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INSTALCO

Annual Report and Sustainability Report

2023

Instalco offers comprehensive sustainable technical solutions for electrical systems, heating and plumbing, ventilation and industrial systems, as well as technical consulting.



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• SUSTAINABILITY INFORMATION

The statutory sustainability report in accordance with the Swedish Annual Accounts Act is included in the Annual Report on the following pages: social conditions and workforce on pages 36–46; environment on pages 36–46; human rights and anti-corruption on pages 36–46 and 52; business model and goals on pages 6 and 8; management of material sustainability risks on page 50; Taxonomy tables on pages 104–106.

• DIRECTORS' REPORT

The Board of Directors and CEO of Instalco AB (publ), corp. ID no. 559015-8944, hereby present the Annual Report for the 2023 financial year for the Parent Company and Group, which consists of the Directors' Report on pages 2, 7, 13–15, 32–34, 50–52, 54–55, 58–69 and the financial statements, notes and comments on pages 70–99. The Corporate Governance Report, which has been reviewed by the auditors, can be found on pages 58–66.

What

Through its subsidiaries Instalco offers system design, technical installation services, maintenance and services that contribute to reduced resource consumption in properties and other facilities.



HEATING & PLUMBING



ELECTRICAL



VENTILATION



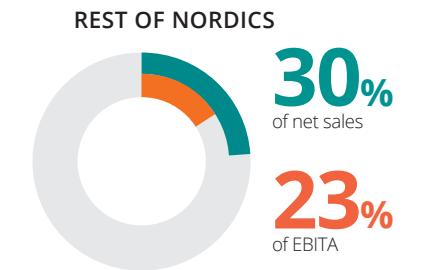
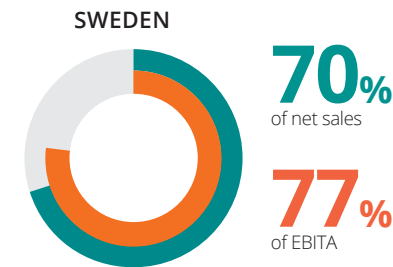
INDUSTRIAL



TECHNICAL CONSULTING

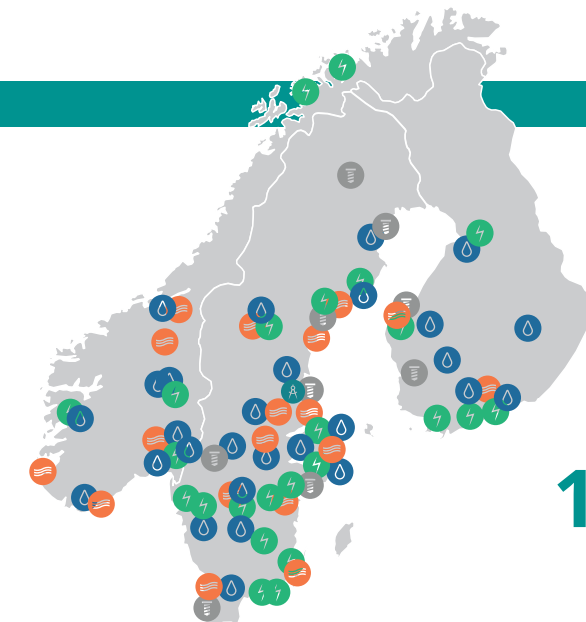
Where

With around 135 subsidiaries and 6,200 employees, Instalco provides national coverage across Sweden, Norway and Finland.



Who

Instalco's customers are primarily construction companies and property owners working on commercial facilities, office premises and residential property. Examples of final areas of use include schools, preschools, elderly care facilities, healthcare establishments and hospitals. Other customers include industry, local authorities and regions, municipal companies, public administrations, shipping companies, mining companies, electricity and power companies, and companies in the marine and fishing industries. Our climate-smart installations lower energy and resource consumption to help future-proof society.



135+
companies

6,200+
employees

14,279 m
SEK in net sales

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2023 in brief

Significant events

- Instalco strengthens its presence in the industrial sector by acquiring scaffolding company Enter Ställningar of Gothenburg and project engineers Processus. Enter Ställningar complements Instalco's scaffolding company Highcon in terms of geographical presence and will enable expertise and resources to be shared.
- TelePatrol Oy, Lysteknikk Elektroentreprenør AS, Halvard Thorsen AS, URD Klima Sandnes AS and Sähkö Äijät Teollisuus Oy are acquired in the Rest of Nordics segment.
- Instalco presents a new vision and introduces its strategic direction to 2027.
- In March an updated Safe Employee training programme is launched. This programme forms part of Instalco's sustainability programme and the training covers the psychosocial perspective, supplementing the rules and procedures for avoiding physical injury in the workplace.
- An option to extend the existing credit agreement was utilised; the agreement now runs until 2025 on unchanged terms. The terms also include an option to extend the agreement by a further year.
- Instalco's technical consultancy Intec expands its offering to include lighting design. Lighting design company Zenisk in Oslo is acquired in June, while autumn sees the start-up of the new company Ovau in Stockholm. Together the two form The Lighting Platform, which will offer sustainable and integrated lighting solutions.
- Rörprodukter Montage Sverige AB, SMT Norrbotten AB, Elektro Västerbotten AB and Boas Industriservice AB are acquired in the Sweden segment.

+18.4%
growth in net sales

+14.6%
growth in operating profit (loss) (EBIT)

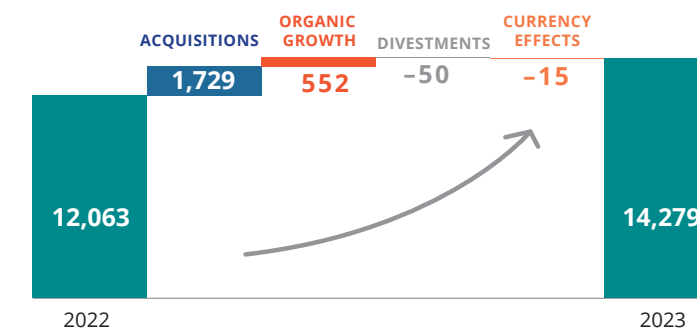
11
number of acquired companies

7.6%
EBITA margin

+32.7%
cash flow from operating activities

0.68 SEK
proposed dividend per share

NET SALES GROWTH, SEK M



KEY PERFORMANCE INDICATORS^{1) 2)}

SEK m	2023	2022	Change, %
Net sales	14,279	12,063	+18.4
EBITA	1,085	916	+18.5
EBITA margin, %	7.6	7.6	
Operating profit (loss) (EBIT)	899	784	+14.7
Operating margin (EBIT), %	6.3	6.5	
Earnings before taxes	792	697	+13.6
Cash flow from operating activities	999	753	+32.7
Order backlog	8,437	8,376	+0.7
Basic earnings per share (SEK)	2.29	1.99	+14.8
Diluted earnings per share (SEK)	2.26	1.96	+15.5
Dividend per share (SEK)	0.68	0.66	+3.0

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

2) For further key performance indicators and financial years, see "Five-year summary" on pages 107-109.

Denna årsredovisning finns även på svenska som pdf på bolagets hemsida, www.instalco.se.

This annual report is also available in Swedish as a pdf file on the company's website, www.instalco.se.

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Five reasons to invest in Instalco

Investing in Instalco is for those who share our belief in the green transition that is central to Instalco's business model, as we transition installations to a sustainable world for the next generation.

1

Attractive positioning in the market for medium-sized projects, fuelled by global megatrends

- Leading position in our local markets
- Focus on the market's mid-segment, primarily projects worth SEK 1 million–75 million
- Stable and diversified customer base

2

Focus on services that generate benefits for society and improve energy efficiency and sustainability

- Extensive experience, knowledge and technical expertise in climate-smart and resource-efficient installation services
- Sustainable technical solutions that lower energy consumption and clean our air and water
- Political decisions such as the EU Taxonomy and CSRD are increasing demand for sustainable installations and demonstrate the value and benefit to society that we create every day

3

Decentralised model maintains the entrepreneurial spirit while providing financial muscle to strengthen the customer offering

- In our decentralised model the subsidiaries keep their brand and unique identity, with responsibility for strategy, implementation, customers, employees, skills and results
- Collaboration between the companies provides access to larger and more complex comprehensive deals, boosting our market position and improving our ability to deliver added value to customers

4

Proven experience of successful acquisitions in a fragmented market with low multiples

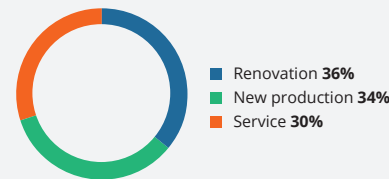
- Since 2014 we have acquired 135 subsidiaries
- Clear acquisition strategy and criteria ensure profitable and high-quality transactions, thereby strengthening our portfolio and promoting growth
- The installation sector in the Nordics remains highly fragmented and we see a good pipeline for future acquisitions

5

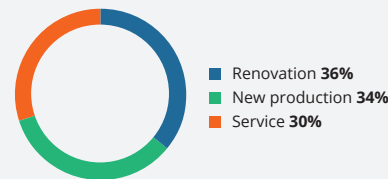
Combination of strong growth, industry-leading margins and high rate of cash conversion

- Average growth of over 26 percent per year across the past five years
- Average EBITA margin of 8.2 percent across the past five years
- Average cash conversion rate of over 94 percent across the past five years
- Stable dividend over time

GROWING SHARE OF SERVICES



SUSTAINABLE INSTALLATIONS



PROFITABLE GROWTH

ACQUIRED SALES, SEK M, AND NUMBER OF ACQUISITIONS

EARNINGS AND DIVIDEND PER SHARE

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CEO comments

Ten years of making our mark in the installation sector

This year is Instalco's 10th anniversary. Over that decade we have created something completely unique and have been at the forefront of reshaping the installation sector. Our acquisition-driven decentralised model has proved to be successful time after time.

As we now sum up 2023, we are pleased to report results that are largely in line with both our financial targets and our sustainability goals. This is a good performance from Instalco overall in the current market, and far better than in the construction sector with which we are often – unfairly – compared. Installation consists of late-cycle services, giving us time and space to fend off market fluctuations. Moreover, the majority of our business is geared towards services and renovation work, which are not as sensitive to economic fluctuations as the construction sector. After the negative impact of macroeconomic factors such as high interest rates, inflation and a weaker economy last year, we can now discern certain positive signals in the market. We are still constantly taking on new and exciting projects and our order book is good, particularly from customers with which we have long and close relationships. We are well positioned for continued profitable growth.

Instalco at 10

Ten years ago, on 15 February 2014, Instalco was born out of the acquisition of our first five companies: Rörgruppen, Orab Entreprenad, PoB: Elektriska, Klimatrör and VVS Metoder.

We started from nothing, with a blank sheet of paper, and now 10 years later we are a successful and profitable group with more than 135 subsidiaries, a workforce of 6,200 people and over SEK 14 billion in revenue. It has been a fantastic journey and we have made an impact that we could never have anticipated. I would maintain that Instalco has transformed the entire installation industry through our acquisition-driven model and decentralised leadership. Before Instalco was formed, the usual company constellations in the installation industry were either large centralised conglomerates or lone small installers. With Instalco we have found a niche in between. We have positioned ourselves as an acquirer of quality companies, while the subsidiaries get to keep their culture, brand and history – all the factors that made them successful. At the same time, they get to benefit from economies of scale. We have also repeatedly proven the strength of our model and that it works both in good times and when times are more challenging. Much of this is simply down to the decentralised model and the unique culture and spirit of Instalco.



- Growing share of services
- High rate of acquisition
- Well positioned for further profitable growth

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Positioning for the future

During the year we have continued to lay a solid foundation for further growth and strengthened our position for the decade to come. We have intensified our profitability efforts in the subsidiaries with the new GoGr8 programme, and we have developed best practices within the area of multidisciplinary projects. We have also initiated a branding effort to strengthen the Instalco brand, both locally and centrally, among our stakeholders and target groups.

Fast rate of growth continues

We have continued to grow during 2023 through a high acquisition rate, largely in line with 2022. The acquisition year is characterised by a number of major acquisitions during the first half of the year, such as Lysteknikk in Norway and Enter Ställningar in Sweden. We have continued in line with our strategy, focusing on growth within the industrial sector, in technical consulting and among companies in our Rest of Nordics segment. We have also eagerly seized additional growth opportunities through both start-ups and additional acquisitions for our existing subsidiaries.

Ever since it started, Instalco has focused on what we call medium-sized projects – that is, contracts worth roughly SEK 1 million – SEK 75 million. That strategy remains unchanged. This segment is our home turf and it is where we are strongest, working with good margins and low risk. With various larger subsidiaries within Instalco, however, it is only natural that the number of larger projects is also increasing. The strategy here is the same as before: that as far as possible, large projects should be undertaken in partnership with the customer.

I am also pleased to see a growing proportion of services work within Instalco. For several years we have worked to strengthen our position in services and for full-year 2023 we reached a share equivalent to 30 percent of sales.

Sustainability is in our DNA

Properties account for a significant share of global climate and environmental impact through their construction, renovation and use – which is why it feels particularly good to be working at a company that offers services to help improve energy efficiency and conserve resources as well as extending the lifetime of properties.

Instalco is a service company and our main operations take place at our customers' premises, where our services help them reduce their climate impact. We do not engage in manufacturing or environmentally hazardous production, and the services we offer contribute to the green transition. For that reason we do not have a separate ESG strategy either. It is part of our business model and strategy; sustainability is in Instalco's DNA.

We continue to work clearly towards our eight sustainability goals, one of which we have selected as being the most key element: Sustainable Instalco Projects. At the same time, we are adapting and preparing for sustainability reporting according to the EU's ESG legislation such as the Corporate Sustainability Reporting Directive (CSRD). At the top of our sustainability agenda now is Group management and the Board of Directors making decisions on Instalco's long-term climate goals.

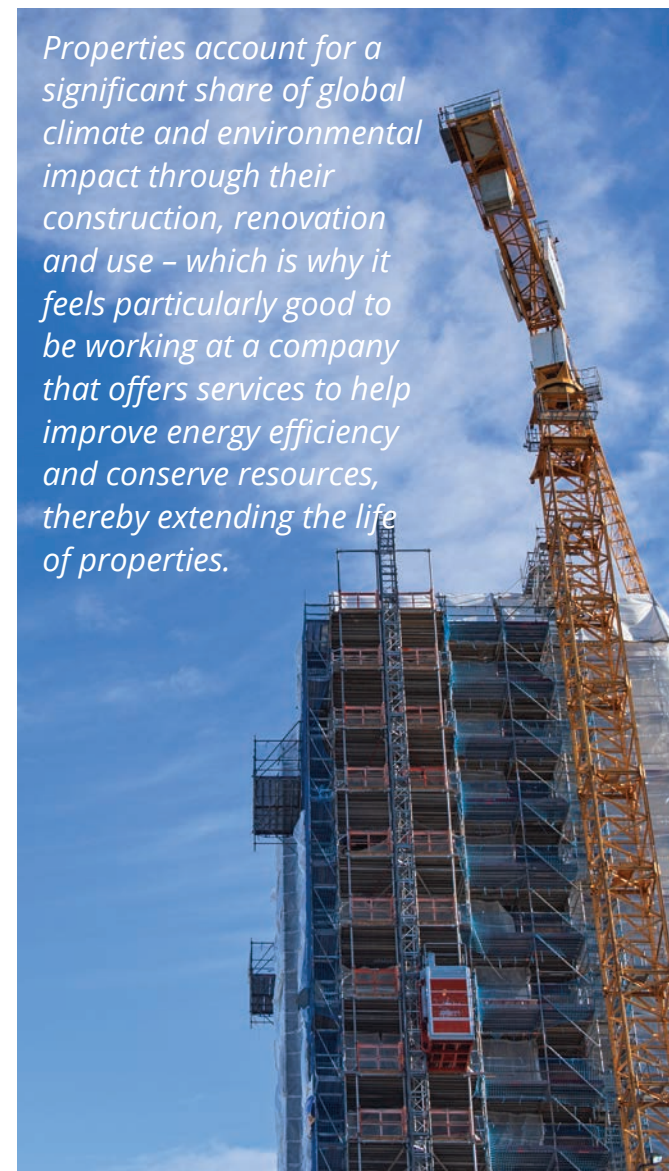
We want to contribute to the achievement of the global sustainability goals. Instalco has therefore committed to the principles of the UN Global Compact and reports according to the EU Taxonomy, which sets out a framework for classifying sustainable investments.

The construction industry in Sweden has suffered some tragic accidents in recent times. Instalco has a zero vision for workplace accidents and we continuously work on preventive measures to create a safe working environment for our employees and subcontractors. We also take significant social responsibility for our employees, for example through our Safe Employee programme, the Instalco Club and Instalco Training. We have always achieved high results within the Group when measuring employee satisfaction. In 2023 we started measuring this according to the Employee Net Promoter Score (eNPS) standard, achieving an overall score of 30. That is something we are very proud of and it describes the unique Instalco spirit we have throughout the Group.

Finally, I would like to take this opportunity to thank all our dedicated employees who have contributed over the years to making Instalco what it is today. I also want to thank all our shareholders for the trust you show in us. There are so many ways in which I am happy and proud to be part of the Instalco team. We are well equipped and ready for the next 10 years.

Robin Boheman
President and CEO

Properties account for a significant share of global climate and environmental impact through their construction, renovation and use – which is why it feels particularly good to be working at a company that offers services to help improve energy efficiency and conserve resources, thereby extending the life of properties.



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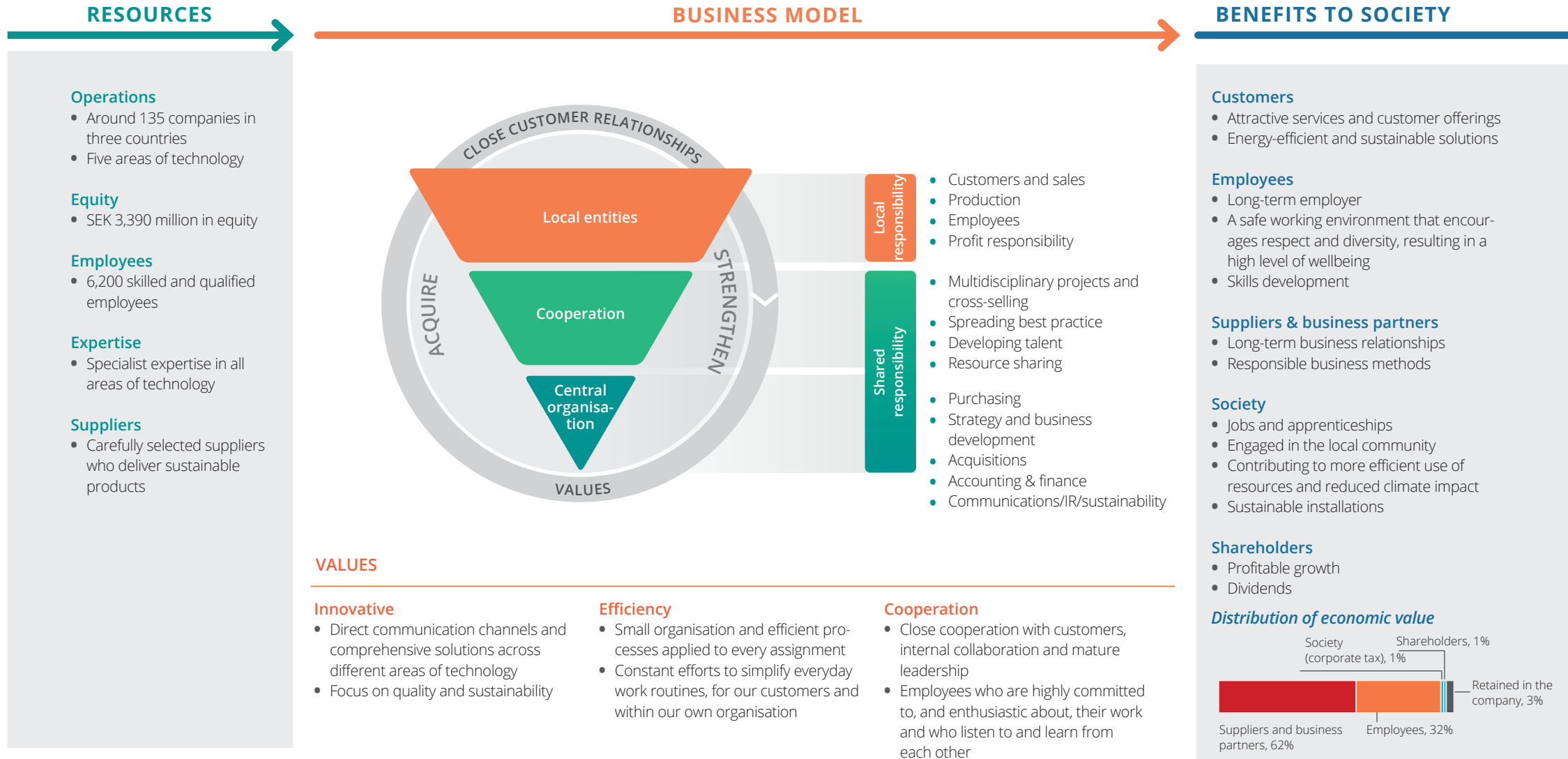
Value creation

Vision

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

Business concept

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



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Financial targets and results

TARGET	DESCRIPTION	RESULTS IN 2023
<p>Growth</p> <p>>10% annually over a business cycle</p>	<p>Demonstrates the company's ability to increase its market share via an attractive offering to customers utilising its full range of expertise.</p>	<p>18.4%</p> <p>Growth in sales was 18.4 percent, of which 4.6 percent¹⁾ was organic.</p>
<p>Margin</p> <p>>8%</p>	<p>Measures the company's ability to generate profit so that it can create long-term value for its shareholders, customers, employees and other stakeholders.</p>	<p>7.6%</p> <p>The EBITA margin was 7.6 percent.</p>
<p>Capital structure</p> <p><2.5x</p>	<p>A low net debt/EBITDA ratio is an indication of the company's ability to use its own funds for new acquisitions.</p>	<p>2.4x</p> <p>The net debt/EBITDA ratio was 2.4.</p>
<p>Cash conversion rate</p> <p>100% 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>90%</p> <p>The cash conversion rate was 90.0 percent.</p>
<p>Dividend policy</p> <p>30% of net profit for the year after tax</p>	<p>Demonstrates the company's ability to generate returns.</p>	<p>30%</p> <p>The proposed dividend is SEK 0.68 (0.66) per share, which corresponds to a dividend ratio of 30 (30) percent.</p>

¹⁾ Currency-adjusted.

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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 stimulating working environment	KPI	Zero vision for workplace accidents	Health, safety and wellbeing			Development opportunities	
		Reported workplace accidents resulting in absence	Employees who 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
	Goals	0%	>20 eNPS¹⁾	<10%	<5%	>250	>75%
	Results 2023	2.9%	30	13.1%	4.7%	368²⁾	70%
Sustainable installations	KPI	Sustainable Instalco Project			Benefits to society		
		Projects classified as Sustainable Instalco Projects			Participation in key initiatives that bring benefits for society		
	Goals	>120			<ul style="list-style-type: none"> • Collaborations with Universeum, Svenska Bussarna, Wayout Water and the Swedish Society for Nature Conservation • Membership of the UN Global Compact sustainability initiative and Håll Nollan, the building sector's zero vision for workplace accidents 		
Results 2023	231						
Mature leadership	KPI	Business ethics			Social responsibility		
		Confirmed breaches of the Code of Conduct reported via the whistleblower channel			Apprentices in the Group		
	Goals	0			>300		
Results in 2023	1			380			

— Goals for each year

1) From 2023 onwards employee satisfaction is being measured using the Employee Net Promoter Score (eNPS) standard.

2) Represents 13,848 hours of training.

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Strategies

To achieve its established goals Instalco works according to clear strategies in four defined areas: employees and leadership, profitability, customers and sustainable growth.

EMPLOYEES AND LEADERSHIP

To retain our skilled workforce, consolidate our leading position and attract the best employees we need to continuously train and develop our leaders. Responsive, future-oriented leadership creates engaged employees, long-term relationships and greater profitability. Instalco applies decentralised leadership, maintaining the autonomy of the companies and opportunities for them to lead their own operations, with the Group-wide departments playing a supporting role.

At Instalco everyone should be able to grow along with their tasks, through internal and external training that provides new knowledge, challenges and stimulation. Instalco's breadth and numerous subsidiaries provide significant opportunities for development and career advancement. Our philosophy is to identify and stimulate future leaders and managers within the Group. Having leaders who not only understand the bigger picture but also act as role models for our values is of crucial importance.

PRIORITIES

Instalco offers a stimulating working environment and opportunities for personal development. One of the tools we have for achieving this is the Instalco Academy, where we train and develop future leaders and create opportunities for career growth within the Group. Another purpose of the Academy is to ensure that all Instalco employees have the right skills and circumstances to be able to deliver in their respective roles. Besides the Instalco Academy there is also company-specific training and an apprenticeship system, along with the courses and programmes required to obtain qualifications and other necessary skills.

• Activities in 2023

During 2023 we continued to develop the Instalco Academy. The Academy offers training for lead installers, project managers, service managers, accounting managers and senior executives of our subsidiaries. During the year training was also established relating to commercial skills and ABC customers, and to sales and negotiation. We continued to develop leadership training linked to our strategy up to 2027. We also worked on a project to develop our corporate culture by leveraging the unique Instalco spirit within and between divisions, business areas and subsidiaries.

PROFITABILITY

Instalco focuses on sustainable long-term profitability. IFOKUS and GoGr8 are our internal programmes for supporting our companies in driving continual improvement. The programmes offer analytical and strategic tools for identifying and developing significant areas for improvement. IFOKUS is aimed at streamlining our processes in production, purchasing, sales, add-on sales and cash management.

PRIORITIES

The work to disseminate tools related to IFOKUS is ongoing in both existing and newly acquired companies, and consistently given a high priority. Identifying and acquiring companies with profitability that is consistent with or exceeds the Group's profitability targets remains a priority in acquisition processes.

A company-specific programme aims to provide targeted support from central resources to companies that are performing below the Group's profitability target. Learnings from GoGr8 projects continuously inform and develop IFOKUS tools. A focus on profitability and efficiency permeates every level of the organisation.

• Activities in 2023

Within the framework of GoGr8 efforts were expanded to provide support and resources to the companies so they can achieve higher profitability. In addition, the development of processes and tools related to purchasing has been a continuing priority area in the wake of the volatile material prices, material supply and lead times seen in the market in recent years. We have also intensified our focus on supporting the companies in matters relating to cash flow and invoicing procedures, to improve liquidity and minimise the risk of bad debts. Market conditions have also prompted the Group to become more restrictive in the customer projects we undertake in order to ensure and maintain good profitability and quality.



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SUSTAINABLE GROWTH

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

Organic growth is generated by such things as synergies, cross-selling and greater collaboration between the Group's various subsidiaries. Bringing together specialist expertise from various entities creates opportunities for add-on sales to existing customers along with the capacity to take on larger projects covering multiple disciplines. Instalco's start-up model of forming new companies together with a local entrepreneur also stimulates organic growth.

PRIORITIES

Instalco intends to continue to play an active part in the consolidation of the installation market. We put much emphasis on identifying acquisition candidates that can contribute to the green transition.

Rapid, standardised implementation of the Instalco model in our subsidiaries creates the conditions for more cross-selling and collaboration, all of which fuels organic growth. Our offering to the customer focuses on resource efficiency for energy and water, along with an air quality that creates healthy indoor environments that promote people's wellbeing and are beneficial to the environment. Environmental awareness, generating benefits for society, energy transition and sustainability are of ever growing importance not only to us but also to our clients and end customers.

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

• Activities in 2023

We continued to acquire niche quality companies and also set up several new companies 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 acquisition criteria. During the year we expanded our offering of resource-saving installation services.

We continued to work within our external sustainability collaborations with Universeum, Svenska Bussarna, the Swedish Society for Nature Conservation and Wayout Water.

CUSTOMERS

The Instalco model means acquired companies retain their name, brand and company culture, ensuring continued close collaboration with customers and retention of their position in the local market. When a new company joins Instalco it shares its customer base with the rest of the Group and at the same time gains access to the Group-wide network of other companies and customers, which facilitates cross-selling.

Our main focus is projects with a value between SEK 1 million and SEK 75 million, which means that we avoid the risks associated with very large and complex projects while limiting the number of small assignments. It is a strategy that means we have lower risks and greater growth opportunities. We are also striving to increase the number of framework agreements and to take on larger projects within partnering contracts.

PRIORITIES

A significant proportion of Instalco's sales is to repeat customers. With more collaboration between our various areas of technology, 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 and work methods.

• Activities in 2023

We maintained a sharp focus on growing our industrial installations line of business, primarily by acquiring specialist companies. As a result we have broadened our customer base and expanded into new customer categories.

We also continued organically growing our Technical Consulting line of business, where our subsidiary Intec plays a key role. During the year Intec started operating within lighting, water supply/wastewater and groundworks, to expand our offering to both new and existing customers. Having our own technical consultants means we can get involved at an earlier stage and provide a broader, sustainable, customised offering to even more customer segments.

During the year we initiated branding efforts to more clearly position the Instalco brand, locally and centrally.

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CASE STUDY



Internal collaboration enabled Instalco to take on its largest project

In autumn 2018 Instalco signed contracts with NCC for the installation of electrical, heating and plumbing systems as part of the expansion of three hospitals in Södermanland. Now 70 percent of the work is complete in what is Instalco's largest project to date. This has been made possible by successful internal collaboration involving around 15 Instalco companies.

NCC has been contracted by Region Sörmland to carry out one of the largest construction projects ever completed in the county of Södermanland. Region Sörmland is building for the future of healthcare and making a major investment in the renovation and expansion of three hospitals: Mälarsjukhuset in Eskilstuna, Kullbergsska sjukhuset in Katrineholm and Nyköpings lasarett. The project goes under the collective name Future Hospitals.

Instalco was awarded the contract by NCC based on a long-standing relationship, primarily with the Instalco companies Rörgruppen and Ohmegi, for example in a successful previous collaboration on the renovation and expansion of Södersjukhuset in Stockholm. The contract for the hospitals in Södermanland consolidates Instalco's position as the leading installer of electrical, heating and plumbing systems in Swedish hospitals.

"Through its subsidiaries, Instalco has extensive experience of advanced technical installations in hospital construction projects. The success factor in this project has been our ability to collaborate internally within Instalco in partnership with NCC and Region Sörmland," says Göran Johnsson, who is responsible for Instalco's heating and plumbing installations in the Future Hospitals project.

The hospital in Eskilstuna is the largest of the three hospitals, and here some premises have been demolished while others have been modernised and new premises have been built. At the hospitals in Katrineholm and Nyköping, both new construction and renovation work have been carried out. Instalco's task has been to install all the heating and plumbing systems

as well as electrical installation from the incoming power supply to all alarm systems and mobile phone networks.

The assignment is being carried out as a partnering project with a total contract value of around SEK 1.7 billion for Instalco over the years 2018–2025. The project is Instalco's largest to date.

"A project of this magnitude naturally brings many challenges. Hospital construction involves extensive and technically complex installations, such as replacing the entire power system while the hospital continues to function," says Reijo Mustonen, Instalco's electrical project manager for the Future Hospitals project.

"I'm very proud of the collaboration we've organised within Instalco to solve this task. The staffing in particular, but also how we've managed the whole process. We've had employees from around 15 different Instalco companies involved, from both Sweden and Finland. The project is an excellent example of what the Instalco spirit embodies: a strong desire to solve things together as a team and make everything work."

Instalco has worked closely with NCC and Region Sörmland from an early stage in the project, enabling it to propose the best and most sustainable solutions. The new state-of-the-art healthcare facilities will have significantly lower energy consumption, be more economic to run and provide a better environment for employees and patients.

Instalco began the planning work back in 2017 and everything is to be completed by the end of 2025.

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CASE STUDY

Former oil storage facility becomes energy store for district heating and electricity production

A cavern in Västerås that was previously used to stockpile oil is being converted into thermal storage for the production of district heating and electricity. With a volume of 300,000 cubic metres, the cavern will become one of the world's largest hot water reservoirs. Instalco company Orab Entreprenad AB has an important role to play in the conversion.

The cavern has not been used since the 1980s and is now being converted by the client, Mälarenergi.

While the cavern is being cleaned up from the oil, Orab has been working to install new pipe systems to be used in the cavern's new function. The largest pipes have a diameter of 400 millimetres and the total length of piping is around 1,000 metres.

"We've been working to install pumps and pipes so that the water can circulate around the facility. It's been a precision job, and at its peak we had 14 people working in the cavern simultaneously," says Lars Österberg, department manager at Orab Entreprenad in Karlstad.

He confirms that the unusual and very rare type of installation makes this a unique project. Orab works from floating pontoons to lower the pipes into the 20-metre-deep basin. The pipe structures were assembled and launched into the cavern spaces using telescopic loaders, a risky operation that required meticulous planning.

The facility is expected to be operational in 2024. With a volume of 300,000 cubic metres, the cavern will be one of the world's largest hot water reservoirs and have a storage capacity of 10–13 GWh.

"We are of course proud to be involved in this project, which is an important part of the city of Västerås' climate efforts," says Orab CEO Tomas Börgesson.

Mälarenergi says the cavern will increase delivery security for district heating customers while also enabling Mälarenergi to plan better and optimise production – something that will further reduce emissions of fossil carbon dioxide from its combined heat and power plant."

"Converting the cavern into a hot water reservoir will also make it possible to increase electricity production in Västerås. This is because the combined heat and power plant in Västerås produces both electricity and heat, but gives priority to producing heat for the city," explains Rickard Svensson, project manager at Mälarenergi AB.

The relative proportions of electricity and heat production are determined based on the outside temperature. When it is cold, electricity production has previously needed to be reduced in order to deliver the required heat. In the summer, however, there is surplus heat. The new facility in the cavern will enable this surplus energy to be stored underground and used on cold days.

"It means that Mälarenergi will not need to reduce electricity production when it's cold outside. Storing heat is an effective way to balance the electricity system and even out the electricity market," says Rickard Svensson.



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Operations

Instalco carries out system design, installations, service and maintenance of properties and facilities in Sweden, Norway and Finland. Our offering comprises comprehensive technical solutions for electrical, heating and plumbing, ventilation and industrial systems, as well as technical consulting.

Instalco has operations in Sweden, Norway and Finland, primarily focusing on regions with a higher growth rate than the market as a whole. These regions are characterised by housing shortages, an ageing property stock and internal migration, generating significant investment requirements, which benefits our business.

Instalco works with sustainable installation solutions that save resources and improve energy efficiency and functionality, in order to reduce operating costs and negative environmental impact.

Installation involves both new construction and remodelling projects as well as renovating technical systems in properties and facilities. Services are offered within all of these disciplines.

In the area of heating and plumbing, Instalco provides complete solutions for water, sanitary systems, heating, cooling, sprinklers and energy. Within the electrical area, Instalco offers energy-efficient solutions primarily for energy supply, automation, security, lighting and heating. For ventilation, Instalco provides complete solutions for air conditioning, air treatment, climate control and cooling. When it comes to the industrial area, the company's offering includes electrical, pipe and power installations as well as scaffolding and machine assembly. Our technical consulting business area primarily focuses on system design services for these types of installations.

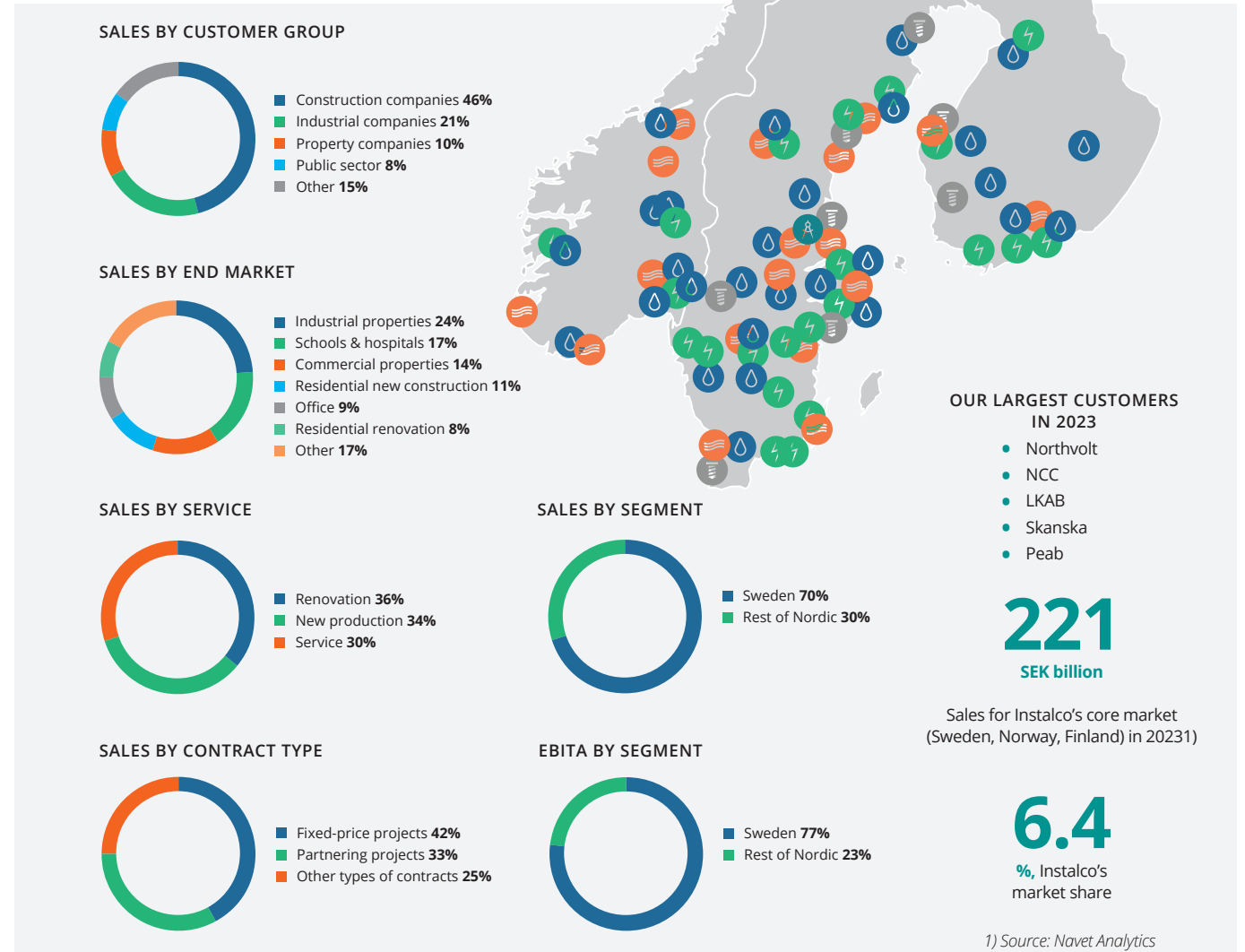
Instalco concentrates mainly on projects with a contract value of between SEK 1 million and SEK 75 million. More than 80 percent of our project revenue, excluding service work, currently derives from projects in this range.

Our main customer groups are construction companies, property companies, industrial companies and the public sector. Construction companies are the single largest customer group. Instalco has around 2,000 customers, and the five largest account for approximately 15 percent of sales. The largest individual customer represents less than 5 percent of sales.

Instalco is domiciled in Stockholm.

Organisation

Operations are run through around 135 subsidiaries with close customer relationships and are supported by a small central organisation.



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Operations are organised into two segments: Sweden and Rest of Nordics. The business has six divisions: North, Mid, South, Technical Consulting, Norway and Finland. Division North comprises our North Sweden, Stockholm and Industrial business areas, Division Mid our Mid-Sweden business area, and Division South our South and West Sweden business areas. Within these business areas, work is carried out in five main areas of activity: Electrical, Heating & Plumbing, Ventilation, Industrial and Technical Consulting. The Parent Company runs its activities from the head office in Stockholm, providing support functions including accounting/finance, acquisitions, business development, purchasing, communications, IR and sustainability.

There are more than 135 companies, some of which are groupings of companies that work together under the same brand or have their own subsidiaries (known as add-on companies). For this reason the number of legal entities in the Group is greater than those we refer to as "Instalco companies".

Offering

Building on close collaboration across our subsidiaries and areas of technology, we create attractive and sustainable comprehensive solutions for long-term use. Instalco's ambition is to contribute every day to the common good through energy-efficient technical installations that lead to lower resource consumption. Our climate-smart installations ensure lower energy consumption to help future-proof society.

Instalco's subsidiaries are all specialists in their respective areas, and together we create opportunities for collaboration and cross-selling as well as the chance to share best practice across the organisation. Our technical expertise and experience enable us to enter the construction process at an early stage, offering competitive, sustainable and customised solutions while also benefiting from synergies.

Types of contracts

Instalco is engaged either to carry out an individual assignment or as a turnkey contractor. In the latter case we are also responsible for, and coordinate, the system design, which enables us to suggest appropriate technical solutions. We are remunerated either at a fixed price

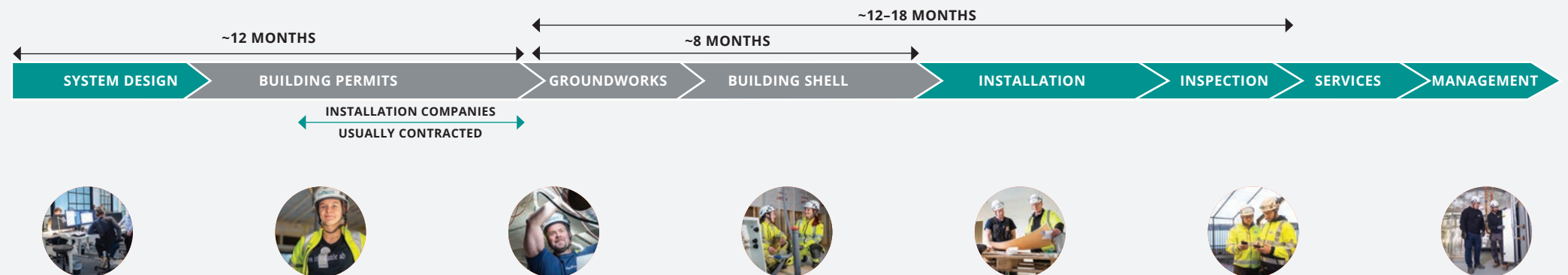
for the whole contract or on the basis of time and materials, which is typically how it works for joint projects/partnering. Approximately 42 percent of Instalco's projects are run as fixed-price projects and just over 33 percent as joint projects, while the remainder involve other types of collaboration and payment, such as service work.

Partnering

Joint contracts or 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 of the project. This creates synergies, with each partner contributing their specific expertise to best meet the needs of the project. The financial side is also transparent. Customers have full insight into 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.

The typical timeline of a construction project allows good visibility over future installation projects



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ELECTRICAL

Services:

- energy efficiency
- design, system design, assembly
- alarms and monitoring
- data networks and control of technical equipment
- energy optimisation via integrated property automation
- electric vehicle charging posts
- remote meter reading
- control technology and automation
- service and maintenance
- marine installations

Customers:

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

37%
of sales



HEATING & PLUMBING

Services:

- installation of district heating, natural gas, heat pumps and comfort cooling
- pipe replacement and preventative maintenance
- water treatment and optimisation of water consumption
- sprinkler systems
- new construction
- ongoing repairs
- service and maintenance
- repairs, conversions and extensions
- system design
- energy efficiency measures

Customers:

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

29%
of sales



VENTILATION

Services:

- installation of indoor climate solutions
- air treatment
- energy optimisation
- mandatory ventilation inspection
- control technology and automation
- property automation
- service and maintenance
- system design

Customers:

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

14%
of sales



INDUSTRIAL

Services:

- pipe installation
- cooling system installation
- electrical power installation
- infrastructure
- automation
- instrumentation
- waste gas treatment
- ballast water treatment
- system design
- energy
- safety and security
- industrial scaffolding
- compressors
- composite solutions
- steel assembly
- mechanical installations
- groundworks and mining

Customers:

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

17%
of sales



TECHNICAL CONSULTING

Services:
System design, investigations, inspection and coordination within:

- electrical
- communications
- safety and security
- HEATING & PLUMBING
- cooling
- BIM
- automation
- ventilation
- energy efficiency
- fire and risk
- sustainable construction
- environmental certifications
- simulation calculations to address the impact of future climate change

Customers:

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

3%
of sales

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CASE STUDY

Complex installations in battery development facilities

Instalco company Instamate AB is in the final phase of installations in connection with the construction of two battery development test facilities, which will primarily be used by the vehicle industry. Right from the time construction started in 2022, the facilities were fully leased: proof of the vehicle industry's significant need for modern batteries to manage the transition to fossil-free transport.

Instamate's customer is SEEL Swedish Electric Transport Laboratory, which is running the project on research into and development of electromobility in collaboration with Chalmers and RISE (Research Institutes of Sweden). The goal is to boost knowledge building and collaboration to accelerate the development of electrified transport.

The facility in Nykvarn outside Södertälje will enable the automotive industry to test prototypes and products in an environment with state-of-the-art equipment.

"This is a technology-heavy facility with extremely high requirements in terms of electricity, cooling and ventilation – projects that are an excellent fit for Instamate. For this facility, we're carrying out both property and process installations. The aim of the project is timely: battery development for the future," says Daniel Eriksson, CEO of Instamate.

"We carried out most of the installations on this floor," he explains, showing us around. "We've extended the pipe system from the pump level down to the machinery on the floor below, and each machine is provided with cooling water and ventilation. If a fire breaks out in the chambers, it must be easy to evacuate the smoke and gases. This is why we've built such a robust ventilation system."

The companies leasing space at SEEL's facility will be offered a shared platform on which to meet and benefit from the knowledge being developed and the technology shift under way

within battery storage. Researchers from colleges, universities and research institutes will have access to advanced research infrastructure within electromobility in order to test batteries and electric motors for heavy transport applications.

SEEL is working with companies from Belgium, Finland, France, Italy, Poland and Germany on the IPCEI Batteries project, an Important Project of Common European Interest.

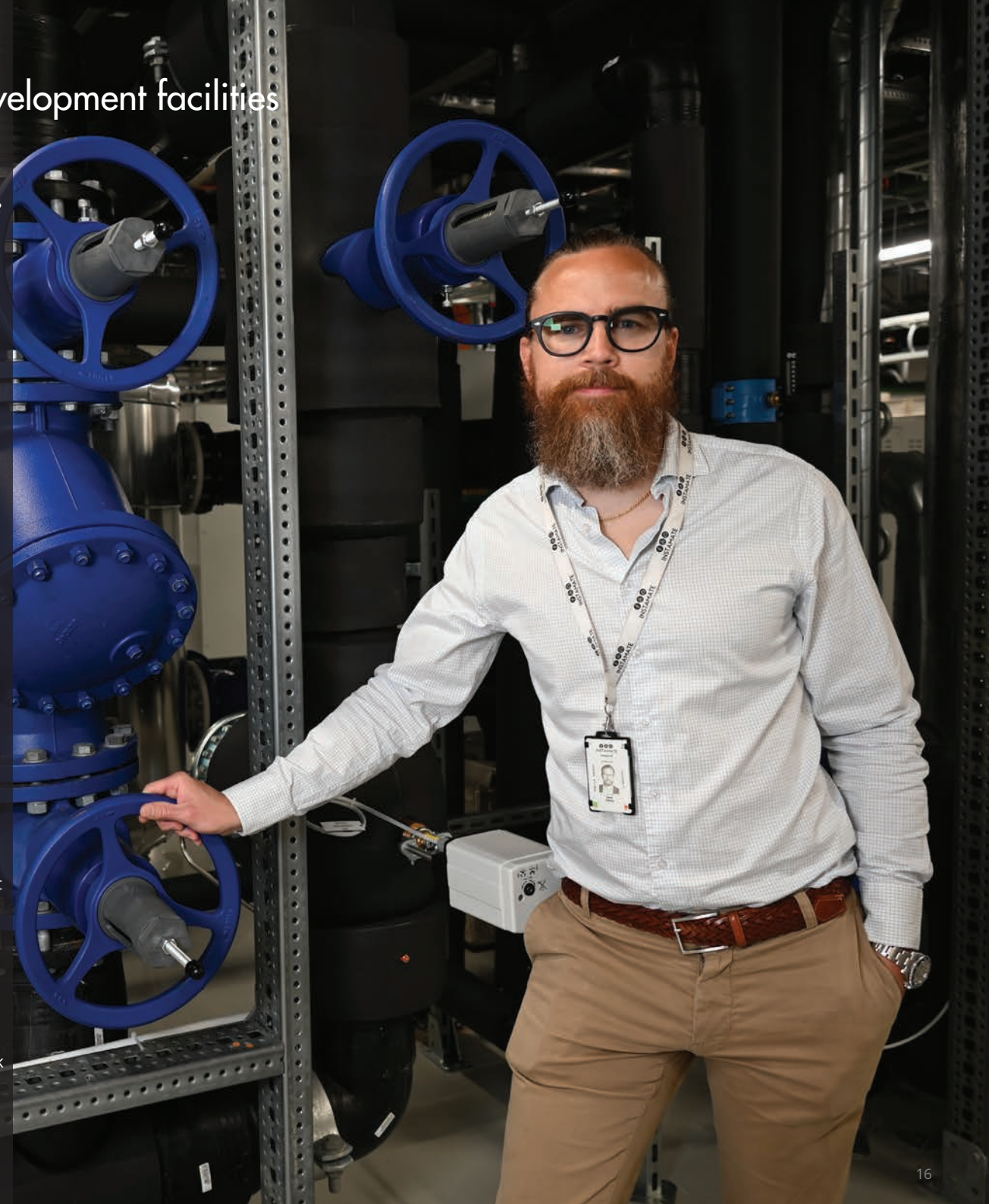
"Our end customer SEEL will lease out capacity in the facility to interested parties. One of the companies that has already signed up here in Nykvarn is Scania. Other vehicle suppliers including Volvo are coming on board in Gothenburg, the second facility we've built, which is around four times the size of this one."

The high output of the batteries that will be tested here means significant cooling requirements.

"This is why the entire facility has been robustly dimensioned, in terms of both cooling and electricity."

Daniel Eriksson makes the point that construction of this facility and the one in Gothenburg showcases Instamate as a highly competent partner in complex projects of this type.

"The biggest challenge is that the machinery to be installed here has arrived in sequence, which required a clear installation plan to ensure the work flowed efficiently. I think we've done a good job."



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CASE STUDY



Installations halved energy consumption

Vehicle products retailer Biltema in Moss, Norway was facing a big challenge: how to reduce energy consumption in both its store and warehouse. Once Lillehammer-based Instalco company Haug og Ruud AS had replaced old technology with new, Biltema's energy consumption at the site halved.

Biltema engaged Haug og Ruud to carry out a comprehensive renovation project for its store and warehouse, which had been built in 2005. The energy savings were achieved by converting heating and cooling from electricity to water-based energy via heat pumps and geothermal wells/ground source heating.

Virtually all the electrical installations for heating and cooling were converted to new water-based solutions, including new pipe installations, ventilation plant, hot-air fans and fan coil units in the store room and by the entrance.

Biltema's Moss store now has energy-efficient heating and cooling using ventilating air and hot-air fans with fan coil units.

"The aim of installing ground source heating was to reduce energy consumption by at least

30–40 percent. But it was even better than that: around 40–50 percent, and on some days more than 60 percent lower consumption," says Stefan Axemark, property manager at Biltema in Moss.

Haug og Ruud, which has 23 employees, specialises in energy efficiency improvements and carries out turnkey projects within heating, plumbing and ventilation as well as control technology and automation. However, Haug og Ruud also undertakes many installations in connection with new construction projects and at large energy centres with geothermal wells. In contrast to many other heating, plumbing and ventilation firms, Haug og Ruud goes beyond its conventional role and suggests changes – thereby acting simultaneously as consultant and supplier. "We've changed the traditional way of doing

things. Instead of being a subcontractor, we take responsibility for the entire project as turnkey contractor. As we have the technical expertise, it makes sense for us to be in the driving seat. And our customers appreciate our proactive approach to delivering solutions."

Haug og Ruud acts as a construction firm with a turnkey contract, bringing in subcontractors for work in areas outside its own area of expertise, for example site preparation, painting and floor-laying. The firm's way of working requires both depth and breadth of skills – something it has built up over the years and passes on to all its employees on an ongoing basis.

"Our way of working sets us apart, because there aren't many other companies in our industry that work as we do."

The Biltema project is an example of proactivity in practice, with Haug og Ruud showing how much they can bring down energy costs relative to the size of the investment. Haug og Ruud has been working with Biltema since 2017, from its first new construction project in Lillehammer to three other new builds in Gjøvik, Vinstra and Gol, as well as providing energy efficiency improvements at a facility in Mjøndalen and the project in Moss.

"One of our ongoing assignments involves replacing the heat recovery system at Biltema Tiller in Trondheim. Biltema sets high requirements and wants to build with quality. For us, this is really positive and makes it easier for us to deliver a good end product."

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Market drivers

Demand for technical installations and services is affected by a number of long-term trends and general developments in society. Instalco is well positioned to leverage the market opportunities that arise.



GREEN TRANSITION AND ENERGY EFFICIENCY

General trends

Demand for energy-efficient solutions and resource-saving installation services is increasing in line with high energy prices and greater environmental awareness. Energy shortages combined with ongoing climate adaptation measures are accelerating demand for energy efficiency improvement services. Environmental awareness among clients, end customers, consumers and decision-makers is increasing all the time, seen most clearly in the form of people actively making environmentally conscious choices in consumption and procurement and also in political decisions such as the EU Taxonomy Regulation and CSRD. Swedish industry is investing heavily in research and innovation to prepare the ground for a fossil-free future. In several cases these technological developments have reached the stage of commercialisation, entailing significant investments. To date this has mainly been in northern Sweden, but major investments are also under way in other parts of the country. New initiatives and sustainable transition within Sweden's basic industry are increasing the need for energy efficiency improvements and investments in the distribution network.

How Instalco is responding

Installation engineers are the key to managing the green transition. Instalco has extensive experience, knowledge and technical expertise in resource-saving electrical, heating and plumbing, ventilation and industrial installation services, as well as in technical consulting, and within closely related areas such as automation, cooling and security. For Instalco, political decisions such as the EU Taxonomy and CSRD bring commercial advantages. They increase the demand for sustainable installations and substantiate the value and benefit to society we create every day through sustainable technical solutions that reduce energy consumption and treat air and water.



DIGITALISATION AND INCREASED BUILDING COMPLEXITY

The new construction projects and more extensive renovations we are seeing are characterised by increasing use of technical systems, digitalisation and automation such as online IT systems, alarm and security systems, and systems for more efficient energy use. Accordingly, the installations themselves are becoming more complex. Addressing this will require major investments in societal functions such as communications and security. New water supply and electricity networks are also required, and pressure is growing to ensure a stable energy supply. All this means installations are becoming an ever bigger and increasingly important component of the construction process, and the share of the total construction cost attributable to installation services is rising year on year.

This trend benefits companies that have broad technical expertise, such as Instalco. Our subsidiaries keep up to date with the latest developments in their respective areas of technology and collaborate with the most innovative suppliers. The Instalco model enables us to use our multidisciplinary expertise to coordinate projects covering multiple areas of technology, making things easier for the client. Through the technical consulting area of our business we are able to offer customers integrated system design, technical execution and services.

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AGEING PROPERTY STOCK

General trends

A large proportion of properties in the Nordic region were built in the late 1960s and early 1970s, which is typically referred to as the era of the “Million Homes Programme”. This is particularly noticeable in Sweden, where 25 percent of residential properties date from this period. Many health care facilities, schools and preschools were also built in the same period. A major expansion of health care is planned and ongoing, partly to make it more efficient and aligned with new care needs, and partly in response to the rapid pace of technological development within health care. Both renovations and new construction projects are also needed in the prison system and armed forces; many large-scale infrastructure projects are under way, with a knock-on effect for new businesses and urban development.

How Instalco is responding

Instalco has specialist expertise within technical installations in residential buildings, covering renovation work, upgrades and new construction. Much of our work has been for customers in the public sector, which has built up our specialist knowledge and made Instalco a leader in installations in public buildings such as schools and hospitals. Our climate-smart system design and installations ensure lower resource consumption to help future-proof society.



HOUSING SHORTAGE AND INTERNAL MIGRATION

The population of Sweden is growing, with internal migration between different regions. There is a similar situation in Norway, and for several years Oslo has been one of the fastest growing cities in Europe. In Finland urbanisation is a clear trend and the population of Helsinki in particular is growing. There is a general housing shortage in large parts of the Nordic region, with internal migration continually creating new needs for housing, properties for public use and jobs. Increased investments in defence and the prison system are leading to higher demand for installation services, both in terms of renovation and new construction of related properties and as a result of skills relocation. In the longer term, the recent slowdown in new residential construction will accelerate the housing shortage.

Instalco has established a strong position in all the growth regions of Sweden, Norway and Finland. The Group is also represented in growing areas outside the major cities. By offering electrical, heating and plumbing, ventilation and industrial installation services plus technical consulting, we make it easy for construction companies and property owners in both the private and public sectors to order complete technical solutions that meet their needs in conjunction with new construction, renovation, remodelling and service.

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Segment Sweden

Instalco is one of Sweden's largest and leading suppliers of technical installations, consulting services, maintenance and service. We currently have around 90 companies in Sweden collaborating to provide comprehensive energy-efficient solutions for long-term use.

135
SEK billion
market sales in 2023¹⁾

7.3
%, Instalco's
market share

¹⁾ Source: Navet Analytics

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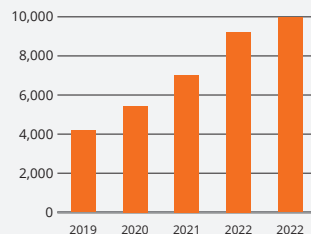
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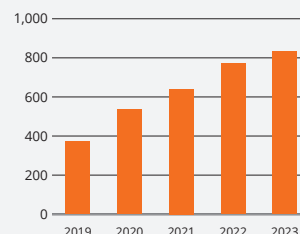
NET SALES, SEK M

9,962
+8%



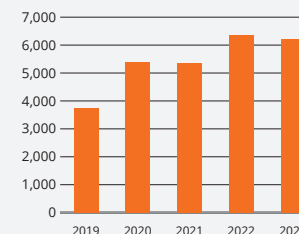
EBITA, SEK M

833
+8%

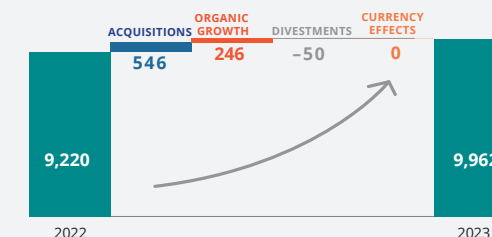


ORDER BACKLOG, SEK M

6,216
-2%



SALES GROWTH, SEK M



PROJECT EXAMPLES

- Avent, an Instalco company based in Kalmar, has been contracted by Svensk Kärnbränslehantering AB (SKB) to install ventilation systems at Clab, the central interim storage facility for spent nuclear fuel. The project involves modernising the ventilation system and optimising its energy efficiency. The site is used to store Sweden's spent nuclear fuel until an ultimate disposal site for radioactive waste is ready for use.
- ETKK and Liab have been contracted to carry out technical installations for Zinkgruvan Mining's remodelling of its processing plant in Zinkgruvan outside Askersund. The plant is being remodelled to optimise capacity. The work covers installation of new pump systems and power supply in the form of switchgear and transformers.
- App Start-Up and ETKK have signed an agreement with Stockholm Exergi concerning work at the Högdalenverket power station in Stockholm. The project covers electrical and control systems and involves replacing five existing switchgears with new ones.
- Rörgruppen and Ohmegi have been jointly engaged to carry out heating, plumbing and electrical installation work as part of an extensive renovation of the Scandic hotel in Värtahamnen, Stockholm. The two Instalco companies have been contracted to install all electrical, lighting, data network, fire alarm and pipe systems including some elements of system design.

EXAMPLES OF ACTIVITIES DURING THE YEAR

January

Instalco goes multidisciplinary in Östersund with the acquisition of RP Montage & Energipartner. Instalco already offered electrical and ventilation services in the region and now, through RP Montage, has added services within heating and plumbing.

March

The offering within scaffolding erection is expanded through the acquisition of Enter Ställningar with its full-service offering within construction and industrial scaffolding in southern Sweden. With Highcon and Enter Ställningar on board, Instalco now covers the whole of Sweden in the industrial scaffolding market.

June

Instalco companies PoB:s Elektriska and El-Pågarna jointly sign a new three-year framework agreement with JM for electrical installations in future residential construction projects. PoB:s Elektriska has worked closely with JM since the late 1980s as a supplier of electrical installations in new residential construction projects.

November

Instalco takes the first steps in its new long-term brand strategy, launching a new web platform for the Group at instalco.se. The new platform aims to strengthen communication with Instalco's main stakeholders: customers, suppliers, contractors, employees and investors.

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Operations

Segment Sweden is split into four divisions with their respective underlying business areas: North (Installation, North Sweden, Stockholm and Industrial), Mid (Mid-Sweden), South (South and West Sweden) and Technical Consulting. These are coordinated by a manager who is responsible for promoting collaboration between the subsidiaries in the relevant area and ensuring implementation of the Instalco model. The heads of the divisions and business areas work closely with the subsidiaries and are responsible for supporting them to stimulate and develop the business.

The segment offers all types of consulting services, system design, installation and services within electrical, heating and plumbing, ventilation and industrial systems, along with technical consulting, and the subareas of cooling, automation, sprinklers etc.

Customers

The segment has a broad customer base with a large number of repeat customers. Most customers represent a small share of Instalco's sales. The customers are primarily construction companies, property owners, the public sector, energy companies and industrial concerns. Customers within the construction sector require system design and installation services when remodelling or building new properties for public use (such as hospitals, schools, preschools and elderly care facilities) and infrastructure, as well as residential properties, offices and commercial premises. We benefit from the ever increasing demand for consulting services and installations that help to minimise electricity and water consumption and reduce environmental impact.



Strategic priorities in 2023

Continued growth in the industrial business area by strengthening our position in scaffolding erection

System design and installations that contribute to improving energy efficiency and conserving resources

From customers within the industrial sector, there is a demand for services in connection with installation of process electronics, industrial pipelines, industrial electrical systems, automation and flue gas cleaning. There is also high demand for assembly of industrial scaffolding.

The need for our services varies across customer groups, which helps stabilise the demand over a business cycle.

Performance in 2023

Through acquisitions and start-ups, we broadened our offering within system design, project management and installation. We continued to develop the collaboration among our subsidiaries by working together within more multidisciplinary projects and within a growing number of larger and complex projects.

During the year we prioritised the expansion of our industrial area of activity, primarily by acquiring companies specialised in installations for the industrial sector. Through acquisitions we also expanded within the installation of electrical power, as well as the hire and installation of industrial and construction scaffolding and weather protection structures.

We continued to strengthen the technical consulting area of our business, which is run through the subsidiary Intec. The company is now a recognised player in the market and has grown to more than 400 employees at some 30 locations in Sweden. By investing in our own technical consultants we are able to reach our customers at an early stage and work with them to find the most sustainable and energy-efficient solutions for new construction and renovation projects.

We have established a presence in new locations such as Luleå, and added additional companies in cities including Östersund, Stockholm, Gothenburg, Umeå and Södertälje.

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MARKET DEVELOPMENT AND COMPETITION

The market for technical installation and services in Sweden is estimated at around SEK 135 billion according to the latest forecast from Navet Analytics. Electrical installation is the biggest area because of the generally higher level of complexity in buildings, requiring more time-consuming and large-scale electrical installations.

The market in which Instalco operates is performing well overall in terms of new construction, renovation and energy efficiency measures within commercial properties and public-sector facilities. There is a clear slowdown in new residential construction, primarily because of uncertainty about the interest rate situation. Geographical differences in the market have increased. The supply of installation projects in certain regions has declined somewhat, from a high level. This is most apparent in southern Sweden, while demand appears better in the north.

Swedish industry is investing heavily in research and innovation to prepare the ground for a fossil-free future. In some cases these technical developments have reached the stage of commercialisation, entailing significant investments. This has mainly happened in northern Sweden, but major investments are also under way in other parts of the country. New initiatives and sustainable transition within Sweden's basic industry are increasing the need for energy efficiency improvements and investments in the distribution network.

The market for technical consultancy, where demand had previously been high, weakened slightly during the year. However, we noticed increased demand in this area on the property side at the end of 2023, particularly in the metropolitan regions. In parallel with this the infrastructure market remains stable.

On the whole, the market is largely driven by a number of long-term trends and general developments in society. Technological development, digitalisation, sustainability, energy transition, ageing property stock, environmental awareness, internal migration, and a growing and ageing population are some of the significant drivers.

The competitive situation

The market is highly fragmented, consisting primarily of small installation companies with fewer than 10 employees that 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 to deliver services in multiple locations and within multiple areas of technology. Accordingly, our competition comes mostly from just a few other big players and from small, local suppliers in individual locations.

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CASE STUDY



MR Rör is growing through a focus on proactive services

Instalco is essentially a company focused on technical installations. Over the years, service work has become increasingly important, accounting in total for 30 percent of sales in 2023. One Instalco company focused on service work is the heating, plumbing and ventilation company MR Rör AB in Stockholm.

Taking responsibility for an installation's entire life cycle by providing service offers a stable revenue source and is a good way to deepen relationships with both new and existing customers. Correct maintenance extends the life cycle of the installation, which also makes it more sustainable.

The service offering, which is a powerful complement to our contracting work, has been a strategic priority for Instalco in 2022 and 2023 in particular – and this has generated results. For full-year 2018, service work represented 11 percent of Instalco's sales. By Q4 2023, this had increased to 37 percent.

MR Rör has a clear strategy, namely to actively seek contact with construction companies that have framework and service agreements with mutual customers. The strategy has proved an effective way of growing the business. Since Niclas Jansson took over as CEO of MR Rör in 2021, sales have increased by just over 30 percent from SEK 34 million to SEK 45 million.

"My motivation is doing good business by focusing on services and making sure our employees grow in their roles," he says.

The heating, plumbing and ventilation company has around 20 employees and carries out pipe services in the Greater Stockholm region. The public sector accounts for 90 percent of sales, which usually start as service work. The work is almost always based on framework agreements. Service work spans everything from replacing taps and heat pumps, troubleshooting and valve replacement to fine-tuning heating systems.

"Within the framework agreements we have with our customers, we proactively approach other undertakings that have similar framework agreements with our customers. For example, we recently started a new framework agreement with Täby municipality. Through that, we make contact with other construction firms that we can collaborate with and get work from."

Jansson points out that this proactive way of working – actively seeking contact in order to work with the same customer – is benefiting the business.

"We're also being proactive about approaching our existing customers directly and suggesting improvements where we identify a need. One example is within energy optimisation, where we draw up proposals for energy-saving measures, which is something that more and more customers want."

"I believe we work more proactively and take the initiative more than many others. Quite simply, sitting back passively in a framework agreement isn't for us."

"Of course, it's an advantage that our managers are always involved in the projects and are hands-on. It means they have lots of contacts and more insight into the day-to-day work, making it easier for them to join me in being proactive towards both existing and potential customers."

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CASE STUDY



Meltwater from Årefjällen used for factory cooling

The cold Indalsälven river is constantly replenished with meltwater from the surrounding mountains. In a unique project, the water is being used for cooling at Nord-Lock's factory in Mattmar, between Åre and Östersund. Instalco company RP Montage & Energipartner was involved in developing the special solution for the free cooling system.

At its factory in Mattmar, Nord-Lock manufactures bolting solutions that are used in construction projects worldwide. After the facility was extended and adapted to keep pace with Nord-Lock's expansion, in the past few years Instalco companies Ovab Optimal Ventilation and RP Montage & Energipartner have carried out contracting work on its ventilation, heating and cooling systems.

"Since 2020 we've worked closely with Nord-Lock, delivering several different heating and cooling solutions for processes at the site. The company has ambitious environmental goals and is working intensively on sustainability and to reduce its climate impact. That's where we come in, suggesting and implementing energy-

saving measures," says Andreas Thors, CEO of RP Montage & Energipartner in Östersund.

One of the unique solutions the firm has developed is the free cooling system, which uses cold water from the river instead of forced air cooling or water from the ordinary municipal water and wastewater network. The favourable geographical conditions at Nord-Lock's site make it possible to pump cold water from the Indalsälven river and then distribute it around the factory to cool the machinery. The river's meltwater from the Årefjällen mountains maintains its low temperature even in the height of summer. The free cooling system has a capacity of 1 MW.

If the facility were cooled instead by mechanical means, this would involve operating 10 or so machines with high energy consumption that would require ongoing maintenance and service and have a relatively short life of around 15 years.

"Energy projects in the industrial sector can be complex and often have varying heating and cooling requirements as well as processes involving different types of energy. We're an organisation that includes project managers as well as heating, plumbing and ventilation estimators and engineers, energy experts and installers, and the breadth of our expertise makes us an attractive partner for industrial concerns," Andreas Thors explains.

As Nord-Lock continues to expand, new advanced machinery is being bought in from different parts of the world. This machinery then requires installation and cooling, which has to be customised for the facility. This is where RP Montage & Energipartner can deploy its cutting-edge expertise in this area.

"There are big challenges compared with an ordinary customer. Everything involves special solutions. We work closely with Nord-Lock to find sustainable and energy-efficient solutions that can reduce their climate impact," says Andreas Thors.

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Segment Rest of Nordics

Rest of Nordics is Instalco's market segment covering operations in Norway and Finland. We have around 40 subsidiaries that work closely with customers to deliver comprehensive sustainable solutions within system design and installation.

86

SEK billion market sales in 2023¹⁾

5.0

% Instalco's market share

1) Source: Navet Analytics

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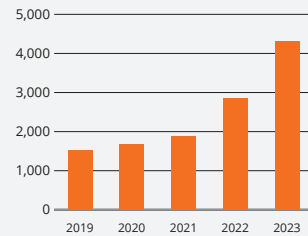
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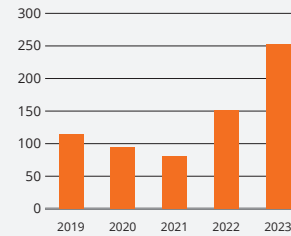
NET SALES, SEK M

4,317
+52%



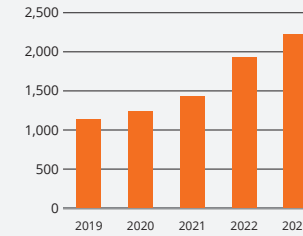
EBITA, SEK M

253
+68%

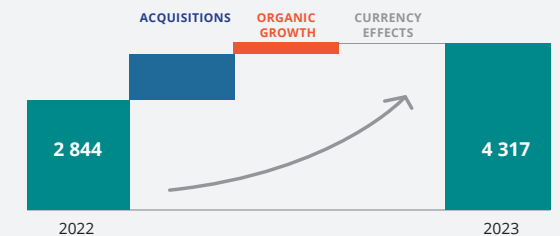


ORDER BACKLOG, SEK M

2,222
+15%



SALES GROWTH, SEK M



PROJECT EXAMPLES

- Pohjanmaan Talotekniikka in Oulu signs an agreement to provide technical installations as SSAB extends its facility at Raabe in Finland's North Ostrobothnia region. The Instalco company has been contracted by construction company Skarta Finland Ltd to install heating, plumbing and ventilation systems, with SSAB as the end customer.
- FN Elektro & Ventilasjon and Grevstad & Tvedt WS are collaborating on a contract to renovate and extend Askøy upper secondary school in Bergen, Norway's second city. The contract involves system design and installation of electrical, heating, plumbing and ventilation systems.
- Uudenmaan LVI-Talo, Twinputki and Milvent are awarded a joint installation contract in connection with construction of the new Böle school in Helsinki. The partners and principals in this project are the construction company Jatke Toimitilat and the City of Helsinki. The contract involves installing heating, plumbing, sprinkler and ventilation systems.
- Lysteknikk Elektroentreprenør wins a contract for system design and electrical installation in connection with the building of the new Construction City business centre in Oslo. System design has been ongoing since 2022, and the installation work now under way is expected to be completed in 2025. The client is the Norwegian company AF Gruppen.

EXAMPLES OF ACTIVITIES DURING THE YEAR

February

Instalco strengthens its electrical offering in Oslo with the acquisition of Lysteknikk Elektroentreprenør. The company is a full-service electrical supplier with specialist expertise in data centres and security.

June

Instalco starts Milvent, a new Finnish installation company. The company is a spinoff from Instalco company Pohjanmaan Talotekniikka and its former Helsinki branch. Active within heating, plumbing and ventilation, Milvent will focus primarily on new construction and renovation of commercial buildings.

June

Finnish Instalco company Ravcon, based in Jakobstad-Pietarsaari, broadens its offering with the acquisition of EVG Pipe, complementing the acquisition of EL-S earlier in the year. The acquisitions further consolidate Ravcon's position in Finland's Ostrobothnia region.

September

Instalco establishes itself in Stavanger through the acquisition of URD Klima Sandnes, strengthening the offering in southern Norway. URD Klima Sandnes was founded in 1999 and offers services within ventilation, heating and cooling systems for construction and renovation projects.

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Operations

Rest of Nordics comprises the Norway, Finland and Technical Consulting divisions, as well as the Industrial business area, which operates across both the Sweden and Rest of Nordics segments. Our subsidiaries in the Rest of Nordics segment mainly work within the electrical, heating and plumbing, ventilation, industrial and technical consulting sectors, primarily on projects in the major cities.

Instalco's subsidiaries occupy strong positions in their local markets. Collaboration between the companies takes place on a daily basis including through the exchange of knowledge and experience, joint projects, resource sharing and shared use of premises.

Customers

Instalco's customers in the Rest of Nordics segment primarily require services within construction, maintenance and renovation of properties and facilities, as well as industrial installations. The customer base is broad, which means that each individual customer typically represents only a small portion of Instalco's sales.

Customers within the construction sector require installation services in connection with new construction or remodelling of properties for public use (such as hospitals, schools, preschools and elderly care facilities) and infrastructure, as well as residential properties, offices, commercial premises and industrial facilities. We are seeing rising demand for energy efficiency improvements in all areas.

Performance in 2023

In Norway, we continued pursuing our action plan to raise profitability in the division. Collaboration between companies has been further strengthened, among other things through joint and multidisciplinary projects and resource sharing. During the year we established ourselves in Stavanger and consolidated our presence in Oslo, Kristiansand, Lillehammer and Halden, by means of both acquisitions and start-ups in automation and in heating and plumbing. We also broadened our technical consulting area via Intec and carved out a position in electrical installations for data centres. The Norway business area has also strengthened central staffing, including within HR and sustainability.

Segment Rest of Nordics



Strategic priorities in 2023

Growth in the industrial sector

Development of subsidiaries

Increased support and collaboration between companies

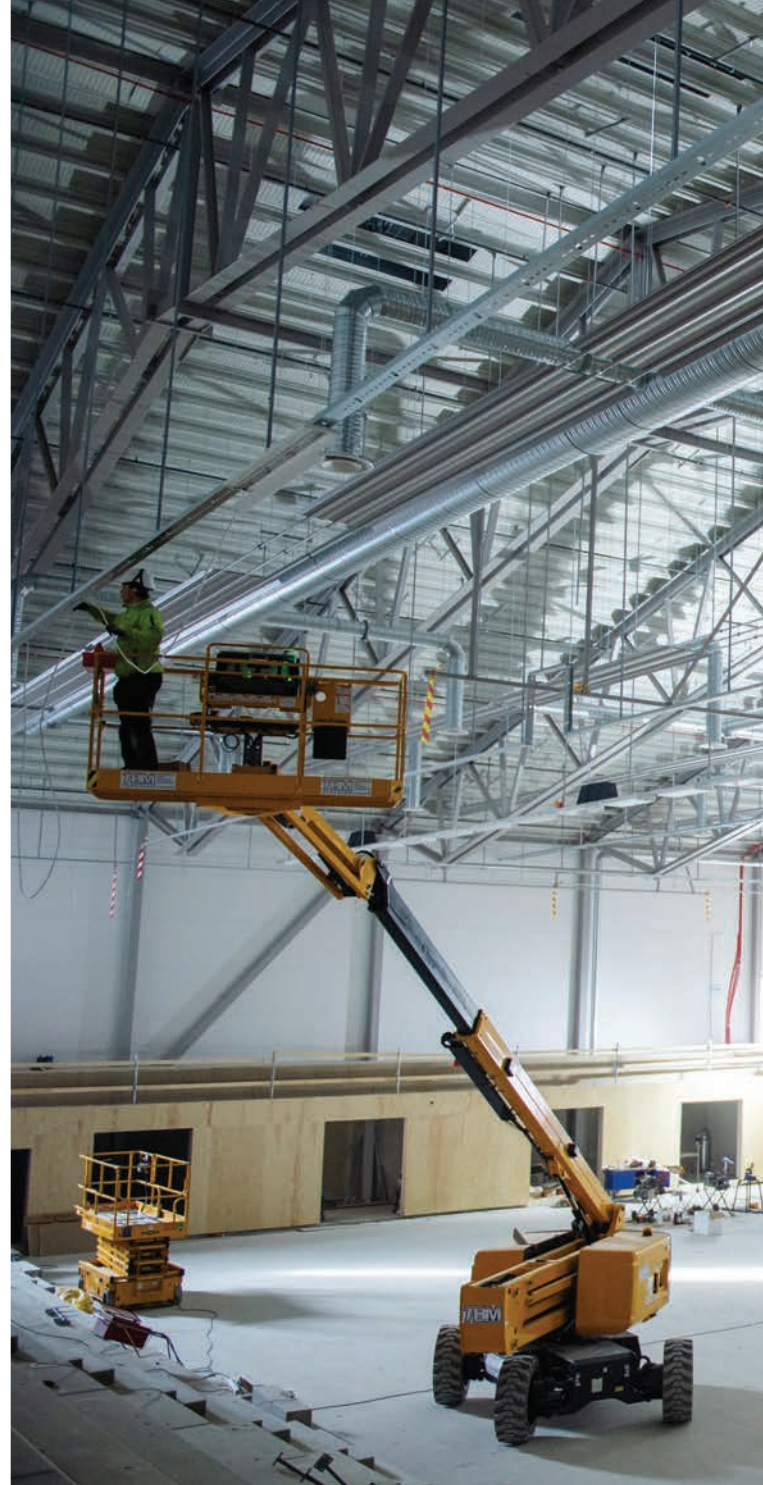
Focus on profitability improvements

Increased work on sustainability

In Finland, we continued to develop our existing companies and made several strategic acquisitions. The companies' operational performance has improved considerably and, despite the challenging market situation, there has been a significant improvement in profitability. We have carved out a stronger position within the industrial area and strengthened our operations, particularly in central Finland, Jakobstad-Pietarsaari and the Helsinki region. During the year we also certified our first Sustainable Instalco Project in the Finland business area.

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MARKET DEVELOPMENT AND COMPETITION

The market for technical installation and services in Norway and Finland is estimated at around SEK 52 billion and SEK 34 billion respectively according to the latest forecast from Navet Analytics. Electrical installations are the largest service area in both markets.

The market in Norway remains good, with many enquiries about new projects in both new construction and renovation, albeit with slightly more caution when it comes to decisions on project start dates. A clear slowdown in new residential construction is apparent, along with a slight increase in competition for other types of projects. There is a greater risk of delays than previously where new construction is concerned, although renovations remain stable. The primary drivers are still major public-sector investments such as defence, schools and hospitals, as well as private initiatives within the development of industry, offices and commercial premises.

Market development in southern Finland has been stable recently, but at a relatively low level. Mildly positive signs could be discerned in the market in northern Finland at the end of the year. The interest rate situation is making the construction industry cautious, while other areas such as services, the industrial sector and data cable projects are proceeding to plan. Finland's membership of Nato is expected to lead to investments in buildings and infrastructure within defence.

The competitive situation

Both the Norwegian and Finnish markets are fragmented, consisting largely of small installation companies with fewer than 10 employees focused on a single area of technology. Accordingly, our competition comes mostly from just a few other big players and from small, local suppliers in individual locations.

Instalco's ambition is to use our resources, expertise and size to deliver services in multiple locations and within multiple areas of technology.



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CASE STUDY

NCE in carbon capture project

Instalco company Nordpipe Composite Engineering (NCE) of Jakobstad-Pietarsaari, Finland, specialises in production and installation of composite solutions for industry. In an ongoing project the company is delivering advanced systems for flue gas cleaning and carbon capture to a facility in London.

As part of the energy recovery project in Edmonton, north London, NCE is delivering two scrubbers, the function of which is to cool and clean smoke and flue gases before transporting them onwards. The flue gases enter the scrubber at a temperature of up to 165 degrees and are cooled to around 80 degrees. The gas can also be converted into energy that can then be used for heating, for example in the form of district heating.

As well as scrubbers, NCE is also building ducts and pipe systems for the energy recovery plant in collaboration with the Swiss-Japanese company Hitachi Zosen Inova, the main technical contractor for the project. The project is being managed and developed by the Spanish conglomerate Acciona, with NCE in turn supplying key components in the multinational constellation.

"In this project we've been contracted to manufacture and supply a flue gas cleaning system in the form of two scrubbers with associated pipe systems and ducts. The products are absolutely central to what will be a carbon capture system at the facility in London," explains Dan Björkskog, CEO of NCE.

"A lot of work has gone into this project, as every product we make is fully customised. We got the order at the end of 2022 and have spent time in 2023 on careful planning, calculations and design, so as to be able to make the final delivery in spring 2024."

NCE designs, manufactures and installs composite solutions for industries that have processes involving aggressive corrosion, high pressure, high temperatures or significant erosion. The chemical-resistant composite has high durability and a long useful life. Construction takes place at the facility in Jakobstad-Pietarsaari before the composite solutions are shipped to the end customer. Water treatment and flue gas cleaning make up one of NCE's largest market areas.

"The composite is a kind of high-quality glass fibre-reinforced plastic and is highly durable compared with metal, particularly in harsh environments such as these. Often we're responsible for system design, production, delivery and installation. Sometimes we also make modifications if needed, saving the customer extensive renovation work in the future. We customise solutions in every project to meet the customer's requirements," says Dan Björkskog.

Installing and using a scrubber system is seen as the first step towards a complete carbon capture system for an industry.



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Reduced climate footprint in future-proofed facility

Now that Instalco company Bakke El-installasjon AS has installed solar panels as well as new heating, ventilation and lighting systems at the facility, energy consumption is down by 37 percent. The customer, Norengros Johs Olsen, is more than happy with the result.

Norengros Johs Olsen is Norway's largest supplier of consumer goods in the private and public sectors. Its products include office supplies and furniture. During 2023 the company renovated and upgraded its warehouse buildings in the Norwegian town of Gjøvik.

The energy savings the project has achieved are impressive. Annual energy consumption in the warehouse buildings has decreased by 37 percent, from around 1,355,000 to around 855,000 kilowatt hours. The solar panels account for 15 percent, while new systems for ventilation, control, heating and LED lighting to replace old light fittings provide an energy saving of 22 percent.

"The most important thing I want to highlight in this project is that our customer now has a future-proofed facility. They've cut total energy consumption and significantly reduced their climate footprint," says Reidar Gjermundrød, project manager at Bakke El-installasjon AS.

"Norengros is a relatively new customer for us, and there is enormous potential for more work in the future," he continues.

Gjermundrød believes Bakke's well-prepared comprehensive proposals, from idea to end product, were a factor in being chosen by Norengros.

"I appreciated the highly constructive dialogue we had with the customer throughout the project."

Instalco company Haug & Ruud in Lillehammer was also involved in one part of the project, taking charge of installation of the new ventilation system. The entire project was finished and officially opened at the start of the summer, coinciding with Norengros' centenary celebrations.

Bakke El-Installasjon specialises in high- and low-current installations, offering a wide range of services for electrical systems and technical equipment. The company works for customers in both the private and public sectors.

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Acquisitions and start-ups

Instalco's growth strategy is largely based on acquiring profitable companies with strong local ties. The acquired companies become part of a strong team in Instalco, with a wealth of opportunities for development and collaboration. At the same time, they are able to retain their successful identity, brand, culture and history.

Instalco is a niche acquirer, exclusively focused on quality companies. Bringing our newly acquired subsidiaries together with existing Instalco companies creates synergies and collaboration, giving contractors the opportunity to run their business in a wider context with access to the economies of scale that a larger group can provide, for example purchasing via centrally negotiated supplier agreements.

Our organisation has a flat structure and a highly decentralised governance model, with each subsidiary responsible for its own strategy, customers, employees, recruitment and results. For Instalco, best practice is an important part of how we work. This involves sharing the best ideas, working methods and solutions from all our subsidiaries with every company in the Group to grow the knowledge base.

We coordinate business between companies and create both cross-selling and collaboration opportunities, with contractors gaining access to customers and projects that would not previously have been available to them. Many projects involve more than one Instalco company. We also coordinate tendering processes and resource allocation between companies.

Fostering an entrepreneurial spirit

Instalco fosters an entrepreneurial spirit. At Instalco, the acquired company becomes part of a network of contractors that support one another and seek, together, to evolve to the next level. Instalco's decentralised model means that the acquiree retains its brand and identity, which are key to preserving its culture and history. As part of Instalco they also gain access to the Group's cumulative expertise and financial strength, generating opportunities for growth, improved profitability, upskilling and strategy implementation.

Besides working with Instalco's generic brand, we also strive to strengthen each subsidiary's own brand by adding "part of Instalco". We appoint a professional board in the contractor's company, with representatives from other Instalco companies and the Group. We arrange teambuilding activities and opportunities to meet, and the subsidiaries have access to central support within purchasing, business development, marketing, communication/PR and finance.

Proven acquisition process

Instalco's acquisition process focuses on companies with high profitability and a committed leadership team. Acquisitions are mainly made in growth regions of Sweden, Norway and Finland. We consider opportunities for diversifying into other technological or geographical areas on an ongoing basis.

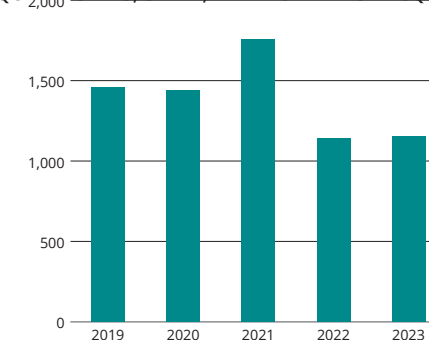
Acquisitions are primarily initiated within Instalco's internal network, with recommendations from existing subsidiaries, although we also receive enquiries from companies outside the Group and from brokers. Instalco has a well-established, standardised acquisition process, providing security for both existing and newly acquired companies. Acquisition capacity is assured by the central M&A department, supported by the division heads.

Strategic acquisitions involve an active decision to establish ourselves at a certain location or expand into new areas of technology. Opportunistic acquisitions are made when an opportunity to acquire an attractive company arises spontaneously. Add-on acquisitions are when one of our existing subsidiaries, with the Group's support, in turn acquires a company to supplement its existing operations.

Instalco also starts new companies, known as start-ups. A start-up is when a new company is set up together with a local entrepreneur. Start-ups mainly happen in areas where Instalco wishes to be established but where there is no suitable acquisition candidate, or where an opportunity arises.

A total of 11 acquisitions were made in 2023, with estimated annual sales of SEK 1,244 million. In addition, our subsidiaries made two add-on acquisitions with estimated total annual sales of around SEK 40 million. As well as this, we started six new companies during the year based on our start-up model and made three net asset acquisitions. During the year we also merged some of our companies to optimise operations, and divested one entity.

ACQUIRED SALES, SEK M, AND NUMBER OF ACQUISITIONS



ACQUISITION CRITERIA

- High profitability
- Historical stability and/or growth
- Strong cash flow
- Specialisation
- High percentage of repeat customers and customer satisfaction
- Commitment, determination and desire to develop
- Clear sustainability direction
- Team player and fits into the Instalco family
- Mature leadership
- Interest in sharing best practice

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Instalco made the following company acquisitions during the period January – December 2023

Takeover	Acquisitions	Area of technology	Estimated annual sales, SEK m	Number of employees
SWEDEN				
January	Rörprodukter Montage Sverige AB	Heating & plumbing	24	12
March	Processus AB	Industrial	193	65
March	SMT Norrbotten AB	Industrial	40	17
March	Enter Ställningar AB	Industrial	340	120
May	Elektro Västerbotten AB	Electrical	50	23
October	Boas Industriservice AB	Industrial	73	50
Total, Sweden			631	287
REST OF NORDICS				
January	TelePatrol Oy	Electrical	48	30
February	Lysteknikk Elektroentreprenør AS	Electrical	325	120
April	Halvard Thorsen AS	Heating & plumbing	42	20
September	URD Klima Sandnes AS	Heating & plumbing	85	25
November	Sähkö Äijät Teollisuus Oy	Industrial	24	24
Total, Rest of Nordics			524	219
Total, Group			1,244	506

In July the Group divested Tim Kyla AB, with 38 employees and sales of SEK 89 million. The subsidiary was part of our Sweden segment.

ACQUISITIONS, SEGMENT SWEDEN

Rörprodukter Montage Sverige AB

RP Montage in Östersund carries out heating and plumbing installation and property energy consulting. The company was founded in 2012 and its largest customers include NCC and Östersundshem.

Processus AB

Processus is an engineering company that provides specialist services within project management, process design, automation and industrial IT. The company has its head office in Stockholm.

SMT Norrbotten AB

SMT Norrbotten in Luleå is active within manufacture and repair of steel structures, assembly and industrial services. The company primarily operates in Norrbotten and Västerbotten with customers mainly in the mining, steel and paper industries as well as shipping and local authorities.

Enter Ställningar AB

Enter Ställningar was founded in 1951. With over 70 years' experience, the company specialises in scaffolding assembly and weather protection structures. It has its head office in Gothenburg.

Elektro Västerbotten AB

Elektro Västerbotten in Umeå provides electrical installations for both commercial and private customers, carrying out both contract and service work. Its biggest customers include Peab, Skanska and Selbergs Entreprenad.

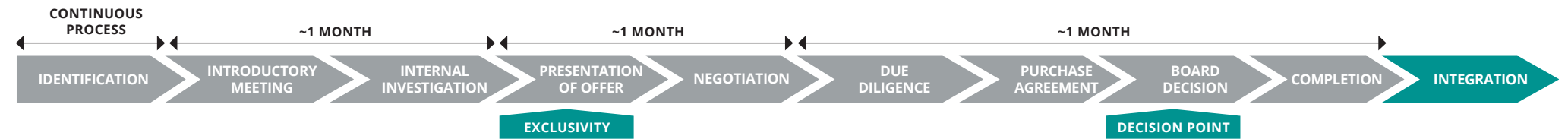
Boas Industriservice AB

Boas Industriservice in Södertälje was founded in 1972. For over 50 years the company has nurtured close collaboration and satisfied customers in the Stockholm region thanks to fast lead times, high quality and a service-oriented approach.

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ACQUISITION PROCESS



ACQUISITIONS, SEGMENT REST OF NORDICS

TelePatrol Oy

TelePatrol in Tuusula just north of Helsinki was founded in 1997 and specialises in installation of telecommunications, data networks, fibre and radio, and related service work. The company's sales are primarily project based, with most customers being construction companies, telecommunications network contractors and electrical firms.

Lysteknikk Elektroentreprenør AS

Lysteknikk Elektroentreprenør AS is a full-service electrical supplier with specialist expertise in data centres and security. Lysteknikk was founded in 1994 and is now a leading electrical company in the Oslo region. The company carries out major projects for the public and private sectors, as well as smaller-scale aftermarket and service work. The business is divided into four sections: Projects, Data Centres, Services and Security.



Halvard Thorsen AS

Halvard Thorsen in Kristiansand was established in 1934 as Thorsen og Ruud, before changing ownership structure in 1946 and taking the name Halvard Thorsen. The company carries out all types of heating, plumbing and ventilation work as part of new construction, renovation and service projects. Its end customers are mainly within the industrial sector or are construction companies that build residential properties, schools, hospitals and energyplants. Halvard Thorsen is an add-on acquisition to Moi Rør.

Urd Klima Sandnes AS

UKlima Sandnes AS of Stavanger was founded in 1999 and offers services within ventilation, heating and cooling systems for construction and renovation projects. The company has posted strong results over a long period and has a proven track record in multidisciplinary working.

Sähkö Äijät Teollisuus Oy

Sähkö-Äijät Teollisuus Oy (SÄT), founded in 2012, is an electrical contractor specialising in industrial electrical and automation installations. The company's customers largely comprise industrial players and companies in the energy sector.



BECOMING PART OF INSTALCO

Being part of Instalco offers a wealth of benefits:

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



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"I'd followed Instalco from a distance and was impressed by and curious about the model"



RP Montage & Energipartner: "We needed to do something to move forward"

RP Montage & Energipartner is a heating and plumbing installation contractor in Östersund that focuses on repairs, conversions and extensions and energy contracts for property owners and industry. In January 2023 CEO Andreas Thors made the decision to become part of Instalco.

"I'd followed Instalco from a distance and was impressed by and curious about the model. We were in a position where we'd built a good basis for our operations but needed to do something more to take the next step. Having explored various options, I decided Instalco stood out, both in terms of their attitude and way of working," says Andreas Thors.

He describes the process of becoming part of Instalco as seamless.

"I don't think we had to make any major adjustments. Most of our work, both in the office and on site, has continued just as before. Where we've had to adapt to new structures, I see this as nothing but positive for the company's development."

"Now that we're part of the Instalco family we're able to take on larger projects than we could have handled previously. We also have access to a fantastic network of expertise as well as customers. I see enormous potential as part of Instalco – for us as a company, our employees and our customers."

The acquisition of RP Montage & Energipartner made Instalco multidisciplinary in Östersund, where ventilation and electrical work was already handled by Instalco companies Ovab and TC Kraft. Andreas Thors says they quickly established good collaboration among the companies, providing a sense of security for customers.

"We've been able to retain our independence and right to decide throughout"



OTK Klimatinstallationer: "We've been able to retain our independence throughout"

OTK Klimatinstallationer in Enköping was the sixth company to join Instalco after the "first five" that started it all early in 2014.

"We'd previously worked with several of the first five companies, but it was mainly VVS Metoder that prompted our interest in Instalco," says Tomas Danielsson, CEO of OTK and one of the previous owners. "We were a relatively new company, only three years old, and had no plans to sell but we were intrigued by the model."

"We had the benefit of being in from the start. There was something of a pioneer spirit back then but having said that, most things have stayed the same at Instalco. Our only mis-giving beforehand was that we would lose our right to decide. But we needn't have worried. We've been able to retain our independence and right to decide throughout."

"Although we like running our own small company, with Instalco you're never on your own. There's always someone to ask and bounce ideas off, which is something I've always really valued."

OTK works on ventilation contracts and services, mainly in the Stockholm area and Mälaren valley, collaborating mostly with Instalco's Stockholm-based companies. Every now and then they also work with Instalco companies in other parts of Sweden, such as Milen in Gävle and Automationsbolaget in Sala.

"Having Instalco behind us assures customers that we're a reliable partner. Many of our clients have said how much they value this."

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Sustainability report

Through our local presence and energy-efficient technical solutions, our ambition is to contribute every day to a sustainable world.

The green transition is key to Instalco's business model of carrying out installations for a sustainable world for the next generation. For us, sustainability also means running operations responsibly and taking a holistic approach to economic, environmental and social factors. Through our local presence and energy-efficient technical solutions, our ambition is to contribute every day to a sustainable world. Providing safe, sustainable installations and having a safe, stimulating working environment are high priorities for us. We work with customers and colleagues on a daily basis to generate benefits for society. Every day, we design and install electrical, heating, plumbing and ventilation solutions in properties, industries and facilities throughout the Nordic region. Our climate-smart installations ensure lower energy and resource consumption to help future-proof society. We want to use our expertise and operations to help create a sustainable society. Our projects help to keep schools, preschools, hospitals, elderly care facilities and other critical public services running 365 days a year.

Instalco's sustainability contribution

Instalco's contribution to a sustainable society includes system design and installation of, for example, solar cells and more energy-efficient and environmentally friendly heat pumps, geothermal heating systems,



heat exchangers, cooling systems, LED lighting, charging stations and sprinkler systems. We are also involved in a variety of air and water treatment projects. New installations are more energy-efficient and use fewer resources than older, outdated systems and installations.

We help clients for construction projects to think sustainability at every stage by expanding their knowledge of what is possible, from an environmental perspective, when undertaking new constructions or renovations.

Instalco's sustainability programme

Instalco's Group-wide sustainability programme, Sustainable Installations, focuses on three areas that explain and illustrate its sustainability work: Safe and stimulating working environment, Sustainable installations and Mature leadership. Within these focus areas, eight sustainability indicators are measured and followed up on an annual basis. Our sustainability goals and results are reviewed each year by the company's auditors in accordance with ISRS 4400. Our ambition is to contribute to society every day through climate-smart, energy-efficient installations that lead to lower consumption of resources and thus a more sustainable planet.



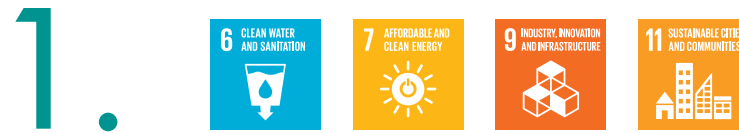
Sustainable Instalco Project

A key component of our sustainability work is our in-house certification system, Sustainable Instalco Project. The certification aims to offer our customers a guarantee that we have taken important sustainability matters into account in all parts of the project's implementation. The criteria for a project to achieve certification include matters concerning work safety, transport and deliveries, climate benefit, waste sorting and recycling, and services provided through a sustainability contract. In addition, suppliers are expected to sign a Code of Conduct that covers values such as equality and anti-discrimination. Projects corresponding to at least 1 percent of the subsidiaries' sales or with a value of SEK 1 million or more are eligible for certification, which requires all six criteria to be met.

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

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Instalco's environmental responsibility

Instalco is an environmentally conscious company where everyone is responsible for giving as much consideration as possible to environmental aspects in their day-to-day work. Environmental matters are worked on across all areas of the Group's operations: from selection of products and suppliers, through purchasing and logistics flows to the final offering of installations, operation and services. Active environmental efforts are an important factor for Instalco's growth. It is through our customer offering that we have the greatest opportunity to make a difference for the environment and climate.

All Instalco companies are required to select materials and choose working methods that have a low impact on the internal and external environment. We are seeing a generally higher level of interest from customers and society concerning reuse of materials, which opens up significant opportunities for us to deploy our solutions to reduce our customers' climate and environmental impacts. Instalco will:

- Collaborate with customers and system designers to lower negative environmental impacts
- Increase employee knowledge of the environmental aspects of our work
- Comply with laws and other environmental requirements defined by the Group

Environmental certification system

Instalco participates in many projects where properties are being constructed with a view to achieving certification in accordance with various certification systems including Miljöbyggnad, BREEAM, LEED, Sunda Hus, Svanen, NollCO2 and WELL Building Standard.

The system we work with most is the Swedish Miljöbyggnad certification scheme, which was set up by the Sweden Green Building Council. Achieving Miljöbyggnad certification requires the environmental efforts and the building's environmental performance to be evaluated by a third party. The areas assessed in this scheme include the building's

energy use, choice of materials and the perception of its indoor climate. Thanks to sustainable installations, Instalco is able to help a building achieve the score required for certification. As well as energy-efficient installations, we also help to coordinate the overall certification process for buildings and ensure that all the criteria are met in order for the building to achieve the desired score and be certified.

We are also often involved in BREEAM projects (BRE Environmental Assessment Method). BREEAM is a UK environmental certification system, developed and administered by the Building Research Establishment (BRE). The Sweden Green Building Council has adapted BREEAM to make it appropriate for Sweden. For BREEAM, too, the installations in the building have a strong bearing on some of the areas assessed in the certification, providing Instalco with significant opportunities to contribute to the buildings meeting the criteria in the certification system.

We also offer our own certification system, Sustainable Instalco Project.

In Norway, we work in accordance with the Miljøfyrtårn or Eco-Lighthouse certification and eco-labelling system. This involves certified companies working systematically on environmental and climate reporting for their own operations and value chain. At the end of 2023, eight of Instalco's subsidiaries were certified under the Eco-Lighthouse scheme. The goal is for all Instalco companies in Norway to achieve certification no later than 2025.

Vehicle fleet

Instalco's core business is helping our customers reduce their energy consumption and environmental impact through resource- and energy-efficient installations. We also strive continuously to lower our own environmental impact, including from energy consumption, travel, purchasing, waste management and the handling of hazardous substances. Management has identified carbon emissions as Instalco's most significant environmental aspect. As well as emissions relating to



Sustainable Instalco Project

In 2023, we carried out and certified 231 Sustainable Instalco Projects (see the example on page 38). To be certified as a Sustainable Instalco Project, a project must meet six criteria:

1. It must meet the requirements of Instalco's "Safe Employee" programme.
2. Suppliers are required to have signed the "Instalco Code of Conduct for Suppliers".
3. The project must contribute to climate benefits in accordance with the criteria established by Instalco.
4. It must have an established delivery plan setting out detailed transport and ordering procedures.
5. There must be adherence to the routines in place for waste sorting and management.
6. The customer must be offered a sustainability contract upon completion of the project.

purchasing of materials and products, Instalco's large fleet of vehicles gives rise to carbon emissions in connection with manufacture and transportation.

Taking stock of the Group's vehicles and how they are used is therefore a priority. The vehicle fleet is gradually being made more efficient with the aim of lowering fuel-related carbon emissions on an annual basis. We do not currently measure the Group's total carbon emissions but, as part of our preparations for future CSRD reporting, we plan to gradually introduce carbon measurements. We implement measures on an ongoing basis to lower our carbon emissions, for example by increasing the percentage of electric and hybrid vehicles in the fleet, planning deliveries carefully and using transport hubs

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Instalco's environmental responsibility

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to coordinate consignments of materials to building sites. The total percentage of electric and hybrid vehicles in the Group at year-end 2023 was 37 (33) percent.

Purchasing

The Instalco model is designed to leverage the benefits of both strong local ties and shared central functions. Instalco's purchasing work is based on this decentralised structure, with the core business being carried out through close customer relationships in the respective subsidiaries and with the support of a small central organisation. From a sustainability perspective, this means among other things that the operating subsidiaries work actively on efficient and climate-smart logistics solutions for passenger transport and material deliveries in their production.

Further, in consultation with customers the subsidiaries choose products and working methods that result in more energy-efficient and climate-smart solutions from a life cycle perspective for both product and property, alongside cost-effective, ergonomic and safe production. The green transition linked to a safe and healthy production process is a natural fit with Instalco's position on the market. We work consistently to help our customers reduce their environmental impact by means of lower energy consumption and improved energy efficiency, while safeguarding the life and health of our colleagues at all times.

Purchasing of equipment and services plays an important part in achieving our ambitious goals for sustainability in the offering. Our selected priority suppliers are all at the forefront of development with strong positions in the economic ecosystem and successful track records in sustainability work. As part of our strategic and operational purchasing work, we work with them to develop solutions that enable Instalco's customers to make the right product choices and reduce the climate impacts of production logistics. To safeguard deliveries and long-term collaboration with these key suppliers, we consolidate the

relationships in framework agreements and mandatory undertakings in Instalco's Code of Conduct.

Successful sustainability work in terms of purchasing the right products that offer climate-smart solutions, and efficient as well as ergonomic and safe working methods, is encapsulated in Instalco's certification system, Sustainable Instalco Project.

To make it easier for our subsidiaries to develop climate-smart solutions incorporating the right product choices and, by extension, guide customers and clients in this, our subsidiaries need a continuous flow of product-specific information. The new EU Taxonomy Regulation, which classifies many product groups relevant to Instalco, and the forthcoming requirements on environmental product declarations (EPDs) for installation products, are therefore important for accelerating the shift to a higher percentage of sustainable products in installation projects.

In 2023, the central purchasing department stepped up its collaboration with Instalco's priority suppliers to further develop product-related information linked to both the Taxonomy and EPD. Coordinated by the trade association IN Installatörsföretagen, we are also working with other industry players to develop effective ways of disseminating correct and up-to-date product information. The central purchasing department was expanded in 2023 to meet the increased requirements of Taxonomy reporting and CSRD, as well as the business's growing need for support to develop within climate-smart product choices and working methods.

Transport

Instalco's operations require significant transport flows. For this reason, we work with companies that offer efficient, environmentally conscious logistics solutions. We are also lowering our environmental impact by means of efficient planning and execution of internal logistics. One criterion for certifying projects as Sustainable Instalco Projects is having a delivery plan in place right from the project start, with the goal of minimising material deliveries.



Examples of Sustainable Instalco Projects

- Elektro-Centralen installed solar cells on the roof in connection with the construction of SEEL Swedish Electric Transport Laboratory, a new research facility for electric and hybrid vehicles in Gothenburg. The assignment also included installing lighting controls to maximise energy efficiency.
- The Finland business area certified its first Sustainable Instalco Project in 2023. This recognition went to heating and plumbing company Uudenmaan LVI-Talo in Helsinki, which was contracted by the construction firm Hartela to install heating, cooling and plumbing systems in the office building Ilmalan Aura. The project utilised both waste heat and waste cooling, and involved installing resource-saving heat pumps.
- Together with other Instalco companies, DALAB has been involved in the remodelling and expansion of the intensive care department at Falun Hospital. Environmental considerations are a key part of the project, with a focus on energy-efficient solutions. DALAB has installed energy-efficient ventilation units with heat recovery systems.
- Intec designed the ventilation system for Instalco company Ventpartner's construction of the new Hällefors swimming centre. The ventilation is demand-controlled and the ventilation units have been selected for their high efficiency, so as to save energy. Products have been carefully selected so that the swimming centre meets stringent sustainability and environmental requirements.
- CRB took part in a project for Seltor in Oslo that involved converting office premises into a school, with a strong focus on reuse.

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Instalco's social responsibility

Instalco must offer a safe, secure working environment that is healthy and drug-free. The working environment must help to counter the risk of ill health and accidents. Working in the Instalco Group is to develop employees individually and enhance their skills. Both work tasks and training are to be challenging and stimulating, to foster individual growth.

Employees

Instalco strives to be an attractive employer that offers interesting tasks, skilled leaders, short decision paths, and opportunities for influence and individual development. There should be an open atmosphere that stimulates creativity and new ways of thinking in line with Instalco's values. Continuing training is also important, along with sharing of expertise to promote best practice throughout the organisation.

Instalco strives to recruit employees from a wide spectrum of society. Regardless of gender, age, ethnicity, sexual orientation, religion or other beliefs, we must offer everyone the same opportunities for career and skills development.

Instalco's employees must respect and support the UN Declaration of Human Rights and comply with international agreements in this area. We work actively to ensure that no employee or job applicant encounters discrimination. Instalco has zero tolerance for any form of offensive behaviour, lack of respect or sexual harassment.

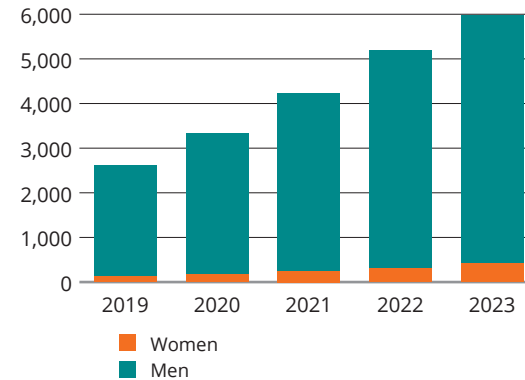
One of the ways that we monitor this is through the annual employee survey, which is sent out to all employees in the Group. The 2023 survey had a response rate of 69 (62) percent, which is the highest in Instalco's 10-year history. Of those who completed the survey, 65 percent were technical staff and 35 percent office-based staff. During 2023, as part of our Health, Safety and Wellbeing goal, we started measuring employee satisfaction according to the Employee Net Promoter Score (eNPS) standard, achieving a score of 30 for the Group. The eNPS scale goes from -100 to +100 and a score over 20 is

generally considered very good. The results of the employee survey are used to drive improvements and implement measures, with responsibility assigned to the CEOs of the respective subsidiaries.

Gender equality is an active component of our day-to-day work, particularly in connection with recruitment, skills development and setting salaries. As Instalco operates in a traditionally male-dominated industry, our ambition is to increase the representation of women and achieve greater diversity in our business. Initiatives within this area are implemented by our subsidiaries and through collaboration with external parties such as schools, employers' organisations and trade associations. In 2023, the percentage of women working at the Group was 7 (6) percent. Eight (six) subsidiaries have female CEOs.

The Instalco Network, an intranet for Group employees, is the main channel for internal information with around 4,600 (4,100) users.

AVERAGE NUMBER OF EMPLOYEES



Apprenticeship programme

As a leading player in the installation sector, Instalco carries significant social responsibility. Social responsibility is another of our sustainability goals, and we measure it via the number of apprentices in our one-of-a-kind apprenticeship programme.

Instalco's apprenticeship programme is an important element of our existing operations but also a way of safeguarding our long-term skills pipeline. Instalco seeks to work closely with upper secondary schools and vocational training providers to ensure that students study relevant subjects that are consistent with the latest technology, while also gaining hands-on experience.

Our goal is to have at least 300 apprentices working in the Group at all times and in 2023, the number was 380.

The Instalco Club

The Instalco Club is an internal staff fund for employee-driven activities. Its purpose is to stimulate and reward activities that promote social cohesion and the health and wellbeing of the Group's employees. Activities encouraged and funded by the Instalco Club are to be initiated and executed by employees, with everyone working in the respective subsidiaries having the opportunity to participate. The activities may be social, cultural or physical, as decided by the person or persons applying for a grant from the fund.

In 2023, we received 80 (81) applications for activities, of which 79 (74) were approved. In total, approximately 1,450 (1,400) employees took part in Instalco Club activities during the year.



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Instalco's social responsibility

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Health, Safety and Wellbeing in focus

For Instalco, sustainability is an integral part of the business model. Wellbeing, a sense of community and building a culture are important elements of this. We want all our employees to be happy at work, and for everyone to be in good physical and mental health. During 2023, we trialled Instalco Training, a fitness programme adapted to our decentralised model. All employees in the Group were invited to join a digital fitness programme via an app that enables us to walk, jog or run together wherever we are. The app has provided a new way to both encourage exercise and strengthen bonds between colleagues at all levels.

CSDDD and the Norwegian Transparency Act

In 2023, we continued aligning our Norwegian operations with the new Transparency Act, which is Norway's implementation of the EU's Corporate Social Due Diligence Directive (CSDDD). The new Norwegian legislation requires assessment, mapping and reporting of risks within the areas of human rights and working conditions. The aim is to prevent and mitigate negative impacts within these areas, both in our subsidiaries and in our supply chain. 2023 was Instalco's second year of reporting under the Transparency Act and our work is ongoing, with a focus on improvement, collaboration and knowledge sharing with respect to human rights.

Code of Conduct

Instalco's Code of Conduct describes our shared values. It communicates the Group's ethical values and business principles to all employees, customers, suppliers, other business partners and shareholders, as well as providing them with guidance in their daily work. Areas covered include conflicts of interest, gifts, bribery, anti-corruption and corporate hospitality. 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 to ensure that the Code is implemented and followed.



Safe Employee

Working environment matters are an integral part of operations, and the Group consciously and systematically strives to offer a good physical and psychosocial working environment. The overarching goal is to provide a safe, secure and healthy workplace that helps both 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 in their daily work any matters related to the working environment.

Instalco is to have a positive working climate that supports collaboration and counters bullying and harassment. Furthermore, workplace collaboration is to be characterised by respect for, and understanding of, one another and our differences. We must collaborate, care about and help one another, including in times of difficulty. The majority of the companies belonging to the Instalco Group have collective agreements in place and comply with national labour legislation, including the right of association. All employees are entitled to join and be active in trade unions.

As part of the sustainability programme, managers are required to review the Safe Employee introductory course with their employees at the start of each new project that will be certified as a Sustainable Instalco Project. The Safe Employee programme examines workplace matters from a psychosocial perspective, alongside the rules and routines for avoiding physical injuries. Safe Employee is a priority area and in 2023 the training programme was updated in film format in the Group's various languages, to further increase accessibility and understanding.

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Instalco's social responsibility

2.

Instalco does not accept any form of discrimination. One basic requirement is that everyone must comply with the laws and regulations in force. Instalco also takes responsibility for applying high ethical standards and business ethics in all of its business activities and relationships.

We strive 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 affecting the company that could seriously damage the business, our employees or others, by making sure that they are identified and investigated as quickly as possible. Information on wrongdoing may be submitted anonymously via our whistleblower channel, which is handled by an independent external party and is available both internally and externally. The whistleblower channel is part of Instalco's preventive efforts to tackle corruption, irregularities and wrongdoing. During 2023, three matters were reported and dealt with through the whistleblower channel, one of which concerned a breach of the Code of Conduct.

Code of Conduct for Suppliers

Instalco's Code of Conduct for Suppliers provides clear guidelines on how our suppliers are expected to act in our joint projects. The Code of Conduct for Suppliers applies without exception to all suppliers with which Instalco has a central contract. In the event of suspected violations of the Code of Conduct, 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 are to promote sustainable development, which is why it is crucial that our suppliers meet the requirement that the products they deliver to us have been produced under sustainable and responsible conditions.

Working environment

Instalco works consciously and systematically to ensure a good working environment, both physical and psychosocial. The overarching goal is to achieve a safe and healthy workplace that helps both our employees and the company thrive. The Group's employees have a shared responsibility to ensure that no one is exposed to risks that could lead to serious physical or psychological injury. The Safe Employee programme makes clear the importance of reporting concerns about the working environment to a supervisor or manager.

Instalco has a zero vision for workplace accidents. In 2023, the number of reported occupational injuries was 187 (210), corresponding to 2.9 (3.9) percent in relation to the total number of employees. There were no serious personal injuries or fatalities in the workplace during the year. There are established procedures for actions and follow-up in the event of a workplace accident.

Håll Nollan

Instalco is a member of Håll Nollan, the building industry's forum for increased safety at the workplace. As a member, we are helping to improve workplace safety and working with other members to collate existing knowledge, to develop this and to share it with one another. It is important that we identify and remedy any knowledge gaps concerning the working environment and safety in all phases of a construction project.

Håll Nollan has a zero vision for injuries at construction sites.



Instalco is to provide a stimulating working environment and opportunities for personal development. One of the ways we achieve this is through Instalco Academy, where we train future leaders and create opportunities for career change within the Group. For example, we explicitly seek to recruit to senior positions in our subsidiaries from within our own ranks. Another purpose of the Academy is to ensure that all Instalco employees have the right skills and opportunities to be able to deliver in their respective roles.

Lead installers receive training in project collaboration, risks, communication, leadership and legal aspects of contract work.

Project managers receive more comprehensive training that also covers project management, project accounting, procurement, working environment, and negotiation and presentation techniques.

Senior executives also receive enhanced training in business acumen, leadership, customer relationships, sustainability, working environment and sales.

Service managers receive training in behavioural change, business economics, personal development, planning, sales and added value for customers.

Accounting managers receive training in financial costings, best practice, calculating KPIs, profitability, efficient year-end procedures and financial concepts.

Sales and negotiation. This course provides knowledge and skills within strategic and tactical sales work, management by objectives, sales planning and negotiation.

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3.



Instalco’s responsibility for financial and governance matters

Sustainable business and sustainable communities are increasingly important for both companies and consumers. This requires companies to take responsibility, as social actors, by generating long-term benefits to society and minimising climate and environmental impacts.

Instalco’s Board of Directors is responsible for the Group’s strategic direction and financial targets. Strategies and goals for sustainability work are set by Group management, with the CEO having ultimate responsibility. In accordance with the Swedish Companies Act, the Board is responsible for internal control. The Board’s responsibilities are regulated in the Swedish Corporate Governance Code and the Annual Accounts Act. Responsibility for the effectiveness of the subsidiaries’ internal control structure, risk management and financial reporting lies with each subsidiary’s board and management.

Instalco’s Sustainability Council draws up and develops the Group’s sustainability programme. The council is assisted in this by a number of internal teams that are responsible for the work in areas such as the Taxonomy, CSRD and Sustainable Instalco Project, the company’s in-house certification system.

There is a Group-wide Code of Conduct, along with policies and guidelines covering areas such as the environment, sustainability and working environment, as well as a Code of Conduct for Suppliers. These are reviewed annually and adopted by the Board of Directors. The Group CEO has ultimate responsibility for ensuring that all subsidiaries are familiar with 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 the companies in the Group work proactively to reduce their negative environmental impact. In addition, each individual company has the scope to introduce its own initiatives and set its own goals to further contribute to the local community and create attractive workplaces.

Instalco’s Code of Conduct, Group-wide policies and values underpin the Group’s operations and strategies.

Sustainable growth

Owners of both newly constructed and older properties are placing increasing focus on investing in resource- and energy-efficient installations with a view to lowering operating costs and meeting the ever more stringent sustainability and energy-saving requirements made by the market and customers. This is why Instalco is convinced that focusing on energy-efficient and environmentally smart services will strengthen the Group’s competitiveness and drive long-term growth.

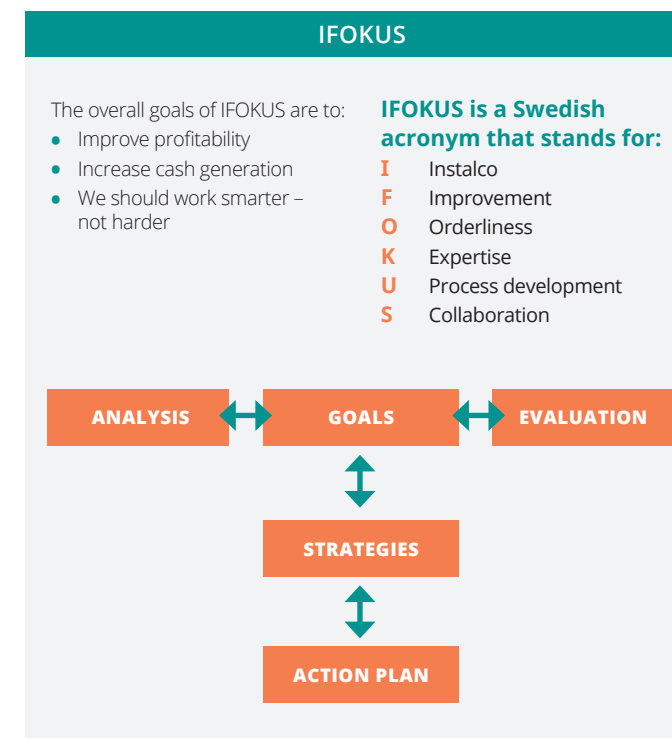
Quality and customer satisfaction

Instalco works closely with customers to design and install future-proofed, energy-saving 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 prides itself on long relationships with its customers, many of whom are repeat customers. We are also seeing increased interest from our customers in leveraging Instalco’s expertise in sustainability, energy efficiency improvements and complex multidisciplinary projects.

Continual improvement efforts

IFOKUS is an internal programme that provides a framework for continual improvements within the Group. The programme comprises a large number of strategic tools to identify and develop areas for improvement, and to ensure that all the subsidiaries participate in the Group’s development and that initiatives do not encroach upon the subsidiaries’ autonomy.

The point of departure can be either existing challenges or opportunities that have been identified. There are several internal forums, across different organisational functions and levels, to identify challenges and opportunities for improvements. A strong company culture that encourages suggestions and ideas is key to continual improvement efforts. Opportunities for improvements that impact more than



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one company are elevated to business area or central level where a decision can be made as to whether to implement 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. For example, improvement initiatives might lead to structural changes, new working methods, training measures or internal knowledge sharing.

As well as IFOKUS, we also have a company-specific programme called GoGr8. GoGr8 uses central resources to provide targeted support for companies that are underperforming against profitability targets, in order to develop and improve their local operations.

Group-wide policies

Instalco has a number of generic policies that apply to the entire Group. The Group CEO is responsible for ensuring compliance with all of the policies and that they are reviewed each year. The CEO of each subsidiary has the equivalent responsibility for ensuring compliance with all the policies in their company. All employees are to be informed of the policies in force and any changes that are made to them. New employees are to receive information about Instalco's policies in connection with starting their employment.

Instalco's Group-wide policies are detailed on page 63.

Structure for internal meetings, follow-up and control

Instalco's routines for internal control, follow-up and evaluation are clearly regulated and described in the Internal Control Policy. Twice a year, each subsidiary reviews its risk profile at a meeting of its Board of Directors. The CEOs of the subsidiaries hold monthly project reviews with their respective project managers, business area managers and heads of divisions. Three times a year, the heads of divisions and business area managers meet with their companies to review the forecasts and, each quarter, the CEO of each subsidiary provides feedback and confirmation that project reviews and reporting have been carried

out in accordance with the instructions. The heads of divisions and business area managers are responsible for supporting and coaching the CEOs of the respective subsidiaries.

Other formalised meetings at Instalco include: Group management meetings, monthly meetings that the Group CEO has with all the CEOs of subsidiaries, meetings for heads of divisions and business area managers, and meetings between the CEOs of subsidiaries and the respective heads of divisions and business area managers, known as management team meetings. 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.

UN Global Compact

As part of the new sustainability programme, Instalco has become a signatory to the UN Global Compact, which is the world's largest corporate sustainability initiative. Signatories pledge to work actively

on sustainability, taking as a starting point the Ten Principles of the UN Global Compact, which are based on international conventions.

The 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 that 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 national plans, international commitments and within the private sector. Instalco has determined that UN Sustainable Development Goals 5-7, 9, 11 and 17 are the most material to the business.



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Collaboration initiatives

The Swedish Society for Nature Conservation

Over a three-year period, Instalco and the Swedish Society for Nature Conservation have worked together for cleaner water and to reduce the presence of pharmaceuticals in nature. The main aim has been to protect the Baltic Sea and other vital bodies of water in the Nordic region.

The focus in 2023 has been on work to improve wastewater treatment. The Baltic Sea and other vital bodies of water are currently polluted with many different environmentally harmful substances simultaneously, bringing a variety of problems for flora and fauna.

The project has had two overarching goals:

Political influence – better legislation: The project's long-term goal is to minimise environmental impacts from pharmaceutical manufacturing within and outside the EU and to prevent use of pharmaceuticals leading to pollution of the Baltic Sea and of Nordic habitats and watercourses.

Raising awareness – increasing the level of knowledge: Reducing the presence of pharmaceuticals in the environment throughout the life cycle requires efforts to increase

the level of knowledge in society by continuing to shape public opinion and raising general awareness by means of new reports and campaigns.

A large part of the project has involved influencing politicians to take decisions that will lead to fewer pharmaceuticals in the environment and better wastewater treatment. For example, the Swedish Society for Nature Conservation has produced materials to influence and inform politicians, both in Sweden and the EU, about how to limit the discharge of pharmaceuticals to water.

Pharmaceutical pollution of watercourses is a global problem. Pollution from pharmaceuticals in the environment can disrupt reproductive capabilities, affect the behaviour of aquatic species and be toxic to others.



Universeum

Instalco and the Universeum science museum have joined forces to develop knowledge in the sustainability area.

One of Universeum's roles is to strengthen Sweden's skills pipeline and innovation capability, along with contributing to the sustainable development of society. Instalco supports Universeum in its efforts to sustainably develop Sweden in these areas:

- enhancing the skills pipeline, competitiveness and innovation capability
- enhancing research, education and training and raising awareness
- action for sustainability within the framework of the 17 SDGs of Agenda 2030

The collaboration is intended to highlight the importance of sustainability from several different perspectives and contribute to developing knowledge among various target groups in the interests of the sustainable development of society.

Wayout Water

Instalco and Wayout Water are collaborating on a sustainability project to improve 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 units for local production and distribution of clean drinking water. These are distributed to vulnerable areas of the world. The partnership with Instalco allows Wayout Water to step up its efforts to develop, produce and distribute micro-purification units to areas of the world where there is a shortage of clean drinking water.



Svenska Bussarna

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

Svenska Bussarna is a non-profit association that focuses on collecting and facilitating both monetary contributions and material donations of healthcare equipment, vehicles and other essentials where they are needed most in war-torn Ukraine.

The initiative was started by a group of seven friends from Stockholm, one of whom works for Instalco. Svenska Bussarna collects and transports donations of essentials and healthcare equipment. The organisation maintains close contact with local aid organisations and authorities on the ground in Ukraine to ensure that the donations get to where they are needed most at the time. Instalco's contribution during the year has comprised financial support, working time for an employee

and donations of generators. Private fundraising has also taken place within the Instalco Group.

"Instalco has now been supporting Svenska Bussarna's projects with various donations and assistance for almost two years. I'm proud that we can play a part and that our employees are willing to offer their help where it's needed most," says Robin Boheman, CEO of Instalco.

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

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THE GLOBAL GOALS
 For Sustainable Development

Instalco has assessed that its operations primarily contribute to UN SDGs 5–7, 9, 11 and 17.

		Examples of solutions from Instalco		Examples of solutions from Instalco
	Instalco is a values-based Group that fosters equal rights and opportunities for all employees. We contribute to SDG 5 by ensuring that all employees, regardless of gender, age, ethnicity, sexual orientation or disability, have equal access to development opportunities, including in the form of continuing training and apprenticeships. Our values are summarised in our Code of Conduct.	Instalco Academy is an internal training programme aimed at strengthening individual development and training future leaders. Another purpose of the Academy is to ensure that all Instalco employees have the right skills and opportunities to be able to deliver in their respective roles based on our fundamental values. Instalco also runs an extensive apprenticeship programme.		Through our values and technical installations, we contribute to sustainable industry, innovation and infrastructure. We contribute to SDG 9 by enabling more efficient use of resources and advocating for the use of environmentally friendly technologies in installations. Industrial is one of our five technology areas, focusing on sustainable technical installations for industry.
	Our core business includes air and water treatment, and reducing water and energy consumption. Through our resource-saving installations, we contribute to SDG 6, Clean Water and Sanitation, by making water consumption more efficient, safeguarding the water supply, improving wastewater treatment and increasing reuse/recycling.	Instalco offers technical consulting services such as system design and planning through our subsidiary Intec. Intec carries out system design assignments for 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 and plumbing, Instalco offers installation of energy-optimised systems such as geothermal heat pumps and wastewater heat exchangers. In the electrical area, Instalco offers energy optimisation by means of integrated property automation and solar cells, as well as installation of charging posts and charging stations for electric and hybrid vehicles. Within ventilation, Instalco installs energy-saving cooling and ventilation systems, for example.		Every day, we install systems that treat air and water, while saving energy. Our technical solutions contribute to SDG 11, Sustainable Cities and Communities. Our climate-smart, sustainable installations help reduce energy use in society.
	Our core business involves installing solutions that treat air and water and save energy. Our installations contribute to SDG 7, Affordable and Clean Energy, via access to electricity supply and modern energy, as well as Target 7.3 on increasing the rate of improvement in energy efficiency.	Instalco offers installation of energy-optimised systems such as geothermal heat pumps and wastewater heat exchangers. In the electrical area, Instalco offers energy optimisation by means of integrated property automation and solar cells, as well as installation of charging posts and charging stations for electric and hybrid vehicles. Within ventilation, Instalco installs energy-saving cooling and ventilation systems, for example.		We believe that change is most easily achieved by working together, both internally and externally. This is why we believe partnerships and collaborations with other players in society (SDG 17) are the best way to contribute to SDGs 5, 6, 7, 9 and 11.
				Sustainable Instalco Project, which is Instalco’s in-house certification system, incentivises our customers to choose solutions that benefit the climate. It also serves as a template in the industry for making environmentally friendly and long-term sustainable choices in connection with installations.
				Instalco serves towns and communities in Sweden, Norway and Finland. Our subsidiaries’ work in renovation and new construction projects, along with the services they offer, aims to make properties and facilities safe, resilient, energy-efficient and sustainable.
				Collaboration takes place on a daily basis between subsidiaries and with customers and suppliers, to build a more sustainable society. Instalco is a member of Håll Nollan, the building industry’s forum for increased safety at the workplace. We are also a signatory to the UN Global Compact. In 2023, we continued our external collaborations with Universeum, Svenska Bussarna, the Swedish Society for Nature Conservation and Wayout Water.

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The CSRD process

In 2023 Instalco started updating its materiality analysis as a basis for future sustainability reporting according to the EU's Corporate Sustainability Reporting Directive (CSRD).

Instalco falls within the scope of the forthcoming EU Corporate Sustainability Reporting Directive (CSRD). Instalco's sustainability efforts and preparations for reporting under CSRD are based on stakeholder dialogue and materiality analyses to identify and prioritise our most material sustainability topics. CSRD requires companies to perform a double materiality analysis as a basis for their reporting. The aim of this is to assess the company's material sustainability matters in accordance with CSRD.

An analysis has been initiated out to identify and assess the sustainability matters where Instalco has a material impact on people and the environment (external impact) as well as financial risks and opportunities linked to sustainability matters arising in connection with Instalco's operations (internal impact). This process helps us to identify the areas where we have the best opportunity to make a difference. As part of the analysis Instalco is working to identify sustainability aspects, engage selected stakeholder groups and prioritise sustainability matters.

Double materiality analysis

As part of the double materiality analysis, in 2023 Instalco conducted stakeholder dialogues with a sample from the company's three most important stakeholder groups: customers and suppliers, the capital market, and subsidiaries and employees. The aim was to understand how the stakeholders assess Instalco's existing and potential impacts, risks and opportunities concerning the environment, social matters and governance, and how these may impact us.

The work identified potential material sustainability matters. The stakeholder groups used digital questionnaires to validate the sustainability matters by assessing actual/potential negative/positive impact and financial risks/opportunities. In addition, Instalco carried out an internal analysis of its context and operations and the value chain from the same double perspective. Threshold values were used to assign scores in the double materiality analysis. This gives an aggregate result for impact and financial materiality as categorised within the ESRS standards. The work was carried out in workshops during 2023 and will continue in 2024.



The process is being run by the company's internal CSRD team, which keeps Group management and the Board of Directors involved throughout. In summary, Instalco conducted a thorough and extensive process in 2023 to identify and assess its material sustainability matters, which will form the basis for the company's future sustainability reporting under CSRD.



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Taxonomy

In addition to the statutory sustainability reporting, Instalco is also required to report against the EU Taxonomy, a classification system to identify sustainable economic activities. The aim is to help investors identify, classify and compare sustainable investments. The Taxonomy is also an important tool for achieving the EU's environmental goals and those of the Paris Agreement.

Sustainability reporting requirements increase year on year. The EU is proactively driving efforts to achieve a more sustainable world by reducing climate impact and adapting to climate change. In addition to the Taxonomy, the EU has introduced new directives covering energy performance of buildings (EPBD) and energy efficiency (EED), which align closely with Instalco's operations. The EU is in the process of adding further sustainability reporting requirements (CSRD).

Instalco looks positively on these drivers and tools, which increase the level of ambition and efforts to achieve the EU's environmental goals, as well as creating additional business opportunities for our offering of resource-saving and energy-efficient installations. The reporting requirements offer opportunities to highlight our sustainability work and provide decision-making support for us, our customers and investors.

This is Instalco's third year reporting against the EU Taxonomy, and the reporting requirements have expanded year on year. However, the change from 2022 to 2023 is immaterial for Instalco, as the parts that have been added to the EU directive do not directly encompass our type of business. This conclusion has been reached following industry-wide consultation coordinated by the trade association IN Installatörsföretagen.

The taxonomy value related to turnover, which is the largest of the three reported areas for Instalco's activities, increased by a few tenths of a percent as a proportion of turnover in the 2023 financial year compared with 2022. This applies to both Taxonomy-eligible activities and Taxonomy-aligned activities. In absolute terms, both Taxonomy-eligible and Taxonomy-aligned activities increased relatively strongly, driven primarily by the growth in activities.

Turnover

Instalco has reported Group turnover in accordance with the Taxonomy. For each selected activity, turnover is reported both for Taxonomy-eligible and Taxonomy-aligned activities. Instalco has used the NACE codes to select which Taxonomy activities to report. Instalco's main activities can be linked to NACE codes F43 (Specialised construction activities) and M71 (Architectural and engineering activities; technical testing and analysis). For the amount pertaining to Taxonomy-eligible activities, turnover that can be classified in one of the selected activities is included in the numerator and the company's total turnover is included in the denominator. For the amount pertaining to Taxonomy-aligned activities, the selected turnover that meets the criteria listed for each activity is included in the numerator and the company's total turnover is included in the denominator.

Operational expenditure (OpEx)

Relevant operational expenditure refers to Taxonomy-aligned assets and economic activities that generate turnover, and includes all direct development costs to operate the asset that could be separated out. Salary costs for employees who carry out repairs, maintenance and servicing on the relevant fixed assets are not included. The amount in the denominator includes the Group's total short-term leases (in accordance with IFRS 16) as well as other materials and services in connection with operation and maintenance. The distribution of Taxonomy-aligned operational expenditure (numerator) is determined based on the external turnover generated. Relevant operational expenditure has primarily been allocated in proportion to the Taxonomy-aligned operational expenditure. Instalco's business model is easily accessible and does not require large-scale operational expenditure to meet the requirements of the EU Taxonomy Regulation. The expenditure is evenly distributed between the selected activities based on turnover.

Capital expenditure (CapEx)

Relevant capital expenditure refers to Taxonomy-aligned assets and economic activities that generate turnover, projects where turnover is expected within the next few years, and activities that mitigate or adapt to climate change by reducing greenhouse gas emissions. The denominator is the Group's total investments in 2023 as reported in the annexes. Instalco's investments primarily pertain to acquisitions of companies, which are not Taxonomy-aligned. Relevant capital expenditure has been allocated in proportion to the Taxonomy-aligned investments. Instalco's business model is easily accessible and does not require large-scale investments to meet the requirements of the EU Taxonomy Regulation. The expenditure is evenly distributed between the selected activities based on turnover.

Taxonomy-aligned 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 applied:

7.3 Installation, maintenance and repair of energy efficiency equipment

For Instalco, this includes energy-efficient light sources (light sources with an EU energy rating, not fittings or light sources integrated in fittings), air conditioning systems (domestic units with an EU energy rating), water heating systems (water heaters and storage tanks with an EU energy rating, not peripheral equipment), kitchen and bathroom mixer taps. Calculations are based on turnover related to installation of individual included products. Products in the light sources, air conditioning systems and water heating systems category that do not have an EU energy rating have not been included in the data.

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

For Instalco, this includes all projects and parts of projects where charging boxes for electric vehicles have been installed. Calculations are based on turnover related to charging boxes and all enabling activities and materials.

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

For Instalco, this includes all projects and parts of projects having to do with automation, measurement, regulation and control of equipment that has a bearing on energy use. Calculations are based on turnover related to all relevant products and services linked to the specified categories.

7.6 Installation, maintenance and repair of renewable energy technologies

For Instalco, this includes all projects and parts of projects involving installation of solar cell systems, solar panels and heat pumps. Calculations are based on turnover related to all relevant products from the specified categories and all enabling activities and materials.

9.3 Professional services related to energy performance of buildings

For Instalco, this includes all turnover related to consulting services for projects directly related to energy performance of buildings (such as energy consultation, energy simulations and energy measurements). Other technical consultation not directly related to energy performance of buildings has not been included.

Deciding which activities are relevant for Instalco, how the wording of these activities should be interpreted and how Taxonomy values should be calculated has been the work of internal and industry-wide working groups, coordinated by the trade association IN Installatörsföretagen. Most categories are governed by specific product choices in defined product categories (such as energy-efficient light sources), while others are more general in the form of types of installation projects (such as solar cell systems).

The information by activity in the Taxonomy is not always clear, complete or exhaustive, which leaves considerable scope for interpretation. Because of this, and the fact that the Taxonomy is still evolving, the figures reported by Instalco could significantly change (upwards or downwards) in the coming years, even if the underlying activities do not change. Changes in interpretations, to more cautious and conservative levels, are another reason why Instalco had a significantly lower

proportion of Taxonomy-eligible turnover in total for 2022 compared with the reporting for the 2021 financial year. This is despite the fact that the activities did not change significantly between 2021 and 2022. Calculations and interpretations followed the same methodology for the 2023 financial year as for 2022, resulting in the values for the two years being comparable in terms of proportion of turnover, as the activities have been similar.

	Total SEK m	Proportion of environmentally sustainable activities (Taxonomy-aligned)		Proportion of Taxonomy-eligible activities		Proportion of Taxonomy-non-eligible economic activities	
		%	SEK m	%	SEK m	%	SEK m
Net turnover	14,279	5.7	818	6.2	887	93.8	13,392
Operational expenditure (OpEx)	407	1.5	6	1.6	6.5	98.4	400
Capital expenditure (CapEx)	570	4.9	28	5.3	30.3	94.7	540

The complete Taxonomy tables are provided on pages 102–104.



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CASE STUDY

Keeping a customer for over 50 years

One of the things that sets Instalco companies apart is long customer relationships. Satisfied customers are repeat customers, and a high level of customer satisfaction generates growth and profitability. Instalco company Ventilationsförbättringar i Malmö AB (VFB) is an example of just that.

Instalco aims to consistently offer its customers the best possible service. It would be no exaggeration to say that VFB and the Adventist Church in Malmö have a longstanding business relationship. An ongoing service agreement for the technical installations in the church building has been in place for 51 years.

"It's absolutely great that the Adventist Church is still a customer of ours after more than 50 years. We're very happy and proud of the trust they've placed in us, and we look forward to continuing our positive relationship in the years ahead," says Mikael Bönsö, services manager at VFB.

The agreement was signed back in 1972 under the name of VFB's forerunner company Servent, which was founded by Tommy Pettersson. He went on to start VFB in 1979, which took over the

agreement. The Adventist Church was VFB's first customer, and the two have gone on to enjoy a long and loyal relationship.

The Malmö Seventh-Day Adventist Church, part of the worldwide Seventh-day Adventist Church, has a small but well-functioning church building at the heart of central Malmö.

"We've done lots of work for the Adventist Church over the years, mainly ongoing maintenance and servicing for their ventilation system. But we've also carried out bigger jobs such as new installations and repairs," Mikael Bönsö continues.

VFB's main focus is service work in southern Skåne. Until the mid-1990s the company had around 10 employees, before doubling in size in the early 2000s.

"Today we're a team of 38 with a wide range of skills, which means we can take on most work within the field of building technology. Our areas of expertise include ventilation, mandatory ventilation inspections, cooling, control technology and automation, and now electricity as well, since we took over Vent & Värmeteknik a few years ago. We've also recently set up a property department staffed by property technicians. As we don't have in-house plumbers, we work with other Instalco companies when the need arises, such as AB Rörläggaren and KWA Rör AB."

VFB has a particular interest in indoor environments and specialises in ventilation, heat pumps and comfort cooling. Ventilation systems require regular servicing to work as efficiently as possible and to keep repairs and energy consumption to a minimum.

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Risks and uncertainties

Every business is associated with risk. 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 its ability to influence the course of events is limited.

Risk management

Effective risk assessment reconciles Instalco's business opportunities and earnings with the requirements of shareholders and other stakeholders for stable, long-term value growth and control. When assessing Instalco's future development, it is therefore important to consider various risks in the business as well as opportunities for growth. For obvious reasons, it is not possible to describe all risk factors, which is why an overall evaluation must also include general environmental scanning.

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

Uncertainties

The Instalco Group operates on the Nordic market and has a large number of customers and suppliers. Its decentralised structure means operations are run in the individual entities.

Instalco's earnings and financial position, as well as its strategic position, are affected by a number of internal factors that Instalco can control, as well as a number of external factors where its ability to influence the course of events is limited. The most significant risk factors are the business climate and market situation combined with structural changes and the competitive situation. Macroeconomic factors such as inflation, volatility in the currency markets and interest rates can also affect demand, earnings and financial position.

Instalco does not have any direct exposure to Ukraine or Russia in terms of sales or purchasing. The risks related to the war have not had a material financial impact on the company's development, but this cannot be precluded in the future.

The decentralised business model combined with diversification and geographical spread limit the aggregate business and financial risks.

Business risks	Management
<p>Projects</p> <p>The business is largely project-based. Approximately 42 percent of Instalco's projects are run as fixed-price projects, approximately 33 percent as joint projects, and the remainder involve other types of collaboration and payment, such as service work. There is a risk that errors in the cost calculations for fixed-price projects could negatively impact margins.</p>	<p>The Group primarily focuses on medium-sized projects, which are typically low-risk and attract less competition than large projects, with the competitive factors being quality of work, long customer relationships and short lead times, rather than price.</p> <p>Steering groups are set up for larger or complex projects. The steering group's task is to conduct risk analyses, monitor the project, share experiences and, if required, initiate concrete action plans and allocate the right resources. Larger projects are typically run as joint/partnering projects, using a cost-plus model to further limit the risk.</p> <p>A clear authorisation hierarchy reduces the risk of miscalculation. One important control activity is the Group's monthly follow-up of projects in progress to identify and mitigate risks.</p>
<p>Customers and suppliers</p> <p>Being able to deliver the Group's services relies on suppliers fulfilling their contractual obligations in terms of, for example, volume, quality and delivery time. Incorrect, delayed or missing 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 of liability.</p> <p>Interaction with customers or suppliers without a written agreement could result in legal or financial uncertainty.</p>	<p>Our main customer groups are construction companies, property companies, industrial companies and the public sector. Construction companies are the single largest customer group. Instalco has around 2,000 customers, and the five largest account for approximately 15 percent of sales.</p> <p>Instalco has a good risk spread in terms of geographical presence and customer segments. Customer and supplier relationships are often long-term and take place within the context of the local companies in the local market.</p> <p>The Group has a central purchasing function that supports the companies with purchase agreements, enhancing their competitiveness.</p> <p>The decentralised governance model makes the companies in the Group very agile, as decisions are taken quickly and close to the business.</p>
<p>Attracting and retaining skilled employees</p> <p>Instalco's success is highly dependent on our ability to recruit, develop, motivate and retain skilled employees.</p>	<p>The Group's ambition is to offer a competitive compensation package, a workplace with interesting tasks, good leaders, short decision paths, and opportunities for influence and development.</p> <p>Developing skills is a priority, and Instalco Academy enables us to attract and retain skilled staff, and to train future leaders.</p> <p>The Group runs an apprenticeship scheme, as well as courses and programmes leading to qualifications and providing other necessary skills.</p> <p>The Group's regular employee surveys aim to investigate how employees feel about their employer and work situation, and what could be improved or developed to maintain and increase commitment and job satisfaction.</p>
<p>Liability, product liability and damages</p> <p>Instalco's projects and customer assignments are associated with risks in the area of liability, product liability and damages.</p>	<p>Instalco has comprehensive insurance cover in place for the core business. The insurance includes elements such as contract works cover, property damage, business interruption, damage to third-party property and product liability insurance.</p>

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Business risks	Management
<p>Structural changes Globalisation, digitisation and rapid technological development are driving structural change within our customers' businesses.</p> <p>The new construction projects we are seeing are characterised by increasing use of technical systems and digitalisation such as online IT systems, alarm and security systems, and systems for more efficient energy use. Accordingly, the installations themselves are becoming more complex.</p> <p>If the Group is unable to adapt to structural changes, there is a risk that its financial performance could weaken over time.</p>	<p>Structural changes benefit companies that have broad technical expertise, such as Instalco. Our entities keep up to date with the latest developments in their respective areas of technology. Instalco applies best practice, sharing successful concepts throughout the organisation. The Instalco model enables us to use our multidisciplinary expertise to coordinate projects covering multiple areas of technology, which makes the work easier for the client.</p> <p>Through the Technical Consulting business area, we are able to offer customers a leading supplier and an integrated array of system design, technical execution and services.</p>
<p>Cyber and information security risks Cyber and information security risks are an increasingly serious operational risk with an ever-changing threat landscape. Security incidents, cyberattacks, data breaches and information leaks could have a direct impact on the Group's business operations.</p>	<p>To ensure that its IT environments are stable and to prevent incidents, Instalco undertakes regular risk analyses as well as performing maintenance and reviewing IT security.</p> <p>A large number of decentralised small- and medium-sized companies with local IT environments reduces the risk of incidents in individual companies having a material financial effect on the Group.</p>
<p>Acquisitions and goodwill The risk in this area concerns acquired companies not living up to earnings expectations. There are also risks associated with the acquired company's relationships with customers, suppliers and key individuals.</p> <p>Acquiring companies with significant problems, for example regarding financial earnings capacity or important sustainability aspects, could compromise the Group's reputation or financial performance.</p> <p>There is a risk of goodwill being impaired if a segment underperforms relative to the assumptions made at the time of valuation, and any impairment could have a negative impact on the Group's financial position and earnings. Further risks associated with acquisitions include integration risks and exposure to unknown obligations.</p>	<p>Over the years Instalco has made a large number of acquisitions. All potential acquisitions and their operations are carefully scrutinised with regard to legal, financial and sustainability aspects before the acquisition is carried out. There are well-established processes and structures in place for pricing and executing acquisitions, as well as for integrating new companies into the Group. When entering into contracts, efforts are made to obtain the requisite guarantees to limit the risk of unknown obligations. Future risk is shared with the vendors by means of acquisition contracts that include an additional contingent consideration. The large number of companies acquired means there is substantial risk diversification.</p> <p>Instalco's unique model enables the acquirees to continue running their business in a larger context where they can benefit from the economies of scale that a larger Group can offer. The CEOs of the respective companies retain a large part of their influence, for example in terms of choosing projects, staff and customers, but also have access to Instalco's internal programmes to drive continuous improvements and spread best practice.</p> <p>A new board is appointed in all newly acquired companies, which are introduced at once to Instalco's financial and sustainability-related processes. Active board work takes place in every subsidiary in accordance with a Group-wide framework. All the companies are subject to monthly financial and continuous sustainability monitoring.</p> <p>Group-wide policies are implemented in material areas and an external whistleblower channel is in place and available to all Group companies.</p>

Market risks, macroeconomics and geopolitical instability	Management
<p>Macroeconomics and business cycle Economic fluctuations, inflation, interest rates, changes in demand for new residential/commercial construction, and investments by industry and the public sector all affect the installation sector.</p> <p>Disruptions in logistics chains and higher raw material prices that cannot be compensated by increasing our own prices 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 and events that are beyond the Group's control, such as pandemics and Russia's invasion of Ukraine.</p>	<p>Instalco operates on the Nordic market and has a decentralised structure. Instalco's subsidiaries are focused on various niche markets and additional sales of technical services, support and consumables. This makes the Group less sensitive to economic fluctuations in individual industries, sectors or geographic areas. The business model limits the aggregate business and financial risks.</p> <p>Compared with the construction market, the market for technical installations and services is relatively less affected by the general economic situation. A large and increasing share of Instalco's revenue comes from regular smaller assignments such as renovation and services, which is not affected by the number of new construction projects started. The flexible cost base also allows rapid adjustments based on the market situation. Contracts for installation services are often entered into early in the development phase but carried out late in the project, making it possible to get a good overview and plan operations well in advance.</p> <p>Instalco carefully monitors events that could have negative consequences as a result of macroeconomic and political factors that impact the market and economic situation. Instalco works on continuity planning for the business on an ongoing basis, taking the potential consequences of various scenarios as a starting point. Instalco has a low level of dependence on individual customers and contracts but supports the subsidiaries with credit risk monitoring on an ongoing basis.</p> <p>By continuously acquiring companies in new niche markets, the Group can reduce market risks and better fend off economic fluctuations.</p> <p>Instalco does not have any direct exposure to Ukraine or Russia in terms of sales or purchasing. The risks related to the war have not had a material financial impact on the company's performance, but this cannot be precluded in the future.</p>
<p>Competitors Most of the Group's companies are active in industries that are exposed to competition. Moreover, consolidation in the industry could result in downward pressure on prices. Future competitive opportunities depend on the ability to be at the forefront and react quickly to new market requirements. Increased competition, a reduced ability to manage new market requirements, or component shortages and long lead times could have a negative impact on the Group's financial position and earnings.</p>	<p>Instalco offers system design, technical installation, other services and maintenance of buildings and facilities in Sweden, Norway and Finland, providing comprehensive electrical, heating, plumbing, ventilation and industrial solutions as well as technical consulting. The Group primarily focuses on medium-sized projects, which are typically low-risk and attract less competition than large projects, with the competitive factors being quality of work, long customer relationships and short lead times, rather than price.</p> <p>By working closely with customers and in partnerships, we continually develop our know-how and competitiveness. To reduce the competitive risk, the Group works consistently to ensure that a collaboration with our companies offers the most profitable sales strategy.</p> <p>Close collaboration with customers and suppliers allows us to plan for guaranteed performance.</p>

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Financial risks	Management
<p>Liquidity risk 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 because of a lack of liquid funds.</p>	<p>Responsibility for the Group's financial transactions and risks lies with the Parent Company, which follows the Financial Policy adopted by the Board. Satisfactory solvency is to be achieved through agreed credit commitments. Excess liquidity is primarily used to repay outstanding loans.</p>
<p>Financing risk Financing risk is the risk that financing of the Group's capital requirements and refinancing of outstanding loans will become more difficult or expensive.</p>	<p>To limit the financing risk, the Group strives for an even maturity structure, a good liquidity reserve and diversified borrowing. This makes it possible to raise the necessary alternative capital should the need arise. Financing consists of long-term credit agreements that ensure financing of the business. To limit refinancing risk, procurement of long-term credit commitments is initiated in good time ahead of the expiry of current commitments. Instalco manages financing centrally and finances the Group's subsidiaries, both in Sweden and other countries, in local currencies. A cash pool has been established for SEK, NOK and EUR. The Group aims for a reasonable balance between equity, loan financing and liquidity so that the Group secures financing at a reasonable cost of capital. The target over time is for net debt/EBITDA not to exceed 2.5. A well-balanced net debt/EBITDA ratio indicates an ability to make new acquisitions primarily with own funds.</p>
<p>Interest rate risk Interest rate risk refers to unfavourable changes in interest rate levels having an excessive impact on the Group's net financial items and earnings.</p>	<p>Instalco takes a central approach to Group financing, which involves arranging all external financing centrally and financing the subsidiaries internally. Instalco has long-established relationships with several Nordic financial institutions and strives for an even maturity structure for its external debt, a good liquidity reserve and diversified borrowing. The interest rate situation is monitored on an ongoing basis and the need to extend loans or repay existing ones is evaluated continually.</p>
<p>Currency risk Currency risk is the risk that changes in currency rates will have a negative impact on the income statement, statement of financial position 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>Credit and counterparty risk Credit risk is the risk that the counterparty in a transaction will be unable to fulfil its financial obligations and that any collateral that has been provided will not cover the company's claim.</p>	<p>Credit checks are run on all new major customers. Instalco operates payment plans for installation projects.</p>

Sustainability risks	Management
<p>Sustainable services Sustainable installation services are in increasing demand by property owners and clients, and are 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- and energy-efficient, and environmentally friendly. In collaboration with the building proprietor and other contractors, Instalco carries out system design and installs future-proof, energy-efficient systems in all types of buildings, helping to reduce climate impact.</p>
<p>Compliance The installation sector is subject to extensive regulations, and it is vital to the market's confidence in Instalco that work is carried out in accordance with applicable laws and best practice.</p>	<p>One basic requirement is that all Instalco employees must comply with the applicable environmental legislation, competition rules, labour law, tax legislation, safety requirements and other provisions that provide 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 standard of business ethics. This is described in the Instalco Code of Conduct. The whistleblower channel is available to deal with deviations from the Code of Conduct.</p>
<p>Health and safety A high level of workplace safety is key to Instalco's employees being able to carry out their work without risk of injury or accidents.</p>	<p>Instalco's goal is to ensure that no employee is exposed to risks that could cause physical or psychological injury. Preventive measures are implemented on an ongoing basis to ensure that no employee is exposed to risks in the internal working environment. Technical equipment, including personal protective equipment, is tailored to the requirements of each employee.</p>
<p>Working conditions Instalco's companies must comply with current labour legislation and provide attractive workplaces to safeguard employee wellbeing as well as Instalco's reputation in the market.</p>	<p>Working environment matters are an integral part of Instalco's operations. The company offers a stimulating working environment with scope for skills development based on business needs. Managers have the primary responsibility for creating a good working environment.</p>
<p>Corruption Instalco is to be awarded assignments in accordance with applicable procurement regulations and based on sound business ethics.</p>	<p>The Instalco 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 improper purposes. Furthermore, Instalco's employees must follow the Code to prevent Corruption in Business established by the Swedish Anti-Corruption Institute, which supplements Swedish legislation in the area. Subsidiaries are required to sign the Code of Conduct each year.</p>
<p>Suppliers and subcontractors Instalco requires its suppliers and subcontractors to comply with the Instalco Code of Conduct and other applicable legislation.</p>	<p>As part of the supplier evaluation process, Instalco's suppliers and subcontractors must have a code of conduct accepted by Instalco or accept the principles set out in the Instalco Code of Conduct. Violations of the Code may lead to termination of the supplier's business relationship with Instalco. Instalco also has a separate Code of Conduct for Suppliers, which must be signed in order for a project to be certified as a Sustainable Instalco Project.</p>
<p>Climate and environment Changes in the climate and environment from global heating may entail risks and negatively impact Instalco. Physical risks include flooding as a result of weather events and natural disasters. Economic risks include such things as resource shortages, changes to environmental legislation and taxes, and increased prices for materials and energy.</p>	<p>Instalco's operations and services have a limited direct environmental impact, other than the Group's transport requirements. There is growing environmental awareness among employees, customers and suppliers, and we are working to meet increasing requirements and expectations for responsible and sustainable solutions. Our assessment is that changes in the climate and environment do not pose a direct threat to our business in the immediate future, but could in the longer term. On the other hand, our installations can make an important positive difference and we strive continually to further contribute to society in this way.</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 2023 on pages 6, 8, 36 – 48, 52 and 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

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

Share capital

The share capital at 31 December 2023 amounted to SEK 0.8 (0.8) million, distributed across a total of 262,539,447 (260,564,020) shares each with a nominal value of SEK 0.003 (0.003). All shares belong to the same class, with equal voting rights and shares in the company's equity and profits.

Buyback of treasury shares and new share issues

Since 2019, the Board has requested and received a mandate from the AGM to acquire and buy back treasury shares, provided that the treasury holding does not exceed 5 percent of the total number of shares in the Parent Company. No treasury shares were acquired or bought back in 2023. At the end of the period, the holding of treasury shares totalled 310,545 (310,545). Since 2018, the Board has requested and received a mandate from the AGM to decide on new share issues. The following new share issues were carried out in 2023.

Date	Reason	Change	Number of shares
01/01/2023			260,564,020
05/04/2023	New share issue, acquisition	1,011,880	261,575,900
05/07/2023	New share issue, warrant programme	2,531,125	264,107,025
31/12/2023			264,107,025

Outstanding share-related incentive programmes

Instalco has two outstanding warrant programmes corresponding to a total of 4,950,000 shares for the extended management team, CEOs of subsidiaries and other key individuals in the Group. The terms of the

Outstanding programmes	Number of options	Corresponding number of shares	Percentage of total shares	Price per option	Exercise price per option	Exercise price per share	Exercise period
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
2023/2026	2,350,000	2,350,000	0.90	SEK 2.09/7.27	SEK 64.90	SEK 64.90	22 May 2026 – 16 June 2026

exercise price per share in both programmes correspond to 115 percent of the volume-weighted average price during the five trading days after the respective AGM. For more information on the programmes, see Note 5.

Shareholders

At 31 December 2023, Instalco had 14,132 (14,879) known shareholders. The company's 10 largest shareholders accounted for 58.60 (58.16) percent of the share capital and votes. Shareholders based in Sweden accounted for 52.49 (57.1) percent of the share 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 2024a dividend of SEK 0.68 (0.66) per share. This corresponds to approximately SEK 179 (172) million and a pay-out ratio of approximately 30 (30) percent.

Share price development and trading

The closing price on 31 December 2023 was SEK 40.90 (39.63), corresponding to a market capitalisation of approximately SEK 10.8 (10.3) billion. In total, 107.6 (132.7) million shares were traded in 2023, corresponding to a value of SEK 4.6 (7.4) billion. The average number of shares traded per trading day on the primary market was 428,869 (524,612). Instalco's share price rose by SEK 1.27 during the year, corresponding to an increase of 3.2 percent (-54.4 percent). Nasdaq's OMXSPI (the OMX Stockholm All Share Index) rose by 15 (+25) percent in 2023.

Instalco's 10 largest shareholders, 31/12/2023	Number of shares	Share of capital and votes, %
Per Sjöstrand	26,957,835	10.2
Capital Group	25,207,224	9.6
Swedbank Robur Fonder	20,251,333	7.7
AMF Pension & Fonder	15,041,488	5.7
Wipunen Varainhallinta	12,300,000	4.7
Heikintorppa	12,275,000	4.7
Odin Fonder	11,755,515	4.4
Clens Fonder	11,235,978	4.2
SEB Fonder	10,952,418	4.2
Vanguard	8,555,567	3.2
Total, 10 largest shareholders	154,532,358	58.60

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

Size categories (number of shares), 31/12/2023	Number of known shareholders	Share of capital and votes, %
1–1,000	12,009	1.0
1,001–10,000	1,707	1.9
10,001–100,000	293	3.8
100,001–500,000	81	6.4
500,001–1,000,000	13	3.4
≥1,000,001	29	75.5
Anonymous ownership	0	8.1
Total	14,132	100.00

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

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Investor Relations (IR)

During the year, Instalco worked proactively on its relationships with existing and potential shareholders and other players on the capital market. This took the form of various investor meetings, investor conferences, seminars, presentations and events, as well as information in the IR section of the website at instalco.se.

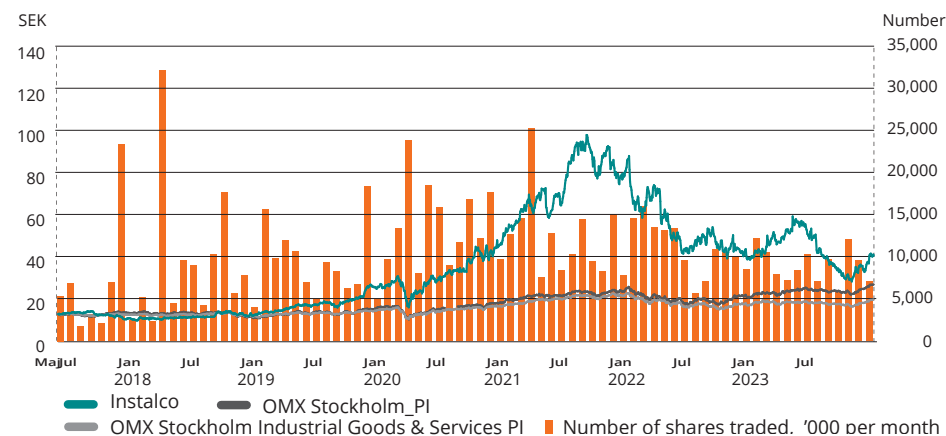
Financial analysts

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

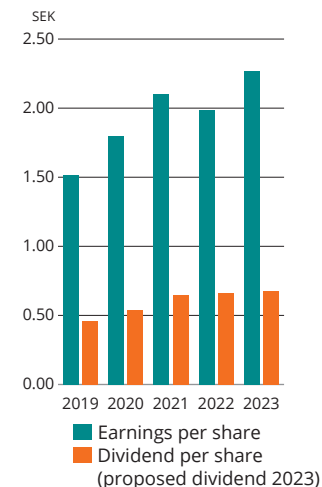
- ABG Sundal Collier
- Carnegie Investment Bank
- DNB Markets
- Kepler Cheuvreux
- Nordea Bank
- SEB

Per share data	2023	2022
Share price at 31 December, SEK	40.90	39.63
Market capitalisation at 31 December, SEK m	10,802	10,326
Dividend, SEK	0.68	0.66
Profit (loss) (attributable to Parent Company shareholders), SEK	2.31	1.99
Equity, SEK	12.1	12.1
Cash flow from operating activities, SEK	1.6	2.7
Average number of shares, basic (000s)	262,539	260,564
Average number of shares, diluted (000s)	265,726	265,510
Basic earnings per share (SEK)	2.29	1.99
Diluted earnings per share (SEK)	2.26	1.96
Number of shareholders at 31 December	14,132	14,879
Outstanding number of shares at 31 December (000s)	264,107	260,253
12M high, SEK	61.45	88.84
12M low, SEK	26.90	38.28

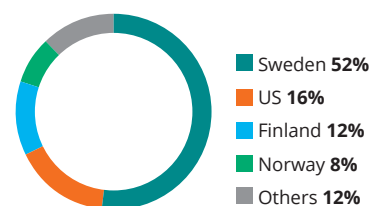
SHARE PRICE DEVELOPMENT 2017-05-11- 2023-12-31



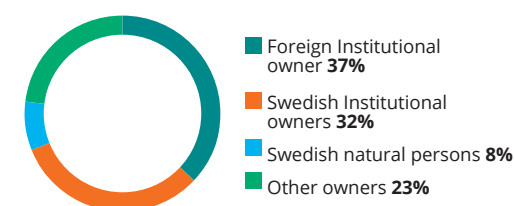
EARNINGS AND DIVIDEND PER SHARE



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 ensure lower energy and resource consumption to help future-proof society. Every day, we install solar cells and more energy-efficient, environmentally friendly heat pumps, geothermal heating systems, heat exchangers, cooling systems, LED lighting and charging stations. We are also involved in a variety of air and water treatment projects. We help clients for construction projects to think sustainability at every stage by expanding their knowledge of what is possible, from an environmental perspective, when undertaking new constructions or renovations.

How do you see the economic situation, the market and demand?

Underlying demand for Instalco's services is strong, and interest in energy-efficient and resource-saving installation services is growing all the time. In view of the prevailing macroeconomic conditions, the short- to medium-term market prospects are hard to judge, and there are significant regional variations in demand and price levels. Start dates for new residential construction have been particularly affected. However, Instalco's direct exposure to this area is low. Construction investments within industry are high, above all in northern Sweden, with major investments being made in the years ahead.

What level of exposure do you have to different types of assignments and end customers?

Instalco has a diversified product and service portfolio within system design and technical installations. Instalco's customer group is primarily construction companies in the private and public sectors, and industrial companies. Most end customers are in the education and healthcare, commercial property, office and industrial sectors. Around 36 percent of our assignments are renovation, just under 34 percent is new construction and just over 30 percent is services.

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

As part of the Instalco Group, the vendor has the opportunity to develop their company and take it to the next level, working with other subsidiaries as part of a strong team. Instalco fosters the entrepreneurial spirit of the companies it acquires, allowing them to carry on as before, but with access to Instalco's combined expertise and financial strength. The acquired companies keep their name, brand, identity and culture. Bringing new companies into the Instalco Group 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, with each subsidiary responsible for its marketing plan, customers, employees, skills pipeline and results. The CEO of each subsidiary retains decision-making authority to ensure that the entrepreneurial spirit and strong local position continue. At the same time, the companies benefit from central purchasing agreements, 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 split into divisions and business areas, with the local subsidiaries working closely together in their respective areas.

How do you create synergies between the subsidiaries?

For Instalco, best practice is an important part of how we work. This involves sharing the best ideas, working methods and solutions from all our subsidiaries with every company in the Group, thereby growing the knowledge base. We coordinate business between the companies and create both cross-selling and collaboration opportunities, with subsidiaries gaining access to customers and projects that would not previously have been available to them. Many projects involve more than one Instalco company. We coordinate tendering processes and resource allocation between companies. Instalco subsidiaries are able to make their purchases using our centrally negotiated supplier agreements.

What type of company is Instalco interested in acquiring?

Instalco has a well-established, standardised acquisition process, providing security for both existing companies and those that choose to become part of the Instalco Group. Acquisition candidates must be leaders in their local markets, within one or more disciplines or within their working method. Attractive candidates must also be financially stable, have a high level of customer satisfaction, mature leadership and, not least, be a good fit with the Instalco family by being a team player. When selecting companies during the acquisition process, we prioritise those that have a clear sustainability profile.

What type of contract terms and payment options do you offer?

We are typically engaged either to carry out an individual assignment or as a turnkey contractor. In the latter case, we also carry out system design, which enables us to suggest technical solutions. We are remunerated either at a fixed price for the whole contract or on the basis of time and materials, which is typically how it works in partnering projects. Partnering is becoming more common. This type of arrangement offers customers full insight into the entire cost process as well as safeguarding our remuneration. All of our larger projects are in the form of partnering. Around 42 percent of our assignments are at a fixed price, around 33 percent are partnering projects and around 25 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. We consider 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. There are still many geographic areas and "blank spots" on the map of the Nordic region where we want to become established and also become multidisciplinary. One possible avenue for future growth would be expansion into new geographic areas, and we are continually looking at potential new markets.

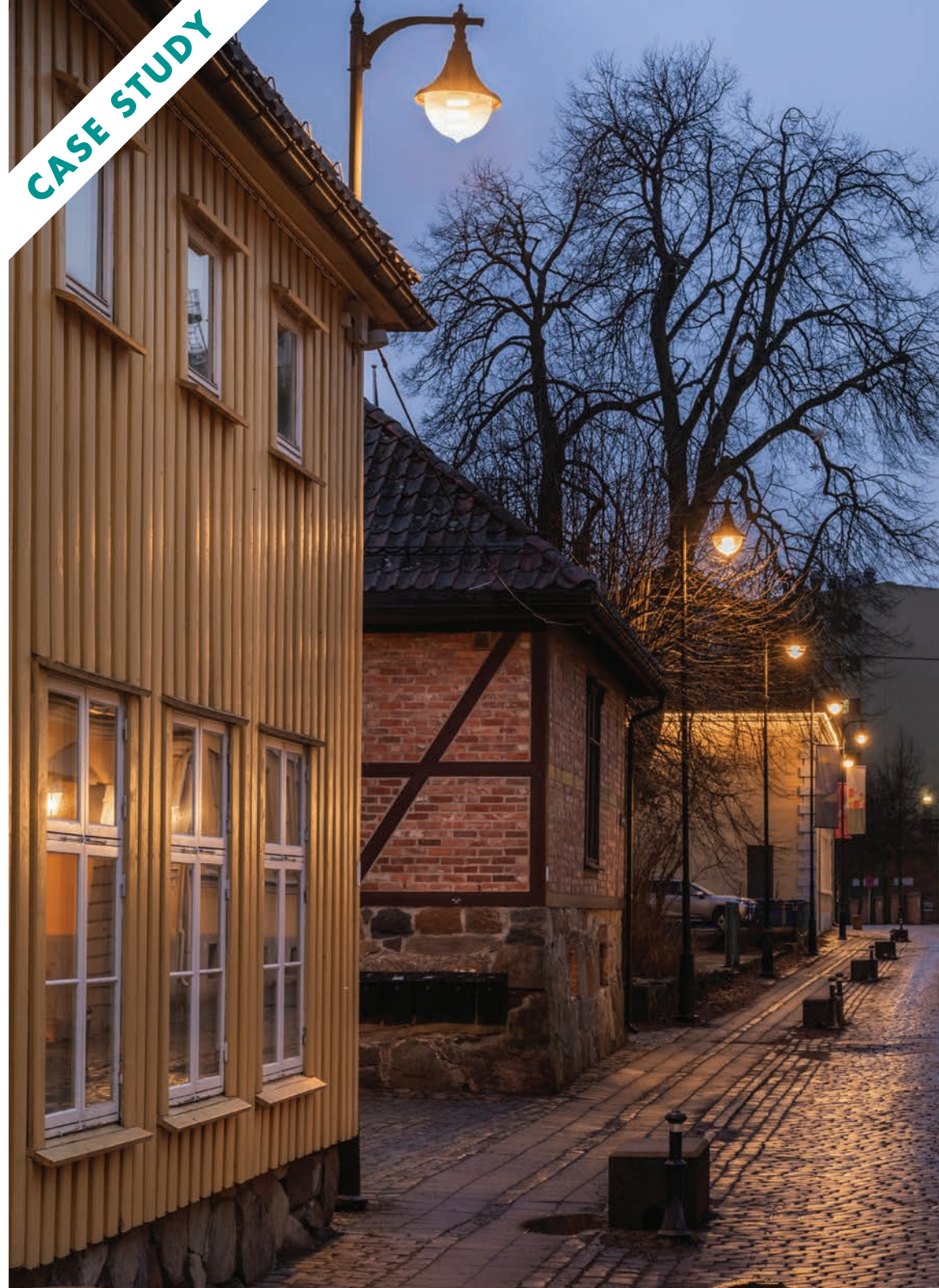
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CASE STUDY



Bespoke software helps customers act more sustainably

Instalco's technical consulting company Zenisk, a subsidiary of Intec, specialises in the niche area of lighting design. The company has developed a bespoke tool in the form of customised software to measure, understand and demonstrate the sustainability effect of design-related and technical lighting choices. The software helps their customers to make more sustainable decisions and reduce their energy costs.

Zenisk focuses on four pillars within sustainability: wellbeing, circularity, energy savings and light pollution. Developed during the pandemic, the Saved software was a response to Zenisk's lack of a suitable tool to calculate and demonstrate to customers the impact of different lighting choices on these four pillars. So they came up with their own solution.

"We could see that lighting offered enormous potential for savings, in terms of both money and carbon emissions. The software enables us to help customers act more sustainably. By working with the installers, we can generate significant benefits for the customers and the environment. And this area offers considerable potential, because lighting accounts for a high share of total energy consumption," says Kristin Bredal, CEO and Creative Director at Zenisk in Oslo.

One of Zenisk's recent projects involved refurbishing the street lighting in the centre of Moss, for which the company won the Sustainability Category at the 2023 Norwegian Lighting Awards.

The jury's citation reads as follows: "The project to restore the street lighting in the centre of Moss is a good example of how to successfully incorporate multiple sustainability aspects. Good interaction between client, consultant, supplier and manufacturer helped Zenisk to come up with a solution that was not only much more energy-efficient than the original, but simultaneously elevated the quality in a way that enabled the new system – despite the traditional aesthetic – to deliver light levels, colour reproduction and comfort aligned with current needs and expectations. Retaining the

traditional appearance by reusing the existing light fittings was an important goal, and the new lighting now helps to show the historical town environment to best effect."

"Before we got involved in the project, Moss municipality had planned to replace all the fittings with new ones. But when we showed them how we could preserve the historical environment by retaining all the original fittings, they sat up and took notice."

Zenisk refurbished the actual light source, replacing it with LED lighting in 177 lamp posts while retaining all the fittings. This has reduced energy consumption by 90 percent compared with the previous lighting. Light pollution has also decreased substantially.

"Carrying out this type of project relies on having all the players throughout the value chain on board. This is why it's important to work with suppliers, engineers, building proprietors and customers. Being part of Instalco makes a big difference too, because we can collaborate at all stages of the process, from system design to finished solutions. This benefits everyone."

Zenisk is a subsidiary of Intec with niche expertise in lighting design, which covers multiple areas: technical, conceptual, aesthetic and social.

"More and more people are concerned about carbon emissions but only a small number of customers realise you can measure them. In the near future, I also envisage competition between building proprietors to include this in their offering so that they can show that their building has taken sustainability into account, including with regard to lighting."

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Comment from the Chair



Instalco has become one of the leading players in the Nordic installation market. In the course of our 10-year history, we've helped to change the installation industry and shown how to run a company successfully with decentralised and mature leadership.

I don't think any of us could have imagined how Instalco would develop into what it is today, but we're all incredibly proud of what we've created together over the past decade.

I've said it many times before and I can't emphasise enough that Instalco's success is built on its decentralised and mature leadership. This reflects how we work throughout the Group: a high level of responsibility with a high level of trust. From the Board of Directors, management, business areas and subsidiaries down to the individual employee. This is the source of the strength and energy we need to be creative and deliver quality, benefits to society and sustainability.

Over the last few years, we've all dealt with and come through situations affected by difficult global events. Thanks to our robust model, Instalco has shown time and again that we can handle these challenges successfully.

New board member

Instalco has a talented and well-functioning Board of Directors with substantial experience from relevant industries. Most board members have been with us for a good part of Instalco's first 10 years. In 2023 we welcomed Ulf Wretskog as our seventh member. Ulf has 30 years' experience of senior positions at international companies within construction, property and facilities management. Bringing valuable international experience, Ulf's profile and personality are the perfect addition to the Board.

During the year the Board has worked continually on strategic matters as well as ongoing decisions relating to interim reports and company acquisitions. Work on risk assessment and risk elimination in

connection with major projects is particularly important. The company has a robust model for approving project costings, and the Board follows clearly established procedures for risk-assessing projects.

Continuing focus on profitability

Profitability is high on the Board's agenda. We welcome the company's work in this area and are very satisfied with the rollout of the new GoGr8 internal programme. GoGr8 supports subsidiaries that are underperforming against the Group's profitability targets to help them develop and improve their local operations.

Unique Instalco spirit

The Board has ultimate responsibility for making acquisition decisions. Before reaching board level, the potential acquisition will have undergone detailed financial due diligence. Over time, cultural due diligence has become increasingly important too. Fitting into Instalco and our culture is crucial to the new companies being able to work with existing ones to create synergies and cross-selling opportunities. The Instalco spirit is unique and it is very important to nurture it.

While we are continuously adapting to the market and fending off external influences, Instalco's fundamental strategies and financial targets stand firm. Much has happened in the last 10 years, both for Instalco and in the wider world. Instalco's robust model gives us the security to continue working to consolidate the installation industry in the Nordic region, while remaining keen to diversify both our operations and geographies. Bring on the next 10 years!

Per Sjöstrand
Chair of the Board

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Corporate Governance Report

As a Swedish public limited company listed on Nasdaq Stockholm, Instalco applies the Swedish Corporate Governance Code (the Code). The Code is available at www.bolagsstyrning.se, together 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 the Code, and covers Instalco's corporate governance during the 2023 financial year. Instalco has not deviated from the Code in 2023. Neither has it deviated from Nasdaq Stockholm's Rule Book for Issuers or good practice on the stock market. The Corporate Governance Report has been reviewed by Instalco's auditor, as detailed in the Audit Report.

Share capital and shareholders

At year-end 2023, Instalco had 14,132 shareholders according to Euroclear's shareholder register. All shares belong to the same class, with equal voting rights and shares in the company's equity and profits. The only shareholder representing at least one tenth of the number of votes attached to all shares in Instalco is Per Sjöstrand, with 10.2 percent of the share capital and votes. At year-end, the 10 largest shareholders controlled 58.6 percent of the share capital. Swedish shareholders held 52.5 percent of the share capital and votes at year-end. Instalco has two outstanding warrant programmes for a total of 4,950,000 shares, corresponding to 1.9 percent of the total number of shares.

Since 2018, the Board has requested and received a mandate from the AGM to decide on new share issues. Since 2019, the Board has requested and received a mandate from the AGM to acquire and repurchase treasury shares. It is proposed that the 2024 AGM resolve, as it did at the 2023 AGM, to grant the Board the authority to issue new shares, and to repurchase and transfer treasury shares. For more information on the Instalco share and the largest shareholders see page 54, Share information.

In accordance with Chapter 6, Section 2 a of the Annual Accounts Act, listed companies must provide information about certain conditions that could affect the opportunity to take over the company by means of a public takeover bid for the shares in the company. If the company's shares are delisted from Nasdaq Stockholm or a party other than its current principal shareholder obtains an ownership share that exceeds 50 percent of the capital or votes, the credit facility granted will be subject to renegotiation.

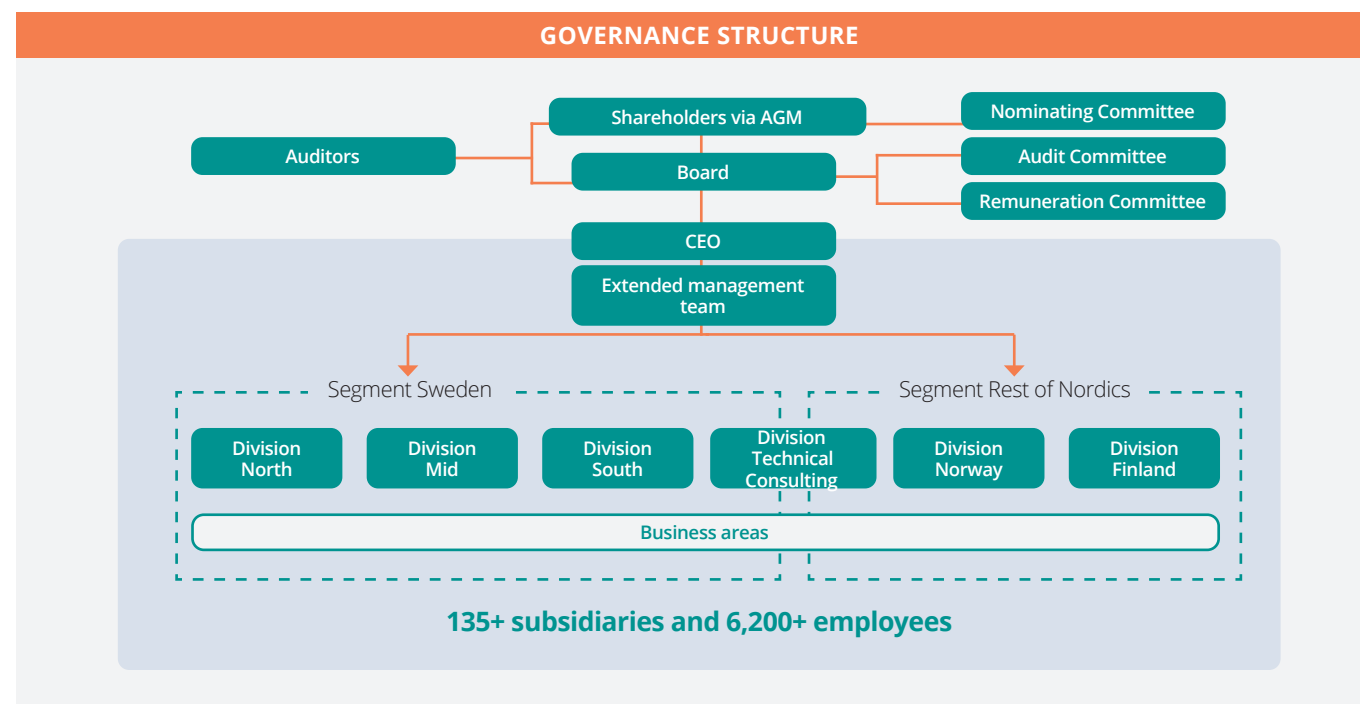
Articles of Association

Besides legislation and Nasdaq Stockholm's Rule Book, corporate governance is based on the Parent Company's Articles of Association and its internal corporate governance guidelines. 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 general meetings of shareholders. There are no provisions in Instalco AB's Articles of Association that restrict the right to transfer shares. Neither do the Articles of Association contain any special provisions on the appointment and dismissal of board members or on amendment of the Articles of Association. For more information on the Articles of Association, see Instalco's website.

General meetings of shareholders

Shareholders exercise their influence at the Annual General Meeting (AGM) or, where relevant, at an Extraordinary General Meeting (EGM). General meetings of shareholders are the Parent Company's highest decision-making body. The AGM is to be held in Stockholm within six months of the end of the financial year.

At the AGM, resolutions are passed on the election of a Board of Directors and Chair of the Board, election of auditor, adoption of the income statement and statement of financial position, appropriation of profits and discharge of liability for board members and the CEO, on the Nominating Committee and its work, as well as guidelines for remuneration of senior executives. Resolutions at AGMs are normally passed by simple majority and in the case of elections, the person



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who has received the most votes is considered elected. For certain resolutions such as a change to the Articles of Association, a qualified majority is required.

In addition to shareholders' statutory right to participate in the AGM, Instalco's Articles of Association stipulate that shareholders must register their attendance at the AGM in advance, by a certain date specified in the notice, and where relevant, notification must also be given if the shareholder intends to bring an assistant with them.

AGM documents and the minutes of AGMs are available on Instalco's website. The website also contains information on the right of shareholders to have matters discussed at the AGM, along with the deadline for submitting such matters to Instalco.

Annual General Meeting 2023

The AGM was held on Friday 5 May 2023 in Stockholm. A total of 199,431,307 shares and votes were represented, either physically or by postal vote. The Chair of the Board, Per Sjöstrand, was elected as meeting chair. Most members of the Board of Directors and Group management attended the AGM. Authorised Public Accountant Camilla Nilsson, auditor in charge for Instalco, was also present.

The resolutions passed at the AGM were:

- Dividend of SEK 0.66 per share.
- Re-election of board members Per Sjöstrand, Johnny Alvarsson, Carina Qvarngård, Carina Edblad, Per Leopoldsson and Camilla Öberg. Election of Ulf Wretskog as a new board member. Per Sjöstrand was re-elected as Chair 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 introduce an incentive programme in the form of a targeted issue of a maximum of 2,350,000 warrants.
- The Board was granted the authority to decide on new issues of shares, convertibles and warrants amounting to up to 10 percent of the total number of shares in the company at the date of the resolution.
- The Board was granted the authority to decide on acquisitions and transfers of treasury shares amounting to up to 5 percent of the total number of shares in the company.
- The AGM's other resolutions, as well as other information about the meeting, are detailed in the full minutes, which are available on Instalco's website.

Annual General Meeting 2024

The 2024 AGM will be held on Monday 6 May. For further information, visit Instalco's website.

Nominating Committee

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

The composition of the Nominating Committee meets the requirements regarding independence of members. The Nominating Committee's documents for the AGM are available on the company's website.

The Nominating Committee for the 2024 AGM comprises the following members, as per Euroclear's shareholder register:

Name	Representing	Percentage of votes, 30/09/2023
Per Sjöstrand	Per Sjöstrand	10.20
Lennart Francke	Swedbank Robur Fonder	8.64
Angelica Hanson	AMF Pension & Fonder	5.53
		24.37

The Board's responsibilities

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

- Strategic orientation and important targets.
- Important matters relating to optimisation of capital structure, investments, acquisitions and divestments.
- Monitoring and control of the business, financial position, sustainability, provision of information and organisational matters, including evaluation of the Group's operational management.
- Overall responsibility for establishing effective systems of internal control and risk management.
- Important policies.

Composition of the Board of Directors

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

The Nominating Committee has applied rule 4.1 of the Code as its diversity policy for proposing board members. The goal is to achieve a well-functioning board composition with regard to diversity and breadth in terms of factors including gender, nationality, age and industry experience. The current board composition is the result of the Nominating Committee's work in preparation for the 2023 AGM. The Nominating Committee believes that the Board's composition and size are appropriate, and that it has breadth and diversity in terms of the members' expertise and experience in areas that are strategically important for Instalco. Women make up 43 percent of the Board of Directors.

Independence of the Board of Directors

Prior to the AGM, the Nominating Committee evaluates the independence of members of the Board of Directors. All board members, except for Per Sjöstrand, are independent with respect to the company, its extended management team and its largest shareholder. The Board has thus been assessed as meeting the requirements concerning its independence.

The Board's rules of procedure

In accordance with the Swedish Companies Act, the Board issues written rules of procedure for its work each year. The rules of procedure contain rules on how the work is to be distributed among members of the Board of Directors, including its committees, the number of scheduled board meetings, matters to be dealt with at scheduled board meetings and the duties of the Chair of the Board. The Board has also issued written instructions setting out the procedure for financial reporting to the Board and how the work between the Board and CEO is distributed.

Responsibilities of the Chair of the Board

The Chair 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 Chair monitors the business in dialogue with the

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CEO. The Chair is also responsible for ensuring that the other board members receive the introduction, information and documentation necessary to sustain high-quality discussions and decisions, as well as checking that the Board's decisions are implemented.

The Board's work in 2023

There were 10 board meetings during the 2023 financial year, four of which were held prior to and six after the 2023 AGM, not counting per capsulam meetings. Instalco's CFO served as secretary at the board meetings. Meetings during the year followed an approved agenda, which together with documentation for each item on the agenda was provided to each board member in advance. Typically, scheduled board meetings last for slightly more than half a day to allow time for presentations and discussions. The CEO and CFO participate in most board meetings. Each scheduled board meeting includes a review of the current business situation, the Group's results and financial position, and the outlook for the rest of the year.

Items dealt with at board meetings in 2023 include:

- Strategic orientation and important targets.
- Approval of interim reports, year-end report and annual report.
- Approval of important policies.
- Important matters relating to optimisation of capital structure, financing, dividends, investments, acquisitions and sustainability work.
- Monitoring and control of operations, financial performance, provision of information and organisational matters.
- Review with and report from the company's external auditors.
- Review with the auditors, without Group management being present, to evaluate the performance of the CEO and Group management.
- Evaluation of the work done by the Board. The Chair of the Board takes the initiative each year for the evaluation and leads the work.

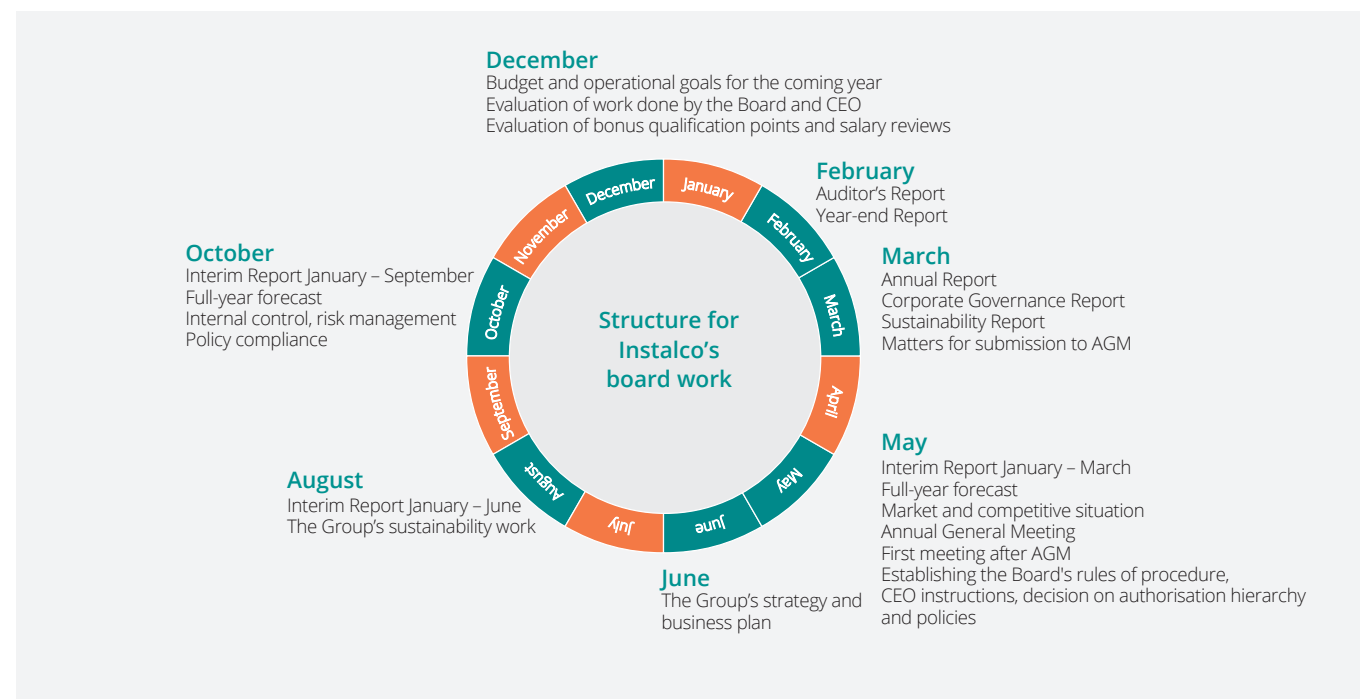
A presentation of the members of the Board of Directors can be found in the "Board of Directors" section and on the company's website.

Total board fees were set by the 2023 AGM at SEK 2,860,000.

Attendance at board meetings and fees paid to each board member are detailed in the table.

Evaluation of the Board

The Board conducts an annual evaluation of its work. The Chair of the Board takes the initiative each year for the evaluation and leads



Board of Directors 2023

Member	Position	Elected	Independent in relation to:		Participation out of total number of meetings			Fees as decided by the 2023 AGM, SEK 000s		
			Company and executive management	Major shareholders	Board meetings ¹⁾	Audit Committee	Remuneration Committee	Board fee	Audit Committee fee	Total fee
Per Sjöstrand	Chair of the Board	2021	no	no	10/10	–	–	640	–	640
Johnny Alvarsson	Board member	2016	yes	yes	10/10	–	–	320	–	320
Carina Edblad	Board member	2018	yes	yes	9/10	–	–	320	–	320
Per Leopoldsson	Board member	2018	yes	yes	10/10	5/5	–	320	75	395
Carina Qvarngård	Board member	2018	yes	yes	10/10	4/5	–	320	75	395
Ulf Wretskog	Board member	2023	yes	yes	6/6	–	–	320	–	320
Camilla Öberg	Board member	2018	yes	yes	9/10	5/5	–	320	150	470
Total								2,560	300	2,860

1) Per capsulam not included

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the work. The purpose of the evaluation is to further develop working methods, dynamics, efficiency and the working climate, as well as the main focus of the Board's work. The evaluation in 2023 took the form of a questionnaire completed by each member. The evaluation also included interviews, group discussions and discussions between the Chair and individual board members. The results of the evaluation were reported in writing to the members, who subsequently discussed them together at a board meeting. The Chair of the Board also reported the results of the evaluation at a meeting with the Nominating Committee.

Remuneration Committee

The Board has set up a Remuneration Committee, which carries out its work as an integral part of board work at scheduled board meetings. The main tasks of the Remuneration Committee are to:

- Prepare the Board's decisions on matters concerning remuneration principles, remuneration and other terms of employment for the extended management team
- Monitor and evaluate ongoing programmes and programmes that were concluded during the year for variable remuneration of the extended management team
- Monitor and evaluate the application of any guidelines for remuneration of senior executives established by the AGM as well as applicable remuneration structures and remuneration levels.

Audit Committee

The Audit Committee follows rules of procedure in line with the applicable requirements and performs a supervisory role regarding the company's risk management, governance, control and financial reporting. The Audit Committee maintains regular contact with the company's auditor to ensure that the company's internal and external reporting meet the requirements of a listed company, and to discuss the scope and focus of the audit work. The Audit Committee evaluates the audit work performed and informs the company's Nominating Committee of the results of the evaluation, as well as assisting the Nominating Committee in drawing up proposals for auditors and remuneration of the audit work. The Audit Committee also evaluates the effectiveness of the internal control system and the Group's risk management, and monitors the financial structure.

In 2023 the Audit Committee comprised board members Camilla Öberg (Chair of the Audit Committee), Per Leopoldsson and Carina Qvarngård. The Audit Committee held five meetings at which min-

utes were taken. The individual board members' attendance at these meetings is detailed in the table. The external auditor in charge, Camilla Nilsson, and the CFO participated in all the meetings. Instalco's CFO served as secretary at the meetings. Items dealt with at Audit Committee meetings in 2023 included:

- Review of interim reports, year-end report and annual report. Scope and accuracy of the annual accounts.
- Review of the company's risk management, governance and internal control.
- Material accounting matters.
- Review of reports from the company's auditor elected by the AGM, including the auditor's audit plan.

Auditor

Proposing an auditor to the AGM is one of the tasks of the Nominating Committee. The audit firm Grant Thornton Sweden AB (GT) was elected at the 2023 AGM to serve as the company's auditor through to the end of the 2024 AGM. Authorised Public Accountant Camilla Nilsson is the auditor in charge. GT continuously tests its independence in relation to the company and issues written assurance to the Board each year that the audit firm is independent in relation to Instalco. GT conducts the audit of Instalco AB and a majority of the subsidiaries. The independence of the external auditor is regulated in a special instruction adopted by the Board, which states in which areas the external auditor may be engaged in matters other than the standard audit work.

- The auditors work according to an audit plan and report their findings to the Audit Committee and the Board on an ongoing basis, both during the course of the audit and in connection with 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 other relevant accounting principles.
- The auditor in charge participates in the AGM, giving a presentation of the audit work and any findings.

CEO and Group management

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

Group management and an extended management team to support the work on Instalco's operations.

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

Guidelines for remuneration of senior executives

The current guidelines for remuneration of the CEO and other senior executives were adopted at the 2022 AGM. These guidelines align with the principles previously applied.

To successfully implement the company's business strategy and safeguard the company's long-term interests, including its sustainability agenda, the company must be able to recruit and retain qualified employees. To do this, the company needs to be able to offer competitive remuneration. These guidelines enable senior executives to be offered competitive remuneration packages.

The proposal to the 2024 AGM is to continue to apply the guidelines adopted at the 2022 AGM. The most recently adopted guidelines for remuneration can be found on page 67 and on the company's website.

The Board of Directors has prepared a Remuneration Report for submission to the 2024 AGM detailing how the guidelines for remuneration, adopted at the 2022 AGM, have been implemented. The Remuneration Report also contains information on remuneration of the CEO and a summary of Instalco's outstanding programmes for long-term variable remuneration. The Remuneration Report is available on the company's website.

Long-term incentive programmes

At the end of the financial year Instalco had two outstanding warrant programmes corresponding to a total of 4,950,000 shares that are directed at the extended management team, CEOs of subsidiaries and other key individuals in the Group. The purpose of long-term share incentive programmes is to provide a short- and long-term means to boost the motivation of employees whom the Group has identified as important and trusted. The Board is of the opinion that an incentive programme in line with the present proposal is advantageous to the Group and the company's shareholders.

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The Board's report on internal control over financial reporting

In accordance with the Swedish Companies Act, the Board is responsible for internal control. The Board's responsibilities are further regulated in the Swedish Corporate Governance Code and the Annual Accounts Act. The financial reporting must be appropriate and apply current accounting rules and other requirements for listed companies. At Instalco, internal control over financial reporting focuses primarily on ensuring efficient and reliable controls when accounting for the acquisition of subsidiaries, and correct valuation and consolidation of the operating subsidiaries. Responsibility for the effectiveness of the subsidiaries' internal control structures, risk management and financial reporting lies with each subsidiary's board and management. The CFO reports annually to the Board on the Group's internal control work. Internal control includes the control environment, risk assessment, control activities, information and communication, and monitoring activities.

Control environment

Effective board work lays the foundations for good internal control. The Board's rules of procedure and instructions for the CEO and board committees ensure a clear division of roles and responsibilities to facilitate effective management of the organisation's risks. The Board has also established a number of basic guidelines and policies important for facilitating a strong control environment. These include the Code of Conduct, authorisation hierarchy and the Financial Policy. These policies are followed up and revised as needed.

Group management issues ongoing instructions concerning the financial reporting. Together with policies adopted by the Board, these form part of the Group's overall framework. The Group's financial manual contains principles, guidelines and process descriptions for accounting, financial reporting, project reporting and project management.

Instalco has organised its operations based on decentralised profitability and earnings responsibility. Each subsidiary has its own board and CEO with responsibility for governance of local operations in accordance with guidelines and instructions from Group level. Each subsidiary has its own administration to handle day-to-day bookkeeping and financial reporting. The local entities primarily report to the Business Area Manager.

The Group uses a Group-wide reporting system as the basis for its monthly reporting, consolidation and follow-up.

Risk assessment and control activities

Within the Board, the Audit Committee has primary responsibility for ongoing evaluation of the Parent Company's risk situation and the Board then conducts an annual review of the risk situation. Risk assessment includes identifying and evaluating the risk of material errors in the accounting and reporting at Group and subsidiary level. Risk assessment is carried out on an ongoing basis and in accordance with established guidelines with a focus on individual projects.

Control activities aim to identify and mitigate risks. Examples of control activities include evaluation of ongoing projects, transaction-related controls such as rules governing authorisation and investments, clear payment procedures, as well as analytical controls performed by the Group's central accounting and finance function. The Group's central accounting and finance function together with the CFOs of the subsidiaries play a key role in creating the required environment for transparent and accurate financial reporting. Regular seminars are

held for employees working on accounting and finance throughout the Group to facilitate exchange of knowledge and experience and discuss relevant topics.

One important overarching control activity is the monthly financial follow-up and project follow-up carried out via the internal reporting system. The subsidiaries' financial and project performance are monitored on an ongoing basis against targets set, forecasts and KPIs. All subsidiaries submit quarterly internal control reports, which are followed up. Other important components of internal control include the annual business planning and forecasting processes.

Training and frameworks to drive continuous development and improvement have been established in the form of the IFOKUS internal programme, the company-adapted GoGr8 programme and Instalco Academy. These cover fundamental processes, internal control and a culture of profitability.

GROUP-WIDE POLICIES

Code of Conduct

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

Sustainability Policy

Aims to communicate that the business is run responsibly with a holistic approach to economic, environmental and social aspects. Instalco is to choose materials and methods that have a low impact on the internal and external environment, along with providing a safe and stimulating working environment.

Information and Communications Policy

Aims to ensure accurate and high-quality information, and that information is managed both externally and internally, primarily with reference to applicable laws, regulations and other rules that apply to listed companies in Sweden and the Swedish Corporate Governance Code. Communication with all the company's stakeholders is to be open and helpful.

Financial Policy

Aims to set out rules and guidelines for financing activities, establish the division of responsibilities and create good control over financial risks. The financial organisation must manage the financial risks that arise in the business, secure both short-term and long-term financing, and minimise financing costs.

Internal Control Policy

Aims to provide a general approach that facilitates a uniform way of evaluating all parts of the internal control, along with clarifying Instalco's basic principles for internal control. Good internal control ensures appropriate, cost-effective and safe operations, reliable financial reporting, and compliance with applicable laws and regulations.

GDPR Policy

Aims to ensure that personal data is managed in accordance with the General Data Protection Regulation (GDPR). The policy covers all registration and processing of data in Instalco's IT systems that handle personal data. The policy covers both structured and unstructured data.

Dividend Policy

Aims to provide information on how much of the profit should be distributed to the company's shareholders as dividends. When proposing dividends, consideration is given to the Group's equity, long-term financing and investment needs, growth plans and other factors that the company's Board of Directors consider to be important.

Other policies

- Insurance
- Quality
- Employees
- Vehicles

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Information and communication

Instalco's information and communication channels are designed to promote complete and accurate external information. The Board has adopted an Information and Communications Policy to ensure that the external information is accurate, complete and released at the right time. In addition, there are internal instructions on how financial information is to be communicated between the Board, management and subsidiaries. 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 identifies and communicates areas for improvement in the financial reporting on an ongoing basis to all of the subsidiaries that report to the Group. Instalco has an established whistleblower channel, which is available to all employees via the intranet and to external stakeholders via Instalco's website. It can be used anonymously if necessary. Subsidiaries also use the Group-wide whistleblower channel and may do so anonymously.

Monitoring activities

Each month, the Board and management follow up and evaluate the organisation's performance, earnings, financial position and cash flow using a reporting package that includes comments on the results and KPIs. The CEO and CFO also report on these matters at each board meeting. The Board, Group management and each subsidiary's board follow up on the quarterly internal control report. The Board is updated on the internal control work and the results of this on an annual basis.

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

Internal audit

Based on the risk assessment and format of the control activities described above, which includes internal control reporting and its follow-up, the Board has decided not to establish a separate internal audit function.



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Board of Directors



Per Sjöstrand

Born 1958
Chair of the Board, member since 2021

Other board positions

Chair: Green Landscaping Group, Uniwater, Håndverksgruppen AS. Board member: Nordic Climate Group, ByggPartner Gruppen.

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

Not independent in relation to Instalco and its senior executives

Not independent in relation to major shareholders

Shareholding in Instalco¹⁾

26,957,835



Johnny Alvarsson

Born 1950
Member since 2016

Other board positions

Chair: FM Mattsson Mora Group and LLENTAB.

Board member: Beijer Alma, Sdiptech and Rotundagruppen.

Work experience

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

Education

MSc Engineering, Management course

Independent in relation to Instalco and its senior executives

Independent in relation to major shareholders

Shareholding in Instalco¹⁾

85,940



Carina Edblad

Born 1963
Member since 2018

Current position

CEO Thomas Betong

Other board positions

Board member: Purmo Group and Sweden Green Building Council.

Work experience

Extensive experience in the construction industry as CEO and in senior positions at international companies including Skanska. Many years' experience of board work in listed companies.

Education

MSc Engineering, Chalmers University of Technology, Gothenburg

Independent in relation to Instalco and its senior executives

Independent in relation to major shareholders

Shareholding in Instalco¹⁾

6,496



Per Leopoldsson

Born 1960
Member since 2018

Current position

Head of Solavik Förvaltning AB

Other board positions

Board member at Layer Group AB, NAI Svefa, Vinga Group and Brandkontoret, and council member for Fastighetsägarna Stockholm.

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 Instalco¹⁾

30,000



Carina Qvarngård

Born 1959
Member since 2018

Other board positions

Board member at Ability2Sustain and RAK Systems.

Work experience

More than 35 years' experience in senior positions at international companies including Ericsson, Sodexo Norden and Caverion, and senior consultant in sustainability and organisation and business development.

Education

MSc Engineering, KTH Royal Institute of Technology, Stockholm

Independent in relation to Instalco and its senior executives

Independent in relation to major shareholders

Shareholding in Instalco¹⁾

1,200



Ulf Wretskog

Born 1967
Member since 2023

Current position

CEO Continental Europe at Sodexo Corporate Services

Work experience

30 years' experience of construction, property and facilities management in senior positions at international companies including Skanska, Coor and Sodexo. Has also held a number of board positions in PE-owned portfolio companies.

Education

MSc Engineering, LTH Lund University

Independent in relation to Instalco and its senior executives

Independent in relation to major shareholders

Shareholding in Instalco¹⁾

6,000



Camilla Öberg

Born 1964
Member since 2018

Current position

CFO Yubico

Other board positions

Board member at Xvivo Perfusion.

Work experience

Extensive experience as CFO of 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 Instalco¹⁾

2,485

¹⁾ Holding as of 31 December 2023. Includes related party holdings.

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

Group management

Robin Boheman

Born 1984
CEO

Other significant positions

No other significant positions 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

Master's degree in accounting and finance, Uppsala University

Number of shares:¹⁾ 1,820,455

Number of options: 50,000 options (2022–2025), 100,000 options (2023–2026)

Christina Kassberg

Born 1968
CFO

Work experience

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

Education

BSc Business & Economics, Stockholm University

Number of shares:¹⁾ 31,550

Number of options: 70,000 options (2022–2025), 25,000 options (2023–2026)

Fredrik Trahn

Born 1969
Head of Communications and Sustainability

Work experience

Journalist SvD, Head of Information Bristol Myers Squibb, Press Officer Electrolux, Press Officer Team SEB in Volvo Ocean Race, Head of Communications Swedish Athletics Association

Education

Degree from the Institute of Graphic Design (GI), studies in communications and Swedish language, Stockholm University

Number of shares:¹⁾ 27,565

Number of options: 20,000 options (2022–2025), 50,000 options (2023–2026)

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

Plumbing and heating technician and master pipe layer, technical college

Number of shares:¹⁾ 496,200

Number of options: 35,000 options (2022–2025), 35,000 options (2023–2026)

Peter Hjerpe

Born 1964
Head of Division Middle

Work experience

CEO JN EI

Education

Upper secondary school

Number of shares:¹⁾ 95,000

Number of options: 35,000 options (2022–2025), 20,000 options (2023–2026)

Johan Larsson

Born 1976
Head of Division North

Work experience

CEO DALAB Dala Luftbehandling, CEO DALAB Group AB

Education

Upper secondary school and training in sheet metal and ventilation installations

Number of shares:¹⁾ 1,656,610

Number of options: 5,000 options (2022–2025), 35,000 options (2023–2026)

Gustaf Larsson Ernefelt

Born 1987
Head of M&A

Work experience

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

Education

Master's degree in Corporate Finance, Lund University

Number of shares:¹⁾ 64,088

Number of options: 50,000 options (2022–2025), 25,000 options (2023–2026)

Anders Lundin

Born 1966
Head of Division Technical Consulting

Work experience

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

Education

Heating & Plumbing Engineer, Marketing and organisational theory at Linköping University

Number of shares:¹⁾ 20,150

Number of options: 35,000 options (2022–2025), 20,000 options (2023–2026)

Patrik Persson

Born 1964
Head of Division South

Work experience

Deputy CEO and CEO Rörläggaren

Education

Plumbing and heating technician, technical college

Number of shares:¹⁾ 44,780

Number of options: 35,000 options (2022–2026), 35,000 options (2023–2026)

1) Holding as of 31 December 2023. Includes related party holdings.

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Guidelines for remuneration of senior executives 2023

These guidelines were adopted by the 2022 AGM. They cover remuneration of board members, the CEO and other members of the extended management team (jointly referred to as "senior executives"). The guidelines are to be applied to remuneration that is agreed, and changes that are made to remuneration already agreed, after the guidelines were adopted at the 2022 AGM. The guidelines do not cover remuneration decided by the Annual General Meeting.

How the guidelines promote the company's business strategy, long-term interests and sustainability

To successfully implement the company's business strategy and safeguard the company's long-term interests, including its sustainability agenda, the company must be able to recruit and retain qualified employees. To do this, the company needs to offer competitive remuneration. These guidelines enable senior executives to be offered competitive remuneration packages.

Variable cash remuneration as described in these guidelines aims to promote the company's business strategy and long-term interests, including 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. Variable cash remuneration is described in more detail in the "Variable cash remuneration" section below.

For more information on the company's business strategy, visit the website (www.instalco.se).

Forms of remuneration etc.

The total remuneration of each senior executive must be competitive and may comprise fixed cash salary, variable cash remuneration, pension benefits and other benefits. In addition to this – and independent of these guidelines – the AGM may approve other components, such as share-based and share price-based remuneration. Fixed and variable remuneration is to be set in relation to the senior executive's responsibilities and authority.

Variable cash remuneration

Fulfilment of criteria for payment of variable cash remuneration must be able to be measured over a period of one year. The variable cash remuneration is to be capped, related to the fixed salary and may not exceed 50 percent of the fixed annual cash salary.

The variable cash remuneration is to be linked to predetermined measurable criteria, which may be financial or non-financial. Individual quantitative or qualitative targets may also be used. The outcome

relative to these predetermined targets forms the basis for the total potential amount of variable cash remuneration. The criteria are to be designed in such a way that they promote the company's business strategy and long-term interests, including its sustainability agenda. For example, they must have a clear link to the business strategy or promote the senior executive's long-term development.

Once the measurement period for fulfilment of criteria for payment of variable cash remuneration has ended, an evaluation is carried out to determine the extent to which the criteria have been fulfilled. The Board is responsible for the evaluation concerning variable cash remuneration of the CEO. The CEO carries out the evaluation for other senior executives. For remuneration based on financial targets, the company's most recently published financial information is to be used.

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

Pension and insurance

Senior executives' pension benefits, incorporating health insurance, are to be in the form of defined contribution plans. Variable cash compensation is to be pensionable. The pension premiums for defined contribution pensions may not exceed 35 percent of the fixed and variable annual cash salary.

Other benefits

Other benefits may include life insurance, medical expenses insurance and car allowance. The total value of these benefits may not exceed 15 percent of the fixed annual cash salary.

Regarding 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 overarching aim of these guidelines is to be met as far as possible.

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

Remuneration of board members in excess of board fees

Board members elected by the AGM who are not employed by the company may receive consultancy fees and other remuneration for work carried out on the company's behalf over and above their board duties. Decisions about consultancy fees and other remuneration of board members elected by the AGM who are not employed by the company are to be made by the Board.

Termination of employment

The maximum notice period for termination of employment is 12 months. The notice period 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 maximum notice period is 6 months, without any right to severance pay.

Fixed cash salary during the notice period and severance pay in total may not exceed an amount corresponding to 18 months' fixed cash salary.

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Compensation for any non-compete clause may also be paid. This form of remuneration is intended to compensate any loss of income and is only to be paid to the extent to which the former senior executive is not entitled to severance pay. The maximum amount of the compensation is 100 percent of the fixed cash salary at the time of termination, unless otherwise provided by mandatory collective agreement provisions, and is payable for the period during which the non-compete clause applies, which is not to exceed 12 months after the termination of employment.

Salary and employment terms for employees

In preparing the Board's proposals for these remuneration guidelines, consideration has been given to salary and employment terms for the company's employees by including information on total remuneration, remuneration components, and remuneration increases and rates of increase over time, as a basis for the Board's decision when evaluating whether the guidelines and the limitations they impose are reasonable.

Decision process for establishing, reviewing and implementing the guidelines

The Board has set up a Remuneration Committee. The Remuneration Committee's duties include preparatory work for board decisions on proposed guidelines for remuneration of senior executives. The Board is to draw up proposals for new guidelines at least once every four years for adoption at the AGM. These guidelines are to apply until new guidelines have been adopted by the AGM.

The Remuneration Committee is also responsible for monitoring and evaluating programmes for variable remuneration of the extended management team, applying guidelines for remuneration of senior executives, as well as current remuneration structures and levels in the company.

Members of the Remuneration Committee are independent in relation to the company and the extended management team. Neither the CEO nor other members of the extended management team may be present when the Board discusses and decides on remuneration-related matters if the discussion concerns them.

Deviation from the guidelines

The Board may decide to temporarily deviate entirely or partly from the guidelines if there are special reasons for doing so in an individual case and deviation is necessary to serve the company's long-term interests, including its sustainability agenda, or to safeguard the company's financial strength. As stated above, the Remuneration Committee's duties include preparatory work for the Board's remuneration decisions, including decisions on deviating from the guidelines.

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Other information

Significant events after the end of the financial year

In Q1 2024 Instalco acquired Lund Elektro AS, with expected sales of SEK 15 million and nine employees. The company was acquired at 100 percent. A preliminary purchase price allocation for this acquisition has not yet been prepared.

Employees and organisation

Instalco has a decentralised, dedicated organisation for driving the business forward. At the end of the financial year there were 6,282 employees, compared with 5,611 at the start of the year. Over the last 12-month period, the average number of employees was 5,986 (5,316).

Research and development

Instalco does not carry out its own research and development, or does so only to a very limited degree.

Activities subject to permit and notification

Instalco's operations are not subject to permit requirements for environmentally hazardous activities. In cases where there is a notification or permit requirement, the organisation in each country is responsible for handling the procedure.

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 comprised by pages 6, 8, 36–48 and 102–104.

Expected future performance

Since it started in 2014, Instalco has grown by means of acquisitions, effective strategy implementation and decentralised entrepreneurship. Instalco's strategy is to continue developing and acquiring companies in the installation industry and within technical consulting, thereby continuing its growth.

Underlying demand for Instalco's services is strong, and interest in energy-efficient and resource-saving installation services is growing all the time.

In view of the prevailing macroeconomic conditions, the short- to medium-term market outlook is hard to judge, and there are significant regional variations in demand and price levels. Start dates for new residential construction have been particularly affected. However, Instalco's direct exposure to this area is low. Raw material and component prices have remained high over the past year but without the dramatic increases seen previously.

On the whole, the market is significantly affected by a number of long-term trends and general developments in society. This includes technological developments in areas such as electrification and digitalisation combined with challenges such as an ageing property stock, a growing population and energy shortages. The needs of the green transition and consequent green industry initiatives in the Nordic region are also significant drivers of the growing demand for Instalco's core offering.

Instalco does not have any direct exposure to Ukraine or Russia in terms of sales or purchasing. The risks related to the war have not had a material financial impact on the company's performance, but this cannot be precluded in the future.

Proposed appropriation of profits

The following retained earnings are at the disposal of the AGM (SEK 000s):

Share premium reserve	1,126,336
Retained earnings	59,660
Profit for the year	174,127
	1,360,123

The Board and CEO propose the following allocations:

to be distributed as dividends, SEK 0.68 per share	179,382
carried forward	1,180,741
	1,360,123

The Board of Directors has decided to propose to the AGM in May 2024 a dividend of SEK 0.68 per share (corresponding to approximately SEK 180 million).

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

The proposed dividend is in line with Instalco's policy of distributing 30 percent of profit after tax as dividends. If the AGM votes in accordance with the Board's dividend proposal, approximately SEK 1,181 million will be carried forward. The Board confirms that there is full coverage for the company's restricted equity after the proposed dividend. The Board's assessment is that the financial position after the proposed dividend remains strong and is sufficient for the company to be able to meet its obligations in both the short and long term, and to have the scope to make any necessary investments.

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

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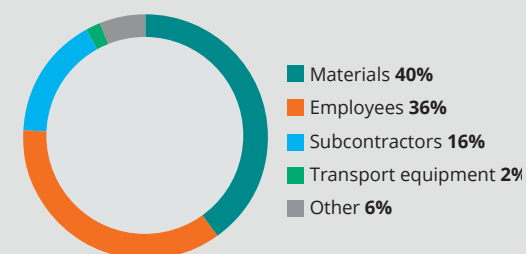
Consolidated income statement

AMOUNTS IN SEK M	Note	2023	2022
Operating income			
Net sales	2, 3	14,279	12,063
Other operating income		117	115
Total operating income		14,396	12,179
Operating expenses			
Materials and purchased services		-7,215	-6,186
Other external costs	4	-1,069	-968
Employee benefit costs	5	-4,673	-3,805
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets		-517	-381
Other operating expenses		-23	-54
Total operating expenses		-13,497	-11,395
Operating profit (loss) (EBIT)		899	784
Profit (loss) from financial items			
Financial income		93	38
Financial expenses	7	-199	-125
Earnings before taxes		792	697
Income tax	8	-177	-145
Profit (loss) for the year		615	551
<i>Profit (loss) attributable to:</i>			
Parent Company's shareholders		601	520
Non-controlling interests		14	31
Earnings per share	9		
Basic earnings per share, SEK		2.29	1.99
Diluted earnings per share, SEK		2.26	1.96

Consolidated statement of comprehensive income

AMOUNTS IN SEK M	Note	2023	2022
PROFIT (LOSS) FOR THE YEAR		615	551
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		-118	117
Other comprehensive income after tax		-118	117
Total comprehensive income for the year		497	668
Comprehensive income attributable to:			
Non-controlling interests		14	31
Parent Company's shareholders		483	636

COST STRUCTURE



Comments on the consolidated income statement

Net sales

Net sales for the period amounted to SEK 14,279 (12,063) million, which is an increase of 18.4 percent. Adjusted for currency effects, organic growth amounted to 4.6 percent and acquired growth was 14.3 percent. Currency fluctuations had a marginal impact on net sales. Eleven acquisitions were made during the year. The acquired companies' impact on net sales since the date of acquisition was SEK 1,205 million.

Earnings

Operating profit before amortisation of intangible assets (EBITA) for the period amounted to SEK 1,085 (916) million, which corresponds to an EBITA margin of 7.6 (7.6) percent. Operating profit (EBIT) for the period amounted to SEK 899 (784) million. Amortisation of intangible assets increased by SEK 54 million and amounted to SEK 186 (132) million. The increase is attributable to a high acquisition rate in recent years, with a larger portion of identified depreciable assets related to acquisitions.

Net financial items for the period amounted to SEK -107 (-87) million, of which unrealised value changes amounted to SEK 30 (-26) million and the interest expense on external loans amounted to SEK -151 (-50) million.

Earnings for the period were SEK 614 (551) million, which corresponds to basic earnings per share of SEK 2.29 (1.99) and diluted earnings per share of SEK 2.26 (1.96).

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Consolidated balance sheet

AMOUNTS IN SEK M	Note	31/12/2023	31/12/2022
ASSETS			
Non-current assets			
<i>Intangible assets</i>	10		
Goodwill		5,288	4,610
Other intangible assets		596	543
Total intangible assets		5,883	5,152
<i>Property, plant and equipment</i>	11		
Other non-current assets		351	178
Right-of-use assets		762	568
Total property, plant and equipment		1,113	746
<i>Financial assets</i>	12		
Shares in associated companies and jointly controlled entities		14	8
Receivables from associated companies and jointly run companies		1	1
Securities held as non-current assets		49	14
Non-current receivables		8	11
Total financial assets		72	34
Deferred tax asset	8	22	5
Total non-current assets		7,089	5,938
Current assets			
Finished goods and goods for resale		202	159
Total inventories		202	159
<i>Current receivables</i>	12		
Accounts receivable	14	2,091	1,891
Current tax asset		81	69
Other receivables		87	108
Contract assets	15	628	620
Prepaid expenses and accrued income		271	158
Cash and cash equivalents	16	267	631
Total current receivables		3,426	3,477
Total current assets		3,627	3,636
TOTAL ASSETS		10,716	9,573

AMOUNTS IN SEK M	Note	31/12/2023	31/12/2022
EQUITY AND LIABILITIES			
Equity	17		
Share capital		1	1
Share premium reserve		1,126	996
Reserve		-1	117
Retained earnings incl. profit (loss) for the year		2,080	1,830
Equity attributable to the Parent Company's shareholders		3,207	2,944
Non-controlling interests		183	208
Total equity		3,390	3,152
<i>Non-current liabilities</i>	12		
Liabilities to credit institutions	19	2,972	2,569
Lease liabilities	19	507	372
Deferred tax liabilities	8	385	320
Other liabilities	26	163	299
Total non-current liabilities		4,028	3,559
<i>Current liabilities</i>	12		
Provisions	18	25	24
Liabilities to credit institutions	19	6	4
Lease liabilities	19	232	181
Accounts payable	20	1,052	1,042
Current tax liabilities		71	16
Other liabilities		569	447
Contract liabilities	15	549	461
Accrued expenses and deferred income	21	795	687
Total current liabilities		3,298	2,862
Total liabilities		7,326	6,421
TOTAL EQUITY AND LIABILITIES		10,716	9,573

Comments on the consolidated balance sheet

Financial position

Equity at the end of the period amounted to SEK 3,390 (3,152) million, with an equity ratio of 31.6 (32.9) percent. Cash and cash equivalents together with other short-term investments amounted to SEK 267 (631) million at the end of the period. Interest-bearing debt at the end of the period was SEK 3,728 (3,135) million. At the end of the period Instalco's total credit facilities amounted to SEK 3,950 (3,700) million, of which SEK 2,950 (2,550) million had been utilised. At the end of the period net interest-bearing debt amounted to SEK 3,461 (2,503) million, with a gearing ratio of 107.9 (85.1) percent. Net debt in relation to EBITDA was 2.4 (2.1). Currency fluctuations impacted net debt for the period by SEK 17 (-13) million.

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Consolidated statement of changes in equity

AMOUNTS IN SEK M	Note	Share capital	Share premium reserve	Reserve	Retained earnings incl. profit (loss) for the year	Total	Non-controlling interests	Total equity
Opening balance 01/01/2023		1	996	117	1,830	2,944	208	3,152
Profit (loss) for the year		-	-	-	601	601	14	615
Exchange differences on translation of foreign operations		-	-	-118	-	-118	1	-118
Total comprehensive income for the year		-	-	-118	601	482	15	497
Transactions with owners								
Dividends		-	-	-	-172	-172	-	-172
New share issues		0	130	-	-	130	-	130
Change in non-controlling interests	25	-	-	-	-156	-156	-41	-197
Issue of warrants		-	-	-	10	10	-	10
Buyback of warrants		-	-	-	-31	-31	-	-31
Total transactions with owners		0	130	-	-349	-219	-41	-260
Closing balance 31/12/2023	17	1	1,126	-1	2,080	3,207	183	3,390
Opening balance 01/01/2022		1	996	1	1,485	2,483	19	2,501
Profit (loss) for the year		-	-	-	520	520	31	551
Exchange differences on translation of foreign operations		-	-	116	-	116	1	117
Total comprehensive income for the year		-	-	116	520	636	32	668
Transactions with owners								
Dividends		-	-	-	-169	-169	-2	-171
Change in non-controlling interests		-	-	-	-19	-19	159	140
Issue of warrants		-	-	-	14	14	-	14
Total transactions with owners		-	-	-	-174	-174	157	-17
Closing balance 31/12/2022	17	1	996	117	1,830	2,944	208	3,152

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Consolidated cash flow statement

AMOUNTS IN SEK M	Note	2023	2022
Operating activities			
Earnings before taxes		792	697
Adjustment for items not included in cash flow etc.	24	445	407
Income tax paid		-191	-214
Cash flow from operating activities before changes in working capital		1,046	890
<i>Changes in working capital:</i>			
Change in inventories		-36	-28
Change in accounts receivable and other receivables		-67	-263
Change in accounts payable and other liabilities		56	154
Cash flow from operating activities		999	753
Investing activities			
Acquisition of shares in subsidiaries, after deducting cash and cash equivalents	25	-1,188	-1,043
Acquisition of intangible assets		-27	-10
Acquisition of property, plant and equipment		-82	-54
Disposal of property, plant and equipment		22	20
Decrease/increase in financial assets		-14	7
Cash flow from investing activities		-1,289	-1,080
Financing activities			
New share issue		80	-
Issue of warrants		10	14
Buyback of warrants		-31	-
Change in non-controlling interests		-	-22
Dividends		-172	-171
Borrowings	12	650	3,529
Repayment of loans	12	-361	-2,905
Repayment of lease liabilities		-260	-205
Cash flow from financing activities		-85	240
CASH FLOW FOR THE YEAR		-375	-87
Cash and cash equivalents at beginning of year		631	695
Exchange difference in cash and cash equivalents		11	22
Cash and cash equivalents at end of year		267	631
Cash and cash equivalents from continuing operations		267	631
Cash flow for the year from interest:			
Interest paid		-164	-53
Interest received		10	3

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 999 (753) million, of which the change in working capital was SEK -47 (-137) million. The Group's working capital fluctuates from one year to the next, primarily because of fluctuations in these line items: work in progress, accounts receivable and accounts payable.

Cash flow from operating activities amounted to SEK -1,289 (-1,080) million, of which the net value of acquisitions and divestments of subsidiaries and businesses was SEK -1,188 (-1,043) million. Cash flow from financing activities amounted to SEK -85 (240) million, of which the net change in loans amounted to SEK 289 (624) million and amortisation of lease liabilities amounted to SEK -260 (-205) million. Dividends to the Parent Company's shareholders amounted to SEK -172 (-169) million, which corresponds to SEK 0.66 (0.65) per share.

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Parent Company income statement

AMOUNTS IN SEK M	Note	2023	2022
Operating income			
Net sales		32	25
Total operating income		32	25
Operating expenses			
Other external costs	4	-13	-12
Personnel costs	5	-23	-16
Total operating expenses		-36	-28
Operating profit (loss)		-3	-3
Profit (loss) from financial items			
Income from shares in Group companies	6	175	133
Interest income and similar profit or loss items		1	0
Interest expense and similar profit or loss items	7	-6	-4
Profit (loss) after financial items		165	126
Group contributions received		9	7
Earnings before taxes		174	133
Tax on profit (loss) for the year	8	1	-1
Profit (loss) for the year		174	132

Comments on the Parent Company

Instalco AB's principal operations are head office functions such as Group-wide management, administration and financial functions.

Its net sales amounted to SEK 32 (25) million. The operating result for the year was a loss of SEK -3 (-3) million. Profit after financial items amounted to SEK 165 (126) million, mainly attributable to income from shares in Group companies. Earnings before taxes amounted to SEK 174 (133) million and net profit for the period was SEK 174 (132) million.

Cash and cash equivalents at the end of the period amounted to SEK 37 (27) million.

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Parent Company balance sheet

AMOUNTS IN SEK M	Note	31/12/2023	31/12/2022
ASSETS			
Non-current assets			
<i>Financial assets</i>			
Shares in Group companies	13	1,375	1,375
Deferred tax asset		2	-
Total financial assets		1,377	1,375
Total non-current assets		1,377	1,375
Current assets			
<i>Current receivables</i>			
Other receivables		109	7
Total current receivables		109	7
Cash and bank balances		37	27
Total current assets		146	35
TOTAL ASSETS		1,523	1,410

AMOUNTS IN SEK M	Note	31/12/2023	31/12/2022
EQUITY AND LIABILITIES			
Equity	17		
<i>Restricted equity</i>			
Share capital		1	1
		1	1
<i>Non-restricted equity</i>	27		
Share premium reserve		1,126	1,131
Retained earnings		60	-14
Profit (loss) for the year		173	132
		1,360	1,249
Total equity		1,361	1,250
Non-current liabilities			
Liabilities to credit institutions	19	146	149
Total non-current liabilities		146	149
Current liabilities			
Accounts payable	20	1	2
Other liabilities		5	2
Accrued expenses and deferred income	21	10	7
Total current liabilities		16	11
Total liabilities		162	160
TOTAL EQUITY AND LIABILITIES		1,523	1,410

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Parent Company statement of changes in equity

AMOUNTS IN SEK M	Note	Share capital	Other paid-in capital	Retained earnings	Profit (loss) for the year	Total equity
Opening balance 01/01/2023		1	1,131	-14	132	1,250
Dividends		-	-	-172		-172
Transfer of previous year's earnings		-	-	132	-132	0
New share issue		-	130	-	-	130
Issue of warrants		-	10	-	-	10
Change in warrants		-	-31	-	-	-31
Profit (loss) for the year		-	-	-	174	174
Closing balance 31/12/2023	17	1	1,240	-54	174	1,361
Opening balance 01/01/2022		1	1,261	19	6	1,287
Dividends		-	-	-169	-	-169
Transfer of previous year's earnings		-	-	6	-6	-
Transfer		-	-130	130	-	-
Profit (loss) for the year		-	-	-	132	132
Closing balance 31/12/2022	17	1	1,131	-14	132	1,250

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Parent Company cash flow statement

AMOUNTS IN SEK M	Note	2023	2022
OPERATING ACTIVITIES			
Profit (loss) after financial items		165	126
Adjustment for items not included in cash flow	24	0	0
Income tax paid		-1	-2
Cash flow from operating activities before changes in working capital		165	124
<i>Changes in working capital:</i>			
Change in accounts receivable and other receivables		-74	3
Change in accounts payable and other liabilities		5	2
Net cash flow from continuing operations		-70	5
Net cash flow from operating activities		95	129
Investing activities			
Shareholder contributions made/repaid	13	0	0
Cash flow from investing activities		0	0
Financing activities			
New share issue		80	0
Dividends		-172	-169
Group contributions		0	7
Borrowings		0	150
Repayment of loans		-3	-144
Change in warrants		10	0
Cash flow from financing activities		-85	-156
CASH FLOW FOR THE YEAR		10	-27
Cash and cash equivalents at beginning of year		27	54
Cash and cash equivalents at end of year		37	27
Cash flow for the year from interest			
Interest paid		-7	-3
Interest received		1	0

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Note 1. Recognition and measurement 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 interpretations issued by the IFRS Interpretations Committee. The recommendations by the Swedish Financial Reporting Board in RFR 1 Supplementary Accounting Rules for Groups have also been applied.

The annual accounts for the Parent Company have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and recommendation RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board. Where the Parent Company applies different principles to the Group this is stated 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 accounts and the consolidated financial statements were approved for issuance by the Board on 15 March 2024. The Parent Company's and the Group's income statements and balance sheets will be presented for adoption by the AGM on 6 May 2024.

New and updated standards entering into force for financial years starting on or after 1 January 2023

In 2023 amendments to IAS 1 took effect that have required changes to accounting or measurement principles. As a result of the amendment of IAS 1, effective from 2023 Instalco is reproducing only the principles deemed material to the company's consolidated financial statements. Other changes are not assessed to impact the Group's principles to any material extent.

Standards, amendments and interpretations of existing standards that have not yet entered into force and are not being early adopted by the Group

BEPS Pillar Two is effective from 1 January 2024 and relates to rules on global minimum tax. Instalco has sales exceeding EUR 750 million and consequently these rules will apply to Instalco. In 2023 Instalco conducted a project to assess the effects of the new rules on global minimum tax. The rules are assessed to have no material impact on the Group from 2024 onwards. In accordance with IAS 12 Instalco does not recognise deferred tax arising from additional tax under BEPS Pillar Two.

As at the date that these financial statements were approved, no other standards, amendments or interpretations of existing standards

that have not yet entered into force or 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 incorporated into 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 any material impact on the Group's financial statements.

Basis for consolidation

Subsidiaries that are under the direct or indirect control of the Parent Company are included in the consolidated financial statements. 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, as 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); see also 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 at the acquisition date.

Functional currency and presentation currency

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

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 at 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 operation and translated to SEK at the closing day rate. Revenue and expenses have been translated to SEK at an average rate for the reporting period. Exchange rate differences are recognised directly in other comprehensive income and are reported in the currency translation reserve in equity. Upon disposal 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 Nordics. 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 applies the same measurement principles in its segment reporting according to IFRS 8 as in its financial statements.

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Note 1 continued. Recognition and measurement principles

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

Revenue

Revenue primarily stems from sales involving the execution of installations, and from construction contracts and service contracts.

Contracts with customers

A contract is defined by the Group as a verbal 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 certain situations, combined such that they are reported as a single larger contract. This applies if it is the same customer (counterparty), even if the contracts relate 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 in the contract's scope (e.g. adding more product/services or changing the existing products/services), modification of the agreed price, or both. The modification to the contract is reported as either:

- part of the original contract; or
- a new separate contract.

The assessment of whether a change or addition is a new contract or is part of an existing contract is made on a case-by-case basis. Where a change or addition is deemed to be part of an existing contract, the total contract amount is adjusted at the time the change is made.

Performance obligations

The Group enters into agreements with customers under which 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 obligation or several performance obligations. The Group has identified the following separate performance obligations:

- installation work including system design, together with associated goods and materials;
- service work, where Instalco companies perform the type of services that address temporary needs at customer premises (not contractual).

Accounting for warranty obligations

Contracts contain warranties for the work that is performed, in accordance with industry practice. The warranty is never a revenue-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 probability-weighted 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 point in 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 facility owned by the customer. The customer thus benefits from the company's performance gradually, as the work is performed. This means that the Group fulfils its obligations gradually and reports revenue over time using the percentage of completion method. A project's percentage of completion is calculated based on the expenses incurred as at 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 revenue based on project costings.

Service work

The revenue from service work is recognised when the services have been provided based on the percentage of completion of the work at the closing date. Revenue recognition for service work is based on a forecast of the percentage of completion for each individual project and the revenue is gradually recognised against the expenses thus far incurred in the project.

Rental income

Income from the rental of building scaffolding is distributed evenly over the rental period.

Contract balances

The Group recognises a contract liability for remuneration it has received pertaining to unfulfilled performance obligations and reports those amounts as "Other liabilities" in the consolidated statement of financial position. If the Group meets a performance obligation before receiving compensation for it, the Group will report a contract asset in the consolidated statement of financial position 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 expense 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.

Goodwill

> NOTE 10

Goodwill represents the future economic benefits arising from a business combination which are not individually identified and reported separately. Goodwill is the difference between the cost of 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 measured at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units or groups of cash-generating units (CGUs). It is not amortised but instead is tested annually for impairment. More information on this is provided in the description of the method for impairment testing.

Other intangible assets

> NOTE 10

Other intangible assets are recognised within the Group at cost minus accumulated amortisation and any impairment losses. Cost includes the purchase price and any expenditure directly attributable to the asset.

Additional expenses are added to the asset's carrying amount only when it is probable that the future economic benefits associated with the asset will flow to the Group and the asset's cost can be measured reliably.

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Note 1 continued. Recognition and measurement principles

Other intangible assets are amortised over their estimated useful life.

The following amortisation periods are applied:

- Computer systems, licences 3–5 years
- Right-of-use assets 3–10 years
- Customer relations 3–10 years

Property, plant and equipment > NOTE 11

Property, plant and equipment are recognised within the Group at cost minus accumulated 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 economic benefits associated with the asset will flow to the Group and the asset's cost can be measured reliably. The carrying amounts of assets disposed of are removed from the balance sheet. All other forms of repair and maintenance are expensed as incurred in the income statement. Gains or losses arising from the disposal of property, plant and equipment are calculated as the difference between what has been received and the carrying amount of the asset. The gain or loss is then recognised in the income statement as part of "Other operating income" or "Other operating expenses" respectively.

Property, plant and equipment is depreciated over its estimated useful life. The following depreciation periods are applied:

- Machinery and tools 3–5 years
- Equipment, installations and other technical facilities 3–5 years
- Scaffolding 10–20 years

Impairment testing of goodwill, other intangible assets and property, plant and 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. Impairment testing for the CGUs to which goodwill has been attributed corresponds to the Group's operating segments, Sweden and Rest of Nordics, since goodwill is not monitored internally at any lower level. The Sweden segment is the dominant market and the growth in the Rest of Nordics segment has taken place using the same business model and utilising experience gained in the Sweden

segment. Instalco's subsidiaries are integrated into the Group's business model, collaborative culture and values such that assets and cash flows cannot be distinguished at a lower level. In many cases more than one company works on the same project, and companies also submit joint tenders and share resources.

All other individual assets or CGUs are tested for impairment whenever there are events or changes of 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 recently approved budget, adjusted as needed to exclude the effects of future reorganisations and improvements of assets. A discount rate is established for each CGU which reflects current market assessments of the time value of money, along with risk factors specific to the asset type.

Impairment of a CGU first 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 any impairment loss recognised previously is no longer justified. 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), vehicle rentals, tools and machinery. Leases are reported in the balance sheet, except for short-term leases (duration of 12 months or less) and leases where the underlying asset is of low value.

When entering into an agreement the Group assesses whether the agreement carries with it the right to control the use of an identified asset for a period of time in exchange for payment; 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 asset 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 is considered to correspond 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.

The lease liability is measured at amortised cost using the effective interest method and is remeasured when changes in future lease payments arise as a result of 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 leases (agreements with a contract period of less than 12 months) and leases 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 leases 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 three 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

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Note 1 continued. Recognition and measurement principles

recognition, a financial asset or a financial liability is measured at its fair value plus or minus transaction costs, with the exception of financial assets or financial liabilities measured at fair value through profit or loss. These 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 statement of 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 statement of 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 the asset 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
- All financial assets, except those measured at fair value through profit or loss, must be tested for impairment at least at the end of each 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 recognised within "Other external costs".

Financial assets measured at amortised cost

Financial assets held within the scope of the Group's business model for the purpose of 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 measured at amortised cost using the effective interest method, after deductions for any impairment. No discounting is applied if the effect of discounting is immaterial. The Group's

cash and cash equivalents, accounts receivable and most of its other receivables belong to this category of financial instruments.

Individually significant receivables are tested for impairment after they have fallen due or if there is other objective evidence that the counterparty is unable to pay. Receivables that are not tested for impairment individually are tested as a group, with such grouping based on the counterparty's industry and region as well as other credit risk characteristics that the receivables have in common. The estimated impairment is then based on the latest information concerning the proportion of doubtful debts for counterparties in each group identified.

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

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 measured at fair value through profit or loss. These are recognised at fair value, with any gains or losses recognised in profit or loss after initial recognition. The Group is party to agreements concerning contingent consideration arising in conjunction with acquisitions that are reported at fair value through profit or loss.

The additional consideration to be paid is a contingent consideration typically based on the results of the acquired company over the next few years, either as a binary outcome if a certain level of results is met or as a ladder where the outcome is higher the higher the profit level achieved by the acquired entity over a predetermined future accounting period. Usually the additional consideration is triggered if the conditions are met after one to three years from the acquisition date. At the time of the transaction the additional consideration is measured at fair value by discounting the present value of the likely outcome. The likely outcome is based on the Group's forecasts for each entity and depends on future results achieved in the companies, with a predetermined maximum level.

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

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 enacted or substantively enacted at the end of the reporting period. Deferred tax is calculated on all temporary differences in accordance with the balance sheet method. The Group does not recognise deferred tax on temporary differences arising from goodwill or investments in subsidiaries.

Equity, reserves and dividends

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

The 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.

Buyback of treasury shares includes the value of the share at the time of purchase and the amount is reported as a deduction 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 owners of the Parent Company are reported separately in equity.

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

Post-employment benefits

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

A few employees who are not senior executives have a pension solution in the form of endowment insurance that has been pledged for pension obligations. The asset is defined as a financial instrument measured 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 as a net amount.

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Note 1 continued. Recognition and measurement principles

Short-term employee benefits

Short-term employee benefits, including holiday pay, are current liabilities measured at the undiscounted amount that the Group is expected to pay as a result of the unused entitlement. Short-term benefits are expensed as they are earned.

Provisions and contingent liabilities

Provisions for product warranties, legal proceedings, loss-making contracts or other claims are recognised when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required and the amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated amount required to settle the present obligation, based on the most reliable information available on the closing date, including the risks and uncertainties associated with the present 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 material.

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

SIGNIFICANT ESTIMATES AND JUDGMENTS WHEN APPLYING ACCOUNTING PRINCIPLES

Estimates and judgments are continuously evaluated and based on historical experience and other factors, including expectations of future events that are considered reasonable in the current circumstances.

Significant judgments by Group management > NOTE 26

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

Information about the estimates and assumptions that have the most significant impact on the recognition and measurement of assets, liabilities, revenue and expenses is provided below. The actual outcome may deviate significantly. Judgments made by Group management in the application of IFRS that have a significant impact on the financial

statements as well as estimates that entail material adjustments in subsequent financial statements are described in more detail in Note 26.

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 concerning future operating profit and when establishing an appropriate discount rate. For more information on impairment testing, see Note 10.

Business combinations and fair value measurement > NOTE 25

The Group is continually acquiring companies, these primarily being small companies individually. No single acquisition is therefore considered material. For each acquisition the acquired company is looked at and assessed based on, among other things, IFRS 3 Business Combinations and IAS 38 Intangible Assets, to identify whether there are acquired intangible assets that should be assigned a value. According to IAS 38, an intangible asset is one that has an intangible value, such as customer relations or order backlog. However, an item with intangible value will not always meet the definition of an intangible asset as per IAS 38. If this is the case, the value is instead included in goodwill. The Group carefully assesses the likelihood of expected future economic benefits based on reasonable, well-founded assumptions that constitute the best assessment of the economic circumstances.

When calculating fair values various measurement techniques are used for the specific assets and liabilities acquired in a business combination. In particular, the fair value of any contingent consideration will depend on the outcome of certain variables such as the acquired company's future profitability.

The Group uses measurement models to calculate the fair value of financial instruments (whenever prices are not available on active markets) and for non-financial assets. This involves making estimates and assumptions that are consistent with how the instrument would be priced in the market. As far as possible, assumptions are based on observable data. However, such data is not always available. Where 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 be achieved in a transaction on business terms on the closing date.

For acquisitions, an acquisition structure is typically applied that consists of the basic purchase price and additional contingent consid-

eration. Payment of any additional contingent consideration is based on future results. A higher amount of contingent consideration will thus be paid for companies that achieve higher profits over a specified period of time. The additional contingent consideration is payable within three years of the acquisition date and there is a fixed maximum level. Additional contingent consideration has been measured at fair value. It is classified at Level 3 in the fair value hierarchy and is reported under "Non-current liabilities" and "Other current liabilities" in the balance sheet. For more information on contingent consideration and business combinations, see Note 25.

Revenue from construction contracts > NOTE 15

Recognition of revenue from construction contracts requires management to make material judgments when determining the actual degree of completion, the anticipated costs for completing the work and monitoring the forecast final outcome.

The amount of recognised revenue and associated contract assets for clients reflects Group management's best assessment of the outcome and percentage of completion for each contract. In 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. This includes monitoring and assessing the risk of losses that could occur in the project.

Environmental and climate-related matters

Risks caused by climate change may have future negative effects on the Group's operations and activities. These risks include transition risks (e.g. regulatory changes and reputational risks) and physical risks (although the risk of physical damage is low, due to the company's operations and geographical locations); see also page 52. Society's green transition to counteract climate change may also have a positive impact on the Group's operations and activities, as it drives demand for resource-saving installations.

During the year no environmental or climate-related risks have had a material impact on Instalco's accounting principles or on the financial statements. Management continuously evaluates the effects of climate-related matters.

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Note 1 continued. Recognition and measurement principles

The Parent Company's recognition and measurement principles

The Parent Company's annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. RFR 2 states that, in its annual accounts for the legal entity, the Parent Company is to apply all 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 recognition and measurement 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 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 and expenses and for equity.

Shares in subsidiaries

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

Where 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 "Income from shares 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 any 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, 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 costs to sell or the present value of management's best estimate of the future cash flows, whichever is higher.

Note 2. Breakdown of revenue¹⁾

Revenue by significant category	2023		
	Contract work	Service work	Total
Sweden	6,829	3,134	9,962
Rest of Nordics	3,120	1,197	4,317
Net sales	9,949	4,330	14,279

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

1) For more detailed information see Note 1 Recognition and measurement principles, under the heading Revenue. For information on contract assets and contract liabilities, see Note 15.

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Note 3. Segment reporting

A business segment is a unit in the Group with operations which generate revenue and incur costs, and for which independent financial information is available. The Group's operations are divided into segments based on the companies' geographic location. These segments are Sweden and Rest of Nordics, which are the reportable segments for the Group. The market segmentation carried out reflects a natural delineation, with equivalent revenue streams and cost structures within the Group. The CEO of the Group, who is the company's chief operating decision-maker, monitors the performance of the operations and decides on resource allocation based on the services performed and

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

2023	Sweden	Rest of Nordics	Other	Total
Net sales	9,962	4,317	-	14,279
EBITA	833	253	-	1,085
EBITA margin, %	8.4	5.9	-	7.6
2022	Sweden	Rest of Nordics	Other	Total
Net sales	9,220	2,844	-	12,063
EBITA	772	151	-7	916
EBITA margin, %	8.4	5.3	-	7.6

Revenue from external customers by country, based on where the companies are located:

	2023	2022
Sweden	9,962	9,220
Norway	2,767	1,726
Finland	1,549	1,118
Total	14,279	12,063

the goods sold within each segment and geography. Internal pricing within the Group is on market terms.

The segments are evaluated based on net sales and EBITA. Net sales consist of external revenue from customers, most of which is recognised over time.

The part of the operations that does not meet the definition of a business segment is referred to as "Group-wide". At Instalco this consists of the Parent Company and the two holding companies that are at the highest level of the Group.

Property, plant and equipment, which does not include financial instruments or deferred tax assets (there are no assets in connection with post-employment benefits or rights under insurance contracts), are distributed by country as follows:

	31/12/2023	31/12/2022
Sweden	565	526
Norway	154	126
Finland	174	68
Total	893	721

The Instalco Group does not have revenue from any single customer amounting to 10 percent or more, which is why no information has been provided on this.

Note 4. Remuneration of auditor

Expensed amount and other remuneration amounts to:	Group		Parent Company	
	2023	2022	2023	2022
Grant Thornton				
Audit engagement	19	15	2	2
Audit activities in addition to the audit engagement	1	0	0	0
Tax advice	0	0	0	0
Other services	1	0	0	-
Other audit companies				
Audit engagement	1	1	-	-
Audit activities in addition to the audit engagement	0	0	-	-
Tax advice	0	0	-	-
Other services	1	1	-	-
Total	23	18	2	2

The audit engagement 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 audit firms fall under the scope of "Other audit companies", but none represented a material amount in 2023 or the previous year.

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Note 5. Personnel costs and employees

The breakdown of costs recognised for remuneration of employees is as follows:

	Group		Parent Company	
	2023	2022	2023	2022
Salaries – Board and CEO	9	7	9	7
Salaries – other employees	3,333	2,720	6	3
Pensions, defined contribution – CEO	2	1	2	1
Pensions, defined contribution – other employees	296	240	1	1
Other social security contributions	858	720	5	4
Total	4,498	3,688	23	16

Expensed remuneration and other benefits to the Board of Directors, CEO and other senior executives:

SEK 000s	2023				2022			
	Basic salary/ Board fee ¹⁾	Variable remuneration	Other benefits ²⁾	Total	Basic salary/ Board fee ¹⁾	Variable remuneration	Other benefits ²⁾	Total
Per Sjöstrand, Chair ³⁾	633	–	89	722	610	–	85	695
Jonny Alvarsson	315	–	–	315	305	–	–	305
Camilla Öberg	465	–	–	465	455	–	–	455
Per Leopoldsson	390	–	–	390	368	–	–	368
Carina Qvarngård	390	–	–	390	368	–	–	368
Carina Edblad	315	–	–	315	305	–	–	305
Olof Ehrlén, Director until 5 May 2022	–	–	–	–	150	–	–	150
Ulf Wretskog, joined the Board on 11 May 2023	160	–	–	160	–	–	–	–
Robin Boheman, CEO	4,408	1,700	86	6,194	3,307	1,000	94	4,401
Other senior executives ⁴⁾	16,099	3,900	676	20,675	16,203	3,800	782	20,784
Total	23,175	5,600	851	29,626	22,071	4,800	961	27,832

1) Board fee was paid as salary.

2) Other benefits consist of car allowance, fuel subsidy and health insurance.

3) In addition to Board fees, consulting fees as agreed previously were paid to Kreativo AB (Per Sjöstrand) amounting to SEK 515,000 (820,000).

4) At the end of the period other senior executives consisted of 8 (10) individuals, which includes 1 (1) woman.

Number of employees

	Group		Parent Company	
	2023	2022	2023	2022
Average number of employees	5,986	5,202	3	3
Of which women	434	333	1	1
Of which women, %	7	6	33	33

Average number of employees by country is as follows:

	Group			
	2023	2023	2022	2022
	Total	Of which women	Total	Of which women
Sweden	4,391	311	3,919	246
Norway	937	56	702	41
Finland	658	67	579	46
Total	5,986	434	5,201	332

Remuneration of the Board, CEO and other senior executives along with information about preparatory and decision processes

The guidelines on remuneration of senior executives as applicable for the 2023 financial year were adopted at the 2022 AGM.

The principle for remuneration of the Board of Directors, CEO and Group management is that it must be competitive. The Nominating Committee submits a proposal to the AGM on Board fees. Board fees are then based on the AGM decision.

For remuneration of 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. Remuneration of the CEO and other senior executives consists of fixed salary, variable remuneration and customary employment benefits.

In addition, there are pension benefits and incentive programmes as described below. The Remuneration Committee takes into consideration the guidelines for remuneration of senior executives that were decided by the AGM of Instalco AB.

In 2023 the company followed the applicable guidelines without deviation. Neither was there any deviation from the decision process specified by the guidelines for 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 7 (6) ordinary members, of which 3 (3) women. The total Board fees set by the AGM, amounting to SEK 2,860,000 (2,470,000), are distributed in accordance with the AGM's decision. In addition to Board fees, consulting fees as agreed were paid to Kreativo AB (Per Sjöstrand) amounting to SEK 515,000 (820,000).

CEO and Group management

Salary and other remuneration of the CEO and Group management during the financial year is presented in the table. Severance pay of up to 12 months' salary may be paid to the Chief Executive Officer, of which up to half is non-offsettable. Besides the obligations to pay ongoing remuneration in the form of salary, pension and other benefits, there are no other previously decided benefits that have not fallen due for payment.

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Note 5 continued. Personnel costs and employees

Outstanding long-term share-related incentive programmes

At the end of the financial year Instalco had two outstanding warrant programmes corresponding to a total of 4,950,000 shares that are directed at the extended management team, CEOs of subsidiaries and other key individuals in 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 in line with the present proposal is advantageous to the Group and the company's shareholders.

LTI 2023

The Instalco AGM on 5 May 2023 resolved to implement an incentive programme for the Group's senior executives and other key individuals by issuing warrants providing the right to subscribe for new shares in the company. If all the warrants are fully subscribed a maximum of 2,350,000 new shares may be issued, corresponding to a dilutive effect of around 0.9 percent of both the current number of shares outstanding and the maximum number of additional shares from previous programmes, subject to any recalculation of the number of shares that each warrant entitles the holder to subscribe for. Each warrant entitles the holder to subscribe for one new share in the company at an exercise price corresponding to 115 percent of the volume-weighted average price according to Nasdaq Stockholm's official listed prices for the share over the five banking days following the 2023 AGM.

The warrants have been transferred on market terms at a price (premium) that was based on an estimated market value of the warrants as established by an independent valuation institute using the Black-Scholes calculation model.

Outstanding share-related incentive programmes:

Outstanding programme	Number of options	Corresponding number of shares	Percentage of total number of shares	Price per option	Exercise price per option	Exercise price per share	Exercise period
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
2023/2026	2,350,000	2,350,000	0.90	SEK 2.09/SEK 7.27	SEK 64.90	SEK 64.90	22 May 2026 – 16 June 2026

Warrant holders may notify their intent to subscribe for shares during the period 22 May 2026 to 16 June 2026, or an earlier date that could arise in certain circumstances as explained in the terms and conditions that apply to the warrants.

LTI 2022

The Instalco AGM on 5 May 2022 resolved to implement an incentive programme for the Group's senior executives and other key individuals by issuing warrants providing the right to subscribe for new shares in the company. If all 2,600,000 warrants are fully subscribed, a maximum of 2,600,000 new shares may be issued, corresponding to a dilutive effect of around 1 percent of the number of shares outstanding 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 any recalculation of the number of shares that each warrant entitles the holder to subscribe for. Each warrant entitles the holder to subscribe for one new share in the company at an exercise price corresponding to 115 percent of the volume-weighted average price according to Nasdaq Stockholm's official listed prices for the share over the five banking days following the 2022 AGM. The warrants have been transferred on market terms at a price (premium) that was based on an estimated market value of the warrants as established by an independent valuation institute using the Black-Scholes calculation model.

Warrant holders may notify their intent to subscribe for shares during the period 22 May 2025 to 16 June 2025, or an earlier date that could arise in certain circumstances as explained in the terms and conditions that apply to the warrants.

Note 6. Income from shares in Group companies

	Parent Company	
	2023	2022
Dividends	175	133
Total	175	133

Note 7. Financial expenses/Interest expense and similar profit or loss items

	Group		Parent Company	
	2023	2022	2023	2022
Interest expense, external	151	50	7	3
Exchange losses	20	56	–	–
Other	28	19	1	0
Total	199	125	8	4

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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	
	2023	2022	2023	2022
Earnings before taxes	792	697	174	133
Tax according to the current tax rate in Sweden, 20.6%	-163	-143	-36	-27
Difference attributable to foreign tax rates	-1	0	-	-
Adjustment of prior years' tax	1	2	-	-
Adjustment tax expense acquired companies	0	0	-	-
Non-taxable income	26	22	36	27
Non-deductible expenses	-22	-20	-1	-1
Losses for the year for which no deferred tax asset has been recognised	-17	-6	-	-
Value of prior years' loss carryforwards	-	0	-	-
Loss carryforward utilised during the year, not previously recognised as an asset	2	1	-	-
Other	-3	-	2	0
Reported tax in the income statement	-177	-145	1	-1

Tax expense comprises the following components:

	Group		Parent Company	
	2023	2022	2023	2022
Current tax				
On profit (loss) for the year	-220	-144	1	-1
Adjustment of prior years' tax	-1	2	-	-
Deferred tax expense (income)				
Change in temporary differences	43	21	-	-
Untaxed reserves	-	-25	-	-
Change in tax loss carryforwards	1	1	-	-
Reported tax in the income statement	-177	-145	1	-1

FOR the Group and the Parent Company, there is no deferred tax expense (income) in other comprehensive income.

Reported deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to:

Change during the year:	31/12/2023		31/12/2022	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Intangible assets	-	-123	-	-108
Property, plant and equipment	0	-5	0	-6
Financial assets	0	-	0	-
Inventories	0	-	0	-
Current receivables	2	-	-	0
Project provisions	-	-72	-	-32
Warranty provisions	2	-	1	-
Untaxed reserves	-	-185	-	-174
Unutilised loss carryforward	18	-	1	-
Other	0	0	3	0
Total	22	-386	5	-320
Tax assets and liabilities, net		-364		-315

Change during the year:	Reported in				
	01/01/2023	Income statement	Equity	Associated with acquisitions	31/12/2023
Intangible assets	-108	39	-	-52	-121
Property, plant and equipment	-6	1	-	-	-5
Financial assets	0	0	-	-	0
Inventories	0	0	-	-	0
Current receivables	0	2	-	-	2
Project provisions	-32	-13	-	-28	-73
Warranty provisions	1	1	-	0	2
Untaxed reserves	-174	2	-	-14	-187
Unutilised loss carryforward	1	15	-	2	18
Other	3	-3	-	-	-
Total	-315	44	-	-93	-364

Change during the year:	Reported in				
	01/01/2022	Income statement	Equity	Associated with acquisitions	31/12/2022
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
Total	-189	-3	-22	-100	-315

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Note 9. Earnings per share

Earnings per share

Both basic earnings per share and diluted earnings per share 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 2023 or 2022.

The weighted average number of shares used to calculate diluted earnings per share can be reconciled against the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

Profit (loss) attributable to ordinary shareholders	2023	2022
Profit (loss) attributable to Parent Company shareholders as per the income statement	601	520
Profit (loss) attributable to ordinary shareholders, basic and diluted	601	520
Number of shares, 000s	2023	2022
Weighted average number of shares used for calculating basic earnings per share ¹⁾	262,539	260,564
Weighted average number of shares used for calculating diluted earnings per share ¹⁾	265,726	265,510

1) The number of shares has been restated to reflect the 5:1 share split carried out in January 2022.

Note 10. Goodwill and other intangible assets

31/12/2023	Group			Total
	Goodwill	Customer relations	Other intangible assets	
Opening accumulated cost	4,649	700	12	5,361
Investments for the year	19	0	5	24
Acquisition of subsidiaries	763	254	0	1,017
Sales/disposals	-51	-	-	-51
Reclassifications	1	-	-	1
Exchange differences	-71	-20	0	-91
Closing accumulated cost	5,310	934	17	6,261
Opening accumulated amortisation	-39	-163	-7	-209
Amortisation for the year	0	-188	-3	-191
Sales/disposals	15	-	-	15
Reclassifications	1	-	-	1
Exchange differences	0	5	0	5
Closing accumulated amortisation	-23	-346	-10	-379
Carrying amount	5,288	588	7	5,882

Impairment testing of goodwill

The Group's reported goodwill amounts to SEK 5,288 (4,610) million. Goodwill within the Group is not monitored at levels lower than the two geographic markets, which are Sweden and Rest of Nordics. Impairment testing is thus at this level. These geographic markets coincide with the Group's business segments. Instalco started its growth in the Sweden segment, which is also the dominant market. Growth in the Rest of Nordics segment has taken place using the same business model and utilising experience gained in the Sweden segment.

Impairment testing is carried out at segment level since Instalco's subsidiaries are integrated into the Group's business model, collaborative culture and values to such an extent that assets and cash flows cannot be distinguished at a lower level. Within the segments there is close collaboration and a sharing of knowledge and experience. The companies have opportunity to reach new customers and projects that

31/12/2022	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
Closing accumulated cost	4,649	700	12	5,361
Opening accumulated amortisation	-39	-29	-4	-73
Amortisation for the year	0	-132	-2	-134
Sales/disposals	-	-	-	-
Reclassifications	0	-	-	0
Exchange differences	0	-2	0	-2
Closing accumulated amortisation	-39	-163	-7	-209
Carrying amount	4,610	538	5	5,152

an individual company would not have been able to win or carry out on its own. In many cases more than one company works on the same multidisciplinary project, and companies also submit joint tenders and share resources. The breakdown of goodwill is as follows: SEK 3,488 (3,077) million for Sweden and SEK 1,799 (1,532) million for Rest of Nordics. The most recent impairment testing was in December 2023.

The recoverable amount has been calculated based on the value in use, the starting point being a current assessment of the cash flows for the coming years. Forecast earnings and investments in working capital and fixed assets for the next financial year, 2024, are based on 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 main components of the cash flow are sales, various operating expenses and investments in working capital.

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Note 10 continued. Goodwill and other intangible assets

Material assumptions made when calculating value in use are described below:

- The sales forecast is based on assessments using factors such as the order book, business climate and market situation. The operating margins are based on historical operating margins.
- The forecast for 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 for the sales forecast.
- The annual growth volume for year 1 is assessed using the subsidiaries' forecasts 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 according to financial forecasts approved by the management which cover a five-year period and have a significant effect on the valuation.
- The discount rate before tax used to calculate the present value of estimated future cash flows is 11.6 (10.7) percent for the Sweden segment and 11.6 (10.7) percent for the Rest of Nordics segment.

The significant assumptions with the greatest effect on the recoverable amount are gross margin, discount rate and long-term growth rate, the gross margin being most important. No reasonably 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 increase in the discount rate, a 1 percentage point reduction in long-term growth nor a 1 percentage point lower margin would result in any impairment. The margin to impairment is thus acceptable for the geographic business areas and no reasonably possible changes in the above-mentioned input data are judged to result in impairment.

Other impairment testing

When warranted, other intangible assets are tested for impairment according to the same principles as for goodwill. No events or changes in circumstances have been identified that indicate impairment of other intangible assets that are amortised.

Note 11. Property, plant and equipment

31/12/2023	Group		
	Other non-current assets	Right-of-use assets	Total
Opening accumulated cost	221	985	1,207
Investments for the year	82	488	570
Acquisition of subsidiaries	165	1	166
Sales/disposals	-28	-136	-164
Reclassifications	0	0	0
Exchange differences	-6	-16	-21
Closing accumulated cost	434	1,322	1,756
Opening accumulated depreciation	-44	-417	-461
Depreciation for the year	-64	-263	-326
Sales/disposals	20	114	134
Reclassifications	0	-	0
Exchange differences	3	5	9
Closing accumulated depreciation	-84	-560	-645
Carrying amount	350	762	1,112

31/12/2022	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
Closing accumulated cost	221	985	1,207
Opening accumulated depreciation	-31	-302	-332
Depreciation for the year	-40	-208	-248
Sales/disposals	33	95	128
Reclassifications	0	0	0
Exchange differences	-6	-3	-9
Closing accumulated depreciation	-44	-417	-461
Carrying amount	178	568	746

The carrying amount of other property, plant and equipment consists of equipment and tools at SEK 277 (117) million, vehicles at SEK 59 (46) million and buildings at SEK 14 (15) million.

Right-of-use assets refers to leased assets in accordance with IFRS 16, consisting of buildings (rental premises) of SEK 494 (341) million, vehicles of SEK 208 (144) million and other (tools/machinery) at SEK 61 (83) million. The year's depreciation of right-of-use assets was SEK 119 (91) million for buildings, SEK 106 (86) million for vehicles and SEK 38 (31) million for other (tools and machinery). Total interest expense amounted to SEK 17 (9) million. The Group has excluded short-term leases and leases where the underlying asset is of low value; these total SEK 67 (104) million. For information on options to extend, 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 associated accounting principles. The carrying amounts for financial assets and liabilities are as follows:

Financial assets

31/12/2023	Group		
	Fair value through profit or loss	Amortised cost	Total
Securities held as non-current assets	49	-	49
Non-current receivables	-	8	8
Accounts receivable	-	2,091	2,091
Current receivables (portion of)	-	306	306
Cash and cash equivalents	-	267	267
Total	49	2,673	2,722

Financial liabilities

31/12/2023	Group		
	Fair value through profit or loss ¹⁾	Amortised cost	Total
Long-term borrowing	-	2,972	2,972
Short-term borrowing	-	6	6
Accounts payable and other liabilities	-	1,052	1,052
Contingent consideration	349	-	349
Lease liabilities	-	739	739
Current payables (portion of)	-	13	13
Total	349	4,782	5,131

1) The liability measured at fair value through profit or loss is for contingent consideration. For more information, see Note 25.

Financial assets

31/12/2022	Group		
	Fair value through 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
Total	14	2,716	2,730

Financial liabilities

31/12/2022	Group		
	Fair value through profit or loss ¹⁾	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 payables (portion of)	-	9	9
Total	454	3,623	4,077

Borrowing

Borrowing includes the following financial liabilities:

Long-term borrowing	Group	
	31/12/2023	31/12/2022
Liabilities to credit institutions	2,972	2,569
Total	2,972	2,569

Short-term borrowing	Group	
	31/12/2023	31/12/2022
Liabilities to credit institutions	6	4
Total	6	4

At the closing date the Group's credit facilities amounted to SEK 3,950 (3,700) million, consisting of a bank overdraft of SEK 550 (300) million and other agreed credit facilities of SEK 3,400 (3,400) million. During the year the bank overdraft increased by SEK 250 (200) million and other agreed credit facilities increased by SEK 0 (1,499) million. At the closing date the Group had utilised SEK 0 (0) million of the bank overdraft and SEK 2,950 (2,550) million of the other credit facilities. Unutilised overdraft facilities and other credit facilities amounted to SEK 1,000 (1,150) million.

The Group's SEK 3,400 million credit facility was extended in Q3 2023 on unchanged terms, with a duration of two years and the option to extend this to a maximum of three years. At year-end the maximum remaining time until maturity was 32 (44) months. The credit facility has an underlying base rate with a margin step-up based on net debt. Instalco has two KPIs as covenants, these being EBITDA/net financial items and interest coverage, both of which have been met with a margin. The facility is linked to Instalco's sustainability programme.

Fair value

Financial instruments measured at fair value are classified in a fair value hierarchy. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as quoted prices) or indirectly (i.e. derived from quoted prices) (Level 2).
- Data for the asset or liability that is not based on observable market data (i.e. unobservable inputs) (Level 3).

Financial instruments measured at fair value in the balance sheet and classified at Level 2 in the fair value hierarchy include other securities held as non-current assets.

Contingent consideration that has been measured at fair value in the balance sheet is classified at Level 3 in the fair value hierarchy. For information on measurement models and changes in fair value, see Note 25.

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Note 12 continued. Financial assets and liabilities

Fair value for long-term borrowing as below:

Long-term borrowing	Group	
	31/12/2023	31/12/2022
Fair value	3,231	2,822
	3,231	2,822

Fair value is based on discounted cash flows using a discount rate based on the lending rate and 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
01/01/2023	2,569	4	2,573
Affecting cash flow			
New loans	650	–	650
Repayment of loans	–361	–	–361
Not affecting cash flow:			
Acquisitions	107	–	107
Exchange differences	7	–	7
31/12/2023	2,972	4	2,976

Reconciliation of lease liabilities arising from financing activities

	Group		
	Non-current liabilities	Current liabilities	Total
01/01/2023	371	180	551
Changes during the year			
Cash flow		–264	–264
New agreements		480	480
Acquired agreements	–3	–1	–4
Other changes	–11	–9	–20
Exchange differences		1	1
Transfer between current and non-current liabilities	155	–155	
31/12/2023	511	233	744

Reconciliation of liabilities to credit institutions arising from financing activities

	Group		
	Non-current liabilities	Current liabilities	Total
01/01/2022	1,903	4	1,908
Affecting cash flow			
New loans	3,529	4	3,533
Repayment of loans	–2,905	–4	–2,909
Not affecting cash flow:			
Acquisitions	20	–	20
Exchange differences	21	–	21
31/12/2022	2,569	4	2,573

Reconciliation of lease liabilities arising from financing activities

	Group		
	Non-current liabilities	Current liabilities	Total
01/01/2022	295	137	432
Changes during the year			
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 liabilities	85	–85	–
31/12/2022	371	180	551

Note 13. Shares in Group companies

Instalco AB owns 194 (187) 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, % 2023	Holding, % 2022
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	
	31/12/2023	31/12/2022
Opening accumulated cost	1,375	1,375
Closing accumulated cost	1,375	1,375
Carrying amount	1,375	1,375

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Note 14. Accounts receivable

Ageing analysis of accounts receivable and expected credit losses on doubtful debts.

	Group	
	31/12/2023	31/12/2022
Accounts receivable, gross	2,115	1,924
Provision for doubtful debts	-24	-32
Accounts receivable	2,091	1,891

	Group	
	31/12/2023	31/12/2022
Accounts receivable, not yet due for payment	1,617	1,506
Accounts receivable, 0-3 months past due	396	351
Accounts receivable, more than 3 months past due	102	66
Expected credit losses	-24	-32
Total	2,091	1,891

Changes in the provision for doubtful debts for the Group are as follows:

	Group	
	31/12/2023	31/12/2022
At 1 January	32	21
Acquired doubtful debts	1	5
Provision for doubtful debts	6	11
Receivables written off during the year as bad debts	-17	-4
Reversal of unutilised amount	2	0
At 31 December	24	32

Carrying amounts for the Group's accounts receivable, by currency:

	Group	
	31/12/2023	31/12/2022
SEK	1,458	1,362
NOK	500	360
EUR	134	167
Total	2,091	1,888

For more information, see Note 26.

Note 15. Contract assets and contract liabilities

	Group	
	31/12/2023	31/12/2022
Contract assets – Receivables from clients	628	620
Contract liabilities – Liabilities to clients	-549	-461
Net amount in the balance sheet	79	158

Contract assets primarily relate to the Group's right to compensation for work performed but not invoiced at the balance sheet date for service and installation contracts.

Contract assets are transferred to accounts receivable when the right to invoice exists.

Contract liabilities primarily refer to advances that have been received from customers for future services 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 2023.

Performance commitments not met at year-end amount to SEK 8,437 (8,376) million, of which 68 (68) percent of the revenue is expected to be recognised within 12 months, 22 (16) percent in the following 12 months and 7 (6) percent thereafter.

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Note 16. Cash and cash equivalents and short-term investments

Cash and cash equivalents consist of:	Group	
	31/12/2023	31/12/2022
Cash at banks and on hand:		
– SEK	–286	154
– EUR	355	210
– NOK	194	260
– Other	5	7
Short-term investments	–	–
Total	267	631

Cash and cash equivalents

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

Note 17. Equity – share capital

At year-end the number of shares amounted to 264,107,025 (260,564,020) shares with a nominal value of SEK 0.003 per share. All shares belong to the same class, with equal voting rights and shares in the company's equity and profits. At year-end the company's holdings of treasury shares totalled 310,545 (310,545). The net number of Class B shares, after deducting repurchased shares, is 263,796,480 (260,253,475). Repurchased shares includes the acquisition cost of treasury shares held by the Parent Company. Share buybacks are recognised as a deduction from equity. Any transaction costs are recognised directly in equity.

An extraordinary general meeting held on 13 January 2022 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 minimum and maximum number of shares such that the number of shares in the company is a minimum of 200,000,000 and a maximum of 800,000,000. The record date for the split was 28 January 2022. In conjunction with the split the ISIN code for the shares was changed to SE0017483506.

All information pertaining to shares has been restated to reflect the share split that was carried out in January 2022.

Subscribed and paid-up shares (000s):	31/12/2023	31/12/2022
At beginning of year	260,564	260,564
New share issue in connection with acquisition and conversion of warrants	3,543	–
Total at year-end	264,107	260,564

Note 18. 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:

Change during the year:	Group	
	31/12/2023	31/12/2022
Opening carrying amount	24	23
Additional provisions	1	1
Closing carrying amount	25	24

Parent Company

Carrying amount on 31 December 2022	0
Carrying amount on 31 December 2023	0

Provisions reported as at the acquisition date in a business combination are included in "Additional provisions" above.

Provisions relate to various legal and other claims from customers, such as guarantees under which customers are compensated 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. As the settlement dates of these claims largely depend on how quickly negotiations with the various counterparties and legal authorities progress, the Group is not able to reliably assess the amounts that will eventually 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 19. 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 52 million falls due for payment after more than five years. A table showing the maturity structure is provided in Note 26.

	Group		Parent Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Non-current				
Liabilities to credit institutions	2,972	2,569	146	149
Lease liabilities	507	372	-	-
Total	3,480	2,941	149	149

	Group		Parent Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Current				
Liabilities to credit institutions	6	4	-	-
Lease liabilities	232	181	-	-
Total	238	185	-	-

Note 20. Accounts payable

Carrying amounts for accounts payable categorised by currency are as follows:

	Group		Parent Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
SEK	777	772	1	2
NOK	182	176	-	-
EUR	92	93	-	-
Total	1,052	1,042	1	2

Note 21. Accrued expenses and deferred income

	Group		Parent Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Employee-related costs	729	625	7	5
Interest	13	9	1	1
Other items	55	53	2	2
Carrying amount	796	687	10	7

Note 22. Pledged assets and contingent liabilities

	Group	
	31/12/2023	31/12/2022
Pledged assets		
<i>For own provisions and liabilities:</i>		
<i>Liabilities to credit institutions</i>		
Chattel mortgages	66	116
Pledged accounts receivable	-	21
Other pledged assets	64	66
<i>Pledged assets for Group companies:</i>		
Other pledged assets	1	-
<i>Other pledged assets:</i>		
Chattel mortgages	67	35
	198	238

	31/12/2023	31/12/2022
Contingent liabilities		
Performance guarantees	886	675
	886	675

Instalco AB has provided guarantees on behalf of subsidiaries amounting to SEK 2,800 (2,405) million. The Parent Company has no other pledged assets or contingent liabilities.

Note 23. Transactions with related parties

The Instalco Group's related parties are primarily its senior executives. For information on remuneration of senior executives, see Note 5. There have been no transactions with related parties that have had a material impact on the Group's financial position or earnings.

Investments with, and borrowing from, Group companies have been on market terms.

The Parent Company Instalco AB (publ) is a related party of other companies in the Group. For more information on material transactions that have impacted the Parent Company, see Note 6.

Note 24. 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	
	2023	2022	2023	2022
Depreciation/amortisation and impairment of non-financial items				
Depreciation/amortisation	517	381	-	-
Change in accrued interest	4	6	0	0
Provisions	-1	1	-	-
Impairment of accounts receivable	12	21	-	-
Unrealised exchange rate effects	-35	36	-	-
Capital gain (loss) from financial items	-31	-8	-	-
Capital gain (loss) from non-financial items	-21	-9	-	-
Other adjustments	0	-22	0	0
Total	445	407	0	0

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Note 25. Business combinations

Instalco completed the following acquisitions (divestments) of companies in 2023:

Entity acquired (divested)	Area of technology	Segment	Acquisition date	Share of equity, %	Assessed annual sales, SEK m	Number of employees
TelePatrol Oy	Electrical	Rest of Nordics	January	100%	48	30
Rörprodukter Montage Sverige AB	Heating & plumbing	Sweden	January	100%	24	12
Lysteknikk Elektroentreprenør AS	Electrical	Rest of Nordics	February	100%	325	120
Processus AB	Industrial	Sweden	March	100%	193	65
SMT Norrbotten AB	Industrial	Sweden	March	100%	40	17
Enter Ställningar AB	Industrial	Sweden	March	100%	340	120
Halvard Thorsen AS	Heating & plumbing	Rest of Nordics	April	100%	42	20
Elektro Västerbotten AB	Electrical	Sweden	May	100%	50	23
(Tim Kyla AB)	(Cooling)	(Sweden)	(July)	(100%)	(89)	(38)
URD Klima Sandnes AS	Heating & plumbing	Rest of Nordics	September	100%	85	25
Boas Industriservice AB	Industrial	Sweden	October	100%	73	50
Sähkö Äijät Teollisuus	Industrial	Rest of Nordics	November	100%	24	24
Total					1,155	468

Instalco completed the following acquisitions of companies in 2022:

Entity acquired	Area of technology	Segment	Acquisition date	Share of equity, %	Assessed annual sales, SEK m	Number of employees
Manglerud AS	Heating & plumbing	Rest of Nordics	January	100	25	14
TC Kraft AB and Z-Signaler AB	Electrical	Sweden	January	100	50	25
Kyrön Sähkö Oy	Electrical	Rest of Nordics	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 Nordics	June	100	65	30
Christiania Rørleggerbedrift AS	Heating & plumbing	Rest of Nordics	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 Nordics	August	100	110	70
URD Klima AS companies	Ventilation	Rest of Nordics	September	100	48	28
Imes AS	Electrical	Rest of Nordics	November	100	50	30
Dymont Installation Oy	Electrical	Rest of Nordics	November	100	52	57
Bakke El-installasjon AS	Electrical	Rest of Nordics	December	100	30	23
Total					1,141	588

As a result of the acquisitions the Group expects to increase its presence in these domestic and international markets. The purchase price allocations showing the value of assets and liabilities for the companies acquired up to and including December 2022 have now been finalised. No material adjustments to the allocations have been made. The purchase price allocations for acquisitions made in 2023 are still preliminary. Instalco regards the allocations as preliminary until final figures pertaining to the acquired entities have been received. The fair value of the consideration at the date of acquisition includes acquisitions of shares in non-controlling interests of SEK 178 million.

None of the acquisitions is individually material for the Group; consequently, the disclosures are given collectively below.

	2023	2022
Fair value of consideration at date of acquisition		
Contingent consideration	175	115
Cash and cash equivalents	1,199	1,063
Total consideration	1,374	1,178
Carrying amount of identifiable net assets		
Intangible assets	254	488
Property, plant and equipment	179	78
Deferred tax assets	1	1
Other current assets	332	400
Cash and cash equivalents	186	202
Deferred tax liabilities	-68	-153
Other liabilities	-410	-528
Total identifiable net assets	473	488
Goodwill from acquisitions	763	676
Transfer of remuneration in cash and cash equivalents	1,199	1,063
Cash and cash equivalents in acquired entities	-186	-197
Net cash flow from acquisitions	1,013	866
Adjusted contingent consideration attributable to acquisitions in current and prior years	215	173
Exchange rate differences	2	4
Total impact on cash and cash equivalents	1,230	1,043

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Note 25 continued. Business combinations

Acquisition-related costs of SEK 9 (12) 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 526 million, of which SEK 157 million relates to acquisitions made in 2023. 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 at 31 December 2023 amounts to SEK 349 (454) million.

The table below shows changes in carrying amounts of contingent consideration:

	2023	2022
At 1 January	454	518
Gains and losses recognised in the income statement	23	25
Paid contingent consideration	-215	-173
Added through acquisitions made during the year	89	88
Exchange rate differences	-2	-4
At 31 December	349	454

The intangible assets of SEK 1,017 (1,164) million acquired in 2023 are attributable to goodwill of SEK 763 (676) million and to customer relations and order backlog of SEK 254 (488) million.

The Group's goodwill at the date of acquisition is the amount by which the consideration exceeds the fair value of expected net assets. Recognition of goodwill is based on the companies' future earnings capacity, the know-how and expertise of their employees and synergy effects that are expected to be able to be achieved through further coordination of purchasing and central expenses. Consolidated goodwill is tested for impairment annually at the level of each cash-generating unit. No impairment was identified 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 assessment of each asset; see also Note 1 and Note 10.

The net sales from acquisitions made in 2023 that are included in the consolidated income statement as of the date of each acquisition amount to SEK 1,205 million. The acquired entities contributed to operating profit of SEK 116 million for 2023. Pro forma figures from 1 January 2023 would be net sales of SEK 428 million from acquisitions and operating profit of SEK 33 million.

Notes

Note 26. 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 risk, i.e. the financial risks associated with operating activities, is managed by the management team of each subsidiary in accordance with the principles set out in the Financial Policy and subordinate descriptions of procedures, as approved by the 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 lasting returns.

The most significant financial risks that the Group is exposed to are described below. All 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 material transactions in currencies other than their functional currency, which is why the Group's transaction risk is immaterial. The Group has various holdings in foreign operations where net assets are exposed to currency risk. The Group has decided not 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 other comprehensive income, included in the item "Translation reserve" in equity, based on assumptions concerning strengthening or weakening of SEK against EUR and NOK.

	Group	
	2023	2022
EUR/SEK +/- 10%	37	37
NOK/SEK +/-10%	57	47

Interest rate risk

Instalco is primarily exposed to interest rate risk in its debt portfolio, which consists of bank overdraft facilities and outstanding external loans. Financing is long-term and the interest rate is linked to reference rates that reflect confidence among banks. The table below shows the effect on the Group's profit after tax resulting from 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 on loans with a variable rate of interest. There is no additional impact on equity.

	Group	
	2023	2022
100 base points higher/lower	27	23

For more information on the Group's borrowing, see Note 12.

Credit and counterparty risk

Credit risk is the risk that a counterparty will not meet its obligations to the Group. Credit risk in financial management arises in the placement of cash and cash equivalents; this risk is limited by using counterparties approved in accordance with the guidelines set out in the Financial Policy. Large Nordic commercial banks have mainly been used. The Group is also exposed to credit risk in its commercial operations, 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 on the closing date, as summarised below:

Type of financial asset - carrying amount	Group	
	2023	2022
Cash and cash equivalents	267	631
Accounts receivable	2,091	1,891
Total	2,358	2,523

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Note 26 continued. Risk associated with financial instruments

Instalco 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 past due.

The risk that the Group's customers will not fulfil their obligations, i.e. that payment will not be received from the customers, is a customer credit risk. Within Instalco the assessment of credit risk relating to the commercial business is managed by each subsidiary. The Instalco Group conducts operations in Sweden and other Nordic countries, as a result of which credit risk exposure is spread across multiple geographies. No customer accounts for more than 4 percent of sales. For sales by geographic area, see Note 3.

At the closing date the Group had a number of accounts receivable that had not been settled by the due date, but these are not considered to be doubtful debts. Grouping is by number of days past due:

Maturity structure of accounts receivable

	Group			Total
	Not yet due	More than 0 days past due	More than 90 days past due	
31/12/2023				
Expected credit loss (%)	0	1	4	
Carrying amount, gross	1,617	396	102	2,115
Expected credit loss for remaining term	1	0	0	1

	Group			Total
	Not yet due	More than 0 days past due	More than 90 days past due	
31/12/2022				
Expected credit loss (%)	0	1	4	
Carrying amount, gross	1,505	351	66	1,922
Expected credit loss for remaining term	1	0	0	1

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 geographies. Based on historical information on overdue payments from customers, the Group 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 and cash equivalents is considered to be negligible since the counterparties are renowned banks with high credit ratings 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 in both the short and long term, and to minimise borrowing costs. The capital requirement is to be secured through active and professional borrowing arrangements in the form of bank overdrafts and other credit facilities. Raising external financing is centralised. Adequate payment readiness is to be ensured through agreed credit commitments. Excess liquidity is primarily to 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 flows is consistent with what is used in the analysis of agreed maturities below. Liquidity needs are monitored for various periods of time, which includes daily, weekly and rolling forecasts. The net cash requirements are compared with available credit facilities in order to establish the safety margin or any shortfalls. This analysis shows that available credit facilities are expected to be adequate during this period.

The Group's goal is to have cash, cash equivalents and marketable securities that meet its liquidity requirements for a period of at least 30 days. This 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, and all of it within six months. In most cases accounts payable fall due for payment within one month, but longer payment periods may also occur. The Group's credit facility of SEK 3,400 million was extended in Q3 2023 on unchanged terms, with a duration of two years and the option of extending this to a maximum of three years. At year-end the maximum remaining time until maturity was 32 (44) months. The credit facility has an underlying base rate with a margin step-up based on net debt. Instalco has two KPIs as covenants, these being EBITDA/net financial items and interest coverage, both of which have been met with a margin. The interest rate for the credit facility is linked to Instalco's sustainability programme.

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Note 26 continued. Risk associated with financial instruments

At the end of the period the Group's financial liabilities other than derivatives (including interest payments, where applicable) had the following agreed maturities:

31/12/2023	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	-	-	3,231	-	3,231	2,972
Lease liabilities	153	126	445	52	776	744
Contingent consideration	-	186	163	-	349	349
Accounts payable	1,052	-	-	-	1,052	1,052
Total	1,205	312	3,839	52	5,408	5,112

A comparison of the same for prior years is as follows:

31/12/2022	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 liabilities	114	96	342	14	567	551
Contingent consideration	-	155	299	-	454	454
Accounts payable	1,042	-	-	-	1,042	1,042
Total	1,156	251	3,210	14	4,885	4,616

Refinancing risk

Refinancing risk is the risk that Instalco, at any given time, does not have access to sufficient financing. Refinancing risk increases if Instalco's creditworthiness worsens or if the Group becomes overly reliant on any single source of financing. If all or a substantial part of the debt portfolio falls due at the same time, or a few specific times, it could result in a large proportion of the debt volume having to be replaced or refinanced with terms and interest rates that are unfavourable. To limit refinancing risk, procurement of long-term credit commitments is initiated in good time ahead of the expiry of current commitments.

Note 27. Proposed appropriation of the Parent Company's profit or loss

The following retained earnings are at the disposal of the AGM (SEK t):

	31/12/2023
Share premium reserve	1,126,336
Retained earnings	59,660
Profit (loss) for the year	174,127
	1,360,123
The Board and CEO propose the following allocations:	
to be distributed as dividends, SEK 0.68 per share	179,382
carried forward	1,180,741
	1,360,123

The dividend amount has been calculated on the number of outstanding shares at 31 December 2023, which was 264,107,025 shares, less 310,545 repurchased shares, which equals 263,796,480 shares. The total dividend amount may change up to and including the record date due to new share issues in connection with any new acquisitions. No dividend will be paid on the repurchased shares.

Note 28. Subsequent events

In Q1 2024 Instalco acquired Lund Elektro AS, with expected sales of SEK 15 million and nine employees. The company was acquired at 100 percent. A preliminary purchase price allocation for this acquisition has not yet been prepared.

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Approval of the financial statements

The consolidated financial statements for the reporting period ending on 31 December 2023 (including comparative figures) were approved by the Board of Directors on 15 March 2024.

Board of Directors' assurance:

The consolidated financial statements and annual report 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 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 material risks and uncertainties faced by the Parent Company and the companies included in the Group.

The Group's and the Parent Company's earnings and position in general are disclosed in the income statements and balance sheets, cash flow statements and notes included previously in this report.

Stockholm, 15 March 2024

Per Sjöstrand Chair of the Board	Johnny Alvarsson Board member	Carina Edblad Board member	Per Leopoldsson Board member
Carina Qvarngård Board member	Ulf Wretskog Board member	Camilla Öberg Board member	Robin Boheman CEO

Our audit report was submitted in March 2024

Grant Thornton Sweden AB

Camilla Nilsson
Authorised Public Accountant

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Auditor's report

N.B. The English text is a translation of the official version in Swedish. In the event of any conflict between the Swedish and English version, the Swedish shall prevail.

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 2023 except for the corporate governance statement on pages 58 - 66 and the sustainability report on pages 6, 8, 36 - 48, 52 and 104 - 106.

The annual accounts and consolidated accounts of the company are included on pages 2, 7, 13 - 15, 32 - 34, 50 - 52, 54 - 55 and 58 - 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 2023 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 2023 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 58 - 66.

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 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, and include, among other things, the most important assessed risks of material misstatement. 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.

Revenues from installation contracts

The Group recognise revenues from installation contracts over time, which means that revenues and costs are reported as the assignments are fulfilled. Revenues 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 15 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 installation 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 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)

The Group's carrying amount for intangible fixed assets in the form of goodwill as of 31 December 2023 amounts to SEK 5,288 million, which corresponds approximately 49 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. 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 we have performed a number of audit procedures. Our audit procedures included, but were not limited to, the following:

- 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.
- 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.

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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 - 12, 16 - 31, 35 - 49, 53, 56 - 57 and 104 - 113. The remuneration report for the financial year 2023, 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 intend 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 skepticism 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

The auditor's audit of the administration of the Board of Directors and the Managing Director 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 2023 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 fulfill 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 skepticism 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 (publ) for the year 2023. 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 (publ) 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 firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable 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 has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from 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 58 - 66 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 2023 and has been the company's auditor since the 7 September 2015.

Stockholm, according to the date indicated by the electronic signature.
Grant Thornton Sweden AB

Camilla Nilsson
Authorised Public Accountant

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Taxonomy tables

Turnover	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Substantial contribution criteria							DNSH criteria ('Does Not Significantly Harm')							Taxonomy-aligned proportion of turnover, 2023 (18)	Taxonomy-aligned proportion of turnover, 2022 (19)	Category (enabling activity or) (20)	Category (transitional 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 safeguards (17)					
Economic activities (1)		SEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	%	%	Enabling	Transitional	
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
Installation, maintenance and repair of energy efficiency equipment	7.3	100	0.7%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Yes	N/A	N/A	Yes	N/A	Yes	0.7%	0.9%	Yes		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	78	0.5%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Yes	N/A	N/A	N/A	N/A	Yes	0.5%	0.6%	Yes		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	417	2.9%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Yes	N/A	N/A	N/A	N/A	Yes	2.9%	2.7%	Yes		
Installation, maintenance and repair of renewable energy technologies	7.6	202	1.4%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Yes	N/A	N/A	N/A	N/A	Yes	1.4%	1.2%	Yes		
Professional services related to energy performance of buildings	9.3	20	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Yes	N/A	N/A	N/A	N/A	Yes	0.1%	0.1%	Yes		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		818	5.7%																		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
Installation, maintenance and repair of energy efficiency equipment	7.3	48	0.3%																		
Installation, maintenance and repair of renewable energy technologies	7.6	20	0.1%																		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		69	0.5%																		
Total (A.1 + A.2)		887	6.2%																		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
Turnover of Taxonomy-non-eligible activities (B)		13,392	93.8%																		
Total (A + B)		14,279	100.0%																		

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Operational expenditure (OpEx)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Substantial contribution criteria							DNSH criteria ('Does Not Significantly Harm')							Taxonomy-aligned proportion of OpEx, 2023 (18)	Taxonomy-aligned proportion of OpEx, 2022 (19)	Category (enabling activity or) (20)	Category (transitional 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 safeguards (17)					
Economic activities (1)		SEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	%	%	Enabling	Transitional	
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
Installation, maintenance and repair of energy efficiency equipment	7.3	0.7	0.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Yes	N/A	N/A	Yes	N/A	Yes	0.2%	0.1%	Yes		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	0.6	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Yes	N/A	N/A	N/A	N/A	Yes	0.1%	0.1%	Yes		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	3.1	0.8%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Yes	N/A	N/A	N/A	N/A	Yes	0.8%	0.4%	Yes		
Installation, maintenance and repair of renewable energy technologies	7.6	1.5	0.4%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Yes	N/A	N/A	N/A	N/A	Yes	0.4%	0.2%	Yes		
Professional services related to energy performance of buildings	9.3	0.2	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Yes	N/A	N/A	N/A	N/A	Yes	0.0%	0.0%	Yes		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		6.0	1.5%																		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
Installation, maintenance and repair of energy efficiency equipment	7.3	0.4	0.1%																		
Installation, maintenance and repair of renewable energy technologies	7.6	0.1	0.0%																		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.5	0.1%																		
Total (A.1 + A.2)		6.5	1.6%																		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
OpEx of Taxonomy-non-eligible activities (B)		400	98.4%																		
Total (A + B)		407	100.0%																		

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Capital expenditure (CapEx)

Economic activities (1)	Code(s) (2)	Absolute Capex (3)	Proportion of CapEx (4)	Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")							Taxonomy-aligned proportion of CapEx, 2023 (18)	Taxonomy-aligned proportion of CapEx, 2022 (19)	Category (enabling activity or) (20)	Category (transitional 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 safeguards (17)					
		SEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	%	%	Enabling	Transitional
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
Installation, maintenance and repair of energy efficiency equipment	7.3	3.4	0.6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Yes	N/A	N/A	Yes	N/A	Yes	0.6%	0.5%	Yes		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	2.7	0.5%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Yes	N/A	N/A	N/A	N/A	Yes	0.5%	0.3%	Yes		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	14.3	2.5%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Yes	N/A	N/A	N/A	N/A	Yes	2.5%	1.4%	Yes		
Installation, maintenance and repair of renewable energy technologies	7.6	6.9	1.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Yes	N/A	N/A	N/A	N/A	Yes	1.2%	0.6%	Yes		
Professional services related to energy performance of buildings	9.3	0.7	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Yes	N/A	N/A	N/A	N/A	Yes	0.1%	0.1%	Yes		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		28.0	4.9%																		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
Installation, maintenance and repair of energy efficiency equipment	7.3	1.6	0.3%																		
Installation, maintenance and repair of renewable energy technologies	7.6	0.7	0.1%																		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2.3	0.4%																		
Total (A.1 + A.2)		30.3	5.3%																		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
CapEx of Taxonomy-non-eligible activities (B)		540	94.7%																		
Total (A + B)		570	100.0%																		

Nuclear and fossil gas related activities

Nuclear energy related activities

1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO

Fossil gas related activities

4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

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Five-year overview

	2023	2022	2021	2020	2019
Income statement, SEK m					
Net sales	14,279	12,063	8,890	7,122	5,692
Growth in net sales, %	18	36	25	25	29
EBITDA	1,416	1,165	920	739	587
EBITDA margin %	9.9	9.6	10.3	10.4	10.3
EBITA	1,085	916	748	605	493
EBITA margin %	7.6	7.6	8.4	8.5	8.7
Operating profit (loss) (EBIT)	899	784	722	604	492
Operating margin (EBIT), %	6.3	6.5	8.1	8.5	8.6
Earnings before taxes	792	697	699	594	473
Tax on profit (loss) for the year	-177	-145	-142	-133	-101
Profit (loss) for the year	615	551	558	462	372
Profit (loss) for the period attributable to Parent Company shareholders	601	520	546	456	370
Equity, provisions and liabilities, SEK m					
Total equity	3,390	3,152	2,501	1,973	1,485
Return on equity before tax, %	23	22	28	30	32
Total assets	10,716	9,573	7,589	5,228	4,176
Net interest-bearing debt	3,461	2,503	1,650	912	872
Gearing ratio, %	107.9	85.1	66.5	46.5	58.8
Net interest-bearing debt in relation to EBITDA, multiple	2.4	2.1	1.8	1.2	1.3
Return on equity, %	19.6	19.2	24.6	26.5	29.0
Return on capital employed, %	14.1	14.9	18.8	21.7	20.7
Key financial performance indicators					
Equity ratio, %	31.6	32.9	33.0	37.7	35.6
Cash flow from operating activities	999	753	610	689	495
Working capital	322	341	-255	-176	-22
Cash conversion, %	89.5	85.0	83.6	109.3	103.2
Order backlog, SEK m					
Order backlog	8,437	8,376	6,795	6,625	4,865

	2023	2022	2021	2020	2019
Acquisition-related items					
Remeasurement of additional contingent consideration	23	25	31	-9	3
Acquisition costs	-8	-12	-11	-10	-10
Total acquisition-related items	15	13	20	-20	-7
Key figures, employees					
Average number of employees	5,986	5,316	4,235	3,340	2,630
Number of employees at year-end	6,282	5,611	4,887	3,856	3,103
Per share data					
Share price at 31 December, SEK	40.90	39.63	86.88	50.20	27.04
Market capitalisation at 31 December, SEK m	10,802	10,326	22,599	12,703	6,604
Dividend, SEK	0.68	0.66	0.65	0.54	0.46
Profit (loss) (attributable to Parent Company shareholders), SEK	2.31	1.99	2.10	1.80	1.52
Equity, SEK	12.1	12.1	9.6	7.8	6.1
Cash flow from operating activities, SEK	1.6	2.7	2.3	2.7	2.0
Average number of shares, basic, 000s	262,539	260,564	260,113	253,049	244,221
Average number of shares, diluted, 000s	265,726	265,510	265,060	259,173	253,519
Number of shareholders at 31 December	14,130	14,879	14,606	11,756	3,958
Number of shares outstanding, 000s	264,107	260,253	260,253	259,739	247,314
12M high, SEK	61.45	88.84	98.64	51.70	27.40
12M low, SEK	26.90	38.28	50.60	16.20	13.18
Sustainability					
Employee satisfaction	eNPS 30 ¹⁾	85%	84%	85%	85%
Sickness absence, %	4.7	5.4	5.0	4.6	3.5
Employee turnover, %	13.1	14.8	13.9	12.4	13.2
Number of occupational injuries	187	210	142	107	85
Women in Group management, %	12.5	10.0	9.1	0	25.0
Women on Board of Directors, %	42.9	50.0	42.9	50.0	50.0
Overall percentage of women in the Group, %	7.3	6.4	5.9	5.5	5.4
Number of employees at year-end	6,282	5,611	4,887	3,856	3,103
Number of businesses at year-end	135	125	106	84	68

1) From 2023 onwards employee satisfaction is being measured using the Employee Net Promoter Score (eNPS) standard; consequently, data from previous years is not comparable.

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Reconciliation of performance measures not defined in accordance with IFRS

The company presents certain financial measures in the Annual Report that are not defined according to IFRS. The company believes that these measures provide useful supplementary information to investors and the company's management since they allow relevant trends to be evaluated. Instalco's definitions of these measures may differ from other companies' definitions of the same terms. These financial measures should therefore be viewed as supplementary metrics rather than as a replacement for measures defined according to IFRS. Presented below are definitions of measures that are not defined under IFRS and that are not mentioned elsewhere in the Annual Report. A reconciliation of these measures is provided in the table below. For definitions of key performance indicators, see pages 108–109. As of 1 January 2022 EBITA and EBITDA are no longer presented with an adjustment for remeasurement of additional consideration and acquisition costs.

Calculation of organic growth in net sales	2023	2022	2021	2020	2019
Net sales	14,279	12,063	8,890	7,122	5,692
Acquired net sales	-1,729	-2,328	-1,470	-1,211	-1,081
Changes in exchange rates	-15	-146	0	101	-22
A) Figure for comparison with previous year	12,535	9,589	7,419	6,011	4,589
B) Net sales for the previous year	12,063	8,890	7,122	5,692	4,414
(A/B) Organic growth in net sales, %	4.6	7.9	4.2	5.6	4.0

KPIs for earnings and margins

(A) EBITDA	1,416	1,165	920	739	587
Depreciation/amortisation and impairment of property, plant and equipment and non-acquired intangible assets	331	249	172	135	95
(B) EBITA	1,085	916	748	605	493
Depreciation/amortisation and impairment of acquired intangible assets	186	131	26	1	1
(C) Operating profit (loss) (EBIT)	899	784	722	604	492
(D) Net sales	14,279	12,063	8,890	7,122	5,692
(A/D) EBITDA margin, %	9.9	9.6	10.3	10.4	10.3
(B/D) EBITA margin, %	7.6	7.6	8.4	8.5	8.7
(C/D) EBIT margin, %	6.3	6.4	8.1	8.5	8.6

KPIs for cash flow and returns

Calculation of operating cash flow and cash conversion

	2023	2022	2021	2020	2019
(A) EBITDA	1,416	1,165	920	739	587
Net investments in property, plant & equipment, financial assets and intangible assets	-102	-27	-18	-2	-2
Changes in working capital	-47	-137	-130	73	26
(B) Operating cash flow	1,267	1,000	772	810	611
(B/A) Cash conversion, %	89.5	85.9	83.9	109.6	104.1

Calculation of return on equity

(A) Profit (loss) for the year	615	551	558	462	372
Equity at beginning of period	2,944	2,482	1,960	1,483	1,068
Equity at end of period	3,207	2,944	2,482	1,960	1,483
(B) Average total equity	3,131	2,713	2,221	1,722	1,276
(A/B) Return on total equity, %	19.6	20.3	25.1	26.8	29.2

Return on capital employed

(A) EBIT	899	784	722	604	492
(B) Financial income	93	38	23	23	5
(C) Average total assets	10,777	8,914	6,390	4,674	3,768
(D) Interest-free liabilities	3,598	3,010	2,303	1,707	1,340
(A+B)/(C-D) Return on capital employed, %	13.8	13.9	18.2	21.1	20.5

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Capital structure

Calculation of working capital and working capital in relation to net sales

	2023	2022	2021	2020	2019
Inventories	202	159	104	62	45
Accounts receivable	2,091	1,891	1,448	995	874
Contract assets	628	620	519	407	322
Prepaid expenses and accrued income	271	158	101	107	93
Other current assets	168	177	127	96	64
Accounts payable	-1,052	-1,042	-788	-588	-420
Contract liabilities	-549	-461	-403	-349	-357
Other current liabilities	-642	-473	-784	-431	-289
Accrued expenses and deferred income, including provisions	-795	-687	-580	-476	-354
(A) Working capital	322	341	-255	-176	-22
(B) Net sales	14,279	12,063	8,890	7,122	5,692
(A/B) Working capital as a percentage of net sales, %	2.3	2.8	-2.9	-2.5	-0.4

Calculation of net interest-bearing debt, gearing ratio and net interest-bearing debt as a percentage of EBITDA

Non-current interest-bearing financial liabilities	3,492	2,950	2,209	1,196	1,104
Current interest-bearing financial liabilities	236	185	137	103	84
Cash and cash equivalents	-267	-631	-695	-386	-317
(A) Net interest-bearing debt	3,461	2,503	1,650	912	872
(B) Equity	3,207	2,944	2,482	1,960	1,483
(A/B) Gearing ratio, %	107.9	85.0	66.5	46.5	58.8
(C) EBITDA	1,416	1,165	920	739	587
(A/C) Net interest-bearing debt in relation to EBITDA, multiple	2.4	2.1	1.8	1.2	1.5

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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 performance indicators	Definition/calculation	Purpose
Acquired net sales growth	Change in net sales as a percentage of net sales during the comparable period, fuelled by acquisitions. Acquired net sales are 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, only their sales up until 12 months after the acquisition date are considered as acquired net sales.	Acquired net sales growth reflects the acquired entities' impact on net sales.
Cash conversion	Operating cash flow for the rolling 12 months as a percentage of EBITDA for the rolling 12 months. The calculation of cash conversion was changed 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 have 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.	Together with EBITA, EBITDA 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.	The equity ratio is used to show the proportion of assets financed by equity.
Gearing ratio	Net interest-bearing debt as a percentage of total equity.	The gearing ratio measures the extent to which the Group is financed by loans. Since cash and cash equivalents and other short-term investments can be used to pay off the debt at short notice, net debt is used instead of gross debt in the calculation.
Net interest-bearing debt in relation to EBITDA	Net interest-bearing debt at end of period divided by EBITDA, on a rolling 12-month 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 are kept constant, without taking into account the cash flows relating to interest, taxes and investments.
Net interest-bearing debt	Non-current and current interest-bearing liabilities less cash and cash equivalents and other short-term investments.	Net interest-bearing debt is used as a measure of the Group's total debt.
Net sales growth	Change in net sales as a percentage of net sales in the comparable period, prior year.	The change in net sales reflects the Group's realised sales growth over time.
Non-recurring items	Non-recurring items such as additional consideration, acquisition costs, costs associated with refinancing, sponsorship costs and listing costs.	Excluding non-recurring items makes it easier to compare earnings between periods.

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Key performance indicators	Definition/calculation	Purpose
Operating cash flow	EBITDA less net 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	Profit 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 is used to create an efficient organisation and rational capital structure. It also shows the return provided by the Group 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 rolling 12-month 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

Robin Boheman, CEO

Christina Kassberg, CFO, christina.kassberg@instalco.se

Mathilda Eriksson, Head of IR, mathilda.eriksson@instalco.se +46 (0)70-972 34 29

Financial calendar

Interim report January – March 3 May 2024

Annual General Meeting 6 May 2024

Interim report January – June 22 August 2024

Interim report January – September 25 October 2024

Year-end report February 2025

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Sweden



Rest of Nordics

Norway



Finland



INSTALCO

Instalco AB
Sveavägen 56 C
111 34 Stockholm
Sweden
info@instalco.se