

Interim report January–June 2023

Strong growth in GARO E-mobility but more tentative in GARO Electrification

APRIL–JUNE 2023

- Net sales amounted to MSEK 386.0 (350.2).
- Net sales increased 10% (3).
- EBIT amounted to MSEK 18.2 (39.6).
- EBIT margin amounted to 4.7% (11.3).
- Net income was MSEK 20.1 (33.3).
- Earnings per share amounted to SEK 0.40 (0.67).

JANUARY–JUNE 2023

- Net sales amounted to MSEK 756.3 (731.8).
- Net sales increased 3% (16).
- EBIT amounted to MSEK 45.9 (106.4).
- EBIT margin amounted to 6.1% (14.5).
- Net income was MSEK 40.6 (87.1).
- Earnings per share amounted to SEK 0.81 (1.74).

SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER

- Framework agreement signed with E.ON Drive Infrastructure covering products and solutions for public charging in Europe.
- GARO Entity Pro has completed approved third-party certification (Tüv Syd, Germany) pursuant to international charging standards. The certification demonstrates that GARO provides the market with a safe and secure wall box.
- The new production and logistics facility in Poland was completed as planned and commenced operations in July.
- The majority of Polish production was relocated from the existing facility. GARO has begun the process of divesting the existing facility.

GARO GROUP KEY FIGURES ¹⁾	Apr–Jun 2023	Apr–Jun 2022	+/- %	Jan–Jun 2023	Jan–Jun 2022	R12	Jan–Dec 2022
Net sales, MSEK	386.0	350.2	10	756.3	731.8	1,415.0	1,390.5
EBITDA, MSEK	31.1	48.0	-35	68.3	123.4	133.7	188.8
EBITDA margin, %	8.1	13.7		9.0	16.9	9.4	13.6
EBIT, MSEK	18.2	39.6	-54	45.9	106.4	92.3	152.8
EBIT margin, %	4.7	11.3		6.1	14.5	6.5	11.0
Net income, MSEK	20.1	33.3	-40	40.6	87.1	74.2	120.5
Earnings per share ² , SEK	0.40	0.67	-40	0.81	1.74	1.48	2.41
Cash flow from operating activities, MSEK	-3.5	33.9		-50.2	45.2	-5.3	89.2
Investments, MSEK	26.1	15.6		76.2	32.3	164.1	120.1
Depreciation, MSEK	13.0	8.4		22.4	17.0	41.4	36.0
Equity ratio, %	49.4	61.2		49.4	61.2	49.4	53.2
Equity per share ² , SEK	12.94	11.49		12.94	11.49	12.94	12.29
Return on equity, %	12.1	33.2		12.1	33.2	12.1	20.7
Return on capital employed, %	12.6	34.7		12.6	34.7	12.6	22.1
Net debt (+) / net cash position (-), MSEK	308.6	51.8		308.6	51.8	308.6	143.7
Net debt (+) / net cash position (-) excluding IFRS16, MSEK	236.1	17.0		236.1	17.0	236.1	65.2

¹⁾ For definitions of key figures, see page 21

²⁾ Earnings per share were not diluted, so earnings per share pertains to before and after dilution.

Strong growth in GARO E-mobility but more tentative in GARO Electrification

Overall, the GARO Group posted a healthy sales trend for the second quarter with net sales of MSEK 386 (350), corresponding to growth of 10%. Sales in the GARO E-mobility business area increased 47% while sales in GARO Electrification declined 5%.

Production in the GARO

E-mobility business area was gradually ramped up in all product groups as a result of the improved supply of materials with fewer supply chain disruptions. Our delivery times have significantly improved in GARO E-mobility.

EBIT amounted to MSEK 18.2 compared with MSEK 39.6 for the year-earlier quarter. Earnings for the quarter were negatively impacted by exchange-rate differences of about MSEK 8 with the decline of the SEK against the EUR applying pressure on the gross margin in the quarter. To maintain long-term growth and profitability, we implemented several changes in terms of premises, organization and market investments during the first half of 2023. Moving forward, a major focus area will be cost control and improving gross margins through measures such as increased production efficiency and price adjustments.

Our new production and logistics facility in Poland was completed as planned and commenced operations in July. The majority of Polish production was therefore relocated from the existing facility, which we commenced a process to divest, valued at approximately MSEK 45.

GARO E-MOBILITY

Net sales in the GARO E-mobility business area increased 47% during the quarter.

The demand for charging stations for larger projects at commercial properties, public places and tenant-owner associations is high and is currently the main growth driver for the business area.

Sales of GARO Entity Pro were successful in Sweden and the UK during the quarter.

In Sweden, the market for home chargers is somewhat subdued due to the economy and rising interest rates, which is also reflected in new car registrations for private individuals, which decreased year-on-year in the first half of 2023. At the same time, ambitious climate goals require the vehicle fleet to transition to becoming fossil free. Over time, this will help increase to significantly increase the share of electric vehicles in Europe.

After the end of the period, GARO signed a framework agreement with E.ON Drive Infrastructure (EDRI) for public charging products and solutions for several countries in Europe. EDRI's choice of GARO as a supplier confirms that our products maintain a high level of quality and safety, that we have good delivery capacity and have established operations with support and aftermarket.

The establishment of GARO E-mobility GmbH in Germany is progressing and several products are available for sale in Germany. In the third quarter, GARO is releasing the new GARO Entity Compact wall box for sale – a charger primarily intended for home charging.



Patrik Andersson
President and CEO

PRODUCT DEVELOPMENT

Safety is always in focus during product development and as a natural part of the process. In addition to comprehensive testing conducted during product development, we have also third-party certified GARO Entity Pro at Tüv Syd in Germany.

Certification ensures that the product is quality assured and that it adheres to current directives, laws and standards. As such, GARO Entity Pro is one of the few third-party certified wall boxes on the market.

GARO ELECTRIFICATION

Net sales in the GARO Electrification business area amounted to MSEK 234 (247) in the quarter, which is a year-on-year decline of 5% or MSEK 13. We are noting a weaker economy with rising interest rates where the market has generally slowed and is now perceived as more cautious with a reduced number of project starts for new housing production in Sweden and the rest of the Nordic region. This cautious trend is expected to continue through 2023–2024, leading to weaker demand for new residential and large property projects. However, we note continued good sales in the Project business product area, a product area that comes in late in the construction cycle.

At the same time, there is a continued substantial need for property renovation and energy efficiency improvements and there is a stable market linked to the green transition, which drives sales in several product groups. However, these sales will not fully compensate for lower volumes in new construction of housing in the short term.

GARO's synergies between the business areas are strong and important, particularly faced with times of sluggish sales in certain product areas. The synergies are also success factors in product development, which is demonstrated by the latest product launch, for which further development of the GARO Entity platform has made new products in the GARO Electrification range possible.

MARKET CONDITIONS

The market for charging infrastructure is growing structurally with rising numbers of rechargeable vehicles, and we see a continuing strong trend with further expansion of the charging infrastructure in the European market. In Sweden, but also in the rest of the Nordic region, the construction of housing has declined considerably and new production of single-family homes and apartments is expected to be weak for several quarters moving forward. On the other hand, demand for other commercial and public construction, combined with renovation requirements and energy efficiency enhancements, remains relatively favorable.

All in all, we have a positive view of long-term market conditions, mainly driven by growth in charging infrastructure and its requirements for power supply.

Patrik Andersson
President and CEO

Earnings

NET SALES

Net sales for the second quarter amounted to MSEK 386.0 (350.2), up 10% year-on-year. The increased sales were fully attributable to organic growth in the GARO E-mobility business area. Net sales for the first half of 2023 amounted to MSEK 756.3 (731.8) corresponding to year-on-year growth of 3%.

CHANGE IN NET SALES	Apr–Jun 2023 (MSEK)	Apr–Jun 2023 (%)	Jan–Jun 2023 (MSEK)	Jan–Jun 2023 (%)
Year-earlier period	350.2		731.8	
Organic growth	35.8	10	25.0	3
Acquisitions and structural changes	0		0	
Exchange-rate effects	0		-0.5	
Current quarter	386.0	10	756.3	3

For definitions of key figures, see page 21

EBIT

EBIT for the quarter declined to MSEK 18.2 (39.6) and the EBIT margin amounted to 4.7% (11.3) as a result of a weaker gross margin in the quarter with higher purchasing prices, lower productivity and a weaker SEK. EBIT was also affected by marketing initiatives where GARO, unlike the same quarter last year, participated in several trade fairs and other sales activities.

Negative currency effects impacted EBIT for the quarter by MSEK 8.3 compared with a negative effect of MSEK 3.5 in the preceding year, as the SEK weakened against the EUR.

Due to price hikes on incoming materials and components, GARO has adjusted prices for customers, albeit with a slight delay. Several price adjustments were implemented in various product areas and markets during the quarter. Price adjustments were also implemented for the majority of the rest of the range as of July 1.

EBIT for the January to June period amounted to MSEK 45.9 (106.4) providing an EBIT margin of 6.1% (14.5). Negative currency effects in EBIT for the first half of 2023 amounted to MSEK 14.2 compared with a negative effect of MSEK 7.9 in the preceding year.

NET INCOME

Net financial items amounted to MSEK 7.2 (1.8) for the quarter and included currency effects from loans and hedging in foreign currency. Currency effects attributable to revaluations in hedging amounted to MSEK 0.8 (0.6).

Net income amounted to MSEK 20.0 (33.3) for the quarter, and earnings per share amounted to MSEK 0.40 (0.67). The tax expense

amounted to MSEK 5.4 (8.1) generating an average effective tax rate of 21.3% (19.6).

Net income for the January to June period amounted to MSEK 40.6 (87.1) and earnings per share amounted to MSEK 0.81 (1.74). The tax expense for the January to June period amounted to MSEK 12.1 (21.1) providing an average effective tax rate of 22.9% (19.4).

CASH FLOW AND INVESTMENTS

Cash flow from operating activities for the second quarter amounted to MSEK -3.5 (33.9). Compared to the same quarter in 2022, the cash flow for the quarter was mainly attributable to a lower EBIT combined with a continued high need for working capital. Capital tied up in component inventories remains high, with GARO having increased production volumes for GARO Entity since the second quarter. During the quarter, a dividend of MSEK 20.0 (70.0) was distributed to shareholders. Cash flow from operating activities amounted to MSEK -50.2 (45.2) for the January to June 2023 period.

Investments for the quarter amounted to MSEK 26.1 (15.6), of which MSEK 8.3 (7.9) pertained to product development and MSEK 16.8 pertained to investments in the new production facility in Poland. Investments for the January to June 2023 period amounted to MSEK 76.2 (32.2), of which MSEK 18.0 (16.0) pertained to product development and MSEK 53.4 pertained to investments in the new production facility in Poland. The total investment of the new production facility amounts to MSEK 101, and GARO has begun the process of divesting the existing facility.

To date this year, right-of-use assets (leases and rental contracts) have increased net by MSEK 0.5 (decrease: 2.7).

LIQUIDITY AND FINANCIAL POSITION

The Group's net debt at the end of the period amounted to MSEK 308.6 (51.8). The Group's net debt excluding lease liabilities, which is to say effects of IFRS 16, amounted to MSEK 236.1 (17.0). Available liquidity in the Group, including unutilized overdraft facilities, amounted to MSEK 79.8 (123.0) and the equity ratio was 49.4% (61.2).

THE GARO SHARE

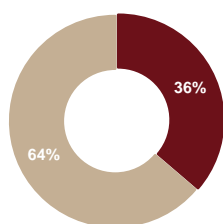
At the end of the period, the number of shares amounted to 50,000,000 (50,000,000). The average number of shares amounted to 50,000,000 (50,000,000) for the second quarter of 2023. On June 30, 2023, the share price closed at SEK 62.85 (130.20).

EVENTS AFTER THE END OF THE QUARTER

After the end of the quarter, GARO signed a framework agreement with E.ON Drive Infrastructure covering products and solutions for public charging, obtained a third-party certification relating to GARO Entity Pro, completed a new production and logistics facility in Poland and relocated the majority of Polish production from the existing facility. Aside from this, from the end of the period until the publication of this report, no significant events or conditions have occurred, favorable or unfavorable, that would require further disclosures.

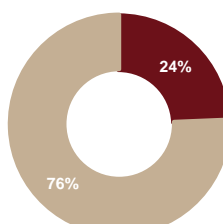
ALLOCATION OF NET SALES
BY BUSINESS AREA, Jan–Jun 2023

■ GARO E-mobility ■ GARO Electrification



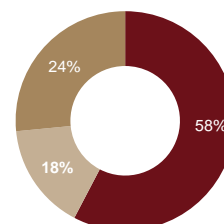
ALLOCATION OF EBIT
BY BUSINESS AREA, JAN–JUN 2023

■ GARO E-mobility ■ GARO Electrification

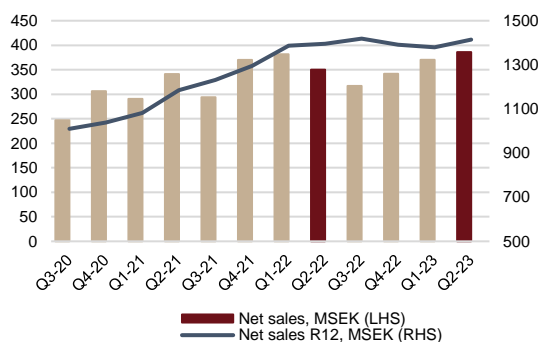


ALLOCATION OF NET SALES
BY GEOGRAPHIC AREA, JAN–JUN 2023

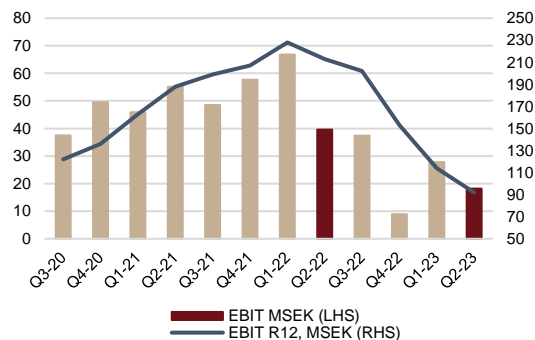
■ Sweden ■ Nordic region excl. Sweden ■ Europe excl. Nordic region



NET SALES, GROUP



EBIT, GROUP



GARO's business areas

GARO divides its operations into two business areas: GARO E-mobility and GARO Electrification. GARO E-mobility consists of the E-mobility product area and GARO Electrification consists of the three product areas of Electrical distribution products, Project business & Temporary Power.

GARO E-mobility

NET SALES

Net sales for GARO E-mobility amounted to MSEK 152.1 for the second quarter, compared with MSEK 103.3 for the year-earlier quarter, yielding growth of 47%. With greatly improved access to components, GARO was able to deliver a considerable volume of its backlog of orders during the quarter and delivery times are now significantly shorter.

The current market situation with higher interest rates means that many households are postponing their investments, which is affecting GARO's sales of home chargers to private individuals, primarily in Sweden. GARO noted a strong sales trend in the Nordic region during the quarter, with sales in Denmark more than doubling year-on-year. In other markets in Europe, sales have remained on a similar level as the year-earlier quarter, a result of sales of GARO Entity only commencing sales toward the end of the second quarter.

EARNINGS

EBIT for the quarter amounted to MSEK 4.5 (3.0) providing an EBIT margin of 3.0% (2.9). During the quarter, the higher sales volumes were offset by a weaker gross margin, which was under pressure from a weaker SEK against the EUR. Negative currency effects in EBIT amounted to MSEK 4.3 compared with a negative effect of MSEK 0.7 in the preceding year. In parallel, the business area is continuing to invest in its organization and market presence.

The number of employees at the end of the period was 219 (214).

GARO E-MOBILITY'S OPERATIONS

Sales of GARO Entity Pro were successful in several markets during the quarter with a strong order intake. The demand for charging stations for larger projects in locations such as commercial properties, public places and tenant-owner associations is high and is currently the main growth driver for the business area. Production volume has gradually risen in the quarter for all

product categories in pace with an improving supply of components. The previously noted supply chain disruptions have essentially ended, allowing for a stable and efficient production rate.

After the end of the quarter, GARO signed a framework agreement with E.ON Drive Infrastructure (EDRI) in July. EDRI is a charge point operator that combines its electricity network development with the construction and operation of public charging infrastructure for electric cars and commercial vehicles in the expansion of charging infrastructure. The agreement covers the sales of products in public charging for countries in Europe and runs until 2027 with an extension option.

As a natural step for GARO's continued growth in electric vehicle charging, GARO has now established a sales company in Germany, GARO E-mobility GmbH, where the process of recruiting management and a sales organization is ongoing.

Germany is the country in Europe with the most number of electric cars, over 1 million, which thus requires a substantially increased expansion rate of charging stations to meet the need for public EV charging.

GARO has chosen to third-party certify GARO Entity Pro, according to international charging standards, at Tuv Syd in Germany. This ensures that the product is quality assured and that it adheres to current directives, laws and standards as well as passes the stringent testing carried out during product development. The new GARO Entity platform includes protection built into the product, which distinguishes the wall box in the market and GARO thus takes greater responsibility for safety. All in all, this makes GARO Entity Pro unique. End users, customers and installation engineers can therefore be confident that the product delivers what it promises.

On September 1, sales of the GARO Entity Compact wall box will start. The wall box is primarily designed for charging at single-family homes.

GARO E-MOBILITY KEY FIGURES		Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	R12	Jan-Dec 2022
Net sales	MSEK	152.1	103.3	274.3	249.5	446.6	421.8
Growth	%	47	-13	10	18	-6	-3
EBIT	MSEK	4.5	3.0	11.2	33.6	-9.3	13.1
EBIT margin	%	3.0	2.9	4.1	13.5	Neg	3.1
Investments	MSEK	24.6	13.8	70.8	28.3	136.3	93.8
Depreciation	MSEK	6.3	3.0	9.1	5.6	15.0	11.5
Number of employees		219	214	219	214	216	213

For definitions of key figures, see page 21

THE MARKET

The global transition to a fossil-free society benefits GARO, and the ambition in Europe to transition to fossil-free transportation is clear. The strong demand for electric and chargeable hybrid cars is driving the need for the rapid expansion of charging infrastructure in Europe through products for electric car charging at home, in public and at workplaces. There are currently about 27,000 public charging stations in Sweden. The target is to reach 250,000 by 2030, which will require a substantial increase in the pace of expansion. In 2022, there were more than 3 million rechargeable cars in Europe. This figure is expected to amount to 41 million by 2030, which would represent almost a 14-fold increase. Electric and chargeable hybrid cars accounted for 35% of the number of newly registered cars in Europe in 2022. However, the number of electric cars only amounted to about 1% of the total number of cars on the roads. This can be compared with Norway, the country that is at the forefront in the transition to more fossil-free vehicles and where electric cars accounted for 15.5% of the total number of cars during the same period. The country with the highest total number of electric cars is currently Germany, with over 1 million, while Norway, the Netherlands, Denmark and Sweden have the highest numbers of electric cars in terms of percent of total number of cars.

The market for home chargers is somewhat subdued due to the economy and high interest rates, and new car registrations by private individuals in the first half of the year are down on last year. However, ambitious SDGs are requiring the vehicle fleet to transition to becoming fossil free. In the future, this will drive an increase in the share of electric vehicles in the total number of newly registered cars in Europe.

According to the agreement reached between the EU member states and the European Parliament in autumn 2022, all new cars sold in the EU will be zero-emission vehicles by 2035. This is another

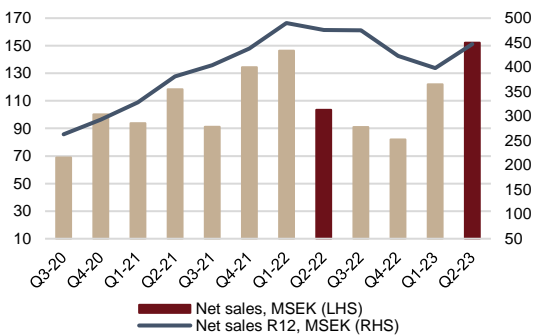
driving force for why charging infrastructure will need to be significantly expanded in the years ahead, primarily in destination charging.

To accelerate the transition and development of charging infrastructure, the EU and the governments of a number of countries are regulating a number of different initiatives. The European Parliament and the European Council have agreed on proposed legislation to increase the availability of charging stations for electric vehicles. The regulation sets the foundations for a cohesive network of public charging stations both for cars and for trucks throughout the EU, which is necessary for players in the transportation and construction sectors to transition their vehicle fleets. The legislation also includes guarantees for joint coordination concerning, for example, locating charging stations, predicting the cost of charging and joint payment solutions. Legislation in Sweden requires properties with more than ten parking places to have 20% of the places prepared for charging infrastructure and at least one parking place is to be equipped for electric car charging. When it comes to charging infrastructure at home, Norway and Sweden offer a widely-distributed charging infrastructure.

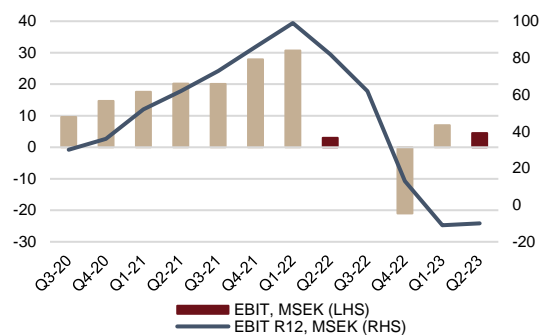
GARO'S SYNERGY EFFECTS

GARO currently has a very broad and strong product portfolio, which is a prerequisite for success in this rapidly growing industry. Together with the GARO Electrification business area, GARO E-mobility offers a complete solution from power supply to electric car charging. GARO E-mobility has a positive impact on sales of components in GARO Electrification and the Electrical distribution products product area as well as cable cabinets and energy supply in the Project business product area. This synergy effect between the business areas is a great advantage for customers and creates growth.

NET SALES, GARO E-MOBILITY



EBIT, GARO E-MOBILITY



GARO Electrification

NET SALES

Net sales amounted to MSEK 233.9 for the second quarter, compared with MSEK 246.9 for the year-earlier quarter, a decline of 5% attributable to the Electrical distribution products and Temporary Power product areas.

Sales for the Electrical distribution products product area declined MSEK 14 compared to the year-earlier quarter. Not surprisingly, demand for products related to house manufacturers (new construction) is down sharply, mainly in Sweden and Norway. In parallel, there is good demand for products related to the renovation and energy efficiency of buildings. Overall, sales of standard components such as security products and products for energy measurements and electrical switchboards have been positive. These products are used in new production and renovation as well as for energy efficiency enhancements of premises.

The market connected to the green transition is also assessed to be favorable, which is driving sales in several product groups.

The Project business product area, which is late in the construction cycle, continued to show good sales with a growth of 10% compared to year-earlier quarter. We see healthy demand with a high delivery capacity combined with larger and more complex customer projects, a development that benefits GARO.

Sales in the Temporary Power product area have slowed. Sales in this product area are primarily to customers in Sweden and it is now notable that several rental companies are cautious about investing in this type of product.

EARNINGS

EBIT for the quarter amounted to MSEK 13.7 (36.6) providing an EBIT margin of 5.8% (14.8). The lower EBIT is explained by lower sales combined with a weaker gross margin, a result of production inefficiencies and higher purchase prices. In Norway, GARO has initiated a change in the sales organization and its processing of the Norwegian market, which resulted in non-recurring costs for the quarter. Negative currency effects in EBIT amounted to MSEK 4.0 compared with a negative effect of MSEK 2.8 in the preceding year.

Due to price hikes on incoming materials and components, GARO aims to correspondingly adjust prices for customers, albeit with a delay having heavily impacted the margin during the first half of the year.

The number of employees at the end of the period was 325 (311). In addition, around ten temporary personnel were contracted in production and service.

THE MARKET

In Sweden and in most of the Nordic countries, new construction starts have fallen sharply in the first half of the year and the forecast shows that this will impact the production rate of housing in 2023-2024. As a result of the financial situation, there is weak demand for residential and major property projects. Existing projects will be completed.

At the same time, there is a continued need for renovation and energy efficiency of properties and the market linked to the green transition is assessed to be stable. However, these volumes will not fully compensate for lower volumes in new construction in the short term.

In the markets where GARO is active, there is a need for new housing and the long-term assessment is that the market will gain new momentum in the coming years when the financial situation has stabilized. In addition, the market for road and transport infrastructure development is growing, contributing to a strong demand for temporary electricity for construction sites. The market for other commercial and public construction remains favorable.

ELECTRICAL DISTRIBUTION PRODUCTS, PROJECT BUSINESS, TEMPORARY POWER

During the quarter, GARO participated in several trade fairs. One of them was the largest energy and electrification body in the Nordic region, Elfack in Gothenburg. The company presented the new products GARO Entity Heat (engine heater) and GARO Entity Flex (portable electric car charger). Both products are based on the same platform as GARO Entity Pro. Participating in trade fairs is an important aspect of sales activities and creates the opportunity to demonstrate GARO's entire product range.

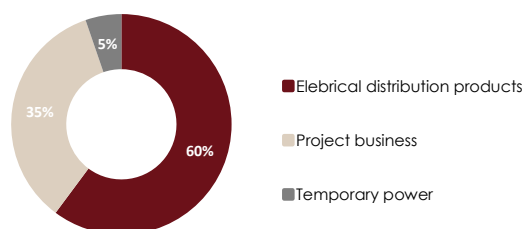
Synergies between the business areas are important in times of sluggish sales in certain areas and are a success factor in product development.

Ireland is a market with good development of new housing construction, which means that the product areas Project business and Electrical distribution products have developed strongly.

GARO works continuously to adapt its operations. Moving forward, the relocation of the business area's organization in Sweden to a new production and logistics facility in Hillerstorp will enable GARO to more easily streamline production based on demand and needs. However, the relocation to new premises has negatively impacted production in the short term.

ALLOCATION OF NET SALES PER PRODUCT AREA

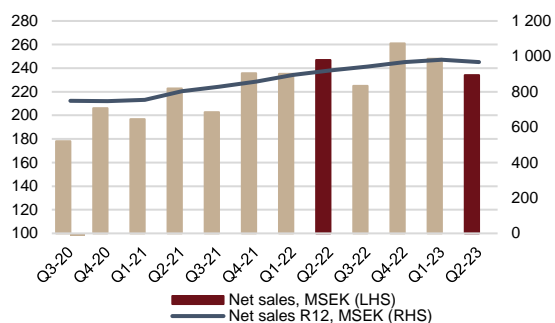
January–June 2023



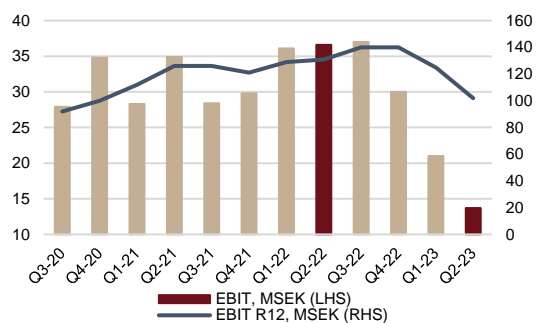
GARO ELECTRIFICATION KEY FIGURES		Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	R12	Jan-Dec 2022
Net sales	MSEK	233.9	246.9	481.9	482.3	968.3	968.7
Growth	%	-5	11	0	15	0	13
EBIT	MSEK	13.7	36.6	34.8	72.8	101.6	139.7
EBIT margin	%	5.8	14.8	7.2	15.1	10.5	14.4
Investments	MSEK	1.5	1.7	5.4	3.9	27.8	26.3
Depreciation	MSEK	6.7	5.4	13.3	11.4	26.4	24.5
Number of employees		325	311	325	311	316	308

For definitions of key figures, see page 21

NET SALES, GARO ELECTRIFICATION



EBIT, GARO ELECTRIFICATION



Product development with a focus on safety

GARO is continually developing its customer offering in both of its business areas: GARO E-mobility and GARO Electrification. To ensure that the customer offering remains at the forefront and expands with smart products, considerable resources are invested in product development, primarily in destination charging.

Development is a basic prerequisite for continued expansion. In 2023, considerable focus is placed on further developing GARO Entity with new functions and services. GARO has a long history in the manufacturing of products for electrical installations and in focusing on the safety of these products. The trend we see now is for increased safety requirements from different players in the market, while regulations are becoming increasingly stringent for all types of electrical products.

GARO does not compromise when it comes to safety and the company delivers products and solutions that comply with laws and standards.



Sustainability

SUSTAINABILITY AT GARO

The Group bases its framework of GARO's sustainability work on two cornerstones: how proprietary operations are structured, and how the products contribute to the transition to an electrified society. GARO's operations are to be conducted in a sustainable manner in which all employees are to be offered safe and comfortable workplaces. The products and services that GARO provides create the preconditions for and enable the growth of a fossil-free society. Sustainability issues are a natural part of the Group's strategy which is characterized by operations with a long-term path that will help guide and structure sustainability activities at all levels of the company.

DURING THE QUARTER

In June, GARO's President and CEO Patrik Andersson participated in a national climate meeting hosted by the Swedish government. A forum convened on several occasions in 2023 with selected representatives from business, civil society, interest groups and academia to gather expertise and to discuss challenges and opportunities for achieving the global SDGs.

During the quarter, one of GARO's longest-serving employees retired after 50 years. Committed, safe and healthy employees are important and a source of pride for the company.

The fact that GARO has employees who choose to work in the Group for several decades is not only proof that GARO is a workplace filled with development opportunities, but also proof that it is a safe workplace with wonderful colleagues where well-being is a major focus.

GARO is continually strengthening its efforts, knowledge and internal and external collaboration for sustainable products. With guidance from the GRI standards such as the Corporate Sustainability Reporting Directive (CSRD), the European Sustainability Reporting Standards (ESRS) and the EU Taxonomy, GARO is making preparations to report its environmental impact in the coming years.

Work has also commenced for Environmental Product Declarations (EPDs) in line with Eco-Passport and ISO 14067 for GARO Entity.

For more information about GARO's goals for a more sustainable environment, refer to our 2022 Annual Report, pages 36–51.

Parent Company figures

The Parent Company's operations encompass the Electrical distribution products product area, development department, Group Management, certain Group-wide functions and the Group's finance function. Since January 1, 2023, certain customer transactions with associated production in GARO Electrification were internally transferred from the Parent Company to other companies in the Group. This impacted comparative figures in terms of both external and internal sales.

Net sales for the Parent Company in the second quarter amounted to MSEK 93.0 (130.6). Internal sales to other Group companies amounted to MSEK 15.5 (38.1). EBIT for the quarter amounted to MSEK 5.0 (20.4). Parent Company sales for the January to June 2023 period amounted to MSEK 189.5 (252.7) and EBIT amounted to MSEK 14.3 (42.9).

GARO's financial targets

<p>SALES GROWTH Organic growth will amount to not less than 10% over a business cycle.</p> <p>TARGET ≥ 10%</p>	<table border="1"> <thead> <tr> <th>Year</th> <th>Growth, %</th> <th>Target, %</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>13</td> <td>10</td> </tr> <tr> <td>2019</td> <td>12</td> <td>10</td> </tr> <tr> <td>2020</td> <td>3</td> <td>10</td> </tr> <tr> <td>2021</td> <td>25</td> <td>10</td> </tr> <tr> <td>2022</td> <td>7</td> <td>10</td> </tr> <tr> <td>R12</td> <td>1</td> <td>10</td> </tr> </tbody> </table>	Year	Growth, %	Target, %	2018	13	10	2019	12	10	2020	3	10	2021	25	10	2022	7	10	R12	1	10
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<p>PROFITABILITY The EBIT margin for the Group will amount to not less than 10% of net sales over a business cycle.</p> <p>TARGET ≥ 10%</p>	<table border="1"> <thead> <tr> <th>Year</th> <th>EBIT margin, %</th> <th>Target, %</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>13</td> <td>10</td> </tr> <tr> <td>2019</td> <td>11</td> <td>10</td> </tr> <tr> <td>2020</td> <td>13</td> <td>10</td> </tr> <tr> <td>2021</td> <td>16</td> <td>10</td> </tr> <tr> <td>2022</td> <td>11</td> <td>10</td> </tr> <tr> <td>R12</td> <td>7</td> <td>10</td> </tr> </tbody> </table>	Year	EBIT margin, %	Target, %	2018	13	10	2019	11	10	2020	13	10	2021	16	10	2022	11	10	R12	7	10
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<p>RETURN Return on equity will amount to not less than 20% over a business cycle.</p> <p>TARGET ≥ 20%</p>	<table border="1"> <thead> <tr> <th>Year</th> <th>Return on equity, %</th> <th>Target, %</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>32</td> <td>20</td> </tr> <tr> <td>2019</td> <td>27</td> <td>20</td> </tr> <tr> <td>2020</td> <td>25</td> <td>20</td> </tr> <tr> <td>2021</td> <td>34</td> <td>20</td> </tr> <tr> <td>2022</td> <td>20</td> <td>20</td> </tr> <tr> <td>R12</td> <td>13</td> <td>20</td> </tr> </tbody> </table>	Year	Return on equity, %	Target, %	2018	32	20	2019	27	20	2020	25	20	2021	34	20	2022	20	20	R12	13	20
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<p>DIVIDEND POLICY GAROs dividend will amount to approximately 50% of the Group's net earnings after tax. The dividend proposal must take into account GAROs long-term dividend potential and the Group's general investment and consolidation requirements.</p> <p>TARGET ≥ 50%</p>	<table border="1"> <thead> <tr> <th>Year</th> <th>Dividend, %</th> <th>Target, %</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>50</td> <td>50</td> </tr> <tr> <td>2019</td> <td>50</td> <td>50</td> </tr> <tr> <td>2020</td> <td>50</td> <td>50</td> </tr> <tr> <td>2021</td> <td>45</td> <td>50</td> </tr> <tr> <td>2022</td> <td>35</td> <td>50</td> </tr> </tbody> </table>	Year	Dividend, %	Target, %	2018	50	50	2019	50	50	2020	50	50	2021	45	50	2022	35	50			
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Overview

NATURE OF OPERATIONS

GARO develops, manufactures and markets innovative products and systems for the electrical installations market under its own brand. The company has operations in Sweden, Norway, Finland, Ireland, Poland and the UK. The Group is organized in two business areas: GARO Electrification and GARO E-mobility. GARO has a broad product assortment and is a market leader within several product areas.

GARO's business concept is to, with a focus on innovation, sustainability and design, provide profitable complete solutions for the electrical industry.

SEASONAL VARIATIONS

GARO's operations are, to a certain degree, subject to seasonal variations. GARO's sales are generally stable from one quarter to the next, but can fluctuate monthly within the quarter. Sales can be somewhat lower during the vacation months (July–August) and from December to January. During periods of high production, GARO is normally tied up in working capital. Cash and cash equivalents are freed from working capital after the busy season, when the finished products have been installed in customers' facilities and invoices have been paid.

RISKS AND UNCERTAINTIES

GARO's risks and uncertainties are described in Note 3 on pages 70–72 of the 2022 Annual Report. The Annual Report is available at www.garogroup.se. Aside from these, no other changes have affected the company's view of risks and uncertainties.

ALTERNATIVE PERFORMANCE MEASURES

In this interim report, GARO presents certain financial measures that are not defined by IFRS, known as alternative performance measures. The Group believes that these measures provide valuable supplementary information to investors since they enable evaluations of the company's earnings and financial position. These financial measures are not always comparable with the measures

used by other companies since not all companies calculated them in the same way. Investors should view these financial measures as a supplement rather than a replacement of financial reporting in accordance with IFRS.

RELATED-PARTY TRANSACTIONS

Related-party transactions take place in accordance with the principles described in the 2022 Annual Report. No related-party transactions have taken place to date in 2023 or for the full-year 2022.

ACCOUNTING POLICIES

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. Disclosures in accordance with IAS 34, 16A are presented in the financial statements and their notes in the interim information on pages 1–19, which constitute an integrated part of this financial statement. In addition, disclosures according to IAS 34.16A are presented in the financial statements and their notes as well as other parts of the interim report.

The Parent Company's interim report was prepared in accordance with Chapter 9 of the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.

GARO AB applies the same accounting policies as in the most recent Annual Report.

AUDITORS' STATEMENT

This interim report has not been reviewed by the company's auditors.

ASSURANCE BY THE BOARD AND CEO

The CEO and Board assure that this interim report provides a fair review of the Group's and Parent Company's operations, financial position and earnings, and describes significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Gnosjö, August 14, 2023

GARO AB (publ), (Corp. ID. No. 556051-7772)

Rickard Blomqvist
Chairman

Johan Paulsson
Board member

Susanna Hilleskog
Board member

Lars Kongstad
Board member

My Bäck
Employee representative

Mari-Katharina Kadowaki
Board member

Lars-Åke Rydh
Board member

Jonas Lohtander
Employee representative

Martin Althén
Board member

Patrik Andersson
President and CEO

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	R12	Jan–Dec 2022
<i>Amount in MSEK</i>						
Operating income						
Net sales	386.0	350.2	756.3	731.8	1,415.0	1,390.5
Other operating income	0.4	0.3	1.0	0.9	1.5	1.4
Total operating income	386.4	350.5	757.3	732.7	1,416.5	1,391.9
Operating expenses						
Capitalized production costs	1.0	1.4	2.2	3.0	4.6	5.4
Raw materials and consumables	-217.6	-182.0	-424.2	-375.1	-776.3	-727.4
Other external expenses	-48.9	-40.5	-93.7	-78.6	-189.7	-174.3
Personnel expenses	-89.7	-81.4	-173.3	-158.6	-321.4	-306.8
Depreciation/amortization of tangible and intangible assets	-13.0	-8.4	-22.4	-17.0	-41.4	-36.0
EBIT	18.2	39.6	45.9	106.4	92.3	152.8
Result from financial items						
Net financial income/expenses	7.2	1.8	6.8	1.7	5.9	0.6
Profit before tax	25.4	41.4	52.7	108.2	98.2	153.4
Income tax	-5.4	-8.1	-12.1	-21.1	-24.0	-32.9
Net income	20.0	33.3	40.6	87.1	74.2	120.5
Other comprehensive income:						
Items that may be reclassified to the income statement						
Translation differences	1.0	-0.2	12.2	4.5	18.3	10.6
Other comprehensive income, net	1.0	-0.2	12.2	4.5	18.3	10.6
Total comprehensive income for the year	21.0	33.1	52.8	91.6	92.5	131.1
Net income and total comprehensive income for the year are attributable to shareholders of the Parent Company.						
Key ratios per share						
Average number of shares	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Earnings per share, before and after dilution, SEK	0.40	0.67	0.81	1.74	1.48	2.41

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amount in MSEK	Jun 30, 2023	2022-06-30	Dec 31, 2022
ASSETS			
Fixed assets			
Intangible assets	138.8	119.2	127.7
Tangible assets	331.8	154.1	269.4
Financial assets	4.7	3.8	4.1
Total fixed assets	475.3	277.2	401.2
Current assets			
Inventories	391.6	300.5	344.9
Accounts receivable	364.4	323.6	321.1
Other current receivables	63.2	19.3	56.8
Cash and cash equivalents	13.8	18.9	29.5
Total current assets	833.2	662.4	752.3
TOTAL ASSETS	1,308.7	939.6	1,153.5
EQUITY AND LIABILITIES			
Share capital	20.0	20.0	20.0
Other reserves	21.9	3.6	9.7
Other contributed capital	1.5	1.5	1.5
Other equity including net income for the period	603.5	549.5	582.9
Total equity	646.9	574.6	614.1
Long-term liabilities			
Liabilities to credit institutions	36.0	23.4	36.6
Lease liabilities	57.1	25.0	62.4
Other provisions	9.2	8.0	9.0
Deferred tax liabilities	0	0	0
Total long-term liabilities	102.3	56.4	108.0
Short-term liabilities			
Liabilities to credit institutions	214.1	12.6	58.1
Lease liabilities	15.4	9.8	16.1
Accounts payable	188.4	145.7	187.4
Other short-term liabilities	141.7	140.4	169.8
Total short-term liabilities	559.5	308.6	431.4
TOTAL EQUITY AND LIABILITIES	1,308.7	939.6	1,153.5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity attributable to shareholders in the Parent Company Amount in MSEK	Share capital	Reserves	Other contributed capital	Retained earnings	Total equity
Equity at January 1, 2022	20.0	-0.9	0	532.4	551.5
Net income for the period				120.5	120.5
Other comprehensive income for the period		10.6		0	10.6
Warrant liquidity received			1.5		1.5
Dividend to shareholders				-70.0	-70.0
Closing equity, December 31, 2022	20.0	9.7	1.5	582.9	614.1
Equity at January 1, 2023	20.0	9.7	1.5	582.9	614.1
Net income for the period				40.6	40.6
Other comprehensive income for the period		12.2		0	12.2
Dividend to shareholders				-20.0	-20.0
Currency effects				0	0
Closing equity, June 30, 2023	20.0	21.9	1.5	603.5	646.9

CONDENSED CONSOLIDATED CASH-FLOW STATEMENT

	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	R12	Jan–Dec 2022
Amount in MSEK						
Operating activities						
Cash flow from operating activities						
before changes in working capital	25.9	45.5	53.2	104.3	107.7	159.9
Cash flow from changes in working capital	-29.4	-11.6	-103.4	-59.1	-113.0	-70.7
Cash flow from operating activities	-3.5	33.9	-50.2	45.2	-5.3	89.2
Investing activities						
Investments in intangible assets	-8.3	-7.9	-18.0	-16.0	-32.9	-30.8
Acquisition of subsidiaries	0	-0.9	-1.1	-0.9	-1.1	-0.9
Investments in tangible assets	-17.8	-7.7	-58.2	-16.2	-131.2	-89.3
Disposal of tangible assets	0	0	0	0	1.9	1.9
Cash flow from investing activities	-26.1	-16.4	-77.3	-33.1	-163.3	-119.1
Financing activities						
Net borrowing/amortization of loans	54.9	-0.4	139.2	-1.1	198.6	58.1
Amortization of lease liability	-4.2	-2.8	-8.5	-5.7	-14.9	-12.0
Warrant liquidity received	0	1.5	0	1.5	0	1.5
Dividend paid to shareholders	-20.0	-70.0	-20.0	-70.0	-20.0	-70.0
Cash flow from financing activities	30.7	-71.7	110.7	-75.3	163.7	-22.4
Cash flow for the period	1.1	-54.2	-16.8	-63.2	-4.9	-52.3
Currency effect in cash and cash equivalents	0.8	-0.2	1.1	0.5	-0.2	0.2
Cash and cash equivalents, start of the period	11.9	73.3	29.5	81.6	18.9	81.6
Cash and cash equivalents, end of the period	13.8	18.9	13.8	18.9	13.8	29.5

CONDENSED PARENT COMPANY INCOME STATEMENT

	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Jan–Dec 2022
Amount in MSEK					
Operating income					
Net sales	93.0	130.6	189.5	252.7	498.4
Other operating income	19.7	16.2	39.5	32.6	65.1
Total income	112.7	146.8	229.0	285.3	563.5
Operating expenses					
Raw materials and consumables	-64.2	-80.4	-128.8	-155.6	-310.1
Other external expenses	-17.5	-15.3	-35.6	-28.5	-61.6
Personnel expenses	-24.3	-28.3	-46.8	-53.5	-102.1
Depreciation/amortization of tangible and intangible assets	-1.7	-2.4	-3.5	-4.8	-11.1
EBIT	5.0	20.4	14.3	42.9	78.6
Result from financial items					
Profit from participations in Group companies	-0.3	0	-0.7	0	2.8
Net interest income and similar items	7.0	3.5	10.1	4.9	10.4
Net interest expenses and similar items	0	0	0	0	-0.8
Profit before tax	11.7	23.9	23.7	47.8	91.0
Appropriations	0	0	0	0	28.5
Income tax	-2.2	-4.8	-4.7	-9.7	-24.4
Net income	9.5	19.1	19.0	38.1	95.1

The Parent Company does not have any items recognized as other comprehensive income which is why comprehensive income corresponds to net income. Since January 1, 2023, certain customer transactions with associated production in GARO Electrification were internally transferred from the Parent Company to other companies in the Group. This impacted comparative figures in terms of both external and internal sales.

CONDENSED PARENT COMPANY BALANCE SHEET

Amount in MSEK	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
ASSETS			
Fixed assets			
Intangible assets	24.9	57.7	8.3
Tangible assets	30.8	36.5	33.8
Participations in Group companies	81.2	81.0	80.3
Other financial assets	161.0	65.1	75.8
Total fixed assets	297.9	240.3	198.2
Current assets			
Inventories	35.0	48.3	54.6
Accounts receivable	83.0	101.6	89.3
Other receivables	292.0	137.4	282.9
Cash and bank balances	0	6.3	5.9
Total current assets	410.0	293.6	432.7
TOTAL ASSETS	707.9	533.9	630.9
EQUITY AND LIABILITIES			
Share capital	20.0	20.0	20.0
Fund for internal development expenses	40.5	40.5	6.1
Statutory reserve	2.6	2.6	2.6
Non-restricted equity including net income for the period	324.6	268.7	360.1
Total equity	387.7	331.8	388.8
Provisions	3.4	2.3	3.4
Long-term liabilities			
Liabilities to credit institutions	21.7	9.0	22.8
Total long-term liabilities	21.7	9.0	22.8
Short-term liabilities			
Short-term interest-bearing liabilities	125.3	2.6	3.0
Short-term non-interest-bearing liabilities	169.8	188.2	212.9
Total short-term liabilities	295.1	190.8	215.9
TOTAL EQUITY AND LIABILITIES	707.9	533.9	630.9

SALES AND EBIT BY BUSINESS AREA

	GARO Electrification		GARO E-mobility		Elimination		Group	
Business area information	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022
Income								
Total external income	307.2	331.3	251.0	154.7	-172.2	-135.8	386.0	350.2
Total internal income	-73.3	-84.4	-98.9	-51.4	172.2	135.8	0	0
Income from contracts with customers	233.9	246.9	152.1	103.3	0	0	386.0	350.2
EBIT							18.2	39.6
Net financial income/expenses							7.2	1.8
Tax expense for the year							-5.4	-8.1
Net income for the year							20.0	33.3

REVENUE PER GEOGRAPHIC LOCATION (APR-JUN)

Product area	GARO Electrification			GARO E-mobility			Total		
	April-June 2023	Apr-Jun 2022	growth, %	Apr-Jun 2023	April-June 2022	growth, %	April-June 2023	April-June 2022	growth, %
Sweden	145.5	162.1	-10	75.7	55.0	38	221.2	217.1	2
Nordic region excl. Sweden	30.9	36.1	-14	38.7	11.3	242	69.6	47.4	47
Europe excl. Nordic region	57.8	48.7	18	37.7	37.2	2	95.5	85.9	11
Currency effects	-0.3	0	0	0	-0.2	0	-0.3	-0.2	0
Total	233.9	246.9	-5	152.1	103.3	47	386.0	350.2	10

REVENUE PER GEOGRAPHIC LOCATION (JAN-JUN)

Product area	GARO Electrification			GARO E-mobility			Total		
	Jan-Jun 2023	Jan-Jun 2022	growth, %	Jan-Jun 2023	Jan-Jun 2022	growth, %	Jan-Jun 2023	Jan-Jun 2022	growth, %
Sweden	304.2	311.8	-2	131.8	136.0	-3	436.0	447.8	-3
Nordic region excl. Sweden	61.3	70.4	-13	77.6	28.4	173	138.9	98.8	41
Europe excl. Nordic region	116.7	99.4	17	64.9	85.6	-24	181.6	185.0	-2
Currency effects	-0.3	0.7	-	0	-0.5	-	-0.3	0.2	0
Total	481.9	482.3	0	274.3	249.5	10	756.3	731.8	3

GARO GROUP MULTI-YEAR OVERVIEW AND KEY FIGURES*

		Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	R12	2022	2021	2020	2019	2018
Net sales	MSEK	386.0	350.2	756.3	731.8	1,415.0	1,390.5	1,295.8	1,039.8	1,008.1	903.7
Growth	%	10	3	3	16	1	7	25	3	12	13
EBITDA	MSEK	31.1	48.0	68.3	123.4	133.7	188.8	243.0	163.2	134.9	128.8
EBITDA margin	%	8.1	13.7	9.0	16.9	9.4	13.6	18.8	15.7	13.4	14.3
EBIT	MSEK	18.2	39.6	45.9	106.4	92.3	152.8	207.2	136.2	112.6	113.8
EBIT margin	%	4.7	11.3	6.1	14.5	6.5	11.0	16.0	13.1	11.2	12.6
Earnings per share, before and after dilution	SEK	0.40	0.67	0.81	1.74	1.48	2.41	3.33	1.91	1.71	1.65
Equity per share	SEK	12.94	11.49	12.94	11.49	12.94	12.28	11.03	8.61	6.86	5.92
Dividend per share	SEK	n/a	n/a	n/a	n/a	n/a	0.80	1.40	0.95	0	0.80
Dividend	MSEK	n/a	n/a	n/a	n/a	n/a	40.0	70.0	47.5	0	40.0
Closing rate, share	SEK	62.85	130.2	62.85	130.2	n/a	108.6	216.0	127.0	61.4	34.7
Return on equity	%	12.1	33.2	12.1	33.2	12.1	20.7	34.0	24.7	26.8	31.2
Return on capital employed	%	12.6	34.7	12.6	34.7	12.6	22.1	39.2	32.2	30.4	34.7
Investments	MSEK	26.1	15.6	76.2	32.3	164.1	120.1	45.3	45.3	33.4	22.7
Depreciation	MSEK	13.0	8.4	22.4	17.0	41.4	36.0	35.8	26.9	22.3	15.0
Equity ratio	%	49.4	61.2	49.4	61.2	49.4	53.2	58.9	57.9	52.2	52.4
Net debt	MSEK	308.6	51.8	308.6	51.8	308.6	143.7	-9.4	11.3	45.6	45.7
Net debt/EBITDA	multiple	2.3	0.2	2.3	0.2	2.3	0.8	0.0	0.1	0.3	0.4
Number of employees		544	525	544	525	532	521	498	412	421	402

*For definitions of key figures, see page 21

QUARTERLY FIGURES

Consolidated income statement Amount in MSEK	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Net sales	386.0	370.3	341.8	317.0	350.2	381.6	370.1	293.9	341.2	290.6	306.3	247.0
Operating expenses	-367.8	342.5	-332.9	-279.6	-310.6	-314.7	-312.4	-245.4	-286.1	-244.7	-256.8	-209.5
EBIT	18.2	27.8	8.9	37.4	39.6	66.8	57.7	48.5	55.1	45.9	49.5	37.5
Net financial income/expenses	7.2	-0.4	2.1	-2.9	1.8	-0.1	1.4	0.5	-2.1	1.3	-4.6	-1.3
Profit before tax	25.4	27.4	11.0	34.5	41.4	66.7	59.1	49.0	53.0	47.2	45.0	36.3
Tax	-5.4	-6.7	-4.0	-7.9	-8.1	-13.0	-12.7	-9.6	-10.5	-8.9	-10.5	-7.9
Net income	20.0	20.7	7.0	26.6	33.3	53.7	46.4	39.4	42.6	38.3	34.4	28.3
Net sales per business area Amount in MSEK	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
GARO E-mobility	152.1	122.2	80.6	92.1	103.3	146.4	134.4	91.2	118.4	93.8	100.2	68.9
GARO Electrification	233.9	248.1	261.2	224.9	246.9	235.2	235.7	202.7	222.8	196.8	206.1	178.1
Total Group	386.0	370.3	341.8	317.0	350.2	381.6	370.1	293.9	341.2	290.6	306.3	247.0
EBIT per business area Amount in MSEK	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
GARO E-mobility	4.5	6.6	-20.9	0.4	3.0	30.7	27.9	20.1	20.2	17.6	14.7	9.6
GARO Electrification	13.7	21.2	29.8	37.0	36.6	36.1	29.8	28.4	34.9	28.3	34.8	27.9
Total Group	18.2	27.8	8.9	37.4	39.6	66.8	57.7	48.5	55.1	45.9	49.5	37.5

Key figures, alternative performance measures and definitions

The performance measures in this report take into account the nature of the operations and are deemed to provide relevant information to shareholders and other stakeholders and also enable comparability with other companies.

EBIT: Earnings before interest and tax

EBIT margin, %: EBIT as a percentage of net sales for the period

Earnings per share, before and after dilution, SEK: Net income for the period divided by the average number of shares at the end of the period

Equity per share, SEK: Equity divided by the number of shares at the end of the period

Return on equity, %: Net income for the past 12 months divided by average equity

Return on capital employed, %: EBIT for the past 12 months divided by capital employed.

Equity ratio, %: Equity as a percentage of total assets

Capital employed, SEK: Total assets less short-term liabilities adjusted for cash and bank balances

Net debt: Interest-bearing liabilities, lease liabilities according to IFRS 16 less assets including cash and cash equivalents

Net debt excluding IFRS16: Interest-bearing liabilities excluding lease liabilities in accordance with IFRS 16 less assets including cash and cash equivalents

Net debt/EBITDA, multiple: Net debt at the end of the period as a percentage of EBITDA for the past 12 months

Alternative performance measures

GARO uses certain performance measures that are not defined in the rules for financial reporting that GARO applies. The goal of these performance measures is to create better understanding of how the operations are performing. It must be stressed that these alternative performance measures, as defined, are not entirely comparable with performance measures of the same name used by other companies.

Organic growth: Organic growth with adjustments for currency effects from operations in currencies other than SEK.

EBITDA: Earnings before interest, taxes, depreciation and amortization

EBITDA margin, %: EBITDA as a percentage of net sales for the period

R12: A summary of the outcome of the past 12 months

Number of employees: The number of employees at the end of the period

Economic information

INVITATION TO PRESENTATION FOR THE PRESS AND ANALYSTS

On August 15, 2023 at 9:30 a.m., the President and CEO Patrik Andersson and CFO Helena Claesson will present the report and respond to questions in a teleconference.

Telephone number:

Sweden: +46 10 884 80 16

International: +44 203 936 2999

Code: **80 24 83**

The presentation used during this teleconference can be downloaded at www.garogroup.se under Investor Relations. A recording of the teleconference will be available on the company's website afterwards.

FOR MORE INFORMATION, PLEASE CONTACT:

Patrik Andersson, President and CEO: +46 76 148 44 44

Helena Claesson, CFO: +46 70 676 07 50

FINANCIAL CALENDAR

Interim report July–September 2023 November 10, 2023

Year-end report 2023 February 21, 2024

FORWARD-LOOKING INFORMATION

Certain statements in this report are forward-looking and the actual outcome may be significantly different. In addition to the specifically mentioned factors, other factors may have a material impact on the actual outcome. Such factors include, but are not limited to, the general economic climate, exchange-rate fluctuations and changes in interest rates, political developments, the impact of competing products and the prices of such products, difficulties associated with product development and commercialization, technical problems, interruptions to the access to raw materials and credit losses attributable to major customers.

GARO IN BRIEF

GARO's develops and manufactures innovative products and solutions within electricity and E-mobility. GARO targets both professionals and end users. GARO's brand is your guarantee for electrical safety, user-friendliness and sustainability. GARO was founded in 1939 in Gnosjö, in Småland, in southern Sweden where our distinct entrepreneurial spirit originates from and where our head office remains. There is not much else that is similar from that time. Today, GARO is an international Group with operations in six countries and with approximately 550 employees. The foundation of GARO's work is all of the knowledge and experience that the Group has collected since 1939 until today.

This information is such information that GARO AB is obligated to publish in accordance with the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was published by the abovementioned contact persons on August 15, 2023, at 8:30 a.m.