

Office translation – this document is an office translation of a statement originally drafted in Swedish. In the event of discrepancy between this English version and the Swedish version, the Swedish version shall prevail.

The board of directors in Instalco AB (publ)'s statement regarding the proposed dividend (item 9) and the authorization for the board of directors to purchase and sell the company's own shares (item 16) at the annual general meeting to be held on the 7th of May 2020

With respect to the board of directors' proposal made to the annual general meeting to be held on 7th of May 2020, regarding dividend of SEK 2,30 per share, which in total amounts to SEK 113,764,426 (item 9) and the proposal to resolve on an authorization for the board of directors to purchase and sell the company's own shares (item 17), the board of directors makes the following statement according 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 percent of the previous year's profit after tax. If the annual general meeting votes in accordance with the board of directors' proposal for dividend, SEK 1,155,382,877 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. Taking into account also the prevailing circumstances due to covid-19 and from what the board of directors can assess at present, 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 authorize the board of directors to purchase the company's own shares stipulates that the board of directors may only purchase shares to the extent that the company at any time holds a maximum of 5 percent of the total number of shares in the company.

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 authorization for the board of directors to purchase the company's own shares do not constitute any deviation from the financial targets for capital structure as decided by the board. No financial instruments have been valued at fair value under Chapter 4, Section 14 a of the Swedish Annual Accounts Act.

The board of directors assesses that a dividend to the shareholders with the proposed amount and the proposal to authorize the board of directors to purchase shares are justifiable concerning the demands on the company and the group's equity requirements, considering the nature, scope and risks of the company's and the group's operations, and further taking the consolidation requirements, liquidity and financial position in general into consideration. The company's financial position and solidity remain strong and are deemed to be sufficient for the company to have the ability to fulfill its short- and long-term obligations and to have the ability to make necessary investments.

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March 2020
Instalco AB (publ)
The board of directors