

YEAR-END REPORT 2023

Strong cash flow during an otherwise challenging quarter – new action package initiated

OCTOBER – DECEMBER 2023

- Net sales amounted to MSEK 311.2 (341.8).
- Net sales declined 9% (-8).
- EBIT amounted to MSEK -0.1 (8.9).
- EBIT margin amounted to 0% (2.6).
- Non-recurring costs of MSEK 9.8 (15.0) were charged to EBIT.
- Non-recurring revenue from the sale of industry properties of MSEK 18 (0) is included in EBIT.
- Net income was MSEK 0.1 (7.0).
- Earnings per share² amounted to SEK 0 (0.14).
- Cash flow from operating activities amounted to MSEK 34.9 (13.0).

JANUARY – DECEMBER 2023

- Net sales amounted to MSEK 1,369.9 (1,390.5).
- Net sales declined 1% (+7).
- EBIT amounted to MSEK 51.1 (152.8).
- EBIT margin amounted to 3.7% (11.0).
- Net income was MSEK 31.3 (120.5).
- Earnings per share² amounted to SEK 0.63 (2.41).
- Cash flow from operating activities amounted to MSEK 25.6 (89.2).
- The Board proposes a dividend of SEK 0 per share (0.80).

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- During the fourth quarter, a production facility in Poland was divested for MSEK 45 and a small industrial property in Gnosjö was divested for MSEK 12, reducing operating costs and interest-bearing net debt by MSEK 57. The total capital gains amounted to MSEK 18.
- The action and efficiency program, which primarily concerns the GARO Electrification business area, was carried out in accordance with plan during the fourth quarter.
- On January 30, it was announced that a new action and efficiency program had been initiated, resulting in the reduction of about 50 employees in the Group, primarily in the GARO E-mobility business area.

GARO GROUP KEY FIGURES ¹⁾	Oct–Dec 2023	Oct–Dec 2022	+/- %	Jan–Dec 2023	Jan–Dec 2022
Net sales, MSEK	311.2	341.8	-9	1,369.9	1,390.5
EBITDA, MSEK	12.9	19.8		99.6	188.8
EBITDA margin, %	4.1	5.8		7.3	13.6
EBIT, MSEK	-0.1	8.9		51.1	152.8
EBIT margin, %	0.0	2.6		3.7	11.0
Net income, MSEK	0.1	7.0		31.3	120.5
Earnings per share ² , SEK	0	0.14		0.63	2.41
Cash flow from operating activities, MSEK	34.9	13.0		25.6	89.2
Investments, MSEK	17.8	66.5		108.2	120.1
Depreciation, MSEK	13.0	10.9		48.6	36.0
Equity ratio, %	50.9	53.2		50.9	53.2
Equity per share ² , SEK	12.2	12.3		12.2	12.3
Return on equity, %	5.1	20.7		5.1	20.7
Return on capital employed, %	7.9	22.1		7.9	22.1
Net debt (+) / net cash position (-), MSEK	222.1	143.7		222.1	143.7
Net debt (+) / net cash position (-) excl. IFRS16, MSEK	149.8	65.2		149.8	65.2

¹⁾ For definitions of key figures, see page 19.

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

CEO PATRIK ANDERSSON'S COMMENTS ON THE QUARTER

Strong cash flow during an otherwise challenging quarter – new action package initiated

GARO posted overall sales of MSEK 311, which is a decline of MSEK 30 or 9% compared with the same quarter in 2022. Sales in the GARO E-mobility business area reported growth of 17% while sales in GARO Electrification declined 17%. Sales were considerably lower than our expectations at the end of the quarter due to a cautious market in both business areas. EBIT amounted to MSEK -0.1 (8.9) including net non-recurring items of MSEK +8.2 (-15). We are now taking further action to strengthen profitability.

Despite a weak quarter in terms of profitability, we generated strong cash flow from operating activities that amounted to MSEK 34.9 (13.0). We also divested a production facility in Poland for MSEK 45 and a small industrial property in Gnosjö for MSEK 12. Total capital gains amounted to MSEK 18 and the divestments reduced interest-bearing net debt by MSEK 57.

During the autumn, we also initiated a major project to update and improve our business system. The new system will enable improved processes and collaboration between the Group's different units. The project will take place in 2024 and 2025.

For the full-year, sales amounted to MSEK 1,370 compared with MSEK 1,390 for full-year 2022. EBIT for the full-year amounted to MSEK 51.1 (152.8) providing an EBIT margin of 3.7% (11.0).

GARO E-MOBILITY

Net sales in the GARO E-mobility business area amounted to MSEK 94 during the quarter, compared with MSEK 81 in the year-earlier quarter. Growth for the quarter was lower than expected in a cautious market. The prevailing market situation with macroeconomic uncertainty has noticeably impacted purchasing patterns and investment decisions, primarily in the Swedish market. As a result, market development in the business area is currently difficult to forecast with rapid changes in demand. For the full-year 2023, net sales amounted to MSEK 462 (422) leading to growth of 10%.

The first half of 2024 is projected to continue to be cautious in the Swedish market. Our active markets outside Sweden appear more positive. The preconditions are in place for recovery in the second half of the year. Forecasts ahead of 2025 are more hopeful.

GARO ELECTRIFICATION

Net sales in the GARO Electrification business area amounted to MSEK 217 (261) in the quarter, which is a year-on-year decline of MSEK 44. For the full-year 2023, net sales in the business area amounted to MSEK 908 (969) leading to negative growth of 6%. A weaker economy with

rising interest rates has resulted in a considerable decline in the market for the new construction of single-family homes and apartments in Sweden and the rest of the Nordic region. However, we believe that there is still relatively healthy demand for new builds in the public sector, commercial properties and for industry. The current market situation with a divided construction market is expected to continue for the entirety of 2024.

ACTION AND EFFICIENCY PROGRAM

On January 30, GARO announced that it was to adapt its organization in light of prevailing market conditions and carry out an additional action and efficiency program resulting in the reduction of about 50 employees. The action program will primarily concern the GARO E-mobility business area and is expected to reduce personnel expenses by about MSEK 25 on an annual basis. The program is expected to achieve its intended effect from the third quarter of 2024.

SUSTAINABILITY

In 2023, we continued to integrate sustainability throughout every part of operations, which is a priority for both us and for our customers. As part of this, we have prepared measures to meet the requirements from the EU Carbon Border Adjustment Mechanism (CBAM) and the forthcoming EU Due Diligence Directive. In 2024, we will continue our internal efforts for the coming reporting in accordance with the EU Corporate Sustainability Reporting Directive (CSRD) in 2025.

MARKET CONDITIONS

The market for charging infrastructure is growing structurally with rising numbers of rechargeable vehicles, and we see a continuing strong, long-term trend with further expansion of the charging infrastructure in the European market. We see lower growth in the short term, primarily for macroeconomic reasons, particularly in the Swedish 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 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 fourth quarter amounted to MSEK 3 11.2 (341.8), down 9% year-on-year. Net sales for the full-year 2023 amounted to MSEK 1,369.9 (1,390.5) corresponding to negative growth of 1% compared with the year-earlier period.

CHANGE IN NET SALES	Oct-Dec 2023 (MSEK)	Oct-Dec 2023 (%)	Jan-Dec 2023 (MSEK)	Jan-Dec 2023 (%)
Year-earlier period	341.8		1,390.5	
Organic growth	-29.2	-9	-19.9	-1
Acquisitions and structural changes	0		0	
Exchange-rate effects	-1.4		-0.5	
Current quarter	311.2	-9	1,369.9	-1

For definitions of key figures, see page 19

EBIT

EBIT was MSEK -0.1 (8.9) for the quarter, including non-recurring revenue of MSEK 18 (0), but with non-recurring items of MSEK 9.8 (15.0) charged to EBIT. The low EBIT was a result of lower sales and lower gross margin combined with an organization built for greater volume in GARO E-mobility.

EBIT for the full-year 2023 amounted to MSEK 51.1 (152.8) providing an EBIT margin of 3.7% (11.0). In addition to the recognized non-recurring revenue in the fourth quarter, the completed changes to the sales organization in Norway charged EBIT with MSEK 6.2 for the full-year 2023.

Currency effects marginally impacted EBIT for the quarter compared with the year-earlier quarter when EBIT was charged with MSEK 6.4 for these effects. Negative currency effects in EBIT for the full-year 2023 amounted to MSEK 14.7 compared with a negative effect of MSEK 17.9 in the preceding year.

FINANCIAL ITEMS

The Group's net financial items amounted to MSEK 2.9 (2.1) for the quarter and included currency effects from loans and hedging. Net interest income for the quarter amounted to MSEK -3.5 (-0.8). Currency effects attributable to revaluations of financial assets amounted to MSEK 9.0 (0.3).

The Group's net financial items for the full-year 2023 amounted to MSEK -3.3 (0.6). Net interest income for the year amounted to MSEK -11.4 (-1.9). Currency effects attributable to revaluations of financial assets amounted to MSEK 9.1 (2.7).

TAX

Net income amounted to MSEK 0.1 (7.0) for the quarter, and earnings per share amounted to MSEK 0 (0.14). The tax expense amounted to MSEK 2.7 (4.0). Net income for the full-year 2023 amounted to MSEK 31.3 (120.5) and earnings per share amounted to MSEK 0.63 (2.42). The tax expense for the full-year 2023 amounted to MSEK 16.5 (32.9) generating an average effective tax rate of 34.5% (21.4). The higher tax rate for 2023 is linked to non-deductible costs in the operations in Poland.

CASH FLOW AND INVESTMENTS

Cash flow from operating activities for the quarter amounted to MSEK 34.9 (13.0). The year-on-year improvement for the quarter was mainly

attributable to the change in accounts receivable. GARO has also paid a deposit with a supplier for ordered materials that have not yet been called off. The deposit amounts to MSEK 39.1, of which MSEK 19.1 was paid in the fourth quarter. Working capital in relation to net sales amounted to 29.8% (26.5) at the end of 2023. The difference is mainly due to a continued high inventory value combined with lower short-term liabilities. Total capital gains from the sales of industry properties amounted to MSEK 18 and the divestments reduced interest-bearing net debt by MSEK 57. Investments for the quarter amounted to MSEK 17.8 (66.5), of which MSEK 11.1 (8.1) pertained to product development.

Cash flow from operating activities for the full-year 2023 amounted to MSEK 25.6 (89.2). Investments for the full-year 2023 amounted to MSEK 108.2 (121.0), of which MSEK 34.8 (30.9) pertained to product development, primarily for the new charging platform GARO Entity. The investment of the new production facility in Poland amounted MSEK 53.6 in 2023 and a total of MSEK 101.

For the full-year 2023, right-of-use assets (leases and rental contracts) declined net by MSEK 8.5 (increase: 42.7).

During the year, a dividend of MSEK 40.0 (70.0) was distributed to shareholders.

LIQUIDITY AND FINANCIAL POSITION

The Group's net debt at the end of the period amounted to MSEK 222.1 (143.7). Compared with the third quarter of 2023, net debt has declined MSEK 71.3. The Group's net debt excluding lease liabilities, which is to say effects of IFRS 16, amounted to MSEK 149.8 (65.2). Available liquidity in the Group, including unutilized overdraft facilities, amounted to MSEK 163.9 (179.5) and the equity ratio was 50.9% (53.2).

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 fourth quarter of 2023. On December 29, 2023, the share price closed at SEK 43.52 (108.60).

EVENTS AFTER THE END OF THE QUARTER

On January 30, GARO announced that a new action and efficiency program had been initiated. The program results in the reduction of about 50 employees in the Group, primarily in the GARO E-mobility business area. 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.

DIVIDEND

The Board of Directors proposes that no dividend be paid for the 2023 fiscal year in light of completed investments and the Group's other consolidation requirements.

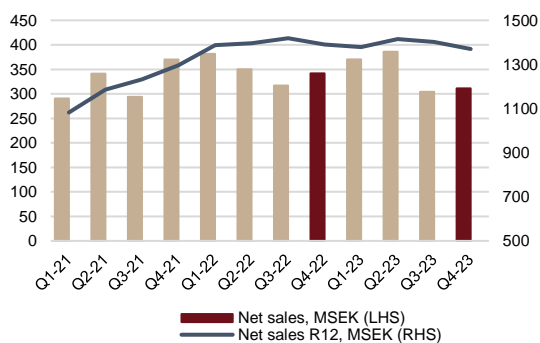
NOMINATION COMMITTEE

The members appointed to the Nomination Committee until the 2024 Annual General Meeting are: Niklas Bogefors appointed by Lars Svensson, Johan Ståhl appointed by Svolder AB, Emma Englén appointed by Spiltan Fonder and Rickard Blomqvist in his capacity as Chairman of GARO AB. Niklas Bogefors has been appointed as Chairman of the Nomination Committee.

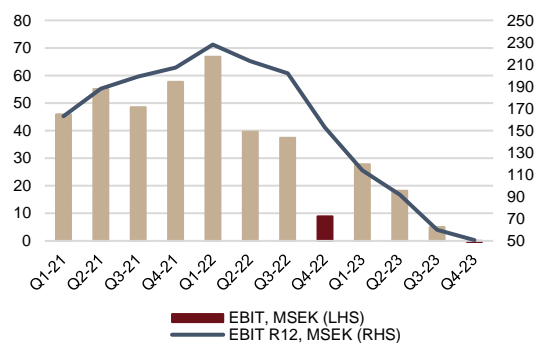
ANNUAL GENERAL MEETING

The 2024 Annual General Meeting will take place on Wednesday, May 14, 2024 in the company's premises in Hillerstorp, Sweden. Please visit www.garo.se for more information.

NET SALES, GROUP

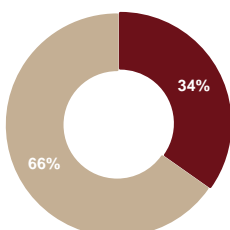


EBIT, GROUP



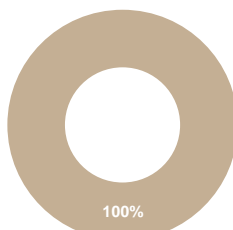
ALLOCATION OF NET SALES BY BUSINESS AREA, JAN-DEC 2023

■ GARO E-mobility ■ GARO Electrification



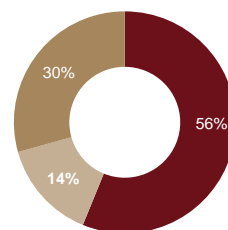
ALLOCATION OF EBIT BY BUSINESS AREA, JAN-DEC 2023

■ GARO E-mobility ■ GARO Electrification



ALLOCATION OF NET SALES BY GEOGRAPHIC AREA, JAN-DEC 2023

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



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 in the GARO E-mobility business area amounted to MSEK 93.9, compared with MSEK 80.6 in the year-earlier quarter, providing growth of 17%. For the full-year 2023, sales amounted to MSEK 462.0 (421.8) leading to growth of 10% or MSEK 41.

Deliveries of GARO Entity Compact commenced in October after the previous delivery delay. The lower growth towards the end of the year in the business area was a result of a cautious market, primarily in Sweden. The private market has been significantly cooler as a result of higher interest rates, the economic climate and the removal of the climate bonus, resulting in a slowdown in the pace of new car registrations for rechargeable vehicles.

Sales of major customer projects have also been lower than expected due to the challenging economic situation. Demand for public charging is the primary factor driving growth in the business area and GARO's sales under international contracts are now taking place at a slower pace than at the start of 2023.

For full-year 2023, sales in Sweden were 3% lower year-on-year while healthy growth was noted in the rest of the Nordic region.

EARNINGS

EBIT for the fourth quarter amounted to MSEK -33.0 (-20.9) providing an EBIT margin of -35.2% (-25.9). Low sales, a weak gross margin and an organization that is built for higher volumes were the main reasons behind the negative earnings. In addition, the business area paid non-recurring costs of MSEK 9.8 (15) during the quarter partly as a result of an ongoing change of technical platform in GARO E-mobility. EBIT for

the full-year 2023 amounted to MSEK -37.2 (13.1) providing an EBIT margin of -8.1% (3.1).

Currency effects in EBIT amounted to MSEK -1.3 (-2.0) for the quarter and MSEK -8.7 (-6.1) for the full-year.

The number of employees at the end of the period was 197 (213).

GARO ENTITY

The delivery start of GARO Entity Compact in October signaled the completion of the development project of new platforms for destination charging, and the project is therefore complete. A number of new versions of the GARO Connect app were released from mid November, further simplifying the installation process for installation engineers and facility owners. GARO will continue to develop future features to meet market expectations and maintain GARO Entity's uniqueness in the market.

SYNERGY EFFECTS

GARO currently has a 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.

		Oct-Dec 2023	Oct-Dec 2022	Adjusted Oct-Dec 2023	Adjusted Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
GARO E-MOBILITY KEY FIGURES							
Net sales	MSEK	93.9	80.6	93.9	80.6	462.0	421.8
Growth	%	17	-39	16	-39	10	-3
EBIT	MSEK	-33.0	-20.9	-23.2	-5.9	-37.2	13.1
EBIT margin	%	-35.2	-25.9	-24.7	-7.3	-8.1	3.1
Investments	MSEK	12.3	41.6	12.3	41.6	96.9	93.8
Depreciation	MSEK	6.5	2.9	6.5	2.9	22.3	11.5
Number of employees		197	213	197	213	197	213

For definitions of key figures, see page 19

THE MARKET

The transition to fossil-free fuels as well as energy-efficient systems and services is crucial for achieving the Sustainable Development Goals, which benefits GARO since its offering is synchronized with current needs.

However, the current economic situation with high interest rates has significantly changed consumer purchasing behavior and companies' willingness to invest. In the first half of 2024, we anticipate cautious demand, particularly in the Swedish market, while other markets continue to post growth. In Sweden, demand for charging stations for larger projects in locations such as commercial properties, public places and tenant-owner associations is believed to be stable.

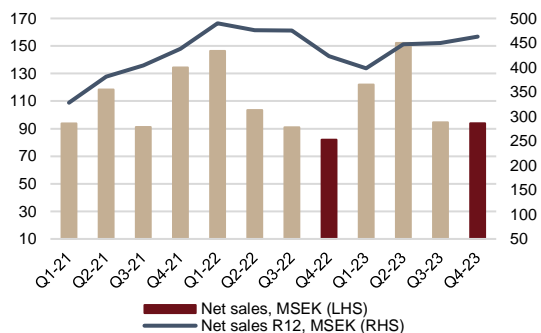
In 2023, there were more than 10 million rechargeable cars in Europe. This figure is expected to amount to 41 million by 2030. Electric and chargeable hybrid cars accounted for 35% of the number of newly registered cars in Europe in 2023. However, the number of electric cars only amounted to about 1% of the total number of cars on the roads. This can be compared with Norway, which 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 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. According to the agreement 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.

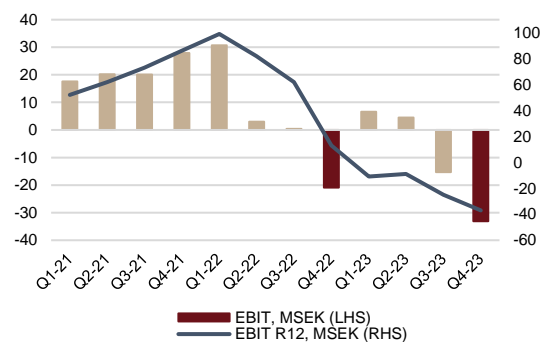
The target is to reach 250,000 public charging stations in Sweden by 2030, which will require a substantial increase in the pace of expansion from the approximately 34,400 public charging stations currently in place.

A decision by the European Council to adopt a regulation and clear guidelines for all member countries regarding the availability of charging stations along the transport network that reached the market in the autumn will generate growth. 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 regulation outlines compulsory national minimum targets for the expansion of infrastructure for alternative fuels. The directive means that charging stations must be present every 60 kilometers for cars and every 120 kilometers for trucks along the Trans-European Transport Network's core network. The agreement also places requirements on the operators of the charging stations. It is to be easy for customers to pay and receive price information in a clear and transparent manner.

NET SALES, GARO E-MOBILITY



EBIT, GARO E-MOBILITY



GARO Electrification

NET SALES

Net sales amounted to MSEK 217.3 for the fourth quarter, compared with MSEK 261.2 for the year-earlier quarter, which was a decline of 17%. For the full-year 2023, net sales amounted to MSEK 908.0 (968.7) leading to negative growth of 6% or MSEK 60.

Sales for the Electrical distribution products product area declined MSEK 19 or 12% compared to the year-earlier quarter. For the full-year, negative growth in the product area was 6%. Not surprisingly, demand for products related to the new construction of single-family homes and apartments is down sharply, particularly in Sweden and the other Nordic countries. However, GARO continues to see healthy demand for products related to other public and commercial construction and the energy efficiency of buildings. The market connected to the green transition is also assessed to be favorable, which is continuing to maintain sales in several product groups.

The general slowdown in the market also impacted the Project business product area, which is late in the construction cycle. The product area posted negative growth of 18% or just under MSEK 14 compared with the preceding year. However, the Project business product area posted growth of 3% for the full-year.

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 32.9 (29.8) providing an EBIT margin of 15.2% (11.4). The business area has essentially acceptable profitability given the prevailing economic situation where business is currently conducted with a considerable focus on price and rapid delivery. Capital gains from the sale of a facility in Poland and a small industrial property in Gnosjö strengthened EBIT by MSEK 18. During the autumn, GARO commenced an update to the business system that will enable improved processes and collaboration between the Group's different units. EBIT for the full-year 2023 amounted to MSEK 88.3 (139.7) providing an EBIT margin of 9.7% (14.4).

Positive currency effects in EBIT amounted to MSEK 1.6 (negative currency effect of MSEK 4.4) for the quarter and negative currency effects in EBIT amounted to MSEK 5.8 (negative currency effect of MSEK 11.9) for the full-year 2023.

The number of employees at the end of the period was 281 (308).

THE MARKET

The number of construction starts for single-family homes and apartments has declined substantially in Sweden, but even in the other Nordic countries. The forecast shows that this will continue to impact the production rate of housing in 2024/2025. Relatively healthy demand remains for new construction from the public sector, for commercial properties and for industry. Renovation, energy efficiency, electrification and the green transition are also helping to sustain demand. However, these volumes will not fully compensate for lower volumes in new housing construction in the short term.

In the markets where GARO is active, there is a considerable underlying need for new housing and the long-term assessment is that the market will gain new momentum in line with the impact of the anticipated interest-rate reductions on the real economy. In addition, the market for road and transport infrastructure development is growing, contributing to a strong demand for temporary electricity for construction sites.

ELECTRICAL DISTRIBUTION PRODUCTS, PROJECT BUSINESS, TEMPORARY POWER

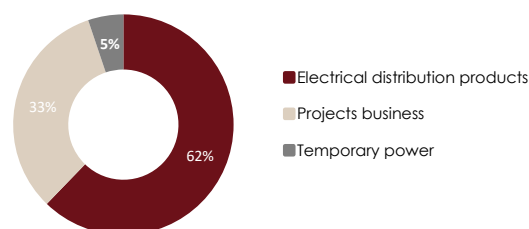
Distribution has commenced the new engine heater outlet GARO Entity Heat, which is built on the same platform as GARO Entity and for which sales commenced in the third quarter. The product has been well received in the market with its ability to make it possible to combine engine heater and charger products in the same system.

The Project business product area posted increased sales of distribution boards, cable cabinets and switchgear in the quarter, which can, for example, supply power to various types of properties, E-mobility solutions and renovations for energy efficiency. This growth is positive since housing-related products have declined in sales. In Temporary Power, sales of GARO Entity Flex, GARO's new mobile electric car charger adapted for construction sites, events and other temporary establishments, commenced during the quarter.

GARO's breadth of products and solutions are beneficial for customers and end users as the company is able to offer a complete solution with anything from power supply to connectable charging stations for EV charging.

ALLOCATION OF NET SALES PER PRODUCT AREA

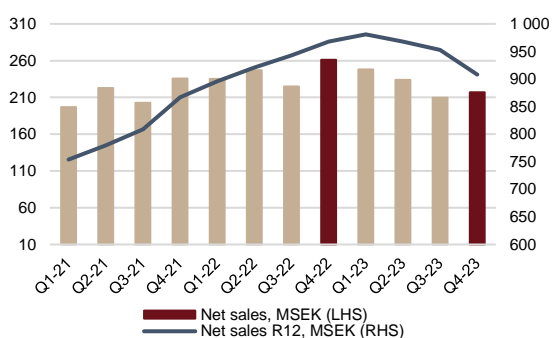
January-December 2023



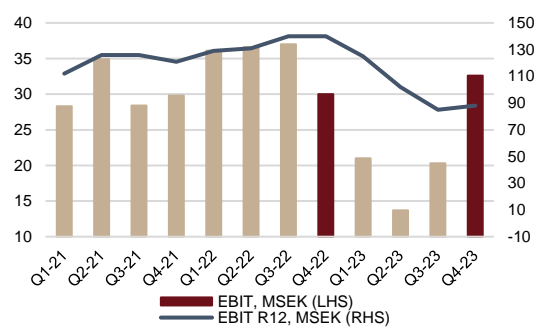
GARO ELECTRIFICATION KEY FIGURES		Oct-Dec 2023	Oct-Dec 2022	Adjusted Oct-Dec 2023	Adjusted Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales	MSEK	217.3	261.2	217.3	261.2	907.9	968.7
Growth	%	-17	11	-17	11	-6	13
EBIT	MSEK	32.9	29.8	14.9	29.8	88.3	139.7
EBIT margin	%	15.2	11.4	6.9	11.4	9.7	14.4
Investments	MSEK	5.5	24.9	5.5	24.9	11.3	26.3
Depreciation	MSEK	6.5	8.0	6.5	8.0	26.2	24.5
Number of employees		281	308	281	308	281	308

For definitions of key figures, see page 19

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 is expanded with smart products, considerable resources are invested in product development.

Development is a basic prerequisite for continued expansion. In 2023, considerable focus has been 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 WORK

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.

2023 FISCAL YEAR

In 2023, GARO continued to integrate sustainability throughout every part of operations, which is a growing priority for both GARO and for

our customers. Efforts to meet the requirements from the EU Carbon Border Adjustment Mechanism (CBAM) and the forthcoming EU Due Diligence Directive have commenced in dialog with our business partners. In 2024, GARO will continue efforts to align reporting in accordance with the EU Corporate Sustainability Reporting Directive (CSRD) from 2025. Sustainability policies have expanded to include statutory and voluntary standards.

GARO is continually strengthening its ambitions, knowledge and internal and external collaboration for sustainable products. Work is also continuing for Environmental Product Declarations (EPDs) in line with Eco-Passport and ISO 14067 for GARO Entity.

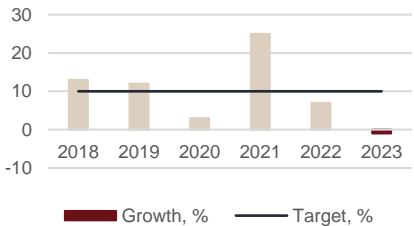
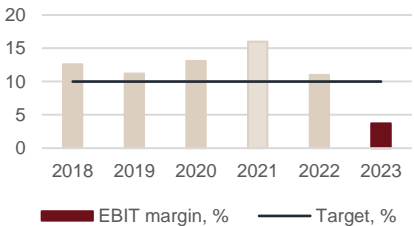
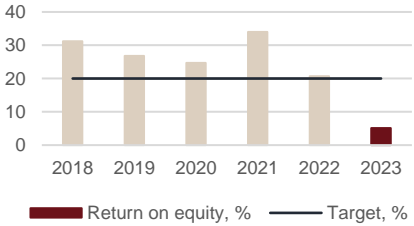
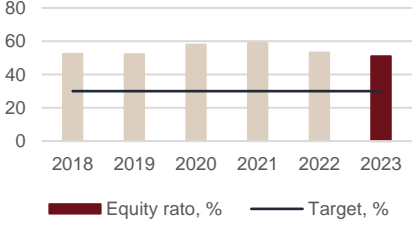
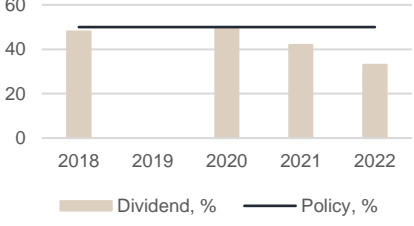
For more information about GARO's goals for a more sustainable future, refer to our 2022 Annual Report, pages 36–51.

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 fourth quarter amounted to MSEK 88.2 (133.7). Sales to other Group companies amounted to MSEK 13.1 (44.4). EBIT for the quarter amounted to MSEK 10.0 (17.1). Net sales for the Parent Company amounted to MSEK 354.8 (498.4) for the full-year 2023, of which sales to other Group companies comprised MSEK 60.3 (159.0). EBIT for the full-year amounted to MSEK 40.4 (78.6).

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>8</td> <td>10</td> </tr> <tr> <td>2023</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	8	10	2023	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>2023</td> <td>4</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	2023	4	10
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<p>EQUITY RATIO The equity ratio will not be less than 30%.</p> <p>TARGET ≥30%</p>	 <table border="1"> <thead> <tr> <th>Year</th> <th>Equity ratio, %</th> <th>Target, %</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>55</td> <td>30</td> </tr> <tr> <td>2019</td> <td>55</td> <td>30</td> </tr> <tr> <td>2020</td> <td>60</td> <td>30</td> </tr> <tr> <td>2021</td> <td>60</td> <td>30</td> </tr> <tr> <td>2022</td> <td>55</td> <td>30</td> </tr> <tr> <td>2023</td> <td>55</td> <td>30</td> </tr> </tbody> </table>	Year	Equity ratio, %	Target, %	2018	55	30	2019	55	30	2020	60	30	2021	60	30	2022	55	30	2023	55	30
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<p>DIVIDEND POLICY GARO's dividend will amount to approximately 50% of the Group's net earnings after tax. The dividend proposal must take into account GARO's 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>Policy, %</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, %	Policy, %	2018	50	50	2019	50	50	2020	50	50	2021	45	50	2022	35	50			
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2022	35	50																				

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, Germany, 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. At the time of writing, the situations in Ukraine and Gaza are not assessed to have any notable impact for the Group and its operations.

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. For definitions, see page 19.

RELATED-PARTY TRANSACTIONS

Related-party transactions take place in accordance with the principles described in the 2022 Annual Report. There were no related party transactions during the year except for the payment of fees to the Board of Directors and the remuneration of senior executives.

ACCOUNTING POLICIES

GARO applies the International Financial Reporting Standards (IFRS) as adopted by the EU, the Swedish Annual Accounts Act (1995:1554) and the recommendations and statements of the Swedish Financial Reporting Board in RFR 1. This year-end 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 year-end report has not been reviewed by the company's auditors.

Gnosjö, February 21, 2024

GARO AB

The Board of Directors

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
Amount in MSEK				
Operating income				
Net sales	311.2	341.8	1,369.9	1,390.5
Other operating income	1.3	0.2	3.7	1.4
Other operating gains	18.0	0	18.0	0
Total operating income	330.5	342.0	1,391.6	1,391.9
Operating expenses				
Capitalized production costs	0.3	1.4	2.8	5.4
Raw materials and consumables	-182.9	-182.5	-760.8	-727.4
Other external expenses	-53.0	-57.7	-193.0	-174.3
Personnel expenses	-82.0	-83.4	-326.4	-306.8
Depreciation/amortization of tangible and intangible assets	-13.0	-10.9	-48.6	-36.0
Other operating expenses	0	-0.1	-14.5	0
EBIT	-0.1	8.9	51.1	152.8
Result from financial items				
Net financial income/expenses	2.9	2.1	-3.3	0.6
Profit before tax	2.8	11.0	47.8	153.4
Income tax	-2.7	-4.0	-16.5	-32.9
Net income	0.1	7.0	31.3	120.5
Other comprehensive income:				
Items that may be reclassified to the income statement				
Translation differences	-0.8	6.5	4.1	10.6
Other comprehensive income, net	-0.8	6.5	4.1	10.6
Total comprehensive income for the period	-0.7	13.5	35.4	131.1
Net income and total comprehensive income for the period is 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
Earnings per share, before and after dilution, SEK	0	0.14	0.63	2.41

EBIT BEFORE AND AFTER ADJUSTMENT OF NON-RECURRING COSTS

Capital gains from the divestment of property in Poland and Sweden improved earnings in GARO Electrification. In addition, non-recurring items, such as the ongoing change of technical platform, impacted earnings in GARO E-mobility. These items affect the comparability of this year-end report.

	Oct–Dec 2023		Oct–Dec 2022		Jan–Dec 2023		Jan–Dec 2022	
Amount in MSEK		%		%		%		%
EBIT	-0.1	-0.2	8.9	2.6	51.1	3.7	152.8	11.0
Capital gains for property divestments	-18.0		0		-18.0		0	
Non-recurring costs	4.8		0		4.8		0	
Phase out of the technical platform	5.0		15.0		5.0		15.0	
Adjusted EBIT	-8.3	-2.7	23.9	7.0	42.9	3.1	167.8	12.1

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amount in MSEK	Dec 31, 2023	Dec 31, 2022
ASSETS		
Fixed assets		
Intangible assets	145.9	127.7
Tangible assets	285.2	269.4
Financial assets	4.2	4.1
Total fixed assets	435.3	401.2
Current assets		
Inventories	395.2	344.9
Accounts receivable	252.6	321.1
Other current receivables	65.5	56.8
Cash and cash equivalents	50.0	29.5
Total current assets	763.3	752.3
TOTAL ASSETS	1,198.6	1,153.5
EQUITY AND LIABILITIES		
Share capital	20.0	20.0
Other reserves	13.8	9.7
Other contributed capital	1.5	1.5
Other equity including net income for the period	574.2	582.9
Total equity	609.5	614.1
Long-term liabilities		
Liabilities to credit institutions	22.2	36.6
Lease liabilities	56.1	62.4
Other provisions	7.0	9.0
Deferred tax liabilities	0	0
Total long-term liabilities	85.3	108.0
Short-term liabilities		
Liabilities to credit institutions	177.6	58.1
Lease liabilities	16.2	16.1
Accounts payable	183.3	187.4
Other short-term liabilities	126.7	169.8
Total short-term liabilities	503.8	431.4
TOTAL EQUITY AND LIABILITIES	1,198.6	1,153.5

CONDENSED 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	0	1.5
Dividend paid 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				31.3	31.3
Other comprehensive income for the period		4.1		0	4.1
Dividend paid to shareholders				-40.0	-40.0
Closing equity, December 31, 2023	20.0	13.8	1.5	574.2	609.5

CONDENSED CONSOLIDATED CASH-FLOW STATEMENT

Amount in MSEK	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
Operating activities				
Cash flow from operating activities before changes in working capital	7.0	12.2	42.5	159.9
Cash flow from changes in working capital	27.9	0.8	-16.9	-70.7
Cash flow from operating activities	34.9	13.0	25.6	89.2
Investing activities				
Investments in intangible assets	-11.1	-8.1	-34.8	-30.8
Acquisition of subsidiaries	1.1	0	0	-0.9
Investments in tangible assets	-6.7	-58.4	-73.4	-89.3
Disposal of tangible assets	57.2	1.9	57.2	1.9
Cash flow from investing activities	40.5	-64.6	-51.0	-119.1
Financing activities				
Net borrowing/amortization of loans	-11.9	46.7	99.9	58.1
Amortization of lease liability	-4.3	-3.8	-14.9	-12.0
Warrant liquidity received	0	0	0	1.5
Dividend paid to shareholders	-20.0	0	-40.0	-70.0
Cash flow from financing activities	-36.2	42.9	45.0	-22.4
Cash flow for the period	39.2	-8.7	19.6	-52.3
Currency effect in cash and cash equivalents	0.1	0.5	0.9	0.2
Cash and cash equivalents, start of the period	10.7	38.7	29.5	81.6
Cash and cash equivalents, end of the period	50.0	29.5	50.0	29.5

CONDENSED PARENT COMPANY INCOME STATEMENT

	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
Amount in MSEK				
Operating income				
Net sales	88.2	133.7	354.8	498.4
Other operating income	33.6	17.1	90.8	65.1
Total income	121.8	150.8	445.6	563.5
Operating expenses				
Raw materials and consumables	-57.9	-83.0	-231.4	-310.1
Other external expenses	-29.7	-19.2	-79.3	-61.6
Personnel expenses	-22.6	-27.5	-87.7	-102.1
Depreciation/amortization of tangible and intangible assets	-1.6	-4.0	-6.8	-11.1
EBIT	10.0	17.1	40.4	78.6
Result from financial items				
Profit from participations in Group companies	-0.3	2.8	-1.3	2.8
Net interest income and similar items	5.9	3.9	18.3	10.4
Net interest expenses and similar items	-4.2	-1.1	-5.9	-0.8
Profit before tax	11.4	22.7	51.5	91.0
Appropriations	-26.6	28.5	-26.6	28.5
Income tax	2.8	-10.4	-5.6	-24.4
Net income	-12.3	40.8	19.3	95.1

The Parent Company does not have any items recognized as other comprehensive income which is why total 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	Dec 31, 2023	Dec 31, 2022
ASSETS		
Fixed assets		
Intangible assets	31.0	8.3
Tangible assets	18.9	33.8
Participations in Group companies	84.0	80.3
Other financial assets	166.9	75.8
Total fixed assets	300.8	198.2
Current assets		
Inventories	30.8	54.6
Accounts receivable	70.2	89.3
Other receivables	281.8	282.9
Cash and bank balances	0	5.9
Total current assets	382.8	432.7
TOTAL ASSETS	683.6	630.9
EQUITY AND LIABILITIES		
Share capital	20.0	20.0
Fund for internal development expenses	29.5	6.1
Statutory reserve	2.6	2.6
Non-restricted equity including net income for the period	316.0	360.1
Total equity	368.1	388.8
Provisions	1.2	3.4
Long-term liabilities		
Liabilities to credit institutions	18.7	22.8
Total long-term liabilities	18.7	22.8
Short-term liabilities		
Short-term interest-bearing liabilities	96.8	3.0
Short-term non-interest-bearing liabilities	198.8	212.9
Total short-term liabilities	295.6	215.9
TOTAL EQUITY AND LIABILITIES	683.6	630.9

SALES AND EBIT BY BUSINESS AREA

Business area information	GARO Electrification		GARO E-mobility		Elimination		Group	
	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022
Income								
Total external income	290.1	360.2	167.9	120.3	-146.8	-138.7	311.2	341.8
Total internal income	-72.8	-99.0	-74.0	-39.7	146.8	138.7	0	0
Income from contracts with customers	217.3	261.2	93.9	80.6	0	0	311.2	341.8
EBIT	32.9	29.8	-33.0	-20.9	0	0	-0.1	8.9
Net financial income/expenses							2.9	2.1
Tax expense for the year							-2.8	-4.0
Net income for the year							0.1	7.0

REVENUE PER CUSTOMER'S GEOGRAPHIC LOCATION (OCT-DEC)

Business Area	GARO Electrification			GARO E-mobility			Total		
	Oct-Dec 2023	Oct-Dec 2022	growth, %	Oct-Dec 2023	Oct-Dec 2022	growth, %	Oct-Dec 2023	Oct-Dec 2022	growth, %
Sweden	134.4	168.2	-20	44.2	36.0	23	178.6	204.2	-13
Nordic region excl. Sweden	32.4	40.6	-20	20.5	11.4	80	52.9	52.0	2
Europe excl. Nordic region	50.5	52.6	-4	29.2	34.5	-15	79.7	87.1	-8
Currency effects	-	-0.2	-	-	-1.3	-	-	-1.5	-
Total	217.3	261.2	-17	93.9	80.6	17	311.2	341.8	-9

REVENUE PER CUSTOMER'S GEOGRAPHIC LOCATION (JAN-DEC)

Business Area	GARO Electrification			GARO E-mobility			Total		
	Jan-Dec 2023	Jan-Dec 2022	growth, %	Jan-Dec 2023	Jan-Dec 2022	growth, %	Jan-Dec 2023	Jan-Dec 2022	growth, %
Sweden	559.7	616.4	-9	216.2	223.9	-3	775.9	840.3	-8
Nordic region excl. Sweden	125.1	145.1	-14	121.4	58.3	108	246.5	203.4	21
Europe excl. Nordic region	223.1	205.6	9	124.4	139.9	-11	347.5	345.5	1
Currency effects	-	1.6	-	-	-0.3	-	-	1.3	-
Total	907.9	968.7	-6	462.0	421.8	10	1,369.9	1,390.5	-1

GARO GROUP MULTI-YEAR OVERVIEW AND KEY FIGURES*

		Oct-Dec 2023	Oct-Dec 2022	2023	2022	2021	2020	2019	2018
Net sales	MSEK	311.2	341.8	1,369.9	1,390.5	1,295.8	1,039.8	1,008.1	903.7
Growth	%	-9	-8	-1	7	25	3	12	13
EBITDA	MSEK	12.9	19.8	99.6	188.8	243.0	163.2	134.9	128.8
EBITDA margin	%	4.1	5.8	7.3	13.6	18.8	15.7	13.4	14.3
EBIT	MSEK	-0.1	8.9	51.1	152.8	207.2	136.2	112.6	113.8
EBIT margin	%	0	2.6	3.7	11.0	16.0	13.1	11.2	12.6
Earnings per share, before and after dilution	SEK	0	0.14	0.63	2.41	3.33	1.91	1.71	1.65
Equity per share	SEK	12.19	12.28	12.19	12.28	11.03	8.61	6.86	5.92
Dividend per share	SEK	n/a	n/a	0	0.80	1.40	0.95	0	0.80
Dividend	MSEK	n/a	n/a	0	40.0	70.0	47.5	0	40.0
Closing rate, share	SEK	43.52	108.6	43.52	108.6	216.0	127.0	61.4	34.7
Return on equity	%	5.1	20.7	5.1	20.7	34.0	24.7	26.8	31.2
Return on capital employed,	%	7.9	22.1	7.9	22.1	39.2	32.2	30.4	34.7
Investments	MSEK	17.8	66.5	108.2	120.1	45.3	45.3	33.4	22.7
Depreciation	MSEK	13.0	10.9	48.6	36.0	35.8	26.9	22.3	15.0
Equity ratio	%	50.9	53.2	50.9	53.2	58.9	57.9	52.2	52.4
Net debt	MSEK	222.1	143.7	222.1	143.7	-9.4	11.3	45.6	45.7
Net debt/EBITDA	multiple	2.2	0.8	2.2	0.8	0.0	0.1	0.3	0.4
Number of employees		478	521	478	521	498	412	421	402

*For definitions of key figures, see page 19

QUARTERLY FIGURES

Consolidated income statement Amount in MSEK	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Net sales	311.2	302.3	386.2	370.2	341.8	317.0	350.2	381.6	370.1	293.9	341.2	290.6
Operating expenses	-311.3	-297.0	-368.0	-342.4	-332.9	-279.6	-310.6	-314.7	-312.4	-245.4	-286.1	-244.7
EBIT	-0.1	5.3	18.2	27.8	8.9	37.4	39.6	66.8	57.7	48.5	55.1	45.9
Net financial income/expenses	2.9	-13.0	7.2	-0.4	2.1	-2.9	1.8	-0.1	1.4	0.5	-2.1	1.3
Profit before tax	2.8	-7.8	25.4	27.4	11.0	34.5	41.4	66.7	59.1	49.0	53.0	47.2
Tax	-2.7	-1.6	-5.4	-6.7	-4.0	-7.9	-8.1	-13.0	-12.7	-9.6	-10.5	-8.9
Net income	0.1	-9.4	20.0	20.7	7.0	26.6	33.3	53.7	46.4	39.4	42.6	38.3
Net sales per business area Amount in MSEK	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
GARO E-mobility	93.9	93.8	152.2	122.1	80.6	92.1	103.3	146.4	134.4	91.2	118.4	93.8
GARO Electrification	217.3	208.5	234.0	248.1	261.2	224.9	246.9	235.2	235.7	202.7	222.8	196.8
Total Group	311.2	302.3	386.2	370.2	341.8	317.0	350.2	381.6	370.1	293.9	341.2	290.6
EBIT per business area Amount in MSEK	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
GARO E-mobility	-33.0	-15.3	4.5	6.6	-20.9	0.4	3.0	30.7	27.9	20.1	20.2	17.6
GARO Electrification	32.9	20.6	13.7	21.2	29.8	37.0	36.6	36.1	29.8	28.4	34.9	28.3
Total Group	-0.1	5.3	18.2	27.8	8.9	37.4	39.6	66.8	57.7	48.5	55.1	45.9

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 IFRS 16: 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

Working capital: The sum of current assets less cash and cash equivalents less current non-interest bearing liabilities, all calculated at the end of 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 February 21, 2024 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 numbers:

Sweden: +46 20 012 37 17

Europe: +44 20 3936 2999

Code: 82 50 73

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

First quarter of 2024 May 14, 2024

Second quarter of 2024 August 16, 2024

Third quarter of 2024 November 15, 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 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 approximately 500 employees and operations in six countries. 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. The information was published by the abovementioned contact persons on February 21, 2024, at 8:30 a.m. CET.