	-1	-27
Sales/disposals	1	-	-	1
Reclassifications	2	-3	1	0
Exchange differences	0	0	0	0
<b>Closing accumulated amortisation/depreciation</b>	<b>-39</b>	<b>-29</b>	<b>-4</b>	<b>-73</b>
<b>Carrying amount</b>	<b>3,847</b>	<b>172</b>	<b>3</b>	<b>4,023</b>

previous outcomes and experiences. The forecast is prepared on the basis of a relatively detailed budgeting process for the various parts of the Group. The important components in cash flow are sales, various operating expenses and investments in working capital. Significant assumptions made when calculating value-in-use are described below:

- The sales forecast is based on assessments based on factors such as order intake, economic situation and market situation. The operating margins are based on historical operating margins.
- The forecast of operating expenses is based on current salary agreements and previous years' levels of gross margin and overheads, adapted to an expectation for the coming year based on aspects such as those mentioned in the sales forecast.

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## Continuation Note 10. Goodwill and other intangible assets

- The annual growth volume for year 1 is assessed using the forecasts of the companies and for the years after that, using a constant rate of 2 (2) percent. These calculations are based on estimated future cash flows before tax based on financial forecasts approved by the management covering a five-year period and which have a significant effect on the valuation.
- The discount rate before tax used for the calculation of the present value of future cash flows is 10.7 (7.8) percent for segment "Sweden" and 10.7 (7.7) percent for segment "Rest of Nordic".

The important assumptions that have the greatest effect on the recoverable amount are gross margin, discount rate and long-term growth rate, where the gross margin is most important. No reasonable possible change in the significant assumptions would result in the carrying amount of any cash generating unit specified above exceeding the recoverable amount. Neither a 1 percentage point higher discount rate, 1 percentage point reduced long-term growth or a 1 percentage point reduced margin leads to a need for impairment. Thus, the margin for impairment is large for the geographical business areas and no reasonably possible changes in the above-mentioned input data are judged to lead to impairment.

### Other impairment testing

When circumstances warrant such, intangible assets are tested for impairment according to the same principles as for goodwill. There have not been any events or other circumstances identified that would motivate recognising an impairment loss on other intangible assets.

## Note 11. Property, plant and equipment

2022-12-31	Group		
	Other non-current assets	Right-of-use assets	Total
Opening accumulated cost	123	748	871
Investments for the year	54	328	382
Acquisition of subsidiaries	76	18	94
Sales/disposals	-63	-117	-180
Reclassifications	22	0	22
Exchange differences	9	8	17
<b>Closing accumulated cost</b>	<b>221</b>	<b>985</b>	<b>1,207</b>
Opening accumulated amortisation/depreciation	-31	-302	-332
Amortisation/depreciation for the year	-40	-208	-248
Sales/disposals	33	95	128
Reclassifications	0	0	0
Exchange differences	-6	-3	-9
<b>Closing accumulated amortisation/depreciation</b>	<b>-44</b>	<b>-417</b>	<b>-461</b>
<b>Carrying amount</b>	<b>178</b>	<b>568</b>	<b>746</b>

2021-12-31	Group		
	Other non-current assets	Right-of-use assets	Total
Opening accumulated cost	62	540	602
Investments for the year	23	264	288
Acquisition of subsidiaries	53	26	79
Sales/disposals	-17	-90	-108
Reclassifications	-1	0	-1
Exchange differences	3	8	12
<b>Closing accumulated cost</b>	<b>123</b>	<b>748</b>	<b>871</b>
Opening accumulated amortisation/depreciation	-20	-217	-237
Amortisation/depreciation for the year	-19	-152	-171
Sales/disposals	10	71	81
Reclassifications	1	0	1
Exchange differences	-2	-3	-6
<b>Closing accumulated amortisation/depreciation</b>	<b>-31</b>	<b>-302</b>	<b>-332</b>
<b>Carrying amount</b>	<b>92</b>	<b>446</b>	<b>538</b>

The carrying amount of other fixed assets consists of equipment and tools SEK 117 (49) million, cars SEK 46 (31) million and buildings SEK 15 (12) million.

Right-of-use assets are leased assets in accordance with IFRS 16, which consist of buildings (leased premises) SEK 341 (301) million, cars SEK 144 (141) million and other (tools/machinery) SEK 83 (5) million. Depreciation for the year on right-of-use assets was: buildings SEK 91 (73) million, cars SEK 86 (77) million, Other (tools and machinery) SEK 31 (3) million. Total interest expense amounts to SEK 9 (7) million. The Group has excluded short-term leases and leases of low-value assets totalling SEK 104 (34) million. For information on options to extend, please see Note 1, Accounting principles, Leases.



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## Note 12. Financial assets and liabilities

### Categories of financial assets and liabilities

The information on accounting principles contains a description of each category of financial assets and liabilities, along with the accounting principles used for them. The carrying amounts for financial assets and liabilities are as follows.

#### Financial assets

2022-12-31	Group		
	Fair value via profit or loss	Amortised cost	Total
Securities held as non-current assets	14	-	14
Non-current receivables	-	11	11
Accounts receivable	-	1,891	1,891
Current receivables (portion of)	-	182	182
Cash and cash equivalents	-	631	631
<b>Total</b>	<b>14</b>	<b>2,716</b>	<b>2,730</b>

#### Financial liabilities

2022-12-31	Group		
	Fair value via profit or loss <sup>1)</sup>	Amortised cost	Total
Long-term borrowing	-	2,569	2,569
Short-term borrowing	-	4	4
Accounts payable and other liabilities	-	1,042	1,042
Contingent consideration	454	-	454
Current receivables (portion of)	-	9	9
<b>Total</b>	<b>454</b>	<b>3,623</b>	<b>4,077</b>

1) The liability measured at fair value via profit or loss is for contingent consideration. For more information, please see Note 26.

#### Financial assets

2021-12-31	Group		
	Fair value via profit or loss	Amortised cost	Total
Securities held as non-current assets	11	-	11
Non-current receivables	-	7	7
Accounts receivable	-	1,448	1,448
Current receivables (portion of)	-	121	121
Short-term investments	1	-	1
Cash and cash equivalents	-	695	695
<b>Total</b>	<b>12</b>	<b>2,271</b>	<b>2,284</b>

#### Financial liabilities

2021-12-31	Group		
	Fair value via profit or loss <sup>1)</sup>	Amortised cost	Total
Long-term borrowing	-	1,903	1,903
Short-term borrowing	-	4	4
Accounts payable and other liabilities	-	788	788
Contingent consideration	518	-	518
Current receivables (portion of)	-	2	2
<b>Total</b>	<b>518</b>	<b>2,698</b>	<b>3,216</b>

#### Borrowing

Borrowing includes the following financial liabilities:

Long-term borrowing	Group	
	2022-12-31	2021-12-31
Liabilities to credit institutions	2,569	1,903
	<b>2,569</b>	<b>1,903</b>

Short-term borrowing	Group	
	2022-12-31	2021-12-31
Liabilities to credit institutions	4	4
	<b>4</b>	<b>4</b>

As of the closing date, the Group's credit facility amounted to SEK 3,700 (2,001) million, consisting of a bank overdraft of SEK 300 (100) million and other agreed credit facilities of SEK 3,400 (1,901) million. During the year, the bank overdraft increased by SEK 200 (0) million and other agreed credit facilities increased by SEK 1,499 (500) million. As of the closing date, the Group had utilised SEK 0 (0) million of the bank overdraft and SEK 2,550 (1,896) million of the other agreed credit facilities. Unutilised overdraft facilities and other credit facilities amounted to SEK 1,150 (105) million.

The Group's credit facility of SEK 3,400 million included in Q3 2022 has a duration of two years with the option of extending a maximum of four years. The maximum time until maturity at year end was 44 (42) months. The credit facility has an underlying base rate with a marginal ladder based on the net debt. Instalco has two KPIs as covenants, which are EBITDA/net financial items and interest coverage, both of which have been met with a margin. The credit facility is linked to Instalco's Sustainability Programme.

#### Fair value

Financial instruments measured at fair value, is based on how the classification in the fair value hierarchy was made. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Other observable data for the asset or liability than quoted prices included in Level 1, either direct (e.g. quoted market prices) or indirect (e.g. derived from quoted market prices) (Level 2).
- Data for the asset or liability that is not based on observable market data (e.g. unobservable inputs) (Level 3).

Financial instruments measured at fair value in the balance sheet and classified as Level 2 in the fair value hierarchy include other long-term security holdings.

Contingent consideration that has been measured at fair value in the balance sheet is classified as Level 3 in the fair value hierarchy. For information on measurement techniques and changes in fair value, please see Note 26.

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## Continuation Note 12. Financial assets and liabilities

Fair value for long-term borrowing as below

Long-term borrowing	Group	
	2022-12-31	2021-12-31
Fair value	2,822	1,921
	<b>2,822</b>	<b>1,921</b>

Fair value is based on discounted cash flows using a discount rate based on a lending rate and it is at Level 3 in the fair value hierarchy.

The fair value of short-term borrowing and other financial instruments is essentially the same as the carrying amounts.

### Reconciliation of liabilities to credit institutions arising from financing activities

	Group		
	Non-current liabilities	Current liabilities	Total
<b>2022-01-01</b>	<b>1,903</b>	<b>4</b>	<b>1,908</b>
<b>Affecting cash flow</b>			
New loans	3,529	4	3,533
Repayment of loan	-2,905	-4	-2,909
<b>Not affecting cash flow:</b>			
Acquisition	20	-	20
Exchange differences	21	-	21
<b>2022-12-31</b>	<b>2,569</b>	<b>4</b>	<b>2,573</b>

### Reconciliation of lease liabilities arising from financing activities

	Group		
	Non-current liabilities	Current liabilities	Total
<b>2022-01-01</b>	<b>295</b>	<b>137</b>	<b>432</b>
<b>Changes during the year</b>			
Cash flow	-	-200	-200
New agreements	-	317	317
Acquired agreements	-	18	18
Other changes	-11	-8	19
Exchange differences	2	1	3
Transfer between current and non-current liability	85	-85	-
<b>2022-12-31</b>	<b>371</b>	<b>180</b>	<b>551</b>

### Reconciliation of liabilities to credit institutions arising from financing activities

	Group		
	Non-current liabilities	Current liabilities	Total
<b>2021-01-01</b>	<b>980</b>	<b>0</b>	<b>980</b>
<b>Affecting cash flow</b>			
New loans	917	0	918
Repayment of loan	-10	-	-10
<b>Not affecting cash flow:</b>			
Acquisition	15	4	19
Exchange differences	1	-	1
<b>2021-12-31</b>	<b>1,903</b>	<b>4</b>	<b>1,908</b>

### Reconciliation of lease liabilities arising from financing activities

	Group		
	Non-current liabilities	Current liabilities	Total
<b>2021-01-01</b>	<b>210</b>	<b>103</b>	<b>313</b>
<b>Changes during the year</b>			
Cash flow	-	-147	-147
New agreements	-	255	255
Acquired agreements	-	24	24
Other changes	-10	-7	-17
Exchange differences	3	1	4
Transfer between current and non-current liability	92	-92	-
<b>2021-12-31</b>	<b>295</b>	<b>137</b>	<b>432</b>

## Note 13. Participations in Group companies

Instalco AB owns 187 (158) legal entities, either directly or indirectly. Included in the Group is the direct holding in the subsidiary, Instalco Holding AB with a carrying amount of SEK 1,375 (1,375) million.

Name/registered office	Segment	Number of shares	Parent Company	
			Holding, % 2022	Holding, % 2021
Instalco Holding AB, Stockholm	Other	437,730	100	100

All of the subsidiaries run operations in the installation industry.

Change during the year:	Parent Company	
	2022-12-31	2021-12-31
Opening accumulated cost	1,375	1,465
Contribution made/repaid	-	-90
<b>Closing accumulated cost</b>	<b>1,375</b>	<b>1,375</b>
<b>Carrying amount</b>	<b>1,375</b>	<b>1,375</b>



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## Note 14. Shares/receivables in associated companies and jointly run companies

### Holdings in jointly owned companies

The Group includes the following jointly owned companies, none of which is, on its own, of significant importance to the Group.

Name/registered office	CIN	Holding, %	Group	
			2022-12-31	2021-12-31
Nya sjukhusområdet i Malmö VS HB	969781-5158	50		8
<b>Shares in associated companies and jointly controlled companies</b>				
Name/registered office	CIN		Group	
Nya sjukhusområdet i Malmö VS HB	969781-5158			8
<b>Claim in jointly controlled companies</b>				
Name/registered office	CIN		Group	
Nya sjukhusområdet i Malmö VS HB	969781-5158			1
<b>Opening accumulated cost</b>				
			10	5
<b>Profit participation</b>				
			-2	5
<b>Closing accumulated cost</b>			<b>8</b>	<b>10</b>
<b>Carrying amount</b>			<b>8</b>	<b>10</b>

## Note 15. Accounts receivable

Ageing analysis of accounts receivable and expected credit losses on doubtful debts.

	Group	
	2022-12-31	2021-12-31
Accounts receivable, gross	1,924	1,469
Provision for doubtful debts	-32	-21
<b>Accounts receivable</b>	<b>1,891</b>	<b>1,448</b>
<b>Ageing analysis</b>		
	Group	
	2022-12-31	2021-12-31
Accounts receivable, not yet due for payment	1,506	1,207
Accounts receivable, 0-3 months overdue	351	212
Accounts receivable, 4-6 months overdue	34	12
Accounts receivable, more than 6 months overdue	32	38
Expected credit losses	-32	-21
<b>Total</b>	<b>1,891</b>	<b>1,448</b>

Changes in the provision for doubtful debts for the Group are as follows:

	Group	
	2022-12-31	2021-12-31
<b>As of 1 January</b>	<b>21</b>	<b>41</b>
Acquired doubtful debts	5	2
Provision for doubtful debts	11	4
Receivables written off during the year as bad debts	-4	-14
Reversal of unutilised amount	0	-12
<b>As of 31 December</b>	<b>32</b>	<b>21</b>

Carrying amounts for the Group's accounts receivables, breakdown by currency:

	Group	
	2022-12-31	2021-12-31
SEK	1,362	1,069
NOK	360	231
EUR	167	138
<b>Total</b>	<b>1,888</b>	<b>1,438</b>

For more information, please see Note 27.

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## Note 16. Contract assets and contract liabilities

	Group	
	2022-12-31	2021-12-31
Contract assets - Claims on clients	620	519
Contract liabilities - Liabilities to clients	-461	-403
<b>Net amount in the balance sheet</b>	<b>158</b>	<b>116</b>

Contract assets primarily relate to the Group's right to compensation for work performed but not invoiced at the balance sheet date regarding service and installation agreements.

Contract assets are transferred to accounts receivables when the right to invoice exists.

Contract liabilities primarily refer to advances that have been received from customers for future service and installation work, for which revenue is recognised over time. All contract liabilities recognised as a contract liability at the start of the period have been recognised as revenue in 2022.

Performance commitments not met at year-end amount to SEK 8,376 (6,795) million, of which 68 (77) percent of the revenue is expected to be recognised within 1 year, 16 (18) percent the year after and 6 (5) percent thereafter.

## Note 17. Cash and cash equivalents and short-term investments

	Group	
	2022-12-31	2021-12-31
<b>Cash and cash equivalents consist of:</b>		
Cash held in bank accounts and on hand:		
- SEK	154	328
- EUR	210	104
- NOK	260	259
- Other	7	4
Short-term investments	-	1
<b>Total</b>	<b>631</b>	<b>696</b>

## Note 18. Equity – Share capital

At the extraordinary general meeting on 13 January 2022, it was resolved to increase the number of shares in the company via a 1:5 split. To facilitate the split, the EGM also decided to change Section 5 of the company's Articles of Association concerning the limits for the lowest and highest number of shares such that the lowest amount must amount to at least 200,000,000 shares and the highest amount not more than 800,000,000 shares. The reconciliation date for the split was 28 January 2022. In conjunction with the split, the ISN code was changed to SE0017483506.

At year end, the number of shares amounted to 260,564,020 (260,564,020) shares with a quotient value of SEK 0.003 per share. All shares belong to the same class, with equal voting right and share in the company's equity and profits. At year end, the company's holdings of own shares totalled 310,545 (310,545). Net, after deduction for repurchased own shares, the number of Class B shares amounts to 260,253,475 (260,253,475). Repurchased own shares includes the acquisition cost for own shares held by the Parent Company. The share repurchase is reported as a deduction item from equity. Any transaction costs are reported directly in equity.

All information pertaining to shares has been restated to reflect the share split that was carried out in January 2022.

<b>Subscribed and paid shares (in thousands):</b>	<b>2022-12-31</b>	<b>2021-12-31</b>
At the beginning of the year	260,564	259,660
New issue	-	904
Subscribed and paid shares	-	260,564
<b>Total decided at year end</b>	<b>260,564</b>	<b>260,564</b>

## Note 19. Provisions

All provisions are reported as current by the Group and Parent Company in the item, "Provisions". The carrying amounts and changes in provisions are as follows:

<b>Change during the year:</b>	Group	
	2022-12-31	2021-12-31
Opening carrying amounts	23	22
Additional provisions	1	0
<b>Closing carrying amounts</b>	<b>24</b>	<b>23</b>
<b>Parent Company</b>		
Carrying amount on 31 December 2021		0
Carrying amount on 31 December 2022		0

Provisions are reported as of the acquisition date of a business combination are included in "Additional provisions" above.

Provisions consist of various legal and other claims from customers, such as guarantees where the customers receive compensation for repair costs.

Typically, these claims are settled within 3 to 18 months of when they are made, depending on the claims settlement process for each type of claim. Because the settlement dates on these claims largely depends on how quickly negotiations are carried out with the various counterparties and legal authorities, the Group is not able to reliably assess the amounts that eventually will be paid out more than 12 months from the closing date. For this reason, the amount is classified as "current" in the consolidated financial statements.



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## Note 20. Liabilities to credit institutions/ lease liabilities

Of the liability items listed below, the amounts owed to credit institutions and most of the lease liabilities fall due for payment within five years. Of the total lease liabilities, SEK 14 million falls due for payment after more than five years. A table showing the maturity structure is provided in Note 27.

	Group		Parent Company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
<b>Non-current</b>				
Liabilities to credit institutions	2,569	1,903	149	143
Lease liabilities	372	295	-	-
<b>Total</b>	<b>2,941</b>	<b>2,199</b>	<b>149</b>	<b>143</b>

	Group		Parent Company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
<b>Current</b>				
Liabilities to credit institutions	4	4	-	-
Lease liabilities	181	137	-	-
<b>Total</b>	<b>185</b>	<b>141</b>	<b>-</b>	<b>-</b>

## Note 21. Accounts payable

Carrying amounts for accounts payable categorised by currency are as follows:

	Group		Parent Company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
SEK	772	625	2	0
NOK	176	74	-	-
EUR	93	90	-	-
<b>Total</b>	<b>1,042</b>	<b>788</b>	<b>2</b>	<b>0</b>

## Note 22. Accrued expenses and deferred income

	Group		Parent Company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Employee-related costs	625	540	5	5
Interest	9	2	1	0
Other items	53	38	2	1
<b>Carrying amount</b>	<b>687</b>	<b>580</b>	<b>7</b>	<b>6</b>

## Note 23. Pledged assets and contingent liabilities

	Group	
	2022-12-31	2021-12-31
<b>Pledged assets</b>		
<i>For own provisions and liabilities:</i>		
<i>Liabilities to credit institutions</i>		
Chattel mortgages	116	60
Pledged accounts receivable	21	21
Other pledged assets	66	120
<i>Pledged assets for Group companies:</i>		
Other pledged assets	-	-
<i>Other pledged assets:</i>		
Chattel mortgages	35	33
	<b>238</b>	<b>234</b>
<b>Contingent liabilities</b>		
Performance guarantees	675	402
	<b>675</b>	<b>402</b>

Instalco AB has provided a guarantee on behalf of subsidiaries for SEK 2,405 (1,752) million. Besides that, the Parent Company does not have any Pledged assets or Contingent liabilities.

## Note 24. Transactions with related parties

The Instalco Group's related parties are primarily its senior executives. For information on remuneration to senior executives, please see Note 5. There have not been any transactions with related parties that have had a significant impact on the Group's financial position or earnings.

Investments with, and borrowing from, Group companies has been on market terms.

The Parent Company, Instalco AB (publ) is affiliated with the other companies in the Group (i.e., they are related parties). For more information on significant transactions that have impacted the Parent Company, please see Note 6.

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## Note 25. Adjustments not impacting cash flow and changes in working capital

The following adjustments not impacting cash flow and adjustments for changes in working capital have been made to earnings before tax in order to arrive at the cash flow from operating activities:

	Group		Parent Company	
	2022	2021	2022	2021
<b>Depreciation/amortisation of non-financial items</b>				
Depreciation/amortisation	381	198	-	-
Change in accrued interest	6	1	0	0
Provisions	1	2	-	-
Impairment of accounts receivable	21	-7	-	-
Unrealised exchange rate effects	36	11	-	-
Capital gain (loss) from financial items	-8	-7	-	-
Capital gain (loss) from non-financial items	-9	-7	-	-
Other adjustments	-22	0	0	0
<b>Total</b>	<b>407</b>	<b>190</b>	<b>0</b>	<b>0</b>

## Note 26. Business combinations

Instalco made the following acquisitions of installation companies in 2022:

Acquired business	Area of technology	Segment	Acquisition date	Share of equity, %	Assessed annual sales, SEK m	Number of employees
Manglerud AS	Heating & plumbing	Rest of Nordic	January	100	25	14
TC Kraft AB and Z-Signaler AB	Electricity	Sweden	January	100	50	25
Kyrön Sähkö Oy	Electricity	Rest of Nordic	February	100	77	50
Highcon AB	Industrial	Sweden	April	70	325	120
Liab Instrumenteringar AB	Industrial	Sweden	May	100	36	17
Kuopion LVI-Talo Oy	Heating & plumbing	Rest of Nordic	June	100	65	30
Christiania Rörleggerbedrift AS	Heating & plumbing	Rest of Nordic	June	100	148	75
Inlands Luft AB	Ventilation	Sweden	July	100	39	24
Keyvent AB	Ventilation	Sweden	July	100	25	0
Melins Plåtslageri AB	Ventilation	Sweden	July	100	29	11
Grums Rör AB	Heating & plumbing	Sweden	July	100	32	14
Grevstad & Tvedt AS	Heating & plumbing	Rest of Nordic	August	100	110	70
URD Klima AS companies	Ventilation	Rest of Nordic	September	100	48	28
Imes AS	Electricity	Rest of Nordic	November	100	50	30
Dymont Installation Oy	Electricity	Rest of Nordic	November	100	52	57
Bakke EI-Installasjon AS	Electricity	Rest of Nordic	December	100	30	23
<b>Total</b>					<b>1,141</b>	<b>588</b>



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## Continuation Note 26. Business combinations

Instalco made the following acquisitions of installation companies in 2021:

Acquired business	Area of technology	Segment	Acquisition date	Share of equity, %	Assessed annual sales, SEK m	Number of employees
JB Elektro AS	Electricity	Rest of Nordic	January	100	40	21
Lincom AB	Electricity	Sweden	January	100	33	25
Nässjö Teknikprojektering AB	Technical consulting	Sweden	January	100	15	10
Stockholm Luftkompetens AB	Ventilation	Sweden	February	100	85	20
Kempes EI AB	Electricity	Sweden	February	100	85	66
Inva Engineering AS	Heating & plumbing	Rest of Nordic	April	100	6	10
Calmarsunds VVS AB	Heating & plumbing	Sweden	April	100	68	26
Rörmokaren i Kolmården AB	Heating & plumbing	Sweden	May	100	31	20
Lampans Elinstallationer AB	Electricity	Sweden	May	100	55	41
Elinstallationer i Karlshamn AB	Electricity	Sweden	May	100	40	31
KaVP och Karlskoga Tak AB	Ventilation	Sweden	June	100	30	17
Nordengen VVS AS	Heating & plumbing	Rest of Nordic	June	100	13	6
PlanProj AB	Technical consulting	Sweden	June	100	17	14
Nihlén Elmontage AB	Electricity	Sweden	June	100	80	19
Industriprodukter AB	Electricity	Sweden	June	100	20	22
Klimateknikk Oslo AS	Ventilation	Rest of Nordic	July	100	40	5
Forsséns Elektriska AB	Electricity	Sweden	July	100	65	40
App Start-Up AB	Industrial	Sweden	August	100	97	64
PeMi Ventilation & Montage AB	Ventilation	Sweden	September	100	38	13
Installationsservice Nicklas Eriksson AB	Electricity	Sweden	September	100	59	30
Sydsvenska Elanläggningar AB	Electricity	Sweden	September	100	100	70
Total VVS AS	Heating & plumbing	Rest of Nordic	October	100	114	23
Kompressorteknik AB	Industrial	Sweden	October	100	37	13
Blomquist Group	Heating, cooling and ventilation	Sweden	October	100	160	80
MRM Mining AB / EPS Sweden AB	Industrial	Sweden	November	100	75	21
Nordpipe Composite Engineering Oy (NCE)	Industrial	Rest of Nordic	December	100	330	120
Lidingö Elektriska AB	Electricity	Sweden	December	100	27	16
<b>Total</b>					<b>1,760</b>	<b>843</b>

Because of the acquisitions, the Group expects to increase its presence in these domestic and international markets. The acquisition calculations showing the value of assets and liabilities for the companies acquired through December 2021 have now been finalised. No significant adjustments to the calculations have been made. The acquisition analyses for acquisitions made in 2022 are still preliminary. Instalco regards the calculations as until final figures pertaining to the acquired companies have been received.

None of the acquisitions is, on its own, of significant importance to the Group, which is why the disclosures below cover them as a whole.

	2022	2021
<b>Fair value of consideration at the time of acquisition</b>		
Contingent consideration	115	389
Cash and cash equivalents	1,063	1,116
<b>Total consideration</b>	<b>1,178</b>	<b>1,505</b>
<b>Carrying amount of identifiable net assets</b>		
Intangible assets	488	167
Property, plant and equipment	78	53
Financial assets	-	3
Deferred tax assets	1	0
Other current assets	400	412
Cash and cash equivalents	202	215
Deferred tax liabilities	-153	-48
Other liabilities	-528	-337
<b>Total identifiable net assets</b>	<b>488</b>	<b>465</b>
Goodwill from acquisitions	676	1,041
<b>Total</b>	<b>1,178</b>	<b>1,505</b>
Transfer of remuneration in cash & cash equivalents	1,063	1,116
Less: Acquired cash & cash equivalents	-197	-215
<b>Net cash flow from acquisitions</b>	<b>866</b>	<b>902</b>
Settled contingent consideration attributable to acquisitions in the current year and prior years	173	51
Exchange rate difference	4	-1
<b>Total impact on cash and cash equivalents</b>	<b>1,043</b>	<b>953</b>

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## Continuation Note 26. Business combinations

Acquisition-related costs of SEK 12 (11) million are included in "Other operating expenses" in the consolidated income statement.

In accordance with agreements on contingent consideration, the Group must make a cash payment of additional consideration based on future earnings. The maximum, non-discounted amount that could be paid to prior owners is SEK 738 million, of which SEK 269 million is acquisitions that were made in 2022. The fair value of the contingent consideration is at Level 3 in the fair value hierarchy.

Contingent consideration is included in "Other liabilities" and "Other non-current liabilities" in the balance sheet and the amount reported on 2022-12-31 was SEK 454 (518) million.

The table presented below shows changes in carrying amounts of contingent consideration:

	2022	2021
<b>As of 1 January</b>	518	210
Gains and losses reported in the income statement	-2	-28
Paid contingent consideration	-173	-51
Added through acquisitions made during the year	115	389
Exchange rate difference	-4	-1
<b>As of 31 December</b>	<b>454</b>	<b>518</b>

The surplus of SEK 1,164 (1,208) million acquired in 2022 is attributable to goodwill for SEK 676 (1,041) million and customer relations from SEK 488 (167) million.

The Group's goodwill at the time of acquisition is the amount by which the purchase price exceeds the fair value of expected net assets. Recognition of goodwill is based on the future earnings capacity of companies. Consolidated goodwill is tested each year for impairment by looking at each cash-generating unit. No impairment of goodwill was necessary during the period. The amounts allocated to intangible assets such as customer relations were measured at the discounted value of future cash flows. The amortisation period is based on an assessment of each asset. More information is provided in Note 1 and Note 10.

The net sales from acquisitions made in 2022 that has been included in the consolidated income statement after the date of each acquisition amounts to SEK 1,032 million. The acquired units have contributed to an operating profit of SEK 170 million for 2022. Pro forma from 1 January 2022 corresponds to net sales of SEK 654 million from acquisitions and an operating profit of SEK 91 million.

## Note 27. Risk associated with financial instruments

### Goals and policy for financial risk management

Instalco strives to manage its financial risks arising from the running of the business in a structured, effective way, which is expressed in the financial policy that has been adopted by the Board. The goal is to maintain a good financial position, which contributes to maintaining investor, lender and market confidence and forms a basis for continued development of the business. The financial policy describes the types of financial risks that Instalco has identified, along with how responsibility for managing those risks has been allocated within the organisation. The risk categories are: transaction exposure, translation exposure, refinancing risk, interest rate risk, liquidity risk and issuer/borrower risk. Operating activities, i.e. the financial risks associated with operating activities, are managed by the management team of each subsidiary in accordance with the principles in the financial policy and subordinate routine descriptions that have been approved by Group's Board of Directors and management. Risks such as translation exposure, refinancing risk and interest rate risk are managed by the Parent Company, with the goal of securing the Group's short to medium-term cash flows by minimising exposure to the volatile financial markets. Long-term financial investments are managed with the aim of generating significant returns.

The most significant financial risks that the Group is exposed to are described below. All of these figures are undiscounted amounts.

### Market risk

The Group is exposed to market risk due to both currency risk and interest rate risk arising from its operating activities and investing activities.

### Currency risk

Transaction risk arises when future business transactions are in a currency other than the company's functional currency. The companies belonging to the Group do not have significant transactions in currencies other than their functional currency, which is why the Group's transaction risk is insignificant. The Group has several holdings in foreign operations for which the net assets are exposed to currency risk. Because it is significant, the Group has decided to hedge its currency exposure associated with the net assets of its foreign operations.

The table below shows a sensitivity analysis of translation differences in comprehensive income, included in the item "Translation reserve" in equity, calculated on the assumption that the SEK strengthens or weakens against the EUR and NOK.

	Group	
	2022	2021
EUR/SEK +/- 10%	37	16
NOK/SEK +/-10%	47	17

### Interest rate risk

Instalco is primarily exposed to interest rate risk in its debt portfolio. Interest rate risk is regulated in the financial policy by requiring that at least 50 percent of the net debt has a fixed interest term between 0 and 12 months. Loans with a variable interest rate expose the Group to interest rate risk relating to cash flow. The table below shows the effect on the Group's profit after tax due to a reasonably possible change in the interest rate for its loans in SEK, holding all other variables constant. All earnings impact stems from the effect of higher/lower interest expense for loans with a variable rate of interest. There is no additional impact on equity.

	Group	
	2022	2021
50 base points higher/lower	11	10

For more information on the Group's borrowing, please see Note 12.

### Credit and counterparty risk

Credit risk is the risk that a counterparty will not meet its obligations to the Group. The Group is exposed to credit risk via its financial transactions, in the placement of excess liquidity and in the commercial business in connection with accounts receivable and advance payments to suppliers. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets as of the closing date, which is detailed in the table below:

Types of financial assets - carrying amounts	Group	
	2022	2021
Cash and cash equivalents	631	695
Accounts receivable and contract assets	1,891	1,448
<b>Total</b>	<b>2,523</b>	<b>2,143</b>



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## Continuation Note 27. Risk associated with financial instruments

The Group applies the simplified approach in IFRS 9 when reporting the expected credit losses over the remaining term for all accounts receivable since these items do not have any significant financing component. When assessing the expected credit losses, accounts receivable have been assessed collectively because they have the same credit risk characteristics. They have been grouped based on the number of days overdue.

The Group continually monitors overdue accounts receivable and other overdue claims, both individually and by category. The Group also uses this information in its credit risk control procedures. If external credit ratings/reports on customers and other counterparties are available at a reasonable cost, the Group will collect that information and use it. The Group's policy is to only do business with creditworthy counterparties.

The assessment is that all of the financial assets specified below, which have not been written down or overdue as of the closing date have a high creditworthiness. Given the short period of time that accounts receivable are exposed to credit risk, the effects of these factors during the reporting period are considered to be insignificant.

As of the closing date, the Group had a number of accounts receivable that had not been settled by the due date. However, they are not considered to be doubtful debts. Grouping is by number of days overdue.

### Maturity structure of accounts receivable

2022-12-31	Group				Total
	Not yet due for payment	More than 30 days overdue	More than 90 days overdue	More than 180 days overdue	
Expected credit loss (%)	0	0	3	5	
Carrying amount, gross	1,505	351	34	32	1,922
Expected credit loss for remaining term	1	0	0	0	1

2021-12-31	Not yet due for payment	More than 30 days overdue	More than 90 days overdue	More than 180 days overdue	Total
Expected credit loss (%)	0	0	3	5	
Carrying amount, gross	1,207	212	12	38	1,469
Expected credit loss for remaining term	1	0	0	2	4

For accounts receivable and contract assets, the Group is not exposed to any significant credit risks with any individual counterparty or group of counterparties with similar characteristics. Accounts receivable are made up of a large number of customers in a variety of industries and geographic locations. Based on historical information on overdue payments from customers, it has assessed that its accounts receivable not yet due for payment or which have not been written down, have a high creditworthiness.

The credit risk associated with cash & cash equivalents is considered to be negligible since the counterparties are large banks with high credit ratings that have been awarded by international credit rating agencies.

### Capital, financing and liquidity risk

The overall objective is to maintain a strong capital base and a good financial position that contributes to maintaining investor, lender and market confidence and forms a basis for continued acquisitions and the development of business operations.

The goal of Instalco's financing and debt management is to secure financing for the business both in the short and long term, along with minimising the borrowing costs. The capital requirement shall be secured through active and professional borrowing arrangements in the form of bank overdraft and other credit facilities. Raising external financing is centralised. Ensuring payment readiness must be through agreed credit commitments. Excess liquidity should primarily be used to repay outstanding loans. The Parent Company is responsible for both the Group's long-term financing and its liquidity supply. The Group has a shared cash pool and an internal bank for loans made and received between Group companies.

Liquidity risk is the risk that the Group will not be able to meet its obligations. The Group manages its liquidity needs by monitoring planned payments on its non-current financial liabilities, along with forecasted payments to be made and received as part of daily operations. Information that is used to analyse these cash flow is consistent with what is used in the analysis of agreed maturities below. Liquidity need is monitored for various periods of time, which includes daily, weekly and rolling forecasts. The net cash requirements are compared to available credit facilities in order to establish the safety margin or any shortfalls. This analysis shows that available credit facilities are adequate during this period.

The Group's goal is to have cash & cash equivalents, along with marketable securities, that meet its liquidity requirements for periods of at least 30 days. That goal was fulfilled during the reporting periods. Financing of long-term liquidity needs is also met by having an adequate amount of granted credit facilities and the possibility of selling non-current financial assets.

The Group considers expected cash flows from financial assets when assessing and managing liquidity risk, particularly cash reserves and accounts receivable. The Group's existing cash reserves and accounts receivable exceed its current payment obligations by a wide margin. Most of the cash flow from accounts receivable and other receivables falls due for payment within one month. All of it, however, falls due within six months. In most cases, accounts payable fall due for payment within one month. The Group's credit facility of SEK 3,400 million included in Q3 2022 has a duration of two years with the option of extending to a maximum of four years. The maximum time until maturity at year end was 44 (42) months. The credit facility has an underlying base rate with a marginal ladder based on the net debt. Instalco has two KPIs ad covenants, which are EBITDA/net financial items and interest coverage, both of which have been met with a margin. The credit facility is linked to Instalco's Sustainability Programme.

As of the end of the period, the Group's financial liabilities (that are not derivatives) including interest, where applicable, had the following agreed maturities:

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## Continuation Note 27. Risk associated with financial instruments

2022-12-31	Group				Total contractual cash flows	Carrying amount receivables/liabilities
	Current		Non-current			
	Within 6 months	6-12 months	1-5 years	Longer than 5 years		
Liabilities to credit institutions	-	-	2 569	-	2,822	2,569
Lease liability	114	96	342	14	567	551
Accounts payable and other liabilities	1,042	-	299	-	1,341	1,341
<b>Total</b>	<b>1,156</b>	<b>96</b>	<b>3,210</b>	<b>14</b>	<b>4,730</b>	<b>4,462</b>

A comparison of the same for prior years is as follows:

2021-12-31	Group				Total contractual cash flows	Carrying amount receivables/liabilities
	Current		Non-current			
	Within 6 months	6-12 months	1-5 years	Longer than 5 years		
Liabilities to credit institutions	-	-	1,925	-	1,925	1,903
Lease liability	83	73	268	20	444	432
Accounts payable and other liabilities	788	-	-	-	788	788
<b>Total</b>	<b>872</b>	<b>73</b>	<b>2,193</b>	<b>20</b>	<b>3,158</b>	<b>3,123</b>

### Refinancing risk

Refinancing risk is the risk that Instalco, at any given time, does not have access to adequate financing. Refinancing risk increases if Instalco's creditworthiness worsens or if it becomes overly reliant on any single source of financing. If all or part of the debt portfolio falls due at the same time, or a few specific times, it could result in settlement of the loan, or refinancing with terms and interest rates that are unfavourable. In order to limit refinancing risk, negotiations of long-term credit commitments must be initiated no later than nine months prior to when the credit commitment falls due.

## Note 28. Proposed appropriation of the Parent Company's profit or loss

The following retained earnings shall be appropriated by the AGM (SEK t):

	2022-12-31
Share premium reserve	1,131,183
Retained earnings	-14,006
Profit/loss for the year	132,102
	<b>1,249,279</b>
<b>The Board and CEO recommend that</b>	
To be distributed as dividends, SEK 0.66 per share	171,767
carried forward	1,077,512
	<b>1,249,279</b>

The dividend amount has been calculated on the number of outstanding shares as of 2022-12-31, after the 5:1 split, which was 260,564,020 shares less a deduction for repurchased own shares equal to 310,545 shares, which equals 260,253,475 shares. The total dividend amount may change up until and including the reconciliation date due to new share issues and any new acquisitions that are made. No dividends will be paid on the repurchased shares.

## Note 29. Subsequent events

During the first quarter of 2023, Instalco acquired the following companies: the Telepatrol Oy with expected sales of SEK 48 million and 30 employees, Rörprodukter Montage Sverige AB with expected sales of SEK 24 million and 12 employees and Lysteknikk Elektroentreprenør AS, with expected sales of SEK 325 million and 120 employees. Rörprodukter Montage is included in Segment Sweden and the other two companies are part of the Rest of Nordic segment. The companies were acquired at 100 percent. Preliminary acquisition analyses for these acquisitions have not yet been prepared.

An agreement has been signed to acquire Enter Ställningar AB, with anticipated sales of SEK 340 million and 120 employees. The acquisition is conditional, pending approval from the Swedish Competition Authority, with anticipated completion of the acquisition in March 2023.



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# Approval of the financial statements

The consolidated financial statements for the reporting period ending on 31 December 2022 (including comparative figures) were approved by the Board of Directors on 17 March 2023.

### Board of Directors' assurance:

The consolidated financial statements and annual report, respectively, have been prepared in accordance with the International Financial Reporting Standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on application of IFRS and with generally accepted accounting principles, respectively, and they provide a true and fair view of the Group's and the Parent Company's position and earnings.

The Directors' report for the Group and Parent Company provides a fair overview of the Group's and the Parent Company's operations, position and earnings, and describes significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

The Group's and Parent Company's earnings and position in general are disclosed in the income statement and balance sheets, cash flow statements and notes included in this report.

Stockholm, 17 March 2023

Per Sjöstrand  
Chairman of the Board

Johnny Alvarsson  
Board member

Carina Edblad  
Board member

Per Leopoldsson  
Board member

Carina Qvarngård  
Board member

Camilla Öberg  
Board member

Robin Boheman  
CEO

Our audit report was submitted March 2023

Grant Thornton Sweden AB

Camilla Nilsson  
Authorised Public Accountant

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# Auditor's Report

## To the general meeting of the shareholders of Instalco AB (publ), corporate identity number 559015-8944

### Report on the annual accounts and consolidated accounts

#### Opinions

We have audited the annual accounts and consolidated accounts of Instalco AB (publ) for the year 2022 except for the corporate governance statement on pages 57 - 65.

The annual accounts and consolidated accounts of the company are included on pages 2, 7, 15-17, 32-34, 48-53, 57-99 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 57 - 65. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

#### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based

on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

#### Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

#### Revenue recognition of construction contracts

The Group recognise revenues and results from construction contracts over time, which means that revenues and costs are reported as the assignments are fulfilled. Revenues and results are recognised in relation to the percentage of completion based on actual costs at year end in relation to the total projected cost for completing the project. Anticipated customer losses are recognized as soon as they are known.

Revenue recognition is based on assessments of actual cost, estimated costs to complete the work and follow-up against the forecast of final outcome. A good control environment with ongoing forecast follow-ups of the project's final outcome is thus of great importance to the Group. Changes in assessments during the implementation of the assignment may give rise to a significant impact on the Group's earnings and financial position. The project forecasts are regularly evaluated by the Group during the term of each project and adjusted if necessary.

For further information and description of the area, please see Note 2, Note 16 and accounting and valuation principles in Note 1 in the annual accounts and consolidated accounts.

#### Response in the audit

As part of our audit related to revenue recognition of construction contracts, we have performed a number of audit procedures. Our audit procedures included, but were not limited to, the following:

- Audit of the accounting principles and evaluation of the management's processes for review assignments, including routines for identifying loss projects and / or high-risk projects, and the process for assessing revenues and costs, including assessment of alternations and additional work.

- Review and assessment of the Group's forecasting ability by evaluating the actual outcome against calculation and budget. We have assessed whether revenue recognition of installation assignments from the projects is reflected and provides a true and fair view of the accounts.
- Audit of information provided in the annual report and that these are in all material respects in accordance with the requirements of the Annual Accounts Act and IFRS.

#### Valuation of goodwill (group) and participations in group companies (parent company)

The Group's carrying amount for intangible fixed assets in the form of goodwill as of 31 December 2022 amounts to SEK 4,610 million, which corresponds approximately 48 percent of total assets. Intangible assets with an indefinite useful life shall be subject to impairment testing annually. Testing for impairment involves calculations that are based on assumptions and assessments of such things as discount rates, growth factors, operating margins and forecasted cash flows. The parent company also tests for impairment in this way on the value of its shares in subsidiaries. A test of impairment is complex and contains significant elements of assessments and assumptions about future operating profit and an appropriate discount rate.

For further information and a description of the area, please see Note 10 and accounting and valuation principles in Note 1 in the annual accounts and consolidated accounts.

#### Response in the audit

As part of our audit related to valuation of goodwill in the Group and participations in Group companies in the Parent Company, we have performed a number of audit procedures. Our audit procedures included, but were not limited to, the following:

- Review to assess and ensure that the Group's impairment tests are carried out in accordance with what is stipulated in the regulations for IFRS.
- Assessment of the reasonableness of future cash flows and assumed discount rate by taking note of and evaluating Group management's assumptions and forecasts as well as previous years' assessments in relation to actual results.
- Engagement of our own valuation specialists in terms of methodology and discount rates as well as macroeconomic aspects.
- Assessment of the Group's sensitivity analysis based on reasonably possible changes in the Group's assumptions.



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- Audit of information provided in the annual report and that these are in all material respects in accordance with the requirements of the Annual Accounts Act and IFRS.

### Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1, 3–6, 8–14, 18–31, 35–47, 54–56, 104–114. The remuneration report for the financial year 2022, which will be submitted after the date of this auditor's report, also constitutes of other information. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure We also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

### Report on other legal and regulatory requirements

### Report on the audit of the administration and the proposed appropriations of the company's profit or loss

#### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Instalco AB (Publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

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## Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

## Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

## Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that

can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

## The auditor's examination of the Esef report

### Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Instalco AB for the financial year 2022. Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

### Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Instalco AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

## Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements. Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report. The audit firm applies International Standard on Quality Management 1, that requires that the company design, implement and handled a system for quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.



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The procedures mainly include a validation that the Esef-report is established in a valid XHTML-format and a reconciliation that the Esef report is in accordance with the audited annual accounts and consolidated accounts. Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, finance position, changes in equity and cash flow and notes in the Esef report has been marked with iXBRL in accordance with the Esef-regulation

### The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 57-65 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Grant Thornton Sweden AB, Kungsgatan 57, 103 94 Stockholm, was appointed auditor of Instalco AB (publ) by the general meeting of the shareholders on the 5 May 2022 and has been the company's auditor since the 7 September 2015.

Stockholm, date of digital signature  
Grant Thornton Sweden AB

Camilla Nilsson  
Authorized Public Accountant

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# Taxonomy tables

Sales	Code/codes (2)	Absolute sales (3)	Percentage of sales (4)	Climate change mitigation (5)	Climate change adaptation (6)	Criteria for material contribution					Criteria for Do No Significant Harm (DNSH)					Taxonomy-eligible percentage of sales, 2022 (18)	Taxonomy-eligible percentage of sales, 2021 (19)	Category (enabling activity or) (20)	Category (transition activity) (21)
						Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)				
Economic activities (1)		SEK	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	%	Enabling	Transition
<b>A. ACTIVITIES COVERED BY THE TAXONOMY</b>																			
<b>A.1 Environmentally sustainable (Taxonomy-eligible) activities</b>																			
Installation, maintenance and repair of energy efficiency equipment	7.3	104	0.9%	100%						N/A	Yes	N/A	N/A	Yes	N/A	Yes	0.9%		Yes
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	72	0.6%	100%						N/A	Yes	N/A	N/A	N/A	N/A	Yes	0.6%		Yes
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	328	2.7%	100%						N/A	Yes	N/A	N/A	N/A	N/A	Yes	2.7%		Yes
Installation, maintenance and repair of renewable energy technologies	7.6	145	1.2%	100%						N/A	Yes	N/A	N/A	N/A	N/A	Yes	1.2%		Yes
Professional services related to energy performance of buildings	9.3	13	0.1%	100%						N/A	Yes	N/A	N/A	N/A	N/A	Yes	0.1%		Yes
<b>Sales of the environmentally sustainable (Taxonomy-eligible) activities (A.1)</b>			663	5.5%															
<b>A.2 Activities covered by the Taxonomy, but which are not environmentally sustainable (not Taxonomy-eligible)</b>																			
Installation, maintenance and repair of energy efficiency equipment	7.3	49	0.4%																
<b>Sales of the activities covered by the Taxonomy, but which are not environmentally sustainable (not Taxonomy-eligible) (A.2)</b>			49	0.4%															
<b>Total (A.1 + A.2)</b>			710	5.9%															
<b>B. ACTIVITIES NOT COVERED BY THE TAXONOMY</b>																			
Sales of activities not covered by the Taxonomy (B)			11,351	94.1%															
<b>Total (A + B)</b>			12,063	100.0%															

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## Operating expenditure (OpEx)

Economic activities (1)	Code/codes (2)	Absolute operating expenditure (3)	Percentage of operating expenditure (4)	Criteria for material contribution							Criteria for Do No Significant Harm (DNSH)							Taxonomy-eligible percentage of OpEx, 2022 (18)	Taxonomy-eligible percentage of OpEx, 2021 (19)	Category (enabling activity or) (20)	Category (transition activity) (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum protective measures (17)					
		SEK	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	%	Enabling	Transition	
<b>A. ACTIVITIES COVERED BY THE TAXONOMY</b>																					
<b>A.1 Environmentally sustainable (Taxonomy-eligible) activities</b>																					
Installation, maintenance and repair of energy efficiency equipment	7.3	0.5	0.1%	100%							N/A	Yes	N/A	N/A	Yes	N/A	Yes	0.1%		Yes	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	0.3	0.1%	100%							N/A	Yes	N/A	N/A	N/A	N/A	Yes	0.1%		Yes	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	1.5	0.4%	100%							N/A	Yes	N/A	N/A	N/A	N/A	Yes	0.4%		Yes	
Installation, maintenance and repair of renewable energy technologies	7.6	0.7	0.2%	100%							N/A	Yes	N/A	N/A	N/A	N/A	Yes	0.2%		Yes	
Professional services related to energy performance of buildings	9.3	0.1	0.0%	100%							N/A	Yes	N/A	N/A	N/A	N/A	Yes	0.0%		Yes	
<b>OpEx of the environmentally sustainable (Taxonomy-eligible) activities (A.1)</b>		<b>3.0</b>	<b>0.7%</b>																		
<b>A.2 Activities covered by the Taxonomy, but which are not environmentally sustainable (not Taxonomy-eligible)</b>																					
Installation, maintenance and repair of energy efficiency equipment	7.3	0.2	0.1%																		
<b>OpEx of the activities covered by the Taxonomy, but which are not environmentally sustainable (not Taxonomy-eligible) (A.2)</b>		<b>0.2</b>	<b>0.1%</b>																		
<b>Total (A.1 + A.2)</b>		<b>3.2</b>	<b>0.8%</b>																		
<b>B. ACTIVITIES NOT COVERED BY THE TAXONOMY</b>																					
OpEx of activities not covered by the Taxonomy (B)		400	99.3%																		
<b>Total (A + B)</b>		<b>403</b>	<b>100.0%</b>																		



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## Capital expenditure (CapEx)

	Code/codes (2)	Absolute CapEx (3)	Percentage of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Criteria for material contribution					Criteria for Do No Significant Harm (DNSH)					Taxonomy-eligible percentage of CapEx, 2022 (18)	Taxonomy-eligible percentage of CapEx, 2021 (19)	Category (enabling activity or) (20)	Category (transition activity) (21)
						Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)				
Economic activities (1)		SEK	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	%	Enabling	Transition
<b>A. ACTIVITIES COVERED BY THE TAXONOMY</b>																			
<b>A.1 Environmentally sustainable (Taxonomy-eligible) activities</b>																			
Installation, maintenance and repair of energy efficiency equipment	7.3	1.7	0.5%	100%						N/A	Yes	N/A	N/A	Yes	N/A	Yes	0.5%		Yes
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	1.2	0.3%	100%						N/A	Yes	N/A	N/A	N/A	N/A	Yes	0.3%		Yes
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	5.5	1.4%	100%						N/A	Yes	N/A	N/A	N/A	N/A	Yes	1.4%		Yes
Installation, maintenance and repair of renewable energy technologies	7.6	2.4	0.6%	100%						N/A	Yes	N/A	N/A	N/A	N/A	Yes	0.6%		Yes
Professional services related to energy performance of buildings	9.3	0.2	0.1%	100%						N/A	Yes	N/A	N/A	N/A	N/A	Yes	0.1%		Yes
<b>CapEx of the environmentally sustainable (Taxonomy-eligible) activities (A.1)</b>		<b>11.0</b>	<b>2.9%</b>																
<b>A.2 Activities covered by the Taxonomy, but which are not environmentally sustainable (not Taxonomy-eligible)</b>																			
Installation, maintenance and repair of energy efficiency equipment	7.3	0.1	0.0%																
<b>CapEx of the activities covered by the Taxonomy, but which are not environmentally sustainable (not Taxonomy-eligible) (A.2)</b>		<b>0.1</b>	<b>0.0%</b>																
<b>Total (A.1 + A.2)</b>		<b>11.1</b>	<b>2.9%</b>																
<b>B. ACTIVITIES NOT COVERED BY THE TAXONOMY</b>																			
CapEx of activities not covered by the Taxonomy (B)		371	97.1%																
<b>Total (A + B)</b>		<b>382</b>	<b>100.0%</b>																

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# Five-year overview

	2022	2021	2020	2019	2018
<b>Income statement SEK m</b>					
Net sales	12,063	8,890	7,122	5,692	4,414
Growth in net sales, %	36	25	25	29	42
EBITDA	1,165	920	739	587	407
EBITDA margin %	9.6	10.3	10.4	10.3	9.2
EBITA	916	748	605	493	334
EBITA margin %	7.6	8.4	8.5	8.7	7.6
Operating profit/loss (EBIT)	784	722	604	492	334
Operating profit/loss (EBIT), %	6.5	8.1	8.5	8.6	7.6
Earnings before taxes	697	699	594	473	315
Tax on profit for the year	-145	-142	-133	-101	-67
Profit/loss for the year	551	558	462	372	249
Profit/loss for the period attributable to parent company shareholders	520	546	456	370	248
<b>Equity, provisions and liabilities, SEK m</b>					
Total equity	3,152	2,501	1,973	1,485	1,068
Return on equity before tax, %	22	28	30	32	29
Total assets	9,573	7,589	5,228	4,176	3,016
Interest-bearing net debt	2,503	1,650	912	872	663
Gearing ratio, %	85.1	66.5	46.5	58.8	62.1
Interest-bearing net debt in relation to EBITDA, times	2.1	1.8	1.2	1.3	1.5
Return on equity, %	19.2	24.6	26.5	29.0	26.8
Return on capital employed, %	14.9	18.8	21.7	20.7	18.4
<b>Key financial performance indicators</b>					
Equity ratio, %	32.9	33.0	37.7	35.6	35.4
Cash flow from operating activities	753	610	689	495	338
Working capital	341	-255	-176	-22	25
Cash conversion, %	85.0	83.6	109.3	103.2	100.2
<b>Order backlog, SEK m</b>					
Order backlog	8,376	6,795	6,625	4,865	4,063

	2022	2021	2020	2019	2018
<b>Acquisition-related items</b>					
Revaluation of contingent consideration	25	31	-9	3	1
Acquisition costs	-12	-11	-10	-10	-11
Total acquisition-related items	13	20	-20	-7	-10
<b>Key figures, employees</b>					
Average number of employees	5,316	4,235	3,340	2,630	2,065
Number of employees at the end of the year	5,611	4,887	3,856	3,103	2,283
<b>Data per share</b>					
Share price as of 31 December, SEK	39.63	86.88	50.20	27.04	13.86
Market capitalisation as of 31 December, MSEK	10,326	22,599	12,703	6,604	3,316
Dividend, SEK	0.66	0.65	0.54	0.46	0.30
Profit/loss (attributable to Parent Company shareholders), SEK	1.99	2.10	1.80	1.52	1.04
Equity, SEK	12.1	9.6	7.8	6.1	4.5
Cash flow from operating activities, SEK	2.7	2.3	2.7	2.0	1.4
Average number of shares, before dilution, thousands	260,564	260,113	253,049	244,221	239,218
Average number of shares, after dilution, thousands	265,510	265,060	259,173	253,519	243,866
Number of shareholders as of 31 December	14,879	14,606	11,756	3,958	2,023
Number of outstanding shares, thousands	260,253	260,253	259,739	247,314	242,709
Highest price paid during the year, SEK	88.84	98.64	51.70	27.40	14.50
Lowest price paid during the year, SEK	38.28	50.60	16.20	13.18	9.98
<b>Sustainability</b>					
Employee satisfaction, %	85	84	85	85	89
Absence due to illness, %	5.4	5.0	4.6	3.5	3.4
Employee turnover, %	14.8	13.9	12.4	13.2	15.2
Number of occupational injuries	210	142	107	85	78
Percentage women in Group management team, %	10.0	9.1	0	25.0	33.3
Percentage women on Board of Directors, %	50.0	42.9	50.0	50.0	50.0
Percentage women total in the Group, %	6.4	5.9	5.5	5.4	6.0
Number of employees at the end of the year	5,611	4,887	3,856	3,103	2,283
Number of operations at the end of the year	125	106	84	68	52

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### Reconciliation of key figures not defined in accordance with IFRS

The Company presents certain financial measures in the interim report, which are not defined under IFRS. The Company believes that these measures provide useful supplemental information to investors and the company's management, since they allow for the evaluation relevant trends. Instalco's definitions of these measures may differ from other companies using the same terms. These financial measures should therefore be viewed as a supplement, rather than as a replacement for measures defined under IFRS. Presented below are definitions of measures that are not defined under IFRS and which are not mentioned elsewhere in the interim report. Reconciliation of these measures is provided in the table, below. For definitions of key figures, see page 110-111. As of 1 January 2022, EBITA and EBITDA are no longer presented with an adjustment for revaluation of additional consideration and acquisition costs.

Calculation of organic growth in net sales	2022	2021	2020	2019	2018
Net sales	12,063	8,890	7,122	5,692	4,414
Acquired net sales	-2,328	-1,470	-1,211	-1,081	-1,048
Changes in exchange rates	-146	0	101	-22	-46
<b>A) Comparative figures for the previous year</b>	<b>9,589</b>	<b>7,419</b>	<b>6,011</b>	<b>4,589</b>	<b>3,320</b>
B) Net sales for the previous year	8,890	7,122	5,692	4,414	3,114
<b>(A/B) Organic growth in net sales, %</b>	<b>7.9</b>	<b>4.2</b>	<b>5.6</b>	<b>4.0</b>	<b>6.6</b>

### KPIs for earnings and margins

<b>(A) EBITDA</b>	<b>1,165</b>	<b>920</b>	<b>739</b>	<b>587</b>	<b>407</b>
Depreciation/amortisation and impairment of property, plant and equipment and non-acquired intangible assets	249	172	135	95	74
<b>(B) EBITA</b>	<b>916</b>	<b>748</b>	<b>605</b>	<b>493</b>	<b>334</b>
Depreciation/amortisation and impairment of acquired intangible assets	131	26	1	1	0
<b>(C) Operating profit/loss (EBIT)</b>	<b>784</b>	<b>722</b>	<b>604</b>	<b>492</b>	<b>334</b>
<b>(D) Net sales</b>	<b>12,063</b>	<b>8,890</b>	<b>7,122</b>	<b>5,692</b>	<b>4,414</b>
(A/D) EBITDA margin, %	9.6	10.3	10.4	10.3	9.2
(B/D) EBITA margin, %	7.6	8.4	8.5	8.7	7.6
(C/D) EBIT margin, %	6.4	8.1	8.5	8.6	7.6

### KPIs on cash flow and returns

#### Calculation of operating cash flow and cash conversion

	2022	2021	2020	2019	2018
(A) EBITDA	1,165	920	739	587	340
Net investments in property, plant & equipment, financial assets and intangible assets	-27	-18	-2	-2	-3
Changes in working capital	-137	-130	73	26	4
<b>(B) Operating cash flow</b>	<b>1,000</b>	<b>772</b>	<b>810</b>	<b>611</b>	<b>341</b>
<b>(B/A) Cash conversion, %</b>	<b>85.9</b>	<b>83.9</b>	<b>109.6</b>	<b>104.1</b>	<b>100.3</b>

#### Calculation of return on equity

(A) Profit or loss for the year	551	558	462	372	249
Equity at the beginning of the period	2,482	1,960	1,483	1,068	793
Equity at the end of the period	2,944	2,482	1,960	1,483	1,068
(B) Average total equity	2,713	2,221	1,722	1,276	931
<b>(A/B) Return on total equity, %</b>	<b>20.3</b>	<b>25.1</b>	<b>26.8</b>	<b>29.2</b>	<b>26.8</b>

#### Return on capital employed

(A) EBIT	784	722	604	492	334
(B) Financial income	38	23	23	5	2
(C) Average total assets	8,914	6,390	4,674	3,768	2,860
(D) Interest-free liabilities	3,010	2,303	1,707	1,340	1,016
<b>(A+B)/(C-D) Return on capital employed, %</b>	<b>13.9</b>	<b>18.2</b>	<b>21.1</b>	<b>20.5</b>	<b>18.2</b>



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### Capital structure

#### Calculation of working capital and working capital in relation to net sales

	2022	2021	2020	2019	2018
Inventories	159	104	62	45	29
Accounts receivable	1,891	1,448	995	874	698
Contract assets	620	519	407	322	205
Prepaid expenses and accrued income	158	101	107	93	55
Other current assets	177	127	96	64	48
Accounts payable	-1,042	-788	-588	-420	-317
Contract liabilities	-461	-403	-349	-357	-212
Other current liabilities	-473	-784	-431	-289	-208
Accrued expenses and deferred income, including provisions	-687	-580	-476	-354	-272
<b>(A) Working capital</b>	<b>341</b>	<b>-255</b>	<b>-176</b>	<b>-22</b>	<b>25</b>
(B) Net sales	12,063	8,890	7,122	5,692	4,414
<b>(A/B) Working capital as a percentage of net sales, %</b>	<b>2.8</b>	<b>-2.9</b>	<b>-2.5</b>	<b>-0.4</b>	<b>0.6</b>

#### Calculation of interest-bearing net debt, gearing ratio and interest-bearing net debt as a percentage of EBITDA

Non-current, interest-bearing financial liabilities	2,950	2,209	1,196	1,104	817
Current, interest-bearing financial liabilities	185	137	103	84	65
Cash and cash equivalents	-631	-695	-386	-317	-218
<b>(A) Interest-bearing net debt</b>	<b>2,503</b>	<b>1,650</b>	<b>912</b>	<b>872</b>	<b>663</b>
(B) Equity	2,944	2,482	1,960	1,483	1,068
<b>(A/B) Gearing ratio, %</b>	<b>85.0</b>	<b>66.5</b>	<b>46.5</b>	<b>58.8</b>	<b>62.1</b>
(C) EBITDA	1,165	920	739	587	407
<b>(A/C) Interest-bearing net debt in relation to EBITDA, times</b>	<b>2.1</b>	<b>1.8</b>	<b>1.2</b>	<b>1.5</b>	<b>1.6</b>

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# Definitions

## General

Unless otherwise indicated, all amounts in the tables are in SEK m. All amounts in parentheses () are comparison figures for the same period in the prior year, unless otherwise indicated.

Key figures	Definition/calculation	Purpose
Acquired growth in net sales	Change in net sales as a percentage of net sales during the comparable period, fuelled by acquisitions. Acquired net sales is defined as net sales during the period that are attributable to companies that were acquired during the last 12-month period and for these companies, the only amounts that are considered as acquired net sales are their sales up until 12 months after the acquisition date.	Acquired net sales growth reflects the acquired units' impact on net sales.
Cash conversion	Operating cash flow, 12-months rolling, as a percentage of EBITDA, 12-months rolling. A change in the calculation of cash conversion occurred during the year and prior periods have been restated.	Cash conversion is used to monitor how effective the Group is in managing ongoing investments and working capital.
Change in exchange rates	The period's change in net sales that is attributable to the change in exchange rates (start of the period compared to the end of the period), as a percentage of net sales during the comparison period.	The change in exchange rates reflects the impact that exchange rate fluctuations has had on net sales during the period.
EBITA	Operating profit/loss (EBIT) before depreciation/amortisation and impairment of acquisition-related intangible assets.	EBITA provides an overall picture of the profit generated from operating activities.
EBITA margin	Operating profit/loss (EBIT) before depreciation/amortisation and impairment of acquisition-related intangible assets, as a percentage of net sales.	EBITA margin is used to measure operational profitability.
EBITDA	Operating profit/loss (EBIT) before depreciation/amortisation and impairment of acquisition-related intangible assets and depreciation/amortisation and impairment of property, plant and equipment and intangible assets	EBITDA, together with EBITA provides an overall picture of the profit generated from operating activities.
EBITDA margin	Operating profit/loss (EBIT) before depreciation/amortisation and impairment of acquisition-related intangible assets and depreciation/amortisation and impairment of property, plant and equipment and intangible assets, as a percentage of net sales.	EBITDA margin is used to measure operational profitability.
Equity ratio	Equity including non-controlling interests, expressed as a percentage of total assets.	Equity ratio is used to show the proportion of assets that are financed by equity.
Gearing ratio	Interest-bearing net debt as a percentage of total equity.	Gearing ratio measures the extent to which the Group is financed by loans. Because cash and other short-term investments can be used to pay off the debt on short notice, net debt is used instead of gross debt in the calculation.
Growth in net sales	Change in net sales as a percentage of net sales in the comparable period, prior year.	The change in net sales reflects the Groups realised sales growth over time.
Interest-bearing net debt	Non-current and current interest bearing liabilities less cash and other short-term investments.	Interest-bearing net debt is used as a measure that shows the Groups total debt.
Interest-bearing net debt in relation to EBITDA	Interest-bearing net debt at the end of period divided by EBITDA, on a 12-month rolling basis.	Net debt in relation to EBITDA provides an estimate of the company's ability to reduce its debt. It represents the number of years it would take to pay back the debt if the net debt and EBITDA is kept constant, without taking into account the cash flows relating to interest, taxes and investments.

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Key figures	Definition/calculation	Purpose
Non-recurring items	Non-recurring items, like contingent consideration, acquisition costs, the costs associated with refinancing, sponsorship costs and listing costs.	By excluding non-recurring items, it is easier to compare earnings between periods.
Operating cash flow	EBITDA less investments in property, plant and equipment and intangible assets, along with an adjustment for cash flow from change in working capital.	Operating cash flow is used to monitor the cash flow generated from operating activities.
Operating profit/loss (EBIT)	Earnings before interest and taxes.	Operating profit/loss (EBIT) provides an overall picture of the profit generated from operating activities.
Order backlog	The value of outstanding, not yet accrued project revenue from received orders at the end of the period.	Order backlog provides an indication of the Group's remaining project revenue from orders already received.
Organic growth, adjusted for currency effects	The change in net sales for comparable units after adjustment for acquisition and currency effects, as a percentage of net sales during the comparison period.	Organic growth in net sales does not include the effects of changes in the Group's structure and exchange rates, which enables a comparison of net sales over time.
Return on capital employed	Operating profit/loss (EBIT) plus financial income divided by capital employed (total assets less interest-free liabilities). The components are calculated as the average over the last 12 months.	The purpose is to analyse profitability in relation to capital employed.
Return on equity	Earnings for the year on a rolling 12-month basis divided by average total equity at the end of the period.	Return on equity is used to analyse profitability, based on how much equity is used.
Return on equity before tax	Earnings before taxes divided by adjusted equity.	Return on equity before tax, used to create an efficient organisation and rational capital structure. It also shows how the Group yields interest on shareholders' capital.
Working capital	Inventories, accounts receivable, earned but not yet invoiced income, prepaid expenses and accrued income and other current assets, less accounts payable, invoiced but not yet earned income, accrued expenses and deferred income and other current liabilities.	Working capital is used to measure the company's ability to meet short-term capital requirements.
Working capital as a percentage of net sales	Working capital at the end of the period as a percentage of net sales on a 12-month rolling basis.	Working capital as a percentage of net sales is used to measure the extent to which working capital is tied up.



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# Shareholder information

## Additional information

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## Financial calendar

Annual Report	Published on the company's website during week of 20 March 2023
Interim report January-March	4 May 2023
AGM	5 May 2023
Interim report January-June	22 August 2023
Interim report January-September	27 October 2023
Year-end report	February 2024

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Except for; page 12 Kompressorteknik, page 18 Unsplash, page 19 Vallacom, page 24 and 25 Fredrik Trahn, page 26 JB Elektro, page 30 LVI-Urakointi Paavola, page 31 Moi Rör, page 35 Inlands Luft, page 43 Universeum and Ted Boheman, page 47 Ventpartner and page 56 Tuve Bygg.

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# Subsidiaries

Subsidiaries and additional companies as of 31 December 2022

## Sweden



## Rest of Nordic

### Norway



### Finland



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