

## **The board of directors' of Instalco AB (publ) reasoned statement pursuant to Chapter 18, section 4 and Chapter 19, section 22 of the Swedish Companies Act**

With respect to the board of directors' proposal made to the annual general meeting on 6 May 2024 regarding a dividend of SEK 0.68 per share (corresponding to a total of approximately SEK 179 million) and the proposal on an authorisation for the board of directors to acquire own shares, the board of directors makes the following statement pursuant to Chapter 18, section 4 and Chapter 19, section 22 of the Swedish Companies Act.

The proposed dividend is in line with Instalco's dividend policy, which is to distribute 30 per cent of the profit of the previous year after taxes. If the annual general meeting resolves in accordance with the board of directors' proposal for dividend, approximately SEK 1,180 million will be carried forward. The board of directors notes that there is full coverage for the company's equity after the proposed dividend has been made. It is the board of directors' assessment that the financial position will remain strong after the proposed dividend and is expected to be fully adequate for the company to have the ability to meet its obligations in both the short and long term and provide the opportunity to make potentially necessary investments.

The proposal to authorise the board of directors to resolve on acquisition of own shares stipulates that the board of directors may only acquire shares to the extent that the company at any time holds a maximum of five per cent of all shares in the company. The amount payable by the company at exercise of the authorisation depends on whether, and in such case to what extent, the board of directors decides to exercise the authorisation and at what share price such acquisition is made. Assuming full exercise of the proposed authorisation through acquisition of 12,894,806 shares at a share price of SEK 42.44, the closing price of the company's share on Nasdaq Stockholm on 25 March 2024, the total consideration would amount to approximately SEK 547.3 million, corresponding to approximately 40 per cent of the company's non-restricted equity as of 31 December 2023.

The board of directors has resolved that the group shall have a high level of financial flexibility and allow acquisitions to be made. The proposed dividend and the proposed authorisation for the board of directors to acquire own shares do not constitute any deviation from the financial targets regarding capital structure which have been decided upon by the board of directors.

The board of directors assesses that the dividend to the shareholders of the proposed amount and the proposal to authorise the board of directors to acquire own shares are justifiable with respect to the demands that the nature, scope and risks of the operations place on the size of the company's and the group's equity, and further taking into account the consolidation requirements, liquidity and financial position in general. The company's financial position and solidity remain

strong and are deemed to be sufficient for the company to have the ability to fulfil its short and long-term obligations and to have the ability to make necessary investments.

However, the board of directors will make a new assessment in accordance with Chapter 19, Section 22 of the Swedish Companies Act prior to each potential decision to exercise the proposed authorisation to acquire treasury shares. The board of directors will thus only resolve on acquisitions of shares if, and to the extent, the board of directors deems this to be justifiable as required pursuant to the Swedish Companies Act.

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Stockholm in March 2024

**Instalco AB (publ)**

*The board of directors*