Invitation to acquire shares in Instalco Intressenter AB

Global Coordinator and Joint Bookrunner

Joint Bookrunner

Important information to investors

This Prospectus (the "Prospectus") has been prepared in connection with the offering to the general public in Sweden (the "Offering") of shares in Instalco Intressenter AB, reg. no. 559015-8944, a Swedish public limited liability company ("Instalco", the "Company" or the "Group"), and the listing of the shares on Nasdaq Stockholm. For the meaning of the defined terms used in the Prospectus, please refer to section "Definitions" below.

The Prospectus has been prepared in accordance with the rules of the Swedish Financial Instruments Trading Act (Sw. *lag (1991:980) om handel med finansiella instrument*), the Council Directive 2003/71/EC (the "Prospectus Directive") and the Commission Regulation (EC) No. 809/2004. This Prospectus is an English translation of the Swedish prospectus that has been approved and registered by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) (the "SFSA") in accordance with Chapter 2, Sections 25 and 26 of the Swedish Financial Instruments Trading Act (Sw. lagen (1991:980) om handel med finansiella instrument). Approval and registration of the Prospectus by the SFSA does not imply a guarantee by the SFSA of the completeness or correctness of the facts presented in the Prospectus.

The Prospectus is available in electronic form on the Company's website (www.instalco.se), on SEB's website (www.seb.se), on Carnegie's website (www.carnegie.se), and will also be available on the SFSA's website (www .fi.se). Information contained on or referred to on the Company's website does not constitute a part of, and is not incorporated by reference into, this Prospectus. The Prospectus is also available in physical form (hard copy) at the Company's office (visiting address: Lilla Bantorget 11, 3rd floor, Stockholm).

An investment in the Company's shares is associated with certain risks; please refer in particular to section "Risk factors". In making a decision to invest in the Company's shares, an investor must rely on his or her own assessment of the Company, the Group and the terms of the Offering, including the merits and risks involved, relying solely on the information contained in this Prospectus (and in any supplements to the Prospectus). Neither the publication nor the distribution of the Prospectus does mean that the information contained in the Prospectus is up to date as of any time after the date of this Prospectus, or that the Company's business, results or financial position has remained unchanged after this date. In the event that there have been any material changes to the information contained in this Prospectus during the period after the Prospectus has been approved by the SFSA, such changes will be made public in accordance with the provisions of the Swedish Financial Instruments Trading Act.

No person is or has been authorised by the Company to give any information or to make any representation or warranty on behalf of the Company in connection with the Offering other than contained in this Prospectus and, if given or made, such information, representation or warranty may not be relied upon as having been authorised by the Company and the Company accepts no liability with respect to any such information, representation or warranty. Further, no representation or warranty, expressed or implied, is made by any member of the board of directors of the Company or anybody else, except for what follows from applicable law and regulations, as to the correctness and/or completeness of any of the information contained in this Prospectus.

Any dispute arising from this Prospectus, the Offering or other legal matters related thereto shall be settled exclusively by a Swedish court of law and resolved in accordance with Swedish law without reference to any of its choice of law principles. The district court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance. The Prospectus has been made in a Swedish and an English language version. In case of any discrepancy between the Swedish and English language versions of this Prospectus, the Swedish language version shall prevail. It should also be noted that an investor bringing court action in connection with the information disclosed in this Prospectus may be obliged to pay for a translation of the Prospectus.

The Offering is not directed to the general public in any country other than Sweden. Unless otherwise is indicated, the Offering described in this Prospectus is not directed to investors in the United States, Canada, Australia or Japan. Nor is the Offering directed to such persons whose participation requires additional prospectuses, registrations or measures other than those prescribed by Swedish law. No measures have been or will be taken in any other jurisdiction than Sweden, that would allow any offer of the shares to the public, or allow holding and distribution of the Prospectus or any other documents pertaining to the Company or shares in such jurisdiction. Applications to acquire shares that violate such rules may be deemed invalid. Persons into whose possession the Prospectus comes are required by the Company and the Managers to inform themselves about, and to observe, such restrictions. Neither the Company nor either of the Managers accepts any legal responsibility for any violation by any person, whether or not a prospective investor, of any such restrictions.

NOTICE TO INVESTORS IN THE UNITED STATES

The shares in the Company have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the "securities Act") or with any securities regulatory authority of any state of the United States, and may not be offered or sold within the United States unless the shares are registered under the Securitues Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and compliance with any applicable state securities laws of the United States.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area that has implemented the Prospectus Directive (each a "Relevant Member State") (with the exception of Sweden), no offer of the shares in the Offering may be made to the public in that Relevant Member State, except that offers of the shares in the Offering may be made under the following exemptions under the Prospectus Directive as implemented in that Relevant Member State;

- To any legal entity that is a qualified investor as defined in the Prospectus Directive
- To fewer than 100, or if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Managers for any such offer; or
- In any other circumstances falling within Article 3(2) of the Prospectus Directive;

Provided that no such offer of shares in the Offering shall result in a requirement for the publication by the Company, the Principal Shareholder or any Manager of a prospectus pursuant to Article 3 of the Prospectus Directive or of a supplement to a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "offered to the public" in relation to any shares in the Offering in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and the shares in the Offering so as to enable an investor to decide to purchase any shares in the Offering, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State. The expression " Prospectus Directive" means Directive 2003/71/EC (with amendments thereto including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State. The expression "2010 PD Amending Directive" means Directive 2010/73/EU.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

The Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom, or (ii) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) (the "Order") or (iii) high net-worth entities falling within Articles 49 (2) (a) to (d) of the Order, and other persons to whom it may lawfully be communicated (all such persons together being referred to as " relevant persons"). The Prospectus is only directed at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which the Prospectus relates is available only to relevant persons and will be engaged in only with relevant persons.

FORWARD-LOOKING STATEMENTS

The Prospectus contains certain forward-looking statements and options. Forward-looking statements are statements that do not relate to historical facts and events and such statements and options pertaining to the future that, by example contain wording such as "believes", "estimates", "anticipates", "expects", "assumes", "forecasts", "intends", "could", "will", "should", "would", "according to estimates", "is of the opinion", "may", " plans", "potential", "predicts", "projects", "to the knowledge of" or similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements and opinions in the Prospectus concerning the future financial returns, plans and expectations with respect to the business and management of the Company, future growth and profitability and general economic and regulatory environment and other matters affecting the Company.

Forward-looking statements are based on current estimates and assumptions made according to the best of the Company's knowledge. Such forward-looking statements are subjects to risks, uncertainties, and other factors that could cause the actual results, including the Company's cash flow, financial condition and results of operations, to differ materially from the results, or fail to meet expectations expressly or implicitly assumed or described in those statements or to turn out to be less favorable than the results expressly or implicitly assumed or described in those statements. Accordingly, prospective investors should not place undue reliance on the forward-looking statements herein, and are strongly advised to read the Prospectus, including the following sections: "Summary", "Risk factors", "Business description" and "Operational and financial review", which include more detailed descriptions of factors that might have an impact on the Company's business and the market in which it operates. None of the Company, the Principal Shareholder or any of the Managers can give any assurance regarding the future accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments.

In light of the risks, uncertainties and assumptions associated with forward-looking statements, it is possible that the future events mentioned in the Prospectus may not occur. Moreover, the forward-looking estimates and forecasts derived from third-part studies referred to in the Prospectus may prove to be inaccurate. Actual results, performance or events may differ materially from those in such statements due to, without limitation: changes in general economic conditions, in particular economic conditions in the markets on which the Company operates, lack of attractive products to sell, changes affecting interest rate levels, changes affecting currency exchange rates, changes in competition levels, changes in laws and regulations, and occurrence of accidents or systematic delivery failures.

BUSINESS AND MARKET DATA

The Prospectus includes industry and market data pertaining to the Group's business and markets. Such information is based on the Company's analysis of multiple sources.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of industry and market data contained in the Prospectus that were extracted or derived from such industry publications or reports. Business and market data are inherently predictive and subjects to uncertainty and not necesarily reflective of actual market conditions. Such data is based on market research, which itself is based on sampling and subjective judgements by both the researchers and the respondents, including judgements about what types of products and transactions should be included in the relevant market.

PRESENTATION OF FINANCIAL INFORMATION

Some amounts and percentages stated in the Prospectus have been rounded off and may therefore not always correctly add up. Other than expressly stated in the Prospectus, no information in the Prospectus has been examined or audited by the Company's auditors.

STABILISATION

In connection with the Offering and the listing on Nasdaq Stockholm, the Managers may participate in transactions that stabilise, maintain or otherwise affect the price of the shares in order to keep the market price of the shares at levels above those which might otherwise prevail in the open market. For more information regarding the stabilisation measures, please refer to section "Legal considerations and supplementary information" (under "Stabilisation").

IMPORTANT INFORMATION REGARDING THE SALE OF SHARES

Please refer to section "Terms and instructions" (under "Listing on Nasdaq Stockholm").

Contents

The Offering in short

OFFERING PRICE AND INDICATIVE TIMETABLE

Price range:	SEK 50–55 per share
Application period for the public in Sweden:	2–9 May 2017
Application period for institutional investors:	2–10 May 2017
Publication of the Offering price:	11 May 2017
Preliminary first day of trading:	11 May 2017
Settlement date:	15 May 2017

OTHER

Ticker symbol:	Instal
ISIN-code:	SE0009664253

Financial calendar

Interim report Q1	29 May 2017
Interim report Q2	24 August 2017
Interim report Q3	8 November 2017

Summary

This summary consists of information requirements (hereinafter referred to as "Items"). The Items are numbered in the sections A–E (A.1–E.7).

This summary contains all the Items required in a summary for this type of security and issuer. Since some Items do not need to be included, there may be gaps in the numbering of the Items.

Even if an Item shall be included in the summary for this type of security and issuer, it is possible that no relevant information can be given on that Item. In such an event, the summary contains a brief description of the Item with the comment "not applicable".

SECTION A – INTRODUCTION AND WARNINGS		
A.1	**Introduction and warnings**	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on an assessment of the Prospectus in its entirety by the investor. Where statements in respect of information contained in the Prospectus are challenged in a court of law, the plaintiff investor may, in accordance with member states' national legislation, be forced to pay the costs of translating the Prospectus before legal proceedings are initiated. Responsibility under civil law may only be imposed on the individuals who have produced the summary, including translations thereof, but only if the summary is misleading, incorrect or inconsistent with the other parts of the Prospectus or if it does not, together with the other parts of the Prospectus, provides key information to help investors when considering whether to invest in such securities.
A.2	**Financial intermediaries**	Not applicable. Financial intermediaries do not have the right to use the Prospectus for the purposes of subsequent resale or final placement of the securities.

SECTION B – ISSUER		
B.1	**Corporate name and trading name**	Instalco Intressenter AB, reg. no. 559015-8944. The trading name on Nasdaq Stockholm will be Instal.
B.2	**Registered office and legal form**	The Company's board of directors has its registered office in the municipality of Stockholm, Stockholm's county. The Company is a Swedish public limited liability company incorporated in accordance with Swedish law and conducts its operations in accordance with Swedish law. The Company's form of association is governed by the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)).*
B.3	**Current and main operations**	The Company is the parent company in a group providing installation and services for both renovation and maintenance projects as well as new construction. The Group conducts its operations on the installation and service market in Sweden, Norway and Finland, with most of the operations being located in Sweden and Norway. According to the Company's articles of association, the object of its business is to, directly or indirectly, independently or through wholly or partly owned subsidiary companies, engage in construction, consulting, sales and service within the electricity, air conditioning, ventilation, plumbing and piping sectors and to conduct any business compatible therewith, and to own and administer real and movable estates and to conduct any business compatible therewith. The Company will, according to the articles of association, additionally provide intra-group services such as administration, finance and legal support, and conduct any business compatible therewith.
B.4a	**Trends**	The Company's industry is currently characterised by a number of trends and drivers such as urbanisation and housing shortages, aging property portfolio, including investments in infrastructure, increased focus on lower energy consumption and increased complexity in building and installation services.
B.5	**Group structure**	Instalco Intressenter AB is the parent company of the Group which, at the date of this Prospectus, consists of 37 directly and indirectly owned subsidiaries in Sweden, Norway and Finland. In addition, there is a Swedish associated company.
B.6	**Ownership structure**	At the date of this Prospectus, the largest shareholder in the Company is FSN Capital GP IV Limited (as General Partner (equivalent to a complementary) in the following: (i) FSN Capital IV L.P., (ii) FSN Capital IV (B) L.P., and (iii) FSN Capital IV Invest LP) (the "**Principal Shareholder**" or "**FSN**"). The Principal Shareholder holds 49.4 percent of the total number of shares and votes in the Company. Otherwise, only the following shareholders holds five (5) percent or more of the shares and votes in the Company at the date of this Prospectus: Per Sjöstrand (CEO of the Company) who personally and through Ohmslag AB holds 9.9 percent of the total number of shares and votes in the Company and Tass AB (controlled by Tommy Larsson who is employed by Instalco and is part of the group management) with holdings of 5.9 percent of the total number of shares and votes in the Company. As of today, there are several different classes of shares in the Company. In connection with the listing of the Company's shares on Nasdaq Stockholm, the current share structure will be settled, after which the Company will have only one class of shares (named shares). In order for such settlement of the current share structure to result in equal treatment of the shareholders, the settlement will also entail a change in each shareholder's percentage of the total number of shares and votes in the Company. The effect of such settlement is e.g. dependent on the final Offering price. The holdings stated do not take into account the settlement of the current share structure and changes in the shareholders' percentage holdings as a result thereof. After the completion of the Offering, the Principal Shareholder's (FSN) holding in the Company will amount to 25.20 percent of the total number of shares and votes in the Company (taking into account the settlement of the current share structure and assuming that the Offering price will be equal to the midpoint of the price range and full acceptance of the Offering, however excluding the shares that may be offered for sale through the possibility to exercise the Over-Allotment Option).

B.7 Selected financial information

Consolidated income statement in brief

	In accordance with IFRS		In accordance with BFN	
	2016[1]	2015[1]	2015[2]	2014[2]
Amounts in SEKm	Full year	Full year	Full year	23 Oct 2013 31 Dec 2014
Net sales	**2,407**	**1,369**	**1,369**	**505**
Other operating income	4	3	3	1
Total revenues	**2,411**	**1,372**	**1,372**	**505**
Material and purchased services	-1,362	-754	-754	-276
Other external expenses	-168	-101	-101	-42
Personnel expenses	-725	-437	-437	-181
Depreciation/amortisation and impairment of tangible and intangible fixed assets	-4	-2	-2	-0
Depreciation/amortisation and impairment of acquisition-related intangible fixed assets	-	-	-46	-26
Other operating expenses	-12	-30	-0	-0
Operating expenses	**-2,271**	**-1,323**	**-1,339**	**-526**
Operating profit (EBIT)	**140**	**49**	**33**	**-20**
Net financial items	-8	-3	-3	-1
Profit before tax	**132**	**46**	**30**	**-21**
Tax on profit for the period	-41	-12	-12	-7
Net profit	**91**	**34**	**18**	**-28**

[1] Derived from Instalco's audited consolidated financial statement per and for the financial year ending 31 December 2016.
[2] Derived from Instalco's audited consolidated financial statements per and for the financial years ending 31 December 2015 and 31 December 2014.

Consolidated balance sheet in brief

	In accordance with IFRS		In accordance with BFN	
Amounts in SEKm	31 Dec 2016[1]	31 Dec 2015[1]	31 Dec 2015[2]	31 Dec 2014[2]
Goodwill	826	515	474	388
Tangible fixed assets	13	6	6	3
Financial fixed assets	1	0	1	0
Deferred tax assets	0	2	2	1
Total fixed assets	**840**	**523**	**482**	**392**
Inventories	6	4	4	1
Accounts receivable	404	273	273	112
Current tax asset	12	8	7	3
Accrued, non-invoiced income	57	47	47	18
Prepaid expenses and accrued income	38	41	44	18
Other current assets	10	20	20	11
Cash and cash equivalents and short-term investments	159	52	52	105
Total current assets	**685**	**445**	**447**	**269**
Total assets	**1,525**	**967**	**929**	**661**
Equity	553	266	231	397
Total equity	**553**	**266**	**231**	**397**
Interest-bearing financial liabilities	392	344	347	80
Deferred tax liabilities and provisions	30	21	22	14
Total long-term liabilities	**422**	**364**	**369**	**94**
Provisions	9	7	-	-
Interest-bearing financial liabilities	8	40	40	0
Accounts payable	212	123	123	59
Current tax liabilities	11	12	12	14
Invoiced, non-accrued income	63	17	17	26
Accrued expenses and deferred income including provisions	201	95	95	57
Other current liabilities	46	42	42	14
Total current liabilities	**550**	**337**	**329**	**170**
Total equity and liabilities	**1,525**	**967**	**929**	**661**

[1] Derived from Instalco's audited consolidated financial statement per and for the financial year ending 31 December 2016.
[2] Derived from Instalco's audited consolidated financial statements per and for the financial years ending 31 December 2015 and 31 December 2014.

B.7 **Selected financial information,** ***continued***

Consolidated statement of cash flows in brief

	In accordance with IFRS		In accordance with BFN	
	2016[1]	2015[1]	2015[2]	2014[2]
Amounts in SEKm	**Full year**	**Full year**	**Full year**	**23 Oct 2013 31 Dec 2014**
Operating activities				
Profit before tax	132	46	30	-21
Adjustment for non-cash items	8	-7	47	26
Tax paid	-43	-13	-21	-15
Changes in working capital	132	-100	-103	67
Cash flow from operating activities	**230**	**-74**	**-47**	**57**
Investing activities				
Acquisitions of subsidiaries and businesses	-325	-95	-125	-458
Other	-4	-1	-1	0
Cash flow from investing activities	**-329**	**-95**	**-125**	**-458**
Financing activities				
New issue	188	12	12	425
Redemption of preference shares	-	-200	-200	-
Borrowing	20	356	360	80
Debt repayment	-8	-53	-53	-
Cash flow from financing activities	**200**	**116**	**120**	**505**
Cash flow for the period	**100**	**-53**	**-53**	**105**
Cash and cash equivalents at beginning of period	52	105	105	-
Translation difference in cash and cash equivalents	3	-	-	-
Cash and cash equivalents at end of period	**155**	**52**	**52**	**105**

[1] Derived from Instalco's audited consolidated financial statement per and for the financial year ending 31 December 2016.
[2] Derived from Instalco's audited consolidated financial statements per and for the financial years ending 31 December 2015 and 31 December 2014.

B.7 **Selected financial information,** ***continued***

Selected key figures

Instalco uses alternative key figures as a supplement to the key figures as defined in accordance with IFRS. Instalco believes that these financial measures, which are not defined in accordance with IFRS, provide greater understanding of the Group's financial results and that such measures as are not defined in accordance with IFRS constitute usable information for investors in combination with other measures that are defined in accordance with IFRS. The alternative key figures are derived from Instalco's consolidated financial statements, but exclude or include amounts which would not be adjusted in the same manner in the closest comparable IFRS measure. The alternative key figures have been neither audited nor reviewed by auditors and are not to be considered separately from, or as a substitute for, the income measures produced in accordance with IFRS. Since all companies do not always define these measures in the same way, it is also possible that such key figures are not always comparable with key figures bearing corresponding designations as used by other companies.

Note that, unless otherwise stated, the tables and the calculations below have not been audited and are not IFRS-based.

	In accordance with IFRS		In accordance with BFN	
	2016[2]	2015[2]	2015[3]	2014[3]
Amounts in SEKm	**Full year**	**Full year**	**Full year**	**23 Oct 2013 31 Dec 2014**
Sales measure				
Net sales[1]	2,407	1,369	1,369	505
Net sales growth,%	*75.8 %*	*171.3 %*	*171.3 %*	-
Organic net sales growth,%	*22.0 %*	*26.6 %*	*26.6 %*	-
Acquired growth in net sales,%	*53.8 %*	*144.7 %*	*144.7 %*	-
Exchange rate movements,%	-	-	-	-
Income measure				
EBIT (Operating profit)[1]	140	49	33	-20
EBITA	140	49	79	6
EBITDA	144	51	81	6
Adjusted EBITA	156	86	86	6
Adjusted EBITDA	160	88	88	6
Margin measure				
EBIT margin,%	*5.8 %*	*3.6 %*	*2.4 %*	*-4.0 %*
EBITA margin,%	*5.8 %*	*3.6 %*	*5.8 %*	*1.1 %*
EBITDA margin,%	*6.0 %*	*3.7 %*	*5.9 %*	*1.2 %*
Adjusted EBITA margin,%	*6.5 %*	*6.3 %*	*6.3 %*	*1.1 %*
Adjusted EBITDA margin,%	*6.7 %*	*6.4 %*	*6.4 %*	*1.2 %*
Cash flow and return measure				
Operating cash flow	289	-13	-16	73
Cash conversion,%	*180.0 %*	*-14.5 %*	*-18.4 %*	*1,223.3 %*
Return on equity,%	*22.2 %*	*10.3 %*	*5.8 %*	-
Capital structure				
Working capital	-17	100	111	5
Working capital in relation to net sales,%	*-0.7 %*	*7.3 %*	*8.1 %*	*1.1 %*
Interest-bearing net debt	241	332	335	-25
Net debt/equity ratio,%	*43.4 %*	*124.5 %*	*145.3 %*	*-6.3 %*
Other				
Order backlog	1,999	1,318	1,318	875
Number of Local units at end of period	26	15	15	9
Average number of employees	1,240	870	870	559

[1] Audited IFRS key figure.
[2] Derived from Instalco's audited consolidated financial statement per and for the financial year ending 31 December 2016.
[3] Net sales and EBIT (Operating profit) are derived from Instalco's audited consolidated financial statements per and for the financial years ending 31 December 2015 and 31 December 2014. All other information is derived from the Group's internal reporting system and has not been audited by the auditor.

B.7 **Selected financial information,** ***continued***

Alternative key figures that are not calculated accordance with IFRS

The following tables show reconciliation of organic growth, acquired growth, EBIT margin, EBITA, EBITA margin, EBITDA, EBITDA margin, adjusted EBITA, adjusted EBITA margin, adjusted EBITDA, adjusted EBITDA margin, operating cash flow, cash conversion, return on total equity, working capital, working capital in relation to net sales, interest-bearing net debt and net debt/equity ratio.

SALES MEASURE

	In accordance with IFRS		In accordance with BFN	
	2016	2015	2015	2014
Amounts in SEKm	Full year	Full year	Full year	23 Oct 2013 31 Dec 2014
Calculation of organic growth in net sales				
(A) Net sales previous year[1]	1,369	505	505	-
Acquired net sales[2]	737	730	730	505
(B) Organic net sales[2]	301	134	134	-
Exchange rate movements[2]	-	-	-	-
(B) Net sales[1]	2,407	1,369	1,369	505
(B/A) Organic growth in net sales,%	**22.0 %**	**26.6 %**	**26.6 %**	**-**

[1] Audited IFRS key figure.
[2] Included in net sales.

INCOME MEASURE AND MARGIN MEASURE

	In accordance with IFRS		In accordance with BFN	
	2016	2015	2015	2014
Amounts in SEKm	Full year	Full year	Full year	23 Oct 2013 31 Dec 2014
(A) Operating profit (EBIT)[2]	**140**	**49**	**33**	**-20**
Depreciation/amortisation and impairment of acquisition-related intangible fixed assets[1]	-	-	46	26
(B) EBITA	**140**	**49**	**79**	**6**
Depreciation/amortisation and impairment of tangible and intangible fixed assets[1]	4	2	2	0
(C) EBITDA	**144**	**51**	**81**	**6**
Items affecting comparability				
Earnouts[3]	6	25	-	-
Acquisition costs[3]	6	5	-	-
Refinancing costs[4]	2	6	6	-
IPO costs[4]	2	-	-	-
Sponsor costs[4]	-	2	2	-
Total adjustments	**16**	**37**	**7**	**-**
(D) Adjusted EBITA	**156**	**86**	**86**	**6**
(E) Adjusted EBITDA	**160**	**88**	**88**	**6**
(F) Net sales[2]	**2,407**	**1,369**	**1,369**	**505**
(A/F) EBIT margin,%	*5.8 %*	*3.6 %*	*2.4 %*	*-4.0 %*
(B/F) EBITA margin,%	*5.8 %*	*3.6 %*	*5.8 %*	*1.1 %*
(C/F) EBITDA margin,%	*6.0 %*	*3.7 %*	*5.9 %*	*1.2 %*
(D/F) Adjusted EBITA margin,%	*6.5 %*	*6.3 %*	*6.3 %*	*1.1 %*
(E/F) Adjusted EBITDA margin,%	*6.7 %*	*6.4 %*	*6.4 %*	*1.2 %*

[1] Audited.
[2] Audited IFRS key figure.
[3] Included in Other operating expenses.
[4] Included in Other external expenses.

B.7 **Selected financial information,** ***continued***

CASH FLOW AND RETURN MEASURES

	In accordance with IFRS		In accordance with BFN	
	2016	2015	2015	2014
Amounts in SEKm	Full year	Full year	Full year	23 Oct 2013 31 Dec 2014
Calculation of operating cash flow and cash conversion				
(A) Adjusted EBITDA[2]	160	88	88	6
Net investments in tangible and intangible fixed assets[1]	-4	-1	-1	0
Changes in working capital[1]	132	-100	-103	67
(B) Operating cash flow	**289**	**-13**	**-16**	**73**
(B/A) Cash conversion,%	***180.0 %***	***-14.5 %***	***-18.4 %***	***1,223.3 %***
Calculation of return on equity				
(A) Net profit[1]	91	34	18	-28
Equity at the start of period[1]	266	393	397	-
Equity at end of period[1]	533	266	231	397
(B) Average total equity	410	329	314	-
(A/B) Return on total equity,%	***22.2 %***	***10.3 %***	***5.8 %***	**-**

[1] Audited.
[2] Calculated in accordance with presentation in the section entitled "Income measures and margin measures".

CAPITAL STRUCTURE

	In accordance with IFRS		In accordance with BFN	
	2016	2015	2015	2014
Amounts in SEKm	Full year	Full year	Full year	23 Oct 2013 31 Dec 2014
Calculation of working capital and working capital in relation to net sales				
Inventories[1]	6	4	4	1
Accounts receivable[1]	404	273	273	112
Accrued, non-invoiced income[1]	57	47	47	18
Prepaid expenses and accrued income[1]	38	41	44	18
Other current assets[1]	10	20	20	11
Provisions	-9	-7	-	-
Accounts payable[1]	-212	-123	-123	-59
Invoiced but non-accrued income[1]	-63	-17	-17	-26
Accrued expenses and deferred income including provisions[1]	-201	-95	-95	-57
Other current liabilities[1]	-46	-42	-42	-14
(A) Working capital	**-17**	**100**	**111**	**5**
(B) Net sales (rolling 12 months)[2]	2,407	1,369	1,369	505
(A/B) Working capital in relation to net sales (rolling 12 months), %	***-0.7%***	***7.3%***	***8.1%***	***1.1%***
Calculation of interest-bearing net debt and net debt/equity ratio				
Long-term interest-bearing financial liabilities[1]	392	344	347	80
Current interest-bearing financial liabilities[1]	8	40	40	0
Cash and cash equivalents and other current investments[1]	-159	-52	-52	-105
(A) Interest-bearing net debt	**241**	**332**	**335**	**-25**
(B) Equity[1]	553	266	231	397
(A/B) Net debt/equity ratio, %	***43.5%***	***124.5%***	***145.3%***	***-6.3%***

[1] Audited.
[2] Audited IFRS key figure.

B.7 Selected financial information, *continued*

Definitions of key figures not defined in accordance with IFRS

KEY FIGURE	DEFINITION/CALCULATION	PURPOSE
Net sales growth	Change in net sales as a percentage of net sales during the comparison period.	Change in net sales reflects the Group's realised sales growth over time.
Organic net sales growth	Change in net sales in comparable units after adjustment for acquisition and currency effects, as a percentage of net sales during the comparison period.	Organic net sales growth excludes the effects of changes in the Group's structure and exchange rates, thereby facilitating comparison of net sales over time.
Acquired net sales growth	Change in net sales growth as a percentage of net sales during the comparison period, driven by acquisitions. Acquired net sales are defined as net sales during the period that are attributable to companies acquired during the most recent 12-month period and for these companies only net sales up until twelve months after the acquisition date is considered as acquired.	Acquired net sales growth reflects the impact of the acquired units on net sales.
Exchange rate movements	Changes in net sales for the period that are related to exchange rate movements (the start of the period as compared with the end of the period), as a percentage of the net sales during the comparison period.	Exchange rate movements reflect the impact of exchange rates on net sales during the period.
EBIT margin	Operating profit (EBIT) as a percentage of net sales.	EBIT margin is used to measure operating profitability.
EBITA	Operating profit (EBIT) before amortisation and impairment of acquisition-related intangible fixed assets.	EBITA provides an overall view of profit generated by operating activities.
EBITA margin	Operating profit (EBIT) before amortisation and impairment of acquisition-related intangible fixed assets, as a percentage of net sales.	EBITA margin is used to measure operating profitability.
EBITDA	Operating profit (EBIT) before amortisation and impairment of acquisition-related intangible fixed assets as well as depreciation/amortisation and impairment of tangible and intangible assets.	EBITDA together with EBITA provides a holistic view of profit generated by the operating activities.
EBITDA margin	Operating profit (EBIT) before amortisation and impairment of acquisition-related intangible fixed assets as well as depreciation/amortisation and impairment of tangible and intangible fixed assets, as a percentage of net sales.	EBITDA margin is used to measure operating profitability.
Items affecting comparability	Items affecting comparability, such as earnouts, acquisition costs, refinancing costs, IPO costs and sponsor costs.	Exclusion of items affecting comparability increases comparability of results between periods.
Adjusted EBITA	EBITA adjusted for items affecting comparability.	Adjusted EBITA increases the comparability of EBITA.
Adjusted EBITA margin	EBITA adjusted for items affecting comparability, as a percentage of net sales.	Adjusted EBITA margin excludes the effect of items affecting comparability, thereby facilitating a comparison of the underlying operating profitability.
Adjusted EBITDA	EBITDA adjusted for items affecting comparability.	Adjusted EBITDA increases the comparability of EBITDA.
Adjusted EBITDA margin	EBITDA adjusted for items affecting comparability, as a percentage of net sales.	Adjusted EBITDA margin excludes the effect of items affecting comparability, thereby facilitating a comparison of the underlying operating profitability.
Operating cash flow	Adjusted EBITDA less net investments in tangible and intangible fixed assets as well as adjustment for cash flow from changes in working capital.	The operating cash flow is used to monitor the cash flow generated by the operating activities.
Return on equity	Net profit for a rolling 12-month period divided by average total equity at the end of the period.	The return on equity is used to analyse profitability, based on how much capital is used.
Cash conversion	Operating cash flow as a percentage of adjusted EBITDA.	Cash conversion is used to monitor the efficiency of the Group's management of ongoing investments and working capital.

B.7	Selected financial information, *continued*

KEY FIGURE	DEFINITION/CALCULATION	PURPOSE
Working capital	Inventories, accounts receivable, accrued, non-invoiced income, prepaid expenses and accrued income and other current assets, less provisions, accounts payable, invoiced but non-accrued 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 in relation to net sales (rolling 12 months)	Working capital at the end of the period as a percentage of net sales in the most recent 12-month period.	Working capital in relation to net sales is used to measure the Company's working capital tie-up.
Interest-bearing net debt	Long-term and current interest-bearing liabilities less cash and cash equivalents and other current investments	Interest-bearing net debt is used as a measure to show the Group's total indebtedness.
Net debt/equity ratio	Interest-bearing net debt as a percentage of total equity.	Net debt/equity ratio measures the degree to which the Group is financed by borrowing. Since cash and cash equivalents and other current investments can be used to pay debt on short notice, net debt is used in the calculation instead of gross debt.
Order backlog	The value of outstanding not yet accrued project revenues from received orders at the end of the period.	The order backlog is an indicator of the Group's outstanding project revenues from already received orders.

Significant events since 31 December 2016

On 9 February 2017, Instalco announced that the Group had acquired the Norwegian heating and plumbing company Anders og Aksnes Rørleggerbedrift AS, thereby strengthening Instalco's offering in the Oslo area. The company has annual net sales of NOK 100 million and 35 employees.

On 24 February 2017, Instalco announced that the Group had acquired the Swedish heating and plumbing company SwedVvs AB, thereby providing Instalco with access to additional heating and plumbing expertise in the Gothenburg area. The company has annual net sales of SEK 26 million and 18 employees.

On 27 March 2017, Instalco announced that the Group had acquired the Finnish electrical company Uudenmaan Sähkötekniikka JP Oy, which gives Instalco access to further competence within the Helsinki area. The company has annual net sales of EUR 4 million and 36 employees.

On 28 March 2017, Instalco announced that the Group had acquired the Swedish heating and plumbing company Rodens Värme & Sanitet AB, which gives Instalco access to further competence within heating and plumbing in the Norrtälje area. The company has annual net sales of SEK 34 million and 16 employees.

On 29 March 2017, Instalco announced that the Group had acquired the operations from the Finnish heating and plumbing company Uudenmaan LVI-Talo OY (an asset acquisition performed by a newly formed company that has also taken over the company name), which gives Instalco access to further competence within heating and plumbing in the Helsinki area. The company has annual net sales of EUR 12 million and 53 employees.

The total fixed purchase price for these acquisitions was approximately SEK 31.9 million, approximately NOK 90.4 million and approximately EUR 9.4 million, which has been paid in full (with the exception of EUR 50 000, which will be paid at a later stage provided that certain conditions are met). The acquisitions were financed through ongoing cash flows and available financing. According to the agreements on company acquisitions, earnouts may be paid in a total maximum of approximately NOK 8 million (which may be paid during 2018) and a total maximum of approximately EUR 2.5 million (which may be paid at the earliest during the second half of 2017 and thereafter during 2018 and 2019).

At the annual general meeting held on 27 April 2017 it was, amongst other, resolved to adopt the profit and loss statements and balance sheets, that no dividend was to be paid and that distributable profits were to be carried forward into new account, to grant the board members and managing director discharge from liability, to re-elect the board members and auditor, on an incentive programme and issuance of warrants as a result thereof, and an authorisation for the board of directors to increase the share capital valid until the annual general meeting to be held in 2018 (see further information under "Share capital and ownership structure" and "Board of directors, senior management and auditors").

B.8 Selected pro forma financial information

Pro forma income statement, 1 January 2016 to 31 December 2016 – in summary

Amounts in SEKm	Instalco IFRS 1 Jan 2016 - 31 Dec 2016	Romerike Elektro AS[1] 1 Jan 2016 – 28 Feb 2016	AR Elektro Prosjekt AS[1] 1 Jan 2016 - 28 Feb 2016	TIMAB[3] 1 Jan 2016 - 31 May 2016	Tuna-bygdens VVS-Instal-latör AB[3] 1 Jan 2016 - 30 Jun 2016	Hedemora Rör AB[3] 1 Jan 2016 - 30 Jun 2016	Dalab VVS Installation AB[3] 1 Jan 2016 - 30 Jun 2016	Dalab Dala Luftbehan-dling AB[3] 1 Jan 2016 - 30 Jun 2016
Net sales	2,407	20	19	22	19	3	17	39
Other operating income	4	-	-	-	-	-	0	0
Total revenues	2,411	20	19	22	19	3	17	39
Material and purchased services	-1,362	-11	-14	-10	-9	-1	-10	-20
Other external expenses	-168	0	0	0	-1	0	-1	-1
Personnel expenses	-725	-5	-1	-9	-9	-1	-7	-1
Amortisation and impairment of intangible fixed assets	0	-	-	-	-	-	-	-
Depreciation and impairment of tangible fixed assets	-4	0	-	0	-	-	0	0
Other operating expenses	-12	-1	0	-2	-1	0	-1	-2
Operating profit	140	2	4	2	-1	1	-3	15
Profit from investments in associated companies	0	-	-	-	-	-	-	-
Profit from other securities and receivables	0	0	-	0	0	0	0	0
Interest income and similar profit/loss items	1	-	-	-	-	-	-	-
Interest expenses and similar profit/loss items	-9	0	-0	-	0	0	0	0
Profit after financial items	132	2	4	2	-1	1	-3	15
Appropriations	0	-	-	-	-	-	-	-
Tax on profit for the year	-41	-1	-1	0	0	0	-1	-2
Net profit	91	2	3	1	-1	1	-3	14

Amounts in SEKm	Rørteft AS[1] 1 Jan 2016 - 30 Jun 2016	Vito Oslo AS[1] 1 Jan 2016 - 31 Aug 2016	Vito Teknisk En-treprenør AS[1] 1 Jan 2016 - 31 Aug 2016	Vito Vestfold AS[1] 1 Jan 2016 - 31 Aug 2016	Ventila-tionsför-bättringar i Malmö AB[3] 1 Jan 2016 - 30 Nov 2016	J.N Elinstalla-törer AB[2] 1 Jan 2016 - 31 Dec 2016	Total Pro forma ad-justments	Proforma income statement 1 Jan 2016 - 31 Dec 2016
Net sales	18	46	69	9	47	116	0	2,852
Other operating income	0	-1	0	-	0	-	0	4
Total revenues	18	45	69	9	47	116	6	2,855
Material and purchased services	-8	-26	-36	-5	-20	-57	-0	-1,589
Other external expenses	-1	-0	-1	-0	-1	-2	-	-176
Personnel expenses	-7	-10	-20	-3	-16	-33	-	-847
Amortisation and impairment of intangible fixed assets	-	-	-	-	-	-	0	-
Depreciation and impairment of tangible fixed assets	0	-0	-1	0	0	0	-	-5
Other operating expenses	-1	-3	-4	-1	-4	-4	-	-35
Operating profit	1	7	8	0	7	20	6	203
Profit from investments in associated companies	-	-	-	-	-	-	-	-
Profit from other securities and receivables	0	0	0	-	0	0	-	0
Interest income and similar profit/loss items	-	-	-	-	-	-	-	1
Interest expenses and similar profit/loss items	0	0	0	0	0	0	-	-9
Profit after financial items	1	7	8	0	7	20	6	195
Appropriations	-	-	-	-	-	-	8	-
Tax on profit for the year	0	-2	-2	0	-1	-4	-4	-55
Net profit	1	5	6	0	5	16	11	140

[1] In accordance with generally accepted accounting principles in Norway.
[2] In accordance with BFNAR 2012:1.
[3] In accordance with BFNAR 2008:1.

B.8 Selected pro forma financial information, *continued*

Pro forma income statement, 1 January 2016 to 31 December 2016 – in summary

Amounts in SEKm	Instalco IFRS 1 Jan 2016 – 31 Dec 2016	Romerike Elektro AS[1] 1 Jan 2016 – 28 Feb 2016	Pro forma adjustments	Total	Note	AR Elektro Prosjekt AS[1] 1 Jan 2016 – 28 Feb 2016	Pro forma adjustments	Total	Note
Net sales	**2,407**	**20**	**0**	**20**	**1**	**19**	**1**	**19**	**1**
Other operating income	4	-	-	-		-	-	-	
Total revenues	**2,411**	**20**	**-**	**20**		**19**	**-**	**19**	
Material and purchased services	-1,362	-11	-	-11		-14	-	-14	
Other external expenses	-168	0	-	0		0	-	0	
Personnel expenses	-725	-5	-	-5		-1	-	-1	
Amortisation and impairment of intangible fixed assets	-	-	-	-		-	-	-	
Depreciation and impairment of tangible fixed assets	-4	-0	-	-0		-	-	-	
Other operating expenses	-12	-1	-	-1		0	-	0	
Operating profit	**140**	**2**	**-**	**2**		**4**	**-**	**4**	
Profit from investments in associated companies	-	-	-	-		-	-	-	
Profit from other securities and receivables	0	0	-	0		-	-	-	
Interest income and similar profit/loss items	1	-	-	-		0	-	-	
Interest expenses and similar profit/loss items	-9	-0	-	-0		4	-	0	
Profit after financial items	**132**	**2**	**-**	**2**		**4**	**-**	**4**	
Appropriations	-	-	-	-		-	-	-	
Tax on profit for the year	-41	-1	-	-1	8	-1	-	-1	8
Net profit	**91**	**2**	**-**	**2**		**3**	**-**	**3**	

Amounts in SEKm	TIMAB[3] 1 Jan 2016 – 31 May 2016	Pro forma adjustments	Total	Note	Tunabygdens VVS-Installatör AB[3] 1 Jan 2016 – 30 Jun 2016	Pro forma adjustments	Total	Note
Net sales	**22**	**0**	**22**	**1**	**18**	**1**	**19**	**1,2**
Other operating income	-	-	-		-	-	-	
Total revenues	**22**	**-**	**22**		**18**	**1**	**19**	
Material and purchased services	-10	-	-10		-9	-	-9	
Other external expenses	-0	-	-0		-1	-	-1	
Personnel expenses	-9	-	-9		-9	-	-9	
Amortisation and impairment of intangible fixed assets	-	-	-		-	-	-	
Depreciation and impairment of tangible fixed assets	-0	-	-0		-	-	-	
Other operating expenses	-2	-	-2		-1	-	-1	
Operating profit	**2**	**-**	**2**		**-2**	**1**	**-1**	
Profit from investments in associated companies	-	-	-		-	-	-	
Profit from other securities and receivables	0	-	0		0	-	0	
Interest income and similar profit/loss items	-	-	-		-	-	-	
Interest expenses and similar profit/loss items	-	-	-		0	-	0	
Profit after financial items	**2**	**0**	**2**		**-2**	**1**	**-1**	
Appropriations	-	-	-		-	-	-	
Tax on profit for the year	-	-	-	8	-	-	-	8
Net profit	**1**	**-**	**1**		**-1**	**1**	**-1**	

[1] In accordance with generally accepted accounting principles in Norway.
[2] In accordance with BFNAR 2012:1.
[3] In accordance with BFNAR 2008:1.

B.8 Selected pro forma financial information, *continued*

Amounts in SEKm	Hedemora Rör AB[3] 1 Jan 2016 – 30 Jun 2016	Pro forma adjust-ments	Total	Note	Dalab VVS Installation AB[3] 1 Jan 2016 – 30 Jun 2016	Proforma-justeringar	Total	Note
Net sales	**3**	**0**	**3**	2	**17**	**-3**	**17**	1
Other operating income	-	-	-		0	-	0	
Total revenues	**3**	**-**	**3**		**17**	**-**	**17**	
Material and purchased services	-1	-	-1		-10	-	-10	
Other external expenses	0	-	0		-1	-	-1	
Personnel expenses	-1	-	-1		-7	-	-7	
Amortisation and impairment of intangible fixed assets	-	-	-		0	0	-	4
Depreciation and impairment of tangible fixed assets	-	-	-		0	-	0	
Other operating expenses	0	-	0		-1	-	-1	
Operating profit	**1**	**0**	**1**		**-3**	**0**	**-3**	
Profit from investments in associated companies	-	-	-		-	-	-	
Profit from other securities and receivables	0	-	0		0	-	0	
Interest income and similar profit/loss items	-	-	-		-	-	-	
Interest expenses and similar profit/loss items	0	-	0		0	-	0	
Profit after financial items	**1**	**-**	**1**		**-3**	**-**	**-3**	
Appropriations	-	-	-		-1	1	-	5
Tax on profit for the year	0	0	0	7	-1	0	-1	7
Net profit	**0**	**0**	**1**		**-4**	**0**	**-3**	

Amounts in SEKm	Dalab Dala Luftbehandling AB[3] 1 Jan 2016 – 30 Jun 2016	Proforma-justeringar	Total	Note	Rørteft AS[1] 1 Jan 2016 – 30 Jun 2016	Proforma-justeringar	Total	Note
Net sales	**39**	**-**	**39**	1	**19**	**-1**	**18**	1,2
Other operating income	0	-	0		0	-	0	
Total revenues	**39**	**-**	**39**		**19**	**-1**	**18**	
Material and purchased services	-20	-	-20		-8	-	-8	
Other external expenses	-1	-	-1		-1	-	-1	
Personnel expenses	-1	-	-1		-7	-	-7	
Amortisation and impairment of intangible fixed assets	-	-	-		-	-	-	
Depreciation and impairment of tangible fixed assets	0	-	0		0	-	0	
Other operating expenses	-2	-	-2		-1	-	-1	
Operating profit	**15**	**-**	**15**		**3**	**-1**	**1**	
Profit from investments in associated companies	-	-	-		-	-	-	
Profit from other securities and receivables	0	-	0		0	-	0	
Interest income and similar profit/loss items	-	-	-		-	-	-	
Interest expenses and similar profit/loss items	0	-	0		0	-	0	
Profit after financial items	**15**	**-**	**15**		**2**	**-1**	**1**	
Appropriations	-1	1	-	5	-	-	-	
Tax on profit for the year	-1	0	-2	7	-1	0	0	7,8
Net profit	**13**	**1**	**14**		**2**	**-1**	**1**	

[1] In accordance with generally accepted accounting principles in Norway.
[2] In accordance with BFNAR 2012:1.
[3] In accordance with BFNAR 2008:1.

B.8 Selected pro forma financial information, *continued*

Amounts in SEKm	Vito Oslo AS[1] 1 Jan 2016 - 31 Aug 2016	Pro forma adjustments	Total	Note	Vito Teknisk Entreprenør AS[1] 1 Jan 2016 - 31 Aug 2016	Pro forma adjustments	Total	Note
Net sales	**41**	**6**	**46**	1,2	**69**	**0**	**69**	2,3
Other operating income	-1	-	-1		0	-	0	
Total revenues	**40**	**6**	**45**		**69**	**0**	**69**	
Material and purchased services	-25	-0	-26	3	-37	0	-36	3
Other external expenses	0	-	0		-1	-	-1	
Personnel expenses	-10	-	-10		-20	-	-20	
Amortisation and impairment of intangible fixed assets	-	-	-		-	-	-	
Depreciation and impairment of tangible fixed assets	0	-	0		-1	-	-1	
Other operating expenses	-3	-	-3		-4	-	-4	
Operating profit	**2**	**5**	**7**		**7**	**1**	**8**	
Profit from investments in associated companies	-	-	-		-	-	-	
Profit from other securities and receivables	0	-	0		0	-	0	
Interest income and similar profit/ loss items	-	-	-		-	-	-	
Interest expenses and similar profit/ loss items	0	-	0		0	-	0	
Profit after financial items	**2**	**5**	**7**		**7**	**1**	**8**	
Appropriations	-	-	-		-	-	-	
Tax on profit for the year	0	-1	-2	7,8	-2	0	-2	7,8
Net profit	**1**	**4**	**5**		**5**	**1**	**6**	

Amounts in SEKm	Vito Vestfold AS[1] 1 Jan 2016 - 31 Aug 2016	Pro forma adjustments	Total	Note	Ventilations-förbättringar i Malmö AB[3] 1 Jan 2016 - 30 Nov 2016	Pro forma adjustments	Total	Note
Net sales	**8**	**1**	**9**	1,2	**47**	**-**	**47**	
Other operating income	-	-	-		0	-	0	
Total revenues	**8**	**1**	**9**		**47**	**-**	**47**	
Material and purchased services	-5	0	-5	3	-20	-	-20	
Other external expenses	0	-	0		-1	-	-1	
Personnel expenses	-3	-	-3		-16	-	-16	
Amortisation and impairment of intangible fixed assets	-	-	-		-	-	-	
Depreciation and impairment of tangible fixed assets	0	-	0		0	-	0	
Other operating expenses	-1	-	-1		-4	-	-4	
Operating profit	**0**	**1**	**0**		**7**	**-**	**7**	
Profit from investments in associated companies	-	-	-		-	-	-	
Profit from other securities and receivables	-	-	-		0	-	0	
Interest income and similar profit/ loss items	-	-	-		-	-	-	
Interest expenses and similar profit/ loss items	0	-	0		-0	-	-0	
Profit after financial items	**0**	**1**	**0**		**7**	**-**	**7**	
Appropriations	-	-	-		-	-	-	
Tax on profit for the year	0	0	0	7,8	-1	-	-1	8
Net profit	**0**	**0**	**0**		**5**	**0**	**5**	

[1] In accordance with generally accepted accounting principles in Norway.
[2] In accordance with BFNAR 2012:1.
[3] In accordance with BFNAR 2008:1.

B.8	Selected pro forma financial information, *continued*

Amounts in SEKm	J.N Elinstallatörer AB[2] 1 Jan 2016 - 31 Dec 2016	Pro forma adjust-ments	Total	Note	Total pro forma adjustments	Pro forma in-come statement 1 Jan 2016 - 31 Dec 2016
Net sales	**116**	**-**	**116**		**6**	**2 852**
Other operating income	-	-	0		-	4
Total revenues	116	-	116		6	2,855
Material and purchased services	-57	-	-57		0	-1 589
Other external expenses	-2	-	-2		-	-176
Personnel expenses	-33	-	-33		-	-847
Amortisation and impairment of intangible fixed assets	-	-	-		0	-
Depreciation and impairment of tangible fixed assets	0	-	0		-	-5
Other operating expenses	-4	-	-4		-	-35
Operating profit	**20**	**-**	**20**		**6**	**203**
Profit from investments in associated companies	-	-	-		-	-
Profit from other securities and receivables	0	-	0		-	0
Interest income and similar profit/loss items	-	-	-		-	1
Interest expenses and similar profit/loss items	0	-	0		-	-9
Profit after financial items	**20**	**0**	**20**		**6**	**195**
Appropriations	-7	7	0	5	8	0
Tax on profit for the year	-3	-2	-4	7	-4	-55
Net profit	**10**	**5**	**16**		**11**	**140**

[1] In accordance with generally accepted accounting principles in Norway.
[2] In accordance with BFNAR 2012:1.
[3] In accordance with BFNAR 2008:1.

Notes to pro forma income statement, 1 January 2016 to 31 December 2016

Unless otherwise stated, all adjustments are considered to be non-recurring in nature.

1. Reclassification of revenues in accordance with Instalco's accounting principles.
2. Switch of accounting principle from the completed contract method to the percentage-of-completion method in respect of fixed price construction contracts, in accordance with the Group's accounting principles. See Note 7 for related tax effect. Following acquisition, companies have recognised revenues in accordance with the percentage-of-completion method, and thus the effect of the adjustment is permanent.
3. Elimination of intra-group transactions carried out prior to acquisition between the acquired companies Vito Tekniska Entreprenør, Vito Vestfold and Vito Oslo.
4. Amortisation of goodwill is adjusted since IFRS do not permit amortisation of goodwill.
5. Appropriations are reported only in legal entities and therefore adjusted in the Group. See Note 7 for related tax effect.
6. Tax effect of adjustments that are considered to be deductible for tax purposes or taxable. The tax effect has been calculated based on the corporate income tax applicable in the country where the company to which the adjustment relates is domiciled: 22 percent in respect of Swedish companies and 25 percent in respect of Norwegian companies.
7. The tax effect for the pro forma adjustments which are deemed to be taxable or deductible for tax purposes is standardised and calculated on 22 percent of profit before tax in respect of Swedish companies and 25 percent of profit before tax in respect of Norwegian companies. Actual tax may differ from these amounts.
8. No tax calculation has been made for the period prior to acquisition. In the pro forma financial statements, the tax effect is standardised and calculated on 22 percent of profit before tax in respect of Swedish companies and 25 percent of profit before tax in respect of Norwegian companies. Actual tax may differ from these amounts.

B.9	**Earnings forecast**	Instalco has reported a profit forecast for the first quarter of 2017. Net sales for the first quarter of 2017 are expected to increase slightly compared with pro forma revenue for the first quarter of 2016. Growth is expected to be strong compared to reported net sales for the first quarter of 2016, primarily driven by acquisitions. The organic growth is estimated to be positive. Adjusted EBITA for the first quarter of 2017 is expected to increase significantly compared with pro forma and adjusted EBITA for the first quarter of 2016.
B.10	**Notes in the auditor's report**	Not applicable. There are no notes in the auditor's reports.
B.11	**Insufficient working capital**	Not applicable. Instalco's assessment is that the current working capital is sufficient to meet the Group's current needs for the next twelve months' period.

SECTION C – SECURITIES		
C.1	**Securities offered**	The Offering refers to shares in Instalco Intressenter AB with reg. no. 559015-8944. ISIN-code SE0009664253.
C.2	**Currency**	The shares are denominated in SEK.
C.3	**Total number of shares and quota value**	At the date of this Prospectus, the Company's registered share capital amounts to SEK 603,577.18, divided into a total of 120,715,436 shares (out of which 40,353,663 shares are ordinary shares of class A and 80,361,773 shares are preference shares of different classes), giving each share a quota (par) value of SEK 0.005. The shares are issued in accordance with Swedish law and all shares are fully paid. In connection with the listing of the Company's shares on Nasdaq Stockholm, the current share structure will be settled, after which the Company will have only one class of shares (named shares). The settlement of the current share structure will also include a reduction of the share capital by retirement of preference shares (Sw. *riktad inlösen*), whereby the exact relationships are dependent on the final Offering price. At an Offering price corresponding to the lowest of the price range, the settlement will entail that the total number of preference shares (prior to conversion (1: 1)) decreases from 80,361,773 to 6,553,741. At an Offering price corresponding to the midpoint of the price range, the settlement will entail that the total number of preference shares (prior to conversion (1:1)) decreases from 80,361,773 to 6,241,653. At an Offering price corresponding to the highest of the price range, the settlement will entail that the total number of preference shares (prior to conversion (1:1)) decreases from 80,361,773 to 5,957,945 (interval calculated based on an Offering price corresponding to the lowest and highest within the price range). In connection with the reduction, the share capital will be increased through a bonus issue without the issuance of shares, partly to compensate for the decrease in share prices and partly to adjust the quota (par) value to the new number of shares. The exact increase is dependent on the share capital and number of shares after settlement of the current share structure, which in turn depends on the final Offering price. The bonus issue will be registered with the Swedish Companies Registration Office at the same time as the reduction and is expected to result in a share capital of at least SEK 694,674.12 and no more than SEK 703,611.06, depending on the final Offering price, giving a quota (par) value of around SEK 0.015 per share. No new shares are issued in connection with the Offering.
C.4	**Rights associated with the securities**	The Company's shares are issued in accordance with Swedish law and the shareholders' rights associated with the shares may only be altered in accordance with the Swedish Companies Act. Shareholders are entitled to vote for their full number of shares and all shares entitles the holder to one (1) vote at the general meeting. At the date of this Prospectus, there are both ordinary shares of class A and preference shares of different classes. Preference shares have preferential rights to all forms of value transfers from the Company to the shareholders up to a certain amount calculated according to a specific formula based on the issue price and the time of the board of directors' resolution on allotment of each preference share class. Thereafter, all rights to value transfers belong to ordinary shares of class A. In connection with the listing of the Company's shares on Nasdaq Stockholm, the current share structure will be settled, after which the Company will have only one class of shares, of which all shares carry the same rights. This e.g. means that all shares in the Company give equal rights to dividends, share in the Company's profits and any proceeds in the event of liquidation. The shares give right to dividends for the first time on the record date that occurs immediately after the completion of the Offering.
C.5	**Transfer restrictions**	Not applicable. The shareholders' agreement currently in force will be terminated in connection with the listing of the Company's shares on Nasdaq Stockholm. On the first day of trading, the shares will, accordingly, not be subject to any transfer restrictions other than due to agreements regarding transfer restrictions (lock-up) entered into by the existing shareholders with respect to shares not sold in the Offering.
C.6	**Admission for trading on a regulated market**	The Nasdaq Stockholm listing committee has resolved to admit the Company's shares to trading on Nasdaq Stockholm subject to certain conditions, including that the distribution requirement for the Company's shares is met no later than on the first day of trading. The first day of trading on Nasdaq Stockholm is planned to on or about 11 May 2017.

C.7	**Dividend policy**	Instalco's aim is to distribute 30 percent of the net profit after taxes.

SECTION D – RISKS

D.1	**Main risks relating to the issuer and its business**	There are a number of risks which could have an adverse impact on the Company's business, financial position and results in the future. Some of the risks are connected to the Company, while other risks do not have any particular connection to the Company. Moreover, there may be other risks and uncertainties that the Company is currently not aware of or deems to be immaterial, that may later prove to be material. The risks are not described in any order of priority or in detail, but are deemed to include the main known risks to the Company's future development. • The risks that the Group fails to identify, attract and retain knowledgeable personnel, especially in calculation and project and work management as well as in respect of senior management at both subsidiary and Group level. • The risk of increased competition within the industry may lead to downward pressure on prices, lower profit margins, loss of market share and increased competition for qualified personnel. • Risks related to types of business and project structure. Risks related to competitive and resource intensive tender processes not leading to contracts being awarded, or that awarded contracts are challenged or revoked. Risks of lower profits due to changed conditions from the time when the contract was entered into until its completion. Risks related to failure to perform contract work within the agreed period of time and to the agreed cost. Risks related to increased responsibility and reduced profitability due to changed market conditions such as increased use of fixed price payments without possibility to compensate for increased and/or unforeseen costs. • Risks related to failed calculation, project management and work management, including cost control and optimisation in the implementation of a project, with delays and increased costs as well as shortcomings when performing services as a result, with the risk of contractual penalties and liability for warranties. • Risk that economic disruptions and changes in general market conditions reduce the investment interest from customers and lead to lower sales prices from suppliers. • Risk of deteriorating relations with customers due to shortcomings when performing services with the risk of termination of individual contracts with the risk of contractual penalties and damages and deteriorating ability to obtain new jobs. Risks related to delays and cancelled projects. Risk of customers facing financial difficulties or in otherwise becoming unable to fulfil their obligations. • Risks related to continued expansion through acquisitions due to difficulties in finding and acquiring suitable target companies at favourable terms and conditions, business and company-specific risks as regards acquired companies (e.g. miscalculations with respect to value and future prospects and unexpected costs due to unknown obligations or misjudged risks), reduced liquidity and potential dilutive effects for the Company's shareholders in acquisition financing through the issuance of shares or share related instruments as well as the risk for need to raise new loans. • Risks related to financing, including the risk of immediate termination of current financing as a result of non-fulfilment of financial covenants or other obligations, that financing cannot be obtained or renewed, or can only be obtained or renewed at significantly increased costs. • Risks related to violations of laws, regulations and standards concerning e.g. working conditions and environment as well as resource intensive disputes. • Risk that the Swedish Tax Authority (Sw. *Skatteverket*) would be of the opinion that the shares were acquired at a value below market value in connection with reinvestments and investments from personnel, with an obligation to pay social security costs as a result.
D.3	**Main risks relating to the securities**	An investment in shares is always associated with risks. Such risks can lead to a decrease in the share price and, as a result thereof, investors may lose their investment, in part or in full. The risks are not described in any order of priority or in detail, but are deemed to include the main known risks related to the Company's shares. The main risks as regards Instalco's shares include the risk that there will not be or remain an active and liquid market for the listed shares, that the Principal Shareholder's (FSN) interests may differ from other shareholders' interests, that future sales of large quantities of the Company's shares after the expiry of lock-up periods or otherwise may have an adverse effect on the share price, that dilution of holdings of shares and effect on market price may occur as a result of subsequent issues of new shares or share related instruments, loss of dividends on the shares due to obstructions by law or agreement or a lack of a resolution thereof by the general meeting and that non-secured share purchase commitments are not fulfilled, which may have a material and adverse effect on the completion of the Offering.

SECTION E – THE OFFERING

E.1	**Total proceeds and costs**	No new shares or other securities are issued by Instalco in connection with the Offering; consequently, the Company will not receive any proceeds from the Offering. The Company's costs related to the Offering and the listing of the Company's shares on Nasdaq Stockholm are expected to amount to approximately SEK 40 million. Such costs are mainly pertaining to refinancing, costs for auditors, lawyers, the printing of the Prospectus, costs related to presentations, etc.
E.2a	**Rationale of the Offering and use of proceeds**	The current Principal Shareholder of Instalco, FSN, makes, together with the Company's board of directors and senior management, the assessment that the Offering and the listing of the Company's shares on Nasdaq Stockholm will broaden the Company's ownership base and enable the Company to make use of the Swedish and international capital markets in order to increase the Company's financing alternatives for continued growth, both organically and through acquisitions. A market listing also creates increased share liquidity, facilitates further acquisitions and share ownership for employees. The Offering and the listing of the Company's shares is further believed to be a natural and important step in Instalco's development that will further promote awareness of Instalco and its business. No new shares or other securities are issued by Instalco in connection with the Offering; consequently, the Company will not receive any proceeds from the Offering.

E.3	**Forms and terms of the Offering**	**Offering** – The Offering is directed to both the general public in Sweden and to institutional investors in Sweden and abroad. The Offering comprises a total of a minimum of 17,598,411 and a maximum of 17,824,814 existing shares, offered by the Selling Shareholders. **Over-Allotment Option** – The Principal Shareholder intends to provide an option to the Managers, which may be used, in full or in part, meaning that the Managers, during a period of 30 days from the first day of trading in the Company's shares on Nasdaq Stockholm, shall have the right to acquire an additional maximum of 2,673,722 existing shares, corresponding to a maximum of 15 percent of the total number of shares which may be sold in the Offering, at a price equivalent to the Offering price, to cover any oversubscription in the Offering. **Allocation of shares** – The allocation of shares between each part of the Offering will be based on demand. The allocation will be determined by the Principal Shareholder in consultation with the Company's board of directors and the Managers. **Offering price** – The Offering price will be determined through a book-building procedure within the price range of SEK 50–55 per share. The final Offering price is expected to be announced through a press release on or about 11 May 2017. **Application period** – The application period runs during the period 2–9 May 2017 for the general public in Sweden and 2–10 May 2017 for institutional investors. **Application** – Applications for acquisitions of shares within the terms of the Offering to the general public in Sweden shall be for a minimum of 200 shares and a maximum of 20,000 shares, in even lots of 50 shares. Application is made to SEB or Nordnet. Applications from institutional investors in Sweden and abroad are to be made to SEB or Carnegie (in accordance with special instructions). **Allotment** – Decision on allotment is made by the Principal Shareholder in consultation with the Company's board of directors and the Managers. **Settlement day** – The planned settlement day is 15 May 2017. **Terms and conditions for completion of the Offering** – The Company, the Principal Shareholder and the Managers intend to enter into an agreement regarding placing of shares on or about 10 May 2017. The Offering is conditional upon that the placing agreement is entered into and that certain terms and conditions in the agreement are met and that the agreement is not terminated, which can occur until the settlement date on 15 May 2017.
E.4	**Interest and conflicts of interest**	Instalco's financial advisors in connection with the Offering and the listing on Nasdaq Stockholm are SEB and Carnegie, who e.g. acts as Managers in the Offering. The total fees for the financial advisers are partly dependent on the outcome of the Offering. These advisers (as well as their related companies) have provided, and may in the future provide, various banking, financial, investment, commercial and other services to Instalco and the Principal Shareholder for which they have received, and may receive, fees.
E.5	**Selling shareholders and lock-up agreements**	The Selling Shareholders will sell a maximum of 20,498,536 shares, including any exercise of the right of the Over-Allotment Option, in the Company within the terms of the Offering. Through the Placing Agreement of shares expected to be entered into on 10 May 2017, all current shareholders in the Company will, subject to customary conditions, undertake not to sell or otherwise transfer their respective holdings for a certain period of time after the first day of trading in the Company's shares on Nasdaq Stockholm. The so called lock-up period will be twelve months for shareholding board members and senior executives in the Company as well as certain other key employees in the Group. For the Principal Shareholder and the other shareholders, the lock-up period will be six months. Exceptions from said transfer restrictions refer e.g. to divestments in the context of the Offering, the acceptance of an offer to all shareholders of the Company in accordance with the Swedish takeover rules on terms which treat all such shareholders equally or provision of an unconditional undertaking to accept such an offer, sale or other divestment of shares as a result of an offer from the Company regarding the acquisition of own shares given on equal terms to all shareholders of the Company, or where a transfer of shares is required due to legal, administrative or judicial requirements. In addition thereto, the Managers may grant exemptions from the relevant undertakings, if deemed appropriate by the Managers on a case by case basis, in which situations the shares may be offered for sale. After the expiry of the respective lock-up periods, the shareholders affected by lock-up will be free to sell their shares.
E.6	**Dilution effect**	Not applicable. No new shares are issued in connection with the Offering.
E.7	**Costs charged to the investor**	Not applicable. Brokerage commission will not be charged.

Risk factors

An investment in the Company's shares is associated with risks. Instalco's business is affected, and may be affected, by a number of factors which are not possible for the Company to control, either in part or at all. These factors could have an adverse impact on the Company's business, financial position and results in the future, or could lead to a decrease in the share price and, as a result thereof, investors may lose their investment, in part or in full. Some of the risks are connected to the Company, while other risks do not have any particular connection to the Company. Any investor considering an investment in the shares should, before deciding on whether to make an investment, carefully analyse the risks factors described below as well as other information in this Prospectus. The risks are not described in any order of priority, and the Company may be subject to other risks than those described. The risks are not intended to be exhaustive; a complete evaluation must contain all information referred to in this Prospectus (including information found outside this Prospectus) as well as general business intelligence. Moreover, there may be other risks and uncertainties that the Company is currently not aware of or deems to be immaterial, that may later prove to be material. This Prospectus contains forward-looking statements which may be affected by future events, risks and uncertainties. The Company's actual results may deviate significantly from those anticipated in forward-looking statements due to several factors, including, but not limited to, the risks described below and elsewhere in this Prospectus.

Risks related to the business and the market

DECENTRALISATION AND DEPENDENCE ON KEY EMPLOYEES

Instalco's business model is based on decentralisation in the sense that the business is conducted within each unit and with only general management at group level. There is a risk that decentralisation entails shortcomings as regards implementation and/or compliance with policies and guidelines for internal control. The CEO of each unit can make decisions on its own to a large extent and controls the business together with its senior management with responsibility for customers, sales, personnel and results. Instalco is therefore dependent on the CEO's at subsidiary level. The market is to a large extent project-based and Instalco is also dependent on qualified personnel for the calculation of costs associated with different projects as well as project management and work management. The Company is dependent on the work performed by employees, their respective local customer relationships and the skills and knowledge they have in relation to specific projects and on specific markets. When hiring new employees, Instalco experiences that there is a shortage of qualified personnel as regards calculation of costs and project and work management. There is a risk that such shortage may result in increased salary costs. There is also a risk that the Group may fail to identify or attract the right people or that these cannot be retained in the future. Key employees may start working for competing companies or start their own competing business. Instalco is also dependent on senior management at Group level. The current Group management possesses extensive expertise and knowledge within the Group's business sectors as well as the Group's business. The Company's ability to recruit and retain qualified personnel is crucial for its future success and growth. The Group's current projects as well as other development plans could be disrupted if the Group would lose and not be able to replace such key employees. If the Group fail to maintain its ability to identify, attract and retain competent personnel, this could have an adverse effect on the Company's business, financial position and results.

COMPETITIVE MARKET

Instalco operates on the installation and service market in Sweden, Norway and Finland, with most of the operations being located in Sweden and Norway. The market is highly competitive and highly fragmented with low barriers to entry local markets. On each local market, Instalco usually encounters competition from certain other larger companies as well as small, local suppliers with specialist expertise in a particular technical area while competition in larger regional and national projects usually comes from a few large competitors in the Nordic region with business areas corresponding to those of the Group. The competition in the larger regional and national projects may increase if small local companies broaden or expand their business and new competition can arise by larger companies, for example in the construction industry, increasing their business to the industry in which the Group operates. Moreover, local companies can be bought by larger companies and the competition in local markets can increase by qualified people starting new companies.

Increased competition within the industry could lead to downward pressure on prices, lower profit margins, loss of market share and increased competition for qualified personnel. Such factors and other consequences of increased competition may have an adverse effect on the Company's business, financial position and results.

RISKS RELATED TO DIFFERENT TYPES OF BUSINESS AND PROJECT STRUCTURE

The technical installation and service market is mainly project based and the risks associated with different projects varies dependent on the type of business form and project structure. The different forms of business can be divided into procurement forms, construction forms, collaboration forms and compensation structures while project structures can be divided between large, mid-size and small projects.

Instalco takes part in competitive bidding processes in the form of tenders or equivalent tender procedures for public contracts to be awarded contracts with customers. Tenders often require considerable time and financial resources and there is always a risk that Instalco will not be awarded the contract. Furthermore, agreements obtained through public procurement can be challenged or revoked because of actual or alleged procedural errors in the procurement procedure. Even if the Group is awarded a contract, the actual profit may be lower than originally estimated as a result of changed conditions from the time when the contract was entered into until its completion.

There are several types of construction forms, of which total contracts and performance contracts are the most common. As regards total contracts, the risk is, inter alia, that the installation company fails to fulfil the function ordered by the customer within the agreed period of time and to the agreed cost. As regards performance contracts, the risks are mainly linked to the performance itself, i.e. that the installation company fails to perform contract work according to the customer's instructions within the agreed period of time and to the agreed cost.

Collaboration formats are aimed at describing the allocation of responsibilities and format for collaboration between installation companies and other service providers, building contractors and the end customer. There are several different forms of collaboration, and there is a risk of changing market conditions with the result that Instalco, as a service provider, may have a less favourable position when it comes to allocation of responsibility and profitability in different projects.

The profitability of projects is primarily dependent on the amount of work performed and the costs of materials in relation to compensation. Required time expenditure and material cost is often complicated to calculate, so the risk of decreased profitability is typically highest when using fixed price compensation structures, while it decreases when using compensation structures where different parts of the project are priced in advance and then ordered subsequently, and is lowest when using the compensation structure time and materials invoicing, which means payment in respect of time expended and for materials. To the extent the market would evolve towards greater use of compensation structures with higher risk and the margins decrease as regards the possibility to compensate such higher risk, this may have an adverse effect on the profitability not only in individual projects, but also on the market as a whole.

Instalco perceives that the risks associated with different projects vary depending on the size of the projects. Large projects are often characterised by intensive competition and professional customers who are accustomed to procurements resulting in downward pressure on prices. The projects often extend over long periods of time, are complex and associated with complicated estimates as regards work and use of materials. Mid-size projects are characterised by less intensive competition than large projects and more emphasis of the quality of the work, long-term customer relations and short lead times as competition factors, rather than price. Small projects are characterised by competition in line with that for mid-size projects and more emphasis on local presence and previous relations with the customers. These typically entail low risk but also lower earning potential. Instalco focuses primarily on mid-size projects but depending on the development of the business and the market, the project mix may vary with the result that the risks associated with the Group's projects may change over time.

In situations where several companies in the Group are involved in the same project, the risk also increases in the sense that the negative outcome of individual projects may affect a number of companies within the Group, thus having a greater impact on the Group compared with the risk diversification which is a natural consequence of the companies working on different projects.

As shown above, changes in business forms or project structures could affect the risk profile for the Group's projects and thereby have an adverse effect on the Company's business, financial position and results.

RISKS RELATED TO FAILED CALCULATIONS OR PROJEECT MANAGEMENT

Instalco is dependent on qualified personnel for the calculation of costs associated with different projects. In addition, special expertise in project management and work management including cost control and optimisation in the implementation of a project is required. Shortcomings in relation thereto can result in increased costs and reduced profitability. The risk of negative consequences as a result of shortcomings in calculation or project management is particularly high in projects where the compensation structure is an agreed fixed price. Pricing is based primarily on estimates of time expenditures and material costs, and unforeseen or changed circumstances can result in delays and increased costs caused by factors that fully or in part may fall outside the Group's control. In cases where Instalco bears the risk of such conditions this may also entail contractual penalties. Failure in terms of project management or work management may also affect the quality of services provided with potential liability for warranties, both during and after completion of projects. Shortcomings in calculations or project management as well as other factors mentioned may have an adverse effect on the Company's business, financial position and results.

ECONOMIC DISRUPTIONS AND CHANGES IN GENERAL MARKET CONDITIONS

Instalco currently conducts its operations in Sweden, Finland and Norway, with most of the operations being located in Sweden and Norway. The market for technical installation and service is affected by macroeconomic conditions such as GNP growth. The Nordic countries are also affected by external factors such as the uncertain recovery of the European economy. Prolonged period of low growth or recession could have a material adverse effect on customers' willingness to invest, which in turn has an adverse effect on the demand for the Group's services.

The Group's results can also be affected by significant economic disruptions and changes in general market conditions in the countries where the Group operates, and from time to time may come to operate. Economic disruptions and changes in general market conditions can especially affect the demand for installation projects from construction and industrial companies, and in particular with regard to new constructions. With regard to new constructions, deteriorating conditions for the use of, or withdrawal of the Swedish National Board of Housing credit guarantee for new constructions would cause deterioration possibilities for small and medium-sized construction companies to finance new construction projects, which in turn could affect the demand for installation projects for new constructions negatively. There is a risk that the Company will not be able to adapt to changes in demand. Also, economic disruptions and changes in general market conditions in the countries where the Group does not operate may have an indirect effect on the Group by, for example, reduced investment interest from customers and lower sales prices from suppliers operating in such countries.

The Group is also exposed to risks in the form of fluctuations in certain commodity prices (such as aluminium, copper and steel, which are included in the components used in the business) and energy prices (especially fuel costs for vehicles) and increases in prices due to economic disruptions and changes in general market conditions may have an adverse effect on the Company's business, financial position and results.

All of the above could harm the Group's operations and the Company cannot predict the ways in which the future economic environment and market conditions may affect the Group's operations.

RISKS RELATED TO SUPPLIERS

Instalco's purchases mainly comprise materials, hiring of subcontractors, transport as well as rent and property costs. The Group is dependent on deliveries corresponding to agreed requirements as regards for example, quantity, quality and delivery time, and can in particular be adversely affected to the extent increased costs cannot be transferred to the customer. There is a risk that the cost base may increase going forward. Problems with capacity, disruptions in production and increase in prices with suppliers, as well as shortcomings in subcontractors' performance of services, may adversely affect the Company's business, financial position and results.

RISKS RELATED TO CUSTOMERS

Customer relations are often long-term and takes place through the Local units with construction companies as the single largest customer group. Like all suppliers, Instalco is dependent on good customer relations and given revenues divided between different customers groups, the Group is especially dependent on long-term local relations with certain Nordic construction companies. Instalco's ability to perform jobs cost-effectively and with high quality is crucial for the Group's success. Customer relations may be adversely affected by shortcomings in supply of services which could lead to the termination of individual contracts with the risk of contractual penalties and damages, but also affect the ability to obtain new jobs and thereby deteriorate the outlook for future earnings. There is a risk that the deterioration in relations with one or more local buyers can influence other buyers of the customer. Deteriorating relations with customers, especially large returning customers, may adversely affect the Company's business, financial position and results.

There is a risk of delays, and projects can also be cancelled on the customer's initiative. There is also a risk that customers face financial difficulties, or otherwise become unable to fulfil their obligations, and, in extreme situations, as a result of the customer's cessation of business or bankruptcy. Such factors may have an adverse effect on the Company's business, financial position and results.

RISKS RELATED TO CONTINUED EXPANSION THROUGH ACQUISITIONS

Instalco works on the basis of an active acquisition strategy and a large part of Instalco's growth is also in the future expected to consist of both strategic and opportunistic acquisitions, inter alia in order to expand the business and enter new markets. There is a risk that such a strategy will not have the desired effect. Risks can include difficulties in finding suitable target companies and if found, there is a risk that it is not possible to acquire the target company at favourable terms and conditions or at all. There may also be competitors with significant financial resources interested in the same target companies and the risk of such competition could increase in the event that the market is consolidated. Increased competition can also lead to increased costs compared to historical acquisitions. Future acquisitions of companies or businesses can entail both business and company-specific risks, such as miscalculations with respect to value and future prospects and unexpected costs due to unknown obligations. Also risks identified and taken into account prior to each acquisition can, however, be misjudged and have an adverse impact as regards the value and prospects and cause unexpected costs caused by such misjudgements or omissions in requirements for vendors' fulfilment of contractual obligations. There is also a risk of costly or failed integration process. Any major future acquisitions may also reduce Instalco's liquidity and result in potential dilutive effects for the Company's shareholders through the issuance of shares or share related instruments as well as lead to raising of new loans. If Instalco cannot control its growth in an effective way, this may affect the Company's competitiveness and lead to an adverse effect on the Company's business, financial position and results.

DISRUPTIONS IN THE BUSINESS DUE TO WORK STOPPAGE AND STRIKES

Instalco could face strikes or other disruptions in the business, or threats of strikes or disruptions in the business, due to organised labour. If such actions are taken, this may have an adverse effect on Instalco's trademark, business, financial position and results.

THE GROUP IS DEPENDENT ON CASH FLOWS FROM SUBISIDIARIES

Instalco's main assets consist of shares in underlying subsidiaries. The ability to bear the costs for e.g. interest-bearing debt and to pay dividends to the shareholders are dependent on payments and dividends from subsidiaries, as this represents the Company's cash flow. The transfer of funds from subsidiaries may be limited or prevented by both legal and contractual requirements applicable to the Group, which may have adverse effect on Company's business, financial position and results.

THE STAGE OF COMPLETED CONTRACT ACCOUNTING METHOD MAY ENTAIL A REDUCTION OR RETURN OF PREVIOUS INCOMES OR PROFITS

Instalco's incomes from different projects are reported according to the completed contract accounting method according to which Instalco reports incomes and profits during the project time in proportion to the actual costs' part of estimated project costs. There is a risk that estimated incomes and profits are reported with too high amounts and that the costs differ from previous estimates, which may result in adjustments to previously reported incomes and profits. Reductions or returns of incomes and profits already reported may have an adverse effect on the Company's financial position and results.

A LARGE PART OF THE GROUP'S ASSETS CONSIST OF GOODWILL

As a result of the Group's growth through acquisitions, intangible assets in the form of goodwill constitute a large part of the Group's total assets (per 31 December 2016, Instalco reported goodwill in the amount of SEK 826 million in its balance sheet). These intangible assets are following acquisition subject to impairment tests, which can result in higher impairment costs depending on the amount of goodwill reported as part of the transaction and how the acquired company performs in relation to expectations. Reporting impairments includes uncertainty as the Company must make forward-looking assumptions calculating the recoverable amount based inter alia on assumptions about future cash flows. A negative trend in the business activities may force the Company to report impairment equal to all or a part of the booked value and if impairment must be reported, this may have a material adverse effect on the Company's business, financial position and results.

REFINANCING RISK

Refinancing risk refers to the risk that financing cannot be obtained or renewed on the expiry of its term, or can only be obtained or renewed at significantly increased costs. The Company primarily finances its operations through equity, raising of loans and the Group's own cash flow. There is a risk that additional capital cannot be obtained, or can only be obtained at unfavourable terms and conditions. Instalco may in the future become in breach of financial covenants and other obligations in the credit and loan agreements that constitute grounds for termination due to general economic environment or disruptions in the capital and/or credit markets. If the Company fails to obtain necessary capital in the future, or to less favourable terms and conditions, it may have an adverse effect on the Company's business, financial position and results. If the Company fails to refinance its loan agreements or can only obtain refinancing of its loan agreements to significantly higher costs, it may have a material adverse effect on the Company's business, financial position and results.

FINANCIAL TARGETS FOUND IN THE PROSPECTUS MAY DIFFER SIGNIFICANTLY FROM INSTALCO'S ACTUAL RESULTS

The financial targets primarily found in section "Business description" constitute Instalco's expectations in the medium to long term, including revenue growth, EBITA margin, cash conversion, capital structure, and dividend policy. These financial targets are based on a number of assumptions which by their nature are associated with significant commercial, operational, economic and other risks, which fully or in part may fall outside the Group's control. There is a risk that these assumptions change, or will not be met at all. In addition, unforeseen events may significantly affect Instalco's result whether the assumptions will prove to be correct or not. Thus, the Group's actual results may differ significantly from these targets and investors should not place undue reliance on them.

RISKS OF ACCIDENTS AND CLAIMS FOR COMPENSATION

Instalco's business is subject to extensive laws and regulations regarding work environment and is exposed to the risks that are naturally occurring in technical installation and service. This entails that the Group's employees must comply with strict safety regulations. If the Group, its employees, its subcontractors or other third parties, fails to comply with health and environmental standards, this can cause personal injury, death, damage to property and equipment, business interruption, and similar consequences which in turn can lead to claims for damages and, in extreme cases, criminal liability. These risks and other labour protection, health and safety risks entail responsibility exposures that may have an adverse effect on the Company's business, financial position and results.

VIOLATIONS OF LAWS, REGULATIONS AND STANDARDS

Violations of laws, regulations, also including laws regarding corruption and illegal competition, and standards entails certain risks that can have long-term impact on Instalco's trademark and its business, financial position and results. Instalco's business is affected by a number of different laws and regulations concerning e.g. working conditions and environment and is subject to various industry standards. Non-compliance could lead to Instalco being subject to major damages or be required to change its operations. Furthermore, additional requirements in the form of new laws, regulations and standards could increase Instalco's costs, which could have an adverse effect on the Company's business, financial position and results.

DISPUTES AND LEGAL PROCEEDINGS

The Group may in the context of continuing operations from time to time become involved in disputes. Such disputes may for example result in demands for payment and/or correction of work and any other consequences associated with failure in the provision of services. In addition, the Group may be subject to outstanding receivables and other situations that can force the Group to take legal action.

The subsidiary ORAB Entreprenad AB has performed installation services (plumbing contract work) for a customer during the autumn of 2016 and there is a disagreement regarding the compensation for the work performed. The agreement between the parties provides for dispute resolution through arbitration and ORAB filed for arbitration in January 2017. ORAB has claimed compensation in the amount of approximately SEK 8.2 million and there is a risk that compensation for services performed will not be paid, in part or in full.

The Group could become involved in significant legal proceedings in the future, which would have an adverse effect on the Company's business, financial position and results.

INSURANCE RISKS

There is a risk that losses may arise and claims may be presented going beyond what is covered by current insurance coverage. Even if such a claim is fully covered, the Group's premiums to the insurance company may increase as a result of insurance claims. Such factors may have an adverse effect on the Company's business, financial position and results.

CURRENCY RISKS

The Company's accounting and functional currency is SEK. From an accounting perspective, Instalco is exposed to risks relating to the conversion to the Swedish krona of foreign subsidiaries' profit and loss accounts and balance sheets in NOK in Norway and EUR in Finland. Increases and decreases in the Swedish krona in relation to other currencies thus affect the consolidated financial statements even if the value has not changed in the local currency. The Group has and will continue to enter into agreements that are subject to payment in currencies other than SEK. The Company is consequently subject to risks related to exchange rate fluctuations, such as when the exchange rate changes from the time a contract is entered into until payment under the contract is made. The costs of exchanging currencies may also be significant. The Group does not currently protect itself against risks associated with foreign exchange rates and these risks may, if they arise, have an adverse effect on the Company's business, financial position and results.

TAX RISKS ARISING FROM RE-INVESTMENT AND INVESTMENT FROM STAFF

Instalco has carried out a number of new share issues, e.g. to enable ownership for key employees and re-investments of the sellers of acquired companies with continued employment within the Group after the acquisition. The new share issues have been resolved by the board of directors at estimated market value, but there has been no valuation by an independent third party. If the Swedish Tax Authority (Sw. *Skatteverket*) would be of the opinion that the shares were acquired at a value below market value, there is a risk that the difference is deemed to be a benefit for the purchaser entailing an obligation for Instalco to pay social security costs on the same amount. There is also a risk that the Swedish Tax Authority in such a situation, considers that tax penalty fee shall be applied on the additional social security costs. This may have an adverse effect on the Company's business, financial position and results.

OTHER TAX RELATED RISKS

Instalco conducts its business in accordance with its perception and interpretation of relevant tax legislation and tax treaties and other applicable rules. However, there is a risk that the relevant tax authority does not agree with the Group's perception and interpretation of relevant laws, tax treaties, regulations and tax authorities' practices. The Company's current tax situation may therefore be subject to negative change. In addition, the Group can be subject to retroactive adjustments that may have a negative impact on Instalco's previously estimated tax. This may have an adverse effect on the Company's business, financial position and results. It is not possible to predict whether Instalco will be subject to any new or changed tax regulations, or if Instalco's perception and interpretation of such new or changed regulations will be correct. Any failure in compliance can, inter alia, lead to the payment of additional taxes and/or fees, which may have an adverse effect on the Company's business, financial position and results.

CHANGED OWNERSHIP STRUCTURE MAY LEAD TO LIMITED POSSIBILITIES TO UTILISE TAX LOSSES

Per 31 December 2016, Instalco had deferred tax assets in the amount of SEK 480 000. Tax legislation contains certain restrictive rules on changes in ownership in companies with tax losses that entail a risk that such losses cannot be fully utilised after certain changes in ownership. Changes in ownership, e.g. as a result of the Offering, which lead to a change of control of the Company may therefore involve limitations (fully or in part) on the possibilities to make use of tax losses in the future. The possibility to make use of tax losses in the future may also be negatively impacted by changes in applicable legislation. Such limitations and changes could have an adverse effect on the Company's business, financial position and result.

Risks related to the shares and the Offering

THE MARKET PRICE OF THE SHARE

Prior to the Offering, Instalco's shares are not subject to organised trading. The share price of newly listed companies is often volatile during a period after the listing and there is a risk that there will not be an active and liquid market, or, if there is such a market, that it will not remain. The Offering price will be determined through a bidding process and will therefore be based on demand and the overall market conditions. The price is decided by the Principal Shareholder in consultation with the Company's board of directors and the Managers and will not necessarily reflect the price at which investors will be willing to purchase and sell the shares after the Offering. The difference between the sell and purchase price may from time to time be significant which makes it more difficult for a shareholder to sell shares at a certain time and at a price deemed appropriate.

SHAREHOLDERS WITH SIGNIFICANT INFLUENCE

After the completion of the Offering, the Principal Shareholder's (FSN) holdings (including indirect holdings via companies) in the Company will amount to not more than 25.20 percent of the share capital and total number of shares and votes in the Company (taking into account the settlement of the current share structure and assuming that the Offering price will be equal to the midpoint of the price range and full acceptance of the Offering however excluding the shares that may be offered for sale through the possibility to exercise the Over-Allotment Option.) Thus, the Principal Shareholder will most likely continue to have significant influent of matters subject to approval by the shareholders in the Company, including continued significant influence over the Company's senior management and business. The Principal Shareholder's interests may differ from other shareholders' interests, in full or in part.

EXISTING SHAREHOLDERS' SALES CAN AFFECT THE SHARE PRICE

Future sales of large quantities of the Company's shares, in particular sales made by the Company's directors, senior management or major shareholders, can have an adverse effect on the share price.

In connection with the Offering, all current shareholders in the Company will undertake not to sell or otherwise transfer their shares in the Company under a certain time after the trading of the Company's shares on Nasdaq Stockholm has started. This so called lock-up period will be twelve months for shareholding board members and senior executives in the Company as well as certain other key employees in the Group. For the Principal Shareholder and the other shareholders, the so called lock-up period will be six months. The transfer restrictions are subject to customary restrictions and exceptions such as divestments in the context of the Offering, the acceptance of an offer to all shareholders of the Company in accordance with the Swedish takeover rules on terms which treat all such shareholders equally or provision of an unconditional undertaking to accept such an offer, sale or other divestment of shares as a result of an offer from the Company regarding the acquisition of own shares given on equal terms to all shareholders of the Company, or where a transfer of shares is required due to legal, administrative or judicial requirements. In addition, the Managers may grant exemptions from the relevant undertakings, if deemed appropriate by the Managers on a case by case basis, in which situations the shares may be offered for sale. After the expiry of the respective lock-up periods, the shareholders affected by lock-up will be free to sell their shares. Sales of large quantities of the Company's shares, or the perception that such sales may occur, can lead to a decrease of the price of the Company's shares.

ISSUES OF NEW SHARES OR SHARE RELATED INSTRUMENTS MAY LEAD TO DILUTION OF HOLDINGS OF SHARES AND AFFECT THE MARKET PRICE OF THE COMPANY'S SHARES

In order e.g. to raise capital or to enable corporate acquisitions, the Company may issue additional shares or share related instruments. New issues can reduce the proportional ownership and voting rights as well as profits per share for the shareholders in the Company. Moreover, such new issues can affect the market price of the Company's shares.

Shareholders in countries outside Sweden may be subject to limitations that prevent them to participate in issues of new shares and/or limit and hinder their participation in other ways. Any such limitations may entail a dilution or decrease in value of their shareholding.

DIFFERENCES IN CURRENCY EXCHANGE RATES MAY MATERIALLY OCH ADVERSELY AFFECT THE VALUE OF SHAREHOLDINGS OR DIVIDENDS

The share price will be quoted in SEK only, and any dividends will be paid in SEK. As a result, shareholders resident outside Sweden may experience material adverse effects on the value of their shareholdings and dividends when converted into other currencies if the Swedish krona decreases in value compared to the relevant currency.

FUTURE DIVIDENDS

Payment of dividends is resolved upon by the general meeting and proposed by the board of directors. Any future dividends and the size of such dividends are dependent on a number of factors, such as the Company's future results, financial position, cash flows, working capital needs and investment needs including financing of acquisition opportunities. The terms of current and future credit agreements may also hinder or prevent that dividend is paid. There is a risk that the Company's shareholders will not resolve on dividends in the future or that the Company will not have enough distributable funds. In addition, the Company's ability to make dividends, being a company whose main assets consist of shares in underlying subsidiaries, is also dependent on payments and dividends from subsidiaries being made, as this represents the Company's cash flow. In the event dividends are not resolved upon, any return to the shareholders is dependent on the positive development of the share price.

NON-SECURED SHARE PURCHASE COMMITMENT

Commitments to acquire shares have been provided equivalent to 51 percent of the Offering (assuming that the Offering price will correspond to the midpoint of the price range and full acceptance of the Offering including the shares that may be offered for sale through the possibility to exercise the Over-Allotment Option). The share purchase commitments are not secured by any pledge, blocked funds or similar arrangement why there is a risk that such commitments are not fulfilled, which may have a material and adverse effect on the completion of the Offering.

Invitation to acquire shares

The Principal Shareholder and Instalco have decided to broaden the ownership of the shares in Instalco by way of a sale of existing shares followed by a listing of the Company's shares on Nasdaq Stockholm.

The price per share in the Offering will be determined through a book-building process within the price range of SEK 50–55 per share. The price range has been set by the Principal Shareholder in consultation with the Company's board of directors and the Managers based on a number of factors, including current market conditions, the operations' historical development and an assessment of the Company's business potential and future prospects, the market value of listed shares in comparable companies and the estimated interest to invest from institutional investors. The final Offering price is expected to be announced through a press release on or about 11 May 2017.

The Selling Shareholders have decided to offer the sale of existing shares. The Offering comprises of a total of a minimum of 17,598,411 and a maximum of 17,824,814 shares. The Offering is divided into the offering to the general public in Sweden and the offering to institutional investors in Sweden and abroad.

The Principal Shareholder, FSN, intends to provide an option to the Managers, which may be used in full or in part, meaning that the Managers, during a period of 30 days from the first day of trading in the Company's shares on Nasdaq Stockholm, shall have the right to acquire an additional maximum of 2,673,722 existing shares, corresponding to a maximum of 15 percent of the highest number of shares which may be sold in the Offering, at a price equal to the Offering price, in order to cover any oversubscription in the Offering (the "Over-Allotment Option").

No new shares are issued in connection with the Offering. After the completion of the Offering, the Principal Shareholder's holdings (including indirect holdings via companies) in the Company will amount to 25.20 percent of the total number of shares and votes in the Company (taking into account the settlement of the current share structure and assuming that the Offering price will be equal to the midpoint of the price range and full acceptance of the Offering however excluding the shares that may be offered for sale through the possibility to exercise the Over-Allotment Option).

Commitments to acquire shares have been provided equivalent to 51 percent of the Offering (assuming that the Offering price will correspond to the midpoint of the price range and full acceptance of the Offering including the shares that may be offered for sale through the possibility to exercise the Over-Allotment Option). The commitments are not secured by any pledge, blocked funds or similar arrangement. Please refer to section "Legal considerations and supplementary information" (under "Share purchase commitments") for more information.

No new shares or other securities are issued by Instalco in connection with the Offering; consequently, the Company will not receive any proceeds from the Offering. The Company's costs related to the Offering and the listing of the Company's shares on Nasdaq Stockholm are expected to amount to approximately SEK 40 million. Such costs are mainly pertaining to refinancing, costs for auditors, lawyers, the printing of the Prospectus, costs related to presentations, etc.

Investors are hereby invited to acquire shares in Instalco in accordance with the terms and conditions in this Prospectus.

Stockholm, 28 April 2017
Instalco Intressenter AB (publ)

Stockholm, 28 April 2017
Selling Shareholders

Background and rationale

The board of directors of Instalco is responsible for the contents of this Prospectus. Information regarding the board members can be found in section "Board of directors, senior management and auditors". The board of directors hereby assure that all reasonable precautionary measures have been taken to ensure that the information contained in this Prospectus, as far as the board of directors is aware, corresponds to the actual circumstances and that nothing has been omitted that could affect its meaning.

Instalco considers itself to be a leading installation and service supplier within the disciplines heating and plumbing, electrical, ventilation, cooling and industrial. Instalco has a nationwide organisation in Sweden and has expanded into Norway and Finland through acquisitions during 2016. The business concept is to be able, through cooperation between locally leading and highly specialised units, to offer competitive multidisciplinary solutions, while at the same time achieving coordination benefits. In the 2016 financial year, Instalco had net sales of SEK 2,407 million and an adjusted EBITA[1] of SEK 156 million, corresponding to an adjusted EBITA margin of 6.5 percent.

Instalco was formed on the initiative of its CEO Per Sjöstrand in February 2014 by a consolidation of five installation companies. Since its formation, the Group has demonstrated strong growth, driven primarily by acquisitions but also through organic growth. The positive effects of coordination have become visible through, for example, collaboration within multi-disciplinary projects and purchasing cooperation. Instalco's ability to coordinate multidisciplinary installation and service solutions provides both safer and better coordinated end-to-end solutions to its customers. The Group has a decentralised structure aimed at encouraging a strong entrepreneurial spirit and although the Group itself is relatively young, its units have a long history and experience of complex installations in various environments and within several disciplines.

The business concept of the current Principal Shareholder of Instalco, FSN, is to acquire and develop unlisted companies and sell them when set goals have been reached. Instalco's board of directors has, during FSN's ownership period, implemented several key strategic initiatives, strengthened the Company's market position and exceeded the goals set at the formation of the Group, which has created a natural time to evaluate a broaden ownership. Instalco is now ready to expand and continue to grow based on what has been accomplished and, consequently, FSN, Instalco's board of directors and senior management believes that the current time and the current market climate is the right moment for FSN to reduce its ownership and list the Company. Instalco has established a stable Nordic platform that continues to provide great potential for both organic and acquisition-driven growth and improved profitability in the coming years.

The Offering and the listing will broaden the Company's ownership base and enable Instalco to make use of the Swedish and international capital markets in order to increase the Company's financing alternatives for continued growth, both organically and through acquisitions. A market listing also creates increased share liquidity, facilitates further acquisitions and share ownership for employees. Instalco's board of directors and senior management believe, together with FSN, that the Offering and the listing of the Company's shares is a natural and important step in Instalco's development that will further promote awareness of Instalco and its business.

The Principal Shareholder will retain holdings in the Company after the Offering and will, accordingly, continue to contribute to the Company's future development. The Principal Shareholder will, after the deduction of transaction costs, receive proceeds from the sale of the existing shares. In addition to the Principal Shareholder, also other Selling Shareholders will sell shares and receive proceeds from the Offering.

Stockholm, 28 April 2017
Instalco Intressenter AB (publ)
The board of directors

The board of directors of Instalco is solely responsible for the contents of this Prospectus in accordance with what is stated herein. However, the Selling Shareholders confirm that they are subject to the terms and conditions of the Offering in accordance with what is stated in the sections "Invitation to acquire shares" and "Terms and instructions".

Selling Shareholders

[1] Adjusted for earnouts, acquisition costs, refinancing costs and listing costs. Please refer to "Definitions of key figures not defined in accordance with IFRS" in section "Selected financial information".

Terms and instructions

The offering

The Offering comprises of a total minimum of 17,598,411 and a maximum of 17,824,814 existing shares, offered by the Selling Shareholders. The Offering is divided into two parts:

• The offering to the general public in Sweden[1].
• The offering to institutional investors in Sweden and abroad[2].

The outcome of the Offering will be announced through a press release which will be available on the Company's website (www.instalco.se) on or about 11 May 2017.

Over-allotment option

The Principal Shareholder intends to provide an option to the Managers to sell an additional maximum of 2,673,722 shares, corresponding to a maximum of 15 percent of the total number of shares in the Offering, to cover any oversubscription in the Offering. The Overallotment Option may be used by the Managers in full or in part during 30 calendar days from the first day of trading in the Company's shares on Nasdaq Stockholm. For more information, please refer to section "Legal considerations and supplementary information" (under "Agreement regarding placing of shares").

Allocation of shares

The allocation of shares between each part of the Offering will be based on demand. The allocation will be determined by the Principal Shareholder in consultation with the Company's board of directors and the Managers.

Book-building procedure

To achieve market-based pricing of the shares in the Offering, institutional investors will be given the opportunity to participate in a book-building procedure by submitting expressions of interest. The book-building procedure will commerce on 2 May 2017 and will continue until and including 10 May 2017. The price per share in the Offering will be determined based on the order book compiled during the book-building procedure. The book-building procedure for institutional investors may be terminated at an earlier date. Announcement of such termination will be made through a press release via one or more international news agencies.

Offering price

The final Offering price will be determined within the price range of SEK 50–55 per share. The price range has been set by the Principal Shareholder in consultation with the Company's board of directors and the Managers based on the anticipated investment interest from institutional investors. Brokerage commission will not be charged. The final Offering price will be determined by the Principal Shareholder in consultation with the Company's board of directors and the Managers, and will be announced through a press release on or about 11 May 2017.

Application

THE OFFERING TO THE GENERAL PUBLIC IN SWEDEN

Applications for acquisitions of shares within the terms of the offering to the general public in Sweden are to be made during the period 2–9 May 2017 and shall be for a minimum of 200 shares and a maximum of 20,000 shares, in even lots of 50 shares.

The Company and the Principal Shareholder, in consultation with the Managers, reserve the right to extend the application period. Such extension will be announced through a press release prior to expiry of the application period.

Application via SEB

Applicants applying to acquire shares with SEB must have a securities depositary account or investment savings account with SEB. Applicants who do not have a securities depositary account or investment savings account with SEB must open such an account prior to submitting the application to acquire shares. Note that it may take some time to open a securities depositary account or an investment savings account. In connection with the acquisition of shares that are to be registered in an investment savings account, payment must always be made using the funds available on the investment savings account.

The balance on the securities depositary account or investment savings account with SEB stated on the application form must, for the period from 00:00 CET on 10 May 2017 until 23:59 CET on 15 May 2017, correspond to at least the amount referred to in the application based on the highest price in the price range. To ensure that the necessary amount is available, the funds must be deposited in the stated securities depository account or investment savings account no later than on 9 May 2017. This means that the holder undertakes to keep the amount available in the stated securities depository account or stated investment savings account during the aforementioned period and that the holder is aware that no allotment of shares will take place if the amount is insufficient during this period. Note that the amount may not be withdrawn during the stated period of time. As soon as possible after allotment has taken place, the funds will be freely available for those who do not receive allotment. Funds which are not available will give the right to interest during the specified period, in accordance with the terms and conditions of the securities depositary account or investment savings account specified in the application.

For participation in the Offering via SEB, the application for acquisition of shares shall be made via SEB's internet bank with a so-called Digipass, BankID or Mobilt BankID (further instructions are available on SEB's website, www.seb.se). Applications through SEB's internet bank must have been received by SEB no later than 23.59 CET on 9 May 2017.

Application via Nordnet

Nordnet securities account customers and internet customers shall apply via Nordnet's internet service. Instructions are available on nordnet.se/instalco. Applications via Nordnet's internet service can be made from 2 May 2017 until 9 May 2017 at 23:59 CET.

[1] The offer to the general public in Sweden refers to the offer of shares to private individuals and legal entities who subscribe for not more than 20,000 shares.
[2] The institutional offer refers to private individuals and legal entities who subscribe for more than 20,000 shares.

THE OFFERING TO INSTITUTIONAL INVESTORS

Institutional investors in Sweden and abroad are invited to participate through book-building procedure during the period 2–10 May 2017. Applications from institutional investors in Sweden and abroad must be submitted to SEB or Carnegie (in accordance with special instructions).

The Principal Shareholder, the Company and the Managers reserves the right to shorten and extend the application period in the Offering to institutional investors in Sweden and abroad. Such potential change of the application period will be announced through a press release on the Company's website (www.instalco.se). Should the application period be shortened or extended, the announcement of the outcome of the Offering, the first day of trading as well as the date for allotment and payment may be adjusted accordingly.

ALLOTMENT

Decision on allotment of shares is made by the Principal Shareholder in consultation with the Company's board of directors and the Managers, whereby the goal will be to achieve a strong institutional ownership base and a broad distribution of the shares among the general public in order to facilitate a regular and liquid trading in Instalco's shares on Nasdaq Stockholm. The allotment does not depend on when during the application period the application is submitted. Only one application per person will be considered.

ALLOTMENT TO THE GENERAL PUBLIC IN SWEDEN

In the event of oversubscription, allotment may take place with a lower number of shares than the application concerns, whereupon allotment wholly or partly may take place by random selection. Allotment to the persons receiving shares will occur, in the first place, so that a certain number of shares are allotted per application. In addition thereto, allotment takes place with a certain, same for all, percentage share of the excess number of shares that the application concerns and will only take place in even lots of 50 shares. Note that to qualify for allotment, the balance of the securities depositary account or investment savings account with SEB or Nordnet stated on the application form must correspond to at least the amount that the application states, based on the highest price in the price range.

ALLOTMENT TO INSTITUTIONAL INVESTORS

Decision on the allotment of shares within the terms of the Offering to institutional investors in Sweden and abroad will, as mentioned above, be made with the aim of achieving a strong institutional ownership base in Instalco. Allotment among institutions that have submitted expressions of interest will be made on a wholly discretionary basis. Cornerstone Investors are, however, guaranteed allotment in accordance with their respective commitments.

ALLOTMENT TO EMPLOYEES AND BOARD MEMBERS OF THE COMPANY AND EMPLOYEES OF THE MANAGERS AS WELL AS CUSTOMERS AND RELATED PARTIES

Employees and board members and of the Company and certain parties related to the Company and the Managers, as well as customers to the Managers, may be given special consideration in the allotment. Allotment may also be made to employees of the Managers, however without being given any priority. Allotment is in such an event made in accordance with the Swedish Securities Dealers Association's rules and the Swedish Financial Supervisory Authority's regulations. Allotment to employees and board members of the Company will not exceed shares to a value of a maximum of SEK 30,000 per person.

Information regarding allotment and payment

THE OFFERING TO THE GENERAL PUBLIC IN SWEDEN

Allotment is expected to take place on or about 11 May 2017. Shortly thereafter, a contract note will be sent to those who have received allotment in the Offering. Those who have not been allotted shares will not be notified.

Information regarding allotment through SEB

Information regarding allotment for those who have applied via SEB is expected to be provided from 09.00 CET on 11 May 2017 via telephone +468 639 27 50. To receive information regarding allotment, the following must be provided: name, personal identity number/corporate registration number and investment savings account or depositary account.

Information regarding allotment through Nordnet

Those who have applied through Nordnet's internet service will receive information regarding allotment by the number of shares alloted beeing booked for deduction of the funds from the security depositary, beeing is expected to take place around 09.00 CET on 11 May 2017.

Payment for shares allotted through SEB

Funds are expected to be deducted from the securities depositary account or investment savings account specified in the application on 15 May 2017.

For investment savings accounts with SEB, the following applies: If the application results in allotment, SEB will acquire an equivalent number of shares in the Offering for resale to the account holder for the Offering price.

Payment for shares allotted through Nordnet

For those who are depositary account customers with Nordnet, payment for the allotted shares will be deducted from the specified account no later than on the settlement day on 15 May 2017. Note that liquid funds for payment of the allotted shares must be available on the account from the last application day on 9 May 2017 up until the settlement day on 15 May 2017.

Insufficient or incorrect payment

If sufficient funds are not available on the securities depositary account or investment savings account on the settlement day, or if full payment is not made in due time, allotted shares may be allotted and transferred to another party. The party who initially received allotment of shares in the Offering may have to bear the difference, should the price in the event of such transfer be less than the Offering price.

THE OFFERING TO INSTITUTIONAL INVESTORS

Institutional investors are expected to receive notification of allotment in particular order on or about 11 May 2017, after which contract notes will be distributed. Full payment for allotted shares shall be paid in cash no later than on 15 May 2017. Note that if full payment is not made in due time, allotted shares may be allotted and transferred to another party. The party who initially received allotment of shares in the Offering may have to bear the difference, should the price in the event of such transfer be less than the Offering price.

Registration and recognition of allotted and paid-up shares

Registration with Euroclear of allotted and paid-up shares is expected to take place on or about 15 May 2017 for both institutional investors and the general public in Sweden, after which Euroclear will distribute a notice stating the number of shares in the Company that have been registered in the recipient's securities account. Notice to shareholders whose holdings are nominee-registered will be made in accordance with the procedures of the respective nominee.

Listing on Nasdaq Stockholm

The board of directors has applied for listing of the Company's shares on Nasdaq Stockholm. On 6 April 2017, the Nasdaq Stockholm listing committee resolved to admit the Company's shares to trading on Nasdaq Stockholm subject to certain conditions, including that the distribution requirement for the Company's shares is met no later than on the first day of trading.

Trading is expected to begin on or about 11 May 2017. Paid-up shares will, after the Managers' handling of the application, be transferred to the securities account, investment savings account or securities depositary account designated by the acquirer. The time required for the transfer of payment and the transfer of paid-up shares to such acquirer means that he or she will not have such shares available on the specified securities account, investment savings account or securities depositary account until on or about 15 May 2017.

In cases where shares are not available on the acquirer's securities account, investment savings account or securities depository account until on or about 15 May 2017, this may mean that the acquirer is unable sell these shares on Nasdaq Stockholm from and including the date on which trading in the Company's shares begin, i.e. on or about 11 May 2017, but only when the acquired shares are available on the securities account, investment savings account or securities depository account. Further, trading will begin before the terms and conditions of the Offering have been met. Trading will be conditional hereof and if the Offering is not completed, any delivered shares shall be returned and any payment shall be rescinded. Trading taking place on 11 May 2017 is expected to be delivered and settled on 15 May 2017.

Stabilisation

In connection with the Offering, the Managers may carry out transactions on Nasdaq Stockholm that stabilise the market price of the shares or maintains the price at a level that deviates from what would otherwise prevail on the market. Refer to section "Legal considerations and supplementary information – Stabilisation".

Rights to dividends

The shares carry a right to dividends for the first time on the record date for dividends that occurs immediately after the completion of the Offering. Any dividend is paid following a resolution by the general meeting. This is administered by Euroclear or, for nominee-registered holdings, in accordance with the procedures of the respective nominee. The right to dividends incurs to persons registered as owners in the share register kept by Euroclear on the record date set by the general meeting or by the board of directors with authorisation from the general meeting. As regards deduction of Swedish withholding tax, please refer to section "Tax considerations in Sweden". Please also refer to sections "Financial targets and dividend policy" (under "Business description") and "Dividend policy" (under "Share capital and ownership structure").

Terms and conditions for completion of the offering

The Offering is conditional upon that Instalco, the Principal Shareholder and the Managers enter into a placing agreement (the "Placing Agreement"), which is expected to take place on or about 10 May 2017, that certain terms and conditions in the Placing Agreement are met and that the Placing Agreement is not terminated. For further information regarding the terms and conditions for completion of the Offering and the aforementioned Placing Agreement, please refer to section "Legal considerations and supplementary information" (under "Agreement regarding placing of shares").

Other information

The fact that SEB and Carnegie are Managers does not imply that they consider an applicant for shares in the Offering (the acquirer") as a customer of either bank. In respect of the investment, the acquirer is regarded as a customer of either bank only if the bank has advised the acquirer regarding the investment or otherwise has contacted the acquirer individually regarding the investment or if the acquirer has applied via the respective bank's office or internet bank. Since the banks do not regard the acquirer to be a customer in respect of the investment, the investor protection rules in the Securities Market Act (Sw. lagen (2007:528) om värdepappersmarknaden) will not apply to the investment. This means, inter alia, that neither customer categorisation nor so-called suitability assessment will take place with respect to the investment. The acquirer is thus personally responsible for possessing sufficient experience to understand the risks associated with the investment.

Information regarding processing of personal information

Anyone acquiring shares in the Offering will submit information to SEB, Carnegie and Nordnet. Personal information submitted to SEB, Carnegie and Nordnet will be processed in data systems to the extent required to provide services and administer customer arrangements. Also personal information obtained from sources other than the customer in question may be processed. The personal information may moreover be processed in computer systems of companies or organisations with which SEB, Carnegie or Nordnet cooperate. Information on processing of personal information can be obtained from SEB's and Carnegie's offices, and from Nordnet's customer services which also accepts requests for the correction of personal information. Address details may be obtained by SEB and Carnegie through an automatic process executed by Euroclear.

Market overview

This Prospectus contains certain information about the market and the industry in which the Group conducts its operations, and its position relative to its competitors, which may be based on third-party information as well as the Company's estimates based on third-party information. The Company has correctly reproduced such third-party information and, as far as the Company's board of directors is aware and can ensure from a comparison with other information that has been published from the third party from which the information has been gathered, no information has been omitted in such a manner as to render the presented information incorrect or misleading. Nevertheless, the Company has not independently verified the completeness and correctness of any third party information and the Company can therefore not guarantee its correctness or completeness.

The installation and service market

Instalco operates in the installation and service markets in Sweden, Norway and Finland, with most of the operations being located in Sweden and Norway. Companies operating on this market primarily perform technical installation and service within the areas of electrical, heating and plumbing systems, as well as ventilation and cooling systems.

- *Electrical installations* involve the design, project planning, fitting, service and regular maintenance of electrical systems in properties. Technical areas for electrical installations include, for example, low voltage, high voltage facilities, alarm and surveillance systems, as well as energy optimisation.
- Technical areas *within heating and plumbing* include, for example, pipe and heating systems, plumbing replacement and district heating.
- *Ventilation and cooling systems* involve, for example, installation, maintenance, air treatment, air-conditioning and climate control, often with a strong focus on energy efficiency. Technical areas within ventilation and cooling systems include indoor ventilation, cooling systems, heating pumps and kitchen installations among other areas.

Customers in the market are to be found within both the construction sector and industrial sector. Within the construction sector, there is demand for installation services in connection with the construction of, e.g. housing, public buildings (hospitals, schools and administration buildings), infrastructure, as well as offices and retail. Within the industrial sector, there is demand for installation services in connection with, for example process electronics and industrial piping. Customers within the industrial sector mainly operate within the paper and pulp industry, the steel and mining industry, heating plants, nuclear power, power grids, district heating, as well as logistics and research.

The services within the installation and service market can be divided into three main types: services within new *construction, maintenance and renovation.*

- *New construction services* include installation of technical systems in connection with the construction of new properties. Demand for these services is affected primarily by new construction, which is driven by macroeconomic factors such as GDP growth, demographic changes, urbanisation, interest rates, property prices and the vacancy rates in properties.
- *Maintenance services* include maintenance work on technical systems in properties. The maintenance work is primarily aimed at extending the life of property installations. According to the Company, demand for maintenance services has historically demonstrated that customers usually prioritise maintenance over new construction during periods of less favourable macroeconomic conditions, with the aim of extending the technical life of installations.
- *Renovation services* include the installation and service of technical systems in connection with reconstructions and other renovations. Reconstructions and renovations are driven primarily by the age and standard of the property portfolio and are less affected by macroeconomic changes than the new construction. Renovation costs normally constitute a part of the customers' regular operating costs, and consequently renovation is less affected by any cutbacks in the customers' expenditures and leads to stable demand for this type of service.

The market's value chain

The value chain for the installation and service market can be illustrated by the diagram below. Installation companies, including Instalco and its competitors, are situated in the middle of the value chain and deliver installation services within several disciplines and service areas in conjunction with new construction, maintenance or renovation. Customers may be end customers (typically owners or operational managers of properties), or a building contractor, which in turn has the end customer as its client. The delivery of services to building contractors (usually construction companies) is most common within new construction services. Installation companies' suppliers comprise manufacturers and wholesalers of the products used in conjunction with installation. The majority of these products are delivered from the manufacturers via wholesalers, which carry out large-scale purchases of these products and offer installation companies a wide range of electrical, heating, ventilation and other installation components.

THE MARKET'S VALUE CHAIN AND EXAMPLES OF PARTNERS

Examples of parties

Customers and types of business

CUSTOMERS

The customer base for the installation and service market is fragmented and comprises a large number of customers within different customer groups. Instalco's customers include construction companies, property companies, public sector bodies and industrial companies. As a consequence of the high level of fragmentation among customers on the market each individual customer often represents a small part of the provider's revenues, particularly where larger providers are concerned. The need for Instalco's services varies between the different customer groups, a factor which stabilises demand over a business cycle. During periods of less favourable macroeconomic conditions, public sector investments often increase, while investments from construction and industrial companies tend to diminish during periods of slow economic growth and increase during periods of strong economic growth.

BUSINESS FORMS

The technical installation and service market is primarily project-based and the way in which project procurement takes place, the allocation of areas of responsibility between the different parties in the project, the type of contract used, and the compensation structures, can vary significantly between different projects. Examples of commonly occurring forms of business on the market are provided below.

Procurement forms

The contract award process on the technical installation and service market varies depending on customer and type of project. Contracts are normally awarded through one of the following four methods:

- **Public procurement**: Tendering which is governed by the Public Procurement Act (Sw. *LOU*) in which the State, a county council or a municipality is the customer.
- **General tendering:** The customer distributes an invitation to tender which is answered and priced by the contractor. There is the possibility to propose one's own technical solutions and choice of materials.
- **Negotiated procurement:** A customer and a preselected contractor negotiate an agreement regarding the scope and price for the contract work at an early stage in the project.
- **Direct framework agreement procurement:** Framework agreements are executed annually with one or more installation companies. Orders are then placed regularly within the scope of the agreement.

Contract forms

There are several types of contracts, of which *total contracts and performance contracts* are the most common. Simply put, total contracts mean that installation companies have a specific functional responsibility and plan the construction in detail. In the case of complex construction projects where the customer possesses specialist expertise, performance contracts are often used whereby the customer plans the construction in detail and the contractor carries out installations based on prepared documents. Examples of construction types where such complex projects are often involved include hospitals, heavy industry and infrastructure.

Collaboration formats

Collaboration formats are aimed at describing the allocation of responsibilities and format for collaboration between installation companies and other service providers, building contractors and the end customer. There are several different types of collaboration formats, for example coordinated performance projects, shared construction projects and partnering. Simply put, partnering means that the customer usually coordinates the construction project and that the installation companies and the customer together set a target budget, develop technical solutions and work together throughout the project. Partnering constitutes an important collaboration format for Instalco since the Company endeavours to work on this collaboration format basis in the case of large projects.

Compensation structures

The most common compensation structures in the case of installation and service are fixed price, per unit price, and time and materials invoicing. 'Fixed price' means that installation companies receive a set, fixed price payment for the entire project; per unit price means that the different parts of the project are priced in advance and then ordered subsequently; and time and materials invoicing means that installation companies receive payment regularly in respect of time expended and for materials.

PROJECT STRUCTURE

The technical installation and service market is largely project-based. Projects have different general characteristics, depending primarily on the size of the property or the construction involved. Presented below is a brief description of a project's general characteristics based on its size. The breakdown by size is based on Instalco's internal methods for monitoring different projects.

- **Large projects** (revenue in excess of SEK 75 million) include, for example, large arenas, shopping malls and infrastructure projects such as tunnels and airports. There is usually intense competition for these projects. The customers are professionals who are accustomed to awarding contracts and, due to the intense competition between providers of installation services, the price is often an important factor when awarding the contract. Due to the long period, complexity and scale of the work, it is generally difficult to estimate the scope of the work at the start of the project. Consequently, Instalco makes the assessment that the risk of the work spent on a project exceeding the initial estimate is greater than in the case of smaller projects.
- **Mid-size projects** (revenue of between SEK 1 to 75 million) include, for example, residential properties, commercial properties, industrial premises and offices. In Instalco's experience, competition for these projects is less intense than in the case of large projects and the competition factors for winning a contract comprise the quality of the work, long-term customer relations, local presence and short lead times, rather than price. Due to the smaller scale of the project, Instalco makes the assessment that mid-size projects carry a smaller risk than large projects.
- **Small projects** (revenue of less than SEK 1 million) include, for example, private homes and small commercial premises. Small projects carry a low project risk but, at the same time, a low earning potential for installation companies. Due to the fragmented market with a large number of small, local companies with sufficient skills for, e.g., a private home, competition for small projects is in line with that for mid-size projects, despite the lower earnings potential of smaller projects. Instalco believes that competition factors among installation companies mainly comprise local presence and previous relations with the customers.

Instalco focuses primarily on mid-size projects, which Instalco considers to provide an optimal combination of size and project risk for the Company. Furthermore, Instalco makes the assessment that, thanks to its broad service offering and strong local relations in important geographic areas such as major cities, the Company enjoys competitive advantages in conjunction with the awarding of contracts for mid-size projects. Instalco's project portfolio also includes large projects, but the Company's work in that segment is highly selective and the Company endeavours to involve itself in large projects with partnering as a collaboration format.

Competition structure

COMPETITION AND MARKET FRAGMENTATION

The installation and service market is extremely fragmented and primarily comprises a large number of small companies operating on a limited geographic market within a single technical area (electricity, heating and plumbing, ventilation or cooling). According to the Company's assessment, only a small number of companies, for example Instalco, possess sufficient resources, expertise and size to be able to offer services in several locations and within several technical areas. On each local market, Instalco usually encounters competition from certain other larger companies as well as small, local providers. Larger companies include Bravida, Assemblin, Caverion and Gunnar Karlsen (GK).

In 2015, there were more than 25,000 providers on the installation and service market in Sweden and Norway[1]. Instalco makes the assessment that approximately 90 percent of these companies are small with fewer than 10 employees, and that the majority of them focus on one technical area. The fragmented market has entailed possibilities for larger companies to consolidate the market, a trend which is also being driven by increased demand from customers to work with companies able to provide a complete service offering. The consolidation trend has also been strengthened due to increased economies of scale; see further under "Barriers to entry". Instalco believes that the consolidation trend will continue and aims to continue to be a leading player in this consolidation.

BARRIERS TO ENTRY

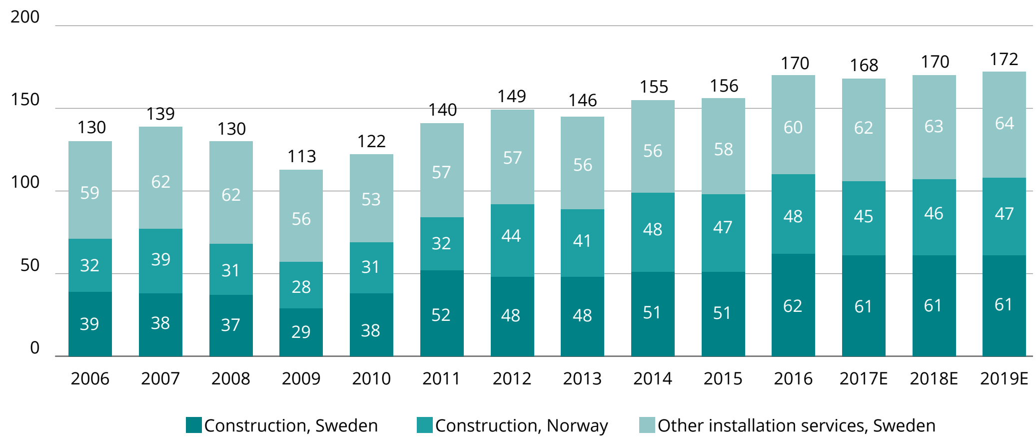
A number of factors within the installation and service market result in barriers to entry for new players on the market. Examples of such factors are described below.

- **Economies of scale.** Larger providers of installation and service, such as Instalco, possess significant economies of scale advantages, which Instalco assesses will increase going forward. Cost efficiency as regards, for example, purchasing of input goods, improved possibilities for sharing knowledge and resources between different units and an improved ability to manage increased documentation requirements constitute examples of the advantages enjoyed by larger companies on the market. In addition, in the eyes of customers, greater financial resources and greater stability contribute to increased reliability to be able to complete larger and mid-size projects, which also favours large companies on the market.
- **Demand for a broader range of services.** Instalco is experiencing an increased demand for a broader range of services, since this serves to enhance efficiency in the customers' purchasing process and contributes to increased certainty of supply. Development of the organisation required to provide a range of services within several technical areas is costly and time-consuming, which benefits existing companies on the market.
- **Increased authorisation requirements.** The installation market in Sweden and Norway, particularly electrical installations, has exacting demands as regards authorisation and certification. Installation companies must usually have fitters who are certified locally, which is also often demanded by customers – and cooperation with other service providers and building contractors is usually enhanced if fitters are familiar with the local norms applicable when installing electrical systems in a property. Certification and knowledge of local norms make it difficult for foreign companies to establish themselves on the installation market in Sweden and Norway.
- **Need for strong local relations.** Strong local knowledge and local relations are important factors on the installation and service market. This is reflected in, among other things, the fact that the majority of customers are recurring customers and that previous experience of a provider is therefore important. This makes it difficult for new companies to develop strong local relations.

The market's size and growth

According to Industrifakta, in 2016 the installation and service market in Sweden and Norway was worth SEK 170 billion. Since 2006, the market has grown from SEK 130 billion (prices in 2016), corresponding to an increase of 2.7percent annually. The growth was 8.9 percent during 2016. Between 2016 and 2019, the total market in Sweden and Norway is expected to remain at a high level with an average annual growth rate of 0.4 percent. According to Industrifakta, the market is being driven by strong underlying drivers, such as urbanisation, increased employment and low interest rates that contribute to strong demand. At the same time there are factors that counteract such as labour shortages within the building sector, lock-in effects on the housing market and signals of slowdown in prices on the Swedish housing market which in turn slows down new development. The Nordic countries are also affected by exogenous factors, such as an uncertain recovery for the European economy. The Norwegian market in particular is considered to be affected by a restrained macroeconomic recovery, driven primarily by the oil industry and a low oil price, which has a negative impact on investments and large parts of the economy. On the other hand, Instalco believes that the Norwegian installation market is positively affected by low interest rates and a growing population in the Oslo region.

THE TECHNICAL INSTALLATION AND SERVICE MARKET IN SWEDEN AND NORWAY (PRICES IN 2016)



	CAGR ('06-16)	CAGR ('16-19E)
Construction Sweden	4.6%	(0.6%)
Construction Norway	4.2%	(0.8%)
Other installation services Sweden	0.3%	2.2%
Total	**2.7%**	**0.4%**

Source: Industrifakta

The Norwegian market is expected to decrease somewhat by 0.4 percent annually between 2016 and 2019, compared to the Swedish market, which is expected to grow by 0.8 percent annually.

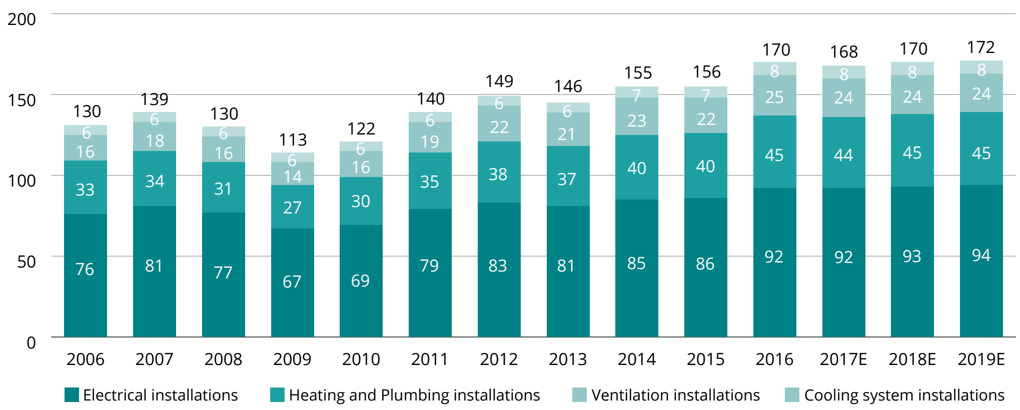
The technical installation and service market can be divided into the following service areas: electrical installations, heating and plumbing installations, as well as ventilation installations and cooling installations. Electrical installations constitute the largest service area, accounting for more than one-half of the total market. Electrical installations are also expected to grow most in absolute terms in the coming years, driven primarily by increased complexity in buildings, which results in more complex, extensive and time-consuming electrical installations. Presented below is the development of the market in Sweden and Norway, broken down by service area.

THE MARKET IN SWEDEN

The Swedish market for electrical installations, heating and plumbing installations as well as ventilation installations and cooling system installations has historically grown at an average annual rate (CAGR) of

[1] Source: Orbis

THE INSTALLATION AND SERVICE MARKET IN SWEDEN AND NORWAY, BROKEN DOWN BY SERVICE AREA (PRICES IN 2016)



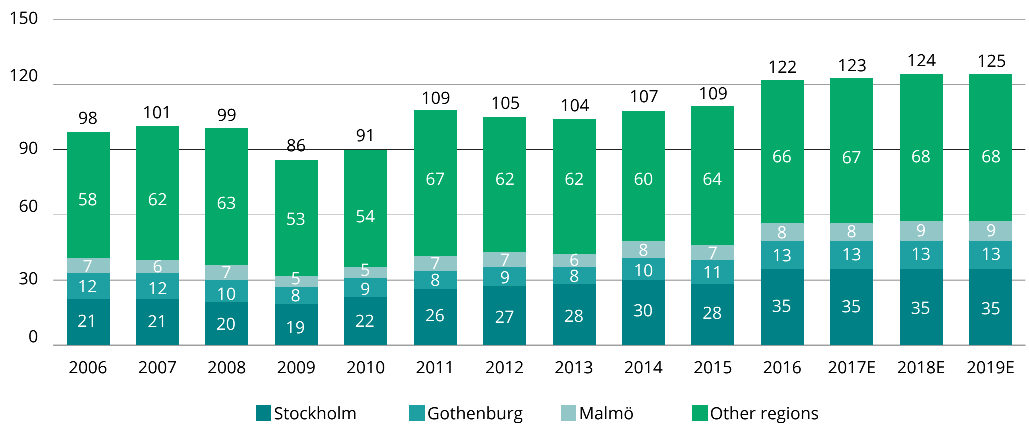
	CAGR ('06-16)	CAGR ('16-19E)
Electrical installations	2.0%	(0.7%)
Heating- and Plumbing installations	3.3%	(0.2%)
Ventilation installations	4.5%	(0.6%)
Cooling system installations	3.1%	3.3%
Total	**2.7%**	**0.4%**

Source: Industrifakta

Note: Data for cooling installations in Norway is missing. CAGR relates to average annual growth rate.

2.2 percent during the period 2006-2016. Growth during 2016 was 11.5 percent. Growth between 2016 and 2019 is expected to be 0.8 percent annually. In part this is driven by a growing and ageing population, by increased migration to the metropolitan areas, rising employment and low interest rates. At the same time, factors such as labor shortages, lock-in effects on the housing market and subdued price developments in the housing market may slow down the development. Presented below is a graph showing the market trend in each of the metropolitan regions. Stockholm has historically grown much more rapidly than other regions in the country. Furthermore, there is a major need for technical and aesthetic renovation in many of the residential areas constructed between 1961 and 1975, which may make it a necessity to carry out more extensive conversion measures, instead of regular maintenance. Read more under "Trends and drivers".

SWEDISH MARKET GROWTH BY REGION (PRICES IN 2016)



	CAGR ('06-16)	CAGR ('16-19E)
Stockholm	5.3%	(0.2%)
Gothenburg	0.9%	1.0%
Malmö	1.0%	2.3%
Other regions	1.3%	1.2%
Total	**2.2%**	**0.8%**

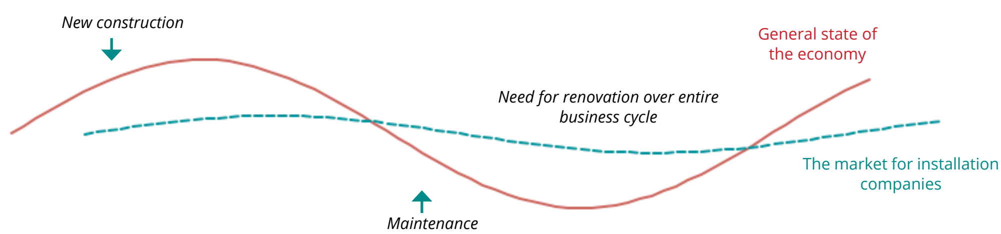
Source: Industrifakta

[1] CAGR relates to average annual growth rate.

IMPACT OF THE STATE OF THE ECONOMY

Compared to the construction sector business cycle in general, the technical installation and service market is relatively less affected by general economic trends and a provider's project portfolio is characterised by a high level of visibility in terms of future projects. A large portion of revenues are derived from recurring assignments and larger companies usually have a low level of dependence on individual customers and contracts. Installation services are often contracted early in a project's development phase but performed late in the project, which provides a sound overview and the possibility to plan the work in ample time. The work that Instalco is to perform is often planned and contracted up to 12-18 months in advance, which provides a high level of visibility and the possibility to adapt the cost base to demand. Presented below is an illustrative diagram showing market fluctuations on the installation and service market compared to the general state of the economy.

ILLUSTRATIVE DIAGRAM



Trends and drivers

Future potential within the installation and service market is influenced by a number of trends and drivers. These include, for example, urbanisation and housing shortages, increased energy use regulation, an ageing property portfolio, and increased complexity in buildings.

MACROECONOMIC CONDITIONS

In addition to specific trends and drivers for the technical installation and service market as described in detail below, the market is affected by macroeconomic factors such as GDP growth. Compared to the rest of Europe, Sweden and Norway have historically shown strong GDP growth – a trend which is expected to continue. GDP growth in the Nordic countries benefits from, for example, strong public finances and low unemployment. The table below shows the historic and forecast GDP growth for Sweden and Norway, and for the EU as a whole.

GDP growth	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016F	2017F	2018F	'06-15 (average)	'16-18E (average)
Sweden	4.7 %	3.4 %	-0.6 %	-5.2 %	6.0 %	2.7 %	-0.3 %	1.2 %	2.3 %	4.2 %	3.6 %	2.6 %	2.2 %	**1.8 %**	**2.8 %**
Norway	2.4 %	2.9 %	0.4 %	-1.6 %	0.6 %	1.0 %	2.7 %	1.0 %	2.2 %	1.6 %	0.8 %	1.2 %	1.8 %	**1.3 %**	**1.3 %**
EU	3.6 %	3.3 %	0.6 %	-4.3 %	2.1 %	1.7 %	-0.4 %	0.3 %	1.6 %	2.3 %	1.9 %	1.7 %	1.8 %	**1.1 %**	**1.8 %**

Source: International Monetary Fund ("IMF").

URBANISATION AND HOUSING SHORTAGES

Sweden is currently one of the countries with the fastest growing population in Europe. During 2016, Sweden's population is expected to exceed 10 million, and by 2025 the population is expected to be 11 million, according to the National Institute of Economic Research's report "Konjunkturläget, December 2015". The population growth is creating new demographic patterns which will affect the property market in the short and long-term, in the form of increased expansion of residential properties and infrastructure that already today is in a state of neglect. The urbanisation that is currently taking place is expected to accelerate with the population growth. More than one-half of Sweden's total population currently lives in the three metropolitan regions – Stockholm County, Western Götaland and Region Skåne – and in the coming years these three regions are expected to absorb more than one half of the country's expected growth[1].

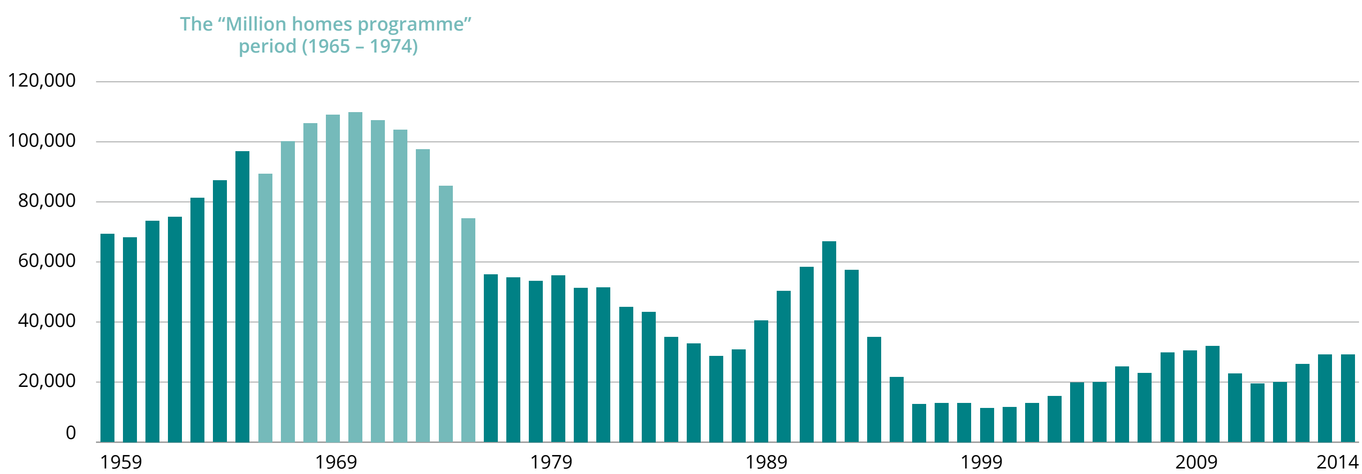
Norway is showing a similar trend and, for a number of years, Oslo has been one of the fastest-growing cities in Europe. According to Statistics Norway, Norway's population is expected to increase from 5.2 million in 2016 to 6.3 million in 2040, an increase of 21 percent. Oslo is expected to be the driver behind this increase and its population is expected to increase by 30 percent during the same period.

Population growth and urbanisation will create major demands for new construction as well as renovation and reconstruction, in order to make better use of the existing property portfolio. The need for more housing and social properties such as schools, preschools and hospitals will increase as the population increases and the population structure changes with increased immigration and increased average lifespan. According to statistics from the National Board of Housing, Building and Planning from 2016, there is a housing shortage in 240 out of the 290 municipalities in Sweden and, in February 2016, the National Board of Housing Building and Planning announced that Sweden needs to build 70,000 homes per year over 10 years, equivalent in total to 700,000 new homes. As of the date of this Prospectus, there is cross-party political support for increasing housing construction in Sweden.

AGEING PROPERTY PORTFOLIO

Approximately 25% of the Swedish housing portfolio was constructed towards the end of the 1960s and at the beginning of the 1970s, the period designated as the "million homes programme" (see graph below showing residential production per year in Sweden). These buildings are currently considered to be in need of renovation and technical refurbishment as well as modernisation in order to meet society's more exacting standards in terms of, for example energy use, water use and ventilation.

DEVELOPMENT OF THE NUMBER OF PRODUCED DWELLINGS PER YEAR IN SWEDEN (1959-2014)



Source: SCB

[1] Sweden's record high population growth and property markets in the metropolitan regions, report by the Swedish Property Federation, January 2016.

Over an extended period of time, Sweden and Norway have demonstrated low total investments in construction relative to the size of their economies. The table below shows total building expenditures relative to GDP in Sweden and Norway, as well as for the UK, Spain and the total for Western Europe, which are shown for comparison.

Total building expenditures relative to GDP 1994-2015 (average, %)

Sweden	2.1 %
Norway	3.9 %
For comparison:	
UK	4.9 %
Spain	13.7 %
Western Europe	5.1 %

Source: Euroconstruct.

Instalco makes the assessment that demand for renovations, electrical installations and environmental refurbishment will increase as a consequence of both political decisions concerning the refurbishment of the property portfolio as well as renovation initiatives taken by property owners. For example, as part of the government budget for both 2016 and 2017, the Swedish parliament has decided on a housing policy package of SEK 1 billion per year for renovation and energy efficiency improvements in rental housing in socio-economically deprived areas (the government's proposal states that the same budget is expected for each of the years 2018-2020). This development is expected to be positively affected by the fact that a number of private companies have established themselves on the property market in recent decades.

EXTENSIVE INVESTMENTS IN INFRASTRUCTURE

Over the course of several years, infrastructure in Sweden and Norway have been neglected as a consequence of low historical investments. Just as with construction, infrastructure investments as a share of GDP have declined in recent decades and are at a low level as compared to other developed countries. As a result, several large-scale investments will be required, as has been noted in a report from the Swedish Transport Administration, which describes an infrastructure plan up to and including 2025 involving investment plans in excess of SEK 600 billion. Similar plans are in place in Norway, where the transport and communication authority has presented an investment plan in excess of NOK 500 billion up to and including 2023. These investments are expected to contribute positively to the general construction climate in Sweden and Norway and be an important driver for the installation market.

INCREASED FOCUS ON LOWER ENERGY CONSUMPTION

Owners of both newly built as well as existing properties are currently placing increasing focus on investing in energy-efficient installations. This is in order to achieve reduced energy costs for the property, which often represent a large share of the total operating costs, but also to satisfy the increasingly exacting demands from the market and consumers with regards to energy efficiency and sustainability.

For example, two EU directives have been adopted that serve primarily as legislative instruments aimed at reducing energy consumption in buildings, namely the "Energy Performance of Buildings Directive" from 2010 and the "Energy Efficiency Directive" from 2012. According to the Energy Performance of Buildings Directive, buildings account for 40 percent of the total energy consumption in the EU, and the Directive establishes a goal of achieving a 20 percent reduction in energy consumption in buildings by 2020, compared to the 2020 level as forecast in 2007.

These statutes and expressed targets are expected to lead to increased investments within important technologies aimed at increasing energy efficiency and which, in turn, will contribute to increased demand for skilled providers of installation services. Instalco makes the assessment that more investments within, for example, intelligent systems for lighting, heating and ventilation, geothermal heating, presence sensors and efficient heat recycling will contribute positively to growth on the installation market.

INCREASED COMPLEXITY IN BUILDINGS AND INSTALLATION SERVICES

Current new construction is characterised by intensive use of technical systems such as IT solutions, alarm and security systems, and systems for more efficient energy use. Technological development and innovations in housing have resulted in more complex installations. Complex installations impose demands on the service providers, as regards both high technical expertise but also for a very broad skills base and capacity to carry out installations and services of integrated systems. There is a trend towards more complex projects with greater need for planning prior to project start, and project management during the course of the project. This is expected to benefit the larger companies on the market since it is believed that the smaller companies will find it more difficult to meet the customers' demands for internal resources and know-how to carry out projects which combine several service areas and disciplines at a competitive price. Those providers of installation services who possess sufficient size and know-how within all installation disciplines, as well as resources and experience of previously having performed similar projects, thereby have a better starting position to assume full project responsibility in the case of larger orders. Due to the increased complexity of buildings, technical installations are also expected to become an increasingly important aspect of the building process and Instalco makes the assessment that installation services will increase as a portion of the total building cost, which is expected to contribute positively to development and growth on the installation market.

Business description

Instalco – an overview

Instalco considers itself to be a leading installation and service supplier for renovation and maintenance projects as well as new construction. The Group was formed on the initiative of its CEO, Per Sjöstrand, in February 2014 by a consolidation of five installation companies. Instalco's business concept is to be able, through cooperation between locally leading and highly specialised units, to offer competitive multi-disciplinary solutions, while the same time achieving coordination benefits. Since its formation the Group has demonstrated strong growth, driven primarily by acquisitions but also through organic growth. The positive effects of coordination have become visible through, for example, collaboration within multi-disciplinary projects and purchasing cooperation. Instalco's business is conducted in each unit in close relations with the customer and with the support of a small central organisation. The Group has a decentralised structure aimed at encouraging a strong entrepreneurial spirit. In line with this philosophy, the units retain their local identity and individual unit managers enjoy wide discretion and carry major responsibility for the Local unit's business generation and operation. Although the Group itself is relatively young, its units possess long experience of complex installations in various environments and within several disciplines.

In the 2016 financial year, Instalco had sales of SEK 2,407 million and an adjusted EBITA of SEK 156 million, corresponding to an adjusted EBITA[1] margin of 6.5 percent (see "Definitions of key figures not defined in accordance with IFRS" in the section "Selected financial information"). Instalco primarily operates within the mid-size segment of the installation market, which the Group defines as comprising projects valued at SEK 1-75 million.

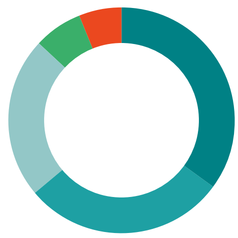
Instalco is operating in five disciplines: Heating and Plumbing, Electrical, Ventilation, Cooling and Industrial. A description of each area is presented below.

OVERVIEW SHOWING THE LOCATION OF INSTALCO'S UNITS AS WELL AS NET SALES PER SEGMENT, DISCIPLINE AND SERVICE TYPE

NET SALES PER SEGMENT (2016)[1]

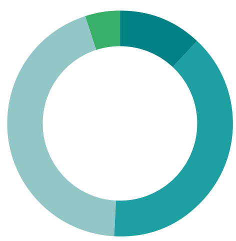
Sweden, 89%
Rest of Nordics, 11%

NET SALES PER DISCIPLINE (2016)



Heating & Plumbing, 35%
Electrical, 29% Ventilation, 23%
Cooling, 7% Industrial, 6%

NET SALES PER TYPE OF SERVICE (2016)



Service, 12% New construction, 44%
Renovation, 39% Other, 5%

Note: Estimate based on unaudited information derived from Instalco's Local units' internal reporting systems for the companies that were a part of the Group on 31 December, 2016.

[1] Derived from Instalco's audited consolidated financial statement per and for the financial year ending 31 December 2016.

[1] Adjusted for earnouts, acquisition costs, refinancing costs and listing costs.

HEATING AND PLUMBING
Heating and plumbing installations constitute the largest discipline within Instalco. Within Heating and Plumbing, Instalco offers a wide range of services, from installation of district heating to regular repairs, plumbing replacement and preventive maintenance, as well as new construction. The services are offered within commercial premises, public construction, housing, offices and retail trade, as well as industry and warehousing.

ELECTRICAL
Instalco carries out design, project planning, installation, service and regular maintenance of electrical installations. Services are offered within several industrial areas to commercial residential and infrastructure customers. Installation is carried out within both low voltage and high voltage systems. Instalco's electrical installation operations include technology and security, with a growing market for alarms, surveillance, data networks and control of technical equipment. Energy optimisation within integrated property automation, solar cells, charging points for electric cars and remote reading of buildings' energy consumption comprise other specialist areas within the discipline.

VENTILATION
Instalco's ventilation units plan, propose technical solutions and install ventilation solutions for air treatment, air-conditioning as well as indoor climate. Installations are carried out in a large number of types of buildings such as commercial properties, residential buildings, public buildings and also industrial buildings. Service and maintenance account for a large part of the business.

COOLING
Instalco offers a wide range of cooling and heating equipment in the form of comfort cooling, process cooling or retail cooling. Cooling installation customers are primarily retail chains, cold storage companies, industrial companies, industrial kitchens, breweries, hotels and property companies.

INDUSTRIAL
Industrial is currently focused on fitting industrial pipe systems, machinery installation and installation of cooling systems for industrial companies, municipal companies, county councils and administrative bodies. Cooling installations in this discipline include, for example, chimney gas purification facilities at power and heating plants.

Principal strengths and competitive advantages
Instalco believes that its operations have the following principal strengths and competitive advantages:

WELL-POSITIONED TO BENEFIT FROM UNDERLYING GROWTH FACTORS ON THE MARKET
Instalco operates on the Nordic installation market and the Group's core business thereby benefits from the structural growth factors that benefit the installation market, which include:

- strong macroeconomic climate with high potential for public sector investments;
- urbanisation and housing shortage;
- ageing property portfolio;
- prioritisation of infrastructure projects after many years of underinvestment in the Nordics;
- increased regulation of energy consumption; and
- increased complexity in buildings and installation services.

In addition, Instalco is positioned vis-à-vis metropolitan regions, which have a higher demographic rate of growth than the countries as a whole.

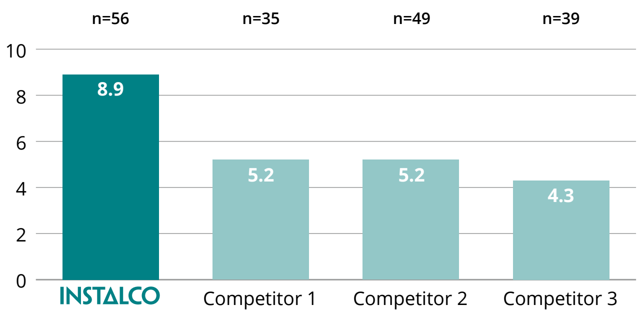
PRIMARY FOCUS ON THE ATTRACTIVE MID-SIZE PROJECT MARKET SEGMENT
Instalco focuses primarily on mid-size projects, where Instalco assesses that the margin and risk profile are attractive. The Group defines the segment as comprising projects valued at SEK 1-75 million and approximately 80 percent of Instalco's revenues are attributable to this segment. It is Instalco's experience that the quality of the work, long-term customer relationships and short lead times are more important competitive factors than price and that there is less competition for these projects than for larger projects.

Since mid-size projects are smaller in scale than large projects, Instalco believes that mid-size projects carry a smaller project risk than large projects.

STRONG LOCAL MARKET POSITIONS
A key aspect of Instalco's business model is to acquire and develop companies with strong positions on their respective local markets. Companies need not be the largest on their market, but the objective is that they shall be a leader within a specific technical area or within a specific method. The high degree of specialisation in individual units implies large potential to spread best practice between the units. In addition, a strong local reputation and local relations are important factors within the installation industry. Among other things, this is reflected in the fact that recurring customers account for a significant share of the Group's sales. Therefore, previous experience of a supplier is important for a customer.

Instalco's good customer relations and strong position on the installation market are reflected also in Instalco's customer surveys, the most recent of which was carried out in September 2016.[1]

CUSTOMER SURVEY: "HOW LIKELY IS IT THAT YOU WOULD RECOMMEND THE FOLLOWING COMPANY TO A FRIEND OR COLLEAGUE?"



Note: The respondents answered on a scale of 0-10, where 0 = "Not at all likely" and 10 = "Very likely".

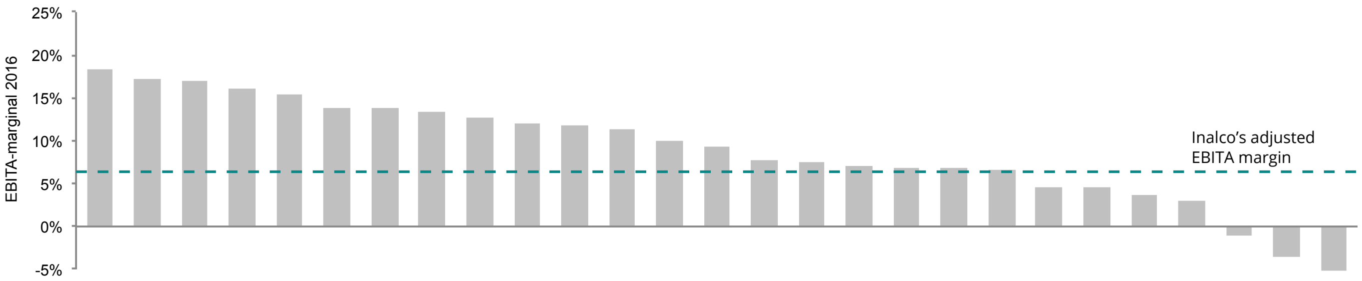
The result from the customer satisfaction survey shows, among other things, that a majority of those asked would recommend Instalco to a friend or a colleague, ahead of the competitors that were also represented in the survey.

Instalco believes that a strong market position and specialist expertise contribute to good profitability for Instalco's subsidiaries. During 2016, The Group had an adjusted EBITA margin of 6,5 percent, which Instalco regards as good profitability compared to other major players in the installation industry.

PROVEN PLATFORM FOR CONTINUED EXPANSION THROUGH ACQUISITIONS
The Nordic installation and service market is extremely fragmented with more than 25,000 suppliers in Sweden and Norway alone. Instalco believes that approximately 90 percent of the suppliers are small companies with fewer than 10 employees and that the majority

[1] The customer survey was carried out through telephone interviews and an online questionnaire. The respondents are customers of a selection of Instalco's Swedish subsidiaries and the survey results are based in total on 57 responses.

EBITA MARGIN PER INSTALCO UNIT (2016)



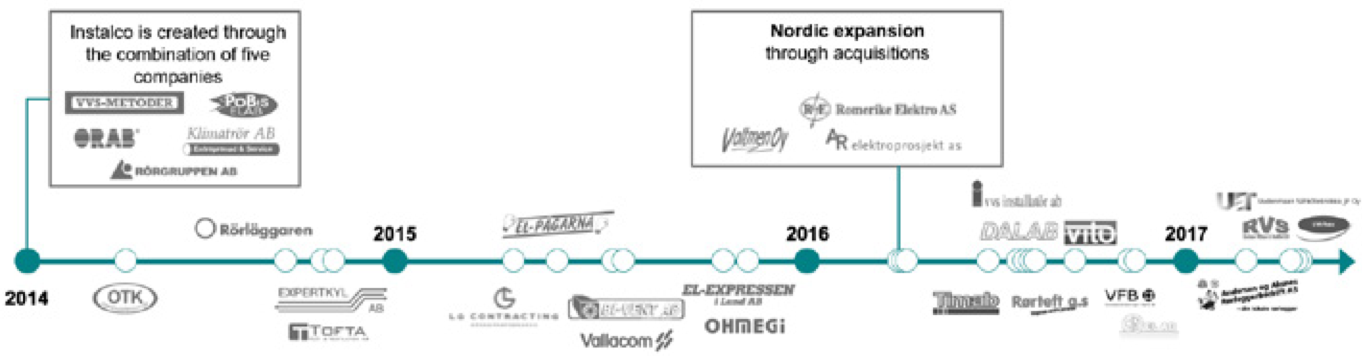
Note: Unaudited information taken from Instalco's internal reporting system for the companies included in the Group as of 31 December, 2012

of them focus on a single technical area. Accordingly, conditions are favourable for consolidation of the market. Instalco has successfully carried out a large number of acquisitions and considers itself to be a natural player in conjunction with continued consolidation.

The Group was formed by a consolidation of five companies in 2014 and, up to the end of February 2017, has acquired 25 Local units and carried out a minor bolt-on acquisition.

Instalco has a pronounced strategy of continuing to supplement the Group's organic growth with acquisition-driven growth and considers itself to have a strong offering to entrepreneurs who wish to sell their company. In Instalco's experience, the Group is often regarded as an attractive buyer since the entrepreneur has the possibility to see the company continue in operation as part of the Group. Through owners becoming partners in the Group in conjunction with a sale, they also

ACQUISITIONS DURING THE PERIOD (2014 – MARCH 2017)



share in the potential value that can be created through cooperation with other units within Instalco and through the synergies that exist within, for example, purchasing, finance, resource allocation and sharing of best practice. As of February 2017, Instalco had identified approximately 35 potential acquisition candidates whose businesses have been classified by Instalco as strategically suitable. Instalco has an objective to regularly engage in active dialogue with 5-10 acquisition candidates in order to ensure a regular flow of acquisitions.

Instalco's acquisitions have been carried out at attractive valuation multiples. The acquisitions of the 25 companies that have taken place since the Group was formed in February 2014, up to February 2017, have been carried out at an average volume-weighted EV/EBITA multiple of 4.2x[1] (without taking synergies into account).

STABLE EARNINGS WITH GOOD VISIBILITY

The Group considers the installation and service market to be relatively less cyclical than the business cycle of the general construction sector, and the market is also characterised by good visibility as regards future projects. In the case of large projects, the works to be performed by Instalco are normally planned and contracted up to 12-18 months in advance, which provides good visibility and the possibility to adapt the cost base to demand. For smaller projects, the period of time prior to performance is considerably shorter. In addition, Instalco believes that the Group's broad customer base, diversified end customer markets, extensive service offering and focus on the mid-size segment of the installation market contribute to further stability in revenues.

FINANCIAL PROFILE WITH STRONG HISTORIC GROWTH, HEALTHY MARGINS AND STRONG CASH FLOW

Between the years 2014 and 2016, Instalco has increased its sales by more than four times. Growth has been driven primarily by acquisitions, but the Group has also demonstrated strong organic growth. The organic growth was more than 20 percent during each of 2015 and 2016, driven by a strong market and increased corporation between the units. The Group's adjusted EBITA margin for 2016 was 6,5 percent, which the Group considers to represent good profitability compared to other major players in the installation industry.

In addition to strong growth and healthy margins, Instalco also has a strong cash flow driven by low capital expenditure requirements and a low level of tied up working capital. In line with the installation industry as a whole, Instalco is characterised by low capital expenditure requirements, which primarily relate to hand tools. The Group uses operational leasing of vehicles and rents offices. In 2016, the Group's capital expenditures amounted 0.2 percent of the Group's sales. Thanks to low inventory levels, Instalco also has a low level of tied up working capital. On 31 December 2016, Instalco's working capital amounted to 0.7 percent of the Group's sales. All in all, during 2016

[1] Based on the 25 acquisitions of local units as well as a minor bolt-on acquisition that will not form a Local Unit carried out since the formation of the Group in February 2014 and up to the end of March 2017 (excluding Inkon, which was formed by the Group in 2016). Enterprise value ("EV") is calculated on a cash and debt-free basis including adjustments for working capital and earnouts. EBITA is based on the most recent historical twelve-month period available on the date of each acquisition and is derived from the companies' internal reporting systems and thus has not been reviewed by auditors.

Instalco had a cash conversion of 180.0 percent.[1]

Vision, business concept and values

VISION

By 2020, Instalco shall be one of the leading installation companies in the Nordics within electrical, heating and plumbing, ventilation and cooling. The Group shall be a world-class player with a high level of technical expertise.

BUSINESS CONCEPT

Instalco's business concept is to offer end-to-end solutions within electrical, heating and plumbing and climate systems on the Nordic market by combining the local company's proximity to the customer with efficient cooperation and mature management.

VALUES

Instalco's values are based on innovative thinking, efficiency and cooperation.

- **Innovative thinking**
  - Simplify contacts and end-to-end solutions between technical areas
  - Focus on quality and sustainability
- **Efficiency**
  - Small organisation and efficient processes for each assignment
  - Endeavour to simplify the work every day, both internally and for our customers
- **Cooperation**
  - Work closely with the customers, internal cooperation and mature leadership
  - Employees demonstrate major commitment in the work and listen to, and learn from, each other

The Instalco Model

Instalco has a decentralised structure in the sense that the business is conducted at each unit in close relation to the customer and with the support of a small central organisation. The Instalco Model is structured to utilise the advantages of both a strong local footing and joint functions.

LOCAL MARKET LEADERS

Instalco's strategy is to achieve a strong position on the local market through a high degree of specialisation in a specific method or technology at the individual units. Instalco believes that it is thereby able to offer the customers competitive solutions, at the same time as Instalco's employees are offered interesting work in line with their skills.

Instalco believes that specialisation is a prerequisite for being able to deliver highly efficient, quality services, which in turn means that the Local units can have higher margins and/or operate at a lower cost.

DECENTRALISED CULTURE WITH STRONG LEADERSHIP

Instalco has a decentralised culture which both requires and motivates mature leadership. 'Mature leadership' means, among other things, the ability to understand the big picture over the separate parts; to promote collaboration between the units and to develop personnel, in order thereby to increase profitability in the entire Group. Companies acquired by Instalco retain their own brand, with the addition of "part of Instalco". The local brand often enjoys a strong position on the unit's local market and, at the same time, is a culture bearer in the Local unit.

MULTI-DISCIPLINARY SOLUTIONS AND CROSS-SELLING

A key aspect in the thinking behind Instalco is to offer each unit's customers a greater number of, and more advanced, services through cooperation between units. Thus, the allocation of responsibilities and the organisation in Instalco are adapted to promote the selling of multi-disciplinary projects where the Local unit, which possesses customer contacts, is responsible for selling, while each participating unit is responsible for the pricing and delivery of its services. Examples of such services may comprise multi-disciplinary solutions, technical solutions outside the unit's own specialist area, and solutions in other parts of the country.

COORDINATED PURCHASING

Instalco actively addresses purchasing. The Group makes the assessment that savings have been achieved during the years 2015-2016, for example by the inclusion of Local units in centrally negotiated purchasing agreements, and believes that going forward there will also be great potential to reduce the cost base by coordinating and standardising purchasing procedures at Instalco's units. Focus is placed on improving existing procurement processes and negotiating central framework agreements, in order to thereby benefit from larger scale purchases vis-à-vis suppliers. The Group also endeavours to have a standardised product range at local level.

Purchasing collaboration takes place insofar as it does not restrict the entrepreneurial freedom of choice at the Local units. For further information on purchasing, please see the section entitled "Coordinated purchasing process".

SKILL IN COORDINATING TECHNICAL DISCIPLINES

The ability to coordinate technical disciplines is central to being able to offer the customers end-to-end solutions. In Instalco's experience, demand for end-to-end solutions is increasing among the Group's customers and on the market in general. Project managers with skills in coordinating multi-disciplinary projects contribute to efficient resource utilisation within Instalco since the implementation of the project does not require the constant presence of a project manager for each technical discipline, and the customer has a single contact person during the project.

LIMITED CENTRAL COSTS

It is Instalco's ambition to operate an efficient and cost-aware organisation. An important aspect of this, and one which is closely tied to the belief in a decentralised organisation, is the aim of limiting the central organisation in both the parent company and the Local units. This is rendered possible thanks to strong local management and cooperation between the units. The central organisation comprises eleven employees. Costs for the central organisation correspond to just over one percent of the Group's total sales. Instalco has strengthened the Group's finance function in connection with the preparations pending an IPO. As Instalco grows, the central organisation and the Group's finance function will need to be strengthened further, but Instalco sees no reason why the structure currently in place would need to be changed significantly in the near future.

[1] Cash conversion is defined as adjusted EBITDA less net investments in, and sales of, tangible fixed assets and changes in working capital in relation to adjusted EBITDA.

THE INSTALCO MODEL

ALLOCATION OF RESPONSIBILITIES WITHIN INSTALCO

Local units

Instalco's decentralised structure endows the manager of each of the Group's Local units with considerable independent responsibility for customers and sales, with the aim of maintaining strong local relations, and responsibility for monitoring and execution of projects. Furthermore, each unit is responsible for maintaining a motivated and skilled workforce. Each Local unit also constitutes a separate profit centre and is monitored and evaluated regularly as regards earnings development.

Collaboration

By being a part of Instalco, each unit has the possibility to cooperate with other units. Examples of possible cooperation areas include up sales of multi-disciplinary projects and cross-selling, whereby the units can generate sales by collaborating on projects and through shared customers. The high degree of specialisation in individual units creates major potential for sharing best practice between units. Coordination for the deployment of areas such as cross-selling and up sales of multi-disciplinary projects takes place between Business Area Managers and the Local unit managers. Each Local unit manager is responsible for cross-selling vis-à-vis her or his customers and coordination between the unit managers takes place through weekly discussions presided over by Instalco's Business Area Managers. Each Local unit is well aware of the competence available at other Local units, particularly those that operate in the same region, and thus it becomes natural for them to recommend another Instalco unit in those cases where competences within such unit's know-how area are required in a project.

Employee development also takes place on a joint level through the Instalco Academy (see also the section entitled "Instalco Academy" below for further description). The units also have the possibility to second employees to each other in the event of resource shortages or surpluses in any unit, in order thereby to increase the Group's capacity utilisation.

The Group has established processes and forums in place for sharing knowledge between the units. Among other things, this takes place at bi-weekly meetings between unit managers. Cost control represents an example of an area where units have clearly improved after being acquired by Instalco. Joint initiatives are also carried out using IFOKUS (see the section entitled "IFOKUS" for further description).

Central organisation

Instalco's central organisation shall be limited to the functions requested by, and create value for, the Local units. Instalco's units currently benefit from joint functions within purchasing, business development, acquisitions and finance. Instalco has come a long way in its work of utilising purchasing volumes at the various units in order to achieve cost synergies by centrally negotiating contracts for, e.g. input goods and insurance coverage. Employees at the central organisation also serve as a sounding board and support for Local units within strategy planning, and are also responsible for the acquisition process. The joint finance organisation has also resulted in increased efficiency and formalisation of the finance function at the units.

Strategy

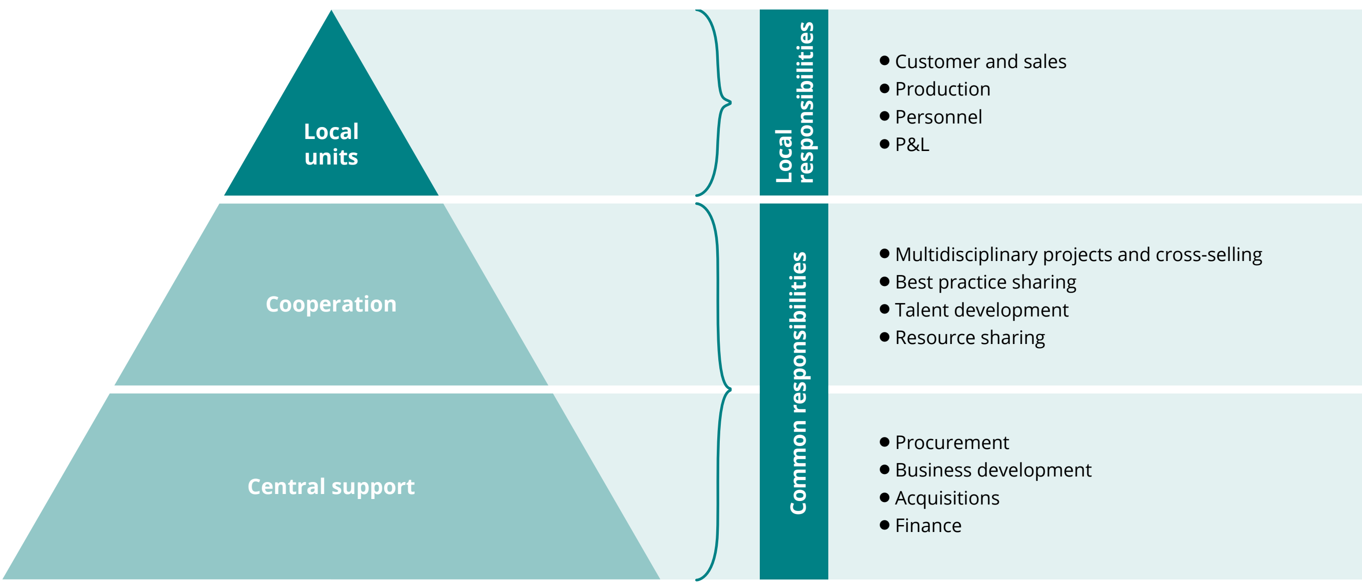
DEVELOPING LOCAL LEADERS

Instalco endeavours to maintain strong local market positions on those local markets where the Group conducts operations by attracting and retaining managers and personnel who are most competent on each local market. Managers shall apply a mature leadership approach and ensure that each Local unit is an attractive employer that offers its personnel possibilities for development and training.

IMPROVED EFFICIENCY IN THE GROUP'S PROCESSES

Instalco endeavours to continuously achieve efficiency improvements as regards the Group's processes and overhead costs, with particular focus on the Group's purchasing and production processes.

RESPONSIBILITIES WITHIN INSTALCO



TETRA PAK – THREE UNITS THAT TOGETHER SUPPLY INSTALCO'S SERVICES

In the autumn of 2015, Tetra Pak put out to tender a project aimed at increasing the capacity at one of its facilities. Thanks to a more than 10-year-long customer relationship between the customer and a Local unit, as well as Instalco's multi-disciplinary service offering, the Group won a contract entailing responsibility for the entire project, in which three different Instalco units within three of the Group's disciplines (Heating and Plumbing, Ventilation and Industrial) were involved. The heating and plumbing installations comprised waste water and tap water systems, as well as process, cooling and heating systems. Compressed air and argon systems were also being installed. Instalco also carried out installations for general ventilation and process ventilation. Finally, Instalco delivered and fitted condensation pipes and manufacturing and fitting steam arms.

One of the reasons for Instalco winning the Tetra Pak contract was that Instalco was able to offer all elements of the project. Through the various Instalco units working together, Instalco provided an efficient, customised solution. For Instalco's customers, the collaboration between the units had many advantages, for example the need to be in contact with only a single supplier throughout the project, shorter lead times, and the knowledge that a single supplier (with whom the customer is often already familiar) assumes full responsibility for the entire project. The Group believes that there is potential to gain other attractive contracts by providing integrated service offerings.

PROMOTION OF INTER-UNIT COLLABORATION

Instalco endeavours to achieve benefits through cooperation between the Group's units, for example by sharing best practice and resources and through cross-selling.

CONTINUED GROWTH THROUGH ACQUISITIONS

Instalco will continue to grow and strengthen its market positions through acquisitions, primarily focused on acquisitions in Sweden, Norway and Finland.

Financial targets and dividend policy[1]

GROWTH

Instalco's target is to achieve an adjusted EBITA of SEK 450 million not later than the end of 2019, corresponding to more than a doubling of adjusted EBITA for 2016. Average organic growth in sales shall be 5 percent over time.

PROFITABILITY

Instalco's target is to achieve an adjusted EBITA margin of 8.0 percent.

CAPITAL STRUCTURE

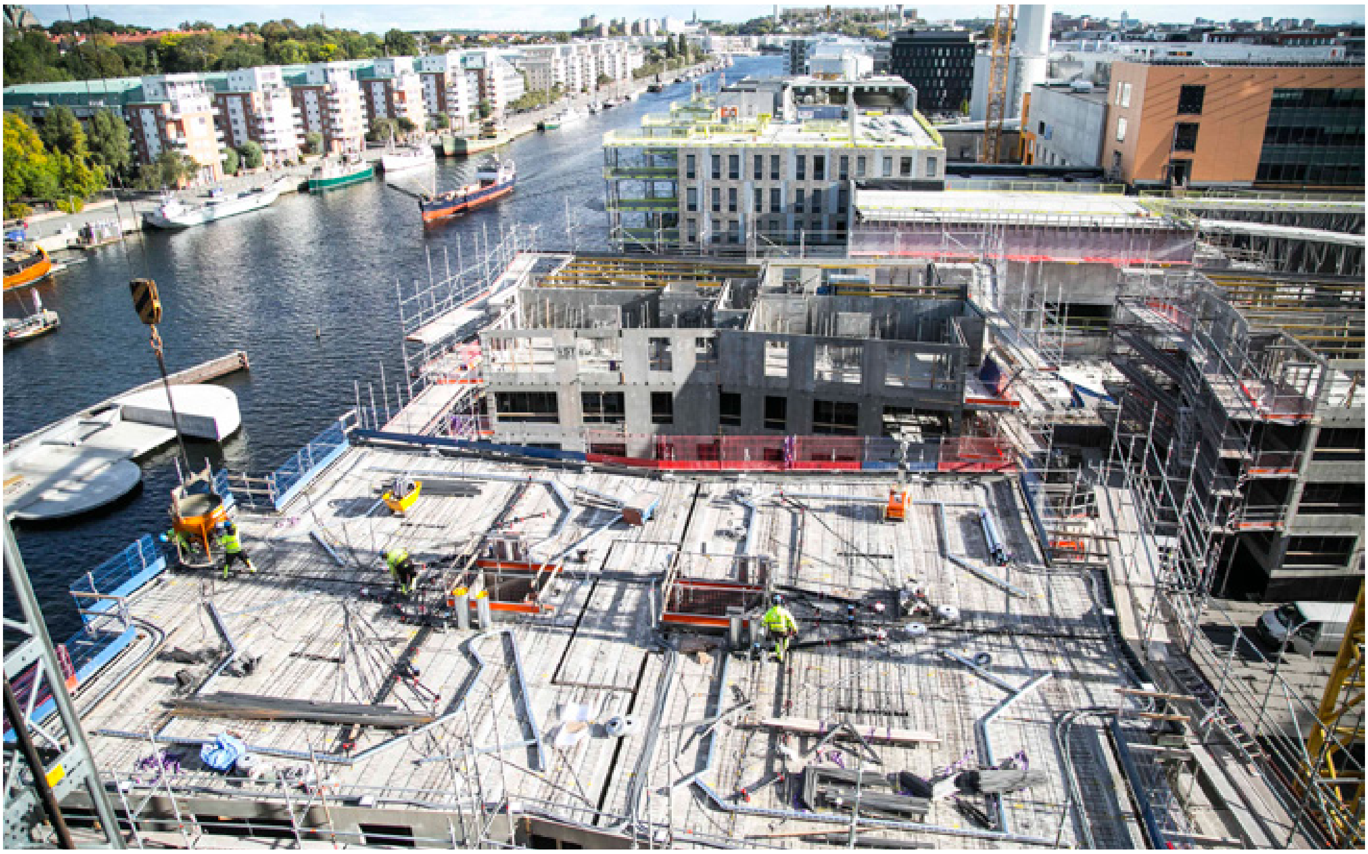
Instalco's net debt in relation to adjusted EBITDA shall not exceed a ratio of 2.5.

CASH CONVERSION

Instalco's target is to achieve a cash conversion ratio of 100 percent, measured over a rolling twelve-month period.

DIVIDEND POLICY

Instalco's target is to distribute 30% of earnings after tax.



[1] Adjusted EBITA includes pro forma full year consolidation of acquisitions and adjustments for non-recurring items. Adjusted EBITDA includes pro forma full year consolidation of acquisitions and adjustments for non-recurring items.

IFOKUS

Instalco launched its internal program, IFOKUS, in the spring of 2016. IFOKUS is a framework for carrying out continuous improvements within the Group. The program contains a number of strategic tools for illuminating and developing key improvement areas, as well as for ensuring that Instalco's units are participating in the Group's development and that initiatives do not encroach on the autonomy of the units.

The overarching objectives of IFOKUS are to:

- improve the Group's profitability
- increase the Group's cash conversion
- enable the Group to work smarter – not harder

IFOKUS stands for:
I Instalco
F Förbättringsarbete (improvement work)
O Ordning (*order*)
K Kompetens (*competence*)
U Utveckling av processer (*development of processes*)
S Samverkan (*collaboration*)

THE IFOKUS PROCESS

IFOKUS is an iterative process which proceeds based on an analysis phase in which a number possible improvement areas are defined. In the analysis phase, Instalco's various unit managers are brought together in order to jointly generate and prioritise ideas concerning possible improvement areas. The starting point for these improvement areas may be both existing problems as well as identified opportunities. Instalco's different work methods in each unit provide an example of a major source for improvements that can contribute to the Group's development. Each improvement area becomes the basis for an initiative. In respect of each initiative, Instalco formulates a clear goal and appoints a working group and a group leader. The working groups may comprise unit managers, individuals within the units who possess specific expertise related to the initiative, and employees at Instalco's central organisation. Instalco's philosophy is that the goal must be ambitious in order to stimulate new approaches and creative thinking. The working groups are responsible for defining a strategy as to how the Group is to achieve the established goal, and for converting the strategy into a concrete plan of action which describes steps for achieving the goal. During planning and implementation, initiatives are regularly evaluated in order to adjust goals, strategies and plans of action.

As of the date of this Prospectus, the IFOKUS framework contains five initiatives. A description of each initiative is provided below.

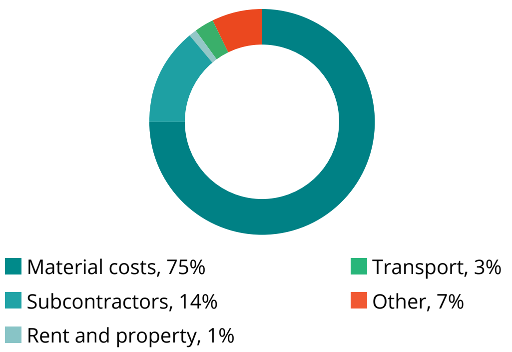
IFOKUS – ONGOING INITIATIVES

INITIATIVE	FOCUS AREAS	GOALS
Production process	• Time maintenance • Logistics and transport • Low-cost workforce for simpler jobs • Bonus system • Prefabricated building sections • Project progress checks • Personnel planning	• To improve the production process in order to increase efficiency and reduce project risk
Joint purchasing process	• Coordinated purchasing (centrally and locally) • Central purchasing agreements • Subcontractor procurement process • Standardised product range	• To coordinate the purchasing process in order to reduce costs and simplify administration for Local units
Standardised selling process	• Cost and profitability analysis for new projects • Standardised pricing models • Process templates for multi-disciplinary procurements	• To improve the process for selecting projects and pricing • To increase cross-selling and multi-disciplinary projects
Up sales	• Training of employees in the value of up sales • Training in the selling process for managers and employees	• To increase awareness of up sales and to generate increased sales
Standardised invoicing process	• Standardised invoicing • Handling of customer and supplier credit periods • Invoicing of alteration enquiries	• To ensure correct timing of invoicing • To ensure invoicing of alterations and additional work

Coordinated purchasing process

In 2016, total purchasing comprised: materials (75 percent), subcontractors (14 percent), transport (3 percent), rent and property costs (1 percent) and other (7 percent).

SHARE OF PURCHASING SPEND (2016)



Note: Data is derived from the Group's internal reporting system.

Instalco has made the assessment that there is great potential within the Group to reduce the cost base through coordination and standardisation of the purchasing process at Instalco's units.

The purchasing work is conducted by the Group's Head of Business Development, with focus being placed on improving existing procurement processes and negotiating central framework agreements in order to draw advantage from larger scale purchases vis-à-vis suppliers. Instalco has signed framework agreements with its two largest suppliers, which apply to all of the Group's Local units in Sweden, and makes the assessment that they have resulted in savings during the period 2015-2016 and that there is also potential to achieve reduced purchasing costs going forward. The potential is particularly great in newly acquired units. The Group is also endeavouring to achieve a standardised product range on a local level. Additional steps include the execution of framework agreements on a Nordic level, exploitation of price differences between suppliers in different countries, and increasing the number of framework agreements. Assessments of suppliers' competitiveness will also take place with the aim of improving the supplier base. The objective is that the measures will contribute to a 2 percent reduction in purchasing costs up to 2021.

Standardised purchasing processes are aimed at benefiting the Local units in the form of a reduced cost base. This also means that the Local units must have the possibility to decide for themselves which products they purchase, and from which suppliers. All in all, the Group shall collaborate as regards purchasing in so far as it does not restrict the entrepreneurial freedom of choice at the Local units.

The Instalco Academy

Instalco has established the Instalco Academy in order to attract and retain skilled personnel and to train future managers. The training is regarded important in order to make sure there is a clear plan in place to develop skilled personnel, and it shall contribute to enhancing the employees' motivation. The Instalco Academy also represents a good opportunity for employees from different units to share experiences and knowledge with each other.

The idea is that all Instalco employees shall participate in some aspect of the Instalco Academy, the structure of which differs depending on position. The Instalco Academy is for employees holding different positions: senior fitters, project managers and managers on various levels. Senior fitters receive training within areas such as project cooperation, communication, leadership and construction law. Project managers receive more extensive training within areas such as project management, project finances, procurement issues, negotiation techniques and presentation techniques. On a manager level, the training includes leadership as well as customers and sales. On this level, the Instalco Academy also aims to identify skilled managers who, in the future, will be able to take over as managing directors of Local units.

The courses are adapted to the Group's needs and are discipline-neutral, i.e. all courses are open to all employees with the respective work positions, irrespective of discipline. The courses are held exclusively for Instalco's employees and are led by well reputed training providers. The training courses are held in a couple of two-day blocks per year during a period of approximately three years for the same group of 10-20 employees. The Instalco Academy is coordinated internally by one of the Group's Business Area Managers.

In addition to the Instalco Academy, there is an apprenticeship system as well as courses and programmes for certification and other necessary skills. There is also an alumni network aimed at retaining and improving knowledge sharing and cooperation after training.

The Instalco Academy's first courses started in October 2016, when four courses began with approximately 70 participants. The 2016 participants are scheduled to continue their training in 2017 and the Group expects that, in total, by the end of the year double the number of employees will have begun at the Instalco Academy.

History

Instalco was founded by CEO Per Sjöstrand with the support of FSN. Over a long period of time, Per Sjöstrand had the idea of bringing together leading Local units under a joint umbrella where they can benefit from cooperation within sales and execution of projects, as well as through coordinated purchasing.

The Group was formed in February 2014 by a consolidation of five units: PoB:s Electrical, VVS-Metoder, ORAB, Klimatrör and Rörgruppen. Since its formation up to the end of March 2017, Instalco has completed 25 acquisitions and thereby broadened the Group's geographic coverage and technical competence. At the same time, Instalco has also developed its joint group functions and the cooperation between the units. In March 2016, Instalco entered the Norwegian and Finnish markets through the acquisitions of AR Elektro Prosjekt and Romerike Elektro in Norway as well as Voltmen in Finland.

Although the Group is young, Instalco's Local units often have a long history of conducting operations on their respective local markets. The individual units and the acquisition dates are described in the following section.

Business areas

Business area	Net sales (SEK m)	EBITA (SEKm)	Order book at end of period (SEK m)	Number of units at end of period
Sweden	2,139	165	1,685	21
Rest of Nordics	268	11	315	5
Other	0	-36	-	-

Note: Derived from Instalco's audited consolidated financial statements per and for the financial year ending 31 December 2016.

SWEDEN

Instalco was founded in Sweden and most of the Group's acquisitions have comprised Swedish companies. The Swedish operations accounted for 89 percent of Instalco's net sales in 2016 and comprise 22 Local units as well as an internal consultancy business (Inkon) as per March 2017.

LOCAL UNITS IN THE SWEDISH OPERATIONS

Unit	Founded	Acquisition date	Business	Business description
Region East				
PoB:s Electrical	1986	February 2014	Electrical	Specialists in electrical installations within production of new residential buildings.
Klimatrör	1987	February 2014	Heating & Plumbing	Specialists in pipe installations within renovation, reconstruction and extension of buildings.
Rörgruppen	1983	February 2014	Heating & Plumbing	Specialists in pipe installations within apartment projects, commercial premises and hospitals.
VVS-Metoder	1979	February 2014	Heating & Plumbing	Specialists in pipe installations within offices, residential, industrial, cooling systems and hospitals.
OTK	2011	July 2014	Ventilation	Ventilation fitters with specialist expertise within own project planning.
Ohmegi	1982	November 2015	Electrical	Suppliers of end-to-end solutions for electrical, telephony, technology and security systems for offices, apartments, hospitals and public buildings.
Timab	2004	June 2016	Cooling	Total contractors for grocery stores with turnkey solutions within cooling, electrical, heating and plumbing systems, as well as construction/fixtures and fittings.
JN El	1985	December 2016	Electrical	Specialists in construction projects within new construction and renovation as well as industrial automation solutions.
Rodens Värme	2003	March 2017	Heating & Plumbing	Heating & Plumbing installer in new construction, renovation and maintenance projects.
Region South				
Rörläggaren	1944	November 2014	Heating & Plumbing	Specialist pipefitters focusing on highly complex projects such as industrial, hospitals and offices.
El-Pågarna	1988	May 2015	Electrical	Specialists in installation of complete solutions for electrical, telephony, data and alarm systems.
Bi-Vent	1980	June 2015	Ventilation	Complete air treatment installations and service agreements with specialist expertise within own project planning.
El-Expressen	1986	November 2015	Electrical	Specialists in installation of complete solutions for electrical, telephony, data and alarm systems.
VFB	1979	December 2016	Ventilation	Specialists within installation and service of ventilation systems and cooling systems.
Region West				
Expertkyl	1993	December 2014	Cooling	Specialists in supply of cooling installations with service agreements.
Tofta	1975	December 2014	Ventilation	Complete air treatment installations and service agreements with specialist expertise within own project planning.
LG Contracting	2001	April 2015	Heating & Plumbing	Specialists in partnering construction projects within pipe fitting. Commercial premises, industry and hospitals.
Vallacom	1995	June 2015	Electrical	Specialists in installations and maintenance within electrical, alarms, telephony and communication solutions.
Region North				
ORAB	1993	February 2014	Industrial	Specialist fitters of industrial piping, primarily for the paper and pulp industry as well as public sector.
VVS-Installatör	1965	July 2016	Heating & Plumbing	Specialists in pipe fitting and service
DALAB VVS	2013	July 2016	Heating & Plumbing	Specialist fitters within heating, water and plumbing systems.
DALAB Luft	2013	July 2016	Ventilation	Specialists in total construction contracts and performance contracts with project planning, service and installation of ventilation systems.

CASE STUDIES

POB:S ELECTRICAL

EAST

KEY FACTS

- Founded in 1986
- Became part of Instalco in February 2014
- Operations in Stockholm, Uppsala and Malmö/Lund
- Net sales of SEK 166 million (2016)
- EBITA of SEK 24 million, 14 % margin (2016)
- -92 FTEs (2016)

DESCRIPTION

- Strong focus on electrical installations in new residential buildings
  – Large customers include JM (framework agreement since 1999),
  – Einar Mattsson and Peab
- Highly standardised and efficient processes due to specialisation
  – Recurring installations of the same products in the same type of clients
- Consider themselves to provide installations with high standard
- Educates employees through a trainee system that supports a high level of professional skills and promotes the best performing workers

Note: Accounts derived from the company's audited annual report for the financial year ending 31 December 2016.

RÖRGRUPPEN

RÖRGRUPPEN AB – del av INSTALCO

EAST

KEY FACTORS

- Founded in 1983
- Became part of Instalco in February 2014
- Operations in the region around Mälardalen
- Net sales of SEK 144 million (2016)
- EBITA of SEK 15 million, 10 % margin (2016)
- -48 FTEs (2016)

DESCRIPTION

- Installation services within heating and plumbing
  – Rangning from residential buildings to advanced pipe installations at hospital clinics
- Primarily engaged in partering projects
  – Contracted by construction companies early in the process and engaged in project planning and development
- High competence in resource intense projects
- Long standing track record of delivering on time with expected quality

Note: Accounts derived from the company's audited annual report for the financial year ending 31 December 2016.

REST OF NORDICS

Instalco's Nordic expansion began in March 2016 with the acquisitions of the Finnish company Voltmen and the Norwegian companies AR Elektro Prosjekt and Romerike Elektro. Since then, Instalco has acquired 3 other Norwegian companies and two Finnish companies. Rest of Nordics accounted for 11 percent of Instalco's net sales in 2016.

LOCAL UNITS IN REST OF NORDICS

Unit	Founded	Acquisition date	Business	Business description
Finland				
Voltmen	1993	March 2016	Electrical	Specialists in electrical installations, primarily within smaller projects.
Sähköteknikka JP	1991	March 2017	Electrical	Specialists in extensive electrical installations including telecom solutions.
LVI-Talo	2008	March 2017	Heating & Plumbing	Heating & Plumbing installer that also offers multi-disciplinary solutions in Heating & Plumbing, Electrical and ventilation.
Norway				
AR Elektro Prosjekt	2007	March 2016	Electrical	Electrical fitters with specialist focus on larger projects.
Romerike Elektro	1996	March 2016	Electrical	Electrical fitters specialising in large and mid-size projects, also offering service operations.
Rørteft	1995	July 2016	Heating & Plumbing	Specialist total supplier of heating, ventilation and plumbing system solutions.
VITO	2002	September 2016	Ventilation	Ventilation company with strong geographic spread in Oslo and specialised in own project planning.
Andersen og Aksnes	2004	February 2017	Heating & Plumbing	Primarily works with construction projects and possesses high technical competence in Heating & Plumbing and cooling instalments.

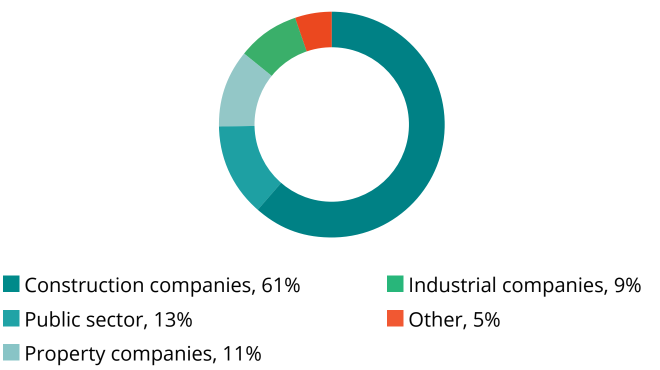
Customers

Instalco's main customer groups are construction companies, property companies, industrial companies as well as the public sector. Construction companies are the single largest customer group and Instalco estimates that construction companies accounted for approximately 60 percent of sales in 2016. Through these customer groups, Instalco is exposed to a large number of different end markets such as education and healthcare, residential buildings, commercial properties and industrial properties.

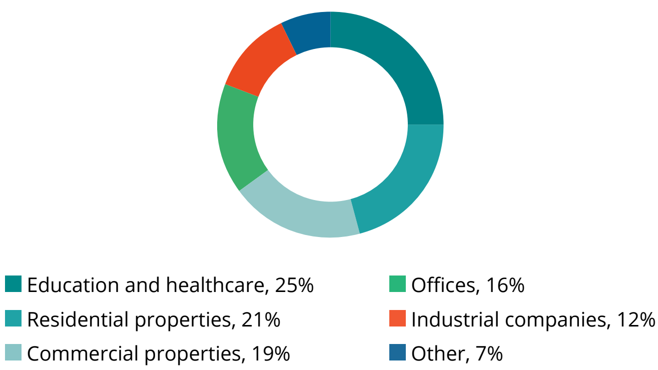
During 2016, the Group had more than 1,000 customers and Instalco estimates that the three largest customers, all of which are construction companies, accounted for approximately 20 percent of sales. No single customer accounted for more than 8 percent of the Group's net sales in 2016. Customer relations are normally on a local level and handled by Instalco's Local units. Similarly to Instalco, Instalco's customers often have a decentralised structure in which orders are placed by the customer at a local level and decisions concerning procurement of services are taken locally. Consequently, Instalco's various Local units often work with different customers who are part of the same group. For example, 16 Local units had relations with the Group's largest customer, with the largest of these 16 relations accounting for less than three percent of the Group's net sales in 2016.

SHARE OF INSTALCO'S NET SALES (2016)

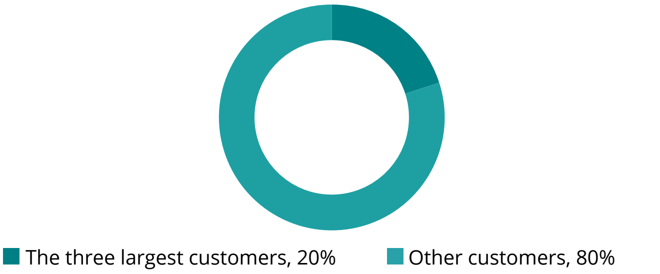
Customer group



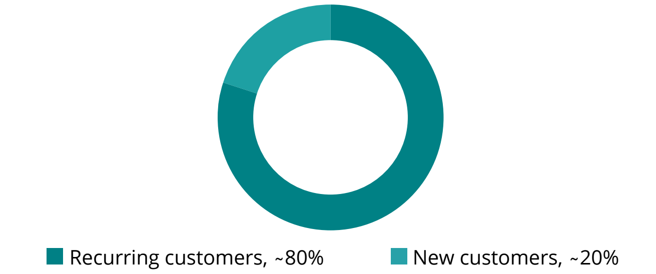
End customer



Customer concentration



Recurring customers



Note: Estimate based on unaudited information derived from Instalco's Local units' internal reporting systems for the companies that were a part of the Group on 31 December, 2016.

In many cases, Instalco's Local units have long-standing relations with the local customers. Proven ability from previous projects to carry out assignments with good quality work and cost efficiency is often of crucial importance for winning new assignments. Instalco estimates that approximately 80 percent of the Group's sales during 2016 were generated from recurring customers, defined as those who have been customers during the preceding three years. However, these sales are predominantly connected to individual projects and not long-term contracts, and thus there is no guaranteed continuity in earning capacity.

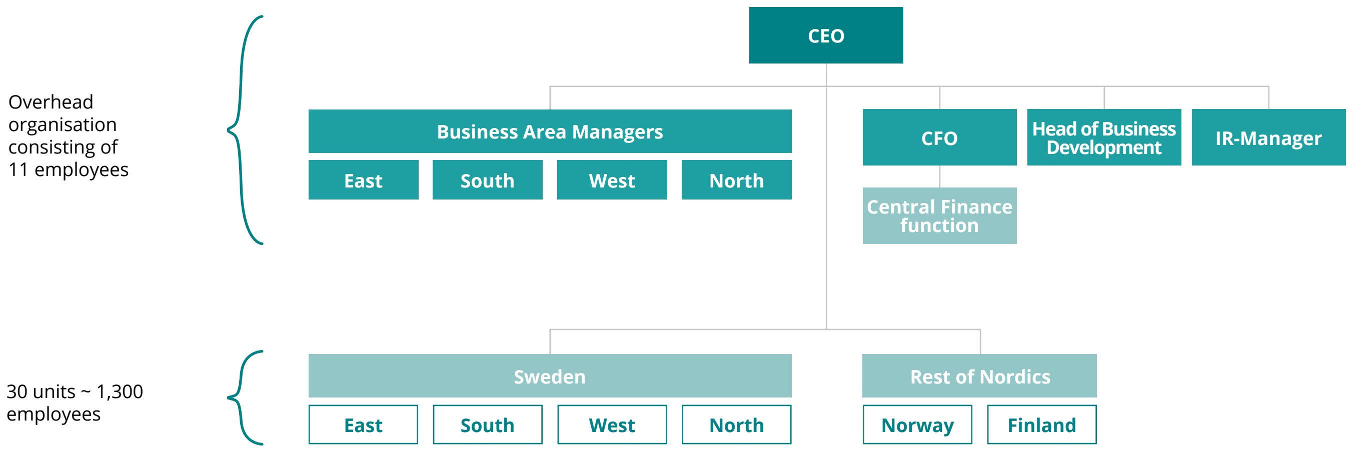
Instalco endeavours, as much as possible, to be involved in projects at an early stage, where Instalco has the possibility to participate in the choice of technical solutions and to present complete solutions for the customer's needs.

Organisation

The diagram below provides an overview of Instalco's operative organisational structure as per the date of this Prospectus.

In addition to the head office, Instalco has five regions and a total of 30 Local units. The Group head office, where most the central organisation is located, is situated in Stockholm. In total, the central organisation comprises eleven employees. At present there are no regional offices; rather, the Group comprises a head office and the 30 Local units. The Business Area Managers are stationed at the Local units.

INSTALCO'S ORGANISATION



Instalco's business is to a large extent local, and consequently presence on the local market is necessary in order to create good customer contacts and efficient production. In many cases, the units in the Group are specialised in a method or dicipline. Collaboration takes place primarily on a regional level and is coordinated by Business Area Managers, but also takes place on a national level.

Local units

The Local units are responsible for customers, products, production, personnel and earnings. The managing director of the unit controls the business together with his or her management group. Each unit has an administrator in charge of day-to-day account maintenance, salaries, reconciliations and annual accounts. Reporting takes place regularly to the Group's central function.

A Local unit usually also has a cost calculator whose work involves estimating time expenditures and materials needs for each aspect of work in a project and estimating the total cost for a project. Some of the Group's units also have a planning engineer who participates in planning, work preparation and purchasing for projects. In addition, each Local unit has a number of project managers who, in turn, are responsible for senior fitters and fitters. A project manager is usually responsible for 5-6 employees.

Central organisation

Instalco's central organisation comprises eleven employees. Thus, the Group has a cost-efficient support structure, corresponding to just over 1 percent of sales. The central organisation includes the CEO, CFO, a central finance department with three employees, Head of Business Development, four Business Area Managers, and IR Manager. The work of the central organisation covers finance, acquisitions, the execution of general purchasing agreements, strategic business development as well as support for the IFOKUS improvement work. Documents such as policies, Code of Conduct, purchasing agreements, insurance coverage and leasing are on a joint group level and constitute a unifying aspect of Instalco. The Business Area Managers are responsible for day-to-day dialogue with the Local units concerning projects, performance and inter-unit collaboration. The Business Area Managers report directly to the Group CEO.

With respect to purchasing, agreements are negotiated centrally with suppliers in order to ensure that the Group achieves scale in price negotiations. On the other hand, actual purchasing decisions are taken on a local level at the units. Instalco considers it important that the units feel fully responsible for their economic development.

REPORTING

The financial development of the units is monitored regularly in the Group's monthly reporting, which focuses primarily on net sales, EBITDA and order book. In the reporting, all units are compared in terms of sales growth and EBITDA margin.

Instalco has an annual budget process which is followed up with two forecasts. The forecasts are then followed up in the Group's monthly reporting. The status of individual projects is also monitored on a monthly basis. This monitoring constitutes the basis for the units' and the Group's revenue recognition.

CORPORATE GOVERNANCE

The entrepreneurs of the companies that Instalco have acquired have become shareholders in the Group and thereby have a strong incentive to deliver good results. The entrepreneurs of the acquired companies have typically reinvested 20 percent of the purchase price in Instalco shares. The model has been aimed at giving the entrepreneurs an incentive to continue to be active and involved in Instalco's earnings growth (see also the sections entitled "An attractive buyer" and "Share capital and ownership structure").

Each Local unit is organised as a subsidiary with its own board of directors which is responsible for strategy and control of the local business. Board meetings are held every six months and the board normally comprises the Local unit manager, at least one unit manager from another unit, the Group CEO, a Business Area Manager, as well as the Group CFO or Head of Business Development.

The Business Area Managers are responsible for coordination within their respective regions. Weekly meetings are held between the Business Area Managers and the Local unit managers at which subjects such as cross-selling, multi-disciplinary projects, new projects, sharing of best practice and resource allocation are discussed and collaboration is promoted.

The Group CEO holds a telephone conference every second week with the managing directors of a large number of the Local units at which the participants summarise the past week in the form of, e.g.

events on the local market, new projects and new acquisitions, as well as plans for the coming week. The discussions constitute a forum for monitoring by the CEO and also contribute to cooperation between units and sharing of best practice.

MONITORING AND MEASURES

The financial development of the units is monitored regularly through the Group's monthly reporting. If the earnings trend in a unit is considered to be unsatisfactory, Instalco designs an action programme for the unit. Initially, the Local unit conducts an analysis together with the Group CEO and the relevant Business Area Manager in order to identify the problems underlying the earnings trend. Based on these problems, the unit draws up an action programme. The Group CEO and the Business Area Manager subsequently participate also in the regular monitoring of the programme of measures. Examples of measures may include improving the selection process for new projects and ensuring that the Local unit focuses on quality improvement measures. Improved project management, project planning and resource utilisation, as well as increased cost focus, are examples of other measures on which Instalco focuses in order to improve the profitability of the Local unit.

Project management and risk management

A construction project's success depends on the way in which management and control function. Instalco considers itself to possess competence to manage and control technically difficult projects under pressure of time, while focusing on the customer's best interests. The ability to coordinate different technical disciplines constitutes a part of Instalco's business concept. The Group's projects are presided over by a project manager with relevant training, who controls the production in accordance with an established model. In many projects, a planning engineer assists and participates in, among other things, planning, work preparation and purchasing.

Steering groups are formed in larger projects or complex projects. The task of the steering group is to monitor the project, convey experiences and, where necessary, initiate specific programmes of measures and allocate correct resources. The steering group normally comprises the manager of the Local unit in question, responsible project manager, the managing director of another Local unit, as well as the Group CFO or Head of Business Development. Steering group meetings take place approximately four times per year. At the end of 2016, such steering groups had been appointed in approximately ten projects.

Typical risks in a project are planning risks in the form of incorrect calculation of material or time expenditure, as well as production risks in the form of logistical challenges, complexity and incorrect installations. Instalco investigates both the risks and opportunities associated with the above-mentioned areas before contracts are entered into. In large and complex projects, the steering group is responsible for risk management.

If the project does not proceed according to plan, a special work group is formed to create specific plans of action in order to address problems and ensure that established plans of action are implemented. The work group brings together all involved parties in order to resolve the problems in the project. At the end of 2016, Instalco had a limited number of projects with a total negative contribution[1], corresponding to approximately 0.5 percent of the Group's net sales.

In 2016, Instalco started up a consulting business, Inkon, which will assist the Group's units with additional expertise within project planning and cost calculation.

The Group takes a holistic view of risk management. Instalco makes use of the term "balanced risk" to explain how the Company's business model in itself aims to achieve a profitable business with a reasonable risk level. Balanced risk is built on strategic principles for risk management in three areas:

INTERNAL STRUCTURE

- **Acquisitions of experienced profitable businesses**: Instalco strives to acquire profitable companies with long experience in the industry
- **Existing customer structure is retained**: Instalco consist of Local units that have been acquired by the Group, meaning that each local unit has a very good knowledge of its market and customers.
- **A large number of Local units**: Instalco consists of 30 local units in five disciplines and several geographical markets. The Group considers it to lead to a good risk diversification for Instalco as a whole.
- **Flexible cost structure**: Instalco has a large share of variable costs (approximately 60 percent of the Group's costs are variable while approximately 34 percent are semi-variable). Thus, the Group can quickly adapt the cost base when market demand changes or for certain types of services or in a certain region.

MARKET AND CUSTOMER STRUCTURE

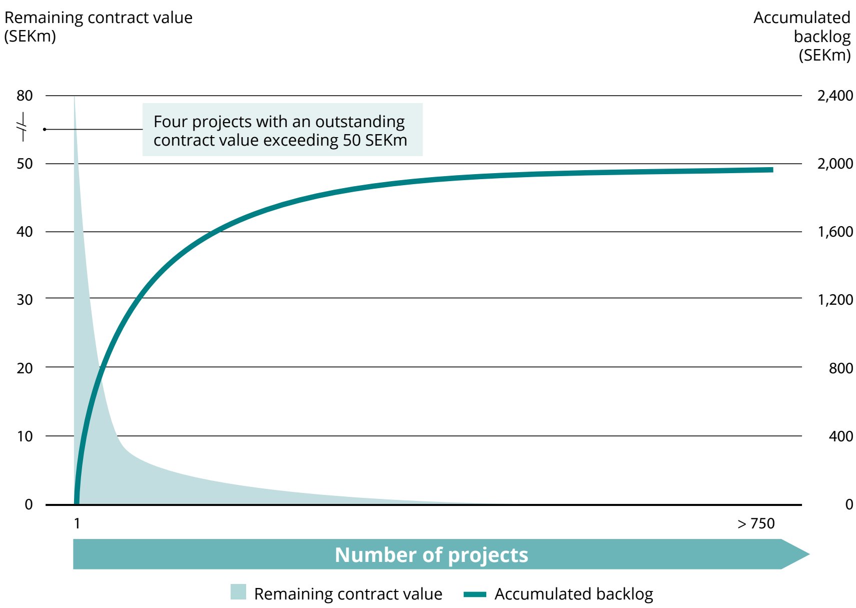
- **Clear demarcation of the geographical market**: Instalco only focuses on the markets in Sweden, Norway and Finland for which the Group has good knowledge.
- **Recurring customers**: Instalco has 80[2] percent recurring customers. Instalco thereby has good knowledge about the Group's customers and long-term customer relationships.
- **Risk diversification among customers**: Instalco has more than 1,000 customers. The three largest customers represent approximately 20 percent of the Group's net sales. However, Instalco's customers, like Instalco, often have a decentralised structure where the client at the customer is local and where the service procurement decision is local, which means that the relationships with the three largest customers is made up of a large number of individual relationships between the customers and Instalco's Local units.
- **Strict internal decision model**: Instalco has an authorisation procedure whereby all projects valued at less than SEK 20 million may be approved by the managing director of the Local unit. If a project is valued at between SEK 20 million and SEK 30 million, approval is required from both the Local unit's managing director and the Group CEO. If a project is valued at between SEK 30 million and SEK 50 million, the Group chairman of the board must also approve the project, whereas if the value exceeds SEK 50 million the project must be approved by the Group board of directors.

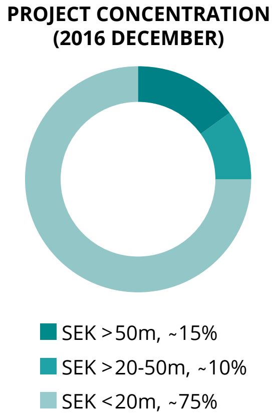
TYPE OF PROJECTS

- **Instalco is mainly operating in the installation markets mid-size segment[3]**: Instalco considers itself to achieve an optimal combination of size and project risk. Instalco's project portfolio also includes large projects, which the Group assumes on a selective basis, primarily with partnering as a form of collaboration. As of December 2016, Instalco's project portfolio included approximately 750 projects, of which four with an outstanding contract value in excess of SEK 50 million. Three of these had partnering as collaboration form. In total, the Group's order book in December 2016 amounted to SEK 1,999 million, of which projects with a contract value in excess of SEK 50 million accounted for approximately 15 percent of the order book.
- **Balance between fixed price and variable price**: Instalco's management assesses that approximately half of the Group's projects are fixed price projects, one third as collaboration projects and the rest in other compensation and collaboration formats.

1 Contribution is calculated as revenue from the project less costs directly attributable to the project.
2 Estimation based on unreported information retrieved from Instalco Local unit's internal reporting system for the companies included in the Group as of 31 December 2016.
3 Defined by the Group as projects valued at SEK 1-75 million.

PROJECT CONCENTRATION IN THE GROUP'S ORDER BACKLOG (2016)





Note: Estimate based on unaudited information derived from Instalco's Local units' internal reporting of remaining contract value in the order book. The order book includes remaining contract value of contracted projects as well as larger service contracts and excludes smaller projects and service work, as well as projects for an anticipated period of less than one month.

Acquisitions

The Nordic installation and service market is extremely fragmented. There are more than 25,000 installation companies with less than SEK 500 million in sales. Thus a consolidation of the market would be natural. Instalco has been formed through a large number of acquisitions, and acquisitions will continue to represent an important aspect of its growth strategy.

STRATEGIC AND OPPORTUNISTIC ACQUISITIONS

Instalco's acquisition strategy is divided into strategic acquisitions and opportunistic acquisitions. In recent years, Instalco has focused strongly on acquisitions in Swedish growth regions – primarily Stockholm/Mälardalen, Gothenburg and Skåne. These are regions that the Group perceives to be positive also going forward and supplementary acquisitions are included in Instalco's future focus. The Group's ambition is to offer a complete a range of installation services in the regions in which it operates, and acquisitions are often aimed at achieving this goal.

Acquisitions are also carried out to broaden the Group's skills base. For example, Timab was acquired based on its strong expertise within cooling system installations for the grocery sector and serves as a positive supplement to existing operations within the climate area.

In addition, Instalco has commenced expansion to Norway and Finland. The strategy for expansion in Norway and Finland is to initially acquire companies in the Oslo and Helsinki regions, and thereafter aim to expand to other regions.

Instalco also makes opportunistic acquisitions where the Group acquires local market leaders outside the metropolitan areas, provided they otherwise satisfy the Group's acquisition criteria. An example of this is DALAB, which had a strong position in Dalarna.
There are still many areas in Sweden where Instalco has limited or no presence and where the Group should be able to grow further, such as south-eastern and northern Sweden. Thus far, Instalco also has a limited presence in western Sweden.

GEOGRAPHICAL PRESENCE IN SWEDEN AND NORWAY

Sweden	Electrical	Heating & Plumbing	Ventilation	Cooling	Industrial
North	–	–	–	–	Limited
Mid	Limited	Limited	Limited	–	Limited
West	Limited	Limited	Limited	Limited	Limited
East	Strong	Strong	Medium	Limited	Limited
South East	Limited	–	–	–	Limited
South	Strong	Strong	Medium	–	Limited

NORGE	Electrical	Heating & Plumbing	Ventilation	Cooling	Industrial
North	–	–	–	–	–
Mid	–	–	–	–	–
West	–	–	–	–	–
East	Limited	Limited	Limited	–	–
South	–	–	–	–	–

Presence: Strong | Medium | Limited | None

GROWTH AREAS

In addition to the technical disciplines in which Instalco currently operates, there are growth opportunities to acquire in businesses in neighbouring disciplines such as security, fire safety, energy and automation. The Group also perceives the possibility for growth within service, by offering service to a greater extent as a supplement to a technical discipline or separately. It should be possible for growth within service to take place both organically and through acquisitions.

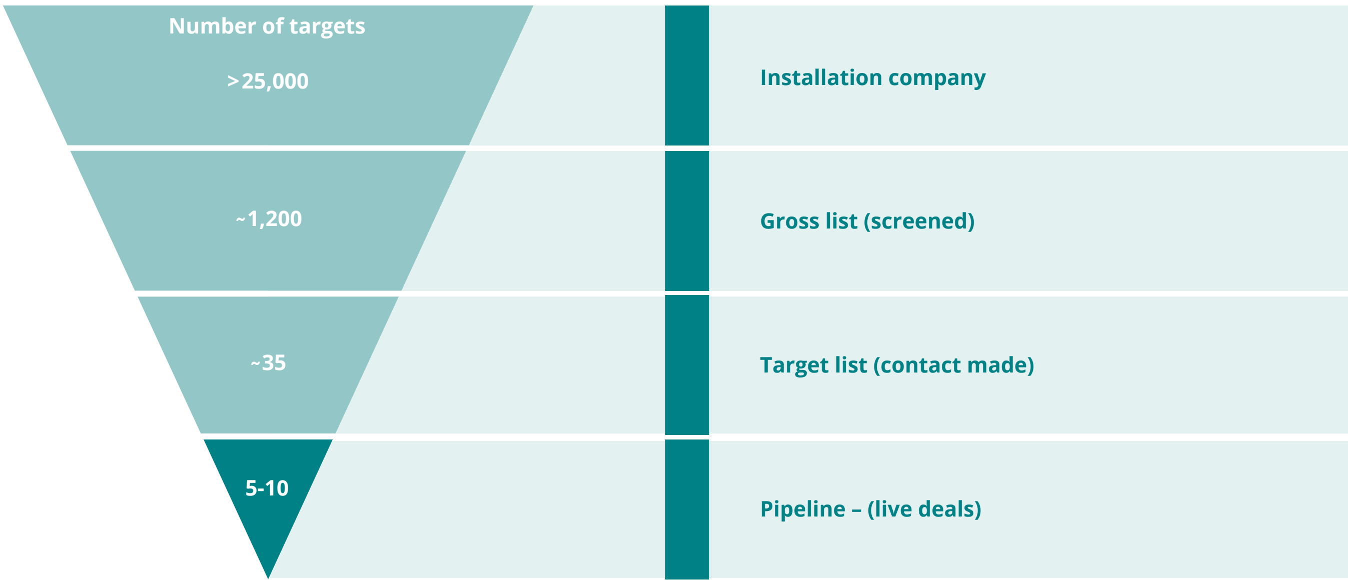
IDENTIFICATION OF ACQUISITIONS

When Instalco identifies acquisitions, it seeks companies that satisfy the following criteria:

- **Market**
  - Strong position on the market on which the Group operates;
  - Operations in regions with growing markets;
- **The company**
  - Possibility to assist Instalco's existing companies with structured capital and cross-selling;
  - Documented profitability, growth and stable positive cash flow;
- **Management**
  - Competent entrepreneur(s) and/or company management; and
  - Cultural fit with Instalco.

As of February 2017, Instalco had initiated contact with approximately 35 potential acquisition candidates with operations that Instalco has classified as strategically suitable. Instalco normally conducts active discussions with 5-10 potential companies. Companies regarded as potential acquisition candidates are well-functioning and profitable, and Instalco's acquisition strategy thus does not include companies in need of operational restructuring, i.e. turn around cases.

STRUCTURED APPROACH TO IDENTIFY TARGETS

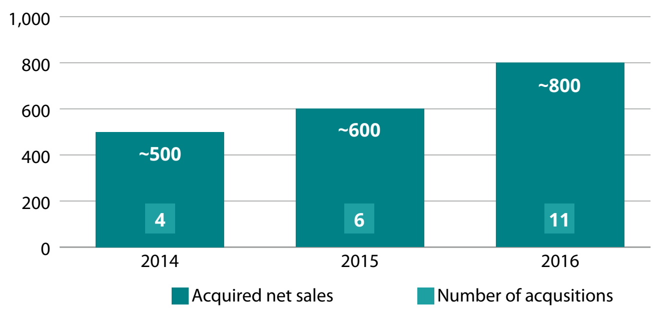


AN ATTRACTIVE BUYER

Instalco believes that the Group is often perceived as an attractive buyer in discussions with possible acquisition candidates. In Instalco's assessment, an important aspect is the Group's unique model, which affords the acquired companies and their entrepreneurs the possibility to continue to operate in a larger context in which they also obtain access to the advantages of coordination that a larger group is able to offer. The managing director of each company retains a large part of the decision-making, e.g. in the form of choice of projects, personnel and customers. In this way, the Local unit also retains its entrepreneurial spirit and local identity, while benefiting from a joint finance organisation, joint purchasing agreements, cross-selling, sharing of resources, sharing of best practice and access to Instalco's business development function. Being a part of Instalco also means that the new unit can participate in multi-disciplinary projects which the Local unit would not have been able to win on its own. The entrepreneurs have historically also become partners in the Group through reinvestment and thereby also take part in Instalco's continued value creation. 20 percent of the purchase price received has historically often been used as payment for new shares in the Group's parent company; see also the section entitled "Share capital and ownership structure". The entrepreneurs thereby have a strong incentive to continue to deliver strong results and continue to work within the Group. All in all, this contributes to Instalco often being perceived as a suitable buyer and Instalco's acquisition processes are often bilateral.

Thanks to a strong offering to entrepreneurs and a well-functioning acquisition model, it has been possible to carry out historic acquisitions at attractive acquisition multiples. Acquisitions of the 25 Local units since the Group was formed in February 2014 up to March 2017 have been carried out at an average volume-weighted EV/EBITA multiple of 4.2x[1] (without taking synergies into account). Instalco acquired four Local units in 2014, six Local units in 2015 and 11 Local units in 2016 with net sales of approximately SEK 1.9 billion for the calendar year when each unit was acquired. Instalco has acquired four Local units as well as a minor bolt-on acquisition in 2017.

ANNUAL ACQUIRED NET SALES (SEKM)



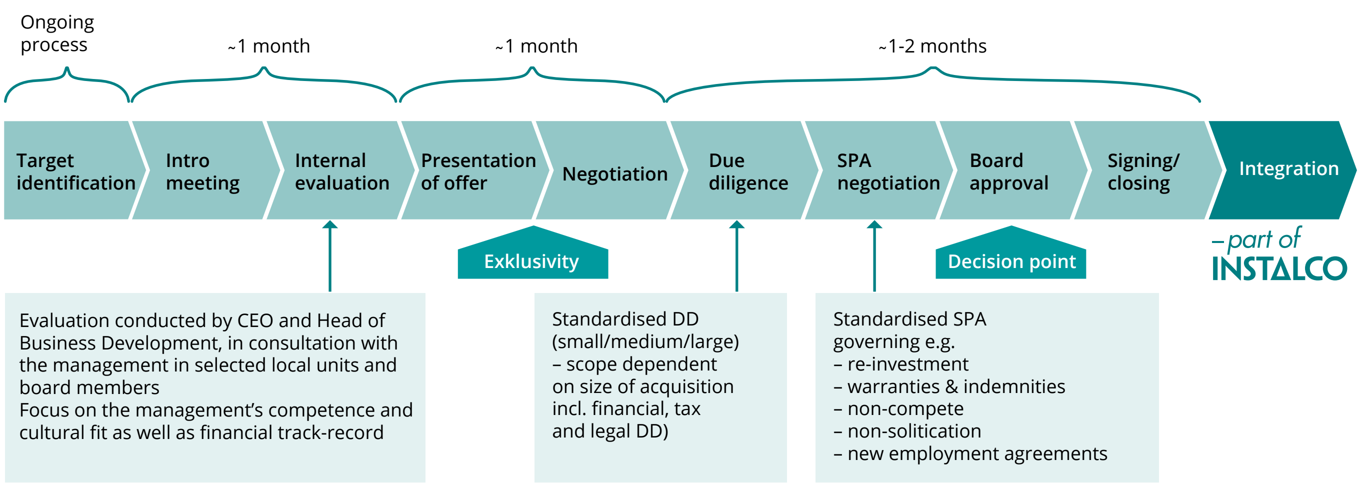
Note: Data is obtained from the Group's internal reporting system. Net sales relate to the calendar year when each company was acquired.

THE ACQUISITION PROCESS

Identification of suitable acquisition candidates takes place through the Group management's network, Local units' networks and through Instalco being contacted by external parties. The Group maintains regular contacts with professional corporate brokers and transaction advisers who are familiar with Instalco's acquisition criteria, and consequently there is strong coverage of what is happening on the Group's relevant markets. The Group thus has a list of acquisition candidates and actively monitors events on the installation market. Instalco also maintains regular dialogue with potential acquisition objects. Historically, approximately 55 percent of the Group's acquisitions have come from its own network. Most of the other acquisitions have been brokered exclusively to Instalco by brokers, while others (approximately 10 percent) have been acquired by Instalco having participated in a structured sales process. Instalco has enjoyed exclusivity the majority of processes in which the Group has conducted a due diligence. Instalco's Head of Business Development conducts the acquisition process together with the Group CEO.

Instalco has a standardised and structured acquisition process in which the potential acquisition is initially analysed based on the Group's acquisition criteria, focusing on the management's competence and cultural fit. When the analysis is completed, Instalco presents a bid and negotiations take place with the other party. The Company thereafter conducts a due diligence with the help of external advisers, which is adapted to the size of the acquisition, and prepares a sale and purchase agreement. Before a transaction can be completed, the decision is referred to Instalco's board of directors for approval. The entire process, from introductory meeting with the vendors to completion of the transaction, normally takes three to four months.

ACQUISITION PROCESS



[1] Based on the 25 acquisitions of local units as well as a minor bolt-on acquisition that will not form a Local Unit carried out since the formation of the Group in February 2014 and up to the end of March 2017 (excluding Inkon, which was formed by the Group in 2016). Enterprise value ("EV") is calculated on a cash and debt-free basis including adjustments for working capital and earnouts. EBITA is based on the most recent historical twelve-month period available on the date of each acquisition and is derived from the companies' internal reporting systems and thus has not been reviewed by auditors.

CASE STUDY: ACQUISITION OF VALLACOM

Vallacom was founded in 1995 and supplies electrical installations within cable TV, fibre, IT networks, energy efficiency and solar energy. The company had net sales of SEK 88 million during the twelve-month period ending in December 2016.

Instalco was contacted by one of the company's directors in the middle of 2014 regarding a sale of the company. At the time, Vallacom's geographic area of Norrköping and Linköping was not included in Instalco's focus. However, Instalco's CEO and Head of Business Development considered the company to be interesting and met representatives of the company in order to present Instalco's concept. Vallacom's owners considered the Instalco concept to be attractive and decided to defer the sales process until Instalco was ready to expand in the region. The dialogue continued for almost one year until an actual transaction process was initiated in the spring of 2015. It was possible to complete the transaction in June 2015 and the former owners reinvested part of the purchase price received in Instalco shares.

THE INTEGRATION PROCESS

In accordance with the Instalco model, it is conceived that the acquired units will, to a large degree, continue to act independently and retain an entrepreneurial spirit. They are largely allowed to retain independent decision-making as regards customers, products, production and personnel, and usually retain the incentive structure that has been in place for non-management employees.

Phase 1 – up to 3 weeks after the acquisition

directly after the acquisition, a press release is published announcing the acquisition. The managing director of the acquired Local unit joins Instalco's local management group and thereupon obtains access to the Group's purchasing agreements. After the public announcement, the Group CEO will also visit the Local unit and hold a meeting with all employees. At the meeting, the CEO provides information about the integration process and explains what it means to be a part of Instalco, and goes through the Group's Code of conduct. The CFO subsequently assist the company to begin implementing joint procedures for, among other things, reporting, invoicing and bank contacts, which constitute an important part of the integration process.

Phase 2

Over the course of the first three months, the Business Area Manager for the region to which the newly acquired company will belong holds a meeting with the company to provide information about, and discuss cooperation and sharing of best practice within the Group. During this period of time, the Group CEO also meets the Local unit manager to establish strategy, while group management holds meetings with the Local unit's project managers and informs them about the investment programme.

Within one year following the acquisition, Instalco's brand in the form of, e.g. the Group's logo and website, must be in place. In the longer term, acquired companies are integrated so that they learn the best practice available within the Instalco Group and are thereby able to improve their processes. The acquired units will also be able to participate in projects that require collaboration between several Instalco units and to receive or contribute to the Group's up sales. Based on capacity, they are also able to obtain resources from other units and contribute their own resources to other units' projects.

Personnel

EMPLOYEES

During 2016, Instalco had on average 1,240 employees. Apart from the central organisation employees, recruitment is decentralised and handled by each unit. The average number of employees within the Group for each of the years 2014-2016 is shown below.

Average number of employees	2014 (Jan-Dec)	2015 (Jan-Dec)	2016 (Jan-Dec)
Group total	559	870	1,240

WORK ENVIRONMENT

Instalco's work environment policy is aimed at achieving a work environment that minimises the risk of ill-health and accident. The work environment must be taken into consideration in ongoing and planned operations, as well as when changes are planned. The Group's employees are jointly responsible for ensuring that no employee is exposed to risks that may result in serious injury, whether physical or psychological. The Group considers itself to have a low frequency of work injuries and has a vision of zero tolerance as regards workplace accidents. During 2016, 19 work-related accidents were reported within Instalco.[1]

CODE OF CONDUCT

Instalco's Code of Conduct was introduced at the beginning of 2015 and comprises a number of principles that describe Instalco's shared values. The principles are on an overarching level and are supplemented by Instalco's joint policies, guidelines and routines within specific areas, such as finance, HR and purchasing. The Code of Conduct is aimed at conveying shared ethical values and business principles to all employees, customers, suppliers, other commercial partners and owners, and to provide guidance in the day-to-day work. Ethical values and business principles addressed include conflict of interest, gifts, bribery and corruption, hospitality, as well as suppliers and subcontractors. The Code of Conduct has been reviewed by the CEO and the managing directors of all Local units, and all new acquisitions receive the Code of Conduct during the first weeks after the acquisition has been announced. The Group CEO subsequently delegates to the managing directors of Local units responsibility for ensuring compliance with the Code.

[1] Work injuries that have been reported to AFA Försäkring.

Selected financial information

The financial information in this section is to be read together with the sections entitled "Operational and financial review", "Pro forma financial statements", "Capital structure, indebtedness and other financial information", and the audited consolidated financial statements with related notes for the financial years ending 31 December 2014 and 2015, which have been incorporated by way of reference and thus constitute a part of the Prospectus, and for the financial year ending 31 December 2016, with 2015 as comparison year, as set forth in the section entitled "Historical financial information" in this Prospectus. No information in the Prospectus has been audited or generally reviewed by auditors, except that which is stated in the auditor's reports for the financial years ending 31 December 2014 and 2015 as incorporated by way of reference, an auditor's report with respect to the historical financial information included in the section entitled "Historical financial information" in this Prospectus, and the auditor's review of the pro forma financial statements as set forth in the section entitled "Auditor's report regarding pro forma financial statements". Financial key figures that are not defined in accordance with applicable accounting rules have also not been audited or reviewed by auditors. In certain cases, amounts in this section have been rounded off and thus do not always sum up correctly.

Information is presented below concerning Instalco's financial development for the financial years ending 31 December 2014, 2015 and 2016. Unless otherwise stated, the selected financial information presented below is derived from the audited consolidated financial statements with related notes for the financial years ending 31 December 2014 and 2015, which have been incorporated by way of reference and thus constitute a part of the Prospectus, and for the financial year ending 31 December 2016, with 2015 as comparison year, as set forth in the section entitled "Historical financial information" in this Prospectus.

The current parent company in the Group was formed on 11 May 2015 and registered at the Swedish Companies Registration Office on 2 June 2015. The Company became parent company in the Group through a restructuring carried out in September 2015. Through the restructuring, the former shareholders of the subsidiary Instalco Holding AB became, instead, shareholders of the Company. Since no change occurred in terms of controlling influence, from a group perspective the restructuring was handled as a combination, entailing that the Company has continued with the group values pertaining in Instalco Holding AB prior to the restructuring.

Financial information in the Prospectus relating to 2014 is derived from the annual report of the wholly-owned subsidiary Instalco Holding AB. Instalco Holding AB was formed on 14 October 2013 and registered at the Swedish Companies Registration Office on 23 October 2013. Instalco Holding AB's first financial year covered the period 23 October 2013 – 31 December 2014. Instalco Holding AB conducted no business prior to February 2014, when the Group was formed through a combination. Consequently, the audited historical financial information for the financial year ending 31 October 2014 is not directly comparable with the audited historical financial information for the financial years ending 31 December 2015 and 2016.

The annual reports for the financial years ending 31 December 2014 and 2015 have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general advice, BFNAR 2012:1 Annual reports and consolidated financial statements (K3). The annual report for the financial year ending 31 December 2016 has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). The accounts for the financial year ending 31 December 2015 have been recalculated in accordance with IFRS and the Group applies IFRS as from 2015. No conversion to IFRS has taken place with respect to the financial year ending 31 December 2014. Consequently, for the sake of comparability the financial year ending 31 December 2015 is also reported without recalculation to IFRS. The difference between the accounting principles primarily relate to goodwill, earnouts and acquisition costs. More information regarding the effects of recalculation to IFRS on the consolidated income statement and balance sheet, as well as cash flow statement, is provided under Note 39 to Instalco's audited consolidated financial statements (as reproduced elsewhere in this Prospectus).

The financial effects of the acquisitions of Andersen og Aksnes Rørleggerbedrift AS and SwedVvs AB, Uudenmaan Sähkötekniikka JP Oy, Rodens Värme & Sanitet AB and Uudenmaan LVI-Talo OY (the latter an asset acquisition) are not included in the financial information in this section. These acquisitions were completed in 2017 and are not of such a scope as to trigger an obligation to prepare pro forma financial statements in the Prospectus. The aforementioned acquisitions also are not included in the pro forma financial statements that have been prepared voluntarily and are set forth in the section entitled "Pro forma financial statements".

Consolidated income statement in brief

	In accordance with IFRS		In accordance with BFN	
	2016[1]	2015[1]	2015[2]	2014[2]
Amounts in SEKm	Full year	Full year	Full year	23 Oct 2013 31 Dec 2014
Net sales	**2,407**	**1,369**	**1,369**	**505**
Other operating income	4	3	3	1
Total revenues	**2,411**	**1,372**	**1,372**	**505**
Material and purchased services	-1,362	-754	-754	-276
Other external expenses	-168	-101	-101	-42
Personnel expenses	-725	-437	-437	-181
Depreciation/amortisation and impairment of tangible and intangible fixed assets	-4	-2	-2	-0
Depreciation/amortisation and impairment of acquisition-related intangible fixed assets	-	-	-46	-26
Other operating expenses	-12	-30	-0	-0
Operating expenses	**-2,271**	**-1,323**	**-1,339**	**-526**
Operating profit (EBIT)	**140**	**49**	**33**	**-20**
Net financial items	-8	-3	-3	-1
Profit before tax	**132**	**46**	**30**	**-21**
Tax on profit for the period	-41	-12	-12	-7
Net profit	**91**	**34**	**18**	**-28**

[1] Derived from Instalco's audited consolidated financial statement per and for the financial year ending 31 December 2016.
[2] Derived from Instalco's audited consolidated financial statements per and for the financial years ending 31 December 2015 and 31 December 2014.

Consolidated balance sheet in brief

	In accordance with IFRS		In accordance with BFN	
Amounts in SEKm	31 Dec 2016[1]	31 Dec 2015[1]	31 Dec 2015[2]	31 Dec 2014[2]
Goodwill	826	515	474	388
Tangible fixed assets	13	6	6	3
Financial fixed assets	1	0	1	0
Deferred tax assets	0	2	2	1
Total fixed assets	**840**	**523**	**482**	**392**
Inventories	6	4	4	1
Accounts receivable	404	273	273	112
Current tax asset	12	8	7	3
Accrued, non-invoiced income	57	47	47	18
Prepaid expenses and accrued income	38	41	44	18
Other current assets	10	20	20	11
Cash and cash equivalents and short-term investments	159	52	52	105
Total current assets	**685**	**445**	**447**	**269**
Total assets	**1,525**	**967**	**929**	**661**
Equity	553	266	231	397
Total equity	**553**	**266**	**231**	**397**
Interest-bearing financial liabilities	392	344	347	80
Deferred tax liabilities and provisions	30	21	22	14
Total long-term liabilities	**422**	**364**	**369**	**94**
Provisions	9	7	-	-
Interest-bearing financial liabilities	8	40	40	0
Accounts payable	212	123	123	59
Current tax liabilities	11	12	12	14
Invoiced, non-accrued income	63	17	17	26
Accrued expenses and deferred income including provisions	201	95	95	57
Other current liabilities	46	42	42	14
Total current liabilities	**550**	**337**	**329**	**170**
Total equity and liabilities	**1,525**	**967**	**929**	**661**

[1] Derived from Instalco's audited consolidated financial statement per and for the financial year ending 31 December 2016.
[2] Derived from Instalco's audited consolidated financial statements per and for the financial years ending 31 December 2015 and 31 December 2014.

Consolidated statement of cash flows in brief

	In accordance with IFRS		In accordance with BFN	
	2016[1]	2015[1]	2015[2]	2014[2]
Amounts in SEKm	Full year	Full year	Full year	23 Oct 2013 31 Dec 2014
Operating activities				
Profit before tax	132	46	30	-21
Adjustment for non-cash items	8	-7	47	26
Tax paid	-43	-13	-21	-15
Changes in working capital	132	-100	-103	67
Cash flow from operating activities	**230**	**-74**	**-47**	**57**
Investing activities				
Acquisitions of subsidiaries and businesses	-325	-95	-125	-458
Other	-4	-1	-1	0
Cash flow from investing activities	**-329**	**-95**	**-125**	**-458**
Financing activities				
New issue	188	12	12	425
Redemption of preference shares	-	-200	-200	-
Borrowing	20	356	360	80
Debt repayment	-8	-53	-53	-
Cash flow from financing activities	**200**	**116**	**120**	**505**
Cash flow for the period	**100**	**-53**	**-53**	**105**
Cash and cash equivalents at beginning of period	52	105	105	-
Translation difference in cash and cash equivalents	3	-	-	-
Cash and cash equivalents at end of period	**155**	**52**	**52**	**105**

[1] Derived from Instalco's audited consolidated financial statement per and for the financial year ending 31 December 2016.
[2] Derived from Instalco's audited consolidated financial statements per and for the financial years ending 31 December 2015 and 31 December 2014.

Financial information per segment

	In accordance with IFRS		In accordance with BFN	
	2016[1]	2015[1]	2015[2]	2014[2]
Amounts in SEKm	Full year	Full year	Full year	23 Oct 2013 31 Dec 2014
Sweden				
Net sales	2,139	1,369	-	-
EBITA	165	94	-	-
EBITA margin,%	*7.7%*	*6.8%*	-	-
Adjusted EBITA	165	95	-	-
Adjusted EBITA margin,%	*7.7%*	*6.9%*	-	-
Order backlog	1,685	1,318		
Number of Local units at end of period	21	15		
Rest of Nordics				
Net sales	268	-	-	-
EBITA	11	-	-	-
EBITA margin,%	*4.3%*	-	-	-
Adjusted EBITA	11	-	-	-
Adjusted EBITA margin,%	*4.3%*	-	-	-
Order backlog	315	-	-	-
Number of Local units at end of period	5	-	-	-
Other				
Net sales	0	0	-	-
EBITA	-36	-45	-	-
Adjusted EBITA	-20	-9	-	-
Group				
Net sales	2,407	1,369	1,369	505
EBITA	140	49	79	6
EBITA-margin, %	5.8 %	3.6 %	5.8 %	1.1 %
Adjusted EBITA	156	86	86	6
Adjusted EBITA margin, %	6.5 %	6.3 %	6.3 %	1.1 %
Order book	1,999	1,318	1,318	875
Number of Local units at end of period	26	15	15	9

[1] Derived from Instalco's audited consolidated financial statement per and for the financial year ending 31 December 2016.
[2] Instalco conducted no business outside Sweden during 2014 and 2015, which is the reason for the absence of segment reporting in accordance with BFN for the period. Information is derived from the Company's internal reporting system.

Selected key figures

Instalco uses alternative key figures as a supplement to the key figures as defined in accordance with IFRS. Instalco believes that these financial measures, which are not defined in accordance with IFRS, provide greater understanding of the Group's financial results and that such measures as are not defined in accordance with IFRS constitute usable information for investors in combination with other measures that are defined in accordance with IFRS. The alternative key figures are derived from Instalco's consolidated financial statements, but exclude or include amounts which would not be adjusted in the same manner in the closest comparable IFRS measure. The alternative key figures have been neither audited nor reviewed by auditors and are not to be considered separately from, or as a substitute for, the income measures produced in accordance with IFRS. Since all companies do not always define these measures in the same way, it is also possible that such key figures are not always comparable with key figures bearing corresponding designations as used by other companies.

Note that, unless otherwise stated, the tables and the calculations below have not been audited and are not IFRS-based. For a description of the calculation of non-IFRS-based measures and reasons for the use thereof, see the section entitled "Selected financial information – Definitions of key figures not defined in accordance with IFRS".

	In accordance with IFRS		In accordance with BFN	
	2016[2]	2015[2]	2015[3]	2014[3]
Amounts in SEKm	Full year	Full year	Full year	23 Oct 2013 31 Dec 2014
Sales measure				
Net sales[1]	2,407	1,369	1,369	505
Net sales growth,%	*75.8 %*	*171.3 %*	*171.3 %*	-
Organic net sales growth,%	*22.0 %*	*26.6 %*	*26.6 %*	-
Acquired growth in net sales,%	*53.8 %*	*144.7 %*	*144.7 %*	-
Exchange rate movements,%	-	-	-	-
Income measure				
EBIT (Operating profit)[1]	140	49	33	-20
EBITA	140	49	79	6
EBITDA	144	51	81	6
Adjusted EBITA	156	86	86	6
Adjusted EBITDA	160	88	88	6
Margin measure				
EBIT margin,%	*5.8 %*	*3.6 %*	*2.4 %*	*-4.0 %*
EBITA margin,%	*5.8 %*	*3.6 %*	*5.8 %*	*1.1 %*
EBITDA margin,%	*6.0 %*	*3.7 %*	*5.9 %*	*1.2 %*
Adjusted EBITA margin,%	*6.5 %*	*6.3 %*	*6.3 %*	*1.1 %*
Adjusted EBITDA margin,%	*6.7 %*	*6.4 %*	*6.4 %*	*1.2 %*
Cash flow and return measure				
Operating cash flow	289	-13	-16	73
Cash conversion,%	*180.0 %*	*-14.5 %*	*-18.4 %*	*1,223.3 %*
Return on equity,%	*22.2 %*	*10.3 %*	*5.8 %*	-
Capital structure				
Working capital	-17	100	111	5
Working capital in relation to net sales,%	*-0.7 %*	*7.3 %*	*8.1 %*	*1.1 %*
Interest-bearing net debt	241	332	335	-25
Net debt/equity ratio,%	*43.4 %*	*124.5 %*	*145.3 %*	*-6.3 %*
Other				
Order backlog	1,999	1,318	1,318	875
Number of Local units at end of period	26	15	15	9
Average number of employees	1,240	870	870	559

[1] Audited IFRS key figure.
[2] Derived from Instalco's audited consolidated financial statement per and for the financial year ending 31 December 2016.
[3] Net sales and EBIT (Operating profit) are derived from Instalco's audited consolidated financial statements per and for the financial years ending 31 December 2015 and 31 December 2014. All other information is derived from the Group's internal reporting system and has not been audited by the auditor.

Quarterly information

	In accordance with IFRS							
Amounts in SEKm	**Q 4 2016**	**Q 3 2016**	**Q 2 2016**	**Q 1 2016**	**Q 4 2015**	**Q 3 2015**	**Q 2 2015**	**Q 1 2015**
Sales measure								
Net sales[1]	777	556	599	474	487	336	304	242
Growth in net sales,%	*59.7 %*	*65.6 %*	*97.1 %*	*95.8 %*	-	-	-	-
Income measure								
EBIT (Operating profit)[1]	58	11	49	23	38	-7	10	8
EBITA	58	11	49	23	38	-7	10	8
EBITDA	60	12	49	23	39	-6	10	8
Adjusted EBITA	61	15	55	25	38	15	24	8
Adjusted EBITDA	63	16	56	26	39	15	25	9
Margin measure								
EBIT margin,%	*7.4 %*	*2.0 %*	*8.1 %*	*4.8 %*	*7.9 %*	*-2.0 %*	*3.1 %*	*3.2 %*
EBITA margin,%	*7.4 %*	*2.0 %*	*8.1 %*	*4.8 %*	*7.9 %*	*-2.0 %*	*3.1 %*	*3.2 %*
EBITDA margin,%	*7.7 %*	*2.2 %*	*8.2 %*	*4.9 %*	*8.0 %*	*-1.9 %*	*3.3 %*	*3.3 %*
Adjusted EBITA margin,%	*7.8 %*	*2.7 %*	*9.2 %*	*5.3 %*	*7.9 %*	*4.5 %*	*8.0 %*	*3.4 %*
Adjusted EBITDA margin,%	*8.1 %*	*2.9 %*	*9.3 %*	*5.5 %*	*8.0 %*	*4.6 %*	*8.1 %*	*3.5 %*
Capital structure								
Working capital	-17	3	15	35	100	55	7	-2
Working capital in relation to net sales,%	*-0.7 %*	*0.1 %*	*0.8 %*	*2.2 %*	*7.3 %*	-	-	-
Interest-bearing net debt	241	210	265	293	332	285	26	-23
Net debt/equity ratio,%	*43.4 %*	*40.6 %*	*78.0 %*	*99.3 %*	*124.5 %*	*106.6 %*	*5.7 %*	*-5.6 %*
Other								
Order backlog	1,999	1,911	1,683	1,650	1,318	1,116	1,157	856
Number of Local units at end of period	26	24	19	18	15	13	13	9
Average number of employees	1,240	1,221	1,082	1,043	870	949	760	759
Number of employees at end of period	1,295	1,257	1,120	1,060	925	985	786	785

Note: The information is derived from Instalco's audited consolidated financial statement per and for the financial year ending 31 December 2016. The Company's auditor has generally reviewed the quarterly information for Q3 2016 and Q4 2016.
[1] IFRS key figures.

Alternative key figures that are not calculated accordance with IFRS

The following tables show reconciliation of organic growth, acquired growth, EBIT margin, EBITA, EBITA margin, EBITDA, EBITDA margin, adjusted EBITA, adjusted EBITA margin, adjusted EBITDA, adjusted EBITDA margin, operating cash flow, cash conversion, return on total equity, working capital, working capital in relation to net sales, interest-bearing net debt and net debt/equity ratio. For a description of the calculation of non-IFRS measures and the reason for their use, see the section entitled “Selected financial information – Definitions of key figures not defined in accordance with IFRS”.

SALES MEASURE

	In accordance with IFRS		In accordance with BFN	
	2016	2015	2015	2014
Amounts in SEKm	Full year	Full year	Full year	23 Oct 2013 31 Dec 2014
Calculation of organic growth in net sales				
(A) Net sales previous year[1]	1,369	505	505	-
Acquired net sales[2]	737	730	730	505
(B) Organic net sales[2]	301	134	134	-
Exchange rate movements[2]	-	-	-	-
(B) Net sales[1]	2,407	1,369	1,369	505
(B/A) Organic growth in net sales,%	**22.0 %**	**26.6 %**	**26.6 %**	**-**

[1] Audited IFRS key figure.
[2] Included in net sales.

INCOME MEASURE AND MARGIN MEASURE

	In accordance with IFRS		In accordance with BFN	
	2016	2015	2015	2014
Amounts in SEKm	Full year	Full year	Full year	23 Oct 2013 31 Dec 2014
(A) Operating profit (EBIT)[1]	**140**	**49**	**33**	**-20**
Depreciation/amortisation and impairment of acquisition-related intangible fixed assets[2]	-	-	46	26
(B) EBITA	**140**	**49**	**79**	**6**
Depreciation/amortisation and impairment of tangible and intangible fixed assets[2]	4	2	2	0
(C) EBITDA	**144**	**51**	**81**	**6**
Items affecting comparability				
Earnouts[3]	6	25	-	-
Acquisition costs[3]	6	5	-	-
Refinancing costs[4]	2	6	6	-
IPO costs[4]	2	-	-	-
Sponsor costs[4]	-	2	2	-
Total adjustments	**16**	**37**	**7**	**-**
(D) Adjusted EBITA	**156**	**86**	**86**	**6**
(E) Adjusted EBITDA	**160**	**88**	**88**	**6**
(F) Net sales[1]	**2,407**	**1,369**	**1,369**	**505**
(A/F) EBIT margin,%	*5.8 %*	*3.6 %*	*2.4 %*	*-4.0 %*
(B/F) EBITA margin,%	*5.8 %*	*3.6 %*	*5.8 %*	*1.1 %*
(C/F) EBITDA margin,%	*6.0 %*	*3.7 %*	*5.9 %*	*1.2 %*
(D/F) Adjusted EBITA margin,%	*6.5 %*	*6.3 %*	*6.3 %*	*1.1 %*
(E/F) Adjusted EBITDA margin,%	*6.7 %*	*6.4 %*	*6.4 %*	*1.2 %*

[1] Audited IFRS key figure.
[2] Audited.
[3] Included in Other operating expenses.
[4] Included in Other external expenses.

Amounts in SEKm	In accordance with IFRS Q 4 2016	Q 3 2016	Q 2 2016	Q 1 2016	Q 4 2015	Q 3 2015	Q 2 2015	Q 1 2015
(A) Operating profit (EBIT)[1]	**58**	**11**	**49**	**23**	**38**	**-7**	**10**	**8**
Depreciation/amortisation and impairment of acquisition-related intangible fixed assets	-	-	-	-	-	-	-	-
(B) EBITA	**58**	**11**	**49**	**23**	**38**	**-7**	**10**	**8**
Depreciation/amortisation and impairment of tangible and intangible fixed assets	2	1	1	1	1	0	0	0
(C) EBITDA	**60**	**12**	**49**	**23**	**39**	**-6**	**10**	**8**
Items affecting comparability								
Earnouts[2]	-	0	6	-	-5	18	12	-
Acquisition costs[2]	1	3	0	2	3	-	3	-
Refinancing costs[3]	1	0	0	0	2	4	-	-
IPO costs[3]	1	1	-	-	-	-	-	-
Sponsor costs[3]	-	-	-	-	0	0	0	0
Total, items affecting comparability	**3**	**4**	**6**	**3**	**-0**	**22**	**15**	**0**
(D) Adjusted EBITA	**61**	**15**	**55**	**25**	**38**	**15**	**24**	**8**
(E) Adjusted EBITDA	**63**	**16**	**56**	**26**	**39**	**15**	**25**	**9**
(F) Net sales[1]	**777**	**556**	**599**	**474**	**487**	**336**	**304**	**242**
(A/F) EBIT margin,%	*7.4 %*	*2.0 %*	*8.1 %*	*4.8 %*	*7.9 %*	*-2.0 %*	*3.1 %*	*3.2 %*
(B/F) EBITA margin,%	*7.4 %*	*2.0 %*	*8.1 %*	*4.8 %*	*7.9 %*	*-2.0 %*	*3.1 %*	*3.2 %*
(C/F) EBITDA margin,%	*7.7 %*	*2.2 %*	*8.2 %*	*4.9 %*	*8.0 %*	*-1.9 %*	*3.3 %*	*3.3 %*
(D/F) Adjusted EBITA margin,%	*7.8 %*	*2.7 %*	*9.2 %*	*5.3 %*	*7.9 %*	*4.5 %*	*8.0 %*	*3.4 %*
(E/F) Adjusted EBITDA margin,%	*8.1 %*	*2.9 %*	*9.3 %*	*5.5 %*	*8.0 %*	*4.6 %*	*8.1 %*	*3.5 %*

Note: The information is derived from Instalco's audited consolidated financial statement per and for the financial year ending 31 December 2016. The Company's auditor has generally reviewed the quarterly information for Q3 2016 and Q4 2016.
[1] IFRS key figure.
[2] Included in Other operating costs.
[3] Included in Other external costs.

CASH FLOW AND RETURN MEASURES

Amounts in SEKm	In accordance with IFRS 2016 Full year	2015 Full year	In accordance with BFN 2015 Full year	2014 23 Oct 2013 31 Dec 2014
Calculation of operating cash flow and cash conversion				
(A) Adjusted EBITDA[1]	160	88	88	6
Net investments in tangible and intangible fixed assets[2]	-4	-1	-1	0
Changes in working capital[2]	132	-100	-103	67
(B) Operating cash flow	**289**	**-13**	**-16**	**73**
(B/A) Cash conversion,%	***180.0 %***	***-14.5 %***	***-18.4 %***	***1,223.3 %***
Calculation of return on equity				
(A) Net profit[2]	91	34	18	-28
Equity at the start of period[2]	266	393	397	-
Equity at end of period[2]	533	266	231	397
(B) Average total equity	410	329	314	-
(A/B) Return on total equity,%	***22.2 %***	***10.3 %***	***5.8 %***	**-**

[1] Calculated in accordance with presentation in the section entitled "Income measures and margin measures".
[2] Audited.

CAPITAL STRUCTURE

Amounts in SEKm	In accordance with IFRS 2016 Full year	In accordance with IFRS 2015 Full year	In accordance with BFN 2015 Full year	In accordance with BFN 2014 23 Oct 2013 31 Dec 2014
Calculation of working capital and working capital in relation to net sales				
Inventories[1]	6	4	4	1
Accounts receivable[1]	404	273	273	112
Accrued, non-invoiced income[1]	57	47	47	18
Prepaid expenses and accrued income[1]	38	41	44	18
Other current assets[1]	10	20	20	11
Provisions	-9	-7	-	-
Accounts payable[1]	-212	-123	-123	-59
Invoiced but non-accrued income[1]	-63	-17	-17	-26
Accrued expenses and deferred income including provisions[1]	-201	-95	-95	-57
Other current liabilities[1]	-46	-42	-42	-14
(A) Working capital	**-17**	**100**	**111**	**5**
(B) Net sales (rolling 12 months)[2]	2,407	1,369	1,369	505
(A/B) Working capital in relation to net sales (rolling 12 months), %	***-0.7%***	***7.3%***	***8.1%***	***1.1%***
Calculation of interest-bearing net debt and net debt/equity ratio				
Long-term interest-bearing financial liabilities[1]	392	344	347	80
Current interest-bearing financial liabilities[1]	8	40	40	0
Cash and cash equivalents and other current investments[1]	-159	-52	-52	-105
(A) Interest-bearing net debt	**241**	**332**	**335**	**-25**
(B) Equity[1]	553	266	231	397
(A/B) Net debt/equity ratio, %	***43.5%***	***124.5%***	***145.3%***	***-6.3%***

[1] Audited.
[2] Audited IFRS key figure.

Amounts in SEKm (In accordance with IFRS)	Q 4 2016	Q 3 2016	Q 2 2016	Q 1 2016	Q 4 2015	Q 3 2015	Q 2 2015	Q 1 2015
Calculation of working capital and working capital in relation to net sales								
Inventories	6	5	4	4	4	3	3	1
Accounts receivable	404	349	296	264	273	196	176	122
Accrued, non-invoiced income	57	54	48	45	47	30	21	26
Prepaid expenses and accrued income	38	17	18	29	41	32	14	6
Other current assets	10	9	9	9	20	5	7	6
Provisions	-9	-9	-8	-8	-7	-7	-7	-6
Accounts payable	-212	-221	-175	-151	-123	-123	-106	-67
Invoiced but non-accrued income	-63	-24	-	-	-17	-1	-3	-16
Accrued expenses and deferred income	-201	-160	-147	-137	-95	-71	-82	-67
Other current liabilities	-46	-18	-30	-20	-42	-9	-15	-7
(A) Working capital	**-17**	**3**	**15**	**35**	**100**	**55**	**7**	**-2**
(B) Net sales (rolling 12 months)[1]	2,407	2,116	1,896	1,601	1,369	-	-	-
(A/B) Working capital in relation to net sales (rolling 12 months), %	***-0.7%***	***0.1%***	***0.8%***	***2.2%***	***7.3%***	***-***	***-***	***-***
Calculation of interest-bearing net debt and net debt/equity ratio								
Long-term interest-bearing financial liabilities	392	444	321	375	344	200	0	-
Current interest-bearing financial liabilities	8	0	40	40	40	140	120	80
Cash and cash equivalents and other current investments	-159	-234	-96	-122	-52	-55	-94	-103
(A) Interest-bearing net debt	**241**	**210**	**265**	**293**	**332**	**285**	**26**	**-23**
(B) Equity[1]	553	518	340	295	266	267	449	407
(A/B) Net debt/equity ratio, %	***43.5 %***	***40.6 %***	***78.0 %***	***99.3 %***	***124.5 %***	***106.6 %***	***5.7 %***	***-5.6 %***

Note: The information is derived from Instalco's audited consolidated financial statement per and for the financial year ending 31 December 2016. The Company's auditor has reviewed the quarterly information for Q3 2016 and Q4 2016.
[1] IFRS key measure.

DEFINITIONS OF KEY FIGURES NOT DEFINED IN ACCORDANCE WITH IFRS

KEY FIGURE	DEFINITION/CALCULATION	PURPOSE
Net sales growth	Change in net sales as a percentage of net sales during the comparison period.	Change in net sales reflects the Group's realised sales growth over time.
Organic net sales growth	Change in net sales in comparable units after adjustment for acquisition and currency effects, as a percentage of net sales during the comparison period.	Organic net sales growth excludes the effects of changes in the Group's structure and exchange rates, thereby facilitating comparison of net sales over time.
Acquired net sales growth	Change in net sales growth as a percentage of net sales during the comparison period, driven by acquisitions. Acquired net sales are defined as net sales during the period that are attributable to companies acquired during the most recent 12-month period and for these companies only net sales up until twelve months after the acquisition date is considered as acquired.	Acquired net sales growth reflects the impact of the acquired units on net sales.
Exchange rate movements	Changes in net sales for the period that are related to exchange rate movements (the start of the period as compared with the end of the period), as a percentage of the net sales during the comparison period.	Exchange rate movements reflect the impact of exchange rates on net sales during the period.
EBIT margin	Operating profit (EBIT) as a percentage of net sales.	EBIT margin is used to measure operating profitability.
EBITA	Operating profit (EBIT) before amortisation and impairment of acquisition-related intangible fixed assets.	EBITA provides an overall view of profit generated by operating activities.
EBITA margin	Operating profit (EBIT) before amortisation and impairment of acquisition-related intangible fixed assets, as a percentage of net sales.	EBITA margin is used to measure operating profit-ability.
EBITDA	Operating profit (EBIT) before amortisation and impairment of acquisition-related intangible fixed assets as well as depreciation/amortisation and impairment of tangible and intangible assets.	EBITDA together with EBITA provides a holistic view of profit generated by the operating activities.
EBITDA margin	Operating profit (EBIT) before amortisation and impairment of acquisition-related intangible fixed assets as well as depreciation/amortisation and impairment of tangible and intangible fixed assets, as a percentage of net sales.	EBITDA margin is used to measure operating profit-ability.
Items affecting comparability	Items affecting comparability, such as earnouts, acquisition costs, refinancing costs, IPO costs and sponsor costs.	Exclusion of items affecting comparability increases comparability of results between periods.
Adjusted EBITA	EBITA adjusted for items affecting comparability.	Adjusted EBITA increases the comparability of EBITA.
Adjusted EBITA margin	EBITA adjusted for items affecting comparability, as a percentage of net sales.	Adjusted EBITA margin excludes the effect of items affecting comparability, thereby facilitating a com-parison of the underlying operating profitability.
Adjusted EBITDA	EBITDA adjusted for items affecting comparability.	Adjusted EBITDA increases the comparability of EBITDA.
Adjusted EBITDA margin	EBITDA adjusted for items affecting comparability, as a percentage of net sales.	Adjusted EBITDA margin excludes the effect of items affecting comparability, thereby facilitating a com-parison of the underlying operating profitability.
Operating cash flow	Adjusted EBITDA less net investments in tangible and intangible fixed assets as well as adjustment for cash flow from changes in working capital.	The operating cash flow is used to monitor the cash flow generated by the operating activities.
Cash conversion	Operating cash flow as a percentage of adjusted EBITDA.	Cash conversion is used to monitor the efficiency of the Group's management of ongoing investments and working capital.
Return on equity	Net profit for a rolling 12-month period divided by average total equity at the end of the period.	The return on equity is used to analyse profitability, based on how much capital is used.
Working capital	Inventories, accounts receivable, accrued, non-invoiced income, prepaid expenses and accrued income and other current assets, less provisions, accounts payable, invoiced but non-accrued 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 in relation to net sales (rolling 12 months)	Working capital at the end of the period as a percentage of net sales in the most recent 12-month period.	Working capital in relation to net sales is used to measure the Company's working capital tie-up.
Interest-bearing net debt	Long-term and current interest-bearing liabilities less cash and cash equivalents and other current investments	Interest-bearing net debt is used as a measure to show the Group's total indebtedness.
Net debt/equity ratio	Interest-bearing net debt as a percentage of total equity.	Net debt/equity ratio measures the degree to which the Group is financed by borrowing. Since cash and cash equivalents and other current investments can be used to pay debt on short notice, net debt is used in the calculation instead of gross debt.
Order backlog	The value of outstanding not yet accrued project revenues from received orders at the end of the period.	The order backlog is an indicator of the Group's outstanding project revenues from already received orders.

Operational and financial review

The financial information in this section is to be read together with the sections entitled "Selected financial information", "Pro forma financial statements", "Capital structure, indebtedness and other financial information" and the audited consolidated financial statements with related notes for the financial years ending 31 December 2014 and 2015, which have been incorporated by way of reference and thus constitute a part of the Prospectus and, with respect to the financial year ending 31 December 2016, with 2015 as reference year, as set forth in this Prospectus in the section entitled "Historical financial information". Amounts in this section have been rounded off and aggregated and thus do not always sum up correctly.

The annual reports for the financial years ending 31 December 2014 and 2015 have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general advice, BFNAR 2012:1 Annual reports and consolidated financial statements (K3). The annual report for the financial year ending 31 December 2016 has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). The accounts for the financial year ending 31 December 2015 have been recalculated in accordance with IFRS and the Group applies IFRS as from 2015. No recalculation to IFRS has taken place with respect to the financial year ending 31 December 2014. In order to facilitate comparison between the years, comparison figures for 2015 are presented in accordance with both BFN and in accordance with IFRS. See also the section entitled "Selected financial information". Amounts in parentheses relate to comparison figures for the corresponding period of the preceding year.

This section may contain forward-looking statements that reflect the Group's current view of future events as well as financial and operating results. Such forward-looking statements are associated with both known and unknown risks and circumstances beyond the Group's control. See also the section entitled "Risk factors" for a description of some, but not all, of the factors that may result in the Group's future earnings and development differing significantly from those expressed or intimated in any forward-looking statement.

Overview

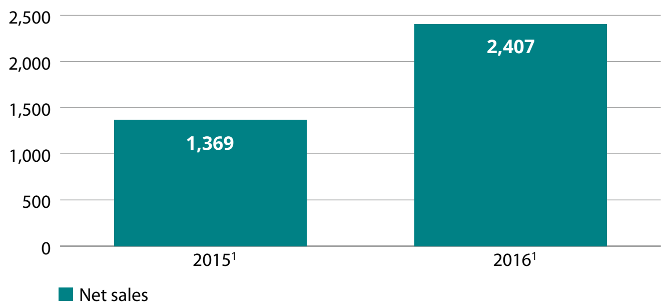
Instalco considers itself to be a leading installation and service supplier for both renovation and maintenance projects as well as new construction. The services are offered within five segments: Heating and Plumbing, Electrical, Ventilation, Cooling and Industrial; in 2016, the segments accounted for 35, 29, 23, 7 and 6 percent respectively of the Group's net sales during 2016[1]. The Group was formed in February 2014 on the initiative of CEO Per Sjöstrand through a consolidation of five installation companies and, since formation, the Group has acquired 25 independent operating units of varying size (the number of legal entities is greater since certain operational units comprise several companies). Continued acquisitions constitute an important aspect of the Group's strategy. Instalco's operations are conducted in the Group's Local units, with support from a small central organisation. The Group has a decentralised structure which is aimed at promoting a strong entrepreneurial spirit. As part of this philosophy, the units retain their local identity and individual unit managers enjoy considerable discretion and carry major responsibility for the local business generation and management.

For the 2016 financial year, Instalco had net sales of SEK 2,407 million and an adjusted EBITA[2]of SEK 156 million, corresponding to an adjusted EBITA margin of 6.5 percent (see "Definitions of key figures not defined in accordance with IFRS" in the section entitled "Selected financial information"). Instalco's business operations are mainly in Sweden (89 percent of the Group's sales in 2016), but also in Norway and Finland (11 percent of the Group's net sales in 2016). In the Group's segment reporting, the operations in Norway and Finland are designated as "Rest of Nordics" and, together with the operations in "Sweden", comprise the Group's operating segment.

INSTALCO'S FINANCIAL PROFILE IS CHARACTERISED BY:

Strong growth driven by both acquisitions and organic growth

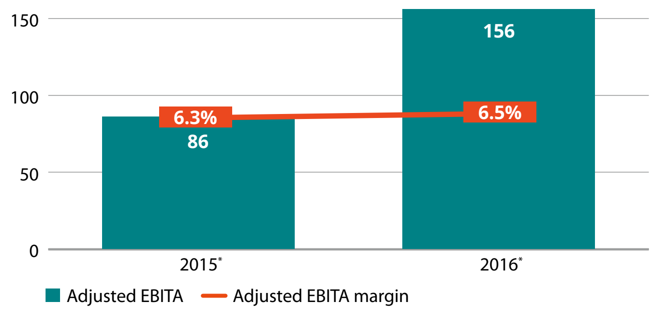
Since its formation, the Group has demonstrated strong growth driven primarily by acquisitions, but also solid organic growth. Instalco's net sales have increased from SEK 505 million in 2014 to SEK 2,407 million in 2016, corresponding to an average annual growth rate of 118 percent. During 2015 and 2016, organic growth amounted to 26.6 percent and 22.0 percent respectively. The organic growth in net sales in both 2015 and 2016 is partially driven by increased cross-selling between the Group's Local units, as well as an increased number of multi-disciplinary projects in which several of the Group's Local units collaborate. During 2016, organic growth was also driven by Instalco's Local units having carried out a number of larger projects which, cannot be expected to be of recurring nature.



[1] In accordance with IFRS. Derived from Instalco's audited consolidated financial statements per and for the financial year ending 31 December 2016.

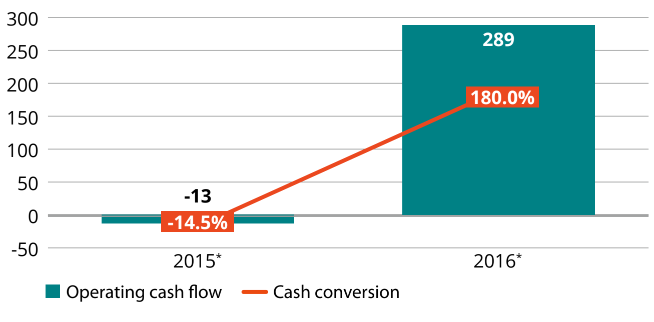
[1] Estimate based on unaudited information derived from Instalco's Local units' internal reporting systems for the companies that were a part of the Group on December 31, 2016.
[2] Adjusted for earnouts, acquisition costs, refinancing costs and IPO costs.

Sound profitability
Instalco has demonstrated a sound profitability level adjusted for items affecting comparability, with the Group's adjusted EBITA margin during the period 2015–2016 being within the 6.3–6.5 percent range. Instalco's objective is to achieve an adjusted EBITA margin of 8.0 percent.



* In accordance with IFRS. Derived from Instalco's audited consolidated financial statements per and for the financial year ending 31 December 2016.

Good cash conversion
Instalco conducts a business with relatively low capex requirements. In addition, Instalco has limited working capital, which, together with low capex requirements, generates good cash conversion. During the period 2015-2016, the Group's average cash conversion amounted to 111 percent. The variation in cash conversion during 2015 and 2016 is due to changes in working capital. At the beginning of 2015, working capital was relatively low, whereas Instalco had relatively high working capital at the end of 2015. The relatively low working capital at the beginning of 2015 was partly attributable to the change in accounting principle (switch from the completed contract method to the percentage-of-completion method). The relatively high working capital at the end of 2015 arose as a consequence of a number of larger projects secured towards the end of the year which were invoiced in December but where cash flows to Instalco were not generated until 2016, and also as a consequence of a number of industrial projects where invoicing was scheduled to take place mainly towards the end of the project. Instalco's objective is to achieve a cash conversion ratio of 100 percent, measured over a rolling 12-month period.



* In accordance with IFRS. Derived from Instalco's audited consolidated financial statements per and for the financial year ending 31 December 2016.

FACTORS AFFECTING INSTALCO'S OPERATING PROFIT AND CASH FLOW

General demand for installation services
The Group's net sales and operating profit correlate with macroeconomic factors that affect the customers' ability and willingness to use the Group's services. Instalco is primarily dependent on developments on the Nordic construction market and the installation and service market, which in turn are dependent on a number of factors, including the customers' ongoing needs and willingness to maintain properties, carry out extensive property renovations and construct new properties. Installation and service are less affected by the general economic trend than the construction industry in general, and the project portfolios of installation companies are usually characterised by high visibility in terms of future projects. The work that Instalco is to perform is usually planned and contracted up to 12-18 months in advance, thereby giving a high level of visibility and the possibility to adapt the cost base to demand. Demand for installation and service can also vary between countries and regions. Instalco has a relatively large exposure to metropolitan regions such as Stockholm, Malmö and Oslo (approximately 70 percent of Instalco's net sales in Sweden relate to the Stockholm, Gothenburg and Malmö regions, and consequently developments in those regions affect the Group's net sales and operating profit). In addition to economic conditions, demand for installation and service may diminish as a consequence of political decisions and political uncertainty, which may affect Instalco's business operations.

Ability to drive further growth through acquisitions
In addition to growing organically, Instalco has demonstrated strong acquisition-driven growth. During the period since the formation of the Group in February 2014 to March 2017, Instalco has completed 25 acquisitions at an average volume-weighted EV/EBITA multiple of 4.2x[1] (without taking synergies into account).As a consequence of acquisitions, Instalco has strengthened its multi-disciplinary offering, established a national presence in Sweden and expanded its operations to Norway and Finland. Instalco has a pronounced strategy of continuing to supplement the Group's organic growth with acquisition-driven growth and considers itself to have a strong offering to business owners wishing to sell their company, since the entrepreneur has the possibility to see the company continue to operate as part of the Group. Instalco has a structured process for identifying and implementing acquisitions and has the target of maintaining active dialogue with approximately 5-10 acquisition candidates in order to ensure a regular flow of acquisitions. The Group's net sales, operating profit and cash flow are affected by Instalco's ability to continue to identify potential acquisition candidates, implement acquisitions at attractive valuation multiples and integrate acquired companies.

Contract portfolio and order backlog
The Group's ability to continue to grow and create profitability is conditioned on the Group winning new projects with existing and new customers. An important element of Instalco's strategy for retaining a strong project portfolio is to continue to win multi-disciplinary projects through collaboration between the Local units. Instalco controls its operations by regularly monitoring changes in the order backlog and order backlog ratio. The order backlog represents the value of contracted outstanding projects and service revenues, while the order backlog ratio constitutes the order backlog at any given period of time relative to the Group's net sales for the past 12 months. As of 31 December 2016, the Group's order backlog amounted to SEK 1,999 million. The order backlog ratio amounted to 0.7x relative to the Group's pro forma net sales for 2016 and has been stable at between 0.7-0.8x during the most recent 12-month period.

Competition and price levels for projects and services
The Group's competitors include a large number of small local companies, as well as a few larger companies which, similarly to Instalco, offer multi-disciplinary services on several geographic markets. The intensity of competition varies between different disciplines and regional markets. Instalco operates primarily on the mid-size segment of the installation market, which the Group defines as comprising projects valued at SEK 1-75 million. The Group makes the assessment that competition in the mid-size segment occurs primarily on a local level between those companies that are active on the local market. Although quality of service, project management capability and expertise largely influence the customers' choice of supplier in the mid-size

[1] Based on the 25 acquisitions of local units as well as a minor bolt-on acquisition that will not form a Local Unit carried out since the formation of the Group in February 2014 and up to the end of March 2017 (excluding Inkon, which was formed by the Group in 2016). Enterprise value ("EV") is calculated on a cash and debt-free basis including adjustments for working capital and earnouts. EBITA is based on the most recent historical twelve-month period available on the date of each acquisition and is derived from the companies' internal reporting systems and thus has not been reviewed by auditors.

segment, price also plays an important role. The Group's contracts are often the subject of competitive procurement procedures. Therefore, the Group's ability to win contracts, on attractive terms and conditions, awarded through competitive procurement procedures constitutes a factor that affects the Group's net sales and operating profit.

Project management and operational efficiency
Project management and efficient utilisation of the Group's resources are key factors for the Group's profitability. Instalco is regularly engaged in developing project management methods through standardisation of procedures, training, sharing of best practice, monthly monitoring and central control. Instalco engages in planning and joint personnel resource utilisation in order to facilitate a high level of operational efficiency. A significant part of the Group's business is dependent on costs being correctly calculated and checked and on projects being completed on time, so that the customers are satisfied and costs are kept within the bounds of what was calculated at the outset of the project. Incorrect calculations or estimates, or lack of relevant control, can result in profitability being lower than expected. Conversely, a well-based project calculation and efficient project implementation may result in higher than expected profitability. Instalco operates primarily within the mid-size segment of the installation market, which the Group defines as comprising projects valued at SEK 1-75 million. Consequently, the risk of a heavy loss in an individual project is less than if the Group engaged with large projects. In those cases where the Group engages in large projects, this usually takes place on a time/materials remuneration basis rather than as a fixed price undertaking, in order thereby to reduce the project risk.

Flexible cost structure
Instalco's cost structure largely comprises wholly variable and partially variable costs. Variable costs comprise costs for materials and equipment as well as subcontracting costs and together accounted for approximately 60 percent of the Group's cost base in 2016. Partially variable costs comprise costs for temporary employees and permanent employees as well as transportation and amounted to approximately 34 percent of the Group's cost base in 2016. Remaining costs (corresponding to approximately 6 percent of the Group's cost base in 2016) comprise costs for rents for premises, consumables, IT, marketing and other external costs. Instalco's model is structured as a small central organisation, and the central costs for head office and group management amounted to approximately 1 percent of the Group net sales in 2016. The Group is able to adapt its cost base thanks to Instalco's good visibility through the order backlog and the fact that work is usually contracted 12-18 months prior to performance. Taking into account prevailing employment law legislation and industry practice on the markets on which the Group operates, Instalco makes the assessment that it is usually able to adjust its workforce through downsizing or redeployment within three to six months.

Costs for material and equipment
Purchases of installation material and equipment constitute the Group's largest cost item. Instalco uses central framework agreements and coordination of purchasing in order to achieve economies of scale. Instalco makes the assessment that there is potential within the Group to improve the purchasing process through standardisation and coordination, and by taking advantage of larger scale purchasing as the Group expands. Costs for material and equipment are also dependent on the activity level in the industry and the general price trend for material and equipment, which in turn depends on fluctuations in the prices of the relevant raw materials used in the manufacture of the material and equipment, primarily aluminium, copper and steel. The Group's ability to purchase material and equipment at competitive prices thus affects the Group's operating profit.

The Group's ability to attract and retain employees and managerial staff
Instalco's business is employee-intensive and covers several different professional categories, supervisors and managers, who represent a key element in Instalco's offering to customers. It is, therefore, necessary that the Group is able to attract and retain a motivated, skilled workforce, and to train the Group's future leaders. In accordance with Instalco's model of being a decentralised, customer-focused organisation, local managers exercise significant responsibility and powers. Instalco has established the Instalco Academy, aimed at maintaining a sound level of training among employees, identifying future managers, and improving collaboration between units. In addition to the Instalco Academy, there is also an apprenticeship scheme as well as courses and programmes for certification and other necessary skills. The first classes began their training in October 2016.

Seasonal effects
Instalco's profitability and cash flow are affected by seasonal variations, weekends and public holidays, which limit comparability between different seasonal periods. Instalco reports its revenues in accordance with the project's percentage-of-completion, with the consequence that fewer workdays result in a reduction in Instalco's revenues from ongoing projects. For example, net sales and profitability during the first and third quarters of the year are affected by vacation periods and reduced activity. Instalco's working capital is also affected by seasonal effects despite regular invoicing of ongoing and completed projects as well as service work. There is normally a high level of invoicing in December due to invoices issued prior to the end of the year, with a resulting strong cash flow in December and January. Net sales, operating profit and cash flow tend to be strongest during the fourth quarter, when customers in both the public sector and private sector attempt to match their budgets for maintenance and operating costs during the year and to complete work on ongoing projects before the end of the year. Cash flows tend to be lowest in August and September due to a lower level of activity in July, which is the most common vacation month on Instalco's markets.

Exchange rate movements
Although currency exposure is currently relatively limited, through its operations in Norway and Finland the Group is exposed to exchange rate movements. Thus, exchange rate movements affect the Group's earnings and financial position. The Group's current exposure primarily includes translation exposure. Translation exposure arises as a consequence of exchange rate movements when the income statements and balance sheets of the Group's Norwegian and Finnish subsidiaries, in NOK and EUR respectively, are translated to the Group's reporting currency, SEK.

Interest expenses
The Group's operations are financed in part through interest-bearing financial liabilities. The net interest income/expense comprises interest income and interest expenses on cash and cash equivalents and bank loans. Interest rate risk is the risk of negative effects on the Group's earnings and cash flows as a consequence of changes in underlying interest rates.

Tax expenses
Instalco pays tax in those countries in which the Group operates (Sweden, Norway and Finland), and thus the Group's earnings and cash flows depend on local tax rates and changes in those tax rates, as well as the earnings in each country. A reallocation of earnings in each country but with an unchanged total result for the Group can thus involve increased or reduced tax expenses.

IMPORTANT INCOME STATEMENT ITEMS

	In accordance with IFRS		In accordance with BFN	
	2016*	2015*	2015**	2014**
Amounts in SEKm	**Full year**	**Full year**	**Full year**	**23 Oct 2013 31 Dec 2014**
Net sales	**2,407**	**1,369**	**1,369**	**505**
Other operating income	4	3	3	1
Total revenues	**2,411**	**1,372**	**1,372**	**505**
Material and purchased services	-1,362	-754	-754	-276
Other external expenses	-168	-101	-101	-42
Personnel expenses	-725	-437	-437	-181
Depreciation/amortisation and impairment of tangible and intangible fixed assets	-4	-2	-2	0
Amortisation and impairment of acquisition-related intangible fixed assets	-	-	-46	-26
Other operating expenses	-12	-30	0	-0
Operating expenses	**-2,271**	**-1,323**	**-1,339**	**-526**
Operating profit (EBIT)	**140**	**49**	**33**	**-20**
Net financial expense	-8	-3	-3	-1
Profit before tax	**132**	**46**	**30**	**-21**
Tax on net profit	-41	-12	-12	-7
Net profit	**91**	**34**	**18**	**-28**

* Derived from Instalco's audited consolidated financial statements per and for the financial year ending 31 December 2016

** Derived from Instalco's audited consolidated financial statements per and for the financial years ending 31 December 2015 and 31 December 2014.

Net sales represent total revenues from Instalco's installation and service operations. Net sales are recognised in accordance with the percentage-of-completion method, entailing that revenues are recognised as projects are gradually completed. Related to net sales, Instalco also monitors the organic growth in net sales, acquisition effects and currency effects.

Material and purchased services primarily comprise the procurement and use of materials as well as subcontracting costs.

Personnel expenses comprise salaries, payroll expenses, pensions and other personnel-related costs for all employees in the Group.

Depreciation/amortisation and impairment of tangible and intangible fixed assets consist primarily of depreciation of equipment and tools. Amortisation and impairment of acquisition-related intangible fixed assets relate to amortisation of goodwill in those periods of time in which the Company reported in accordance with BFN.

Other external expenses and other operating expenses include costs such as acquisition costs (only in accordance with IFRS), earnouts (only in accordance with IFRS), rent for premises, transportation costs, consumables and leasing of vehicles.

Other operating income includes revenues such as rental revenues.

Net financial income/expense comprises interest expenses for liabilities and interest income from cash and cash equivalents as well as other financial items.

Tax on net profit includes current tax expenses and the deferred tax expense for a particular period.

Instalco's financial results (in accordance with IFRS)

THE FULL YEAR OF 2016 COMPARED TO THE FULL YEAR OF 2015

Net sales

Net sales increased by SEK 1,038 million, from SEK 1,369 million for the full year of 2015 to SEK 2,407 million for the full year of 2016, representing an increase of 75.8 percent.

Net sales increased organically by SEK 301 million, corresponding to 22.0 percent. The exceptionally strong organic growth was in large part driven by increased cross-selling and an increasing number of multi-disciplinary projects with increased net sales for several of the Group's Local units as well as the fact that Instalco's Local units carried out a number of large projects which cannot be expected to be recurring by nature. Increased cross-selling and an increase in the number of multi-disciplinary projects also contributed to increased sales for a number of the Group's Local units.

Eleven businesses were acquired during the period, which contributed to acquisition-driven growth of SEK 737 million, corresponding to 53.8 percent. Net sales during the period included no currency effects.

Net sales per segment

Net sales in Sweden increased by SEK 770 million, corresponding to 56.2 percent, from SEK 1,369 million for the full year of 2015 to SEK 2,139 million for the full year of 2016 (corresponding to 89 percent of the Group's net sales). Instalco acquired six businesses in Sweden (Timab, Dalab Luft, Dalab VVS, Tunabygdens VVS Installatör, JN Elinstallatörer and VFB i Malmö) during the full year of 2016.

Net sales in the Rest of Nordics increased by SEK 268 million, from SEK 0 for the full year of 2015 to SEK 268 million for the full year of 2016 (corresponding to 11 percent of the Group's net sales). All growth in the Rest of Nordics during the period is attributable to acquisitions.

EBITA and operating profit (EBIT)

Instalco's EBITA increased by SEK 91 million (corresponding to 187 percent), from SEK 49 million for the full year of 2015 to SEK 140 million for the full year of 2016. The EBITA margin increased from 3.6 percent to 5.8 percent during the same period. The increase in EBITA is largely attributable to acquisitions. The improvement in the EBITA margin is in part due to some units having improved their operating profit during the year compared to a weak result in 2015. The larger projects had, on aggregate, a limited impact on the Group's EBITA. Acquisitions completed in 2016, as well as full year effects from acquisitions completed in 2015, have also had a positive impact on the change in the EBITA margin.

Instalco's operating profit (EBIT) increased by SEK 91 million, corresponding to 187 percent, from SEK 49 million for the full year of 2015 to SEK 140 million for the full year of 2016.

Operating profit and EBITA were negatively affected by earnouts of SEK 6 million, acquisition costs of SEK 6 million, refinancing costs of SEK 2 million, as well as IPO costs of SEK 2 million during the full year of 2016, compared to earnouts of SEK 25 million, acquisition costs of SEK 5 million, refinancing costs of SEK 6 million and sponsor costs of SEK 2 million during the full year of 2015. Adjusted EBITA was SEK 156 million (6.5 percent margin) for the full year of 2016, compared to SEK 86 million for the full year of 2015 (6.3 percent margin).

Adjusted EBITA per segment
In Sweden, adjusted EBITA increased by SEK 70 million (corresponding to 73 percent), from SEK 95 million for the full year of 2015 to SEK 165 million for the full year of 2016. Adjusted EBITA in Sweden increased primarily due to the six acquisitions completed in 2016, and as a consequence of full year effects from the acquisitions completed during the latter part of 2015. The adjusted EBITA margin increased from 6.9 percent to 7.7 percent during the period. The EBITA margin was positively affected by several units having improved their operating profit during the year, compared to a weak result in 2015, for example within the industrial segment. During the period, profitability was also adversely affected by one unit delivering a weaker result in 2016.

In the Rest of Nordics, adjusted EBITA amounted to SEK 11 million for the full year of 2016 with an adjusted EBITA margin of 4.3 percent. All growth in adjusted EBITA for the Rest of Nordics segment during the period is attributable to acquisitions. During the period, profitability was affected by a project with negative profitability in one of the Norwegian units.

Profit before tax
Instalco's profit before tax increased by 86 million, corresponding to 188 percent, from SEK 46 million for the full year of 2015 to SEK 132 million for the full year of 2016. The increase was primarily due to the improved operating profit. Financial net expenses increased by SEK 5 million, from SEK 3 million for the full year of 2015 to SEK 8 million for the full year of 2016.

Net profit
Net profit increased by SEK 57 million, corresponding to 167 percent, from SEK 34 million for the full year of 2015 to SEK 91 million for the full year of 2016. The increase in net profit was primarily due to the higher profit before tax. Tax on profit for the year increased by SEK 29 million, from SEK 12 million for the full year of 2015 to SEK 41 million for the full year of 2016.

THE FULL YEAR OF 2015 COMPARED WITH THE PERIOD 23 OCTOBER 2013-31 DECEMBER 2014 (IN ACCORDANCE WITH BFN)[1]

Net sales
Net sales increased by SEK 864 million, from SEK 505 million for the period 23 October 2013- 31 December 2014 to SEK 1,369 million for the full year of 2015; corresponding to an increase of 171 percent.

Net sales increased organically by SEK 134 million, corresponding to 26.6 percent. The increase is primarily due to the Local units in the Group being able to undertake and perform larger projects in 2015 than in 2014. This is a consequence of the units having become part of a larger group, with stronger operational and financial resources, and the fact that the Group carried out a number of multi-disciplinary projects and devoted work to cross-selling between the units.

Six businesses (LG Contracting, El-pågarna, Bi-vent, Vallacom, El-expressen and Ohmegi) were acquired during the period, which contributed to acquisition-driven growth of SEK 730 million, corresponding to 144.7 percent.

Instalco had no business operations outside Sweden during 2014-2015, which is the reason for the absence of segment reporting for the period.

EBITA and operating profit (EBIT)
Instalco's EBITA increased by SEK 73 million, corresponding to 1,323 percent, from SEK 6 million for the period 23 October 2013-31 December 2014 to SEK 79 million for the full year of 2015. The EBITA margin increased from 1.1 percent to 5.8 percent during the same period.

The increase in EBITA is largely due to acquisitions and all cost items increased during the period as a consequence of the Group's strong growth. The margin in 2014 was negatively affected by a change in accounting principle. During 2014, companies within Instalco switched to the percentage-of-completion method for revenue recognition on ongoing construction projects. Before being acquired and fully integrated into Instalco, some of the subsidiaries had applied different revenue recognition principles, particularly the completed contract method, a factor which affects historical comparability as regards the Group's accounts that closed on 31 December 2014. The completed contract method involves all revenues and expenses from construction work being reported in the income statement upon completion of the work, whereas the percentage-of-completion method involves revenues being allocated to periods proportionately to the percentage of budgeted costs that have accrued on the respective measurement date. The switch from the completed contract method to the percentage-of-completion method affected Instalco's sales and operating profit for the financial year ending 31 December 2014 through some of Instalco's subsidiaries having reported a one-off effect in the income statement.

Instalco's management estimates that sales and operating profit for the Group for the financial year ending 31 December 2014 would have been approximately SEK 35 million higher if all subsidiaries had applied the stage of completed contract method during the full financial year ending 31 December 2014. Management's assessment of the effect on sales and operating profit is based on the non-recurring effect which was quantified in connection with valuation of ongoing projects on the date of conversion, combined with the length of ongoing projects and normal project portfolio in the relevant subsidiaries, and allocated based on the length of time during which each subsidiary had been under Instalco's ownership.

In financial reporting according to the rules and regulations of the Swedish Accounting Standards Board, amortisation of goodwill is applied. Amortisation of goodwill increased by SEK 20 million, from SEK 26 million for the period 23 October 2013-31 December 2014 to SEK 46 million for the full year of 2015, as a consequence of the acquisitions that took place during the year.

Instalco's operating profit increased by SEK 53 million, from SEK -20 million for the period 23 October 2013-31 December 2014 to SEK 33 million for the full year of 2015.

Operating profit and EBITA under 2015 were negatively affected by refinancing costs of SEK 6 million and sponsor costs of SEK 2 million. During the period 23 October 2013-31 December 2014, there were no items affecting comparability. Adjusted EBITA was SEK 86 million for the full year of 2015 (6.3 percent margin), compared to SEK 6 million for the period 23 October 2013-31 December 2014 (1.1 percent margin).

Profit before tax
nstalco's profit before tax increased by SEK 51 million, from SEK -21 million for the period 23 October 2013-31 December 2014 to SEK 30 million for the full year of 2015. The increase was primarily due to improved operating profit. Financial net expenses increased by SEK 2 million, from SEK 1 million for the period 23 October 2013-31 December 2014 to SEK 3 million for the full year of 2015 as a consequence of an increased leverage.

Net profit
Net profit increased by SEK 46 million, from SEK -28 million for the period 23 October 2013-31 December 2014 to SEK 18 million for the full year of 2015. The increase in net profit was due primarily to higher profit before tax. Tax on profit for the year increased by SEK 5 million, from SEK 7 million to SEK 12 million during the same period.

Liquidity and capital resources

Instalco's liquidity needs arise primarily as a consequence of the need to finance acquisitions. The Group's operations tie up little capital and consequently other investments can be financed in their entirety from the cash flow generated by the operating activities. The principal sources of liquidity are cash flow generated from the operating activities, as well as cash and cash equivalents and borrowing. Instalco's debt obligations primarily comprise interest payments on outstanding loans and credit facilities from banks. In connection with the implementation of the Offering, the Group will sign new loans as described in the section entitled "Capital structure, indebtedness and other financial information".

[1] The Group conducted no operations before February 2014 (see the section entitled Selected financial information)

Cash flow

Instalco's cash flows for the periods presented are summarised in the table below.

Amounts in SEKm	In accordance with IFRS		In accordance with BFN	
	2016*	2015*	2015**	2014**
	Full year	Full year	Full year	Full year
Cash flow from operating activities before changes in operating profit	**97**	**26**	**56**	**-9**
Cash flow from operating activities	230	-74	-47	57
Cash flow from investing activities	**-329**	**-95**	**-125**	**-458**
Cash flow from financing activities	200	116	120	505
Cash flow for the period	**100**	**-53**	**-53**	**105**
Cash and cash equivalents at start of period	**52**	**105**	**105**	**-**
Translation difference in cash and cash equivalents	3	-	-	-
Cash and cash equivalents at end of period	**155**	**52**	**52**	**105**

* Derived from Instalco's audited consolidated financial statements per and for the financial year ending 31 December 2016
** Derived from Instalco's audited consolidated financial statements per and for the financial years ending 31 December 2015 and 31 December 2014.

THE FULL YEAR OF 2016 COMPARED WITH THE FULL YEAR OF 2015 (IN ACCORDANCE WITH IFRS)

Cash flow from operating activities before changes in working capital

Cash flow from operating activities before changes in working capital gave rise to a positive cash flow of SEK 97 million for the full year of 2016, compared to a positive cash flow of SEK 26 million for the full year of 2015. The increase was primarily due to higher operating profit.

Cash flow from operating activities

Cash flow from operating activities gave rise to a positive cash flow of SEK 230 million for the full year of 2016, compared to an outflow of SEK 74 million for the full year of 2015. The increase was due to higher operating profit as well as a reduction in working capital. Working capital was at a relatively high level in December 2015 due to a number of industrial projects in which invoicing was scheduled to take place mainly towards the end of the project, as well as a number of other projects received towards the end of the year and invoiced in December, while cash flow to Instalco was not generated until 2016. During 2016, the Group was also actively engaged in improving invoicing and purchasing routines, which contributed to lower working capital at the end of 2016.

Cash flow from investing activities

Cash flow from investing activities gave rise to an outflow of SEK 329 million for the full year of 2016, compared to an outflow of SEK 95 million for the full year of 2015. Most of the outflow from investing activities (SEK 325 million for the full year of 2016, compared to SEK 95 million for the full year of 2015) is attributable to acquisitions of subsidiaries.

Cash flow from financing activities

Cash flow from financing activities gave rise to a positive cash flow of SEK 200 million for the full year of 2016, compared to a cash flow of SEK 116 million for the full year of 2015. The majority of the cash flow from financing activities during 2016 corresponded to rights issues of a total of SEK 188 million and a net increase in loans by a total of SEK 12 million. During 2015, the majority of the cash flows corresponded to a net increase in loans by a total of SEK 304 million, of which 200 million were used to repay preference shares.

THE FULL YEAR OF 2015 COMPARED WITH THE FULL YEAR OF 2014 (IN ACCORDANCE WITH BFN)

Cash flow from operating activities before changes in working capital

Cash flow from operating activities before changes in working capital gave rise to a positive cash flow of SEK 56 million for the full year of 2015, compared to an outflow of SEK 9 million for the full year of 2014. The increase was primarily due to higher operating profit before depreciation/amortisation and impairment.

Cash flow from operating activities

Cash flow from operating activities gave rise to an outflow of SEK 47 million for the full year of 2015, compared to a cash flow of SEK 57 million for the full year of 2014. The negative cash flow trend was due to an increase in working capital (primarily attributable to increased accounts receivable). Working capital was relatively low in December 2014 but at a relatively high level in December 2015. The relatively low level of working capital in 2014 was partially due to the switch in accounting principle (the switch from the completed contract method to the percentage-of-completion). Working capital was at a relatively high level in December 2015 due to a number of industrial projects in which invoicing was scheduled to take place mainly towards the end of the project, as well as a number of other projects, were received towards the end of the year and invoiced in December, while cash flow to Instalco was not generated until 2016.

Cash flow from investing activities

Cash flow from investing activities gave rise to an outflow of SEK 125 million for the full year of 2015, compared to an outflow of SEK 458 million for the full year of 2014. Most of the outflow from investing activities (SEK 125 million for the full year of 2015, compared to SEK 458 million for the full year of 2014) was due to acquisitions of subsidiaries.

Cash flow from financing activities

Cash flow from financing activities gave rise to a positive cash flow of SEK 120 million for the full year of 2015, compared to a cash flow of SEK 505 million for the full year of 2014. During the full year 2015, the majority of the cash flows corresponded to a net increase in loans by a total of SEK 304 million, of which 200 million were used to repay preference shares. During the full year 2014, the majority of the cash flows corresponded to rights issues of a total of SEK 425 million and an increase in loans by a total of SEK 80 million.

Intangible fixed assets

Instalco's intangible fixed assets on 31 December 2016 amounted to SEK 826 million and consisted entirely of goodwill. The Group's goodwill has arisen through acquisitions of subsidiaries. Goodwill is tested for impairment on the lowest levels of separate identifiable cash flows (cash-generating units). Each of the Group's legal units are deemed to be a cash-generating unit, and thus there were 28 cash-generating units within the Group by the end of 2016.

The impairment test comprises an assessment as to whether the unit's recoverable amount exceeds the carrying amount. The recoverable amount has been calculated based on the unit's utilisation value, which constitutes the present value of the unit's anticipated future cash flows, without taking into consideration any future expansion of business and restructuring. These calculations are based on estimated cash flows, which are based on financial budgets and cover a five-year period. Cash flows beyond the five-year period are extrapolated applying an assessed average growth rate of 2.0 percent.

A sensitivity analysis demonstrates that no need for impairment exists. Among other things, a sensitivity analysis has been carried out regarding average EBITDA margin (-1 percent), long-term rate of growth (-1 percent) and discount rate (+1 percent).

For information regarding amortisation of intangible assets, kindly see above in the section entitled "Important income statement items". For further information regarding intangible fixed assets and the way in which goodwill is handled by the Group, kindly see Note 13 "Goodwill" to the consolidated financial statements, in the section entitled "Historical financial information".

Tangible fixed assets

On 31 December 2016, Instalco's tangible fixed assets amounted to SEK 13 million and entirely comprised equipment and tools. Other than floating charges within the scope of financing arrangements, there are no significant security interest registrations or similar encumbrances on such assets, and there are also no significant restrictions on the disposition or use of tangible fixed assets. For information regarding depreciation of tangible fixed assets, kindly see above in the section entitled "Important income statement items". For further information regarding tangible fixed assets, kindly see Note 14 "Equipment and tools" to the consolidated financial statements in the section entitled "Historical financial information".

Operationell leasing

The Group rents all properties in which business operations are conducted and is also lessee of vehicles and office equipment through operational leasing agreements. As of 31 December 2016, Instalco's obligations under leasing agreements totalled SEK 87.7 million. For further information regarding operational leasing, kindly see Note 4 "Operational rent and leasing agreements" to the consolidated financial statements in the section entitled "Historical financial information".

Capital expenditures

Instalco's main capital expenditures comprise regular acquisitions in order to expand the business. During 2014-2016, the Group acquired 21 businesses (in addition to the five companies that constituted the basis for Instalco) in Sweden, Norway and Finland. The Group acquired businesses for SEK 458 million in 2014 (in accordance with BFN), SEK 95 million in 2015, and SEK 325 million in 2016 (in accordance with IFRS), of which the majority was primarily financed through cash flows from operating activities and within the scope of existing borrowing. Acquisitions constitute a key aspect of Instalco's business model and the Group intends to continue to carry out regular acquisitions. Instalco makes the assessment that the Group enjoys a sound financial position for continued expansion through acquisitions financed by the Group's own generated cash flows as well as third-party financing. Regular investments in tangible fixed assets are financed through cash flow from operating activities.

Ongoing and decided capital expenditures

As of the date of this Prospectus, Instalco has no significant ongoing capital expenditures. In addition, as of the date of this Prospectus, no definitive undertakings have been given regarding individual significant capital expenditures in the immediate future.

Significant events since 31 December 2016

On 9 February 2017, Instalco announced that the Group had acquired the Norwegian heating and plumbing company Anders og Aksnes Rørleggerbedrift AS, thereby strengthening Instalco's offering in the Oslo area. The company has annual net sales of NOK 100 million, annual EBIT of NOK 16 million and 35 employees.

On 24 February 2017, Instalco announced that the Group had acquired the Swedish heating and plumbing company SwedVvs AB, thereby providing Instalco with access to additional heating and plumbing expertise in the Gothenburg area. The company has annual net sales of SEK 26 million, annual EBIT of SEK one million and 18 employees.

On 27 March 2017, Instalco announced that the Group had acquired the Finnish electrical company Uudenmaan Sähkötekniikka JP Oy, which gives Instalco access to further competence within the Helsinki area. The company has annual net sales of EUR four million, annual EBIT of EUR half a million and 36 employees.

On 28 March 2017, Instalco announced that the Group had acquired the Swedish heating and plumbing company Rodens Värme & Sanitet AB, which gives Instalco access to further competence within heating and plumbing in the Norrtälje area. The company has annual net sales of SEK 38 million, annual EBIT of SEK five million and 16 employees.

On 29 March 2017, Instalco announced that the Group had acquired the operations from the Finnish heating and plumbing company Uudenmaan LVI-Talo OY (an asset acquisition performed by a newly formed company that has also taken over the company name), which gives Instalco access to further competence within heating and plumbing in the Helsinki area. The company has annual net sales of EUR 12 million, annual EBIT of EUR one million and 53 employees.

The total fixed purchase price for these acquisitions was approximately SEK 31.9 million, approximately NOK 90.4 million and approximately EUR 9.4 million, which has been paid in full (with the exception of EUR 50 000, which will be paid at a later stage provided that certain conditions are met). The acquisitions were financed through ongoing cash flows and available financing. For more information regarding the aforementioned acquisitions and possible earnouts, see the section entitled "Capital structure, indebtedness and other financial information" under "Other financial information" and "Agreements regarding earnouts in connection with acquisitions", as well as the section entitled "Legal issues and supplementary information" under "Significant agreements" and "Business acquisitions".

At the annual general meeting held on 27 April 2017 it was, amongst other, resolved to adopt the profit and loss statements and balance sheets, that no dividend was to be paid and that distributable profits were to be carried forward into new account, to grant the board members and managing director discharge from liability, to re-elect the board members and auditor, on an incentive programme and issuance of warrants as a result thereof, and an authorisation for the board of directors to increase the share capital valid until the annual general meeting to be held in 2018 (see further information under "Share capital and ownership structure" and "Board of directors, senior management and auditors").

Closing date	Acquisition	Segment	Annual net sales[1]	Annual EBIT[1]	No. of employees
22 Feb 2017	Andersen og Aksnes Rørleggerbedrift	Rest of Nordics	NOK 100 million	NOK 16 million	35
22 Mar 2017	SwedVvs	Sweden	SEK 26 million	SEK 1 million	18
27 Mar 2017	Uudenmaan Sähkötekniikka JP	Rest of Nordics	EUR 4 million	EUR 0,5 million	36
2017-03-28	Rodens Värme	Sweden	SEK 38 million	SEK 5 million	16
2017-03-29	Uudenmaan LVI-Talo	Rest of Nordics	EUR 12 million	EUR 1 million	53

[1] The figures are derived from the companie's latest annual reports. Net sales refer to the company's reported net sales. The figures refer to financial years ending as follows: 31 December 2016 (Andersen og Aksnes Rørleggerbedrift), 30 June 2016 (SwedVvs), 31 December 2016 (Uudenmaan Sähkötekniikka JP), 30 April 2016 (Rodens Värme), 31 August 2016 (Uudenmaan LVI-Talo).

Profit guidance for the first quarter 2017

The information below regarding the Group's net sales and adjusted EBITA for the first quarter 2017 that ended on 31 March 2017 is based on the Group's internal management accounts and represents Instalco's preliminary assessment of the Group's results. While Instalco believes this assessment is reasonable, the Group's actual final reported results may differ from this assessment and these differences may be material. An investor should not place undue reliance on this assessment. The assessment has been prepared by Instalco's management, and it has been reviewed by the Group's auditor. The board of directors of Instalco is solely responsible for the contents of this assessment and the basis of its preparation.

Significant accounting policies

The guidance for the first quarter 2017 has been prepared on the basis of accounting policies consistent in all material aspects with those currently adopted by the Group as set out in the Group's audited annual report for 2016.

Basis of preparation and assumptions underlying the profit guidance

The guidance for the first quarter 2017, which has prepared by the board of directors of Instalco, is based on:

- the Group's unaudited consolidated management accounts for the months ended on 31 January 2017 and 28 February 2017 respectively; and
- an estimate of the consolidated results for the month ended on 31 March 2017 for Instalco and its subsidiaries based on an assessment of preliminary internally reported revenues and costs during March 2017.

Adjusted EBITA is defined as operating profit before amortisation and impairment of acquisition-related intangible fixed assets, adjusted for items affecting comparability, such as earnouts, acquisition costs, refinancing costs and IPO costs.

The guidance for the first quarter 2017 is based on the assumption that there will be no change resulting in a material, positive or negative, impact on the results arising due to:

- the correction of errors in the management accounts for the months ended on 31 January 2017 and 28 February 2017 or in the estimate for the month ended on 31 March 2017; or
- different judgements made by the board of directors of Instalco at the time of publication of the results for the first quarter 2017.

There could be a material effect on the achievement of the guidance for the first quarter 2017 in the event that these assumptions are not valid.

Guidance for the first quarter 2017

Net sales for the first quarter 2017 are expected to increase slightly compared to pro forma net sales for the first quarter 2016. The growth is expected to be strong compared to the reported net sales for the first quarter 2016, primarily driven by acquisitions. The organic growth is expected to be positive.

Adjusted EBITA for the first quarter 2017 is expected to increase materially compared to the pro forma adjusted EBITA for the first quarter 2016.

Auditor's report on prospective financial information

To the Board of Directors in Instalco Intressenter AB, corporate identity number 559015-8944

We have audited how the forecast set out on page 67 in Instalco Intressenter AB's prospectus dated April 28, 2017 has been prepared.

The Board of Directors' and the Managing Director's responsibility

It is the Board of Directors' and the Managing Director's responsibility to prepare the forecast, together with the material assumptions upon which it is based, in accordance with the requirements of the Prospectus Regulation (EC) No 809/2004.

The auditor's responsibility

It is our responsibility to provide an opinion required by Annex 1 item 13.2 of the Prospectus Regulation (EC) No 809/2004. We are not required to, nor do we, express an opinion on the possibility of achievement of result or on the assumptions on which the preparation of the forecast is based. We do not accept any responsibility for any financial information previously reported on and used in the compilation of the forecast beyond that responsibility we have for auditor´s reports regarding historical financial information issued in the past.

Work performed

We performed our work in accordance with FAR´s Recommendation RevR 5 Examination of Prospectuses. This recommendation requires that we comply with FAR`s ethical requirements and have planned and performed the audit to obtain reasonable assurance that the financial statements are free from material misstatements. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the Instalco Intressenter AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

Our work included an evaluation of the procedures undertaken by the Board of Directors and the Managing Director in compiling the forecast and the accounting policies used when compiling the forecast compared to those policies adopted by the company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to obtain reasonable assurance that the forecast has been compiled based on the basis stated on page 67.

Since the forecast and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the forecast. Differences may prove to be material.

Opinion

In our opinion the forecast has been compiled on the basis stated on page 67 and in accordance with the accounting principles applied by the company.

Stockholm April 28, 2017

Jörgen Sandell
Authorized auditor

Pro forma financial statements

Background and purpose of pro forma financial statements

In 2016, Instalco completed a number of acquisitions, each of which individually is not of such size that any single acquisition triggers an obligation to prepare pro forma financial statements in the Prospectus. However, in light of the fact that the acquisitions together entail a significant gross change, Instalco has voluntarily chosen to prepare pro forma financial statements.

The preparation of pro forma financial statements is aimed at illustrating the way in which companies acquired in 2016 would have affected Instalco's consolidated income statement (1 January 2016 to 31 December 2016) if they had been acquired as per 1 January 2016. All acquisitions are included in Instalco's balance sheet as per 31 December 2016 and therefore no pro forma balance sheet has been prepared.

Fourteen companies were acquired with closing in 2016. All companies were acquired to 100 percent. In addition, one acquisition of assets and liabilities was carried out. Thirteen of the acquired companies are included in this pro forma income statement (see the compilation below). The acquisition of assets and liabilities carried out during the year has been subsumed in the existing subsidiary Voltmen OY. Since it was only an acquisition of assets and liabilities, Instalco did not have access to updated reports prior to the acquisition and thus the acquisition is excluded from the pro forma financial statements.

The sole purpose of the pro forma financial statements is to provide information and to highlight facts. By their very nature, the pro forma financial statements are intended to describe a hypothetical situation and have been produced solely for an illustrative purpose.

The pro forma income statement does not show the actual result for the period and also do not constitute any forecast of future results; they are intended solely to illustrate a hypothetical impact on the Group's income statement.

An auditor's report from a review of the pro forma financial statements is presented in the next section in the Prospectus.

Acquisitions included in the pro forma financial statements

The following companies were acquired in 2016 and are included in the pro forma financial statements. Acquired companies domiciled in Norway are indicated with (NO) and acquired companies domiciled in Sweden are indicated with (SE).

Acquired company	Domicile	Date of consolidation	Date of acquisition
Romerike Elektro AS	(NO)	1 Mar 2016	7 Mar 2016
AR Elektro Prosjekt AS	(NO)	1 Mar 2016	7 Mar 2016
Trä och Inredningsmontage Kylteknik i Bandhagen AB ("TIMAB")	(SE)	1 Jun 2016	2 Jun 2016
Tunabygdens VVS-Installatör AB	(SE)	1 Jul 2016	5 Jul 2016
Hedemora Rör AB*	(SE)	1 Jul 2016	5 Jul 2016
Dalab VVS Installation AB	(SE)	1 Jul 2016	5 Jul 2016
Dalab Dala Luftbehandling AB	(SE)	1 Jul 2016	5 Jul 2016
Rørteft AS	(NO)	1 Jul 2016	5 Jul 2016
Vito Oslo AS	(NO)	1 Sep 2016	8 Sep 2016
Vito Teknisk Entreprenör AS	(NO)	1 Sep 2016	8 Sep 2016
Vito Vestfold AS	(NO)	1 Sep 2016	8 Sep 2016
Ventilationsförbättringar i Malmö AB**	(SE)	1 Dec 2016	30 Nov 2016
J.N Elinstallatörer AB**	(SE)	31 Dec 2016	8 Dec 2016

* Hedemora Rör AB is a subsidiary of Tunabygdens VVS Installatör AB and was acquired in the same transaction. No consolidated financial statements were prepared in conjunction with the acquisition, and thus both companies are shown in the pro forma financial statements.

** The acquisition analysis is preliminary. The final acquisition analysis may differ from the preliminary one.

Non-recurring transaction costs have been taken in the period in which they arose. Reported costs for the year's acquisitions amounted to SEK 6 million and have affected the Group's profit for the year.

Bases for pro forma financial statements

The pro forma income statement is based on Instalco's consolidated income statement for 2016, as derived from Instalco's audited annual report for 2016.

The unaudited income statements of the acquired companies have been based on each company's internal reports as of January 2016 until the date when the respective company was consolidated in the consolidated financial statements. The pro forma income statement is thus prepared as if all companies had been acquired with closing as of 1 January 2016.

Instalco has Swedish kronor (SEK) as its reporting currency, as do all of the acquired Swedish companies. The Norwegian companies have Norwegian kronor (NOK) as their reporting currency. The internal reports from the acquired Norwegian companies have thus been translated to SEK in conjunction with the preparation of the pro forma income statement. The translation rate is NOK/SEK 1.02, which according to the Central Bank of Sweden corresponds to the annual average rate in 2016.

Accounting principles

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). The pro forma income statement is prepared in accordance with Instalco's accounting principles as described in the section in this Prospectus entitled "Historical financial information".

The Swedish companies (Sv) included in the pro forma financial statements have prepared the internal reports on which the pro forma financial statements are based in accordance with the Swedish Annual Accounts (Sw. ÅRL) as well as BFNAR 2008:1 (K2) or BFNAR 2012:1 (K3).

The Norwegian companies (No) included in the pro forma financial statements have prepared the internal reports on which the pro forma financial statements are based in accordance with generally accepted accounting principles in Norway.

Pro forma adjustments

The pro forma adjustments are described in general below. Further information is provided in the pro forma income statement with related notes, wherein the adjustments are described in detail.

No adjustments have been made in respect of synergies or integration costs.

ADJUSTMENT OF ACCOUNTING PRINCIPLES

The following significant differences in accounting principles have been identified between Instalco and the acquired companies:

- In accordance with generally accepted accounting principles in Norway, equity funds are not reported at the fair value of the assets. In the pro forma income statement, the change in value for the period is reported based on the change in the fair value, which is based on the listed market price of the asset.
- Some of the acquired companies have not applied the percentage-of-completion method in respect of revenue recognition, but rather have reported the entire revenue and cost associated with a project when the project is essentially completed; this has been adjusted in connection with the pro forma financial statements.

ADAPTATION TO INSTALCO'S FORMAT

Since companies have different principles for classifying their income statements, as a consequence of these pro forma financial statements the income statements of the acquired units have been prepared in order to conform to Instalco's format.

ACQUISITION FINANCING

Instalco's total borrowing has increased as a result of the acquisitions made in 2016. The increase in borrowing is not connected to a specific acquisition, since financing of the acquisition has in part taken place through cash, through reinvestment by previous owners, and to a certain extent through increased borrowing. Since none of the acquisitions has been conditional on securing external borrowing and it is not possible to trace the increase to a specific acquisition, the pro forma income statement includes no adjustment of interest expenses or other borrowing costs.

TAX EFFECT ON ADJUSTMENTS

In the pro forma financial statements, tax effects have been taken into account on all adjustments that are deemed to be deductible for tax purposes or liable to taxation, irrespective of whether the company to which the adjustment relates is in a tax position. The tax effect has been calculated based on the corporate income tax applicable in the country where the company to which the adjustment relates is domiciled: 22 percent in respect of Swedish companies and 25 percent in respect of Norwegian companies. The estimated tax effect may differ from the actual tax effect when the transaction is completed.

No tax calculation has been made in respect of the period prior to acquisition. The tax effect in the pro forma financial statements represent a standardised calculation based on 22 percent of profit before tax for Swedish companies and 25 percent of profit before tax for Norwegian companies. Actual tax may differ from these amounts.

OTHER PRO FORMA ADJUSTMENTS

During the period prior to acquisition, two companies reported appropriations which are not reported in the consolidated financial statements, and these items have been reversed.

During the period prior to acquisition, three of the acquired companies had certain limited transactions with each other. These transactions have been eliminated in the pro forma financial statements.

Pro forma income statement, 1 January 2016 to 31 December 2016 – in summary

Amounts in SEKm	Instalco IFRS 1 Jan 2016 - 31 Dec 2016	Romerike Elektro AS[1] 1 Jan 2016 – 28 Feb 2016	AR Elektro Prosjekt AS[1] 1 Jan 2016 - 28 Feb 2016	TIMAB[3] 1 Jan 2016 - 31 May 2016	Tunabygdens VVS-Installatör AB[3] 1 Jan 2016 - 30 Jun 2016	Hedemora Rör AB[3] 1 Jan 2016 - 30 Jun 2016	Dalab VVS Installation AB[3] 1 Jan 2016 - 30 Jun 2016	Dalab Dala Luftbehandling AB[3] 1 Jan 2016 - 30 Jun 2016
Net sales	**2,407**	**20**	**19**	**22**	**19**	**3**	**17**	**39**
Other operating income	4	-	-	-	-	-	0	0
Total revenues	**2,411**	**20**	**19**	**22**	**19**	**3**	**17**	**39**
Material and purchased services	-1,362	-11	-14	-10	-9	-1	-10	-20
Other external expenses	-168	0	0	0	-1	0	-1	-1
Personnel expenses	-725	-5	-1	-9	-9	-1	-7	-1
Amortisation and impairment of intangible fixed assets	0	-	-	-	-	-	-	-
Depreciation and impairment of tangible fixed assets	-4	0	-	0	-	-	0	0
Other operating expenses	-12	-1	0	-2	-1	0	-1	-2
Operating profit	**140**	**2**	**4**	**2**	**-1**	**1**	**-3**	**15**
Profit from investments in associated companies	0	-	-	-	-	-	-	-
Profit from other securities and receivables	0	0	-	0	0	0	0	0
Interest income and similar profit/loss items	1	-	-	-	-	-	-	-
Interest expenses and similar profit/loss items	-9	0	-0	-	0	0	0	0
Profit after financial items	**132**	**2**	**4**	**2**	**-1**	**1**	**-3**	**15**
Appropriations	0	-	-	-	-	-	-	-
Tax on profit for the year	-41	-1	-1	0	0	0	-1	-2
Net profit	**91**	**2**	**3**	**1**	**-1**	**1**	**-3**	**14**

Amounts in SEKm	Rørteft AS[1] 1 Jan 2016 - 30 Jun 2016	Vito Oslo AS[1] 1 Jan 2016 - 31 Aug 2016	Vito Teknisk Entreprenør AS[1] 1 Jan 2016 - 31 Aug 2016	Vito Vestfold AS[1] 1 Jan 2016 - 31 Aug 2016	Ventilations-förbättringar i Malmö AB[3] 1 Jan 2016 - 30 Nov 2016	J.N Elinstalla-törer AB[2] 1 Jan 2016 - 31 Dec 2016	Total Pro forma adjustments	Proforma income statement 1 Jan 2016 - 31 Dec 2016
Net sales	**18**	**46**	**69**	**9**	**47**	**116**	**0**	**2,852**
Other operating income	0	-1	0	-	0	-	0	4
Total revenues	**18**	**45**	**69**	**9**	**47**	**116**	**6**	**2,855**
Material and purchased services	-8	-26	-36	-5	-20	-57	-0	-1,589
Other external expenses	-1	-0	-1	-0	-1	-2	-	-176
Personnel expenses	-7	-10	-20	-3	-16	-33	-	-847
Amortisation and impairment of intangible fixed assets	-	-	-	-	-	-	0	-
Depreciation and impairment of tangible fixed assets	0	-0	-1	0	0	0	-	-5
Other operating expenses	-1	-3	-4	-1	-4	-4	-	-35
Operating profit	**1**	**7**	**8**	**0**	**7**	**20**	**6**	**203**
Profit from investments in associated companies	-	-	-	-	-	-	-	-
Profit from other securities and receivables	0	0	0	-	0	0	-	0
Interest income and similar profit/loss items	-	-	-	-	-	-	-	1
Interest expenses and similar profit/loss items	0	0	0	0	0	0	-	-9
Profit after financial items	**1**	**7**	**8**	**0**	**7**	**20**	**6**	**195**
Appropriations	-	-	-	-	-	-	8	-
Tax on profit for the year	0	-2	-2	0	-1	-4	-4	-55
Net profit	**1**	**5**	**6**	**0**	**5**	**16**	**11**	**140**

[1] In accordance with generally accepted accounting principles in Norway.
[2] In accordance with BFNAR 2012:1.
[3] In accordance with BFNAR 2008:1.

Pro forma income statement, 1 January 2016 to 31 December 2016 – in summary

Amounts in SEKm	Instalco IFRS 1 Jan 2016 – 31 Dec 2016	Romerike Elektro AS[1] 1 Jan 2016 – 28 Feb 2016	Pro forma adjustments	Total	Note	AR Elektro Prosjekt AS[1] 1 Jan 2016 – 28 Feb 2016	Pro forma adjustments	Total	Note
Net sales	**2,407**	**20**	**0**	**20**	**1**	**19**	**1**	**19**	**1**
Other operating income	4	-	-	-		-	-	-	
Total revenues	**2,411**	**20**	**-**	**20**		**19**	**-**	**19**	
Material and purchased services	-1,362	-11	-	-11		-14	-	-14	
Other external expenses	-168	0	-	0		0	-	0	
Personnel expenses	-725	-5	-	-5		-1	-	-1	
Amortisation and impairment of intangible fixed assets	-	-	-	-		-	-	-	
Depreciation and impairment of tangible fixed assets	-4	-0	-	-0		-	-	-	
Other operating expenses	-12	-1	-	-1		0	-	0	
Operating profit	**140**	**2**	**-**	**2**		**4**	**-**	**4**	
Profit from investments in associated companies	-	-	-	-		-	-	-	
Profit from other securities and receivables	0	0	-	0		-	-	-	
Interest income and similar profit/loss items	1	-	-	-		0	-	-	
Interest expenses and similar profit/loss items	-9	-0	-	-0		4	-	0	
Profit after financial items	**132**	**2**	**-**	**2**		**4**	**-**	**4**	
Appropriations	-	-	-	-		-	-	-	
Tax on profit for the year	-41	-1	-	-1	8	-1	-	-1	8
Net profit	**91**	**2**	**-**	**2**		**3**	**-**	**3**	

Amounts in SEKm	TIMAB[3] 1 Jan 2016 – 31 May 2016	Pro forma adjustments	Total	Note	Tunabygdens VVS-Installatör AB[3] 1 Jan 2016 – 30 Jun 2016	Pro forma adjustments	Total	Note
Net sales	**22**	**0**	**22**	**1**	**18**	**1**	**19**	**1,2**
Other operating income	-	-	-		-	-	-	
Total revenues	**22**	**-**	**22**		**18**	**1**	**19**	
Material and purchased services	-10	-	-10		-9	-	-9	
Other external expenses	-0	-	-0		-1	-	-1	
Personnel expenses	-9	-	-9		-9	-	-9	
Amortisation and impairment of intangible fixed assets	-	-	-		-	-	-	
Depreciation and impairment of tangible fixed assets	-0	-	-0		-	-	-	
Other operating expenses	-2	-	-2		-1	-	-1	
Operating profit	**2**	**-**	**2**		**-2**	**1**	**-1**	
Profit from investments in associated companies	-	-	-		-	-	-	
Profit from other securities and receivables	0	-	0		0	-	0	
Interest income and similar profit/loss items	-	-	-		-	-	-	
Interest expenses and similar profit/loss items	-	-	-		0	-	0	
Profit after financial items	**2**	**0**	**2**		**-2**	**1**	**-1**	
Appropriations	-	-	-		-	-	-	
Tax on profit for the year	-	-	-	8	-	-	-	8
Net profit	**1**	**-**	**1**		**-1**	**1**	**-1**	

[1] In accordance with generally accepted accounting principles in Norway.
[2] In accordance with BFNAR 2012:1.
[3] In accordance with BFNAR 2008:1.

Amounts in SEKm	Hedemora Rör AB[3] 1 Jan 2016 – 30 Jun 2016	Pro forma adjustments	Total	Note	Dalab VVS Installation AB[3] 1 Jan 2016 – 30 Jun 2016	Proforma-justeringar	Total	Note
Net sales	**3**	**0**	**3**	**2**	**17**	**-3**	**17**	**1**
Other operating income	-	-	-		0	-	0	
Total revenues	**3**	**-**	**3**		**17**	**-**	**17**	
Material and purchased services	-1	-	-1		-10	-	-10	
Other external expenses	0	-	0		-1	-	-1	
Personnel expenses	-1	-	-1		-7	-	-7	
Amortisation and impairment of intangible fixed assets	-	-	-		0	0	-	4
Depreciation and impairment of tangible fixed assets	-	-	-		0	-	0	
Other operating expenses	0	-	0		-1	-	-1	
Operating profit	**1**	**0**	**1**		**-3**	**0**	**-3**	
Profit from investments in associated companies	-	-	-		-	-	-	
Profit from other securities and receivables	0	-	0		0	-	0	
Interest income and similar profit/loss items	-	-	-		-	-	-	
Interest expenses and similar profit/loss items	0	-	0		0	-	0	
Profit after financial items	**1**	**-**	**1**		**-3**	**-**	**-3**	
Appropriations	-	-	-		-1	1	-	5
Tax on profit for the year	0	0	0	7	-1	0	-1	7
Net profit	**0**	**0**	**1**		**-4**	**0**	**-3**	

Amounts in SEKm	Dalab Dala Luftbehandling AB[3] 1 Jan 2016 – 30 Jun 2016	Proforma-justeringar	Total	Note	Rørteft AS[1] 1 Jan 2016 – 30 Jun 2016	Proforma-justeringar	Total	Note
Net sales	**39**	**-**	**39**	**1**	**19**	**-1**	**18**	**1,2**
Other operating income	0	-	0		0	-	0	
Total revenues	**39**	**-**	**39**		**19**	**-1**	**18**	
Material and purchased services	-20	-	-20		-8	-	-8	
Other external expenses	-1	-	-1		-1	-	-1	
Personnel expenses	-1	-	-1		-7	-	-7	
Amortisation and impairment of intangible fixed assets	-	-	-		-	-	-	
Depreciation and impairment of tangible fixed assets	0	-	0		0	-	0	
Other operating expenses	-2	-	-2		-1	-	-1	
Operating profit	**15**	**-**	**15**		**3**	**-1**	**1**	
Profit from investments in associated companies	-	-	-		-	-	-	
Profit from other securities and receivables	0	-	0		0	-	0	
Interest income and similar profit/loss items	-	-	-		-	-	-	
Interest expenses and similar profit/loss items	0	-	0		0	-	0	
Profit after financial items	**15**	**-**	**15**		**2**	**-1**	**1**	
Appropriations	-1	1	-	5	-	-	-	
Tax on profit for the year	-1	0	-2	7	-1	0	0	7,8
Net profit	**13**	**1**	**14**		**2**	**-1**	**1**	

[1] In accordance with generally accepted accounting principles in Norway.
[2] In accordance with BFNAR 2012:1.
[3] In accordance with BFNAR 2008:1.

Amounts in SEKm	Vito Oslo AS[1] 1 Jan 2016 - 31 Aug 2016	Pro forma adjustments	Total	Note	Vito Teknisk Entreprenør AS[1] 1 Jan 2016 - 31 Aug 2016	Pro forma adjustments	Total	Note
Net sales	**41**	**6**	**46**	**1,2**	**69**	**0**	**69**	**2,3**
Other operating income	-1	-	-1		0	-	0	
Total revenues	**40**	**6**	**45**		**69**	**0**	**69**	
Material and purchased services	-25	-0	-26	3	-37	0	-36	3
Other external expenses	0	-	0		-1	-	-1	
Personnel expenses	-10	-	-10		-20	-	-20	
Amortisation and impairment of intangible fixed assets	-	-	-		-	-	-	
Depreciation and impairment of tangible fixed assets	0	-	0		-1	-	-1	
Other operating expenses	-3	-	-3		-4	-	-4	
Operating profit	**2**	**5**	**7**		**7**	**1**	**8**	
Profit from investments in associated companies	-	-	-		-	-	-	
Profit from other securities and receivables	0	-	0		0	-	0	
Interest income and similar profit/loss items	-	-	-		-	-	-	
Interest expenses and similar profit/loss items	0	-	0		0	-	0	
Profit after financial items	**2**	**5**	**7**		**7**	**1**	**8**	
Appropriations	-	-	-		-	-	-	
Tax on profit for the year	0	-1	-2	7,8	-2	0	-2	7,8
Net profit	**1**	**4**	**5**		**5**	**1**	**6**	

Amounts in SEKm	Vito Vestfold AS[1] 1 Jan 2016 - 31 Aug 2016	Pro forma adjustments	Total	Note	Ventilations-förbättringar i Malmö AB[3] 1 Jan 2016 - 30 Nov 2016	Pro forma adjustments	Total	Note
Net sales	**8**	**1**	**9**	**1,2**	**47**	**-**	**47**	
Other operating income	-	-	-		0	-	0	
Total revenues	**8**	**1**	**9**		**47**	**-**	**47**	
Material and purchased services	-5	0	-5	3	-20	-	-20	
Other external expenses	0	-	0		-1	-	-1	
Personnel expenses	-3	-	-3		-16	-	-16	
Amortisation and impairment of intangible fixed assets	-	-	-		-	-	-	
Depreciation and impairment of tangible fixed assets	0	-	0		0	-	0	
Other operating expenses	-1	-	-1		-4	-	-4	
Operating profit	**0**	**1**	**0**		**7**	**-**	**7**	
Profit from investments in associated companies	-	-	-		-	-	-	
Profit from other securities and receivables	-	-	-		0	-	0	
Interest income and similar profit/loss items	-	-	-		-	-	-	
Interest expenses and similar profit/loss items	0	-	0		-0	-	-0	
Profit after financial items	**0**	**1**	**0**		**7**	**-**	**7**	
Appropriations	-	-	-		-	-	-	
Tax on profit for the year	0	0	0	7,8	-1	-	-1	8
Net profit	**0**	**0**	**0**		**5**	**0**	**5**	

[1] In accordance with generally accepted accounting principles in Norway.
[2] In accordance with BFNAR 2012:1.
[3] In accordance with BFNAR 2008:1.

Amounts in SEKm	J.N Elinstallatörer AB[2] 1 Jan 2016 - 31 Dec 2016	Pro forma adjustments	Total	Note	Total pro forma adjustments	Pro forma income statement 1 Jan 2016 - 31 Dec 2016
Net sales	**116**	**-**	**116**		**6**	**2 852**
Other operating income	-	-	0		-	4
Total revenues	116	-	116		6	2,855
Material and purchased services	-57	-	-57		0	-1 589
Other external expenses	-2	-	-2		-	-176
Personnel expenses	-33	-	-33		-	-847
Amortisation and impairment of intangible fixed assets	-	-	-		0	-
Depreciation and impairment of tangible fixed assets	0	-	0		-	-5
Other operating expenses	-4	-	-4		-	-35
Operating profit	**20**	**-**	**20**		**6**	**203**
Profit from investments in associated companies	-	-	-		-	-
Profit from other securities and receivables	0	-	0		-	0
Interest income and similar profit/loss items	-	-	-		-	1
Interest expenses and similar profit/loss items	0	-	0		-	-9
Profit after financial items	**20**	**0**	**20**		**6**	**195**
Appropriations	-7	7	0	5	8	0
Tax on profit for the year	-3	-2	-4	7	-4	-55
Net profit	**10**	**5**	**16**		**11**	**140**

[1] In accordance with generally accepted accounting principles in Norway.
[2] In accordance with BFNAR 2012:1.
[3] In accordance with BFNAR 2008:1.

Notes to pro forma income statement, 1 January 2016 to 31 December 2016

Unless otherwise stated, all adjustments are considered to be non-recurring in nature.

1. Reclassification of revenues in accordance with Instalco's accounting principles.
2. Switch of accounting principle from the completed contract method to the percentage-of-completion method in respect of fixed price construction contracts, in accordance with the Group's accounting principles. See Note 7 for related tax effect. Following acquisition, companies have recognised revenues in accordance with the percentage-of-completion method, and thus the effect of the adjustment is permanent.
3. Elimination of intra-group transactions carried out prior to acquisition between the acquired companies Vito Tekniska Entreprenør, Vito Vestfold and Vito Oslo.
4. Amortisation of goodwill is adjusted since IFRS do not permit amortisation of goodwill.
5. Appropriations are reported only in legal entities and therefore adjusted in the Group. See Note 7 for related tax effect.
6. Tax effect of adjustments that are considered to be deductible for tax purposes or taxable. The tax effect has been calculated based on the corporate income tax applicable in the country where the company to which the adjustment relates is domiciled: 22 percent in respect of Swedish companies and 25 percent in respect of Norwegian companies.
7. The tax effect for the pro forma adjustments which are deemed to be taxable or deductible for tax purposes is standardised and calculated on 22 percent of profit before tax in respect of Swedish companies and 25 percent of profit before tax in respect of Norwegian companies. Actual tax may differ from these amounts.
8. No tax calculation has been made for the period prior to acquisition. In the pro forma financial statements, the tax effect is standardised and calculated on 22 percent of profit before tax in respect of Swedish companies and 25 percent of profit before tax in respect of Norwegian companies. Actual tax may differ from these amounts.

Supplementary disclosure to pro forma income statement, 1 January 2016 to 31 December 2016

The tables below show pro forma key figures which the Company monitors in its operations, broken down by segment and quarter.

SEGMENT

Instalco monitors its operations in two segments. Pro forma figures have been produced per segment to show what these key figures would have been had all companies been acquired with closing as per 1 January 2016. The underlying figures are derived from Instalco's audited annual report and from the unaudited internal reports of the acquired companies.

QUARTER

In the section in the Prospectus entitled "Description of the business", it is stated that Instalco has a seasonally-dependent business. For this reason, the pro forma financial statements have been broken down by quarter in order to show what these key figures would have been for each quarter had all companies been acquired with closing as per 1 January 2016.

Since, prior to acquisition, several of the acquired companies did not report in accordance with the stage of completed contract method (see Note 2 in the pro forma financial statements), adjustment to the stage of completed contract method has been made only as per 1 January 2016 and the acquisition date. Consequently, the presented quarterly figures are not adjusted with calculation in accordance with the stage of completed contract method in those quarters of the year in which the company had not been acquired. As a result, allocation between the quarters may not be fully comparable.

The allocation of the pro forma adjustments in Notes 2 and 3 above has taken place in a standardised fashion by allocating the adjustment on the straight-line basis over the months in which the relevant companies had not been acquired. The underlying figures are derived from Instalco's audited annual report and from the unaudited internal reports of the acquired companies.

Segment 1 Jan 2016 – 31 Dec 2016 Amounts in SEKm	Sweden	Rest of Nordics	Other	Instalco total
Net sales	**2,403**	**448**	**0**	**2,852**
Adjusted EBITA	206	33	-20	219
Adjusted EBITA margin,%	8.6%	7.5%	-	7.7%

Proforma per quarter 2016 Amounts in SEKm	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Instalco total 1 Jan 2016- 31 Dec 2016
Net sales	**642**	**761**	**626**	**823**	**2,852**
Adjusted EBITA	38	88	25	69	219
Adjusted EBITA margin,%	5.9%	11.5%	4.0%	8.3%	7.7%

Alternative key figures not calculated in accordance with IFRS

The following tables show reconciliations of EBITA, EBITA margin, adjusted EBITA, adjusted EBITA margin, adjusted EBITDA, adjusted EBITDA margin for the Group broken down by segment and quarter. For a description of the calculation of non-IFRS measures and the reason for their use, see the section entitled "Selected financial information– Definitions of key figures not defined in accordance with IFRS".

Amounts in SEKm	Sweden	Rest of Nordics	Other	Instalco total
EBIT	206	33	-36	203
Amortisation and impairment of acquisition-related intangible fixed assets*	-	-	-	-
(A) EBITA	**206**	**33**	**-36**	**203**
Items affecting comparability				
Earnouts**	-	-	6	6
Acquisition costs**	-	-	6	6
Refinancing costs***	-	-	2	2
Sponsor costs***	-	-	-	-
IPO costs***	-	-	2	2
(B) Adjusted EBITA	**206**	**33**	**-20**	**219**
(C) Net sales	**2,403**	**448**	**0**	**2 852**
(A/C) EBITA margin,%	8.6%	7.5%	-	7.1%
(B/C) Adjusted EBITA margin,%	8.6%	7.5%	-	7.7%

* Audited.
** Included in Other operating costs.
*** Included in Other external costs.

Amounts in SEKm	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Instalco total
EBIT	35	81	21	65	203
Amortisation and impairment of acquisition-related intangible fixed assets	-	-	-	-	-
(A) EBITA	**35**	**81**	**21**	**65**	**203**
Items affecting comparability					
Earnouts*	-	6	0	-	6
Acquisition costs*	2	0	3	1	6
Refinancing costs**	0	0	0	1	2
Sponsor costs**	-	-	-	-	
IPO costs**			1	1	2
(B) Adjusted EBITA	**38**	**88**	**25**	**69**	**219**
(C) Net sales	**642**	**761**	**626**	**823**	**2,852**
(A/C) EBITA margin,%	*5.5%*	*10.7%*	*3.4%*	*7.9%*	*7.1%*
(B/C) Adjusted EBITA margin,%	*5.9%*	*11.5%*	*4.0%*	*8.3%*	*7.7%*

* Included in Other operating costs.
** Included in Other external costs.

The Auditor's Report on Pro Forma Financial Information

To the Board of Directors in Instalco Intressenter AB, corporate identity number 559015-8944

We have audited the pro forma financial information set out on pages 69-76 in Instalco Intressenter AB's prospectus dated 2017-04-28.

The pro forma financial information has been prepared for illustrative purposes only to provide information about how the acquisitions made during 2016 might have affected the consolidated income statement of Instalco Intressenter AB for the year ended December 31, 2016, if they were acquired as of January 1.

The Board of Directors' responsibility

It is the Board of Directors' responsibility to prepare the pro forma financial information in accordance with the requirements of the Prospectus Regulation (EC) No 809/2004.

The auditor's responsibility

It is our responsibility to provide an opinion required by Annex II item 7 of Prospectus Regulation 809/2004/EC. We are not responsible for expressing any other opinion on the pro forma financial information or of any of its constituent elements. In particular, we do not accept any responsibility for any financial information used in the compilation of the pro forma financial information beyond that responsibility we have for auditor´s reports regarding historical financial information issued in the past.

Work performed

We performed our work in accordance with FAR´s Recommendation RevR 5 *Examination of Prospectuses*. This recommendation requires that we comply with FAR`s ethical requirements and have planned and performed the audit to obtain reasonable assurance that the financial statements are free from material misstatements. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the Instalco Intressenter AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the historical information, assessing the evidence supporting the pro forma adjustments and discussing the pro forma financial information with the management of the company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to obtain reasonable assurance that the pro forma financial information has been compiled on the basis stated on pages 69-76 and in accordance with the accounting principles applied by the company.

Opinion

In our opinion the pro forma financial information has been properly compiled on the basis stated on pages 69-76 and in accordance with the accounting principles applied by the company

Stockholm, April 28, 2017
Grant Thornton Sweden AB

Jörgen Sandell
Authorized auditor

Capital structure, indebtedness and other financial information

The tables in this section show Instalco's capital structure and indebtedness at a group level as of 28 February 2017, except for the balance sheet item retained earnings which refers to the circumstances as of 31 December 2016. See section "Share capital and ownership structure" for additional information regarding the Company's share capital and shares. The information in this section should be read together with section "Operational and financial review" and the financial reports with notes. In addition to what is described in this section and in the section "Operational and financial review – Significant events since 31 December 2016", there have been no material changes to the capital structure or indebtedness of Instalco since 28 February 2017.

Capital structure and indebtedness

Instalco is funded by its own equity and debt, where the debt mainly consists of bank loans. Detailed below is the interest-bearing indebtedness and equity of the Group as of 28 February 2017.

SEKm	28 February 2017
Current liabilities	
With guarantee	-
With collateral[1)]	7.9
Without guarantee or collateral	-
Total current liabilities	**7.9**
Non-current liabilities	
With guarantee	-
With collateral[1)]	395.6
Without guarantee or collateral	-
Total non-current liabilities	**395.6**
Total current and non-current liabilities	**403.5**
Equity	
Share capital	0.3
Additional paid-in capital	472.0
Other reserves	12.0
Retained earnings[2)]	94.6
Total equity[3)]	**578.9**

1) Consisting of collateral in shares in Group companies, floating charges, pledged recievables and bank guarantees granted under the existing credit facility with Handelsbanken.
2) Refers to the balance sheet date as of 31 December 2016, which means that this item does not include earnings for the period 1 January 2017 – 28 February 2017.
3) Refers to the balance sheet date as of 28 February 2017, except as regards the amount included from the item retained earnings that relates to the balance sheet date as of 31 December 2016, which means that this item does not include earnings for the period 1 January 2017 – 28 February 2017.

Detailed below is the net debt of Instalco as of 28 February 2017.

SEKm		28 February 2017
(A)	Cash and bank balances	128.4
(B)	Cash equivalents	-
(C)	Trading securities	4.6
(D)	**Total liquidity (A) + (B) + (C)**	**133.0**
(E)	Current financial receivables	-
(F)	Current bank debt	-
(G)	Current portion of non-current debt	7.9
(H)	Other current financial debt	-
(I)	**Total current financial debt (F) + (G) + (H)**	**7.9**
(J)	**Net current financial indebtedness (I) – (E) – (D)**	**-125.1**
(K)	Non-current bank loans	395.6
(L)	Bonds issued	-
(M)	Other non-current financial debt	-
(N)	**Non-current financial indebtedness (K) + (L) + (M)**	**395.6**
(O)	**Net financial indebtedness (J) + (N)**	**270.5**

INDIRECT AND CONTINGENT INDEBTEDNESS

As of 28 February 2017, there was no indirect or any contingent indebtedness.

UTILISATION OF EXISTING CREDIT FACILITY AFTER 28 FEBRUARY 2017

After 28 February 2017, non-current liabilities secured with collateral has increased with SEK 100 million by making use of the existing credit facility as part of the continuing operations. Thus, this does not appear in the tables showing capital structure and indebtedness above.

Other financial information

AGREEMENTS ON EARNOUTS

As of 31 December 2016 there were commitments to, under certain conditions, pay additional consideration (earnouts) of a total maximum of approximately SEK 35 million (of which a maximum of approximately SEK 28 million may be paid during the current financial year) and the remainder during 2018) and a maximum of approximately NOK 33 million (which may be paid during the current financial year as a result of completed acquisitions. As of 28 February, 2017, no amounts had been paid as a result of such commitments and on the day of this Prospectus SEK 2.1 million respectively NOK 8.15 million has been paid as a result of such commitments (maximum earnout according to each agreement). At the time of this Prospectus, it is clear that NOK 24.9 million will not be paid under these agreements, while the rest of the possible earnouts (in SEK and NOK respectively) has not yet been established. After 31 December 2016, additional acquisitions (Andersen og Aksnes Rørleggerbedrift AS, Uudenmaan Sähkötekniikka JP Oy and Uudenmaan LVI-Talo Oy (the latter an asset acquisition)) have been carried out with an agreed possibility of earnouts of a total maximum of approximately NOK 8 million (which may be paid during 2018) and a total maximum of approximately EUR 2.5 million (which may be paid at the earliest during the second half of 2017 and thereafter during 2018 and 2019).

For further information regarding earnouts, please refer to section ”Legal considerations and supplementary information (below ”Material agreements” and ”Company acquisitions”).

SETTLEMENT OF DIFFERENT SHARE CLASSES IN CONNECTION WITH THE LISTING

In connection with the listing of the Company's shares on Nasdaq Stockholm, all share classes will be converted to the same class. For the share conversion to result in equal treatment of all shareholders based on the value of their shares prior to the Offering, the settlement of the current share structure will also include a reduction of the share capital by retirement of preference shares (Sw. riktad inlösen), whereby the exact relationships are dependent on the final Offering price. In order to restore the share capital after completion of the reduction, and adjust the quota (par) value of the shares to an appropriate number of decimals, the share capital will simultaneously be increased through a bonus issue without issuance of new shares. For further information, refer to section ”Share capital and ownership structure – Settlement of current share structure”.

FINANCING ARRANGEMENTS

The existing financing arrangement of the Group will cease in connection with the completion of the Offering. The main financial arrangement of the Group, a total of SEK 792.2 million, will thereafter consist of a new financing arrangement of a total of SEK 1,201 million (nominal amounts). Detailed below are the existing financial arrangement and the new financial arrangement.

Existing financing arrangement with Handelsbanken

Instalco and certain Group companies have entered into a financing agreement, originally entered into in August 2014, and subsequently amended, with Svenska Handelsbanken AB (publ) as lender of a total amount of SEK 792.2 million (nominal amount), which is divided into several different facilities: (i) SEK 147.2 million relates to two long-term loans linked to the restructuring of the Group that was carried out during September 2015 (by which the Company became the new parent company of the Group). The first loan amounts to SEK 49.1 million, amortised semi-annually with gradually increasing amounts, and runs until 4 September 2021. The second loan amounts to SEK 98.1 million and is to be repaid in full on 4 September 2022, (ii) SEK 250 million refers to a long-term loan related to financing of acquisitions and is amortised semi-annually in equal amounts spread over nine instalments, and is repayable in full no later than 8 November 2019, (iii) SEK 375 million refers to two revolving credit facilities where credits disbursed is to be refunded within 12 months. The first credit facility of SEK 300 million expires on 4 September 2022 and the second credit facility of SEK 75 million expires on 8 November 2021, (iv) SEK 20 million is an additional credit facility for use in current operations to be refunded by 4 September 2021. The facilities runs with a floating rate in accordance with the interest rate stairs connected to the calculation of the Group's debt ratio, added STIBOR (if not negative).

The agreement contains customary obligations to maintain certain financial ratios relating to debt ratio (ratio of net debt to EBITDA) and interest coverage. The agreement contains provisions on how financial ratios are calculated and which items are included and taken into account in such calculations, and customary obligations such as the provision of financial information, such as annual and quarterly reports, the provision of certain other information, such as information on significant disputes and changes in ownership, as well as other commitments, which among other things include limitations on dividends (which may only be made within the Group), the raising of new debt (with some exceptions), a negative clause regarding the provision of collateral and guarantees (with some exceptions), and restrictions on acquisitions (except for the acquisition of companies or partnerships in certain countries which meet certain financial requirements). The agreement also contains customary termination events including the requirement that the Principal Shareholder (FSN) owns more than 45 percent of the shares and, directly or indirectly, controls more than 50 percent of the votes in the Company, and the right to termination regardless which of the Group companies that breaches the obligations under the agreement (so-called cross-default provisions). As security for the Group's obligations under the agreement, some Group companies have pledged, inter alia, shares and floating charges in favour of the bank and also guarantees are provided by the Group companies. No Group company has breached any commitments or obligations under the existing agreement. The existing financing arrangement will be replaced by a new one in connection with the completion of the Offering. The new financing arrangement is described below.

New financing arrangement with Danske Bank conditioned upon the completion of the Offering

Instalco and certain Group companies have on 24 March 2017 entered into an agreement on a new financing arrangement with Danske Bank A / S, Danmark, Sverige Filial as lender of a total amount of approximately SEK 1,201 million (nominal amount), out of which approximately SEK 401 million refers to a long-term non-amortising loan facility to be used for the full repayment of existing loans with Handelsbanken. SEK 200 million refers to a revolving credit facility to finance the Group's operating activities, and SEK 600 million refers to a revolving credit intended to mainly finance future acquisitions and related acquisition costs. The new financing arrangement is conditional upon the Offering being completed and that the Company provides the lender customary documentation. The new loan facilities are due for repayment on the date falling five (5) years after the date of the first loan disbursed under the new financing arrangement. Funding is expected to occur primarily in SEK and have variable interest rates in accordance with the interest rate stairs connected to the calculation of the Group's debt ratio, added with the relevant base rate (for loans in SEK, STIBOR).

The agreement contains customary obligations to maintain certain financial ratios relating to debt ratio (ratio of net debt to EBITDA) and interest coverage. The debt ratio shall during the duration of the financing arrangement not exceed 3.50 and the interest coverage ratio shall during the duration of the financing arrangement not fall below 3.00 (corresponding to the levels applicable under existing financing arrangements). The agreement contains provisions on how financial ratios are calculated and which items are included and taken into account in such calculations, and customary obligations such as the provision of financial information, such as annual and quarterly reports, the provision of certain other information, such as documents provided to shareholders, information on significant disputes, as well as other commitments, which among other things include the raising of new debt (with some exceptions), a negative clause regarding the provision of collateral and guarantees (with some exceptions), and restrictions on acquisitions (except for acquisitions within the Group and other acquisitions, at arm's length, of shares, companies or businesses within certain predetermined countries with operations similar or complementary to the operations within the Group).

The agreement also includes customary termination events including termination rights in connection with (i) de-listing of Instalco from Nasdaq Stockholm, or (ii) change of control of the Group (by other than the Principal Shareholder). As security for the Group's obligations under the agreement, guarantees are to be provided by certain Group companies (as its own liability).

The new financing arrangement is conditional upon the Offering being completed. In connection with the existing debt under the existing financing arrangement being repaid, all existing securities and guarantees under the existing financing arrangement is to be released. If the Offering is not completed, the existing financing arrangement with Handelsbanken will remain in effect in accordance with its terms.

WORKING CAPITAL STATEMENT

Working capital refers to ability to access cash and other available liquid resources in order to meet liabilities as they fall due. Instalco considers it has sufficient working capital for the Company's requirements for the next coming twelve months.

TENDENCIES

For more information regarding the material tendencies, refer to the section ”Risk factors” (particularly below ”Risks related to the business and the market”), the section ”Market overview” (particularly below ”The installation and service market”, ”The market's size and growth ” and ”Trends and drivers”), the section ”Business description” (particularly below ”Principal strengths and competitive advantages”), the section ”Operational and financial review” (particularly below ”Factors affecting Instalco's operating profit and cash flow”), and the section ”Legal considerations and supplementary information”.

FINANCIAL RISK MANAGEMENT

For more information regarding the financial risk management of the Group, please refer to note 37 ”Financial risk factors” to the consolidated financial statements in section ”Historical financial information”.

Financial data regarding subsidiaries

In this section, supplementary financial data is presented regarding the Group's subsidiaries in the form of selected financial information covering the years 2006-2016. The information is derived from each company's audited annual reports, which are available for inspection and does not include subsidiaries which have become a part of the Group after 31 December 2016.

The Group was formed through a consolidation in February 2014 but the Group's subsidiaries have conducted business operations before becoming part of the Group. Therefore, Instalco makes the assessment that the selected supplementary financial data below covering the years 2002-2016 is of importance for investors since it provides a possibility to assess the financial development and organisational growth over an extended period of time.

Instalco's financial year coincides with the calendar year. In those cases where accounts for any subsidiary do not coincide with the calendar year, a standardised recalculation has been made in addition to the information derived from the annual report. In the recalculation, financial information has been based on the proportion of the months of the financial year that fall within a given calendar year. For example, in respect of a subsidiary with a financial year closing 31 March, the revenues during the 2014 calendar year have been calculated as a total of 3/12 of the revenues for the financial year ending 31 March 2014, and 9/12 of the revenues for the financial year ending 31 March 2015. This entails that the recalculations have been carried out without taking into account seasonal variations.

During 2014, subsidiaries within Instalco switched to the stage of completed contract method for revenue recognition of ongoing construction projects. Prior to being acquired and fully integrated into Instalco, certain subsidiaries had applied other revenue recognition principles, a factor which affects historic comparability as regards the Group's financial year ending 31 December 2014. For more information regarding the effects of this change, see the section entitled "Commentary to the financial development" (under "Instalco's financial results"). Certain subsidiaries that were acquired after 2014 also applied, prior to acquisition, revenue recognition principles other than the stage of completed contract method. These companies have subsequently switched to the stage of completed contract method after being acquired by Instalco, which affects the historical comparability in respect of the companies.

Information is derived from the audited annual reports of the respective subsidiaries and thus has not been recalculated to International Financial Reporting Standards as adopted by the European Union ("IFRS"). The financial key figures stated below are not defined in accordance with IFRS and thus do not constitute recognised measures of financial performance in accordance with IFRS. These key figures have been neither audited nor reviewed by auditors and must not be considered separately from, or as a substitute for, the income measures produced in accordance with IFRS. For more information regarding selected key figures, see also the section entitled "Selected financial information - Selected key figures".

Total revenues for Instalco's subsidiaries for the years 2006 – 2016

Legal entity	Currency unit	Note	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
PoB:s Elektriska AB	SEKm	1)	86	93	116	115	69	86	98	110	143	135	167
Rörgruppen AB	SEKm	2)	80	67	71	85	63	66	99	94	136	144	144
Klimatrör i Stockholm AB	SEKm	3)	59	62	77	64	78	88	93	91	121	89	90
VVS-Metoder Stockholm AB	SEKm	4)	74	76	74	69	43	51	107	106	76	100	112
ORAB Entreprenad AB	SEKm	5)	-	-	-	-	-	-	3	166	153	148	171
OTK Klimat Installationer AB	SEKm	6)	-	-	-	-	-	-	23	60	98	90	188
AB Rörläggaren	SEKm	7)	227	234	218	194	219	243	258	212	258	236	316
AB Expertkyl HH	SEKm	7)	25	33	44	60	66	86	99	89	97	116	145
Expertkyl Electro i Göteborg AB	SEKm	8)	-	-	-	-	-	-	0	0	0	-	-
Hansson & Jakobsson Storkök AB	SEKm	9)	15	21	23	19	13	20	28	28	20	31	-
Tofta Plåt & Ventilation AB	SEKm	10)	7	12	11	20	16	16	29	28	58	37	35
LG Contracting AB	SEKm	11)	46	57	61	42	52	80	70	58	109	170	229
LG Contracting i Örebro AB	SEKm	12)	-	-	-	-	-	-	-	11	24	54	-
El-Pågarna i Malmö AB	SEKm	13)	23	22	26	26	26	33	28	26	25	42	34
Bi-Vent AB	SEKm	14)	42	56	71	84	79	87	92	90	95	209	115
Vallacom AB	SEKm	15)	43	41	52	62	39	43	51	48	64	139	82
El-Expressen i Lund AB	SEKm	7)	16	14	18	16	19	17	21	20	22	30	33
Ohmegi Elektro AB	SEKm	7)	98	104	123	133	129	183	163	168	159	174	191
Voltmen OY	EURm	16)	1	1	2	2	1	2	2	2	2	2	2
Romerike Elektro AS	NOKm	7)	29	30	35	49	40	44	61	51	59	64	122
Rørteft AS	NOKm	7)	11	12	14	15	16	27	34	43	43	51	49
AR Elektro Prosjekt AS	NOKm	7)	-	1	31	33	32	10	29	28	50	27	77
Trä and Inredningsmontage Kylteknik i Bandhagen AB	SEKm	17)	30	49	74	40	56	64	69	54	65	66	78
VITO Teknisk Entreprenør AS	NOKm	7)	25	55	72	92	69	56	88	110	125	112	113
Vito Oslo AS	NOKm	7)	-	-	-	-	-	-	-	-	28	37	68
VITO Vestfold AS	NOKm	7)	-	-	-	-	-	-	-	14	13	14	12
Tunabygdens VVS-Installatör AB	SEKm	7)	24	31	32	28	34	36	44	40	31	38	36
Hedemora Rör AB	SEKm	18)	-	-	-	-	-	-	-	3	7	8	6
DALAB Dala Luftbehandling AB	SEKm	19)	11	12	19	24	18	19	23	40	44	52	101
DALAB VVS Installation AB	SEKm	20)	-	-	-	-	-	-	-	0	15	22	57
Ventilationsförbättringar i Malmö AB	SEKm	7)	29	29	32	36	31	48	39	43	41	45	56
JN Elinstallatörer AB	SEKm	7)	88	88	90	89	85	110	94	103	106	104	116
Inkon Sweden AB	SEKm	21)	-	-	-	-	-	-	-	-	-	-	2
Instalco Sweden AB	SEKm	22)	-	-	-	-	-	-	-	-	2	16	22
Instalco Holding AB	SEKm	23)	-	-	-	-	-	-	-	-	7	2	-
Instalco Intressenter AB	SEKm	23)	-	-	-	-	-	-	-	-	-	-	3

Note: The information is derived from audited annual reports of the respective companies. The periods refer to the financial year which ended during the stated year

[1] For 2006-2013, the information relates to the period 1 May - 30 April. For 2014, SEK 92.8 million relates to the period 1 May - 30 April and SEK 50.1 million relates to the period 1 May - 31 December. For 2015-2016, the information relates to the period 1 January - 31 December.

[2] For 2006-2013, the information relates to the period 1 September - 31 August. For 2014 the information relates to the period 1 September - 31 December. For 2015-2016, the information relates to the period 1 January - 31 December.

[3] For 2006, the information relates to the period 1 May – 30 June. For 2007-2013, the information relates to the period 1 July- 30 June. For 2014, SEK 83.4 million relates to the period 1 July- 30 June and SEK 37.6 million relates to the period 1 July- 31 December. For 2015-2016, the information relates to the period 1 January - 31 December.

[4] For 2006-2011, the information relates to the period 1 May - 30 April. For 2012, SEK 56.6 million relates to the period 1 May - 30 April and SEK 50.2 million relates to the period 1 May - 31 December. For 2013-2016, the information relates to the period 1 January - 31 December.

[5] For 2012, the information relates to the period 1 July- 31 December. For 2013-2016, the information relates to the period 1 January - 31 December.

[6] For 2012-2013, the information relates to the period 1 September - 31 August. For 2014, the information relates to the period 1 September - 31 December. For 2015-2016, the information relates to the period 1 January - 31 December.

[7] All information relates to the period 1 January - 31 December.

[8] For 2006-2010, the information relates to the period 1 January - 31 December. For 2011, the information relates to the period 23 December - 31 December. For 2012-2015, the information relates to the period 1 January - 31 December. On 27 September 2016, the company was divested to the company founders since the business had been discontinued and was dormant.

[9] For 2006-2010, the information relates to the period 1 May - 30 April. For 2011, SEK 14.1 million relates to the period 1 May - 30 April and SEK 5.9 million relates to the period May - 31 December. For 2012-2015, the information relates to the period 1 January - 31 December. In 2016, the company was subsumed in AB Expertkyl HH.

[10] For 2006-2013, the information relates to the period 1 May - 30 April. For 2014, SEK 32.3 million relates to the period 1 May - 30 April and SEK 25.7 million relates to the period 1 May - 31 December. For 2015-2016, the information relates to the period 1 January - 31 December.

[11] For 2006-2014, the information relates to the period 1 September - 31 August. For 2015, the information relates to the period 1 September 2014 - 31 December 2015. For 2016, the information relates to 1 January - 31 December.

[12] For 2006-2012, the information relates to the period 1 September - 31 August. For 2013, the information relates to the period 23 April - 31 August. For 2014, the information relates to the period 1 September - 31 August. For 2015, the information relates to the period 1 September - 31 December. In 2016, the company was subsumed in LG Contracting AB.

[13]) For 2006-2014, the information relates to the period 1 May - 30 April. For 2015, SEK 24.7 million relates to the period 1 May - 30 April and SEK 16.9 million relates to the period 1 May - 31 December. For 2016, the information relates to the period 1 January - 31 December.

[14] For 2006-2008, the information relates to the period 1 May - 30 April. For 2009, the information relates to the period 1 November - 30 April. For 2010-2014, the information relates to the period 1 May - 30 April. For 2015, SEK 122.4 million relates to the period 1 May - 30 April and SEK 87.0 million relates to the period 1 May - 31 December. For 2016, the information relates to the period 1 January - 31 December.

[15] For 2006-2014, the information relates to the period 1 May - 30 April. For 2015, SEK 76.0 million relates to the period 1 May - 30 April and SEK 63.0 million relates to the period 1 May - 31 December. For 2016, the information relates to the period 1 January - 31 December.

[16] For the period 2006-2015, the information relates to the period 1 January - 31 December. For 2016, the information relates to the period 19 October 2015 - 31 December 2016. No business was conducted in the company during 2016 before it was acquired by Instalco in March 2016 as an acquisition of assets and liabilities. The information for 2016 relates to a newly formed legal entity, as a consequence of Instalco's acquisition, bearing the same name as the earlier entity, the figures of which have been used for 2006-2015.

[17] For 2006-2008, the information relates to the period 1 January - 31 December. For 2009, the information relates to the period 1 January - 31 August. For 2010-2015, the information relates to the period 1 September - 31 August. For 2016, the information relates to the period 1 September 2015 - 31 December 2016.

[18] For 2013, the information relates to the period 22 April - 31 December. For 2014-2016 the information relates to the period 1 January - 31 December.

[19] For 2006-2015, the information relates to the period 1 May - 30 April. For 2016, SEK 57.5 million relates to the period 1 May - 30 April and SEK 43.4 million relates to the period 1 May - 31 December.

[20] For 2013, the information relates to the period 21 January - 30 April. For 2014-2015, the information relates to the period 1 May - 30 April. For 2016, SEK 35.8 million relates to the period 1 May - 30 April and SEK 21.2 million relates to the period 1 May - 31 December.

[21] For 2016, the information relates to the period 28 April - 31 December. The company was registered on 28 April and the business commenced on 1 August.

[22] For 2014, the information relates to the period 1 September - 31 December. For 2015-2016, the information relates to the period 1 January - 31 December.

[23] For 2014, the information relates to the period 23 October 2013 - 31 December 2014. For 2015-2016, the information relates to the period 1 January - 31 December.

Standardised recalculation of total revenues to calendar years for Instalco's subsidiaries, for the years 2006 – 2016

Legal entity	Currency unit	Note	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
PoB:s Elektriska AB	SEKm		91	108	115	84	80	94	106	99	81	135	167
Rörgruppen AB	SEKm		76	68	75	78	64	77	98	97	102	144	144
Klimatrör i Stockholm AB	SEKm		57	70	71	71	83	90	92	87	79	89	90
VVS-Metoder Stockholm AB	SEKm		75	75	71	52	48	55	69	106	76	100	112
ORAB Entreprenad AB	SEKm		-	-	-	-	-	1	2	166	153	148	171
OTK Klimat Installationer AB	SEKm		-	-	-	-	-	8	35	65	74	90	188
AB Rörläggaren	SEKm		227	234	218	194	219	243	258	212	258	236	316
AB Expertkyl HH	SEKm		25	33	44	60	66	86	99	89	97	116	145
Expertkyl Electro i Göteborg AB	SEKm		-	-	-	-	-	-	0	0	0	-	-
Hansson & Jakobsson Storkök AB	SEKm		19	22	20	15	14	11	28	28	20	31	-
Tofta Plåt & Ventilation AB	SEKm		10	11	17	18	16	24	28	31	36	37	35
LG Contracting AB	SEKm		49	58	55	46	61	77	66	75	115	128	229
LG Contracting i Örebro AB	SEKm		-	-	-	-	-	-	6	14	30	41	-
El-Pågarna i Malmö AB	SEKm		22	25	26	26	30	30	27	26	25	25	34
Bi-Vent AB	SEKm		52	66	80	81	84	90	90	93	113	128	115
Vallacom AB	SEKm		42	49	59	47	42	49	49	58	72	88	82
El-Expressen i Lund AB	SEKm		16	14	18	16	19	17	21	20	22	30	33
Ohmegi Elektro AB	SEKm		98	104	123	133	129	183	163	168	159	174	191
Voltmen OY	SEKm		12	11	15	18	11	16	15	19	15	16	17
Romerike Elektro AS	SEKm		34	35	41	59	47	49	68	56	64	67	125
Rørteft AS	SEKm		13	14	16	18	19	30	38	48	47	53	49
AR Elektro Prosjekt AS	SEKm		-	1	36	40	38	11	32	31	54	29	79
Trä och Inredningsmontage Kylteknik i Bandhagen AB	SEKm		30	49	74	59	59	65	64	58	66	64	59
VITO Teknisk Entreprenør AS	SEKm		29	63	85	112	82	63	98	122	137	117	115
Vito Oslo AS	SEKm		-	-	-	-	-	-	-	-	31	38	69
VITO Vestfold AS	SEKm		-	-	-	-	-	-	-	16	14	15	12
Tunabygdens VVS-Installatör AB	SEKm		24	31	32	28	34	36	44	40	31	38	36
Hedemora Rör AB	SEKm		-	-	-	-	-	-	-	3	7	8	6
DALAB Dala Luftbehandling AB	SEKm		12	17	22	20	19	21	34	42	50	56	63
DALAB VVS Installation AB	SEKm		-	-	-	-	-	-	-	10	20	31	33
Ventilationsförbättringar i Malmö AB	SEKm		29	29	32	36	31	48	39	43	41	45	56
JN Elinstallatörer AB	SEKm		88	88	90	89	85	110	94	103	106	104	116
Inkon Sverige AB	SEKm		-	-	-	-	-	-	-	-	-	-	2
Instalco Sverige AB	SEKm		-	-	-	-	-	-	-	-	2	16	22
Instalco Holding AB	SEKm		-	-	-	-	-	-	-	-	7	2	-
Instalco Intressenter AB	SEKm		-	-	-	-	-	-	-	-	-	-	3
NOK/SEK			1.15042	1.15460	1.17054	1.21623	1.19158	1.11587	1.11641	1.10946	1.08942	1.04651	1.01993
EUR/SEK			9.25490	9.24810	9.60550	10.62130	9.54130	9.03350	8.70530	8.64940	9.09680	9.35620	9.47040

Note: In those cases where calendar years for any subsidiary do not coincide with the calendar year, a standardised recalculation has been made in addition to the information derived from the annual report. In the recalculation, financial information has been based on the proportion of the months of the financial year that fall within the given calendar year. For example, in respect of a subsidiary with a financial year closing 31 March, the revenues during the 2014 calendar year have been calculated as a total of 3/12 of the revenues for the financial year ending 31 March 2014, and 9/12 of the revenues for the financial year ending 31 March 2015. This entails that the recalculations have been carried out without taking into account seasonal variations. For those foreign subsidiaries that report in NOK or EUR, translation to SEK has been made at the average exchange rates for the year as provided by the Central Bank of Sweden.

Operating profit (ebit) for Instalco's subsidiaries for the years 2006 – 2016

Legal entity	Currency unit	Note	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
PoB:s Elektriska AB	SEKm	1)	10	14	24	32	5	16	15	21	-1	19	24
Rörgruppen AB	SEKm	2)	6	12	7	9	2	0	8	14	5	13	15
Klimatrör i Stockholm AB	SEKm	3)	4	7	17	11	10	16	16	15	0	10	12
VVS-Metoder Stockholm AB	SEKm	4)	2	4	16	4	4	1	6	15	3	11	13
ORAB Entreprenad AB	SEKm	5)	-	-	-	-	-	-	0	25	14	3	16
OTK Klimat Installationer AB	SEKm	6)	-	-	-	-	-	-	1	6	4	0	5
AB Rörläggaren	SEKm	7)	1	3	5	7	8	11	17	9	13	-1	19
AB Expertkyl HH	SEKm	7)	2	3	6	7	8	9	12	10	14	7	-7
Expertkyl Electro i Göteborg AB	SEKm	8)	-	-	-	-	-	-0	0	0	-0	-0	-
Hansson & Jakobsson Storkök AB	SEKm	9)	-0	-0	0	0	-1	-1	2	1	1	0	-
Tofta Plåt & Ventilation AB	SEKm	10)	0	1	0	0	1	1	3	2	6	1	2
LG Contracting AB	SEKm	11)	2	3	2	1	1	4	2	0	7	6	9
LG Contracting i Örebro AB	SEKm	12)	-	-	-	-	-	-	-	-1	0	4	-
El-Pågarna i Malmö AB	SEKm	13)	1	2	2	2	3	3	3	4	4	9	6
Bi-Vent AB	SEKm	14)	3	2	1	3	1	3	4	3	8	14	7
Vallacom AB	SEKm	15)	6	-1	3	3	-0	1	2	3	4	14	10
El-Expressen i Lund AB	SEKm	7)	1	1	1	1	1	1	1	1	1	5	5
Ohmegi Elektro AB	SEKm	7)	9	9	12	10	11	13	12	8	5	9	11
Voltmen OY	EURm	16)	0	0	0	0	0	0	0	0	0	0	-0
Romerike Elektro AS	NOKm	7)	2	4	4	7	6	5	7	5	6	6	15
Rørteft AS	NOKm	7)	2	2	2	1	1	5	4	4	6	6	6
AR Elektro Prosjekt AS	NOKm	7)	-	0	4	6	1	2	-3	3	10	4	-6
Trä och Inredningsmontage Kylteknik i Bandhagen AB	SEKm	17)	1	3	1	2	3	3	5	1	5	10	4
VITO Teknisk Entreprenør AS	NOKm	7)	5	9	11	8	5	5	9	6	17	11	8
Vito Oslo AS	NOKm	7)	-	-	-	-	-	-	-	-	3	0	5
VITO Vestfold AS	NOKm	7)	-	-	-	-	-	-	-	1	1	1	-1
Tunabygdens VVS-Installatör AB	SEKm	7)	3	4	4	3	4	6	6	3	-1	3	-1
Hedemora Rör AB	SEKm	18)	-	-	-	-	-	-	-	0	1	0	0
DALAB Dala Luftbehandling AB	SEKm	19)	1	1	1	1	1	1	3	4	4	4	10
DALAB VVS Installation AB	SEKm	20)	-	-	-	-	-	-	-	-0	1	1	4
Ventilationsförbättringar i Malmö AB	SEKm	7)	1	0	1	1	1	3	2	2	2	2	6
JN Elinstallatörer AB	SEKm	7)	9	11	15	17	16	17	16	18	17	19	20
Inkon Sverige AB	SEKm	21)	-	-	-	-	-	-	-	-	-	-	0
Instalco Sverige AB	SEKm	22)	-	-	-	-	-	-	-	-	-1	4	-1
Instalco Holding AB	SEKm	23)	-	-	-	-	-	-	-	-	0	0	-0
Instalco Intressenter AB	SEKm	23)	-	-	-	-	-	-	-	-	-	-3	-1

Note: the information is derived from the respective company's audited annual reports. The periods referred to the financial year ending in a given year.

1) For 2006-2013, the information relates to the period 1 May - 30 April. For 2014, SEK 8.4 million relates to the period 1 May - 30 April and SEK -9.8 million relates to the period 1 May - 31 December. For 2015-2016, the information relates to the period 1 January - 31 December.

2) For 2006-2013, the information relates to the period 1 September - 31 August. For 2014, the information relates to the period 1 September - 31 December. For 2015, the information relates to the period 1 January - 31 December.

3) For 2006, the information relates to the period 1 May – 30 June. For 2007-2013, the information relates to the period 1 July- 30 June. For 2014, SEK 3.9 million relates to the period 1 July- 30 June and SEK -3.4 million relates to the period 1 July- 31 December. For 2015-2016, the information relates to the period 1 January - 31 December.

4) For 2006-2011 the information relates to the period 1 May - 30 April. For 2012, SEK 0.0 million relates to the period 1 May - 30 April and SEK 6.3 million relates to the period 1 May - 31 December. For 2013-2016, the information relates to the period 1 January - 31 December.

5) For 2012, the information relates to the period 1 July- 31 December. For 2013-2016, the information relates to the period 1 January - 31 December.

6) For 2012-2013, the information relates to the period 1 September - 31 August. For 2014, the information relates to the period 1 September - 31 December. For 2015-2016, the information relates to the period 1 January - 31 December.

7) All information relates to the period 1 January - 31 December.

8) For 2006-2010, the information relates to the period 1 January - 31 December. For 2011, the information relates to the period 23 December - 31 December. For 2012-2015, the information relates to the period 1 January - 31 December. On 27 September 2016, the company was divested to the company founders since the business had been discontinued and was dormant.

9) For 2006-2010, the information relates to the period 1 May - 30 April. For 2011, SEK -0.2 million relates to the period 1 May - 30 April and SEK -0.9 million relates to the period May - 31 December. For 2012-2015, the information relates to the period 1 January - 31 December. In 2016, the company was subsumed in AB Expertkyl HH.

10) For 2006-2013, the information relates to the period 1 May - 30 April. For 2014, SEK 2.6 million relates to the period 1 May - 30 April and SEK 3.2 million relates to the period 1 May - 31 December. For 2015-2016, the information relates to the period 1 January - 31 December.

11) For 2006-2014, the information relates to the period 1 September - 31 August. For 2015, the information relates to the period 1 September 2014 - 31 December 2015. For 2016, the information relates to 1 January - 31 December.

12) For 2006-2012, the information relates to the period 1 September - 31 August. For 2013, the information relates to the period 23 April - 31 August. For 2014, the information relates to the period 1 September - 31 August. For 2015, the information relates to the period 1 September - 31 December. In 2016, the company was subsumed in LG Contracting AB

13) For 2006-2014, the information relates to the period 1 May - 30 April. For 2015, SEK 5.9 million relates to the period 1 May - 30 April and SEK 2.9 million relates to the period 1 May - 31 December. For 2016, the information relates to the period 1 January - 31 December.

14) For 2006-2008, the information relates to the period 1 May - 30 April. For 2009, the information relates to the period 1 November - 30 April. For 2010-2014, the information relates to the period 1 May - 30 April. For 2015, SEK 8.5 million relates to the period 1 May - 30 April and SEK 5.2 million relates to the period 1 May - 31 December. For 2016, the information relates to the period 1 January - 31 December.

15) For 2006-2014, the information relates to the period 1 May - 30 April. For 2015, SEK 6.8 million relates to the period 1 May - 30 April and SEK 7.4 million relates to the period 1 May - 31 December. For 2016, the information relates to the period 1 January - 31 December.

16) For the period 2006-2015, the information relates to the period 1 January - 31 December. For 2016, the information relates to the period 19 October 2015 - 31 December 2016. However, no business was conducted in the company in 2016 prior to an assets and liabilities acquisition by Instalco in March 2016. The information for 2016 relates to a newly formed legal entity, as a consequence of Instalco's acquisition, bearing the same name as the earlier entity, the figures of which have been used for 2006-2015.

17) For 2006-2008, the information relates to the period 1 January - 31 December. For 2009, the information relates to the period 1 January - 31 August. For 2010-2015, the information relates to the period 1 September - 31 August. For 2016, the information relates to the period 1 September 2015 - 31 December 2016.

18) For 2013, the information relates to the period 22 April - 31 December. For 2014-2016 the information relates to the period 1 January - 31 December.

19) For 2006-2015 the information relates to the period 1 May - 30 April. For 2016, SEK 6.5 million relates to the period 1 May - 30 April and SEK 3.6 million relates to the period 1 May - 31 December.

20) For 2013, the information relates to the period 21 January - 30 April. For 2014-2016 the information relates to the period 1 May - 30 April. For 2016, SEK 3.8 million relates to the period 1 May - 30 April and SEK 0.2 million relates to the period 1 May - 31 December.

21) For 2016, the information relates to the period 28 April - 31 December. The company was registered on 28 April and commenced business on 1 August.

22) For 2014, the information relates to the period 1 September - 31 December. For 2015-2016, the information relates to the period 1 January - 31 December.

23) For 2014, the information relates to the period 23 October 2013 - 31 December 2014. For 2015-2016, the information relates to the period 1 January - 31 December.

Standardised recalculation of operating profit (EBIT) to calendar year for Instalco's subsidiaries, for the years 2006 – 2016

Legal entity	Currency unit	Note	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
PoB:s Elektriska AB	SEKm		12	20	29	14	12	16	19	12	-7	19	24
Rörgruppen AB	SEKm		8	11	8	7	1	3	10	10	4	13	15
Klimatrör i Stockholm AB	SEKm		5	12	14	11	13	16	15	10	-1	10	12
VVS-Metoder Stockholm AB	SEKm		3	12	8	4	2	0	6	15	3	11	13
ORAB Entreprenad AB	SEKm		-	-	-	-	-	0	0	25	14	3	16
OTK Klimat Installationer AB	SEKm		-	-	-	-	-	0	3	5	3	0	5
AB Rörläggaren	SEKm		1	3	5	7	8	11	17	9	13	-1	19
AB Expertkyl HH	SEKm		2	3	6	7	8	9	12	10	14	7	-7
Expertkyl Electro i Göteborg AB	SEKm		-	-	-	-	-	-	0	0	-0	-0	-
Hansson & Jakobsson Storkök AB	SEKm		-0	0	0	-0	-0	-1	2	1	1	0	-
Tofta Plåt & Ventilation AB	SEKm		1	1	0	1	1	2	2	2	4	1	2
LG Contracting AB	SEKm		2	3	2	1	2	3	2	2	6	5	9
LG Contracting i Örebro AB	SEKm		-	-	-	-	-	-	-1	-0	1	3	-
El-Pågarna i Malmö AB	SEKm		2	2	2	2	3	3	4	4	5	5	6
Bi-Vent AB	SEKm		2	1	2	2	2	4	3	6	8	8	7
Vallacom AB	SEKm		1	1	3	1	0	2	3	4	6	10	10
El-Expressen i Lund AB	SEKm		1	1	1	1	1	1	1	1	1	5	5
Ohmegi Elektro AB	SEKm		9	9	12	10	11	13	12	8	5	9	11
Voltmen OY	SEKm		1	1	1	3	0	2	2	2	1	1	-0
Romerike Elektro AS	SEKm		3	4	4	8	7	6	7	5	6	7	16
Rørteft AS	SEKm		2	2	3	1	1	5	4	4	6	6	7
AR Elektro Prosjekt AS	SEKm		-	0	5	7	1	2	-4	3	11	4	-6
Trä och Inredningsmontage Kylteknik i Bandhagen AB	SEKm		1	3	1	3	3	4	3	2	7	8	3
VITO Teknisk Entreprenør AS	SEKm		6	11	13	9	6	5	10	7	18	12	8
Vito Oslo AS	SEKm		-	-	-	-	-	-	-	-	3	0	5
VITO Vestfold AS	SEKm		-	-	-	-	-	-	-	2	1	1	-1
Tunabygdens VVS-Installatör AB	SEKm		3	4	4	3	4	6	6	3	-1	3	-1
Hedemora Rör AB	SEKm		-	-	-	-	-	-	-	0	1	0	0
DALAB Dala Luftbehandling AB	SEKm		1	1	1	1	1	2	3	4	4	6	6
DALAB VVS Installation AB	SEKm		-	-	-	-	-	-	-	1	1	3	1
Ventilationsförbättringar i Malmö AB	SEKm		1	0	1	1	1	3	2	2	2	2	6
JN Elinstallatörer AB	SEKm		9	11	15	17	16	17	16	18	17	19	20
Inkon Sverige AB	SEKm		-	-	-	-	-	-	-	-	-	-	0
Instalco Sverige AB	SEKm		-	-	-	-	-	-	-	-	-1	4	-1
Instalco Holding AB	SEKm		-	-	-	-	-	-	-	-	0	0	-0
Instalco Intressenter AB	SEKm		-	-	-	-	-	-	-	-	-	-3	-1
NOK/SEK			1.15042	1.15460	1.17054	1.21623	1.19158	1.11587	1.11641	1.10946	1.08942	1.04651	1.0199
EUR/SEK			9.25490	9.24810	9.60550	10.62130	9.54130	9.03350	8.70530	8.64940	9.09680	9.35620	9.4704

Note: In those cases where calendar years for any subsidiary do not coincide with the calendar year, a standardised recalculation has been made in addition to the information derived from the annual report. In the recalculation, financial information has been based on the proportion of the months of the financial year that fall within the given calendar year. For example, in respect of a subsidiary with a financial year closing 31 March, the revenues during the 2014 calendar year have been calculated as a total of 3/12 of the revenues for the financial year ending 31 March 2014, and 9/12 of the revenues for the financial year ending 31 March 2015. This entails that the recalculations have been carried out without taking into account seasonal variations. For those foreign subsidiaries that report in NOK or EUR, translation to SEK has been made at the average exchange rates for the year as provided by the Central Bank of Sweden.

EBIT margin based on a standardised recalculation of total revenues and operating profit (EBIT) for Instalco's subsidiaries, for the years 2006 – 2016

Legal entity	Note	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
PoB:s Elektriska AB		13.7%	18.8%	25.2%	16.1%	15.3%	16.6%	17.8%	12.7%	-8.6%	14.4%	14.3%
Rörgruppen AB		10.9%	15.5%	10.2%	8.7%	2.3%	4.0%	10.3%	10.6%	3.6%	8.7%	10.5%
Klimatrör i Stockholm AB		9.5%	17.1%	20.1%	15.0%	15.9%	17.8%	16.8%	11.0%	-1.8%	11.6%	13.1%
VVS-Metoder Stockholm AB		3.9%	16.3%	11.4%	8.3%	4.8%	0.8%	9.2%	14.2%	4.1%	11.0%	11.3%
ORAB Entreprenad AB		-	-	-	-	-	1.8%	1.8%	15.1%	9.3%	1.9%	9.1%
OTK Klimat Installationer AB		-	-	-	-	-	6.0%	8.6%	8.2%	4.4%	0.4%	2.6%
AB Rörläggaren		0.6%	1.3%	2.1%	3.5%	3.7%	4.6%	6.6%	4.3%	5.1%	-0.6%	6.1%
AB Expertkyl HH		6.0%	7.6%	14.1%	11.1%	12.8%	10.0%	11.9%	11.6%	14.0%	5.8%	-4.7%
Expertkyl Electro i Göteborg AB		-	-	-	-	-	-	21.6%	46.1%	-91.8%	-	-
Hansson & Jakobsson Storkök AB		-1.3%	0.4%	1.1%	-2.1%	-2.2%	-9.3%	8.1%	3.4%	2.5%	0.6%	-
Tofta Plåt & Ventilation AB		9.0%	5.2%	2.3%	4.2%	5.4%	9.5%	7.7%	7.5%	11.3%	2.1%	6.7%
LG Contracting AB		4.8%	4.6%	3.4%	2.6%	3.7%	4.5%	2.6%	3.2%	5.2%	3.6%	3.9%
LG Contracting i Örebro AB		-	-	-	-	-	-	-10.2%	-3.5%	3.9%	7.2%	-
El-Pågarna i Malmö AB		7.0%	7.2%	6.7%	8.8%	9.9%	9.4%	13.2%	15.4%	20.9%	19.5%	16.6%
Bi-Vent AB		4.6%	1.7%	2.3%	2.2%	2.8%	3.9%	3.8%	6.8%	7.3%	6.3%	6.0%
Vallacom AB		2.5%	2.8%	5.0%	1.5%	0.7%	3.3%	5.4%	6.7%	8.3%	11.0%	11.6%
El-Expressen i Lund AB		6.4%	5.4%	7.0%	7.5%	5.2%	5.7%	5.3%	3.0%	3.1%	17.8%	16.3%
Ohmegi Elektro AB		8.8%	8.2%	9.8%	7.9%	8.6%	7.0%	7.4%	4.7%	2.9%	5.1%	5.8%
Voltmen OY		10.4%	13.3%	9.4%	14.1%	0.4%	10.2%	10.6%	12.7%	9.5%	8.1%	-2.0%
Romerike Elektro AS		8.2%	12.3%	10.8%	14.3%	15.3%	11.3%	10.8%	9.4%	10.0%	10.1%	12.5%
Rørteft AS		17.4%	16.5%	16.2%	7.3%	5.1%	16.9%	11.4%	8.3%	13.5%	11.4%	13.1%
AR Elektro Prosjekt AS		-	28.4%	13.4%	18.1%	3.5%	19.4%	-11.8%	9.5%	19.5%	13.5%	-7.6%
Trä och Inredningsmontage Kylteknik i Bandhagen AB		4.8%	5.6%	1.8%	5.8%	5.6%	5.5%	5.4%	4.0%	10.4%	12.7%	5.7%
VITO Teknisk Entreprenør AS		21.6%	17.2%	15.7%	8.3%	7.8%	8.5%	10.1%	5.9%	13.2%	9.9%	7.4%
Vito Oslo AS		-	-	-	-	-	-	-	-	10.2%	0.0%	7.9%
VITO Vestfold AS		-	-	-	-	-	-	-	10.4%	6.2%	5.6%	-9.8%
Tunabygdens VVS-Installatör AB		10.3%	11.8%	12.8%	11.8%	11.5%	15.9%	14.1%	6.7%	-1.9%	8.2%	-2.9%
Hedemora Rör AB		-	-	-	-	-	-	-	15.8%	16.4%	5.9%	4.8%
DALAB Dala Luftbehandling AB		9.1%	8.0%	3.6%	5.9%	7.8%	10.9%	9.8%	8.8%	7.3%	9.9%	9.2%
DALAB VVS Installation AB		-	-	-	-	-	-	-	5.4%	5.5%	9.2%	4.4%
Ventilationsförbättringar i Malmö AB		3.6%	0.6%	3.2%	1.9%	1.8%	5.4%	5.7%	5.7%	4.4%	4.3%	10.6%
JN Elinstallatörer AB		9.8%	12.5%	16.8%	18.9%	18.9%	15.1%	17.1%	17.8%	15.7%	18.2%	16.9%
Inkon Sverige AB		-	-	-	-	-	-	-	-	-	-	14.1%
Instalco Sverige AB		-	-	-	-	-	-	-	-	-35.6%	24.3%	-3.8%
Instalco Holding AB		-	-	-	-	-	-	-	-	6.4%	8.5%	-
Instalco Intressenter AB		-	-	-	-	-	-	-	-	-	-	-31.4%
NOK/SEK		1.15042	1.15460	1.17054	1.21623	1.19158	1.11587	1.11641	1.10946	1.08942	1.04651	1.0199
EUR/SEK		9.25490	9.24810	9.60550	10.62130	9.54130	9.03350	8.70530	8.64940	9.09680	9.35620	9.4704

Note: In those cases where calendar years for any subsidiary do not coincide with the calendar year, a standardised recalculation has been made in addition to the information derived from the annual report. In the recalculation, financial information has been based on the proportion of the months of the financial year that fall within the given calendar year. For example, in respect of a subsidiary with a financial year closing 31 March, the revenues during the 2014 calendar year have been calculated as a total of 3/12 of the revenues for the financial year ending 31 March 2014, and 9/12 of the revenues for the financial year ending 31 March 2015. This entails that the recalculations have been carried out without taking into account seasonal variations. For those foreign subsidiaries that report in NOK or EUR, translation to SEK has been made at the average exchange rates for the year as provided by the Central Bank of Sweden.

Share capital and ownership structure

General information

Per 31 December 2016, the Company's registered share capital amounted to SEK 322,203, divided into a total of 322,203 shares (out of which 109,762 shares were ordinary shares of class A and 212,441 shares were preference shares of different classes), giving each share a quota (par) value of SEK 1. At the date of this Prospectus, the Company's registered share capital amounts to SEK 603,577.18, divided into a total of 120,715,436 shares (out of which 40,353,663 shares are ordinary shares of class A and 80,361,773 shares are preference shares of different classes), giving each share a quota (par) value of SEK 0.005. Preference shares have preferential rights to all forms of value transfers from the Company to the shareholders up to a certain amount calculated according to a specific formula based on the issue price and the time of the board of directors' resolution on allotment of each preference share class. Thereafter, all rights to value transfers belong to ordinary shares of class A. In connection with the listing of the Company's shares on Nasdaq Stockholm, the current share structure will be settled, after which the Company will have only one class of shares, of which all shares carry the same rights.

At the extraordinary general meeting held on 10 April 2017, it was resolved to include a CSD clause in the articles of association, as a result of which the shares at the time of the completion of the Offering will be issued in dematerialised form through the services of Euroclear Sweden AB (P.O. Box 191, SE-101 23 Stockholm, Sweden). In accordance with the Swedish Financial Instruments Accounts Act (Sw. lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument), Euroclear is the central securities depository and clearing organisation for the shares. Accordingly, no share certificates have been issued and any share transfers are made electronically. All shares are fully paid and denominated in the currency SEK. The ISIN-code for the Company's shares is SE0009664253.

All shares have been issued in accordance with Swedish law. The shareholders' agreement currently in force will be terminated in connection with the listing of the Company's shares on Nasdaq Stockholm and other than the lock-up arrangements described below, the shares will not be subject to any transfer restrictions. The shares are not subject to any mandatory takeover bid, redemption right or redemption obligation. The Company's shares have not been subject to any public takeover bids. The shares are not subject to any conversion provisions. Neither the Company nor its subsidiaries own any shares in the Company.

Share capital development and the Offering

GROUP FORMATION AND SUBSEQUENT RESTRUCTURING

The Group was formed by a consolidation of five installation companies in February 2014. The former parent company, Instalco Holding AB, was incorporated on 14 October 2013 and registered with the Swedish Companies Registration Office on 23 October 2013. The Company was incorporated on 11 May 2015 and registered with the Swedish Companies Registration Office on 2 June 2015. The Company was acquired by the Principal Shareholder on 17 June 2015 in the form of a shelf company with no previous activity in order to form the new parent company of the Group. The restructuring was carried out in September 2015 whereby the shareholders of Instalco Holding transferred their shares to the Company in a combination of transfer of shares against payment in cash, unconditional shareholders' contributions and new share issue against payment in kind, resolved upon at an extraordinary general meeting held on 16 September 2015.

SETTLEMENT OF CURRENT SHARE STRUCTURE

At the date of this Prospectus, there are several different classes of shares in the Company. In connection with the listing of the Company's shares on Nasdaq Stockholm, all share classes will be converted (1:1) to the same class (the "Share Conversion"). The Share Conversion will be decided upon at an extraordinary general meeting. All shareholders have committed to attend such general meeting by proxy and to vote for the settlement of the current share structure, which is expected to be registered with the Swedish Companies Registration Office on or about 11 May 2017. Thus, after the Share Conversion, there will be only one class of shares in the Company, named shares. According to the articles of association which will apply after the registration of the Share Conversion, the share capital shall not less than SEK 600,000 and not more than SEK 2,400,000, divided into not less than 40,000,000 shares and not more than 160,000,000 shares.

For the Share Conversion to result in equal treatment of all shareholders based on the value of their shares prior to the Offering, the settlement of the current share structure will also include a reduction of the share capital by retirement of preference shares (Sw. riktad inlösen), whereby the exact relationships are dependent on the final Offering price. At an Offering price corresponding to the lowest of the price range, the settlement will entail that the total number of preference shares (prior to conversion (1:1)) decreases from 80,361,773 to 6,553,741. At an Offering price corresponding to the midpoint of the price range, the settlement will entail that the total number of preference shares (prior to conversion (1:1)) decreases from 80,361,773 to 6,241,653. At an Offering price corresponding to the highest of the price range, the settlement will entail that the total number of preference shares (prior to conversion (1:1)) decreases from 80,361,773 to 5,957,945. Following the settlement, the number of shares in the Company will amount to not less than SEK 46,311,608 and not more than 46,907,404 shares (interval calculated based on an Offering price corresponding to the lowest and highest within the price range). In connection with the reduction, the share capital will be increased through a bonus issue without the issuance of shares, partly to compensate for the decrease in share prices and partly to adjust the quota (par) value according to the new number of shares. The exact increase is dependent on the share capital and number of shares after settlement of the current share structure, which in turn depends on the final Offering price. The bonus issue will be registered with the Swedish Companies Registration Office at the same time as the reduction and is expected to result in a share capital of at least SEK 694,674.12 and no more than SEK 703,611.06, depending on the final Offering price, giving a quota (par) value of around SEK 0.015 per share.

SHARE CAPITAL DEVELOPMENT

The table below describes the share capital of the Company from the incorporation until the Offering (the table shall be read in conjunction with the information provided under "Settlement of current share structure" above). The former parent company Instalco Holding AB was incorporated on 14 October 2013 and was registered with the Swedish Companies Registration Office on 23 October 2013. Like the Company, Instalco Holding AB has carried out a number of new share issues to finance acquisitions and to enable ownership for key employees, as well as for re-investments of the sellers of acquired companies (all before the time of the formation of the Group as described above). Such new share issues have been made to a market value calculated by the board of directors.

Date	Event	Change in share capital (SEK)	Change in number of shares (ORD A)	Change in number of shares (PREF)	Total number of shares	Quota (par) value (SEK)	Total share capital (SEK)
2 June 2015	Incorporation of the Company	50,000	50,000	-	50,000	1	50,000
16 September 2015	Issue of new shares (against payment in kind consisting of shares in Instalco Holding AB)	224,050	-	224,050[1]	274,050	1	274,050
26 October 2015	Issue of new shares (against payment in cash)	1,552	312	1,240[2]	275,602	1	275,602
13 November 2015	Issue of new shares (against payment in cash)	720	144	576[3]	276,322	1	276,322
13 November 2015	Issue of new shares (against payment in cash)	300	60	240[4]	276,622	1	276,622
13 November 2015	Issue of new shares (against payment in cash)	668	134	534[5]	277,290	1	277,290
19 November 2015	Issue of new shares (against payment in cash)	3,158	632	2,526[6]	280,448	1	280,448
29 February 2016	Issue of new shares (against payment in cash)	553	111	442[7]	281,001	1	281,001
7 March 2016	Issue of new shares (against payment in cash)	2,714	542	2,172[8]	283,715	1	283,715
7 March 2016	Issue of new shares (against payment in cash)	308	62	246[9]	284,023	1	284,023
7 March 2016	Issue of new shares (against payment in cash)	781	251	530[10]	284,804	1	284,804
31 March 2016	Issue of new shares (against payment in cash)	240	48	192[11]	285,044	1	285,044
2 June 2016	Issue of new shares (against payment in cash)	2,013	402	1,611[12]	287,057	1	287,057
2 June 2016	Issue of new shares (against payment in cash)	203	41	162[13]	287,260	1	287,260
5 July 2016	Issue of new shares (against payment in cash)	1,167	233	934[14]	288,427	1	288,427
5 July 2016	Issue of new shares (against payment in cash)	2,471	494	1,977[15]	290,898	1	290,898
6 July 2016	Issue of new shares (against payment in cash)	1,925	385	1,540[16]	292,823	1	292,823
10 August 2016	Issue of new shares (against payment in cash)	1,010	202	808[17]	293,833	1	293,833
10 August 2016	Issue of new shares (against payment in cash)	14,393	14,393	0	308,226	1	308,226
8 September 2016	Issue of new shares (against payment in cash)	4,934	987	3,947[18]	313,160	1	313,160
24 October 2016	Issue of new shares (against payment in cash)	2,106	421	1,685[19]	315,266	1	315,266
18 November 2016	Issue of new shares (against payment in cash)	694	139	555[20]	315,960	1	315,960
30 November 2016	Issue of new shares (against payment in cash)	570	114	456[21]	316,530	1	316,530
8 December 2016	Issue of new shares (against payment in cash)	5,673	1,133	4,540[22]	322,203	1	322,203
2 February 2017	Issue of new shares (against payment in cash)	5,165	1,033	4,132[23]	327,368	1	327,368
6 February 2017	Issue of new shares (against payment in cash)	371	79	292[23]	327,739	1	327,739
22 February 2017	Issue of new shares (against payment in cash)	58	12	46[23]	327,797	1	327,797
27 March 2017	Issue of new shares (against payment in cash)	1,270	254	1,016[23]	329,067	1	329,067
28 March 2017	Issue of new shares (against payment in cash)	1,156	231	925[23]	330,223	1	330,223
29 March 2017	Issue of new shares (against payment in cash)	2,059	412	1,647[23]	332,282	1	332,282
10 April 2017	Split of all shares	-	40,241,880	79,379,640	119,953,802	0.00277	332,282
10 April 2017	Increase of the share capital through bonus issue with issuance of new shares	27,579.406	-	-	119,953,802	0.003	359,861.406
10 April 2017	Reduction of the share capital and redemption of preference shares of different classes	-4,996.119	-	-1,665,373[24]	118,288,429	0.003	354,865.287
10 April 2017	Increase of the share capital through bonus issue with issuance of new shares	7,281.021	-	2,427,007[25]	120,715,436	0.003	362,146.308
10 April 2017	Increase of the share capital through bonus issue without issuance of new shares	241,430.872	-	-	120,715,436	0.005	603,577.18
10 April 2017	Conversion of preference shares of different classes to preference shares of class C[26])	-	-	-	120,715,436	0.005	603,577.18
May 2017	The Offering[27]	95,352.56	-	-74,120,120	46,595,316	0.015	698,929.74

[1] PREF B-U.
[2] PREF V.
[3] PREF X.
[4] PREF Y.
[5] PREF Z.
[6] PREF AA.
[7] PREF AB.
[8] PREF AC.
[9] PREF AD.
[10] PREF AE.
[11] PREF AF.
[12] PREF AG.
[13] PREF AH.
[14] PREF AI.
[15] PREF AJ.
[16] PREF AK.
[17] PREF AL.
[18] PREF AM.
[19] PREF AN.
[20] PREF AO.
[21] PREF AP.
[22] PREF AQ.
[23] PREF AP.
[24] PREF G, J, U, AI, AJ, AK, AQ.
[25] PREF M, O, R, T, AA, AB, AD, AG.
[26] A total of 17,942,346 PREF G, J, M, O, R, T, U, AA, AB, AD, AG, AI, AJ, AK, AQ.
[27] After the completion of the Offering and provided that the Offering is fully subscribed at an Offering price corresponding to the midpoint of the price range. Please refer to "Settlement of current share structure" above for a description of the effects on the share capital and the number of shares at an Offering price corresponding to the lowest and the highest in the price range, and as a result of bonus issue without issuance of new shares.

Ownership structure prior to and following the Offering

At the date of this Prospectus, there are approximately 200 shareholders in the Company. The largest shareholder is the Principal Shareholder (FSN), with holdings (including indirect holdings through companies) of 49.4 percent of the total number of shares and votes in the Company. Otherwise, only the following shareholders hold five (5) percent or more of the shares and votes in the Company at the date of this Prospectus: Per Sjöstrand (CEO of the Company) who personally and through Ohmslag AB holds 9.9 percent of the total number of shares and votes in the Company and Tass AB (controlled by Tommy Larsson who is employed by Instalco and is part of the group management) with holdings of 5.9 percent of the total number of shares and votes in the Company.

The specified holdings do not take the settlement of the current share structure into account and adjustments to the shareholders percentage of the total amount of shares as a result thereof (please refer to "Settlement of the current share structure" above). To illustrate such adjustments, the table below shows the ownership structure of the Company immediately prior to and immediately following the completion of the Offering as well as changes in the event the Offering is fully increased and the Over-Allotment Option is fully utilised. The ownership structure, which is based on the Share Conversion being registered, is presented with regard to the settlement of the current share structure and assuming that the Offering price will correspond to the midpoint of the price range. The Swedish Companies Act contains provisions on minority protection to protect the minority's interests. The Principal Shareholder's address is presented below. Other Selling Shareholders can be contacted via the Company's address.

	Shareholding prior to the Offering		Shareholding following the Offering if the Over-Allotment Option is not fully utilised		Shareholding following the Offering if the Over-Allotment Option is fully utilised	
Shareholder	**Number of shares**	**%**	**Number of shares**	**%**	**Number of shares**	**%**
Current shareholders holding over 5 percent of the shares and votes						
FSN[1]	27,551,819	59.13	11,742,474	25.20	9,086,541	19.5
Per Sjöstrand[2]	3,776,582	8.11	3,776,582	8.11	3,776,582	8.11
Other Current Shareholders[3]						
Selling Shareholders other than FSN[4]	7,329,218	15.73	5,432,343	11.66	5,432,343	11.66
Other owners	7,937,697	17.04	7,937,697	17.04	7,937,697	17.04
Total	**46,595,316**	**100**	**28,889,096**	**62.0**	**26,233,163**	**56.3**
New owners[5]	-	-	17,706,220	38.0	20,362,153	43.7
Total	**46,595,316**	**100**	**46,595,316**	**100**	**46,595,316**	**100**

1 Refers to FSN Capital GP IV Limited as General Partner in the following: (i) FSN Capital IV L.P., (ii) FSN Capital IV (B) L.P., and (iii) FSN Capital IV Invest LP, with address Biblioteksgatan 8, 111 46 Stockholm, Sweden.
2 The CEO of the Company including both personal holdings and holdings through a company (Ohmslag AB).
3 Refers to current and former board members and key employees of the Group including sellers of acquired companies.
4 Refers to the following shareholders who offer for sale the number of shares set forth in parenthesis: C B Holding AB (634,459), R5 Capital AB (56,811), Peter Westman AB (80,529), KNORRAN AB (7,752), Göran Johnsson (31,809), Daniel Fili (5,146), Ronny Nordlund (9,187), Anders Pettersson (23,576), Leif Ekman (3,441), Benny Larsson (7,073), Bert-Ola Bernström (8,104), Klas Svensson (26,081), Christer Söderberg (18,861), J Pettersson i Enköping AB (4,846), O Holmqvist AB (11,236), Tomas Danielsson AB (5,748), Kent Strandberg AB (11,236), Reino Johansson (11,578), Robin Boheman (37,231), Lotta Sjögren (26,623), Ulf Fredborg (23,945), Grön Förvaltning AB (26,789), Patrik Ekeroth (24,193), Anders Ericsson (62,324), Per Wendel (10,611), Monica Jeppsson (94,023), Kristian Alfredsson (9,201), Stefan Johansson (60,483), Conny Larsson (30,397), Bertil Fredricsson (35,230), Bengt Celander (21,405), Robin Andersson (14,742), Maja Ekstrand Hansson (9,201), Kerstin Holen (9,201), Mats Skoglund (12,019), Christian Roger Jillnesjö (7,124), Rikard Andersson (2,375), Selvir Hodzic (17,177), Thomas Ericsson (34,716), Erskullen AB (12,541), ANDMA Holding AB (5,385), Stefan Z Holding AB (6,121), FOVT Holding AB (2,779), Jörgen Persson (4,742), Håkan Andersson (4,742), Henrik Werling (4,742), Danab Holding AB (6,909), Tomas Engström AB (13,341), Jan Strandberg AB (11,464), Lindair AB (13,630), Peter Andersson (10,303), Gunleudd Förvaltning AB (10,411), Conny Gunnarsson (4,264), HCW Holding AB (26,281), Morgan Johannesson (5,596), Martin Folkesson Holding AB (14,801), Tomas Danielsson (3,285), Thomas Isacsson (15,052), Vetico Aktiebolag (39,243), Simon Jägerman (4,513), Catarina Källman (2,704), Joacim Westerlund (6,130), Linda Ranbro (902), Lars Aller (5,376), Niclas Malm (3,774), Vladimir Dimitrijevic (4,602), Stefan Carlsson (2,275), Nicklas Karlén (9,422), Fredrik Ifwer (1,597), Pierre Ericsson (3,760), Hans Lindersson (7,262), Tomas Gauffin (23,718), Kyl & Watt Konsulten AB (11,745), Deltacool Konsult AB (8,796), Fredrik Johnsson (1,822), R. Köpman Förvaltning AB (16,792), Kennet Lundberg (1,773), T-RH AS (5,140), BAW AS (5,140), Klas Larsson (6,118), Juha Pelkonen (11,206) and Torbjörn Klaréus (10,193).
5 Refers to the persons who will receive shares as a result of the allotment in the Offering including those who have provided share purchase commitments.

More information about sale by Other Selling Shareholders

Other Selling Shareholders refers to current and former members and key employees of the Group including sellers of acquired companies.

At the date of this Prospectus, board members and senior management holds a total of 14,578,134 shares and votes in the Company (personally and through companies).

Shareholding board members and senior management in the Company, and cetrain other key employees in the Group, have been offered the opportunity to sell up to ten (10) percent of their respective holdings of shares in the Offering whilst other shareholders have been offered the opportunity to sell an unlimited number of shares in the Offering.

Amongst shareholding board members, Anders Eriksson offers five (5) percent and Göran Johnsson and Kennet Lundberg offer ten (10) percent of their respective holdings of shares for sale in the Offering. No shares are offered for sale by the other shareholding board members.

The managing director of the Company does not offer any shares for sale in the Offering. Amongst other senior management, Lotta Sjögren and Robin Boheman offer ten (10) percent of their respective holdings of shares for sale in the Offering.

For more information on board members' and senior managemenent's holdings, please refer to section "Board of directors, senior management and auditors".

Share purchase commitments

Commitments to acquire shares have been provided equivalent to 51 percent of the Offering (assuming that the Offering price will correspond to the midpoint of the price range and full acceptance of the Offering including the shares that may be offered for sale through the possibility to exercise the Over-Allotment Option). The purchase commitments are not secured by any pledge, blocked funds or any similar arrangement. For more information, please refer to sections "Terms and instructions" and "Legal considerations and supplementary information" (under "Share purchase commitments").

Shareholders' agreement and lock-up agreements

All existing shareholders have entered into a shareholders' agreement governing their ownership in the Company. This shareholders' agreement will be terminated in connection with the listing of the Company's shares on Nasdaq Stockholm. Thus, upon completion of the Offering, there will be no shareholders' agreements or similar agreements between the shareholders regarding joint influence over the Company, or which may result in a change of control of the Company.

In connection to the Offering, all current shareholders in the Company will undertake towards the Managers not to sell or otherwise transfer their shares in the Company for a certain period of time after the trading of the Company's shares on Nasdaq Stockholm has started. This so called lock-up period will be twelve months for shareholding board members and senior executives in the Company as well as certain other key employees in the Group. For the Principal Shareholder and the other shareholders, the so called lock-up period will be six months. The transfer restrictions are subject to customary restrictions and exceptions such as divestments in the context of the Offering, the acceptance of an offer to all shareholders of the Company in accordance with the Swedish takeover rules on terms which treat all such shareholders equally or provision of an unconditional undertaking to accept such an offer, sale or other divestment of shares as a result of an offer from the Company regarding the acquisition of own shares given on equal terms to all shareholders of the Company, or where a transfer of shares is required due to legal, administrative or judicial requirements. In addition thereto, the Managers may grant exemptions from the relevant undertakings, if deemed appropriate by the Managers on a case by case basis, in which situations the shares may be offered for sale. After the expiry of the respective lock-up periods, the shareholders affected by lock-up will be free to sell their shares.

For a description of the lock-up arrangements that will be entered into by the Company in connection with the Offering, please refer to section "Legal considerations and supplementary information" (under "Agreement regarding placing of shares").

Dilution in terms of shareholding and share related incentive programs

At the date of this Prospectus, the Company has no outstanding convertible or exchangeable securities or other financial instruments which would result in a dilution for existing shareholders if exercised other than the warrants described below.

Historically, share related incentive programs for board members and key employees have consisted of the possibility of ownership through the purchase of newly issued shares at market value calculated by the board of directors. At the annual general meeting held on 27 April 2017, it was resolved to implement an incentive programme for the group's senior executives and other key persons. In total, approximately 50 persons will be offered to participate in the programme that includes a maximum of 1,954,504 warrants, each entitling its holder to subscribe for one new ordinary share of class A in the Company (i.e. "shares" after the settlement of the current share structure). Only board members of the Company who are also employed by the group (two board members) may participate in the incentive programme.

The maximum number of warrants that can be allotted to participants of the programme shall correspond to not more than 4.0 percent of the share capital and voting rights of the Company after dilution at the time immediately after completion of the Offering. The calculation of the dilution effect also takes into account the implementation of the settlement of the current share structure in accordance with the section "Settlement of current share structure" above. The maximum number of warrants in the programme may be adjusted in relation to the final Offering Price, meaning that the dilution effect calculated as set forth above will not exceed 4.0 percent of the share capital and voting rights of the Company.

The warrants will be issued in two separate series, Series 2017/2020:1 with a maximum of 977,252 warrants and Series 2017/2020:2 with a maximum of 977,252 warrants. Each participant is entitled to subscribe for a certain maximum number warrants of each series, depending on such participant's position within the Group. For warrants of Series 2017/2020:1 and Series 2017/2020:2 the exercise price shall amount to 120 percent and 130 percent of the final Offering price respectively. The warrants can be exercised from the date of the release of the Company's interim report for the first quarter of 2020 until 30 June 2020.

The subscription price for the warrants, i.e. the price which the participants shall pay in connection with subscription and allotment of warrants (the warrant premium), shall correspond to the market value of the warrants at the time of the acquisition, which shall be calculated using the Black & Scholes valuation model, with valuation principles in line with market practice. The valuation of the warrants shall be performed by an independent valuation institute or an auditing firm.

Implementation of the warrant programme should not entail any social security costs for the group in neither Sweden nor Finland. For employees in Norway, social security costs will arise in connection with any exercise of the warrants, currently at a rate of 14.1 percent.

The existing shareholders normally have a pre emptive right to subscribe for new shares, warrants and convertibles pro rata to their shareholding. The general meeting, or the board of directors with authorisation from the general meeting, may however resolve to deviate from the shareholders' pre-emptive rights in accordance with the Swedish Companies Act. At the time of this Prospectus, the board of directors has an authorisation to, with or without preferential rights for existing shareholders, decide on increases of the share capital by issuing new shares and/or convertible bonds that involve the issue of or conversion into up to a number of shares corresponding to not more than 20 percent of the share capital and voting rights of the Company after dilution at the time immediately after completion of the Offering. The calculation of the dilution effect also takes into account the implementation of the settlement of the current share structure in accordance with the section "Settlement of current share structure" above. The purposes of the authorisation are to increase the financial flexibility of the Company and to enable the Company to use its own shares and/or convertible bonds to make payments for any acquisitions of companies or businesses the Company may undertake or to settle any deferred payments in connection with such acquisitions. Share issues with payment in cash and with deviation from the shareholders' preferential rights may only take place to finance the purchase price to be paid in cash in connection with acquisitions of companies or businesses. Share issues with payment by way of set-off and with deviation from the shareholders' preferential rights may only take place in connections with payment of deferred payments in connection with acquisitions of companies or businesses. In connection with issues of shares or convertible bonds with deviation from the shareholders' preferential rights, the starting point for the issue price shall be the prevailing market conditions at the time the shares and/or convertible bonds are issued. The authorisation was resolved by the annual general meeting 2017 and is valid until the annual general meeting to be held in 2018.

Rights associated with the shares

The Company's shares are issued in accordance with Swedish law and the shareholders' rights associated with the shares may only be altered by amending the articles of association in accordance with the Swedish Companies Act. A resolution to amend the articles of association is made by the general meeting and the Swedish Companies Act establishes certain qualified majority requirements for such resolutions made by the general meeting to be effective. Subsequent to the Share Conversion (please refer to the above under "Settlement of current share structure"), the Company will have only one class of shares within which all shares have equal rights. Shareholders are entitled to vote for their full number of shares and all shares entitles the holder to one (1) vote at general meetings.

Dividends, share in the Company's profits and proceeds on liquidation

After the Share Conversion (please refer to the above under "Settlement of current share structure"), the Company will have only one class of shares, after which all shares in the Company give equal rights to dividends, share in the Company's profits and any proceeds in the event of liquidation. Any dividends are resolved upon by the general meeting, which may in general not resolve upon on dividends exceeding the amount proposed by the board of directors. Shareholders registered in Euroclear's central securities register on the record date, as established by the general meeting or by the board of directors with authorisation from the general meeting, shall be entitled to dividends. According to the Swedish Companies Act, dividends may only be paid to the amount that there still is unrestricted equity (Sw. fritt eget kapital) available, i.e. there must be full coverage for the Company's restricted equity (Sw. bundet eget kapital) after the payment of dividends. The Company's most recently adopted balance sheet forms the basis for the amount available for payment of dividends. Furthermore, dividends may only be paid if deemed justified taking into consideration the demands which are imposed by the nature, scope and risks associated with the operations as well as the need to strengthen the balance sheet, liquidity and financial position in general.

Normally, dividends are paid in cash per share but may also be made in forms other than cash payments. The shareholders are entitled to a pro rata share of the dividends. The payment of dividends is managed by Euroclear. Should a shareholder not be able to get paid by distribution of Euroclear, the shareholder will have a claim for payment of the same amount against the Company. Such claim is subject to statutory limitation of ten years after which the dividend amount is forfeited to the Company.

There are no restrictions regarding dividend rights of shareholders domiciled outside of Sweden. Subject to any restrictions imposed by banks or clearing systems in the relevant jurisdiction, payments to such shareholders are made in the same manner as for shareholders in Sweden. For information on taxes on the payment of dividends, please refer to section "Tax considerations in Sweden".

Dividend policy

It has not been resolved on any dividends to the shareholders of the parent company during the period of time covered by the historical financial information, neither on the annual general meeting of 2017. Instalco's aim is to distribute 30 percent of the net profit after taxes.

Application for listing on Nasdaq Stockholm

Instalco's board of directors has applied for listing of the Company's shares on Nasdaq Stockholm under the ticker symbol Instal and with the ISIN code SE0009644253. The Nasdaq Stockholm listing committee has resolved to admit the Company's shares to trading on Nasdaq Stockholm subject to certain conditions, including that the distribution requirement for the Company's shares is met no later than on the first day of trading. Subject to the listing being granted, the first day of trading on Nasdaq Stockholm is expected to occur on or about 11 May 2017.

Board of directors, senior management and auditors

This section contains selected information regarding the board of directors, senior management and auditors. As far as the board of directors is aware, there have been no arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which a board member, member of the senior management or auditor have been appointed or elected other than as disclosed in this section.

Board of directors

The board of directors has its registered office in Stockholm. According to Instalco's articles of association, the board of directors shall consist of at least three (3) and no more than ten (10) ordinary members, without any deputy members. Currently, the board of directors consists of six (6) ordinary members, elected until the end of the next ordinary (annual) general meeting. The table below sets forth the board members, their position, the year they were appointed and their independence in relation to Instalco, senior management and major shareholders. Major shareholders are defined in accordance with the Swedish Code of Corporate Governance such as shareholders who directly or indirectly control ten percent or more of the shares or votes in the Company.

			Independent in relation to:	
Name	Position	Member since[1]	Instalco and senior management	Major shareholders as of today
Olof Ehrlén	Chairman of the board	2014	Yes	No
Anders Eriksson	Board member	2016	No	Yes[2]
Göran Johnsson	Board member	2016	No	Yes[2]
Peter Möller	Board member	2013	Yes	No
Johnny Alvarsson	Board member	2016	Yes	Yes
Kennet Lundberg	Board member	2016	Yes	Yes

[1] Also includes the time a board member has served on the board of the former parent company of the Group (i.e. in Instalco Holding AB).

[2] Per Sjöstrand (CEO) is below the ownership percentage which would qualify him as a major shareholder and has a more senior position within the Group compared to Anders Eriksson and Göran Johnsson, as the two of them are in the management of the Company's subsidiaries. Even if Per Sjöstrand would increase his ownership percentage, and qualify as a major shareholder, both board members would still be considered to be independent in relation to major shareholders since there is no connection between the persons which could be considered to create dependence on another basis than the aforementioned.

Below is further information on the board members' age, position, current assignments, prior assignments during the past five years, other relevant experience, independence and ownership of shares and share related instruments in Instalco. Assignments in subsidiaries within the Group have been excluded. Since there will only be one class of shares in the Company at the time of the listing of the shares on Nasdaq Stockholm, holdings are not divided by class of shares. Further, holdings may change as a result of the settlement of the current share structure (please refer further to section "Share capital and ownership structure" (under "Settlement of the current share structure" and "Ownership structure prior to and following the Offering")). The warrants resolved to be issued by the annual general meeting held on 27 April 2017 have not yet been subscribed by those entitled to participate in the incentive programme. Only board members in the Company who are also employed by the Group (Anders Eriksson and Göran Johnsson) may participate in the incentive programme.

OLOF EHRLÉN
(Board member and chairman)

Born: 1949.

Position: Board member and chairman of the Company.

Other current assignments: Olof is chairman of the board of directors of Svevia AB and Ehrlén Consulting AB.

Prior assignments (last five years): Olof was the chairman of the board of directors of Faveo Management AS until 2015. He was a board member of Akademiska hus Aktiebolag until April 2017, Wingroup AG until 2016 and Faveo Projektledning AB until July 2015.

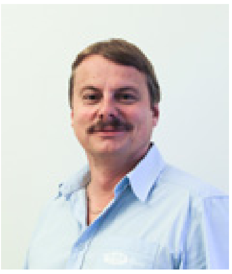
Other relevant experience: Olof has almost 40 years' experience in the construction industry and has for 4 years been the CEO and group CEO of NCC AB. He has been chairman of Sveriges Byggindustrier, the Swedish Construction Federation and member of the board of directors of Svenskt Näringsliv, the Confederation of Swedish Enterprise. He has a Master of Science in engineering degree from Chalmers Tekniska Högskola (Chalmers University of Technology).

Independent of Instalco and the senior management: Yes.

Independent of major shareholders (as of today): No. Olof is Executive Adviser to FSN Capital GP IV Limited (as General Partner (equivalent to a complementary) in the following: (i) FSN Capital IV L.P., (ii) FSN Capital IV (B) L.P., and (iii) FSN Capital IV Invest LP), which advises the fund that owns the majority of the shares in the Company.

Holdings in Instalco: Olof owns 197,828 shares in Instalco Intressenter AB.

ANDERS ERIKSSON
(Board member)



Born: 1966.

Position: Board member of the Company.

Other current assignments: Anders is a board member of KNORRAN AB.

Prior assignments (last five years): Not applicable.

Other relevant experience: Anders has over 30 years' experience in the electrical industry and has had a leading role within the subsidiary PoB:s Elektriska AB since 2004.

Independent of Instalco and the senior management: No. Anders is the CEO of the subsidiary PoB:s Elektriska AB.

Independent of major shareholders (as of today): Yes.

Holdings in Instalco: Anders owns 336,034 shares in Instalco Intressenter AB through KNORRAN AB.

GÖRAN JOHNSSON
(Board member)

Born: 1966.

Position: Board member of the Company.

Other current assignments: Göran is partner in Grönåsgården Handelsbolag.

Prior assignments (last five years): Not applicable.

Other relevant experience: Göran has almost 30 years' experience in the subsidiary Rörgruppen AB.

Independent of Instalco and the senior management: No. Göran is CEO of the subsidiary Rörgruppen AB.

Independent of major shareholders (as of today): Yes.

Holdings in Instalco: Göran owns 568,214 shares in Instalco Intressenter AB.

PETER MÖLLER
(Board member)

Born: 1972.

Position: Board member of the Company.

Other current assignments: Peter is chairman of the board of directors of FSN Capital Partners AB, Bygghemma Sverige AB, Bygghemma Group Nordic AB, Inredhemma Sverige Aktiebolag and Bygghemma Second Holding AB. He is a board member of Gimara Invest AB, Kjell Koncern AB, Issake Invest AB and Bygghemma First Holding AB.

Prior assignments (last five years): Peter was chairman of the board of directors of All-On-Green AB until January 2017, Vindora Holding AB until September 2016, Foil TopCo AB until April 2013 and Foil AcqCo AB until March 2013. He was a board member of Troax Group AB (publ) until September 2016, Dorothy Top Holding AB until August 2016, Green Landscaping Holding AB until July 2015, Kjell & Co Elektronik AB until June 2014, ACTIC Holding AB until September 2012 and Utbildning och Vård Koncern Sverige AB until June 2012. He was chairman of Dorothy Holding AB which was dissolved through a merger in July 2015.

Other relevant experience: Peter has extensive experience in corporate development. He is employed by FSN Capital Partners AB, which is the investment advisor to FSN Capital GP IV Limited (as General Partner (equivalent to a complementary) in the following: (i) FSN Capital IV L.P., (ii) FSN Capital IV (B) L.P., and (iii) FSN Capital IV Invest LP). He has a Master's degree in economics from Handelshögskolan i Stockholm (Stockholm School of Economics) and from Wharton School in the US.

Independent of Instalco and the senior management: Yes.

Independent of major shareholders (as of today): No. Peter is employed by FSN Capital Partners AB which advises the fund that owns the majority of the shares in the Company.

Holdings in Instalco: No.

JOHNNY ALVARSSON
(Board member)

Born: 1950.

Position: Board member of the Company.

Other current assignments: Johnny is chairman of the board of directors of FM Mattsson Mora Group AB, Colly Company Aktiebolag, Belos Komponenter Aktiebolag, Dacke Industri AB, Indutrade Flödesteknik Aktiebolag, Industri Belos AB, Belos Holding AB, C & M Plast AB and Manava Konsult AB. He is a board member and CEO of Indutrade Aktiebolag. He is a board member of VBG GROUP AB (publ), Sdiptech AB (publ), Beijer Alma AB, PMC Group Aktiebolag, Nolek Aktiebolag and Nolek Fastigheter AB.

Prior assignments (last five years): Johnny was chairman of the board of directors of Flintec Group AB until January 2016, Nolek Fastigheter AB and Nolek Aktiebolag until December 2015, Pentronic Aktiebolag until May 2015, Aktiebolaget Elektronik-Konstruktion Innovation (ABELKO INNOVATION) until April 2015, ETP Transmission Aktiebolag until July 2013, Damalini Aktiebolag until November 2012, Dasa Control Systems AB until October 2012 and Stålprofil PK Invest Aktiebolag, Stålprofil PK Aktiebolag and Filterteknik Sverige Aktiebolag until July 2012. He was a board member of Swedcord Development AB until February 2012. He was a board member of Gedevelop Aktiebolag which was dissolved through a merger in March 2014.

Other relevant experience: Johnny has almost 30 years' experience as a senior executive in several listed companies. He has a Master of Science in engineering degree from Linköpings Tekniska Högskola (Linköping University, Institute of Technology).

Independent of Instalco and the senior management: Yes.

Independent of major shareholders (as of today): Yes.

Holdings in Instalco: Johnny owns 292,410 shares in Instalco Intressenter AB.

KENNET LUNDBERG
(Board member)

Born: 1957.

Position: Board member of the Company.

Other current assignments: Kennet is a board member of Kennet Lundberg AB.

Prior assignments (last five years): Kennet was a board member of Victor Hasselblad Aktiebolag, Hasselblad Aktiebolag, Hasselblad Holding S.a.r.l, Hasselblad SE AB, Hasselblad Bron Inc and Hasselblad A/S until April 2016, Troax Group AB (publ) until June 2015 and Xelia A/S and Xelia ApS until 2014.

Other relevant experience: Kennet has over 30 years' experience as a senior executive in both private and listed companies. He has a Master's degree in economics from Handelshögskolan i Göteborg (the School of Business, Economics and Law at the University of Gothenburg).

Independent of Instalco and the senior management: Yes.

Independent of major shareholders (as of today): Yes.

Holdings in Instalco: Kennet owns 72,200 shares in Instalco Intressenter AB.

Senior management

Below is further information on the senior managements' age, position, current assignments, prior assignments during the past five years, other relevant experience and ownership of shares and share related instruments in Instalco. Assignments in subsidiaries within the Group have been excluded. Since there will only be one class of shares in the Company at the time of the listing, holdings are not divided by class of shares. The holdings may also be changed as a result of the settlement of the current share structure (please refer further to section "Share capital and ownership structure" (under "Settlement of the current share structure" and "Ownership structure prior to and following the Offering")). The warrants resolved to be issued by the annual general meeting held on 27 April 2017 have not yet been subscribed by those entitled to participate in the incentive programme.

PER SJÖSTRAND
(CEO)

Born: 1958.

Position: CEO (Sw. verkställande direktör) of the Company.

Other current assignments: Per is chairman of the board of directors of Kullastrand Kök & Interiör AB. He is a board member of Markona AB, Markona Maskin AB, Voltage AB, PerRos AB and Ohmslag AB.

Prior assignments (last five years): Per was chairman of the board of directors of Västra Värmlands Rörinstallationer AB until January 2017, Slutplattan EZPIR 99171 AB until October 2016, Ehlslag AB until January 2015, Elektra Bernt Blomqvist Aktiebolag until February 2012, Control System styr- och IT-lösningar i Skaraborg Aktiebolag until February 2012, Detective Elteknik Säkerhet i Skaraborg AB until January 2012 and Närkes Elektriska Verkstads Aktiebolag until January 2012. He was chairman of the board of directors of Sista versen 21222 AB which was dissolved through a merger in February 2016. He was a board member of Arkösunds Hotell AB until January 2016, Elservice Samuelsson i Karlstad Aktiebolag until January 2012, Ragnar Karlsson Elektriska Aktiebolag until January 2012, Eltjänst i Falkenberg AB until January 2012, El-City i Luleå Aktiebolag until January 2012 and ELTEAM VEST Aktiebolag until January 2012. He was chairman of the board of directors of Green Landscaping Holding AB which was dissolved through a merger in September 2016 and CEO of Närkes Elektriska Aktiebolag which was dissolved through a merger in January 2014.

Other relevant experience: Per has 20 years' experience as CEO of several companies and has been the director and manager of major projects within Trafikverket, the Swedish Transport Administration. He has a Master of Science in engingeering from Chalmers tekniska högskola i Göteborg (Chalmers University of Technology in Gothenburg).

Holdings in Instalco: Per owns 1,082,278 shares in Instalco Intressenter AB personally and 10,824,152 shares through Ohmslag AB.

LOTTA SJÖGREN
(CFO)

Born: 1964.

Position: CFO of the Company.

Other current assignments: Lotta is a board member of Lotta S Konsult AB. She is a deputy board member of Badteknik i Landvetter Aktiebolag.

Prior assignments (last five years): Lotta was a board member of Slutplattan EZPIR 99171 AB until October 2016 and Sista versen 21222 AB which was dissolved through a merger in February 2016. She was a deputy member of Västra Värmlands Rörinstallationer AB until January 2017. She was a holder of Matmekka i Särö (private business, deregistered due to passivity) until June 2015.

Other relevant experience: Lotta has over 20 years' experience as a senior executive and has worked in the industry for 15 years. In the years 1991-1999, Lotta was an employee of Cherry AB which was listed in 1996. Lotta held several positions within the group, including as accounting manager, controller and CEO of subsidiaries. In the years 2000-2010, Lotta was an employee of the NEA-Gruppen, which was listed during the years 1982-2006. Lotta held several positions within the group, including as CFO and CEO of subsidiaries and business area manager and head of purchase at group level. Among other assignments, it can be mentioned that Lotta has been acting CFO at Effpower AB (May-September 2011), management consultant at Halon Security AB (2013-2014) and at the listed company Rederi AB TransAtlantic (publ) (2013-2014).

Holdings in Instalco: Lotta owns 485,184 shares in Instalco Intressenter AB.

ROBIN BOHEMAN
(Head of Business Development)

Born: 1984.

Position: Head of Business Development of the Company.

Other current assignments: Robin is a board member of Garageplatsen i Stockholm AB.

Prior assignments (last five years): Robin founded and was CEO of Garageplatsen i Stockholm AB until June 2012.

Other relevant experience: Robin has prior experience in the strategic development of listed companies and as a consultant. He has worked as a consultant in business development, purchasing and transactions and has been responsible for all of Instalco's acquisitions since the start in 2014. He has a Master's degree in accounting and finance from Uppsala Universitet (the University of Uppsala).

Holdings in Instalco: Robin owns 719,834 shares in Instalco Intressenter AB.

ADRIAN WESTMAN
(Head of IR (consultant))

Born: 1985.

Position: Head of IR in the Company (according to consultant agreement further described under "Remuneration for board members, senior management and auditors and employment terms for the senior management" below).

Other current assignments: Adrian is a board member of Insiderfonder AB.

Prior assignments (last five years): Adrian was a board member of Cheapr Stockholm AB until March 2016.

Other relevant experience: Adrian is a senior consultant at Fogel & Partners i Stockholm AB. He was the Head of IR at Evolution Gaming Group AB (publ) between 2014-2016, Head of Corporate Communications at SBAB Bank AB (publ) between 2012-2014, and Head of IR and Corporate Communications at Nordnet AB (publ) between 2011-2012. He has a degree in strategic communication and public relations from Berghs School of Communication.

Holdings in Instalco: No.

Auditors

According to Instalco's articles of association, the Company shall have no less than one (1) and no more than two (2) auditors and no more than two (2) deputy auditors. The auditor and any deputy auditor shall be an authorised public accountant or a registered public accounting firm. The Company's current auditor is Grant Thornton Sweden AB. The auditor in charge is Jörgen Sandell, an authorised auditor and member of FAR (professional institute for authorised public accountants, approved public accountants, and other advisers in Sweden). The auditor holds no shares or share related instruments in Instalco.

The Company was incorporated in 2015 and the auditor was appointed at the general meeting held on 7 September 2015, at which it was resolved that the Company was to have an auditor. The same auditor has been and still is the auditor of the Group's former parent company (Instalco Holding AB). Instalco Holding AB was incorporated in 2013 and the auditor was appointed at the general meeting held on 29 November 2013, at which it was resolved that Instalco Holding was to have an auditor. Thus, the auditor has been the auditor during the financial years covered by the historical financial information in this Prospectus and has not resigned, been removed from office or not been re-elected since his appointment.

Regarding assignments as auditor for companies on a regulated market, Jörgen Sandell has been the auditor in charge of SCB Sveriges Bostadsrättscentrum AB since 2013 and prior to that he was the auditor in charge of Corem AB and AB Enaco.

Other information regarding the board of directors and senior management

All board members and senior management are available through contact with the Company's office at Lilla Bantorget 11, 111 23 Stockholm, Sweden.

There are no family relations between any board members or senior management in the Company. No board member or member of the senior management has been convicted in relation to fraudulent offences in the previous five years. No board member or member of the senior management has been involved in bankruptcy, receivership or mandatory liquidation in which he or she acted in the capacity as a member of the administrative, management or supervisory bodies or as any senior manager at any time in the previous five years.

No official public incrimination and/or sanctions have been issued by statutory or regulatory authorities (including designated professional bodies) against any of the board members or members of the senior management in the previous five years. No board member or member of the senior management have been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of the affairs of any company in the previous five years.

As set out above, some board members and some members of the senior management have private interests in the Company through holding of shares. Board members and senior management of the Company may be board members or officials in other companies and have shareholdings in other companies, and in the event any such company enters into business relationships with the Company, the board members or senior management may have a conflict of interest, which is managed by the person concerned not being involved in the handling of the matter on behalf of the Company. Except as specified, no board member or members of the senior management has any private interests which may conflict with the interests of the Company. All of the current board members of the Company have been appointed under the provisions of the shareholders' agreement currently in force which will terminate in connection with the listing of the Company's shares on Nasdaq Stockholm.

Remuneration for board members, senior management and auditors and employment terms for the senior management

Remuneration for the board of directors is resolved on by the general meeting. At the annual general meeting held on 7 June 2016, it was resolved that fees in the amount of SEK 251,000 were to be paid to the chairman and at the extraordinary general meeting held on 31 August 2016, it was resolved that fees in the amount of SEK 140,000 were to be paid yearly to each of Johnny Alvarsson and Kennet Lundberg (elected as new board members at the same extraordinary general meeting). At the annual general meeting held on 27 April 2017, it was resolved that fees in the amount of SEK 362,000 were to be paid to the chairman of the board and that SEK 140,000 were to be paid to each of Johnny Alvarsson and Kennet Lundberg. The resolution of the general meeting allows the billing of board members' remunerations through companies. During 2016 no remuneration was paid to Anders Eriksson, Göran Jonsson or Peter Möller, and according to the resolution adopted by the annual general meeting of 2017, no remuneration will be paid to Anders Eriksson, Göran Jonsson or Peter Möller. However, Anders Eriksson and Göran Jonsson receive salary from the Group as they work in the management of the Company's subsidiaries.

The table below sets forth the remuneration for board members in 2016 including any contingent or deferred compensation, as well as benefits in kind granted by Instalco for services in all capacities performed to Instalco, regardless of by whom and in which position the services have been performed. Only board members who are not employees of the Group are entitled to remuneration for their appointment as board members. All amounts are expressed in SEK.

REMUNERATION FOR BOARD MEMBERS 2016

Name	Fee	Salary	Variable remun-eration	Pension	Other benefits	Total
Olof Ehrlén	251,000	0	0	0	0	251,000
Anders Eriksson[1]	0	793,000	296,273	241,249	0	1,330,522
Göran Jonsson[1]	0	714,000	792,000	234,715	59,592	1,800,307
Peter Möller	0	0	0	0	0	0
Johnny Alvarsson[2]	140,000	0	0	0	0	140,000
Kennet Lundberg[2]	70,000	0	0	0	0	70,000
Total	**461,000**	**1,507,000**	**1,088,273**	**475,964**	**59,592**	**3,591,829**

[1] Works in the management of the Company's subsidiaries.
[2] Started his assignment as a board member after resolution by the extraordinary general meeting held on 31 August 2016.

Remuneration for senior management being employees may consist of salary, variable remuneration, pension as well as other benefits. Salary and other employment benefits to senior management are considered to be in accordance with market and are based on the requirement of competence, importance and experience as well as performance. The Company offers individual incentive programmes to some of its employees. The retirement age is 67 years. Instalco subscribes for and pays the fees for the applicable pension plan up to an amount of 30 percent of the salary. The notice period is individual and regulated in the employment agreements. Upon termination, there is a mutual notice period of six months for the CEO and three months for other key employees. The employment agreements contain specific provisions on confidentiality, non-compete and non-solicitation. Adrian Westman is Head of IR on consultancy basis. The consultant agreement was entered into during the summer of 2016 and mainly contains customary terms including certain provisions on confidentiality and intellectual property rights. The agreement is valid until the spring of 2018 with a notice period of three months.

The tables below show the remuneration for senior management in 2016 and the current agreed annual compensation, including any contingent or deferred compensation and any benefits in kind granted by Instalco for services rendered to Instalco, no matter by whom or in what capacity the services have been performed. All amounts are expressed in SEK.

REMUNERATION FOR SENIOR MANAGEMENT 2016

Name	Remun-eration[1]	Salary	Variable remun-eration	Pension	Other benefits	Total
Per Sjöstrand (CEO)	0	734,000	0	220,000	56,000	1,010,000
Other members of the senior management[2]	208,000	1,423,000	330,000	447,000	35,000	2,443,000
Total	**208,000**	**2,157,000**	**330,000**	**667,000**	**91,000**	**3,453,000**

[1] Refers to consulting fees for Head of IR.
[2] Refers CFO, Head of Business Development and Head of IR (i.e. three persons).

CURRENT AGREED ANNUAL COMPENSATION FOR SENIOR MANAGEMENT

Name	Remun-eration[1]	Salary	Variable remun-eration	Pension	Other benefits	Total
Per Sjöstrand (CEO)	0	2,440,000	0	732,000	56,000	3,228,000
Other members of the senior management[2]	768,000	2,557,000	1,110,000	667,000	60,000	5,162,000
Total	**768,000**	**4,997,000**	**1,110,000**	**1,399,000**	**116,000**	**8,390,000**

[1] Refers to consulting fees for Head of IR.
[2] Refers CFO, Head of Business Development and Head of IR (i.e. three persons).

Remuneration to the auditor amounted to SEK 7,857,000 for the financial year 2016, out of which SEK 3,270,000 referred to audit services. Remuneration to the Company's auditor is paid according to current account.

GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

At the extraordinary general meeting held on 10 April 2017, it was resolved to adopt guidelines for remuneration to the CEO and other senior executives. The basic principle is that remuneration and other terms of employment shall be in accordance with the market and competitive to ensure that the Group is able to attract and retain qualified senior executives at reasonable costs for the Company. The remuneration shall consist of fixed salary, variable remuneration, pension and other benefits. Variable remuneration shall be paid in cash based on the outcome in relation to financial goals within the individual area of responsibility (group or business area), and coincide with the interests of the shareholders. The variable remuneration shall be pensionable, unless otherwise agreed, and correspond to a maximum of 50 percent of the fixed annual salary for the CEO and a maximum of 35 percent of the fixed annual salary for other senior executives. Pension benefits shall be in the form on contribution plans, with retirement age set individually, albeit not lower than at 60 years of age. Other benefits, such as company car, additional health insurance or industrial (occupational) health service shall be of a limited value in relation to other remuneration and in accordance with the market. The notice period shall normally be six months for the CEO and three to six months for other senior executives. On termination by the Company, the notice period for all senior executives should not exceed twelve months with right to severance pay after the notice period not exceeding 100 percent of the fixed salary for no longer than twelve months (fixed salary during the notice period and severance pay combined shall, accordingly, not exceed 24 months' fixed salary). The board of directors is entitled to deviate from these guidelines in individual cases should special reasons prevail.

Agreements regarding remuneration upon termination of assignment

The Company provides post-employment benefits only through contribution plans, which means that the Company pays fixed contributions to other legal entities for several insurance policies for individual employees. The Company has no obligation to pay additional fees in addition to payment of the fixed amount disclosed as a cost for the period in which the relevant service is rendered.

Other than as disclosed above in this section, the Group has not entered into any agreements with any member of the administrative, management or supervisory bodies pursuant to which any such member is granted any pension or other similar benefit upon termination of service. The Group has not set aside or accrued amounts to provide pension or similar benefits upon termination of employment or assignment.

Corporate governance

Legislation and articles of association

The Company is a Swedish public limited liability company and is governed by Swedish legislation, mainly the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*). After the listing of the Company's shares on Nasdaq Stockholm, the Company will also apply the Nasdaq Stockholm Rulebook. In addition to legislation and the Nasdaq Stockholm Rulebook, the Company's articles of association and its internal guidelines for corporate governance form the basis for the Company's corporate governance. The articles of association contain e.g. the registered office of the board of directors, the object of the Company's business, the limits for the share capital and number of shares and the conditions for participation at general meetings. The articles of association are included in this Prospectus in their entirety; please refer to section "Articles of association" below.

The Swedish Code of Corporate Governance

The Swedish Code of Corporate Governance (the "Code") defines a norm for good corporate governance at a higher level of ambition than the Swedish Companies Act's minimum requirements and applies to companies whose shares are being traded on a regulated market in Sweden. The Code is thus complementary to the Swedish Companies Act by setting higher requirements in some areas, while simultaneously allowing the company to deviate from such requirements if it would be considered to lead to better corporate governance ("comply or explain"). Such deviation, as well as the reasons for the deviation and the alternative solution, shall be reported yearly in a corporate governance report and the Company currently expects not to report any deviation from the Code in the corporate governance report, except for the fact that two of the board members (Anders Eriksson and Göran Johnsson) are working in the management of the Company's subsidiaries. According to the Code, no more than one of the board members elected by the general meeting is allowed to work in the Company's management or in the management of its subsidiaries. Instalco believes that the board of directors has an appropriate size and composition for the Company and that the deviation from the Code is justified. In light of the Group's decentralised structure, it is particularly important that the board of directors gets first hand-information from the managers of the subsidiaries to ensure that the spirit of enterprise is maintained and to understand how the integration work is progressing and experienced at subsidiary level, which also comprise valuable information for Instalco's continued acquisition strategy. Further, it is important for the board of directors to get first hand-information on developments in the market. Through long experience and thorough knowledge within two of the Group's main areas of activity, Anders Eriksson and Göran Johnsson contribute with important expertise in the work of the board of directors. The model with board members also being a part of the management of the Group's subsidiaries has been applied since the Group was formed and Instalco believes that the model is well adapted to the Company's needs and specific situation. Given the above, the board of directors has decided to report deviations from the Code in this part and to leave the question regarding the size and composition of the board of directors to the nomination committee at the annual general meeting with the new shareholder base after the listing of the Company's shares on Nasdaq Stockholm.

General meetings

The shareholders' influence in the Company is exercised at general meetings, which, in accordance with the Swedish Companies Act, is the Company's highest decision-making body. As the Company's highest decision-making body, the general meeting may resolve upon every matter for the Company, not specifically reserved for another corporate body's exclusive competence. Thus, the general meeting has a sovereign role in relation to the Company's board of directors and CEO.

At ordinary (annual) general meetings, which according to the Swedish Companies Act shall be held within six months from the end of each financial year, resolutions must be passed on adoption of the profit and loss account and balance sheet, allocation of the Company's profit or loss, discharge from liability for the board of directors and the CEO, elections of members of the board of directors and auditor and on remuneration for the board of directors and the auditor. At general meetings, the shareholders also resolve on other key matters in the Company, such as amending of the articles of association, any issue of new shares etc. If the board of directors considers there is reason to hold a general meeting before the next ordinary general meeting, or if an auditor of the Company or owners of at least one-tenth of all shares in the Company so demand in writing, the board of directors must issue a notice to convene an extraordinary general meeting.

Notice to attend a general meeting shall, in accordance with the Company's articles of association, be made by announcement in the Swedish Official Gazette (Sw. Post- och Inrikes Tidningar) and by making the notice available on the Company's website (www.instalco.se). At the same time as notice is made, it shall be announced in Dagens industri that a notice has been made. Notice of a general meeting must be issued no earlier than six weeks and no later than four weeks before the meeting. Notice of an extraordinary general meeting where question regarding change to the articles of association is to be dealt with must be issued no earlier than six weeks and no later than four weeks before the meeting, while notice to any other extraordinary general meeting must be issued no earlier than six weeks and no later than three weeks before the meeting.

To attend and vote at general meetings, either in person or through a proxy, shareholders must be registered in the Company's share register, kept by Euroclear, five weekdays prior to the general meeting (i.e. on the record date) and notify the Company of their intention to attend the general meeting no later than on the date specified in the notice of the meeting. A shareholder may be accompanied by assistants at general meetings upon notification. Each shareholder of the Company submitting a matter with sufficient foresight has the right to have the matter addressed at the general meeting.

To be able to determine who is entitled to participate and vote at general meetings, Euroclear shall, upon the request of the Company, supply the Company with a list of all holders of shares on the record date in connection with each general meeting. Shareholders who have their shares nominee-registered need to instruct the nominee to register the shares temporarily in the name of the shareholder in order to be entitled to attend and vote for their shares at general meetings (voting rights registration). Such registration must be completed no later than on the applicable record date and ceases to be in force once the record date has passed. Shareholders who have their shares directly registered on an account in the Euroclear system will automatically be included in the list of shareholders.

Notices, minutes and communiqués from general meetings will be made available on the Company's website.

Nomination committee

Provision for the establishment of a nomination committee can be found in the Code. The nomination committee is a body of the general meeting with the sole task of preparing the general meeting's decision on electoral and remuneration issues and, where applicable, procedural issues for the next nomination committee.

At an extraordinary general meeting held on 10 April 2017, it was resolved to adopt principles for the appointment of a nomination committee to be in force until a decision on amendment is made by the general meeting. According to these principles, the nomination committee shall be comprised of the chairman of the board of directors and three members appointed by the three shareholders with the largest number of votes in the Company. If either of the shareholders with the largest number of votes waives their right to appoint a member of the nomination committee, the shareholder with the next largest shareholding shall be offered the opportunity to appoint a member etc. The names of the members of the nomination committee and the shareholders appointing the members shall be made public no later than six months prior to the annual general meeting. The nomination committee shall appoint its own chairman. The chairman of the board of directors shall not be the chairman of the nomination committee. Should a member leave the nomination committee before the assignment is completed, and the nomination committee considers that there is a need to replace this member, the shareholder that appointed the departing member shall appoint a new member or, if this shareholder is no longer one of the shareholders with the largest number of votes, by the new shareholder belonging to this group. Should a shareholder that has appointed a member of the nominating committee substantially decrease its ownership in the Company, and the nomination committee does not deem it inappropriate in light of any need for continuity before an imminent general meeting, the member shall leave the nomination committee and offer the largest shareholder who has not appointed a member of the nomination committee to appoint a new member. The nomination committees' mandate period extends until a new nomination committee is appointed. The nomination committee shall otherwise fulfil the composition requirements and duties set forth in the Code from time to time.

Board of directors

After the general meeting, the board of directors is the Company's highest decision-making body. The board of directors is also the Company's executive body and the Company's representative. Further, the board of directors is, according to the Swedish Companies Act, responsible for the Company's organisation and the management of the Company's affairs and shall, on a continuous basis, assess the Company's and the Group's financial position and ensure that the Company's organisation is designed in a manner that ensures that the accounts, the management of funds and the Company's other financial conditions are controlled in a prudent manner. The chairman of the board of directors has a certain responsibility to lead the board of directors' work and to ensure that the board fulfils its statutory duties.

According to the Company's articles of association, the board of directors shall consist of at least three (3) and no more than ten (10) ordinary members, without any deputy members. Board members are elected at the annual general meeting until the end of the next annual general meeting. There is no limitation in time for a board member to be on the board of directors. Currently, the board of directors consists of six (6) ordinary members. Further information on the board members, including information regarding remuneration to the board of directors, can be found above under section "Board of directors, senior management and auditors".

The responsibilities of the board of directors include e.g. to set the Company's overall goals and strategies, oversee major investments, ensure that there is a satisfactory process for monitoring the Company's compliance with laws and other regulations relevant to the Company's operations, as well as the compliance with internal guidelines. The responsibilities of the board of directors also include ensuring that the Company's disclosure to the market and investors is transparent, correct, relevant and reliable as well as to appoint, evaluate and, if necessary, dismiss the Company's CEO.

The board of directors has, in accordance with the Swedish Companies Act, adopted written rules of procedure for its work, which shall be evaluated, updated and re-adopted annually. The board of directors meets regularly in accordance with a programme set out in the rules of procedure containing certain permanent items and certain items when necessary.

The board of directors may establish committees to prepare certain matters and may also delegate decision making to such a committee, but the board of directors cannot disclaim responsibility for decisions made on this basis. If the board of directors decides to set up committees, the rules of procedure for the board of directors shall specify the duties and decision making powers that the board of directors has delegated to the committees, as well as how the committees are to report to the board of directors.

The board has established an audit committee in accordance with the Swedish Companies Act and a remuneration committee in accordance with the Code. Further description of the committees' current compositions and tasks is presented below.

AUDIT COMMITTEE

The board of directors has established an audit committee consisting of three members: Olof Ehrlén (chairman of the board of directors), Peter Möller and Kennet Lundberg. Olof Ehrlén is the chairman of the committee. The audit committee shall, without any impact on the other responsibilities and tasks of the board of directors, e.g. monitor the Company's financial reporting, monitor the efficiency of the Company's internal controls, internal audits (if such function is established in the future), and risk management, keep itself informed of the audit of the annual report and consolidated financial statements as well as the conclusions of the Supervisory Board of Public Accountants (Sw. *Revisorsnämndens*) quality controls. The audit committee shall also review and monitor the impartiality and independence of the auditor and, in conjunction therewith, pay special attention to whether the auditor provides the Company with services other than auditing services. To the extent this task is not given to the nomination committee, the audit committee shall also assist in conjunction with preparation of proposals to the general meeting's resolution regarding election of an auditor.

REMUNERATION COMMITTEE

The board of directors has established a remuneration committee consisting of three members: Olof Ehrlén (chairman of the board of directors), Peter Möller and Johnny Alvarsson. Olof Ehrlén is the chairman of the committee. The remuneration committee's main tasks are to (i) prepare the board of directors' decisions on matters regarding principles for remuneration, remunerations and other terms of employment for the executive management, (ii) monitor and evaluate programmes for variable remuneration, both ongoing and those that have ended during the year, for the executive management, and (iii) monitor and evaluate the application of the guidelines for remuneration of the board and executive management established by the annual general meeting, as well as the current remuneration structures and levels.

CEO

The Company's CEO is, in accordance with the provisions of the Swedish Companies Act, responsible for the day-to-day management of the Company in line with guidelines and instructions from the board of directors. Measures of an unusual nature or of great significance in view of the scope and nature of the Company's operations are not considered as "day-to-day management" and should therefore, as a main rule, be prepared and presented to the board of directors for its decision. The CEO must also take any measures necessary to ensure that the Company's accounts are maintained in accordance with applicable law and that asset management is conducted satisfactorily. The CEO is subordinated to the board of directors, and the board of directors itself may also decide on matters that are a part of the day-to-day management. The work and role of the CEO as well as the allocation of duties between, on the one hand, the board of directors and, on the other, the CEO is established by written instructions (a so called "instruction for the CEO") and the board of directors continuously evaluates the work of the CEO.

The Company's CEO is Per Sjöstrand. Further information regarding the CEO and other senior management, including information on remuneration to the CEO as well as to other senior management can be found under section "Board of directors, senior management and auditors" above.

Internal control

The board of directors' responsibility for the internal control is governed by the Swedish Companies Act, the Swedish Annual Reports Act – which requires that information about the main features of the Company's system for internal control and risk management related to financial reporting each year must be included in the corporate governance report – and the Code. The board of directors shall, inter alia, see to that Instalco has sufficient internal control and formalised routines to ensure that established principles for financial reporting and internal control are adhered to and that there are effective systems to monitor and control the Company's operations and the risks associated with the Company and its operations.

The overall purpose of the internal control is to, to a reasonable degree, ensure that the Company's operating strategies and targets are monitored and that the owners' investments are protected. Furthermore, the internal control shall ensure that the external financial reporting, with reasonable certainty, is reliable and prepared in accordance with GAAP, that applicable laws and regulations are followed, and that the requirements imposed on listed companies are complied with.

The control environment forms the basis for the internal control, which also includes risk assessment, control activities, information and communication as well as monitoring. Said components are further described below.

CONTROL ENVIRONMENT

The board of directors has the overall responsibility for the internal control in relation to financial reporting. In order to create and maintain a functioning control environment, the board of directors has adopted a number of policies and steering documents governing financial reporting. These documents primarily comprise the rules of procedure for the board of directors, instructions for the CEO, instructions for comittees established by the board of directors and instructions for financial reporting. The board of directors has also adopted special attestation instructions and a finance policy. The Company also has a financial manual which contains principles, guidelines and process descriptions for accounting and financial reporting. Furthermore, the board of directors has established an audit committee whose main task is to monitor the Company's financial reporting, to monitor the effectiveness of the Company's internal control, internal audit (if such function is established) and risk management as well as to review and monitor the auditor's impartiality and independence.

The responsibility for the ongoing work of maintaining the control environment rests primarily with the Company's CEO, who regularly reports to the board of directors in accordance with established instructions.

The Group's finance department plays an important role in ensuring reliable financial information. It is responsible for complete, correct and timely financial reporting. In addition to the chief financial officer (the CFO), the central finance department currently consists of two employees in the form of a controller and a group accountant as well as a financial assistant consultant. The finance department reports to the CFO who in turn reports to the CEO.

In addition to the CEO and the finance department, the Company's central organisation consists of the Head of Business Development, four Business Area Managers and the Head of IR. The Head of Business Development's main duties consist of strategic business development and the Business Area Managers are responsible for day-to-day dialogue with the Local units concerning projects, performance and inter-unit collaboration. The Head of IR works primarily as a support in respect of the Company's communications in relation to the capital markets (please also refer to "Stock market information and insider rules" below). Said persons report directly to the CEO.

Each Local unit is organised as a subsidiary with its own board of directors and CEO with responsibility for control of the local business according to guidelines and instructions from group level. Each Local unit has its own administration which handles bookkeeping and financial reporting. The Local units primarily reports to the Company's CEO and CFO.

In addition to internal monitoring and reporting, the Company's external auditors report to the CEO and the board of directors throughout the year. The auditor's reporting provides the board of directors with a good understanding and a reliable basis regarding the financial reporting in the annual report.

RISK ASSESSMENT AND CONTROL ACTIVITIES

Risk assessment includes identifying and evaluating the risk of material errors in the accounting and reporting at group and subsidiary level. Risk assessment is made regularly and in accordance with established guidelines with a focus on individual projects. Within the board of directors, the audit committee is primarily responsible to continuously assess the Company's risk situation, after which the board of directors performs an annual review of the risk situation.

Control activities aim to identify and limit risks. The board of directors is responsible for the internal control and monitoring of the management. This is carried out through both internal and external control activities as well as through examination and monitoring of the Company's policies and steering documents. The group guidelines for internal control are monitored throughout the year in all operating companies.

Uniform accounting and reporting instructions apply to all units within the Group. The Local units' financial development is continuously monitored through monthly reporting focused mainly on revenues, earnings trend and order book but also includes legal and operational follow-up, focusing on the status of individual projects. Other key components of the internal control are the annual business planning process and budget and forecast processes. Forecasts are followed up in the Group's monthly reporting.

Through the launch of the internal program IFOKUS and the Instalco Academy (please refer further to section "Business description"), a framework for for carrying out continuous improvements within the Group, including basic processes regarding internal control, has been created.

INFORMATION AND COMMUNICATION

The Company has information and communication channels to promote the correctness of the financial reporting and to facilitate reporting and feedback from the operations to the board of directors and management, for example by making corporate governance documents such as internal policies, guidelines and instructions regarding the financial reporting available and known to the employees concerned. Financial reporting is made in a common group system with predefined report templates.

The Company's financial reporting complies with Swedish laws and regulations and the local rules in each country where operations are conducted. The Company's information to shareholders and other stakeholders is provided through the annual report and will henceforth also be provided through interim reports and press releases (please also refer to "Stock market information and insider rules" below).

MONITORING

The compliance and effectiveness of the internal controls are constantly monitored. The CEO ensures that the board of directors continuously receives reports on the development of the Company's activities, including the development of the Company's results and financial position, as well as information on important events, such as the development of specific projects. The CEO also reports on these matters at every board meeting.

The board of directors and the audit committee examines the annual report and quarterly reports and conduct financial evaluations in accordance with an established plan. The audit committee monitor the financial reporting and other related matters and regularly discusses these matters with the external auditors.

Audit

Being a public company, the Company must have at least one auditor for the review of the Company's and the Group's annual reports and accounts as well as the management by its board of directors and CEO. The review must be as detailed and extensive as required by generally accepted auditing standards. The Company's auditor is, according to the Swedish Companies Act, appointed by the general meeting. Thus, auditors of Swedish limited liability companies are given their assignment by, and are obliged to report to, the general meeting, and must not allow their work to be governed or influenced by the board of directors or any of the senior executives. The auditor's reporting to the general meeting takes place at the annual general meeting through the auditor's report. The auditor's reports comprising the historical financial information does not deviate from the standard formulations and contains no remarks or equivalent.

According to the Company's articles of association, the general meeting shall appoint no less than one (1) and no more than two (2) auditors and no more than two (2) deputy auditors. The auditor and any deputy auditor shall be an authorised public accountant or a registered public accounting firm. The Company's current auditor is Grant Thornton Sweden AB with Jörgen Sandell as auditor in charge. Further information about the auditor, including information on remuneration to the auditor, can be found under section "Board of directors, senior management and auditors" above.

Stock market information and insider rules

In connection with the listing on Nasdaq Stockholm, there are requirements on ensuring that all stakeholders on the stock market have simultaneous access to inside information concerning the Company and insider rules in order to prevent market abuse.

The Company's board of directors has e.g. adopted a communication and insider policy in order to ensure correct and good quality of the Company's information and handling of inside information both internally and externally. The chairman of the Company's board of directors handles overall ownership related issues, while the CEO holds the overall responsibility for the Company's external communication. Further, an external consultant (the Head of IR) has been engaged for support in respect of the Company's communications in relation to the capital markets.

Policies and guidelines regarding disclosure of information and insider rules as well as updates and changes are made available and known to all relevant personnel and the company management, together with the Head of IR, goes through the regulatory framework with the employees. The Company's regulatory framework is drawn up according to Swedish law, the Nasdaq Stockholm Rulebook and the Code as well as the EU Market Abuse Regulation (MAR). All financial reports and press releases will henceforth be published on the Company's website (www.instalco.se) directly adjacent to the publication.

Legal considerations and supplementary information

Incorporation and legal form as well as object of the Company's business

The Company is a Swedish public limited liability company incorporated on 11 May 2015 and registered with the Swedish Companies Registration Office on 2 June 2015. The Company's corporate registration number is 559015-8944 and the board of directors has its registered office in Stockholm. The Company conducts its business under Swedish law. The Company's form of association is governed by the Swedish Companies Act.

According to the Company's articles of association (§ 3), the object of its business is to, directly or indirectly, independently or through subsidiary companies, engage in construction, consulting, sales and service within the electricity, air conditioning, ventilation, plumbing and piping sectors and to conduct any business compatible therewith, and to own and administer real and movable estates and to conduct any business compatible therewith. The Company will, according to the articles of association, additionally provide intra-group services such as administration, finance and legal support, and conduct any business compatible therewith. Please refer to the complete articles of association under section "Articles of association" for more information.

Group structure

The Company is the parent company of the Group which, at the date of this Prospectus, consists of 37 directly and indirectly owned subsidiaries, of which 27 are Swedish private limited liability companies, seven are Norwegian and three are Finnish as set out in the table below.[1] In addition, there is a Swedish associated company, also set out in the table below.

Company, corporate registration number, registered office	Number of shares / ownership interests	Holdings in %
Instalco Holding AB, 556946-3499, Stockholm, Sweden	437,730	100
Instalco Sverige AB, 556981-7637, Stockholm, Sweden	50,000	100
AB Expertkyl HH, 556474-9371, Gothenburg, Sweden	10,000	100
Aktiebolaget Rörläggaren, 556043-7948, Malmö, Sweden	5,000	100
Andersen og Aksnes Rørleggerbedrift AS, 911 978 261, Norway	1,000	100
AR Elektro Projekt AS, 991 777 199, Norway	200	100
BI-Vent AB, 556741-5822, Helsingborg, Sweden	4,500	100
DALAB Dala Luftbehandling AB, 556638-9929, Gagnef, Sweden	1,000	100
DALAB VVS INSTALLATION AB, 556919-7741, Gagnef, Sweden	500	100
Elexpressen i Lund Aktiebolag, 556277-7549, Lund, Sweden	1,000	100
Elpågarna i Malmö Aktiebolag, 556383-1675, Malmoe, Sweden	5,000	100
Inkon Sverige AB, 559060-9649, Stockholm, Sweden	50,000	100
J.N. Elinstallatörer Aktiebolag, 556277-1468, Södertälje, Sweden	1,000	100
Klimatrör i Stockholm Aktiebolag, 556295-9089, Stockholm, Sweden	1,000	100
LG Contracting AB, 556614-6444, Karlstad, Sweden	100	100
SwedVvS AB, 556814-3860, Lindome	100	100
Ohmegi Elektro AB, 556234-6071, Sollentuna, Sweden	3,000	100
ORAB Entreprenad AB, 556858-2851, Gävle, Sweden	10,000	100
OTK Klimat Installationer AB, 556864-5195, Enköping, Sweden	501	100
Building Management Control Service i Uppland AB, 556950-3591, Enköping, Sweden	1,520	38
P O B:s Elektriska Aktiebolag, 556215-5043, Uppsala, Sweden	6,000	100
Rodens Värme & Sanitet AB, 556258-8029, Norrtälje, Sweden	1,000	100
Romerike Elektro AS, 976 494 881, Norway	1,000,000	100
Rørteft AS, 975 983 862, Norway	50	100
Rörgruppen AB, 556172-5796, Sollentuna, Sweden	2,500	100
Tofta Plåt & Ventilation AB, 556244-6368, Lidköping, Sweden	1,000	100
Trä och Inredningsmontage Kylteknik i Bandhagen AB, 556664-1394, Stockholm, Sweden	5,000	100
Tunabygdens VVS-Installatör AB, 556628-0623, Borlänge, Sweden	2,000	100
Hedemora Rör AB, 556929-6923, Borlänge, Sweden	500	100
Uudenmaan LVI-Talo OY, 2195970-4, Finland	100	100
Uudenmaan Sähkötekniikka JP Oy, 0864414-2, Finland	120	100
VallaCom AB, 556504-9607, Linköping, Sweden	1,000	100
Ventilationsförbättringar i Malmö Aktiebolag/VFB AB, 556256-3279, Malmö, Sweden	300	100
Voltmen OY, 2721402-5, Finland	100	100
Vito Olso AS, 913 068 742, Norway	2,000,000	100
Vito Teknisk Entreprenør AS, 884 260 922, Norway	1,000	100
Vito Vestfold AS, 999 614 620, Norway	1,000,000	100
VVS-METODER Stockholm AB, 556311-3231, Stockholm, Sweden	5,000	100

[1] Subsidiaries in bold have, in turn, subsidiaries, which have been sorted directly under the respective subsidiary and with indentation.

Material agreements

Below is a summary of the material agreements entered into by the Group during the past two years, as well as other agreements entered into by the Group containing rights or obligations of material importance for the Group (apart from agreements entered into as part of the continuing operations). For information on financial agreements, please refer to section "Capital structure, indebtedness and other financial information". Please also refer to "Agreement regarding placing of shares" below.

COMPANY ACQUISITIONS

Instalco works on the basis of an active acquisition strategy and since the incorporation of the Group, which was formed by a consolidation of five installation companies, the Group has acquired 25 independent operating units of varying size (number of legal entities are more as certain operating units consist of several companies). Generally, the acquisitions have been carried out on the terms described below. For information on the time of acquisition and acquisition procedures as well as an overview of completed acquisitions, please refer to section "Business description" (and especially under "Business areas" and "Acquisitions").

The acquisitions has referred to 100 percent of the ownership in Swedish limited liability companies (and corresponding foreign legal entities) and have been made against cash payment where the sellers have re-invested part of the purchase price received for new shares in Instalco. Resolutions on new issues to enable re-investments have regularly been adopted by the board of directors with authorisation from the general meeting.

The purchase price has often been fixed and paid at the time of acquisition, but the purchase price mechanism has sometimes also included a performance-based additional purchase price (earnout), which has normally been paid out after the current financial year but, by way of exception, also at a later date.

Prior to each acquisition, professional advisers have been engaged for carrying out a so-called due diligence for the review of financial, legal and tax matters. The risks identified in this process have been taken into account by Instalco in the commercial assessment as well as in the negotiation of the price and the terms and conditions of the purchase agreements. The purchase agreements contain warranties and terms and conditions considered customary in agreements of similar kind, including limits in time and amounts in respect of warranties given by the seller.

As a result of agreements on possible earnouts, the following purchase agreements with respect to completed acquisitions contain outstanding obligations for Instalco at the date of publication of this Prospectus: (i) AR Elektro Projekt AS, (ii) Romerike Elektro AS, (iii) DALAB Dala Luftbehandling AB and DALAB VVS INSTALLATION AB, (iv) Tunabygdens VVS-Installatör AB, (v) Vito Olso AS, Vito Teknisk Entreprenør AS and Vito Vestfold AS, (vi) Ventilationsförbättringar i Malmö Aktiebolag/VFB AB, (vii) J.N. Elinstallatörer Aktiebolag, (viii) Andersen og Aksnes Rørleggerbedrift AS, (ix) Uudenmaan Sähkötekniikka JP Oy, and (x) Uudenmaan LVI-Talo OY (asset acquisition conducted by a newly formed company, which also assumed the business name). For more information regarding possible earnouts to be paid, please refer to section ”Capital structure, indebtedness and other financial information” under ”Other financial information” and ”Agreements on earnouts”.

Customer and supply agreements

The Group conducts its business in different market areas in several geographic regions and customer and supply agreements are entered into as part of the continuing operations. Instalco's main customer groups are construction companies, property companies, industrial companies and the public sector, with construction companies as the single largest customer group. During 2016, the Group had more than 1,000 customers and Instalco estimates that the three largest customers, all of which are construction companies, accounted for approximately 20 percent of sales. The largest customers have a decentralised structure where the responsibility for purchasing mainly lies with local purchasers of services, for which reason the Group is not deemed to be dependent on any single customer agreement.

Instalco's purchasing consist primarily of materials, subcontracting, transport as well as rent and property costs, of which purchasing of materials is the single largest cost item. Supply agreements are to some extent negotiated centrally, but the actual purchase decision is made locally out at the units. Purchasing refers to standardised products, and as there are several alternate suppliers, the Group is not deemed to be dependent on any single supply agreement.

Customer and supply agreements are typically entered into subject to the standard terms and conditions applicable to each market and geographic region. For the installation services provided, a performance guarantee of five years is normally applied (local deviations may apply).

For additional description, please refer to section "Business description".

Agreement regarding placing of shares

According to the terms and conditions of an agreement regarding placing of shares which is planned to be entered into on or about 10 May 2017 between the Company, the Principal Shareholder and the Managers (the "Placing Agreement"), the Principal Shareholder will undertake to sell the number of shares being offered in the Offering to the purchasers specified by the Managers; alternatively, unless the Managers are unable to convey such purchasers, the Managers have committed to acquire the shares being offered in the Offering themselves, provided that it is not canceled before (refer to the below). The other Selling Shareholders have made binding commitments in advance to sell shares under the same terms and conditions as the Principal Shareholder.

Under the Placing Agreement, the Principal Shareholder will grant an option to the Managers, which may be used in full or in part, meaning that the Managers, during a period of 30 days from the first day of trading in the Company's shares on Nasdaq Stockholm, shall have the right to acquire an additional maximum of 2,673,722 existing shares, corresponding to a maximum of 15 percent of the highest number of shares which may be sold in the Offering, at a price equal to the Offering price, in order to cover any oversubscription in the Offering (the "Over-Allotment Option").

Through the Placing Agreement, the Company will provide customary representations, warranties and undertakings to the Managers, primarily with regard to the information in the Prospectus being correct, that the Prospectus and the Offering fulfil requirements of laws and regulations and that there are no legal or other obstacles preventing the Company to enter into the agreement or that would prevent completion of the Offering. Under the Placing Agreement, the Managers' undertaking to refer buyers or, should the Managers fail to do so, acquire the shares offered in the Offering themselves, is subject to conditions, inter alia that the representations and guarantees provided by the Company are correct and that no events occur having such material adverse effect on the Company that it is unsuitable to complete the Offering. Under such circumstances, the Managers have the right to terminate the Placing Agreement until the settlement date and the Offering can then be terminated. In such an event, neither the delivery of nor payment for shares will be carried out under the Offering. Under the Placing Agreement, the Company undertakes, subject to customary conditions, to indemnify the Managers in respect of certain claims.

Under the Placing Agreement, the Company will undertake not to (i) issue, offer, pledge, undertake to sell or in any other way transfer or dispose of, directly or indirectly, any shares in the Company or any other securities convertible into or exchangeable for such shares, or (ii) purchase or sell warrants or other instruments or enter into swap agreements or other arrangements that would transfer, in full or in part, the financial risk associated with ownership of the Company to another party prior to 180 days after the first day of trading on Nasdaq Stockholm. Said undertakings are subject to normal restrictions and exceptions such as new issue of shares in the context of inventive schemes and the acquisition of companies or operations. In addition, the Managers may permit exceptions from these limitations if deemed appropriate by the Managers on a case by case basis.

For a description of the lock-up arrangements that will be entered into by shareholders in connection with the Offering, please refer to section "Share capital and ownership structure" (under "Shareholders' agreement and lock-up agreement").

Stabilisation

In connection with the Offering and the listing on Nasdaq Stockholm, SEB may, in its role as stabilising agent, on behalf of the Managers, carry out transactions that stabilise, maintain or otherwise affect the price of the shares in order to keep the market price of the shares at levels above those which might otherwise prevail in the market. Such stabilisation transactions may be carried out on Nasdaq Stockholm, the OTC market or otherwise, and may be carried out at any time during the period beginning on the first day of trading in the shares on Nasdaq Stockholm and ending no later than 30 calendar days thereafter. However, the Managers are under no obligation to carry out stabilisation of any kind, nor is there any guarantee that stabilisation will be carried out. Moreover, where carried out, stabilisation may be discontinued at any time without prior notice. Under no circumstances will transactions be carried out at a level higher than the Offering price. Within a week of the expiry of the stabilisation period, the Managers will publish information on whether or not any stabilisation has been carried out, the date when stabilisation was carried out, the last date of stabilisation, as well as the price range within which stabilisation was carried out for each of the dates when stabilisation transactions were carried out.

Intellectual property rights

The Group has registered domain names. Furthermore, the Group uses trademarks, but these are not registered and are therefore only protected through commercial use. The Group is not dependent on any patents, licenses, or other registered intellectual property rights.

Insurances

Instalco holds customary insurance coverage, including property insurance, liability insurance, risk insurance, legal protection insurance, liability insurance for board members and CEO, etc. Instalco provides framework agreements with insurance companies covering risks related to the operations of each unit, and no unit is allowed to hold insurance coverage inferior to that of the current framework agreement. As regards acquisitions of companies, each acquired company is regularly allowed to maintain the existing insurance solution until it expires, at which time the subsidiary must replace its existing insurance solution with the Group's current insurance solution. Instalco also has insurance coverage for business related warranties made by subsidiaries under which Instalco Sweden AB has given security for the subsidiaries' potential liabilities "as its own liability." The insurance covers warranties approved by the insurer in advance, up to a maximum amount of SEK 143.5 million. In connection with the Offering and the listing of the Company's shares on Nasdaq Stockholm, Instalco has also signed a so-called IPO insurance.

It is the board's assessment that the current insurance coverage, including the level and terms and conditions of such insurance, gives an adequate level of protection with regard to insurance premiums and the potential risks of the business.

Legal and arbitration proceedings

The Company is not, nor has been, part of any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the previous twelve months that may have, or have had, a material effect on the Company's financial position or results.

The Group may in the context of the continuing operations from time to time become involved in disputes, but there is as of today no known dispute that could materially affect the Company's financial position or results. The, in amounts, largest known dispute as of today concerns the subsidiary ORAB Entreprenad AB which has performed installation services (plumbing contract work) for a customer during the autumn of 2016. There is disagreement regarding compensation for work performed. The agreement between the parties provides for dispute resolution through arbitration and ORAB filed for arbitration in January 2017. ORAB has claimed compensation of approximately SEK 8.2 million and Instalco's assessment is that the claim for compensation is well founded.

Transactions with related parties

Presented below are transactions with related parties, all of which have been conducted at market terms unless otherwise indicated.

The subsidiary Instalco Sverige AB has entered into a service agreement with subsidiaries regarding shared services, such as strategic matters, administration services, economy support and financing matters. The subsidiary Instalco Holding AB provided shared services under a similar agreement up until 2014. Fees are paid with an amount corresponding to the company's direct and indirect costs of services provided with a flat-rate of 7 percent. The fees for these services amounted to approximately SEK 9 million for 2014, approximately SEK 15.9 million for 2015 and approximately SEK 22.2 million for 2016.

During 2015, there was temporary staffing between subsidiaries in the Group in order to, in individual cases and for a limited time, reallocate labor to account for variations in workload. The fees for these services amounted to approximately SEK 3.6 million.

Several subsidiaries rent their premises from companies that are owned and/or controlled by the former owners of the subsidiaries. The reason for this structure is that Instalco has a policy not to own real property, why real property where the business is conducted is not included and, where necessary, disposed of prior to acquisitions. The leases constitute related party transactions since the previous owners of the subsidiaries now are shareholders in Instalco and remain as representatives of the subsidiaries. The rents paid amounted to approximately SEK 100,000 for 2014, approximately SEK 2 million for 2015 and approximately SEK 5.5 million for 2016.

Historically, there have been intra-group loans in order to finance acquisitions. In total, these loans amounted to approximately SEK 38 million for 2014, which have been repaid in full. No intra-group loans were given in 2015. During 2016, an intra-group loan of approximately SEK 7.6 million was given. The intra-group loan was transformed into an unconditional shareholders' contribution as of 31 March 2017. The annual interest on intra-group loans has amounted to 7 percent.

During 2017, Instalco Sverige AB has given an unconditional shareholders' contribution amounting to approximately SEK 40 million to the Finish subsidiary Uudenmaan LVI-Talo OY in order to finance an asset acquisition of the business now conducted by the subsidiary.

Please refer to note 32 to Instalco's audited consolidated financial statements (which can be found elsewhere in this Prospectus) for more information regarding transactions with related parties.

Audited financial statements have been published until 31 December 2016. After the most recent period for which audited financial statements have been published, there have been no material transactions with related parties other than as described above, and the total amount of such related party transactions amounts to approximately SEK 11 million (the amount refers to shared services, rents and interest paid on the intra-group loan and does not include the unconditional shareholders' contributions described above).

In addition to the transactions stated above and as shown in the refered note, Instalco has not been a party to any related party transactions during the period covered by the financial information in this Prospectus.

Advisers

SEB and Carnegie provide financial advice and other services to Instalco and the Principal Shareholder in relation to the Offering. The total fees for the financial advisers are partly dependent on the outcome of the Offering. These advisers (as well as their related companies) have provided, and may in the future provide, various banking, financial, investment, commercial and other services to Instalco and the Principal Shareholder for which they have received, and may receive, fees.

Setterwalls Advokatbyrå AB acts as legal adviser to the Company in relation to the Offering and the admission to trading on Nasdaq Stockholm.

Possible conflicts of interests

None of the advisers own shares in the Company and have, except for previously agreed fees for their services, no other financial interests in the Company.

Transaction costs

The Company's costs related to the Offering and the listing of the Company's shares on Nasdaq Stockholm are expected to amount to approximately SEK 40 million. Such costs are mainly pertaining to costs for refinancing, auditors, lawyers, the printing of the Prospectus, costs related to presentations, etc.

Share purchase commitments

Commitments to acquire shares have been provided equivalent to 51 percent of the Offering (assuming that the Offering price will correspond to the midpoint of the price range and full acceptance of the Offering including the shares that may be offered for sale through the possibility to exercise the Over-Allotment Option). No compensation is paid to those who have provided purchase commitments. The share purchase commitments were entered into at the end of April 2017. The commitments are not secured by any pledge, blocked funds or similar arrangement. As shown in the table below, share purchase commitments have only been provided by third parties.

Name	Address	Share purchase commitment (SEKm)	Percentage of the Offering[1]
Swedbank Robur Fonder AB	Landvägen 40, 172 63 Sundbyberg	125	11.7
Handelsbanken Fonder AB	Blasieholmstorg 12, 106 70 Stockholm	125	11,7
RAM ONE AB	Jakobsbergsgatan 13, 111 44 Stockholm	100	9,4
Carnegie Fonder AB	Box 7828, 103 97 Stockholm	75	7,0
Pareto Asset Management AB	Dronning Mauds gate 3, 0250 Oslo	75	7,0
Färna Invest AB	Industrivägen 3, 739 30 Skinnskatteberg, Sweden	50	4,7
Total		**550**	**51**

1 Assuming that the Offering price will correspond to the midpoint of the price range and full acceptance of the Offering including the shares that may be offered for sale through the possibility to exercise the Over-Allotment Option.

Documents incorporated by reference and documents available for inspection

The following information is incorporated by reference and constitute part of the Prospectus and shall be read as a part hereof. The parts of the following documents not referred to are either not relevant for an investor or reproduced elsewhere in this Prospectus.

(i) The Group's financial information including notes and the auditor's report for the financial year 23 October 2013–31 December 2014 (profit and loss account on page 4, balance sheet on pages 5–6, cash flow analysis on page 9, accounting principles and notes on pages 10–23 and auditors' report on the last page).

(ii) The Group's financial information including notes and the auditor's report for the financial year 1 January 2015–31 December 2015 (profit and loss account on page 4, balance sheet on pages 5–6, cash flow analysis on page 8, accounting principles and notes on pages 14–32 and auditors' report on the last page).

Historical financial information incorporated by reference as above has been audited by the Company's auditor and the auditor's report is appended to each annual report. Documents incorporated by reference are available in electronic form at the Company's website (www.instalco.se) during the validity period of the Prospectus. The below documents are available for inspection during the validity period of the Prospectus during normal business hours on weekdays at the Company's offices (Lilla Bantorget 11, 3rd floor in Stockholm, Sweden), as well as, except for the Company's subsidiaries' annual reports, in electronic form at the Company's website (www.instalco.se).

(i) This Prospectus.
(ii) The Company's articles of association.
(iii) Documents incorporated by reference.
(iv) The Company's subsidiaries' audited annual reports and consolidated financial statements for the years 2006–2015 (if applicable), including auditor's reports.
(v) Other historical financial information referred to in this Prospectus (including auditor's reports).
(vi) Other information published by the Company referred to in this Prospectus.

Except as expressly stated, no information in the Prospectus has been reviewed or audited by the Company's auditor.

Articles of association

The articles of associations will be registered with the Swedish Companies Registration Office in connection with the completion of the Offering.[1]

1 § Name

The company's name is Instalco Intressenter AB. The company is a public company (publ).

2 § Registered office

The registered office of the board of directors shall be in the municipality of Stockholm, the county of Stockholm.

3 § Object of the company's business

The object of the company's business is to, directly or indirectly, independently or through subsidiary companies, engage in construction, consulting, sales and service within the electricity, air conditioning, ventilation, plumbing and piping sectors and to conduct any business compatible therewith, and to own and administer real and movable estates and to conduct any business compatible therewith. The company will additionally provide intra-group services such as administration, finance and legal support, and conduct any business compatible therewith

4 § Share capital

The company's share capital shall be not less than SEK 600,000 and not more than SEK 2,400,000.

5 § Shares

The company shall have not less than 40,000,000 shares and not more than 160,000,000 shares.

6 § Board of directors

The board of directors shall consist of at least three (3) and no more than ten (10) members without deputy members.

7 § Auditor

The company shall have no less than one (1) and no more than two (2) auditors with no more than two (2) deputy auditors. As auditor and, when applicable, deputy auditor, an authorised public accountant or a registered public accounting firm shall be elected.

8 § Notice of shareholders' meetings

Notice of shareholders' meetings shall be made by announcement in the Swedish Official Gazette (Sw. Post- och Inrikes Tidningar) and by making the notice available on the company's website. At the same time as notice is given it shall be announced in Dagens Industri that a notice has been made.

Shareholders wishing to participate in shareholders' meetings must be listed as shareholders in a printout or other presentation of the entire share register reflecting the circumstances five weekdays before the shareholders' meeting and notify the company no later than the date specified in the notice of the shareholders' meeting. The last mentioned date may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not occur earlier than the fifth weekday before the shareholders' meeting. A shareholder may be accompanied by advisors at a shareholders' meeting only if he or she notifies the company of the number of advisors in accordance with the procedure prescribed for in respect of notice of attendance to be made by a shareholder.

9 § Business at annual shareholders' meetings

The following matters shall be addressed at annual shareholders' meetings:

1. Election of a chairman of the meeting;
2. Preparation and approval of the voting list;
3. Approval of the agenda;
4. Election of one (1) or two (2) persons who shall approve the minutes of the meeting;
5. Determination of whether the meeting has been duly convened;
6. Submission of the annual report and the auditors' report and, where applicable, the consolidated financial statements and the auditors' report for the group;
7. Resolutions regarding the adoption of the income statement and the balance sheet and, when applicable, the consolidated income statement and the consolidated balance sheet;
8. Resolutions regarding allocation of the company's profits or losses in accordance with the adopted balance sheet;
9. Resolutions regarding discharge of the members of the board of directors and the managing director from liability;
10. Determination of the number of members of the board of directors and the number of auditors and, when applicable, deputy directors;
11. Determination of fees to be paid to members of the board of directors and auditors;
12. Election of the members of the board of directors and auditors and, when applicable, deputy auditors; and
13. Other matters which are set out in the Swedish Companies Act or the company's articles of association.

10 § Financial year

The company's financial year shall be calendar year.

11 § Record day provision

The shares of the company shall be registered in a CSD in accordance with the Financial Instruments Accounts Act (1998:1479).

[1] The articles of association registered with the Swedish Companies Registration Office at the day of the Prospectus does not include a CSD-clause in accordance with 11 §. Further, the limits of number of shares (5 §) amounts to no less than 120,000,000 and no more than 480,000,000. Finally, the articles of association includes provisions on different share series, the right to part of the company's assets and profit and shareholders' rights in connections with increase of the share capital as follows: Shares may be issued in 50 classes, series A – Z and AA – AZ. Shares of all classes shall enjoy equal rights in all respects, except as set out in the articles of association. Shares of either class may be issued up to an amount corresponding to the entire share capital. Shares of series B – Z and AA – AZ (each a preference series) shall be entitled to all kinds of dividends up to the maximum amount, to be calculated as described below. Shares of preference series shall not be entitled to further dividends after the total maximum amount per share class has been distributed. Series A shares (common shares) shall be entitled to all dividends after the total maximum amount has been distributed to shares of preference series. Every form of value distribution which is linked to the shares is to be regarded as a dividend, including but not limited to share exchanges, reduction of share capital for repayment to the shareholders, liquidation, demerger and other distributions from the company and merger settlements. Allotment of rights to subscribe for shares or other securities in connection with preferred issues shall not be regarded as a dividend. The maximum amount pertaining to shares of preference series shall be calculated as the subscription amount (converted to SEK with the exchange rate used at the registration of the share issue in the event that the share issue was denominated in another currency than SEK) initially paid for the shares multiplied with the function of 1.12 raised with the quota of the number of days between the date of the allocation resolution by the board for the relevant shares (or tranche thereof) and the date of dividend divided with 360. When calculating the maximum amount as described above, the subscription amount shall at each time be reduced with any dividends that have been distributed earlier for shares of preferences series (with effect from the respective date on which the distribution was executed). When issuing new shares, the terms for the new issue at hand may not be construed as to lead to that the maximum amount will be the same for all shares of preference series. If the company resolves upon a new issue of shares through a cash issue or by way of set-off, holders of shares shall have preferential rights to subscribe for new shares of the same share class pro rata to the number of shares previously held by them (primary preferential right). Shares that are not subscribed pursuant to the primary preferential right shall he offered all shareholders for subscription (secondary preferential right). If the shares thus offered are not sufficient for the subscription pursuant to the secondary preferential right, the shares shall be allocated between the subscribers pro rata to the number of shares previously held by them and, to the extent such allocation cannot be effected, through the drawing of lots. If the company resolves to issue shares of only one share class or of several but not all share classes, all shareholders, irrespective of share class, shall have preferential rights to subscribe for new shares pro rata to the number of shares previously held by them. The above shall not limit the right to resolve upon a new issue of shares with deviation from the shareholders' preferential rights. The above regarding shareholders' preferential rights shall also apply in case of issue of warrants and convertibles. In the event of a bonus issue, new shares of each class shall be issued pro rata to the number of shares of the same class previously issued. Thereby, the owners of old shares of a certain class shall have preferential rights to new shares of the same class. This shall not restrict the possibility of issuing new shares of a new class by means of a bonus issue, following the required amendments to the articles of association.

Tax considerations in Sweden

A summary is provided below regarding Swedish tax rules that may be of relevance in connection with the admission to trading of Instalco's shares on Nasdaq Stockholm. The summary is based on current legislation and is aimed at shareholders who are subject to unlimited taxation in Sweden, unless otherwise stated. The summary is not intended to be exhaustive and should only be regarded as general information. The taxation of each individual shareholder depends on his or her specific situation. We therefore recommend each individual shareholder in the Company to obtain advice from a tax advisor regarding the tax-related consequences that may arise in every individual case, including the applicability and effect of foreign rules and tax treaties.

The summary does not deal with situations where the shares are held by a trading partnership (Sw. handelsbolag) or as stock shares in commercial operations. Furthermore, the summary does not cover the special rules regarding tax-exempt capital gains (including prohibitions on deductions in the event of capital losses) and dividends in the corporate sector that may become applicable when shareholders hold shares that are held for business purposes. Nor does the summary cover the special rules that apply to qualified shares of closely-held companies or holdings via UCITS funds and non-UCITS funds.

Specific tax consequences may arise also for other shareholder categories, such as investment firms, foundations and non-profit associations, and for individuals and companies that are not subject to unlimited taxation in Sweden. Such tax consequences are not included in the scope of this summary.

Individuals

For individuals and estates of deceased persons, income from shares, such as dividends and capital gains, are taxed as income from capital. The tax rate on income from capital is 30 percent. Capital gain and capital loss are generally calculated as the difference between the proceeds of sale less sales expenses and acquisition cost. The acquisition cost for all shares of the same class and type is calculated jointly, using the average cost method (Sw. genomsnittsmetoden). For publicly traded shares, the acquisition cost may alternatively be calculated using the flat rate method (Sw. schablonmetoden). The acquisition cost is then determined to constitute 20 percent of the proceeds of sale after deduction for sales expenses. Capital losses arising from the sale of listed shares are fully deductible against taxable capital gains that arise the same year from shares and other listed securities, except shares in listed UCITS funds and non-UCITS funds that only hold debt instruments (fixed income funds (Sw. räntefonder)). Capital losses that cannot be set off in this manner may be deducted by 70 percent against other income from capital. In the event of a deficit in income from capital, a tax reduction is granted against municipal and state income tax and municipal property charges. Tax reductions are granted with 30 percent of the part of the deficit that does not exceed SEK 100,000 and with 21 percent of the remaining part. Deficits cannot be carried over to subsequent financial years.

For individuals who are subject to unlimited taxation in Sweden, a preliminary income tax of 30 percent is withheld on dividends. The preliminary tax is generally withheld by Euroclear or, in the case of nominee-registered shareholdings, by the nominee. The Company is not responsible for withholding tax at source.

The above rules do not apply to holdings via investment savings accounts, in which case the holder is considered to have a standardised income based on an especially calculated capital base. This applies regardless of whether funds have been distributed or shares have been divested at a profit or a loss. The provider of the account (e.g. a bank or a securities company) calculates the standardized income and submits a statement of income in this respect to the Swedish Tax Agency.

Legal entities

Legal entities except estates of deceased persons are generally taxed on all their income, including taxable dividends and capital gains, as income from business operations. The tax rate is 22 percent. If the shares are considered as business-related holdings, special rules apply, which are not stated in any detail here. The calculation of capital gains and losses is made in the same manner as for natural persons, according to the statements above.

Deductions for capital losses on shares are generally only permitted against capital gains on shares and other securities. Capital losses may also, under some circumstances, be set off against capital gains in other group companies, if there is a right to make group contributions between the companies. Capital losses that cannot be utilised one year may be carried forward and deducted against capital gains on shares and other securities in subsequent tax years, with no limitation in time.

Foreign shareholders

Shareholders, whether natural persons or legal entities, which are non-residents for tax purposes in Sweden, and that receive dividends on shares in a Swedish limited liability company, generally pay Swedish withholding tax. The same applies in the case of payments from a Swedish limited liability company in connection with the redemption of shares or repurchase of own shares in an offering directed to all shareholders or all holders of a specific class of shares. The tax rate is 30 percent. However, the tax rate is generally reduced pursuant to tax treaties that Sweden has concluded with certain other countries for the avoidance of international double taxation.

Exception from the withholding tax apply to shareholders within the EU that are legal entities and that meet the requirements in the Parent Subsidiary Directive, provided a minimum holding of 10 percent in the capital of the distributing company, and to legal entities with holdings that are considered business-related.

Selling and transfer restrictions

Selling and transfer restrictions

SELLING RESTRICTIONS

United States

The shares in the Offering have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and may not be offered or sold within the United States except in certain transactions exempt from, or in a transaction not subject to, the registration requirements of the Securities Act.

The shares in the Offering are only to be offered and sold outside the United States in offshore transactions in compliance with Regulation S and in accordance with applicable law. The terms used above have the meanings given to them by Regulation S under the Securities Act ("Regulation S").

European Economic Area

In relation to each Member State of the European Economic Area that has implemented the Prospectus Directive (each a **"Relevant Member State"**) (with the exception of Sweden), no offer of the shares in the Offering may be made to the public in that Relevant Member State, except that offers of the shares in the Offering may be made under the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- to any legal entity that is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100, or if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Managers for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of shares in the Offering shall result in a requirement for the publication by the Company, the Principal Shareholder or any Manager of a prospectus pursuant to Article 3 of the Prospectus Directive or of a supplement to a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "offered to the public" in relation to any shares in the Offering in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and the shares in the Offering so as to enable an investor to decide to purchase any shares in the Offering, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State. The expression **"Prospectus Directive"** means Directive 2003/71/EC (with amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State. The expression **"2010 PD Amending Directive"** means Directive 2010/73/EU.

United Kingdom

Any offer or sale of the shares in the Offering may only be made to persons in the United Kingdom who are "qualified investors" or otherwise in circumstances that do not require publication by the Company of a prospectus pursuant to section 85(1) of the U.K. Financial Services and Markets Act 2000 (Financial Promotion) (the **"Order"**).

Any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with persons who: (i) are outside the United Kingdom; (ii) are investment professionals falling within Article 19(5); or (iii) fall within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc."), of the Order or other persons to whom such investment or investment activity may lawfully be made available (all such persons together being referred to as "relevant persons"). Persons who are not relevant persons should not take any action on the basis of this Prospectus and should not act or rely on it.

General

No action has been or will be taken in any country or jurisdiction other than Sweden that would, or is intended to, permit a public offering of the shares in the Offering, or the possession or distribution of this Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required.

Persons into whose hands this Prospectus comes are required by the Company, the Principal Shareholder and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver shares in the Offering or have in their possession or distribute such offering material, in all cases at their own expense. None of the Company, the Principal Shareholder or the Managers accept any legal responsibility for any violation by any person, whether or not a prospective subscriber or purchaser of any of the shares in the Offering, of any such restrictions.

Transfer restrictions

No action has been or will be taken in any country or jurisdiction other than Sweden by it that would, or is intended to, permit a public offering of the shares in the Offering, or the possession or distribution of this Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required.

Persons into whose hands this Prospectus comes are required by the Company, the Principal Shareholder and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver shares in the Offering or have in their possession or distribute such offering material, in all cases at their own expense.

The shares in the Offering have not been and will not be registered under the Securities Act and the shares in the Offering may not be offered or sold, directly or indirectly, within or into the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or in a transaction not subject to the registration requirements of, the Securities Act.

Each purchaser of the shares in the Offering will be deemed to have represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(a) the purchaser is purchasing shares in the Offering in an offshore transaction meeting the requirements of Regulation S;
(b) the purchaser acknowledges that the shares of the Company have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state of the United States, are subject to restrictions on transfer;
(c) the purchaser is aware of the restrictions on the offer and sale of the shares in the Offering pursuant to Regulation S described in this Prospectus;
(d) the shares in the Offering have not been offered to it by means of any "directed selling efforts" as defined in Regulation S and the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S in the United States with respect to the shares in the Offering;
(e) to the purchaser will not offer, sell, pledge or otherwise transfer any shares acquired in the Offering, except in accordance with the Securities Act and any applicable laws of any state of the United States and any other jurisdiction; and
(f) the Company will not recognize any offer, sale, pledge or other transfer of the shares in the Offering made other than in compliance with the above stated restrictions.

Historical financial information

Financial information for the financial years 2016 and 2015

if otherwise is not stated, all amounts are presented in SEK thousand.

Consolidated income statement

Amounts in SEK thousands	Note	2016-01-01 2016-12-31	2015-01-01 2015-12-31
Revenues			
Net sales	2	2,406,816	1,368,817
Other operating income		4,413	3,353
Total revenues		**2,411,229**	**1,372,170**
Operating expenses			
Material and purchased services		-1,361,827	-753,665
Other external expenses	3, 4	-168,111	-100,542
Personnel expenses	5, 6	-725,008	-437,225
Depreciation/amortisation of tangible fixed assets		-4,074	-1,751
Other operating expenses		-12,017	-30,080
Total Operating expenses		**-2,271,037**	**-1,323,263**
Operating profit		**140,192**	**48,907**
Profit from financial items			
Financial income	9	1,076	293
Financial expenses	10	-8,998	-3,222
Profit before tax		**132,270**	**45,978**
Income tax	11	-41,300	-11,894
Profit for the year from remaining business		**90,970**	**34,084**
Profit for the year		**90,970**	**34,084**
Profit related to:			
Shareholders of the parent company		90,970	34,084
Holdings without a controlling influence		–	–

Amounts in SEK	Note	2016-01-01 2016-12-31	2015-01-01 2015-12-31
Earnings per share	12		
Earnings per share, before dilution, SEK		696.44	298.06
Earnings per share, after dilution, SEK		696.44	298.06

Consolidated report over other total profit

Amounts in SEK thousands	Note	2016-01-01 2016-12-31	2015-01-01 2015-12-31
Profit for the year		**90,970**	**34,084**
Items which may be reclassified for the income statement			
The effect of recalculating foreign businesses of the year		5,958	
Real value adjustment of realisable financial assets		-120	0
Tax related to real value adjustment		30	0
Other comprehensive income after tax		**5,868**	**0**
Total profit for the year		**96,838**	**34,084**
Total profit for the year related to			
Shareholders of the parent company		96,838	34,084
		96,838	34,084

Consolidated balance sheet

Amounts in SEK thousands	Note	2016-12-31	2015-12-31	2015-01-01
ASSETS				
Fixed assets				
Intangible fixed assets				
Goodwill	13	825,822	514,743	388,487
Total intangible fixed assets		**825,822**	**514,743**	**388,487**
Tangible fixed assets				
Equipment and tools	14	12,823	6,137	2,935
Total tangible fixed assets		**12,823**	**6,137**	**2,935**
Financial fixed assets	15			
Shares in associates	17	152	152	152
Other long-term securities holdings	18	497	–	–
Other long-term recievables	20	193	50	77
Total financial fixed assets		**842**	**202**	**229**
Deferred tax assets	19	480	1,561	630
Total fixed assets		**839,967**	**522,643**	**392,281**
Short-term assets				
Inventories, etc.	21			
Finished goods and trading goods		5,738	3,629	1,284
Total inventories		**5,738**	**3,629**	**1,284**
Short term receivables				
Accounts receivable	22	403,500	272,727	111,760
Short-term tax asset		11,644	8,150	4,121
Other recievables		10,369	19,915	11,278
Accrued, non-invoiced income	23	56,971	47,493	18,194
Prepaid expenses and accrued income	24	37,549	40,853	18,489
Other short-term placements		4,447	–	–
Cash and cash equivalents	25	154,968	51,991	105,046
Total short term receivables		**679,448**	**441,129**	**268,888**
Total short-term assets		**685,186**	**444,758**	**270,172**
TOTAL ASSETS		**1,525,153**	**967,401**	**662,453**

Consolidated balance sheet

Amounts in SEK thousands	Note	2016-12-31	2015-12-31	2015-01-01
EQUITY AND LIABILITIES				
Equity	26			
Share capital		322	280	–
Additional paid-in capital		452,598	264,995	425,472
Reserves		5,868	–	–
Retained profits including profit for the year		94,615	1,148	-32,936
Total equity		**553,403**	**266,423**	**392,536**
Long-term liabilities	15			
Liabilities to credit institutions	28	392,080	343,678	80,000
Deferred tax liabilities		30,028	20,716	13,773
Total long-term liabilities		**422,108**	**364,394**	**93,773**
Short-term liabilities				
Provisions	27	8,856	7,102	6,077
Liabilities to credit institutions	28	7,900	40,000	35
Accounts payable	29	212,214	122,971	59,301
Short-term tax liabilities		10,952	12,364	–
Other liabilities		46,277	42,160	28,412
Invoiced, non-accrued income	23	62,628	16,531	25,540
Accrued expenses and deferred income	30	200,815	95,456	56,779
Total short-term liabilities		**549,642**	**336,584**	**176,144**
Total liabilities		**971,750**	**700,978**	**269,917**
TOTAL EQUITY AND LIABILITIES		**1,525,153**	**967,401**	**662,453**

Consolidated statement of changes in equity

Amounts in SEK thousands	Note	Share capital	Additional paid-in capital	Reserves	Retained profits including profit for the year	Total Equity
Opening balance 2015-01-01	39	–	**425,472**	–	**-32,936**	**392,536**
Profit for the year		–	–	–	34,084	34,084
Total profit for the year		0	0	0	34,084	34,084
Transactions with the owners						
Formation of Instalco intressenter - the Group		274	-172,796			-172,522
New issue		6	12,319			12,325
Total transactions with the owners		**280**	**-160,477**	–	–	**-160,197**
Closing balance 2015-12-31	26	**280**	**264,995**	**0**	**1,148**	**266,423**
Opening balance 2016-01-01		**280**	**264,995**	**0**	**1,148**	**266,423**
Profit for the year					90,970	90,970
The effect of recalculating foreign businesses of the year				5,958		5,958
Real value adjustment of realisable financial assets				-120		-120
Tax related to real value adjustment				30		30
Other comprehensive income		0	0	5,868	0	5,868
Total profit for the year		0	0	5,868	90,970	96,838
Transactions with the owners						
New issue		42	187,603			187,645
Profit merged subsidiaries					2,497	2,497
Other group adjustments						
Total transactions with the owners		**42**	**187,603**	–	**2,497**	**190,142**
Closing balance 2016-12-31	26	**322**	**452,598**	**5,868**	**94,615**	**553,403**

Consolidated cash flow statement

Amounts in SEK thousands	Note	2016-01-01 2016-12-31	2015-01-01 2015-12-31
Operating activities			
Profit before tax		132,270	45,978
Adjustment for non-cash items, etc.	34	8,061	-6,912
Tax paid		-43,035	-13,094
Cash flow from the operating activities prior changes to the working capital		97,296	25,972
Changes in working capital:			
Changes to inventory		-225	210
Changes to accounts receivable and other receivables		46,285	-132,552
Changes to accounts payable and other payables		86,176	32,671
Cash flow from operating activities		**229,532**	**-73,699**
Investing activities			
Acquisitions of subsidiaries, less cash and cash equivalents	36	-325,247	-94,628
Acquisitions of tangible fixed assets		-5,498	-3,491
Disposal of tangible fixed assets		1,449	2,364
Acquisitions of financial assets		–	-565
Disposal of financial fixed assets		31	911
Cash flow from investing activities		**-329,265**	**-95,409**
Financing activities			
New issue		187,645	12,375
Redemption of preference shares		–	-200,000
Borrowing		20,327	356,478
Debt repayment		-7,900	-52,800
Cash flow from financing activities		**200,072**	**116,053**
Cash flow for the year		**100,339**	**-53,055**
Cash and cash equivalents at beginning of year		51,991	105,046
Currency rate differences in cash and cash equivalents		2,638	–
Cash and cash equivalents at end of year		**154,968**	**51,991**
Cash and cash equivalents from remaining business		**154,968**	**51,991**
Cash flow for the period regarding interest:			
Interest paid		-8,803	-2,760
Interest received		1,076	293

Notes to the consolidated financial statements

NOTE 1 ACCOUNTING AND VALUATION PRINCIPLES

General information

The primary operations of Instalco Intressenter AB (the parent company) and its subsidiaries (jointly, the Group) consist of, through subsidiaries, carrying out contracting, consultancy, sales and service operations in the electricity, air conditioning, ventilation, plumbing, and piping sectors and to conduct business compatible therewith.

Instalco Intressenter AB, the parent company of the Group, has its registered office in Sweden. The headquarters and main location of operations are located at Lilla Bantorget 11, 111 23 Stockholm, Sweden.

The consolidated financial statements for the year ending 31 December 2016 (including comparative figures) were approved for publication by the board of directors in February 2017.

The Group's report of profits, other comprehensive income, and the report of the financial position and the parent company's income statement and balance sheet will be submitted for adoption at the annual general meeting to be held on 28 June 2017.

Summary of important accounting principles

The most important accounting and valuation principles used in the preparation of the financial reports are summarised below. In those cases in which the parent company applies different principles, these are stated under the heading *Parent Company* below.

Basis for the preparation of the report

The Group's financial reports have been prepared in accordance with the Swedish Annual Accounts Act, Recommendation RFR 1 of the Swedish Financial Reporting Board, Supplementary Accounting Rules for Groups, and International Financial Reporting Standards (IFRS) as adopted by the EU. Assets and liabilities have been valued at historical acquisition values, with the exception of contingent considerations (valued at fair value through profit or loss), and short-term investments which are in the category of realisable financial assets (valued at fair value via other comprehensive income).

Instalco Intressenter AB was founded in 2015 and thus does not have any historical balance sheet and income statement for the beginning of 2015. The new Group was formed through the acquisition by Instalco Intressenter AB of the previous Instalco Group through a non-cash share issue on 16 September 2015. Instalco Intressenter AB became the owner of the shares in Instalco Holding AB directly after the non-cash share issue. The shares which were previously owned by Group management, among others, were transferred through share swaps whereby ordinary shares and preference shares in Instalco Holding AB were exchanged for ordinary shares and preference shares in Instalco Intressenter AB. The payment of the shares took place on 16 September 2015. The formation of the Group entailed that a new parent company, Instalco Intressenter, was established via a share swap and redemption of certain preference shares. Since a newly-formed company cannot be deemed to be the acquiring party where the transaction primarily involves a share swap, this entails that the Group is established as a continuation of the previous Instalco Holding Group.

Preparing reports in compliance with IFRS requires the use of certain important estimates for accounting purposes. In addition, management must also make certain assessments in the application of the Group's accounting principles. Those areas which involve a high degree of discretion, which are complex or the types of areas where assumptions and estimates are of material significance to the consolidated financial statements, are stated in a separate section under the heading "Significant assessments and estimates in the application of accounting principles".

First-time Adoption of International Financial Reporting Standards (IFRS) as adopted by the EU

This report is the first which the Group is preparing in accordance with IFRS as adopted by the EU. Prior to the transition to IFRS, Instalco Intressenter AB prepared its consolidated financial statements according to the provisions of the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general advice, BFNAR 2012:1 Annual reports and consolidated financial statements (K3). The transition to IFRS is reported in accordance with IFRS 1 (First-time Adoption of International Financial Reporting Standards). The figures for the 2015 comparison year have been recalculated according to the new principles. Financial information and key ratios for financial years prior to 2015 have not been recalculated, which is in accordance with the exception rules set forth in IFRS 1.

The transition from BFNAR 2012:1 (K3) is explained in note 39, *Explanations regarding transition to IFRS.*

New and updated standards applicable to financial years commencing 1 January 2017 and thereafter

Standards, changes and interpretations regarding existing standards which have not yet entered into force and are not applied in advance by the Group

As per the date of the approval of these financial reports, a number of new standards, changes and interpretations of existing standards have been published by IASB. These have not yet entered into force and have not been applied in advance by the Group. Information regarding those which are anticipated to have a material effect on the Group's financial reports is set forth below.

The board of directors and the CEO assume that all of the relevant statements will be incorporated in the Group's accounting principles during the first reporting period which commences after the date the statement enters into force.

IFRS 9 Financial instruments

The new standard for financial instruments (IFRS 9) entails extensive changes in IAS 39's guidance for classification and valuation of financial assets and introduces a new "expected credit loss" model for impairment of financial assets. IFRS 9 also provides new guidelines for the application of hedge accounting.

The Group's preliminary assessment is that the introduction of IFRS 9 primarily has the potential to affect the Group's financial position and earnings based upon a possible need to change the impairment model regarding financial recievables (accounts receivable) in order to fulfill the requirements under IFRS 9 regarding expected credit losses and forward-looking macro-economic factors. In 2017, the Group will begin its work on evaluating the effects of the introduction of the standard, which includes an evaluation and possible adaptation of the impairment model.

IFRS 9 will be applied to financial years commencing 1 January 2018 or thereafter.

IFRS 15 Revenue from contracts with customers

IFRS 15 entails new requirements regarding reporting of revenues and replaces IAS 18 Revenues, IAS 11 Construction Contracts, and several revenue-related interpretations. The new standard introduces a control-based reporting model for revenues and provides more detailed guidance in many areas for which this was not previously provided by the applicable IFRS, including how to report agreements involving multiple performance obligations, variable pricing, the customer's right of return, repurchase rights *vis-à-vis* suppliers, and other common complex matters.

IFRS 15 is to be applied to financial years commencing on 1 January 2018 or thereafter. The board of directors and CEO intend to apply the standard retroactively and report the total effect of the first application of this standard as an adjustment to the opening balance for retained earnings for the financial year covering the first application date. According to this standard, IFRS 15 will only be applied to agreements not conclusively performed by 1 January 2018.

The Group's board of directors and CEO have begun assessing the effects of the new standard and have identified the following areas which may be affected:

- Construction agreements involving multiple services – the Group's construction operations focus on construction, installation, and sales of customised installation solutions. A typical agreement combines elements of producing customised solutions, supplying materials and installation. The existing IFRS lacks detailed guidance as to how to report agreements with multiple components (commonly referred to as Multiple Element Arrangements). The Group's accounting principles are described in detail below under the heading Revenues. IFRS 15 introduces new guidelines which will require that the Group identify the various obligations in the agreement depending on whether they are "distinct". A good or service which has been promised is "distinct" if both:
- the customer can benefit from the good or service separately or together with other resources which are available to the customer; and
- the good/service is "separately identifiable" (i.e. the Group does not supply a service which entails integrating, modifying or adapting it significantly).

The subsequent allocation of compensation to individual performance obligations is based on their independent sales prices.

The Group is currently reviewing all of its agreements in order to determine how the new requirements will affect the identification of distinct goods or services and the allocation of revenues taking these into consideration. The implementation work will continue throughout 2017.

IFRS 16 Lease agreements

IFRS 16 replaces IAS 17 and three related interpretations. The standard requires that, subject to a few exceptions, assets and liabilities related to all lease agreements be reported in the balance sheet. This reporting is based on the approach that the lessee has a right to use an asset during a specific period of time and, at the same time, an obligation to pay for this right. Reporting by the lessor will remain unchanged in all material respects. The standard is applicable to financial years commencing on 1 January 2019 and thereafter. Early application is permitted on the condition that IFRS 15 "Revenue from contracts with customers" is applied from the same point in time. The EU has not yet adopted the standard.

The board of directors and CEO had not yet entirely assessed the effects of the standard and can therefore not provide any quantified information. In order to assess the effects, the Group is currently:

- carrying out a complete review of all agreements in order to assess whether there are additional agreements which will now become lease agreements according to IFRS 16's new definition. At present, the Group primarily has operational lease agreements regarding premises.
- determining which transitional provisions are to be applied; either with full retroactive application or partial retroactive application (which entails that comparison figures need not be recalculated). The provision regarding partial retroactive application also contains voluntary relief from carrying out a new assessment of whether agreements entered into constitute or contain a lease agreement, as well as other reliefs. To determine which of these transition provisions is applicable is important since it is a one-time choice.
- assessing the current information regarding financial lease agreements and operational lease agreements since they will form the basis for the amount which in all likelihood shall be capitalised and reported as a right of use asset.
- assessing which additional information will be required.

For information regarding the Group's short-term operational lease agreements, please see note 4.

Overview of accounting principles

Overall considerations

The most important accounting principles used in the preparation of the consolidated financial statements are summarised below.

Basis for consolidation

The consolidated financial statements include subsidiaries in which the Group directly or indirectly has a controlling influence. The Group controls a company when it is exposed to, or has a right to, variable return from its holdings in the company and has the possibility of influencing the return through its influence over the company. Subsidiaries are included in the consolidated financial statements commencing on the date on which the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements commencing on the date on which the controlling influence terminates.

All intra-group transactions and balance sheet items are eliminated in conjunction with consolidation, including unrealised gains and losses on transactions between group companies. In those cases in which unrealised losses on intra-group sales of assets are reversed in conjunction with consolidation, the need for impairment of the underlying asset is also assessed based upon a group perspective. Amounts which are reported in the financial reports for subsidiaries have been adjusted where so required in order to ensure compliance with the Group's accounting principles.

Profits and other comprehensive income for subsidiaries which were acquired or sold over the course of the year are reported from the date the acquisition or sale enters into force, according to the provisions.

The Group attributes comprehensive income for the subsidiaries to the parent company's shareholders and holdings without a controlling influence based on their respective ownership shares.

Acquisitions of businesses

The Group applies the acquisition method in the reporting of the acquisition of businesses. The consideration paid by the Group in order to obtain a controlling influence over a subsidiary is calculated as the sum of the fair values on the date of acquisition of the assets transferred, the liabilities assumed, and the equity shares issued by the Group, which includes the fair value of an asset or liability which arose in conjunction with an agreement regarding a contingent consideration. Subsequent changes in the fair value of a contingent consideration which has been classified as a financial liability are reported through profit or loss (the item "Other operating expenses"); see further under the section *Financial liabilities.*

Acquisition-related costs are booked when they arise under the item *Other operating expenses.*

Acquired assets and assumed liabilities are valued at the fair value at the time of acquisition.

Shares in associates

Associates are companies over which the Group has a significant, but not a controlling, influence over the operational and financial management, normally through holdings of between 20% and 50% of the voting capital.

Shares in associates are reported according to the equity method.

The reported value of holdings in associates is increased or decreased by the Group's share of the associate's or joint venture's profits and other comprehensive income. This is adjusted where required in order to ensure compliance with the Group's accounting principles. The Group's reported value of holdings in associates includes goodwill which has been identified at the time of the acquisition.

When the Group's share of reported losses in the associate exceeds the value of the shares as reported in the Group's accounts, the value of the shares is reduced to zero. Losses are also set-off against long-term unsecured financial transactions which, financially, constitute a part of the owner company's net investment in the associate. Continued losses are not reported unless the Group has provided guarantees to cover losses arising in the associate.

Unrealised gains and losses on transactions between the Group and its associates are eliminated in an amount corresponding to the Group's share in these companies. In cases where unrealised losses are eliminated, a test for impairment is also carried out in respect of the underlying asset.

Recalculation of foreign currency

Functional currency and performance currency

The consolidated accounts are presented in SEK which is also the parent company's functional currency.

Transactions and balance sheet items in foreign currency

Transactions in foreign currency are translated to the functional currency for each Group company based upon the prevailing currency rates on the transaction date (spot price). Profits and losses in foreign currency as a consequence of the settlement of such transactions and as a consequence of the revaluation of monetary items to the balance sheet rate are reported in the income statement.

Non-monetary items are not translated on the balance sheet date and are instead valued at the historical acquisition value (translated to the transaction date rate), with the exception of non-monetary items valued at fair value which are translated to the currency rate applicable on the day on which the fair value was established.

Foreign operations

In the consolidated financial statements, all assets, liabilities and transactions in Group companies which have a functional currency other than SEK (the Group's reporting currency) are translated to SEK in conjunction with the consolidation. The Group companies' functional currency has remained unchanged during the reporting period.

In conjunction with consolidation, assets and liabilities have been translated at the balance sheet rate as per the balance sheet date. Adjustments of goodwill and fair value which arises in conjunction with the acquisition of a foreign business have been reported as assets and liabilities in foreign operations and translated to SEK at the rate prevailing on the balance sheet date. Income and expenses have been translated to SEK according to the average rate during the reporting period. Currency rate differences are booked directly against other comprehensive income and reported in the currency translation reserve under shareholders' equity. In conjunction with the sale of a foreign business, the related accumulated translation differences which are reported in shareholders' equity are reclassified to earnings and reported as a part of the profit or loss in conjunction with the sale.

Segment reporting

The Group has two operating segments: Sweden and Rest of Nordics. In the identification of operating segment, Group management normally follows the Group's geographic business area which corresponds to the main segments. "Miscellaneous" includes income and costs common to all companies in the Group.

Each one of the operating segments is operated separately since each requires different resources and marketing methods. All transactions between segments are carried out on an arm's-length basis and based on prices which are charged to customers not related with the Group in conjunction with independent sales of identical goods or services.

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

In addition, joint assets which are not directly related to an operating segment's business operations are not allocated to any segment. This applies primarily to the Group's headquarters.

The segment reporting is based on the internal reporting to the most senior decision-maker. At Instalco, this means the Group CEO and the key ratios which are presented regarding the business areas.

Revenues

Revenues arise from the sale of installation services. Revenues are valued at the fair value of the compensation which the Group receives, or will receive, for goods which have been delivered and services which have been performed, excluding sales taxes and after deductions for any discounts and approved deductions.

Performance of services

The Group generates revenues from construction work regarding installation activities. The compensation for these services is reported according to the percentage-of-completion method.

When the Group reports revenues from installation projects, a forecast is made in which an assessment is carried out of the degree of completion of each individual project which is gradually booked against costs incurred in the project. Revenues from consultancy services are reported as income at the time the services are provided through reference to the degree of completion of the work as per the balance sheet date in the same way as for construction agreements as described below.

Construction agreements

When it is possible to reliably assess the outcome, the income from the project is reported as well as related expenses according to the degree of completion of the contract (percentage-of-completion method) on the balance sheet date. The contracted revenues are valued at the fair value of the compensation which has been received or will be received.

When the Group is unable to calculate the outcome of a project in a reliable way, revenues are reported only to the extent that project expenses which have arisen can be recouped. Project expenses are reported in the period in which they arose.

Whenever it is likely that the total project expenses will exceed the total project income, the anticipated loss is immediately reported in the profit/loss.

The degree of completion of a construction agreement is assessed by the project manager by comparing incurred costs to date with the total calculated cost for the contract (a procedure which is sometimes referred to as the cost-to-cost method). Only those costs which correspond to work performed are included in the costs to date.

The gross amount which is to be paid by customers for services is reported under the item "Accrued, non-invoiced income" regarding all ongoing projects where project fees and reported profits (after deduction for reported losses) exceed the invoiced amount. Invoiced, non-accrued income for projects are reported under the item "Invoiced, non-accrued income" regarding all ongoing projects for which invoiced amounts exceed project fees plus reported profits (less reported losses).

Interest and dividends

Interest income and interest expenses are allocated to a particular period using the effective interest method. Dividends, beyond those derived from holdings in associates, are reported at the time at which the right to receive payment is established.

Operating expenses

Operating expenses are reported in the income statement when the service has been used or when the event occurs.

Borrowing costs

Borrowing costs which are directly related to acquisitions are capitalised during the period of time required in order to complete and prepare the asset for its intended use or sale. Other borrowing costs are booked as costs in the period in which they arose and are reported under the item "Financial expenses".

Goodwill

Goodwill represents the future economic benefits which arise in conjunction with the acquisition of a business but which are not individually identified and separately reported. Goodwill is reported at acquisition value less accumulated impairment.

In order to test the need for impairment, goodwill which has been acquired in the acquisition of a business is allocated to cash-generating units or groups of cash-generating units which are anticipated to benefit from the synergies of the acquisition. Each unit or group of units to which goodwill has been allocated corresponds to the lowest level in the Group at which the goodwill in question is monitored in the internal management.

Goodwill is tested for impairment on an annual basis, or more often where events or changes in conditions indicate a possible reduction in value. The reported value of the cash-generating unit to which the goodwill has been allocated is compared with the recoverable amount, which is the value in use or the fair value minus sales costs, whichever is higher. Any impairment is reported immediately as an expense and is not reversed. Goodwill is monitored and tested at company level.

Tangible fixed assets

Tangible fixed assets are reported by the Group at acquisition value after deduction for accumulated depreciation and any impairment. The acquisition value includes the purchase price and expenses directly related to the asset in order to bring the asset to the location and condition to be used in accordance with the purpose of the acquisition.

Additional expenses are added to the reported value of the asset or reported as a separate asset, depending on which is appropriate, only when it is likely that the future economic benefits associated with the asset will be realised by the Group and the acquisition value of the asset can be measured in a reliable manner. The reported value of the component replaced is removed from the balance sheet. All other forms of repairs and maintenance are reported as expenses in the income statement in the period in which they arise.

Profits or losses which arise in conjunction with the sale of tangible fixed assets are established as the difference between what is received and the reported value of the assets and are reported in the income statement under the items "Other operating income" or "Other operating expenses".

Tangible fixed assets are depreciated over the estimated useful life. The following depreciation periods are applied:

• Equipment and tools, 5 – 10 years.

Leased assets

Operational leasing

The Group has only operational lease agreements. When the Group is the lessee, leasing fees are booked as costs regarding operational lease agreements on a straight-line basis over the leasing period. Related costs, such as maintenance and insurance, are booked as expenses at the time they arise.

Test for impairment of goodwill, other intangible assets and tangible fixed assets

In conjunction with an assessment of impairment, assets are grouped in the smallest cash-generating units possible. A cash-generating unit is a legal entity with independent receipts. Goodwill is allocated over the cash-generating units which are expected to derive benefits from the synergies of related business acquisitions and represent the lowest level of the Group at which Group management monitors goodwill.

An impairment is reported at the amount by which the cash-generating unit's reported value exceeds its recoverable amount, which is the fair value less any cost for sale, or the value in use, whichever is higher. In order to establish the value in use, Group management estimates expected future cash flows from each cash-generating unit and establishes an appropriate discount interest rate in order to be able to calculate the present value of these cash flows. The data which is used in the test for impairment is directly linked to the Group's most recent approved budget, adjusted based on the need to exclude the effects of future reorganisations and improvements of assets.

Discounting factors are established individually for each cash-generating unit and reflect current market assessments of the time value of the money and asset-specific risk factors.

Impairment regarding cash-generating units first reduces the reported value of any goodwill which is allocated to the cash-generating unit. Any remaining impairment proportionally reduces the other assets in the cash-generating units. With the exception of goodwill, a new assessment of all assets is carried out for signs that a previous impairment is no longer justified. An impairment is reversed if the asset, or the recoverable value of the cash-generating unit, exceeds the reported value.

Financial instruments

Reporting and valuation on the first reporting occasion

Financial assets and financial liabilities are reported when the Group becomes a contracting party regarding the agreed terms and conditions of the financial instrument. These are valued in conjunction with the first reporting occasion at the fair value adjusted for transaction expenses, with the exception of financial instruments in the category of "financial assets" or "financial liabilities" valued at fair value through profit or loss. These are valued at the fair value on the first reporting occasion. Subsequent valuation of financial assets and liabilities is described below.

Financial assets are removed from the report of financial position when the contractual rights regarding the financial asset terminate, or when the financial asset and all significant risks and benefits have been transferred. A financial liability is removed from the report of financial position when it is extinguished, performed, annulled or terminates.

Classification and subsequent valuation of financial assets

With respect to subsequent valuations, financial assets are valued based upon the category in which they were initially classified. The Group applies the following categories of financial assets:

- loan recievables and accounts receivable
- realisable financial assets

The impairment for all financial assets excluding those which are valued at fair value through profit or loss must be tested at least at the end of each reporting period in order to determine whether there is objective evidence of impairment of a financial asset or group of financial assets. Various criteria to establish the impairment are used for each category of financial assets, as described below.

All income and expenses regarding financial assets which are reported in the income statement are classified as "Financial expenses", "Financial income" or "Other financial items", except with respect to impairment of accounts receivable which are classified as "Other expenses".

Loan recievables and accounts receivable

Loan recievables and accounts receivable are financial assets which are not derivative instruments, with established payments or payments capable of being established, and which are not listed on an active market. After the first reporting occasion, they are valued at the accrued acquisition value using the effective interest method, after deductions for any impairment. Discounting is not carried out in those cases where the effects of discounting are insignificant. The Group's cash equivalents, accounts receivable, and most of the other recievables belong to this category of financial instruments.

Individual significant receivables are tested for impairment when they become due and payable or where other objective evidence exists that a particular counterparty will not make payment. Receivables which individually are not considered to have any impairment need are tested for impairment as a group, which is determined through reference to the industry and region of the counterparty and other common credit risk characteristics. The estimated impairment is then based on newly produced historical figures regarding the share of bad debts for the counterparties in each identified group.

Realisable financial assets

Realisable financial assets are assets which are not derivatives and which have been identified as realisable or have not been classified in any of the other categories. These are reported in the balance sheet in subsequent periods at the fair value, with changes in value regarding fair value via other comprehensive income. When a financial asset in this category is sold or written down, accumulated adjustments to the fair value are transferred from shareholders' equity to the income statement as profits and losses on financial instruments. Interest on financial assets in this category is calculated in accordance with the effective interest method and reported in the income statement under *Financial income.*

The Group's realisable financial assets consist of short-term investments and other long-term holdings of securities.

Classification and subsequent valuation of financial liabilities

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

Financial liabilities are valued after the first reporting occasion at accrued acquisition value using the effective interest method, with the exception of any financial liabilities which are identified as having been valued at fair value through profit or loss, which are reported at fair value and with profits or losses reported in the income statement after the first reporting occasion. The Group is a party to agreements regarding contingent consideration which arise in conjunction with acquisitions which are reported at fair value through profit or loss.

All interest-related expenses, and where appropriate changes in the fair value of an instrument which is reported in the income statement, are included under the items "Financial expenses" or "Financial income".

Inventories

Inventories are valued at the acquisition value or fair value, whichever is lower. The acquisition value includes all expenses which are directly related to the manufacturing process and the appropriate share of related overhead manufacturing costs, based on normal capacity. Costs for commonly exchangeable articles are allocated according to the first in – first out principle. The fair value is the estimated sales price in the day-to-day business less any applicable selling expenses.

Income taxes

The tax expense which is reported in the income statement consists of the sum of the deferred tax and short-term tax which is not reported in other comprehensive income or directly in shareholders' equity.

The calculation of short-term tax is based on tax rates and tax rules which have been adopted or, in practice adopted, at the close of the reporting period. Deferred income tax is calculated according to the liability method.

Deferred tax assets are reported to the extent it is likely that it will be possible to utilise the underlying tax deficit or the deductible temporary differences against future tax surpluses. This is estimated based on the Group's forecast of future operating profit, adjusted for significant nontaxable income and expenses and specific restrictions on the use of unutilised tax losses or credits.

Deferred tax liabilities are, in principle, reported in their entirety, even if IAS 12 "Income tax" allows limited exceptions. As a result of these exceptions, the Group does not report deferred tax on temporary differences related to goodwill or investments in subsidiaries.

Cash and cash equivalents

Cash and cash equivalents consists of cash and disposable balances with banks and corresponding institutions, together with other short-term, liquid investments falling due within 90 days from the date of acquisition and which can be easily converted to known sums of cash and which are exposed to only an insignificant risk of change in value.

Shareholders' equity, reserves and dividends

Share capital represents the quota (par) value of shares issued.

Issued preference shares are classified as shareholders' equity unless they are subject to compulsory redemption or contain agreements regarding mandatory payments to the holder.

Surplus value includes any premium received in conjunction with new issues of shares. Any transaction costs related to a new issue of shares is deducted from the surplus value, taking into consideration any income tax effects.

Other elements of shareholders' equity include the following:

- retained earnings including all retained earnings and share-related compensation for the current and previous periods;
- all transactions with the parent company's owners reported separately under shareholders' equity.

Compensation after termination of employment and short-term compensation to employees

Compensation after termination of employment

The Group provides compensation after termination of employment largely through various defined contribution pension plans.

For a few employees who are not senior management personnel there is a pension solution in the form of endowment insurance which has been pledged as security for the pension undertakings. The assets constitute a financial instrument which is valued at fair value through profit or loss (see the separate section on financial instruments). The liability, i.e. the pension undertaking, comprises the same value as the assets, plus any payable special employer's contribution. The undertaking is reported on a net basis in the consolidated financial statements.

Short-term compensation

Short-term compensation to employees, including holiday compensation, comprises short-term liabilities valued at the undiscounted amount which the Group is expected to pay as a consequence of the unexercised right.

Provisions, contingent liabilities and contingent assets

Provisions for warranties, legal proceedings, loss-generating contracts or other claims are reported at the time the Group has a legal or informal obligation as a consequence of a previous event where it is likely that an outflow of economic resources will be required and amounts can be reliably estimated. The time or the amount of the outflow may still be uncertain.

Provisions are valued at the estimated amount required in order to settle the existing obligation based on the most reliable information available on the balance sheet date, including any risks and uncertainties associated with the existing obligation. In those cases where there are a number of similar obligations, the likelihood of an outflow is established through an overall assessment of the obligations. Provisions are discounted to their present values where the time value of money is significant.

Any satisfaction which the Group is almost certain to be able to obtain from an external party regarding the obligation is reported as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is reported in the event the outflow of economic resources due to existing obligations is unlikely. Such situations are reported as contingent liabilities unless the likelihood of an outflow of resources is very small.

Significant assessments and estimates in the application of accounting principles

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

Significant assessments made by Group management

When financial reports are prepared, the Group's board of directors and CEO make a number of assessments, calculations and assumptions regarding reporting and the valuation of assets, liabilities, income and expenses.

The following are significant assessments which the board of directors and CEO make upon application of the accounting principles which have the most significant effect on the Group's financial reports.

Reporting of revenues from construction contracts

The reporting of revenues from construction contracts requires significant assessments in determining actual accrual and estimated expenses in order to complete the work.

Uncertainty in estimates

Set forth below is information regarding the estimates and assumptions which have the most significant effect on the reporting and valuation of assets, liabilities, income and expenses. The results from these may deviate significantly.

Impairment of non-financial assets and goodwill

In order to assess impairment, Group management calculates the recoverable amount of each asset or cash-generating unit based on anticipated future cash flows and using an appropriate rate of interest in order to be able to discount the cash flow. Uncertainty lies in assumptions regarding future operating profits and establishing an appropriate discount interest rate.

At the end of the financial year on 2016-12-31, goodwill amounted to SEK 825,822 thousand (2015-12-31: SEK 514,743 thousand; 2015-01-01: SEK 388,487 thousand). For more information regarding impairment test, please see note 13.

Acquisitions of businesses and valuation at fair value

Upon calculation of fair value, Group management employs valuation techniques for the specific assets and liabilities acquired in the acquisition of the business. Above all, the fair value of contingent considerations is dependent on the outcome of several variables including the future profitability of the company acquired.

Group management employs valuation techniques in the calculation of the fair value of financial instruments (in those cases in which no prices all available on active markets) and for non-financial assets. This means making estimates and assumptions which correspond to how parties on the market would price the instrument. Group management bases its assumptions, to the extent possible, on all observable data, but such data is not always available. In these cases, Group management uses the best information available. An estimated fair value may differ from the actual price which might be obtained in a transaction on commercial terms and conditions on the balance sheet date.

Contingent considerations are included in the item *Accrued expenses and deferred income* in the balance sheet and, on 2016-12-31, were valued at SEK 26,000 thousand (2015-12-31: SEK 3,300 thousand; 2015-01-01: SEK 0). For more information regarding these contingent considerations and acquisitions, please see note 36.

Revenue from construction agreements

Reported revenue amounts and associated recievables under construction agreements reflect Group management's best estimate of the results and degree of completion of each agreement. With respect to more complex contracts, there is significant uncertainty in the assessment of costs for completion and profitability.

At the end of the financial year ending 2016-12-31, recievables under construction agreements were reported in the balance sheet at SEK 56,971 thousand (2015-12-31: SEK 47,493 thousand; 2015-01-01: SEK 18,194 thousand). For more information regarding construction agreements, please see note 23.

The parent company's accounting and valuation principles

The parent company's annual report has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Reporting for legal entities. RFR 2 entails that, in the annual report for the legal entity, the parent company must apply all IFRS and statements approved by the EU to the extent possible within the scope of the Swedish Annual Accounts Act and taking into consideration the connection between reporting and taxation. The recommendation states which exceptions and supplements must be made regarding IFRS.

The parent company's annual report is presented in the company's reporting currency which is SEK.

The parent company's accounting and valuation principles correspond to those of the Group subject to the exceptions set forth below.

Presentation

The income statement and balance sheet follow the format of the Swedish Annual Accounts Act. The report of changes in shareholders' equity follows the Group's format but must contain the columns stated in the Swedish Annual Accounts Act. This also entails differences in designations, as compared with the consolidated financial statements, primarily regarding financial income and expenses and shareholders' equity.

Interests in subsidiaries

Interests in subsidiaries are reported at the acquisition value after deductions for any impairment. The acquisition value includes expenses related to the acquisition and any earnout.

When there is an indication that interests in subsidiaries have declined in value, a calculation of the recoverable amount is carried out. If this is lower than the reported value, a write-down is carried out. Write-downs are reported in the items "Profit/loss from interests in Group companies".

Group contributions

All group contributions provided and received are reported as appropriations.

Financial instruments

IAS 39 is not applied in the parent company and financial instruments are valued at acquisition value. In subsequent periods, financial instruments which have been acquired with the intention of being held on a short-term basis will, in accordance with the lowest of cost or market, be reported at the acquisition value or fair value, whichever is lower.

On each balance sheet date, the parent company determines whether there is any indication of impairment regarding any of the financial fixed assets. Impairment is made if the decrease in value is considered to be permanent. Impairment for interest-bearing financial assets reported at the accrued acquisition value is calculated as the difference between the asset's reported value and its present value based on corporate management's best estimate of future cash flows discounted by the asset's original effective interest rate. The impairment amount for other financial fixed assets is established as the difference between the reported value and the fair value less sales expenses or the present value of future cash flow (which is based on corporate management's best estimate), whichever is higher.

Shareholders' equity

Preference shares are classified in their entirety as shareholders' equity.

NOTE 2 SEGMENT REPORTING

Group management currently identifies the Group's two operating segments geographically. These operating segments are monitored by the Group's executive decision-makers and strategic decisions are taken based on the operating profit for the segments.

According to IFRS, the portion of the operations which does not constitute operating segments on its own is designated *Other segments*. At Instalco, this comprises the parent company and the two holding companies at the top of the Group's structure. These companies do not fulfill the definition of an operating segment.

The income measure monitored at Instalco is EBITA.

Net sales for the segments consist of external revenues from customers. No sales take place between the segments.

The Group considers that it supplies one service to its customers (installations) and therefore no further breakdown of revenues has been carried out.

The reporting by segment can be broken down as follows for the current reporting periods:

2016	Sweden	Rest of Nordics	Other	Elim	Instalco total
Net sales	2,139,019	267,787	9	–	2,406,816
EBITA	164,794	11,429	-36,030	–	140,192
EBITA margin,%	7.7%	4.3%	–	–	5.8%
Adjusted EBITA	164,794	11,429	-19,934	–	156,288
Adjusted EBITA margin,%	7.7%	4.3%	–	–	6.5%

2015	Sweden	Rest of Nordics	Other	Elim	Instalco total
Net sales	1,369,213	–	-396	–	1,368,817
EBITA	93,561	–	-44,654	–	48,907
EBITA margin,%	6.8%	–	–	–	3.6%
Adjusted EBITA	95,072	–	-9,111	–	85,961
Adjusted EBITA margin,%	6.9%	–	–	–	6.3%

The operations in Rest of Nordics began in 2016 and therefore there are no comparison figures from earlier periods.

Revenues from external customers broken down by country and based on where the customers are located:

SEK thousands	2016	2015
Sweden	2,139,028	1,368,817
Norway	248,044	–
Other countries	19,743	–
Total	**2,406,816**	**1,368,817**

Revenues included in Other countries are not significant in any individual country.

Fixed assets, other than financial instruments and deferred tax assets (there are no assets in conjunction with benefits following terminated employment or rights under insurance agreements), are broken down by country as follows:

SEK thousands	2016-12-31	2015-12-31	2015-01-01
Sweden	8,179	6,137	2,935
Norway	4,545	–	–
Other countries	99	–	–
Total	**12,823**	**6,137**	**2,935**

Fixed assets which are included in Other Countries are not significant in any individual country.

The Instalco Group does not have revenues from any individual customer which amount to more than 10% and therefore there is no reporting regarding this.

NOTE 3 REMUNERATION TO AUDITORS

Remuneration booked as expenses and other remuneration amounts to the following:

	the Group	
SEK thousands	**2016**	**2015**
Grant Thornton		
Audit services	3,270	1,732
Auditing activities in addition to auditing services	216	–
Tax advice	75	–
Other services	4,296	373
Other accounting firms		
Audit services	176	596
Auditing activities in addition to auditing services	36	–
Tax advice	20	21
Other services	204	23
Total	**8,293**	**2,745**

NOTE 4 OPERATIONAL RENTAL AGREEMENTS AND LEASE AGREEMENTS

	the Group	
SEK thousands	**2016**	**2015**
Leasing fees are booked as expenses for the year	**31,703**	**20,200**
Future contracted fees		
Termination date, year 1	**33,330**	**21,623**
Termination date, year 2	**26,999**	**15,442**
Termination date, year 3	**18,863**	**6,404**
Termination date, year 4	**6,476**	**4,504**
Termination date, year 5	**1,349**	**1,054**
Termination date, year 6 -	**683**	**-**
Total future contracted lease fees	**87,700**	**49,027**

The operational lease agreements of both the parent company as well as the Group relate primarily to commercial premises.

NOTE 5 SALARIES AND REMUNERATION TO EMPLOYEES

Costs which are reported for remuneration to employees are broken down as follows:

	the Group	
SEK thousands	**2016**	**2015**
Salaries, board of directors and CEO	2,034	
Salaries, other employees	499,763	292,504
Share-related remuneration	–	–
Pensions, defined contribution plan – directors and CEO	549	–
Pensions, defined contribution plan – other employees	34,973	23,887
Other employer payroll taxes	156,822	92,746
	694,141	**409,137**

Costs and obligations regarding pensions and similar items for the board of directors, CEO and previous board of directors and CEO:

SEK thousands	Base salary/ directors' fees	Variable remuneration	Other benefits[1]	Misc.[2]	Total
Olof Ehrlén	251	0	0	0	251
Anders Eriksson	397	148	0	0	545
Göran Jonsson	357	396	30	0	783
Tommy Larsson	218	0	26	0	244
Tomas Carlsson	324	0	0	0	324
Peter Möller	0	0	0	0	0
Johnny Alvarsson	140	0	0	0	140
Kennet Lundberg	70	0	0	0	70
Andreas Bruzelius	0	0	0	0	0
Mats Wäppling	0	0	0	0	0
CEO	738	0	56	0	794
Other senior management (3)	1,596	329	136	304	2,365
Total	**4,090.5**	**873**	**248**	**304**	**5,516**

1) Other benefits consists of company cars and health insurance.
2) Miscellaneous consists of consultancy fees. The amount for salaries includes bonuses of SEK 329 thousand (220).

A mutual notice of termination period of 6 months applies to the CEO and 3 months for other senior management employees. The Group does not have any agreements regarding severance compensation.

NOTE 6 EMPLOYEES

	2016		2015	
THE GROUP	Average number of employees	Of which, women (%)	Average number of employees	Of which, women (%)
Average number of employees	1,240	7	870	5

Average number of employees broken down by country:

	2016		2015	
THE GROUP	Average number of employees	Of which, women (%)	Average number of employees	Of which, women (%)
Sweden	1,035		**870**	
Norway	**182**		**0**	
Finland	**23**		**0**	
Total	**1,240**	**0**	**870**	**0**

NOTE 7 BREAKDOWN BY GENDER

0 (0) of the members of the board of directors are women.
1 (1) senior management employee is a woman.

NOTE 8 PROFIT/LOSS FROM INTERESTS IN GROUP COMPANIES

	Parent company	
SEK thousands	2016	2015
Dividends from group companies	–	45,609
Write-down of interests in group companies	–	-41,750
Total	**0**	**3,859**

NOTE 9 FINANCIAL INCOME/OTHER INTEREST INCOME AND SIMILAR PROFIT/LOSS ITEMS

	The Group	
SEK thousands	2016	2015
Other interest income	254	134
Interest income, cash and cash equivalents	822	159
Total interest income on financial assets not reported at fair value through profit or loss	1,076	293
Total	**1,076**	**293**

NOTE 10 FINANCIAL EXPENSES/INTEREST EXPENSES AND SIMILAR PROFIT/LOSS ITEMS

	The Group	
Tkr	2016	2015
Interest expenses, borrowing at accrued acquisition value		
Bank loans	8 536	3 204
Miscellaneous	462	18
Total	**8 998**	**3 222**

NOTE 11 INCOME TAX/TAX ON PROFIT FOR THE YEAR

The most important components of the tax expense for the financial year and the relationship between expected tax expense based on a Swedish effective tax rate of 22% (2015:22%) and reported tax expense in the income statement are as follows:

	The Group	
SEK thousands	2016	2015
Profit before tax	**132,270**	**30,073**
Tax according to applicable tax rate in Sweden, 22%	-29,099	-6,616
Effect of change in tax rate		
Adjustment of previous year's tax	–	5,305
Adjustment of tax expenses for acquired companies	-1,828	
Non-taxable income	462	351
Non-deductible expenses	-11,032	-11,088
Loss carryforwards utilised during the year which were not previously reported as an asset		
Miscellaneous	197	154
Tax reported in the income statement	-41,300	-11,894
The tax expenses consist of the following components:		
Short-term tax		
On profit for the year	**-34,850**	**-15,637**
Adjustment of the previous year's tax		**5,305**
Deferred tax expenses/income		
Change in temporary differences		**611**
Obeskattade reserver	**-5,211**	**-3,128**
Untaxed reserves	**-1,239**	**955**
Change loss carryforwards for tax purposes	**-41,300**	**-11,894**
Deferred tax expenses/income reported in other comprehensive income	**-41,300**	**-11,894**

NOTE 12 EARNINGS PER SHARE

Earnings per share
Earnings per share both before and after dilution have been calculated using the earnings attributable to the shareholders of the parent company as the numerator, i.e. no adjustments of earnings was required for 2016 or 2015.

Reconciliation of the weighted average number of shares used to calculate earnings per share after dilution can be verified against the weighted average number of ordinary shares used in the calculation of earnings per share prior to dilution as follows:

Earnings related to ordinary shares, SEK thousands	2016	2015
Earnings related to the parent company's shareholders according to the income statement	90,970	34,084
Effect of cumulative interest for the period related to holders of preference shares	-24,064	-7,518
Earnings related to holders of ordinary shares, prior to dilution	66,906	26,566
Earnings related to holders of ordinary shares, after dilution	**66,906**	**26,566**

Number of shares, thousands	2016	2015
Weighted average number of shares used in the calculation of earnings per share before dilution	96,068	89,130
Weighted average number of shares used in the calculation of earnings per share after dilution	**96,068**	**89,130**

NOTE 13 GOODWILL

Changes in reported values for goodwill are as follows:

	Koncernen	
SEK thousands	2016	2015
Opening balance, accumulated acquisition values	514,743	388,487
Investments for the year	–	–
Acquisitions of subsidiaries	307,378	125,787
Sales/disposals	-167	469
Currency exchange differences	3,868	–
Closing balance, accumulated acquisition values	825,822	514,743
Reported value	**825,822**	**514,743**

Test for impairment

The Group's goodwill in the amount of SEK 825,256 thousand (514,743 thousand) arose through acquisitions of subsidiaries. Tests for impairment of goodwill are carried out at the lowest levels where there are separate identifiable cash flows (cash-generating units). There are 28 cash-generating units in the Group.

The impairment test consists of assessing whether the unit's recoverable amount is higher than the reported value. The recoverable amount has been calculated on the basis of the unit's value in use, which comprises the present value of the unit's expected future cash flow without consideration given to any future expansion or restructuring of the operations. The same material assumptions have been made for all of the Group's cash-generating units, with the exception of two, since no material differences exist in the risk calculation between these markets. For the two for which the risk calculations deviate, the Group has made use of a different discount interest rate.

Material assumptions used in the calculations of value in use are set forth below:

- Annual growth rate for the first year has been estimated to be 0% and thereafter 2%. These calculations are based upon estimated future cash flows before tax based on financial budgets approved by corporate management covering a five-year period.
- The weighted average rate of growth in order to extrapolate cash flows beyond the budget has been estimated at 2%. This long-term growth rate corresponds to forecasts found in industry reports;
- The discount rate before tax used in the present value calculation of estimated future cash flows is 9.1%, with the exception of the units AB Expertkyl HH and AR Electro Prosjekt AS where the discount rate before tax used is 11.1%.
- For the units AB Expertkyl HH and AR Electro Prosjekt AS, the same assumptions have been made as above with the exception of the discount interest rate which, for these units, is estimated at 9.5%.

No reasonable change in important assumptions would entail that the reported value for any cash-generating unit above would exceed the recoverable amount.

NOTE 14 EQUIPMENT AND TOOLS

Changes in reported values regarding equipment and tools are as follows:

	The Group	
SEK thousands	2016	2015
Opening balance, accumulated acquisition values	7,862	**15,440**
Investments for the year	**5,498**	**3,491**
Acquisitions of subsidiaries	**6,712**	**2,836**
Sales/disposals	**-3,837**	**-13,905**
Reclassifications	**–**	**–**
Currency exchange differences	317	–
Closing balance, accumulated acquisition values	16,552	7,862
Opening balance, accumulated depreciation	-1,725	-12,605
Depreciation for the year	-4,074	-1,650
Acquisitions of subsidiaries		
Sales/disposals	2,238	12,530
Reclassifications	–	–
Currency exchange differences	-168	–
	–	–
Closing balance, accumulated depreciation	-3,729	-1,725
Reported value	**12,823**	**6,137**

NOTE 15 FINANCIAL ASSETS AND LIABILITIES

Categories of financial assets and liabilities

The accounting principles include a description of each category of financial assets and liabilities as well as related accounting principles. The reported values for financial assets and liabilities are as follows:

31 December 2016 SEK thousands	Realisable financial assets	Loan recievables and accounts receivable	Total
Financial assets			
Other long-term securities holdings	497		497
Other long-term receivables		193	193
Accounts receivable		403,500	403,500
Prepaid expenses and accrued income		23,731	23,731
Short-term investments	4,447		4,447
Cash and cash equivalents		154,968	154,968
	4,944	582,199	587,336

31 December 2016 SEK thousands	Liabilities, fair value[1]	Other liabilities	Total
Financial liabilities			
Long term borrowing		392,080	392,080
Short-term borrowing		7,900	7,900
Accounts payable and other liabilities		212,214	212,214
Accrued income and prepaid expenses	26,000	1,055	27,055
	26,000	613,249	639,249

1) Liabilities valued at fair value through profit or loss relates to contingent considerations. For more information, see note 30.

31 December 2015 SEK thousands	Loan recievables and accounts receivable	Total
Financial assets		
Other long-term receivables	50	50
Accounts receivable	272,727	272,727
Prepaid expenses and accrued income	31,507	31,507
Cash and cash equivalents	51,991	51,991
	356,275	356,275

31 December 2015 SEK thousands	Liabilities, fair value[1]	Other liabilities	Total
Financial liabilities			
Long term borrowing		343,678	343,678
Short-term borrowing		40,000	40,000
Accounts payable and other liabilities		122,971	122,971
Accrued income and prepaid expenses	3,300	462	3,762
	3,300	507,111	510,411

1) Liabilities valued at fair value through profit or loss relate to contingent consideration. For more information, see note 30.

1 January 2015 SEK thousands	Loan recievables and accounts receivable	Total
Financial assets		
Other long-term recievables	77	77
Accounts receivable	111,760	111,760
Prepaid expenses and accrued income	11,736	11,736
Cash and cash equivalents	105,046	105,046
	228,619	228,619

1 January 2015 SEK thousands	Liabilities, fair value[1]	Other liabilities	Total
Financial liabilities			
Long term Borrowing		80,000	80,000
Short-term borrowing		35	35
Accounts payable and other liabilities		59,301	59,301
Accrued income and prepaid expenses	0	0	0
		139,336	139,336

1) Liabilities valued at fair value through profit or loss relate to contingent consideration. For more information, see note 30.

Borrowing

Borrowing includes the following financial liabilities:

Long-term borrowing, SEK thousands	31 December 2016	31 December 2015	1 January 2015
Other bank loans	392,080	343,678	80,000
	392,080	**343,678**	**80,000**

Short-term borrowing, SEK thousands	31 December 2016	31 December 2015	1 January 2015
Other bank loans	7,900	40,000	35
	7,900	**40,000**	**35**

The Group has a bank loan in the amount of SEK 139 million for a term until 4 September 2021 and 4 September 2022. Interest is fixed under the bank loan for terms of 6 months STIBOR. In addition to the bank loan, the Group has overdraft facilities in the amount of SEK 75 million (0) linked to the Group's cash pool as well as a revolving credit facility in the amount of SEK 300 million (240). The loan agreements contain financial key ratios (covenants) which the Group must fulfill, as is customary for this type of loan agreement. Instalco fulfilled these key ratios by an ample margin at the end of the year.

Total granted credit commitments, including overdraft facilities amounted to SEK 375 million (240) on 31 December 2016. Of the granted revolving credit facility commitments, SEK 262 million (200) were utilised and of the overdraft facilities SEK 0 (0) was utilised. The remaining time to maturity on the revolving credit facility is 69 (70) months.

Fair value

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

- Listed prices (unadjusted) on active markets for identical assets or liabilities (level 1);
- Observable data for the asset or liability other than listed prices included in level 1, either directly (i.e. as price quotations) or indirectly (i.e. derived from price quotations) (level 2);
- Data for the asset or liability which is not based on observable market data (i.e. non-observable data) (level 3).

Financial instruments which are valued at fair value in the balance sheet and classified at level 2 according to the fair value hierarchy include short-term receivables and other long-term securities holdings. These fair values have been established through calculation of discounted cash flows.

Contingent considerations which are valued at fair value in the balance sheet are classified at level 3 according to the fair value hierarchy. For more information regarding valuation techniques and changes in the fair value, see note 36.

Fair value for long-term borrowing:

Long-term borrowing, SEK thousands	31 December 2016	31 December 2015	1 January 2015
Fair value	440,705	389,591	87,499
	440,705	**389,591**	**87,499**

Fair value is based on discounted cash flows with an interest rate based on a borrowing rate of 1.81% (31 December 2015: 1.96%, 1 January 2015: 1.664%) and is at level 2 in the fair value hierarchy.

The fair value of short-term borrowing and other financial instruments largely corresponds to reported values since the discounting effect is not significant.

NOT 16 ANDELAR I KONCERNFÖRETAG

The composition of the Group

The Group includes direct holdings in the subsidiary, Instalco Holding AB with a reported value of SEK 1,270,148 and indirect holdings in subsidiaries as follows:

Name/registered office	Segment	Number of shares	Share % 2016	Share % 2015
Instalco Holding AB	Other	437,730	100%	100%
Instalco Sverige AB	Other	50,000	100%	100%
PoB:s Elektriska AB / Uppsala	Sweden	6,000	100%	100%
Klimatrör i Stockholm AB / Stockholm	Sweden	1,000	100%	100%
Rörgruppen AB / Stockholm	Sweden	2,500	100%	100%
ORAB Entreprenad AB / Gävle	Sweden	1,000	100%	100%
VVS Metoder i Stockholm AB / Stockholm	Sweden	5,000	100%	100%
OTK Klimat Installationer AB / Uppsala	Sweden	501	100%	100%
Aktiebolaget Rörläggaren / Malmö	Sweden	5,000	100%	100%
AB Expertkyl HH / Gothenburg	Sweden	10,000	100%	100%
Tofta Plåt & Ventilation AB / Lidköping	Sweden	1,000	100%	100%
LG Contracting AB / Karlstad	Sweden	100	100%	100%
El-Pågarna i Malmö AB / Malmö	Sweden	5,000	100%	100%
Bi-Vent AB / Helsingborg	Sweden	4,500	100%	100%
VallaCom AB / Linköping	Sweden	1,000	100%	100%
Voltmen OY / Helsinki	Rest of Nordics	100	100%	100%
Elexpressen i Lund AB / Lund	Sweden	1,000	100%	100%
Ohmegi Elektro AB / Stockholm	Sweden	3,000	100%	100%
Romerike Elektro AS / Klöfta	Rest of Nordics	1,000,000	100%	–
AR Elektro Prosjekt AS / Klöfta	Rest of Nordics	200	100%	–
Inkon Sverige AB	Sweden	50,000	100%	–
Trä och inredningsmontage Kylteknik i Bandhagen AB / Stockholm	Sweden	5,000	100%	–
Tunabygdens VVS Installatör AB / Dalarna	Sweden	2,000	100%	–
Dalab VVS Installation AB / Dalarna	Sweden	500	100%	–
Dalab Dala Luftbehandling AB / Dalarna	Sweden	1,000	100%	–
Rörteft AS / Kjeller	Rest of Nordics	50	100%	–
Vito Oslo AS / Oslo	Rest of Nordics	2,000,000	100%	–
Vito Teknisk Entreprenör AS / Drammen	Rest of Nordics	1,000	100%	–
Vito Vestfold AS / Tönsberg	Rest of Nordics	1,000,000	100%	–
Ventilationsförbättringar i Malmö AB / Skåne	Sweden	300	100%	–
JN Elinstallatörer AB / Stockholm	Sweden	1,000	100%	–

All subsidiaries conduct operations in the installations industry.

Changes during the year:

SEK thousands	The parent company 31 December 2016	31 December 2015
Opening balance, accumulated acquisition values	1,098,148	–
Acquisition/contribution provided	172,000	1,098,148
Closing balance, accumulated acquisition values	**1,270,148**	**1,098,148**
Reported value	**1,270,148**	**1,098,148**

NOTE 17 SHARES REPORTED ACCORDING TO THE EQUITY METHOD/SHARES IN ASSOCIATES

Holdings in associates

The following associates are part of the Group where no individual associate is of material significance to the Group:

Name/registered office	Company reg. no.	Number of interests	Interest (%)	Reported value
BM Control Service i Uppland AB	556950-3591	1,520	38	152

Changes during the year

SEK thousands	The Group 2016	2015
Opening balance, accumulated acquisition values	152	152
Closing balance, accumulated acquisition values	**152**	**152**
Reported value	**152**	**152**

NOTE 18 OTHER LONG-TERM SECURITIES HOLDINGS

The Group's long-term securities holdings relate primarily to pension allocation funds and ownership of endowment policies. The maturity dates for the endowment policies are dependent on the date of retirement of the individuals insured.

SEK thousands	The Group 2016	2015
Opening balance, accumulated acquisition values	–	–
Additional values through acquisitions	497	–
Closing balance, accumulated acquisition values	**497**	**0**
Reported value	**497**	**0**

NOTE 19 DEFERRED TAX ASSETS AND TAX LIABILITIES

Deferred taxes which arise as a consequence of temporary differences and unutilised loss carryforwards are summarised as follows:

Changes during the year:

SEK thousands	1 January 2016	Reported in Other comprehensive income	Income statement	13 December 2016
Untaxed reserves	-20,105	–	-9,861	-29,966
Temporary differences	-611	–	549	-62
Unutilised loss carryforwards	1,561	–	-1,081	480
	-19,155	–	-10,393	-29,548

Changes during the year:

SEK thousands	1 January 2015	Reported in Other comprehensive income	Income statement	13 December 2015
Untaxed reserves	-13,162	–	-6,943	-20,105
Temporary differences	-611	–	–	-611
Unutilised losses carried forward	630	–	931	1,561
	-13,143	–	-6,012	-19,155

Deferred tax assets are reported for loss carryforwards for tax purposes to the extent it is likely that they can be utilised through future taxable profits. The Group reported deferred tax assets in the amount of SEK 480,000 (2015: SEK 1,561,000) which may be utilised against future taxable profits.

There is no time limit on loss carryforwards.

NOTE 20 OTHER LONG-TERM RECEIVABLES

SEK thousands	The Group 31 December 2016	31 December 2015	1 January 2015
Opening balance, accumulated acquisition values	50	77	
New recievables	143	–	
Payment/amortisation	0	-27	
Closing balance, accumulated acquisition recievables	**193**	**50**	**0**
Reported value	**193**	**50**	**0**

Other long-term recievables relate to lease deposits.

NOTE 21 INVENTORIES, ETC.

Inventories consists the following:

Tkr	The Group 31 December 2016	31 December 2015	1 January 2015
Finished goods	5,738	3,629	1,284
	5,738	**3,629**	**1,284**

NOTE 22 ACCOUNTS RECEIVABLE

Age breakdown of accounts receivable and provisions for doubtful accounts receivable:

SEK thousands	The Group 31 December 2016	31 December 2015	1 January 2015
Accounts receivable, gross	407,229	273,659	111,760
Provisions for bad debt losses	-3,729	-932	0
Accounts receivable	**403,500**	**272,727**	**111,760**

Accounts receivable

SEK thousands	The Group 31 December 2016	31 December 2015	1 January 2015
Accounts receivable, not due and payable	341,669	245,445	99,015
Accounts receivable, due and payable 0 – 3 months	54,472	26,550	12,089
Accounts receivable, due and payable 4 – 6 months	2,240	810	268
Accounts receivable, due and payable more than 6 months	8,848	854	388
Provision for doubtful accounts receivable	-3,729	-932	0
Total	**403,500**	**272,727**	**111,760**

Changes in the provisions for doubtful accounts receivable for the Group are as follows:

SEK thousands	2016	2015
1 January	**932**	**0**
Provisions for bad debts	3 149	1 906
Receivables written off during the year as uncollectible	-198	-872
Reversed unutilised amounts	-154	-102
Reversal of discount effect		
31 December	**3 729**	**932**

Reported amounts per currency for the Group's accounts receivable are as follows:

	The Group		
SEK thousands	**31 December 2016**	**31 December 2015**	**1 January 2015**
SEK	340,864	272,727	111,760
NOK	60,588	0	0
EUR	2,048	0	0
	403,500	**272,727**	**111,760**

NOTE 23 CONSTRUCTION AGREEMENTS

	The Group	
SEK thousands	**31 December 2016**	**31 December 2015**
Accrued, non-invoiced income	56,971	47 493
Invoiced, non-accrued income	-62,628	-16,531
Net in balance sheet	**-5,657**	**30,962**

NOTE 24 PREPAID EXPENSES AND ACCRUED INCOME

	The Group		
SEK thousands	**31 December 2016**	**31 December 2015**	**1 January 2015**
Prepaid rent	4,572	1,821	1,089
Prepaid insurance	1,594	483	782
Accrued income, bonuses, etc.	23,731	31,507	11,736
Other items	7,652	7,042	4,882
Reported value	**37,549**	**40,853**	**18,489**

NOTE 25 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following:

SEK thousands	31 December 2016	31 December 2015	1 January 2015
Cash on bank accounts and petty cash	154,968	51,991	105,046
Short-term investments	4,447	–	–
	159,415	**51,991**	**105,046**

NOTE 26 SHAREHOLDERS' EQUITY

Share capital

The share capital in the parent company consists solely of fully paid up ordinary shares with a nominal value (quota (par) value) of SEK 1/share. The company has 109,762 class A shares which are ordinary shares and 212,441 class B-AZ shares which are preference shares.

Each preference share entitles the holder to priority to dividends over ordinary shares with annual interest. In the event of liquidation of the company, each preference share entitles the holder to priority to dividends over holders of ordinary shares, less any earlier sums payable on the preference shares in the form of dividends with preference rights. Preference shares entitle the holder to one vote for each share as is the case with the company's ordinary shares and there are no repayment terms and conditions regarding the preference shares.

Subscribed and paid up shares (thousands):	2016	2015
At the beginning of the year	280	–
Formation of Instalco Intressenter – the Group	–	280
New share issue	42	-
Subscribed and paid up shares	322	280
Total authorised shares at the end of the year	322	280

Provisions SEK thousands	Recalculation provision	Realisable financial assets	Total
1 January 2015	–	–	–
31 December 2015/1 January 2016	–	–	–
Currency exchange rate differences, group companies	5,958	–	5,958
Revaluation of realisable assets, gross	–	-120	-120
Revaluation of realisable assets, taxes	–	30	30
As of 31 December 2016	**5,958**	**-90**	**5,868**

NOTE 27 PROVISIONS

All provisions are reported as short-term in the Group and in the parent company under the heading "Provisions". The reported values and changes in these are as follows:

The Group SEK thousands	Other	Total
Reported value, 1 January 2015	6,077	6,077
Additional provisions	1,025	1,025
Reported value, 31 December 2015	7,102	7,102
Additional provisions	1,754	1,754
Reported value, 31 December 2016	**8,856**	**8,856**

Provisions reported as per the acquisition date in an acquisition of a business are included in "Additional provisions" above. Provisions which are classified as being "Held for sale" are included under "Utilised amounts" above.

Other provisions relate to various legal and other claims by customers, such as warranties under which the customers receive compensation for repair costs.

Normally, these claims are settled within 3 to 18 months from the time the claim is brought depending on which approach is used in the negotiation of the claim. Since the time for settlement of these claims is largely dependent on how quickly the negotiations proceed with various counterparties and legal authorities, the Group cannot reliably estimate the sums which will ultimately be paid out after more than 12 months from the balance sheet date. Consequently, the amount is classified as short-term in the Group's financial reports.

Most of the other provisions reported as per 31 December 2015 relate to claims initiated in 2015 and settled in 2016. After having consulted legal counsel, corporate management does not anticipate that the outcome of any of the remaining cases will give rise to any significant loss beyond those sums reported as per 31 December 2016. In order not to prejudice the Group's position in these disputes, none of the provisions will be reported in more detail here.

NOTE 28 LIABILITIES TO CREDIT INSTITUTIONS

Of the above-stated liability items, the following amounts are due and payable after more than 5 years.

Long-term	The Group		
SEK thousands	31 December 2016	31 December 2015	1 January 2015
Liabilities to credit institutions	360,100	307,900	80,000
	360,100	**307,900**	**80,000**

NOTE 29 ACCOUNTS PAYABLE

The amounts reported as accounts payable are broken down into currencies as follows:

	The Group		
SEK thousands	31 December 2016	31 December 2015	1 January 2015
SEK	184,142	122,971	59,301
NOK	27,815	–	–
EUR	257	–	–
	212,214	**122,971**	**59,301**

The values reported for accounts payable are considered to be a reasonable approximation of the fair value.

NOTE 30 ACCRUED EXPENSES AND DEFERRED INCOME

	The Group		
SEK thousands	31 December 2016	31 December 2015	1 January 2015
Expenses related to personnel	158,680	85,342	48,421
Interest	1,055	462	–
Other items	41,080	9,652	8,358
Reported value	**200,815**	**95,456**	**56,779**

NOTE 31 PLEDGED ASSETS AND CONTINGENT LIABILITIES

Pledged assets	The Group		
SEK thousands	31 December 2016	31 December 2015	1 January 2015
For own provisions and liabilities:			
Liabilities to credit institutions			
Shares pledged in Group companies	1,063,060	754,482	336,414
Floating charges	232,583	92,550	68,718
Pledged accounts receivable	1,800,000		
Other pledged assets	104,170		
Pledged assets provided for the benefit of Group companies:			
Other pledged assets provided			
Other pledged assets			
Floating charges		21,900	
Other security provided	1,038,894	783	
	4,238,707	**869,715**	**405,132**

Contingent liabilities			
Performance guarantees	33,211	8,063	
	33,211	**8,063**	**0**

NOTE 32 TRANSACTIONS WITH RELATED PARTIES

60.6% of Instalco Intressenter AB is owned by FSN Capital IV Limited Partnership which thus has a controlling influence over the Group. The ownership of the remaining portion of the shares is diversified.

Services agreements with related parties are executed on market terms and conditions. On the balance sheet date there are no receivables or liabilities with respect to related parties. No transactions which have materially affected the company's position and earnings have taken place between the company and related parties. With respect to other transactions, no significant changes have occurred as compared to last year.

For information regarding remuneration paid to senior management, see note 5.

NOTE 33 EVENTS AFTER THE BALANCE SHEET DATE

In Q1 2017, Instalco acquired the company Andersen og Aksnes Rörläggeribedrift AS in Norway, which is a part of the Rest of Nordics segment. In 2016, the company had sales of SEK 98 million and 32 employees. As of the date of the annual report, the acquisition analysis set forth below is still preliminary.

Preliminary details in the acquisition of the business are as follows:

Fair value of the purchase price at the time of acquisition	
SEK thousands	
Contingent purchase price	8,536
Cash and cash equivalents	98,314
Total purchase price	**106,850**
Reported amounts for identifiable net assets	
Tangible fixed assets	708
Other short-term assets	29,358
Cash and cash equivalents	19,080
Other liabilities	-19,352
Total identifiable net assets	**29,794**
Goodwill at the time of the acquisition	77,056
	106,850

Acquisition-related expenses amounts are, preliminarily, SEK 693 thousand.

Under agreements regarding contingent considerations, the Group is obligated to make cash payments in respect of future results. The maximum, undiscounted, amount which may be paid to the previous owners is SEK 8,480 thousand. The fair value of the contingent consideration is at level 3 in the fair value hierarchy.

The goodwill in the amount of SEK 77,056 thousand which arose through the acquisition is not related to any specific balance sheet item and is not anticipated to give rise to any synergy effects.

NOTE 34 ADJUSTMENTS WHICH DO NOT AFFECT CASH FLOW AND CHANGES IN WORKING CAPITAL

The following cash flow affecting adjustments and adjustments for changes in working capital have been carried out in profit before taxes in order to obtain the cash flow from the operating activities:

Write-offs and write-downs of nonfinancial items	The Group	
SEK thousands	2016	2015
Depreciation	4,074	1,751
Changes in accrued interest	937	–
Provisions	1,263	166
Impairment	–	6
Capital gains/losses from financial items	-759	–
Capital gains/losses from nonfinancial items	198	-811
Other adjustments	2,348	-8,026
	8,061	**-6,914**

NOTE 35 DEFINITIONS OF KEY RATIOS

KEY FIGURE	DEFINITION/CALCULATION	PURPOSE
Net sales growth	Change in net sales as a percentage of net sales during the comparison period.	Change in net sales reflects the Group's realised sales growth over time.
EBIT margin	Operating profit (EBIT) as a percentage of net sales.	EBIT margin is used to measure operating profitability.
EBITA	Operating profit (EBIT) before amortisation and impairment of acquisition-related intangible fixed assets.	EBITA provides an overall view of profit generated by operating activities.
EBITA margin	Operating profit (EBIT) before amortisation and impairment of acquisition-related intangible fixed assets, as a percentage of net sales.	EBITA margin is used to measure operating profitability.
EBITDA	Operating profit (EBIT) before amortisation and impairment of acquisition-related intangible fixed assets as well as depreciation/amortisation and impairment of tangible and intangible assets.	EBITDA together with EBITA provides a holistic view of profit generated by the operating activities.
EBITDA margin	Operating profit (EBIT) before amortisation and impairment of acquisition-related intangible fixed assets as well as depreciation/amortisation and impairment of tangible and intangible fixed assets, as a percentage of net sales.	EBITDA margin is used to measure operating profitability.
Items affecting comparability	Items affecting comparability, such as earnouts, acquisition costs, refinancing costs, IPO costs and sponsor costs.	Exclusion of items affecting comparability increases comparability of results between periods.
Adjusted EBITA	EBITA adjusted for items affecting comparability.	Adjusted EBITA increases the comparability of EBITA.
Adjusted EBITA margin	EBITA adjusted for items affecting comparability, as a percentage of net sales.	Adjusted EBITA margin excludes the effect of items affecting comparability, thereby facilitating a comparison of the underlying operating profitability.
Adjusted EBITDA	EBITDA adjusted for items affecting comparability.	Adjusted EBITDA increases the comparability of EBITDA.
Adjusted EBITDA margin	EBITDA adjusted for items affecting comparability, as a percentage of net sales.	Adjusted EBITDA margin excludes the effect of items affecting comparability, thereby facilitating a comparison of the underlying operating profitability.
Operating cash flow	Adjusted EBITDA less net investments in tangible and intangible fixed assets as well as adjustment for cash flow from changes in working capital.	The operating cash flow is used to monitor the cash flow generated by the operating activities.
Cash conversion	Operating cash flow as a percentage of adjusted EBITDA.	Cash conversion is used to monitor the efficiency of the Group's management of ongoing investments and working capital.
Working capital	Inventories, accounts receivable, accrued, non-invoiced income, prepaid expenses and accrued income and other current assets, less provisions, accounts payable, invoiced but non-accrued 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 in relation to net sales	Working capital at the end of the period as a percentage of net sales in the most recent 12-month period.	Working capital in relation to net sales is used to measure the Company's working capital tie-up.
Interest-bearing net debt	Long-term and current interest-bearing liabilities less cash and cash equivalents and other current investments	Interest-bearing net debt is used as a measure to show the Group's total indebtedness.
Net debt in relation to adjusted EBITDA	Interest-bearing net debt as at the end of the period a divided by adjusted EBITDA, rolling 12 months.	Net debt in relation to adjusted EBITDA gives a feeling for the company's ability to decrease its debts. It represents the number of years it would take to repay the debt if the net debt and adjusted EBITDA is held consistent, without considering cash flows regarding interest, tax and investments.
Net debt/equity ratio	Interest-bearing net debt as a percentage of total equity.	Net debt/equity ratio measures the degree to which the Group is financed by borrowing. Since cash and cash equivalents and other current investments can be used to pay debt on short notice, net debt is used in the calculation instead of gross debt.
Order backlog	The value of outstanding not yet accrued project revenues from received orders at the end of the period.	The order backlog is an indicator of the Group's outstanding project revenues from already received orders.

NOTE 36 ACQUISITIONS OF BUSINESSES

Instalco carried out the following acquisitions in 2016:

Unit acquired	Country	Acquisition date	Share of shareholders' equity	Est. annual sales, SEK millions	Number of employees
El-verksamhet / Helsinki	Finland	February	100%	15	16
El-verksamhet / Klöfta	Norway	March	100%	58	40
El-verksamhet / Klöfta	Norway	March	100%	49	8
Kylverksamhet / Stockholm	Sweden	June	100%	66	44
VS-verksamhet / Arboga	Sweden	July	100%	36	35
Ventialtion- och VS-verksamhet / Mockfjärd	Sweden	July	100%	93	41
VS-verksamhet/ Kjeller	Norway	July	100%	52	26
Ventilationsverksamhet / Drammen	Norway	September	100%	154	85
Ventialtionsverksamhet / Malmö	Sweden	November	100%	49	30
El-verksamhet / Södertälje	Sweden	December	100%	104	49

Instalco carried out the following acquisitions in 2015:

Unit acquired	Country	Acquisition date	Share of shareholders' equity	Est. annual sales, SEK millions	Number of employees
VS-verksamhet / Karlstad	Sweden	April	100%	133	78
El-verksamhet / Malmö	Sweden	May	100%	25	19
Ventilationsverksamhet / Helsingborg	Sweden	June	100%	122	55
El-verksamhet / Linköping	Sweden	June	100%	76	46
El-verksamhet / Lund	Sweden	November	100%	22	21
El-verksamhet / Stockholm	Sweden	November	100%	174	121

No single acquisition is of material significance to the Group and therefore the information has been consolidated below. The Group is anticipated to increase its presence on these national and international markets as a result of the acquisitions.

All acquisition analyses were established prior to the expiration of 2016.

The details of the acquisitions of businesses are as follows:

SEK thousands	2016	2015
Fair value of purchase price at time of acquisition		
Contingent consideration	26,000	3,300
Cash and cash equivalents	408,579	177,073
Total purchase price	**434,579**	**180,373**
Reported amounts for identifiable net assets		
Tangible fixed assets	6,715	2,926
Financial fixed assets	4,732	1,737
Deferred tax assets	698	–
Other short-term assets	183,822	94,686
Cash and cash equivalents	101,625	53,880
Deferred tax liabilities	-4,046	-4,428
Other liabilities	-166,345	-94,215
Total identifiable net assets	**127,201**	**54,586**
Goodwill at the time of the acquisition	307,378	125,787
	434,579	**180,373**
Compensation paid in cash and cash equivalents	408,579	177,073
Less: acquired cash and cash equivalents	-102,235	-53,880
Net cash flow at the time of acquisition	**306,344**	**123,193**

Acquisition related costs in the amount of SEK 6,005 thousand (SEK 5,444 thousand) are included in the item Other operating expenses in the consolidated income statement. Recalculation to IFRS yielded an effect of SEK 18,903 thousand (SEK 28,565 thousand) related to earnouts and acquisition costs as compared with the cash flow analysis of SEK 325,247 thousand (SEK 94,628 thousand).

In accordance with agreements regarding contingent considerations, the Group should make cash payments of earnouts in respect of future earnings. The maximum, undiscounted, amount which may be paid to the previous owners is SEK 25 million. The fair value of the contingent consideration is at level 3 in the fair value hierarchy.

Contingent considerations are reported under the item "Accrued expenses and deferred income" in the balance sheet and, as per 31 December 2016, amounted to SEK 26 million (31 December 2015: SEK 3,300 thousand; 1 January 2015: SEK 0 thousand).

Set forth below is a table illustrating changes in reported contingent purchase prices:

SEK thousands	2016	2015
As of 1 January	3,300	-
Profits or losses reported in the income statement	5,943	24,509
Paid contingent purchase prices	-9,243	-24,509
Arose due to acquisition during the year	26,000	3,300
As of 31 December	**26,000**	**3,300**

The goodwill in the amount of SEK 307,378 thousand which arose through acquisitions in 2016 is entirely attributable to goodwill. The goodwill in the amount of SEK 125,787 thousand which arose through acquisitions in 2015 is attributable to goodwill in the Group. No other intangible assets have been identified which fulfill the terms and conditions for separate reporting.

The revenues from acquisitions in 2016 which are included in the consolidated income statement following the date of each acquisition amount to SEK 386,729 thousand. Units acquired in 2016 have contributed to the profit of SEK 1,286 thousand for 2016.

If units acquired during the year had been consolidated from 1 January 2016, the consolidated income statement would have reported additional income of SEK 444,853 thousand and additional profit of SEK 48,580 thousand.

Acquisition of Instalco Holding AB

Instalco Holding AB was acquired through a share issue against payment in kind on 16 September 2015. This transaction is reported in the consolidated financial statements as an acquisition of a business which includes companies under common control. Thus, no acquisition analysis has been prepared. Instead, historical acquisition analyses are taken over. See further under the Group's accounting principles.

NOTE 37 RISKS RELATING TO FINANCIAL INSTRUMENTS

Risk management goals and principles

The Group is exposed to various risks with respect to financial instruments. Summary information regarding the Group's financial assets and financial liabilities broken down into categories is set forth in a separate note; see above. The main types of risks are market risk (interest rate risk and currency rate risk), credit risk and liquidity risk.

The Group's risk management is coordinated at its headquarters in close cooperation with the board of directors and focuses actively on hedging the Group's short-term to mid-term cash flows by minimising exposure to the volatile financial markets. Long-term financial investments are managed in order to generate lasting return.

The most significant financial risks to which the Group is exposed are described below.

Market risk

The Group is exposed to market risk through currency risk and interest rate risk as a consequence of both the operating activities as well as the investing activities.

Currency risk

Transaction risk arises when future transactions are denominated in a currency which is not the unit's functional currency. The Group's units do not have significant transactions in any currency other than the unit's functional currency and therefore the Group's transaction risk is not significant.

In 2016, the Group had a number of holdings in foreign businesses, the net assets of which are exposed to currency risks. The Group has not elected to currency hedge the currency exposure which arises from the net assets in the Group's foreign operations since these are not considered to be significant. The table below illustrates the translation risk by demonstrating how a reasonable possible change in the currency for each foreign business, where all other variables remain constant, would affect the translation difference in total comprehensive income which is included in the item "Reserves" in total equity.

SEK thousands	2016
EUR/SEK – +/– 10%	7
NOK/SEK – +/– 10%	589

Interest rate risk

The Group's interest rate risk arises through long-term borrowing. Borrowing at a variable interest rate exposes the Group to interest rate risks regarding cash flow. The Group's exposure to the variable interest rate has not been significant during the year and therefore no risk management measures have been taken. In 2016 and 2015, the Group's borrowing was at a variable interest rate in SEK.

The table set forth below illustrates the effects on the Group's earnings after taxes of a reasonably possible change in the interest rate on borrowing in SEK, with all other variables remaining constant. All effects on earnings relate to effects from higher/lower interest expenses for borrowing at a variable interest rate. Ther are no further effects with respect to total equity.

SEK thousands	2016	2015
25 base points higher/lower	1,003	868

For more information regarding the Group's borrowing, see note 15.

Analysis of credit risk

Credit risk is the risk that a contracting party will fail to fulfil an obligation towards the Group. The Group is exposed to this risk for various financial instruments, for example through receivables from customers. The Group's maximum exposure to credit risk is limited to the reported value of financial assets on 31 December, as set forth below:

SEK thousands	2016	2015
Types of financial assets – reported values		
Cash and cash equivalents	159,415	51,991
Accounts Receivable and other receivables	403,500	272,727
Total	**562,915**	**324,718**

The Group continuously monitors nonpayment by customers and other contracting parties, identified by the Group individually or by category and the Group incorporates this information in its credit risk controls. Where external credit ratings and/or reports regarding customers and other contracting parties are available at a reasonable cost, these are obtained and used. The Group's policy is to only do business with creditworthy parties.

The Group's management believes that all of the above-stated financial assets which have not been written down or become due and payable by 31 December have a high credit quality.

On 31 December, the Group had certain accounts receivable which had not been settled by the agreed due date but which are not considered to be doubtful. The amounts as per 31 December, specified based on the due date, are as follows:

SEK thousands	2016	2015
Due and payable:		
Not more than 3 months	54,472	26,550
3 months but not more than 6 months	2,240	810
More than 6 months	8,848	854
Total	**93,774**	**28,214**

With respect to accounts receivable and other receivables, the Group is not exposed to any significant credit risks regarding any individual contracting party or group of contracting parties with similar characteristics. Accounts receivable consist of a large number of customers in different industries and geographical areas. Based on historical information regarding suspension of payments by customers, Group management believes that the accounts receivable which have not yet become due and payable or written down have a good credit quality.

The credit risk for cash and cash equivalents is considered to be negligible since the contracting parties are highly reputed banks with high credit ratings by external assessors.

Analysis of liquidity risk

Liquidity risk is the risk that the Group will be unable to fulfill its obligations. The Group manages its liquidity needs by monitoring planned loan payments for long-term financial liabilities and forecast receipts of payments and payments made in the day-to-day operations. The data used to analyse these cash flows corresponds with the data used in the analysis of contracted loan terms set forth below. The liquidity needs are monitored using various time spans, daily and weekly, and in a rolling 30-day forecast. Long-term liquidity needs for a period of 180 days and 360 days are identified monthly.

Net cash requirements are compared with available credit facilities in order to establish a safety margin or any potential deficits. This analysis demonstrates that available loan facilities are expected to be sufficient during this period.

The Group's goal is to have cash and cash equivalents and realisable securities which fulfill the liquidity requirements in periods of at least 30 days. This goal is achieved during the reporting period. The financing of long-term liquidity needs is also secured by an appropriate amount of granted credit facilities and the possibility to sell long-term financial assets.

The Group takes into consideration anticipated cash flows from financial assets in the assessment and management of liquidity risk, particularly cash reserves and accounts receivable. The Group's existing cash reserves and accounts receivable significantly exceed the current requirements for cash outflows. Cash flow from accounts receivable and other receivables all become due and payable within 6 months.

As per 31 December 2016, the Group's financial liabilities which are not derivatives have contracted terms (including interest payments where applicable), which can be summarised as follows:

	Short-term		Long-term	
31 DECEMBER 2016	Within 6 months	6 – 12 months	1 – 5 years	Longer than 5 years
Liabilities to credit institutions	3,950	3,950	–	392,080
Accounts payable and other liabilities	250,109			
Total	**254,059**	**3,950**	**–**	**392,080**

This can be compared with the terms during previous reporting periods for the Group's financial liabilities which are not derivatives as follows:

	Short-term		Long-term	
31 DECEMBER 2015	Within 6 months	6 – 12 months	1 – 5 years	Longer than 5 years
Liabilities to credit institutions		40,000	–	343,678
Accounts payable and other liabilities	165,131		–	
Total	**165,131**	**40,000**	**–**	**343,678**

NOTE 38 PROPOSAL FOR ALLOCATION OF THE PARENT COMPANY'S PROFIT OR LOSS

The following retained earnings are available for allocation by the annual general meeting (SEK thousands):

Share premium reserve	736,395
Retained earnings from last year	402,768
Loss for the year	-4,735
	1,134,428

The board of directors proposes that the retained earnings

be carried forward	1,134,428
	1,134,428

NOTE 39 EFFECTS OF TRANSITION TO IFRS

These are the first financial reports which Instalco has prepared in accordance with IFRS.

The effects of the change in accounting principles have been reported directly against total equity. Previously published financial information for the 2015 financial year, prepared in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 (K3) have been recalculated to IFRS. Financial information for financial years before 2015 has not been recalculated.

Acquisitions of businesses carried out before 1 January 2015 have not been recalculated. Other voluntary and compulsory exceptions from a retroactive application of IFRS have not been applied by the Group.

Upon transition to IFRS, the accounting principles applicable on 31 December 2016 have been applied for recalculated periods. The following tables illustrate how the conversion to IFRS has affected the Group's financial position and earnings.

For the year2015, the transition to IFRS entails that the total earnings for the year for the Group have increased by SEK 15,928 thousand as a consequence of reversed depreciation of goodwill in the amount of SEK 45,955 thousand, acquisition costs booked as expenses in the amount of SEK -5,444 thousand, earnouts in the amount of SEK -24,509 thousand, adjustments to warranty provisions totaling SEK -80, thousand, and defined contribution endowment insurance totaling SEK 6, thousand.

This entails that the Group's shareholders' equity at the time of the transition was reduced by SEK 4,660 thousand.

Consolidated report of total profit
1 January - 31 December 2015

SEK thousands	Note	According to previous principles	Adjustments to IFRS	According to IFRS
Revenues				
Net sales		1,368,817		1,368,817
Other income		3,353		3,353
Total revenues		**1,372,170**		**1,372,170**
Operating expenses				
Material and purchased services	b	-753,563	-102	-753,665
Other external expenses		-100,543		-100,543
Personnel expenses	c	-437,231	6	-437,225
Depreciation/amortisation of tangible and intangible fixed assets	d	-47,706	45,955	-1,751
Tangible fixed assets	b			
Other operating expenses	e, f	-126	-29,953	-30,079
Total Operating expenses		**-1,339,169**	**15,906**	**-1,323,263**
Operating profit		**33,001**	**15,906**	**48,907**
Profit from other fixed securities and recievables		134	-134	0
Financial income		159	134	293
Financial expenses		-3,222		-3,222
Financial items - net		**30,072**	**15,906**	**45,978**
Income tax	b	-11,917	23	-11,894
Profit for the year		**18,155**	**15,929**	**34,084**

Consolidated balance sheet as of 1 January 2015 SEK thousands	Note	According to previous principles	Adjustments to IFRS	According to IFRS
ASSETS				
Fixed assets				
Intangible fixed assets				
Goodwill		388,487		388,487
Tangible fixed assets				
Equipment and tools		2,935		2,935
Financial fixed assets				
Shares in associates		152		152
Associate recievables		48		48
Other long-term securities holdings	c	101	-101	
Other long-term recievables		29		29
Deferred tax assets		630		630
Total fixed assets		392,382	-101	392,281
Short-term assets				
Inventories		1,284		1,284
Accounts receivable		111,760		111,760
Short-term tax asset	b	2,835	1,286	4,121
Other recievables		11,278		11,278
Accrued, non-invoiced income		18,194		18,194
Prepaid expenses		18,489		18,489
Cash and cash equivalents		105,046		105,046
Total short-term assets		268,886	1,286	270,172
Total assets		**661,268**	**1,185**	**662,453**
EQUITY AND LIABILITIES				
Equity				
Share capital	i	4,138	-4,138	0
Additional paid-in capital	i	421,334	4,138	425,472
Other equity including profit for the year		-28,276	-4,660	-32,936
Total equity		397,196	-4,660	392,536
Provisions	a	14,005	-14,005	
Long-term liabilities				
Interest bearing financial liabilities		80,000		80,000
Deferred tax liabilities	a		13,773	13,773
Total long-term liabilities		80,000	13,773	93,773
Short-term liabilities				
Interest bearing financial liabilities		35		35
Accounts payable		59,301		59,301
Provisions	a		6,077	6,077
Invoiced, non-accrued income		25,540		25,540
Accrued expenses and deferred income		56,779		56,779
Other liabilities		28,412		28,412
Total short-term liabilities		170,067	6,077	176,144
TOTAL EQUITY AND LIABILITIES		**661,268**	**1,185**	**662,453**

Consolidated balance sheet as of 31 December 2015 SEK thousands	Note	According to previous principles	Adjustments to IFRS	According to IFRS
ASSETS				
Fixed assets				
Intangible fixed assets				
Goodwill	b, d, e	473,727	41,016	514,743
Tangible fixed assets				
Equipment and tools		6,137		6,137
Financial fixed assets				
Shares in associates		152		152
Associate recievables				
Other long-term securities holdings	c	601	-600	1
Other long-term recievables	h	248	-198	50
Deferred tax assets		1,561		1,561
Total fixed assets		482,426	40,218	522,644
Short-term assets				
Inventories		3,629		3,629
Accounts receivable		272,727		272,727
Short-term tax asset	b	6,748	1,402	8,150
Other recievables		19,914		19,914
Accrued, non-invoiced income		47,493		47,493
Prepaid expenses	g	44,375	-3,522	40,853
Cash and cash equivalents	h	51,967	24	51,991
Total short-term assets		446,853	-2,096	444,757
Total assets		**929,279**	**38,122**	**967,401**
EQUITY AND LIABILITIES				
Equity				
Share capital	i	280		280
Additional paid-in capital	i	548,792	-283,797	264,995
Other equity including profit for the year	b, c, d, e, h, i	-318,426	319,574	1,148
Total equity		230,646	35,777	266,423
Provisions	a, b, c	21,951	-21,951	
Long-term liabilities				
Interest bearing financial liabilities	g	347,200	-3,522	343,678
Deferred tax liabilities	a		20,716	20,716
Total long-term liabilities		347,200	17,194	364,394
Short-term liabilities				
Interest bearing financial liabilities		40,000		40,000
Accounts payable		122,971		122,971
Aktuella skatteskulder		12,364		12,364
Provisions	b		7,102	7,102
Invoiced, non-accrued income		16,531		16,531
Accrued expenses and deferred income		95,456		95,456
Other liabilities		42,160		42,160
Total short-term liabilities		329,482	7,102	336,584
TOTAL EQUITY AND LIABILITIES		**929,279**	**38,122**	**967,401**

The main rule is that all applicable IFRS and IAS standards which have entered into force and been approved by the EU are to be applied with retroactive effect. However, IFRS 1 contains transitional provisions which allow certain exceptions to the rule requiring application with complete retroactivity. Instalco has elected to apply the following exceptions:

a) Acquisitions of businesses which have been acquired prior to the transition date (1 January 2015) have not been recalculated according to IFRS.

The following adjustments have been made in the transition to IFRS:

a) **Provisions** – as opposed to K3, the layout of the balance sheet according to IFRS breaks down provisions into long-term and short-term provisions. The Group's provisions have therefore been broken down in accordance with this.

b) **Warranty provisions** – provisions for warranty costs according to the Group's principles have affected the acquisitions of businesses made in 2015 and have been recalculated in accordance with IFRS. The warranty provisions which have been changed in the acquisition analysis have resulted in effects on goodwill and deferred taxes.

c) **Pensions** – Instalco has pension obligations regarding direct pensions secured through endowment policies pledged to the benefit of the beneficiary. These are classified in accordance with IAS 19 as defined contribution plans and have therefore been eliminated from the balance sheet.

d) **Acquisition expenses** – IFRS does not permit capitalising transaction expenses in conjunction with the acquisition of a business. The costs for acquisitions which have been capitalised according to K3 and which constitute a part of the value of goodwill are therefore adjusted and booked as expenses in the period in which they arose.

e) **Depreciation of goodwill** – IFRS does not permit depreciation of goodwill. This means that depreciation carried out after the transition date to IFRS is reversed.

f) **Contingent consideration** – according to IFRS, changes in the fair value of contingent considerations made in the acquisition analysis and which are a result of events occurring after the date of the acquisition must be reported in the income statement. The contingent consideration has subsequently been valued at fair value on each balance sheet date.

g) **Borrowing costs** – according to IFRS, transaction fees for taking loans must reduce the acquisition value of the loan and be allocated in the accounts over the term of the loan by applying the effective interest method. Previously, these costs were reported as prepaid expenses and have therefore been adjusted.

h) **Reclassification of subsidiaries** – the dormant company, Voltmen, was acquired close in time to the close of the 2015 accounts and temporarily classified as a financial receivable. Since the acquisition was completed before the end of the year, this was adjusted and Voltmen's cash on account increased the Group's cash on account while the acquired equity is eliminated.

i) **Acquisitions of businesses which include companies under common control** – the Group's new parent company, Instalco Intressenter AB, acquired Instalco Holding AB in 2015 (the former Instalco Group) through a share issue against payment in kind. Acquisitions of businesses which include companies under common control are not clearly regulated by IFRS and therefore historical acquisition values have been applied. For more information, see the basic principles governing the preparation of the report.

NOTE 40 ITEMS AFFECTING COMPARABILITY

Amounts in SEK thousands	2016	2015
	5,943	24,509
Earnouts	6,005	5,444
Acquisition costs	2,013	5,590
Refinancing costs	2,135	–
IPO costs	–	1,510
Sponsor costs	**16,096**	**37,053**
Total		

NOTE 41 QUARTERLY INFORMATION

Amounts in SEK thousands	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Sales measure								
Net sales	777,227	556,408	598,911	474,269	486,693	335,963	303,893	242,267
Net sales growth,%	*59.7 %*	*65.6 %*	*97.1 %*	*95.8 %*	-	-	-	-
Income measure								
EBIT (Operating profit)	57,739	10,996	48,609	22,848	38,400	-6,850	9,555	7,802
EBITA	57,739	10,996	48,609	22,848	38,400	-6,850	9,555	7,802
EBITDA	59,618	12,006	49,206	23,436	39,031	-6,407	9,922	8,111
Adjusted EBITA	60,911	15,108	54,918	25,351	38,317	15,047	24,371	8,225
Adjusted EBITDA	62,789	16,117	55,515	25,939	38,948	15,490	24,738	8,535
Margin measure								
EBIT margin,%	*7.4 %*	*2.0 %*	*8.1 %*	*4.8 %*	*7.9 %*	*-2.0 %*	*3.1 %*	*3.2 %*
EBITA margin,%	*7.4 %*	*2.0 %*	*8.1 %*	*4.8 %*	*7.9 %*	*-2.0 %*	*3.1 %*	*3.2 %*
EBITDA margin,%	*7.7 %*	*2.2 %*	*8.2 %*	*4.9 %*	*8.0 %*	*-1.9 %*	*3.3 %*	*3.3 %*
Adjusted EBITA margin,%	*7.8 %*	*2.7 %*	*9.2 %*	*5.3 %*	*7.9 %*	*4.5 %*	*8.0 %*	*3.4 %*
Adjusted EBITDA margin,%	*8.1 %*	*2.9 %*	*9.3 %*	*5.5 %*	*8.0 %*	*4.6 %*	*8.1 %*	*3.5 %*
Capital structure								
Working capital	-16,662	2,915	15,320	34,747	100,396	55,474	7,220	-1,656
Working capital in relation to net sales,%	*-0.7 %*	*0.1 %*	*0.8 %*	*2.2 %*	*7.3 %*	-	-	-
Interest-bearing net debt	240,566	210,228	265,382	292,776	331,687	284,959	25,551	-22,889
Net debt/equity ratio,%	*43.4 %*	*40.6 %*	*78.0 %*	*99.3 %*	*124.5 %*	*106.6 %*	*5.7 %*	*-5.6 %*
Interest bearing net debt in relation to EBITDA (rolling twelve months)	1.7x	1.7x	2.5x	4.4x	6.5x	-	-	-
Other								
Order backlog	1,999,399	1,910,883	1,683,249	1,649,589	1,318,123	1,116,436	1,156,669	856,389
Number of local units at end of period	29	27	19	18	15	13	13	9
Average number of employees	1,240	1,221	1,082	1,043	870	949	760	759
Number of employees at end of period	1,295	1,257	1,120	1,060	925	985	786	785

NOTE 42 KEY RATIOS NOT DEFINED ACCORDING TO IFRS

Amounts in SEK thousands	2016	2015
Sales measure		
Net sales	2,406,816	1,368,817
Net sales growth,%	*75.8%*	*171.3%*
Organic net sales growth,%	*22.0%*	*26.6%*
Acquired growth in net sales,%	*53.8%*	*144.7%*
Exchange rate movements,%	–	–
Income measure		
EBIT (Operating profit)	140,192	48,907
EBITA	140,192	48,907
EBITDA	144,266	50,658
Adjusted EBITA	156,288	85,961
Adjusted EBITDA	160,362	87,712
Margin measure		
EBIT margin,%	*5.8%*	*3.6%*
EBITA margin,%	*5.8%*	*3.6%*
EBITDA margin,%	*6.0%*	*3.7%*
Adjusted EBITA margin,%	*6.5%*	*6.3%*
Adjusted EBITDA margin,%	*6.7%*	*6.4%*
Cash flow and return measure		
Operating cash flow	288,389	-12,739
Cash conversion,%	*179.8%*	*-14.5%*
Return on equity,%	*22.0%*	*10.3%*
Capital structure		
Working capital	-16,662	100,396
Working capital in relation to net sales,%	*-0.7%*	*7.3%*
Interest-bearing net debt	240,566	331,687
Net debt/equity ratio,%	*43.4%*	*124.5%*
Other		
Order backlog	1,999,399	1,318,123
Number of units at end of period	29	15
Average number of employees	1,240	870
Number of employees at end of year	1,295	925

NOTE 43 RECONCILIATION TABLES, YEARLY

Calculation of organic growth in net sales

Amounts in SEK thousands	2016	2015
Net sales	**2,406,816**	**1,368,817**
Acquired net sales	737,075	730,004
Exchange rate movements	–	–
(A) Comparison figure compared with preceding year	1,669,741	638,813
(B) Net sales, preceding year	1,368,817	504,531
(A/B) Organic growth in net sales,%	***22.0%***	***26.6%***

Income measure and margin measure

Amounts in SEK thousands	2016	2015
(A) Operating profit (EBIT)	**140,192**	**48,907**
Depreciation/amortisation and impairment of acquisition-related intangible fixed assets	–	–
(B) EBITA	**140,192**	**48,907**
Depreciation/amortisation and impairment of tangible and intangible fixed assets	4,074	1,751
(C) EBITDA	**144,266**	**50,658**
Items affecting comparability		
Earnouts	5,943	24,509
Acquisition costs	6,005	5,444
Refinancing costs	2,013	5,590
IPO costs	2,135	–
Sponsor costs	–	1,510
Total adjustments	**16,096**	**37,053**
(D) Adjusted EBITA	**156,288**	**85,960**
(E) Adjusted EBITDA	**160,362**	**87,712**
(F) Net sales**	**2,406,816**	**1,368,817**
(A/F) EBIT margin,%	*5.8%*	*3.6%*
(B/F) EBITA margin,%	*5.8%*	*3.6%*
(C/F) EBITDA margin,%	*6.0%*	*3.7%*
(D/F) Adjusted EBITA margin,%	*6.5%*	*6.3%*
(E/F) Adjusted EBITDA margin,%	*6.7%*	*6.4%*

Cash flow and return measures

Amounts in SEK thousands	2016	2015
Calculation of operating cash flow and cash conversion		
(A) Adjusted EBITDA	160,362	87,712
Net investments in tangible and intangible fixed assets	-4,018	-780
Changes in working capital	132,236	-99,671
(B) Operating cash flow	**288,580**	**-12,739**
(B/A) Cash conversion,%	**180.0%**	**-14.5%**
Calculation of return on equity		
(A) Net profit	90,970	34,084
Equity at the start of period	266,423	392,536
Equity at end of period	553,403	266,423
(B) Average total equity	409,913	329,479
(A/B) Return on total equity,%	**22.2%**	**10.3%**

Capital Structure

Amounts in SEK thousands	2016	2015
Calculation of working capital and working capital in relation to net sales		
Inventories	5,738	3,629
Accounts receivable	403,500	272,727
Accrued, non-invoiced income	56,971	47,493
Prepaid expenses and accrued income	37,549	40,853
Other current assets	10,370	19,914
Accounts payable	-212,214	-122,971
Invoiced but non-accrued income	-62,628	-16,531
Accrued expenses and deferred income including provisions	-209,671	-102,558
Other short-term liabilities	-46,277	-42,160
(A) Working capital	**-16,662**	**100,396**
(B) Net sales (rolling 12 months)	2,406,816	1,368,817
(A/B) Working capital in relation to net sales (rolling 12 months), %	**-0.7%**	**7.3%**
Calculation of interest-bearing net debt and net debt/equity ratio		
Long-term interest-bearing financial liabilities	392,080	343,678
Current interest-bearing financial liabilities	7,900	40,000
Other short-term investments	-4,447	0
Cash and cash equivalents	-154,968	-51,991
(A) Interest-bearing net debt	**240,566**	**331,687**
(B) Equity	553,403	266,423
(A/B) Net debt/equity ratio, %	**43.4%**	**124.5%**
(C) EBITDA	144,266	50,658
(A/C) Interest-bearing net debt in relation to EBITDA	**1.7x**	**6.5x**

NOTE 44 RECONCILIATION TABLES, QUARTERLY

Income measure and margin measure

Amounts in SEK thousands	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
(A) Operating profit (EBIT)	**57,739**	**10,996**	**48,609**	**22,848**	**38,400**	**-6,850**	**9,555**	**7,802**
Depreciation/amortisation and impairment of acquisition-related intangible fixed assets	-	-	-	-	-	-	-	-
(B) EBITA	**57,739**	**10,996**	**48,609**	**22,848**	**38,400**	**-6,850**	**9,555**	**7,802**
Depreciation/amortisation and impairment of tangible and intangible fixed assets	1,879	1,009	597	588	631	443	368	309
(C) EBITDA	**59,618**	**12,006**	**49,206**	**23,436**	**39,031**	**-6,407**	**9,922**	**8,111**
Items affecting comparability								
Earnouts	-	243	5,700	-	-4,674	17,610	11,573	-
Acquisition costs	736	2,792	291	2,185	2,588	-	2,876	-
Refinancing costs	1,059	318	318	318	1,610	3,980	-	-
IPO costs	1,377	758	-	-	-	-	-	-
Sponsor costs	-	-	-	-	412	307	367	423
Total, items affecting comparability	**3,172**	**4,112**	**6,309**	**2,503**	**-83**	**21,897**	**14,816**	**423**
(D) Adjusted EBITA	**60,911**	**15,108**	**54,918**	**25,351**	**38,317**	**15,047**	**24,371**	**8,225**
(E) Adjusted EBITDA	**62,789**	**16,117**	**55,515**	**25,939**	**38,948**	**15,490**	**24,738**	**8,535**
(F) Net sales	**777,227**	**556,408**	**598,911**	**474,269**	**486,693**	**335,963**	**303,893**	**242,267**
(A/F) EBIT margin,%	*7.4 %*	*2.0 %*	*8.1 %*	*4.8 %*	*7.9 %*	*-2.0 %*	*3.1 %*	*3.2 %*
(B/F) EBITA margin,%	*7.4 %*	*2.0 %*	*8.1 %*	*4.8 %*	*7.9 %*	*-2.0 %*	*3.1 %*	*3.2 %*
(C/F) EBITDA margin,%	*7.7 %*	*2.2 %*	*8.2 %*	*4.9 %*	*8.0 %*	*-1.9 %*	*3.3 %*	*3.3 %*
(D/F) Adjusted EBITA margin,%	*7.8 %*	*2.7 %*	*9.2 %*	*5.3 %*	*7.9 %*	*4.5 %*	*8.0 %*	*3.4 %*
(E/F) Adjusted EBITDA margin,%	*8.1 %*	*2.9 %*	*9.3 %*	*5.5 %*	*8.0 %*	*4.6 %*	*8.1 %*	*3.5 %*

Amounts in SEK thousands	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Calculation of working capital and working capital in relation to net sales								
Inventories	5,738	5,356	3,754	3,843	3,629	3,354	3,354	1,268
Accounts receivable	403,500	349,449	296,253	264,195	272,727	195,764	175,671	121,854
Accrued, non-invoiced income	56,971	54,203	48,175	44,644	47,493	29,812	21,226	25,980
Prepaid expenses and accrued income	37,549	16,663	18,037	28,664	40,853	32,127	13,950	6,044
Other short-term assets	10,370	9,325	9,025	8,950	19,914	4,887	7,105	5,948
Accounts payable	-212,214	-220,879	-175,276	-150,847	-122,971	-122,878	-106,477	-66,511
Invoiced but non-accrued income	-62,628	-24,430	-	-	-16,531	-834	-3,243	-16,008
Accrued expenses and deferred income	-209,671	-168,855	-154,637	-144,279	-102,558	-77,578	-89,337	-73,457
Other short-term liabilities	-46,277	-17,916	-30,011	-20,424	-42,160	-9,178	-15,029	-6,775
(A) Working capital	**-16,662**	**2,915**	**15,320**	**34,747**	**100,396**	**55,474**	**7,220**	**-1,656**
(B) Net sales (rolling 12 months)	2,406,816	2,116,282	1,895,837	1,600,819	1,368,817	-	-	-
(A/B) Working capital in relation to net sales,%	***-0.7 %***	***0.1 %***	***0.8 %***	***2.2 %***	***7.3 %***	**-**	**-**	**-**
Calculation of interest-bearing net debt and net debt/equity ratio								
Long-term interest-bearing financial liabilities	392,080	443,911	321,120	374,560	343,678	199,998	-7	-
Short-term interest-bearing financial liabilities	7,900	-98	40,000	40,000	40,000	140,000	120,000	80,001
Cash and cash equivalents	-159,414	-233,585	-95,738	-121,785	-51,991	-55,040	-94,442	-102,890
(A) Interest-bearing net debt	**240,566**	**210,228**	**265,382**	**292,776**	**331,687**	**284,959**	**25,551**	**-22,889**
(B) Equity	553,403	518,263	340,089	294,822	266,423	267,230	449,013	406,590
(A/B) Net debt/equity ratio,%	***43.5 %***	***40.6 %***	***78.0 %***	***99.3 %***	***124.5 %***	***106.6 %***	***5.7 %***	***-5.6 %***
(C) EBITDA (rolling 12 months)	144,266	123,679	105,266	65,982	50,657	-	-	-
(A/C) Interest-bearing net liabilities in relation to EBITDA (rolling 12 months)	1.7x	1.7x	2.5x	4.4x	6.5x	-	-	-

NOTE 45 APPROVAL OF FINANCIAL REPORTS

The Group's financial reports for the reporting period ending 31 December 2016, including comparison figures) were approved by the board of directors on 17 March 2017.

Auditor's report regarding historical financial information

To the Board of Directors in Instalco Intressenter AB, corporate identity number 559015-8944

We have audited the financial statements for Instalco Intressenter AB on pages 108–136, which comprise the balance sheet as of 31 December 2014, 31 December 2015 and 31 December 2016 and the income statement, cash flow statement and statement of changes in equity for the years then ended, and a description of significant accounting policies and other explanatory notes.

The Board of Directors' and the Managing Director's responsibility for the financial statements

The Board of Directors and the Managing Director are responsible for the preparation and the fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU and the Annual Accounts Act and additional applicable framework. This responsibility includes designing, implementing and maintaining internal control relevant to preparing and appropriately presenting financial statements that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the preparation and fair presentation in accordance with the requirements in the Prospectus Regulation (EC) No 809/2004.

The auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with FAR´s Recommendation RevR 5 Examination of Prospectuses. This recommendation requires that we comply with FAR`s ethical requirements and have planned and performed the audit to obtain reasonable assurance that the financial statements are free from material misstatements. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the Instalco Intressenter AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

An audit in accordance with FAR´s Recommendation RevR 5 Examination of Prospectuses involves performing procedures to obtain audit evidence corroborating the amounts and disclosures in the financial statements. The audit procedures selected depend on our assessment of the risks of material misstatements in the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the company's preparation and fair presentation of the financial statements as a basis for designing audit procedures that are applicable under those circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also involves evaluating the accounting policies applied and the reasonableness of the significant accounting estimates made by the Board of Directors and the Managing Director and evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion the financial statements give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU/Annual Accounts Act and additional applicable framework of the financial position of Instalco Intressenter AB as of 31 December 2014, 31 December 2015 and 31 December 2016 and its financial performance, statement of changes in equity and cash flows for these years.

Stockholm, April 28, 2017

Grant Thornton Sweden AB

Jörgen Sandell
Authorized auditor

Definitions

"CORNERSTONE INVESTOR"
Swedbank Robur Fonder AB, Handelsbanken Fonder AB, RAM ONE AB, Carnegie Fonder AB, Pareto Asset Management AS och Färna Invest AB.

"COMPANY", "INSTALCO", "GROUP" OR "GROUP COMPANY"
Depending on the context, Instalco Intressenter AB (publ), reg. no 559015-8944, the group in which the Company is the parent company or a subsidiary in the group.

"CARNEGIE"
Carnegie Investment Bank AB (publ).

"OFFERING"
The offering to acquire shares in the Company in accordance with this Prospectus.

"EUR"
Euro.

"EUROCLEAR"
Euroclear Sweden AB.

"FSN" OR "PRINCIPAL SHAREHOLDER"
FSN Capital GP IV Limited (as General Partner (equivalent to a complementary) in the following: (i) FSN Capital IV L.P., (ii) FSN Capital IV (B) L.P., and (iii) FSN Capital IV Invest LP).

"GLOBAL COORDINATOR"
SEB.

"JOINT BOOKRUNNERS"
SEB and Carnegie.

"CODE"
Swedish Code of Corporate Governance.

"LOCAL UNIT"
Local units refer to the subsidiary or group of subsidiaries which are operated as one single unit. There may be several legal subsidiaries of Instalco included in the definition of a Local unit when referred to in this Prospectus.

"MANAGERS"
SEB and Carnegie.

"NASDAQ STOCKHOLM"
The regulated market operated by Nasdaq Stockholm Aktiebolag.

"NOK"
Norwegian kroner.

"PLACING AGREEMENT"
Agreement regarding placing of shares described in section "Legala considerations and supplementary information" (under "Agreement regarding placing of shares").

"PROSPECTUS"
This prospectus that has been prepared in connection with the Offering.

"SEB"
Skandinaviska Enskilda Banken AB (publ).

"SEK"
Swedish kronor.

"SELLING SHAREHOLDERS"
The Principal Shareholder and other shareholders who offer existing shares of the Company for sale in accordance with this Prospectus.

"USD"
American dollars.

"OVER-ALLOTMENT OPTION"
The over-allotment option described under section "Terms and instructions" (under "Over-Allotment Option").

Addresses

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SE-111 23 Stockholm
Sweden

GLOBAL COORDINATOR AND JOINT BOOKRUNNER

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SEB Corporate Finance
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Sweden

JOINT BOOKRUNNER

CARNEGIE INVESTMENT BANK AB
Visiting address: Regeringsgatan 56, Stockholm
Postal address: SE-103 38 Stockholm
Sweden

SELLING AGENT

NORDNET BANK AB
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LEGAL ADVISOR TO THE COMPANY

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LEGAL ADVISOR TO THE MANAGERS

WHITE & CASE ADVOKAT AB
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AUDITOR

GRANT THORNTON SWEDEN AB
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