



# INTERIM REPORT JULY – SEPTEMBER 2019

## CONTINUED SUCCESS AND INVESTMENTS IN E-MOBILITY

### JULY–SEPTEMBER 2019

- Net sales increased 11% to MSEK 235.2 (212.7).
- EBIT amounted to MSEK 23.6 (28.4).
- EBIT margin amounted to 10.1% (13.4).
- Net income was MSEK 17.9 (22.7).
- Earnings per share, before and after dilution, amounted to SEK 1.79 (2.27).

### JANUARY–SEPTEMBER 2019

- Net sales increased 15% to MSEK 730.3 (633.9).
- EBIT amounted to MSEK 76.8 (76.4).
- Net income was MSEK 61.2 (57.2).
- Earnings per share, before and after dilution, amounted to SEK 6.12 (5.72).

### SIGNIFICANT EVENTS DURING THE QUARTER

- GARO signed an agreement with Vattenfall

<b>GARO Group key figures</b>	<b>Jul–Sep 2019</b>	<b>Jul–Sep 2018</b>	<b>%</b>	<b>Jan–Sep 2019</b>	<b>Jan–Sep 2018</b>	<b>%</b>	<b>2018</b>
Net sales, MSEK	235.2	212.7	11	730.3	633.9	15	903.7
EBITDA, MSEK	29.4	32.3	-11	92.8	87.6	5	128.8
EBITDA margin, %	12.5	15.2	-	12.7	13.8	-	14.3
EBIT, MSEK	23.6	28.4	-17	76.8	76.4	-	113.8
EBIT margin, %	10.1	13.4	-	10.6	12.0	-	12.6
Net income, MSEK	17.9	22.7	-21	61.2	57.2	7	82.7
Earnings per share <sup>1</sup> , SEK	1.79	2.27	-21	6.12	5.72	7	8.27
Cash flow from operating activities, MSEK	15.3	29.5	-48	47.8	45.8	4	73.9
Investments, MSEK	10.8	4.0	170	25.2	16.9	49	22.7
Depreciation, MSEK	5.9	3.8	55	16.0	11.2	43	15.0
Equity ratio, %	50.6	51.1	-	50.6	51.1	-	52.4
Adjusted equity per share <sup>1</sup> , SEK	31.8	27.2	17	31.8	27.2	17	29.6
Return on equity, %	28.8	33.5	-	28.8	33.5	-	30.1
Net debt (+) / net cash position (-), MSEK	94.5	67.3	-	94.5	67.3	-	45.7

1) Before and after dilution

For definitions of key figures, see page 19

GARO is one of the leading manufacturers of innovative electrical products and systems for electrical installation. With a focus on user-friendliness, sustainability and design, GARO takes responsibility for the entire life cycle of its product areas within Electrical distribution products, Project business, E-mobility and Temporary electric installations.

At year-end, the Group had 400 employees with operations in Sweden, Norway, Finland, Ireland, Northern Ireland and Poland. Sales are divided into GARO Sweden and GARO Other markets. The head office is in Gnosjö, Sweden. Production units are located in Gnosjö and Värnamo, Sweden, and in Szczecin, Poland. GARO is listed on Nasdaq Stockholm, Mid Cap.

The business concept is "with a focus on innovation, sustainability and design, GARO provides profitable complete solutions for the electrical industry."

# CEO's comments on the quarter

## CONTINUED SUCCESS AND INVESTMENTS IN E-MOBILITY

GARO continued to report healthy growth during the quarter. Net sales rose 11% to MSEK 235.2 (212.7). Growth continued to be driven by expansion in *E-mobility* and also to a significant extent in the product areas *Electrical distribution products* and *Project*, while *Temporary electric installations* remained weak. Growth was even between the Sweden business area and in Other markets of 11% and 10%, respectively. It is gratifying to see the performance of our base – *Electrical distribution products* – with growth of 10% for the quarter and 14% for the January – September period, which significantly exceeds the predicted market growth for the period.

EBIT for the quarter declined compared with the preceding year to MSEK 23.6 (28.4), corresponding to an EBIT margin of 10.1% (13.4). This was primarily a result of unfavorable product mix and currency effects, which squeezed the gross margin. Continued market investments and organizational reinforcements, mainly within the E-mobility product area, have also had a seasonally greater impact on costs in relation to sales in the third quarter.

EBIT for the January – September period amounted to MSEK 76.8 (76.4), corresponding to an EBIT margin of 10.6% (12.0). Adjusted for an item affecting comparability from the first quarter, EBIT was MSEK 78.8, corresponding to an EBIT margin of 10.8%.

## MARKET ACTIVITY IN E-MOBILITY

The E-mobility product area continued to demonstrate high activity and grew 27% during the third quarter, driven primarily by Other markets where overall growth was 51%. In Sweden, "Klimatklivet" and "Ladda-hemma" subsidies were introduced in July to support the construction of charging infrastructure for electric and chargeable hybrid cars. The programmes this year are different than last year's program, and this year's registration periods were in August and October, which temporarily dampened the demand for mainly public charging stations.

During the quarter, we signed a contract with Vattenfall for supplying our smart wallbox, GLB+. The agreement includes Norway, the Netherlands, the UK and Sweden, which are all strategically important markets for us. The wallbox, which is an OCPP-compatible wallbox for multiple-family dwellings, workplaces and public environments, will be connected to Vattenfall's cloud charging service "InCharge," which supports payment, remote control and operational monitoring.

We were active and had a strong presence at the Almedal political week, where we demonstrated our products at hotspots in Visby, Gotland, but also through a collaboration with Volvo Cars where we presented our semi-fast chargers together with their chargeable hybrid cars.

After the end of the quarter, we signed a three-year cooperation agreement with OKQ8 regarding our products for vehicle charging and our public charging stations, wall boxes and accessories. The agreement gives OKQ8 in Sweden and Denmark access to GARO's range but can be extended to European countries where OKQ8 operates with its sister companies.

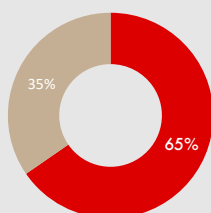
## MARKET CONDITIONS

We see a strong trend for the *E-mobility* product area, with further expansion of the charging infrastructure in all markets. Demand for construction-related products in Sweden remains favorable but is expected to slow in 2020 in line with fewer construction starts. However, the important renovation sector has been deemed stable. The trend in other markets served by GARO is expected to remain favorable. All in all, GARO has a positive view of market conditions, mainly driven by the continued expansion of charging infrastructure.

Patrik Andersson

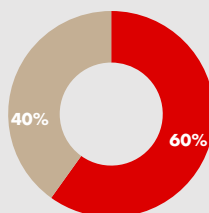
President and CEO

Allocation of net sales per segment, Jan-Sep 2019



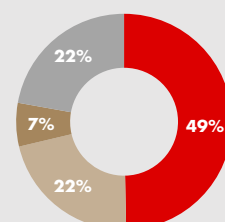
■ GARO Sweden  
■ GARO Other markets

Allocation of EBIT per segment, Jan-Sep 2019



■ GARO Sweden  
■ GARO Other markets

Allocation of net sales by product area, Jan-Sep 2019



■ Electrical distribution products  
■ Project business  
■ Temporary electric installation  
■ E-mobility

## Group figures

### NET SALES

The Group's net sales for the third quarter of 2019 increased 11% to MSEK 235.2 (212.7) as a result of organic growth.

Analysis of change in net sales	Jul-Sep 2019 (MSEK)	Jul-Sep 2019 (%)	Jul-Sep 2018 (MSEK)	Jul-Sep 2018 (%)
Year-earlier period	212.7	-	184.1	-
Organic growth	22.1	10%	22.6	12%
Acquisitions and structural changes	-	-	0.8	1%
Exchange-rate effects	0.4	1%	5.2	3%
<b>Current period</b>	<b>235.2</b>	<b>11%</b>	<b>212.7</b>	<b>16%</b>

The Group's net sales for the January – September 2019 period increased 15% to MSEK 730.3 (633.9) as a result of organic growth.

Analysis of change in net sales	Jan-Sep 2019 (MSEK)	Jan-Sep 2019 (%)	Jan-Sep 2018 (MSEK)	Jan-Sep 2018 (%)
Year-earlier period	633.9	-	557.7	-
Organic growth	95.1	15%	64.4	12%
Acquisitions and structural changes	-	-	2.5	0%
Exchange-rate effects	1.3	0%	9.3	2%
<b>Current period</b>	<b>730.3</b>	<b>15%</b>	<b>633.9</b>	<b>14%</b>

For definitions of key figures, see page 19

During the quarter, the Sweden business area reported growth of 11%, with a strong performance in *Electrical distribution products* and *Project* business and favorable performance in *E-mobility* while performance in *Temporary electric installations* remained weak.

The Other markets business area reported growth of 10% for the quarter with healthy performance in all product areas and countries.

### EBIT

EBIT for the quarter declined compared with the preceding year to MSEK 23.6 (28.4), corresponding to an EBIT margin of 10.1% (13.4). This was primarily a result of unfavorable product mix and a negative currency effect equivalent to MSEK 1.4, which squeezed the grossmargin. Continued market investments and organizational reinforcements, mainly within the E-mobility product area, have also had a greater impact on costs in relation to sales in the third quarter.

EBIT for the January – September period amounted to MSEK 76.8 (76.4). EBIT includes a reserve of MSEK 2.0 for the outgoing CEO. Adjusted for this comparative item, EBIT was MSEK 78.8, which yielded an EBIT margin of 10.8% (12.0).

Development expenditure of MSEK 1.3 (1.0) and pertaining to customization, primarily in E-mobility, was immediately expensed.

### NET INCOME

Net income for the third quarter amounted to MSEK 17.9 (22.7) and earnings per share, before and after dilution, amounted to MSEK 1.79 (2.27). Tax for the period was MSEK 4.9 (3.0) and the average effective tax rate for the Group for January–September was 20.4% (17.8). During the third quarter of 2018, a tax adjustment was made for the company's operations in Poland, which yielded a positive earnings effect of MSEK 2.0. The Group's operations in Poland are conducted in a tax-exempt Special Economic Zone where unutilized tax benefits can be utilized until 2026.

### CASH FLOW AND INVESTMENTS

Cash flow from operating activities in the quarter amounted to MSEK 15.3 (29.5), which was primarily attributable to higher tied-up working capital than in 2018.

Investments during the quarter amounted to MSEK 10.8 (4.0), of which MSEK 2.6 (1.5) pertained to investments in product development.

## LIQUIDITY AND FINANCIAL POSITION

The Group's net debt at the end of the period amounted to MSEK 94.5 compared with MSEK 67.3 for the year-earlier period and MSEK 45.7 at the end of 2018. The adjusted net debt amounted to MSEK 53.6 (67.3). The difference between these performance measures is due to the effects of IFRS 16 Leases.

Available liquidity in the Group, including unutilized overdraft facilities, amounted to MSEK 70.2 (72.1) and the equity ratio was 50.6% (51.1). The adjusted equity ratio was 54.1% (51.1). The difference between these two performance measures is due to the effects of IFRS 16 Leases.

## SIGNIFICANT EVENTS DURING THE QUARTER

- GARO signed an agreement with Vattenfall

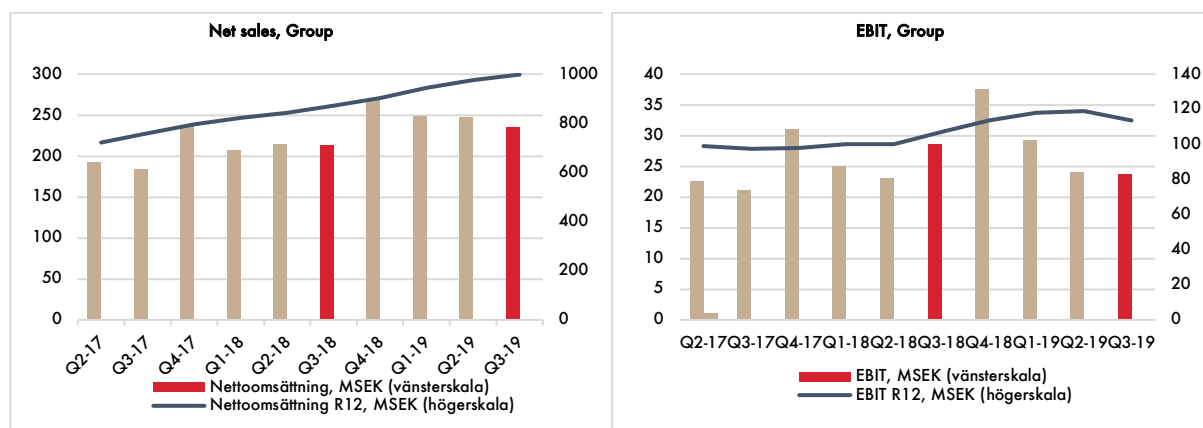
From the end of September 2019 until the publication of this report, no significant events or conditions have occurred, favorable or unfavorable, that would require further disclosures.

## NOMINATION COMMITTEE APPOINTED

The members appointed to the Nomination Committee until the 2020 Annual General Meeting are: Lars Kongstad, Mannheimer Swartling Advokatbyrå (legal firm) appointed by Lars Svensson, Fredrik Carlsson appointed by Svolder AB, Jan Särilvik appointed by Nordea Investment Funds and Stefan Jonsson in his capacity as Chairman of the Board of GARO AB. Lars Kongstad has been appointed Chairman of the Nomination Committee. Shareholders who wish to submit proposals to the Nomination Committee can send an e-mail to [valberedningen@garo.se](mailto:valberedningen@garo.se) by March 31, 2020 at the latest.

## 2020 ANNUAL GENERAL MEETING

The Annual General Meeting will take place on Tuesday, May 19, 2020 in Gnosjö, Sweden. Please visit [www.garo.se](http://www.garo.se) for more information.



**Income from customers specified by product area and segment**

Product area	Sweden segment		Other markets segment		Total	
	Jul-Sep 2019	Jul-Sep 2018	Jul-Sep 2019	Jul-Sep 2018	Jul-Sep 2019	Jul-Sep 2018
Electrical distribution products	69.4	60.0	51.5	49.5	120.9	109.5
Project business	40.1	35.6	8.4	9.7	48.5	45.3
Temporary electric installations	13.3	15.6	1.0	1.6	14.3	17.2
E-mobility	30.9	27.1	20.6	13.6	51.6	40.7
<b>Total</b>	<b>153.7</b>	<b>138.3</b>	<b>81.5</b>	<b>74.4</b>	<b>235.2</b>	<b>212.7</b>

**Income from customers specified by product area and segment**

Product area	Sweden segment		Other markets segment		Total	
	Jan-Sep 2019	Jan-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Sep 2019	Jan-Sep 2018
Electrical distribution products	202.8	176.5	160.1	143.0	362.9	319.5
Project business	130.1	129.2	27.7	28.1	157.8	157.3
Temporary electric installations	44.2	48.3	3.4	4.5	47.6	52.8
E-mobility	100.4	65.2	61.6	39.1	162.0	104.3
<b>Total</b>	<b>477.5</b>	<b>419.2</b>	<b>252.8</b>	<b>214.7</b>	<b>730.3</b>	<b>633.9</b>

**Total income from customers based on geographic location**

Geographic location	Sweden segment		Other markets segment		Total	
	Jan-Sep 2019	Jan-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Sep 2019	Jan-Sep 2018
Sweden	462.8	406.7	-	-	462.8	406.7
Norway	-	-	137.2	120.6	137.2	120.6
Ireland	-	-	88.8	73.4	88.8	73.4
Finland	-	-	17.8	12.2	17.8	12.2
Other countries	14.7	12.5	9.0	8.5	23.7	21.0
<b>Total income from customers</b>	<b>477.5</b>	<b>419.2</b>	<b>252.8</b>	<b>214.7</b>	<b>730.3</b>	<b>633.9</b>

# Operations and segments

GARO divides its operations into two business areas: Sweden and Other markets. The Sweden business area comprises the Swedish companies, and the Other markets business area comprises the companies in Norway, Poland, Ireland and Finland.

## GARO Sweden

### NET SALES AND EARNINGS

Net sales in GARO Sweden increased 11% to MSEK 153.7 (138.3), with strong performances in *Electrical distribution products* and *Project business* and favorable performance in E-mobility while performance in *Temporary electric installations* remained weak.

EBIT for the quarter was MSEK 14.9 (17.6) and the EBIT margin amounted to 9.7% (12.7). To a large extent, this was the result of the unfavorable product mix. The gross margin also includes a negative currency effect equivalent to MSEK 1.4. Expanded market activity and organizational reinforcements, primarily in E-mobility, also affected profitability during the quarter.

### PRODUCT AREAS

In the company's base area, *Electrical distribution products*, GARO is continuing to capture market shares and reported growth of 16% for the quarter. The Electrical distribution products market, in which GARO is represented among all major wholesalers, is estimated to have grown by approximately 4% during the quarter and in the first nine months.

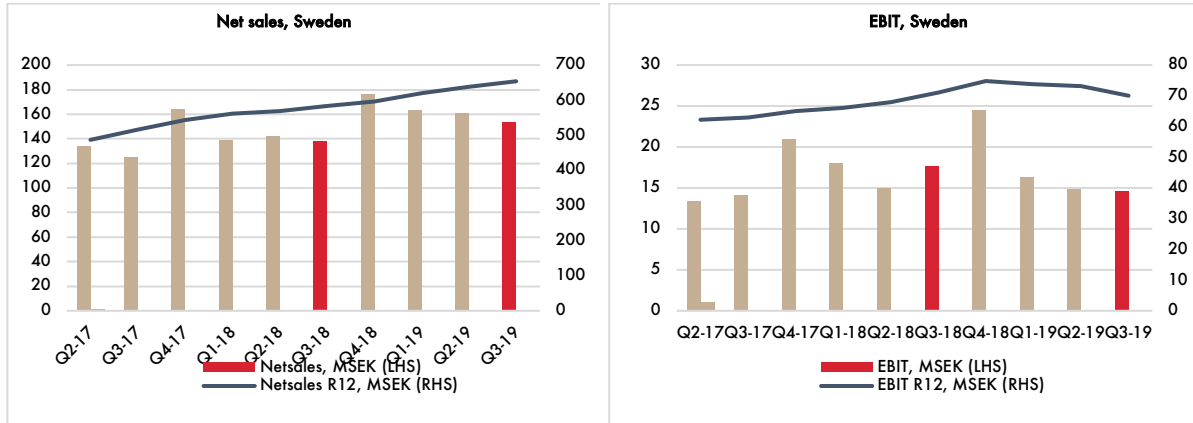
The product area *Temporary electric installations* remained weak during the third quarter of the year. Activity in the *Temporary electric installations* market has, for some time, displayed a higher degree of volatility and it is the product area that has reacted the quickest to economic fluctuations.

In the *Project business* product area, net sales increased 13% during the quarter compared with the year-earlier period. The third quarter is normally a quarter of high activity for the *Project business* product area, as shown by the net sales for the quarter.

The *E-mobility* product area reported continued strong sales growth in Sweden and led to growth of 14% for the third quarter. "Klimatklivet" or "Ladda-hemma" subsidies were introduced in July to support the construction of charging infrastructure for electric and chargeable hybrid cars. The program this year is different than last year's program, and this year's registration periods were in August and October, which temporarily dampened the demand for mainly public charging stations.

GARO Sweden		Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	
Key figures		2019	2018	2019	2018	2018
Net sales	MSEK	153.7	138.3	477.5	419.2	595.5
Growth	%	11	11	14	10	10
EBIT	MSEK	14.9	17.6	46.0	50.3	74.8
EBIT margin	%	9.7	12.7	9.7	12.0	12.5
Investments	MSEK	8.5	2.9	20.6	10.4	15.3
Depreciation	MSEK	4.8	2.8	12.9	8.2	11.0
Number of employees		239	235	239	235	234

For definitions of key figures, see page 19



## GARO Other markets

### NET SALES AND EARNINGS

Net sales for the quarter for GARO Other markets increased 10% to MSEK 81.5 (74.4), driven by the *E-mobility* product area.

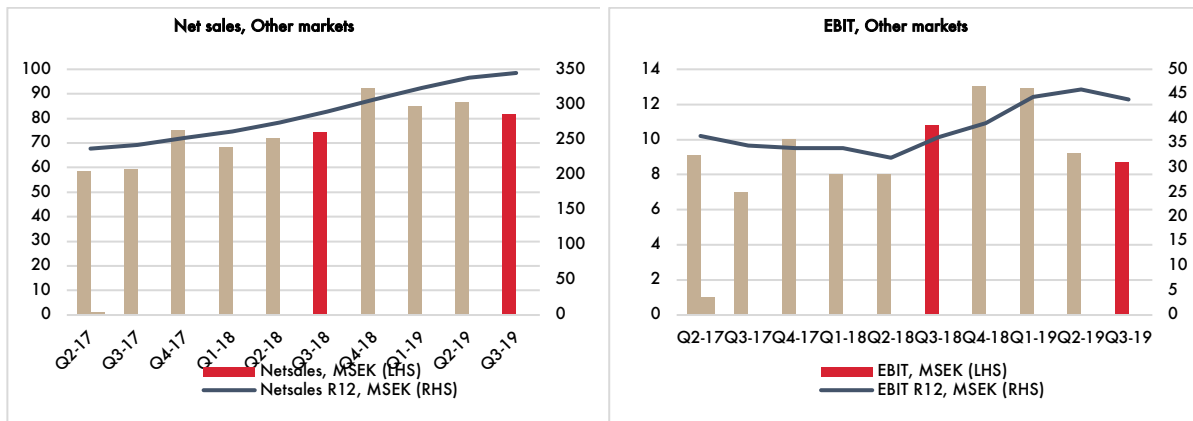
EBIT was MSEK 8.7 (10.8) and the EBIT margin amounted to 10.7% (14.5) for the third quarter. Expanded market activities, moving to new premises and organizational reinforcements in E-mobility had a negative effect on profitability during the quarter.

### PRODUCT AREAS

The major product area in construction-related product areas, *Electrical distribution products*, continued to demonstrate stable growth, while overall sales in *Project business* and *Temporary electric installations* declined. The *E-mobility* product area reported continued strong sales growth in all countries. The company has great confidence in the fact that sales of charging infrastructure have picked up in all countries.

GARO Other markets		Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	2018
Key figures						
Net sales	MSEK	81.5	74.4	252.8	214.7	306.7
Growth	%	10	26	18	21	22
EBIT	MSEK	8.7	10.8	30.8	26.1	39.1
EBIT margin	%	10.7	14.5	12.2	12.2	12.7
Investments	MSEK	2.3	1.1	4.6	6.5	7.4
Depreciation	MSEK	1.1	1.0	3.1	2.9	4.0
Number of employees	No.	179	168	179	168	168

For definitions of key figures, see page 19



# Sustainability

The goal of GARO's strategic sustainability work is to be the leader in its area of operation for responsible business. One of our core values is "a long-term approach," which for GARO entails developing safe and innovative products for a sustainable future with a large amount of dedication.

**GARO has chosen the following 6 of the UN's 17 Sustainable Development Goals to work on for long-term sustainable development.**



During the third quarter of 2019, GARO focused on UN Sustainable Development Goal number 8 – "Decent work and economic growth" – with a focus on professional development for employees. A number of new and existing employees received training in a variety of areas, including:

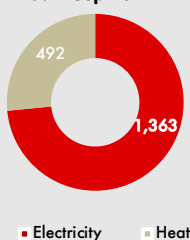
- CE labeling: updating applicable safety requirements established in current European product directives.
- Internal audit: ISO 9001 (quality management) and ISO 14001 (environmental management): impartial review to give the company's management and Board of Directors a clear view of the company's daily operations, including the most important processes and procedures. The goal is also to find potential in operations for increasing profitability.

After the end of the quarter, GARO received a rating of 5 (out of 6) in DI's ranking of companies and their sustainability agendas, which is very good. The basis for DI's ranking includes the company's ability to actively work on and meet the UN's Sustainable Development Goals in its strategic planning and daily operations.

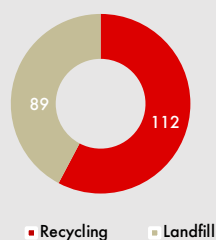
GARO also strives to reduce its climate impact, for example, through electric or hybrid company cars, using fuel with a lower environmental impact and through streamlining internal transportation and delivery. Different sustainability aspects are an integrated part of the company's daily operations. Activities to continue to reduce the company's own climate impact will continue in 2019.

For more information about GARO's goals for a more sustainable environment, refer to our 2018 Annual Report, pages 34-39.

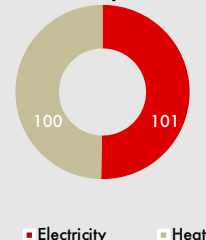
**Energy consumption (MWh)  
Group  
Jan-Sep 2019**



**Waste (Ton), Group  
Jan-Sep 2019**



**Energy consumption (Ton CO<sub>2</sub>)  
emissions  
Jan-Sep 2019**





## Parent Company figures

The Parent Company's operations encompass a significant part of the Swedish operations and Group Management, as well as certain Group-wide functions and the Group's finance function.

Net sales for the Parent Company in the third quarter amounted to MSEK 133.8 (125.6), up 7%. Of this amount, MSEK 40.7 (39.6) comprised internal sales to other Group companies.

EBIT for the quarter amounted to MSEK 11.8 (11.8).

## ABOUT GARO

*Since 1939, GARO has collected experience and knowledge that, over the years, has been updated to keep up with the times. We are no stranger to new business areas and our entrepreneurial spirit persists.*

### BUSINESS CONCEPT

With a focus on innovation, sustainability and design, GARO provides profitable complete solutions for the electrical industry.

### VISION

Determined to meet tomorrow's opportunities, we are constantly evolving to be the leading innovator in our product areas.

### MISSION

Through knowledge, innovation and commitment, our common desire is to develop complete solutions that are future-proof.

### FINANCIAL TARGETS

- Sales growth: Organic growth will amount to not less than 10% per year.
- Profitability: The EBIT margin for the Group will amount to not less than 10% of net sales per year.
- Return: Return on equity will amount to not less than 20%.
- Equity ratio: The equity ratio will be not less than 30%.
- Dividend policy: The 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.

### VALUES

#### Innovative

GARO is an innovative force that develops opportunities and business for our customers. This makes GARO a dedicated, responsive and active partner.

#### Pride

GARO's unique history, strong development and bright future, have created a special "GARO culture." It gives us pride and confidence in everything we do.

#### Expertise

At GARO, we are experts in what we do. We value the knowledge that leads to our clients' development and profitability.

# Overview

## NATURE OF OPERATIONS

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

The business concept is *"with a focus on innovation, sustainability and design, GARO provides profitable complete solutions for the electrical industry."*

## SEASONAL VARIATIONS

GARO's operations are, to a certain degree, subject to season 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 is 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 57–60 of the 2018 Annual Report. The Annual Report is available at [www.garo.se](http://www.garo.se). IFRS 16 Leases applies from January 1, 2019 with a modified retrospective approach. The company believes that this new application of IFRS 16 entails some changes that affect the company's risks and uncertainties compared with how they were described in the 2018 Annual Report. 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 took place to the same extent as previously, and the same principles were applied as those described in the 2018 Annual Report.

## 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 1–23, which constitute an integrated part of this financial statement.

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, except that GARO AB from January 1, 2019 applies IFRS 16, which requires that assets and liabilities attributable to all leases, with some exceptions, are recognized in the balance sheet.

The implementation of IFRS 16 means that almost all leases are recognized in the lessee's balance sheet, since there is no longer any distinction made between operating and finance leases. According to the new standard, an asset (the right to use a leased asset) and a financial liability regarding the obligation to pay lease payments are reported. Short-term leases and low-value assets are exempt.

Implementing IFRS 16 has entailed a change in the Group's accounting policies, which are applied using the modified retrospective approach. This means that the opening balance has been restated at January 1, 2019.



## **REVIEW REPORT**

GARO AB (publ), corporate identity number 556051-7772

### **INTRODUCTION**

We have reviewed the condensed interim report for GARO AB (publ) as at September 30, 2019 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### **SCOPE OF REVIEW**

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **CONCLUSION**

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Jönköping, November 7, 2019

Ernst & Young AB

Joakim Falck

Authorized Public Accountant

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

<i>Amount in MSEK</i>	<b>Jul-Sep 2019</b>	<b>Jul-Sep 2018</b>	<b>Jan-Sep 2019</b>	<b>Jan-Sep 2018</b>	<b>Rolling 12 months</b>	<b>2018</b>
<b>Operating income</b>						
Net sales	235.2	212.7	730.3	633.9	998.7	903.7
Other operating income	1.2	0.6	4.7	3.3	5.6	2.7
<b>Total operating income</b>	<b>236.4</b>	<b>213.3</b>	<b>735.0</b>	<b>637.2</b>	<b>1004.2</b>	<b>906.4</b>
<b>Operating expenses</b>						
Raw materials and consumables	-128.6	-110.1	-378.4	-322.0	-513.5	-457.1
Other external expenses	-29.5	-27.0	-96.1	-79.5	-132.7	-116.1
Personnel expenses	-48.8	-44.1	-167.7	-148.1	-224.0	-204.4
Depreciation/amortization of tangible and intangible assets	-5.9	-3.8	-16.0	-11.2	-19.8	-15.0
Other operating expenses	-	-	-	-	-	-
<b>EBIT</b>	<b>23.6</b>	<b>28.4</b>	<b>76.8</b>	<b>76.4</b>	<b>114.2</b>	<b>113.8</b>
<b>Result from financial items</b>						
Net financial income/expenses	-0.8	-2.7	0.1	-6.8	-1.2	-8.1
<b>Profit before tax</b>	<b>22.8</b>	<b>25.7</b>	<b>76.9</b>	<b>69.6</b>	<b>113.0</b>	<b>105.7</b>
Income tax	-4.9	-3.0	-15.7	-12.4	-26.4	-23.0
<b>Net income</b>	<b>17.9</b>	<b>22.7</b>	<b>61.2</b>	<b>57.2</b>	<b>86.7</b>	<b>82.7</b>
<b>Other comprehensive income:</b>						
<b>Items that may be reclassified to the income statement</b>						
Translation differences	-0.3	-0.2	2.7	2.5	1.0	1.5
<b>Other comprehensive income, net</b>	<b>-0.3</b>	<b>-0.2</b>	<b>2.7</b>	<b>2.5</b>	<b>1.0</b>	<b>1.5</b>
<b>Total comprehensive income for the year</b>	<b>17.6</b>	<b>22.5</b>	<b>63.9</b>	<b>59.7</b>	<b>87.7</b>	<b>84.2</b>
Net income and total comprehensive income for the year is attributable to shareholders of the Parent Company						
<b>Key ratios per share</b>						
Average number of shares	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Earnings per share, before and after dilution, SEK	1.79	2.27	6.12	5.72	8.51	8.27

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<i>Amount in MSEK</i>	<b>Sep 30, 2019</b>	<b>Sep 30, 2018</b>	<b>Dec 31, 2018</b>
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible assets	61.9	53.0	55.1
Tangible assets	149.1	101.6	100.3
Financial assets	9.0	11.8	10.3
<b>Total fixed assets</b>	<b>220.0</b>	<b>166.4</b>	<b>165.7</b>
<b>Current assets</b>			
Inventories	166.4	143.8	161.8
Accounts receivable	228.2	204.8	218.7
Other current receivables	10.3	12.3	11.1
Cash and cash equivalents	7.4	5.3	8.4
<b>Total current assets</b>	<b>412.3</b>	<b>366.2</b>	<b>400.1</b>
<b>TOTAL ASSETS</b>	<b>632.3</b>	<b>532.6</b>	<b>565.8</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	20.0	20.0	20.0
Other reserves	6.3	4.7	3.6
Other equity including net income for the period	293.5	247.4	272.6
<b>Total equity</b>	<b>319.8</b>	<b>272.1</b>	<b>296.2</b>
<b>Long-term liabilities</b>			
Liabilities to credit institutions	65.5	37.7	36.4
Other provisions	1.7	1.6	1.5
Deferred tax liabilities	1.9	4.3	2.0
<b>Total long-term liabilities</b>	<b>69.1</b>	<b>43.6</b>	<b>39.9</b>
<b>Short-term liabilities</b>			
Liabilities to credit institutions	36.9	34.9	17.7
Accounts payable	89.9	87.5	103.4
Other short-term liabilities	116.6	94.5	108.6
<b>Total short-term liabilities</b>	<b>243.4</b>	<b>216.9</b>	<b>229.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>632.3</b>	<b>532.6</b>	<b>565.8</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

<b>Equity attributable to shareholders in the Parent Company</b> <i>Amount in MSEK</i>	<b>Share capital</b>	<b>Reserves</b>	<b>Retained earnings</b>	<b>Total equity</b>
<b>Equity at January 1, 2018</b>	<b>20.0</b>	<b>2.1</b>	<b>230.6</b>	<b>252.7</b>
Net income for the period			82.7	82.7
Other comprehensive income for the period		1.5		1.5
Dividend to shareholders			-40.4	-40.4
Change in value, liability, put option			-0.3	-0.3
<b>Closing equity, December 31, 2018</b>	<b>20.0</b>	<b>3.6</b>	<b>272.6</b>	<b>296.2</b>
<b>Equity at January 1, 2019</b>	<b>20.0</b>	<b>3.6</b>	<b>272.6</b>	<b>296.2</b>
Net income for the period			61.2	61.2
Other comprehensive income for the period		2.7		2.7
Dividend to shareholders			-40.3	-40.3
Change in value, liability, put option			0.0	0.0
<b>Closing equity, September 30, 2019</b>	<b>20.0</b>	<b>6.3</b>	<b>293.5</b>	<b>319.8</b>

**CONDENSED CONSOLIDATED CASH-FLOW STATEMENT**

<i>Amount in MSEK</i>	<b>Jul-Sep 2019</b>	<b>Jul-Sep 2018</b>	<b>Jan-Sep 2019</b>	<b>Jan-Sep 2018</b>	<b>Rolling 12 months</b>	<b>2018</b>
<b>Operating activities</b>						
Cash flow from operating activities before changes in working capital	28.9	24.6	78.1	63.3	114.7	99.9
Cash flow from changes in working capital	-13.6	4.9	-30.3	17.5	-38.8	-26.0
<b>Cash flow from operating activities</b>	<b>15.3</b>	<b>29.5</b>	<b>47.8</b>	<b>45.8</b>	<b>75.9</b>	<b>73.9</b>
<b>Investing activities</b>						
Investments in intangible assets	-2.6	-1.5	-8.7	-5.8	-12.1	-9.3
Acquisition of subsidiaries	-	-	-	-	-	-
Investments in tangible assets	-8.2	-2.5	-16.5	-11.7	-18.7	-13.9
Disposal of tangible assets	-	-	-	0.6	0.6	1.3
<b>Cash flow from investing activities</b>	<b>-10.8</b>	<b>-4.0</b>	<b>-25.2</b>	<b>-16.9</b>	<b>-30.2</b>	<b>-21.9</b>
<b>Financing activities</b>						
Net borrowing/amortization of loans	-3.6	-28.5	16.5	-11.7	-3.3	-31.5
Dividend paid to shareholders	-0.3	-	-40.3	-40.4	-40.3	-40.4
<b>Cash flow from financing activities</b>	<b>-3.9</b>	<b>-28.5</b>	<b>-23.8</b>	<b>-52.1</b>	<b>-43.6</b>	<b>-71.9</b>
<b>Cash flow for the period</b>	<b>0.6</b>	<b>-3.0</b>	<b>-1.2</b>	<b>-23.2</b>	<b>2.1</b>	<b>-19.9</b>
Currency effect in cash and cash equivalents	-0.2	-	0.2	0.3	-	0.1
Cash and cash equivalents, start of the period	7.0	8.3	8.4	28.2	5.3	28.2
<b>Cash and cash equivalents, end of the period</b>	<b>7.4</b>	<b>5.3</b>	<b>7.4</b>	<b>5.3</b>	<b>7.4</b>	<b>8.4</b>

**CONDENSED PARENT COMPANY INCOME STATEMENT**

<i>Amount in MSEK</i>	<b>Jul-Sep 2019</b>	<b>Jul-Sep 2018</b>	<b>Jan-Sep 2019</b>	<b>Jan-Sep 2018</b>	<b>2018</b>
<b>Operating income</b>					
Net sales	133.8	125.6	425.3	361.7	528.6
Other operating income	3.0	2.3	10.4	9.2	10.7
<b>Total income</b>	<b>136.8</b>	<b>127.9</b>	<b>435.7</b>	<b>370.9</b>	<b>539.3</b>
<b>Operating expenses</b>					
Raw materials and consumables	-86.9	-80.5	-272.9	-227.1	-331.4
Other external expenses	-13.9	-7.3	-47.0	-34.5	-52.0
Personnel expenses	-23.0	-25.8	-81.7	-68.0	-95.4
Depreciation/amortization of tangible and intangible assets	-2.5	-2.5	-7.0	-7.4	-9.9
Other operating expenses	1.3	-	3.9	-	5.9
<b>EBIT</b>	<b>11.8</b>	<b>11.8</b>	<b>31.0</b>	<b>33.9</b>	<b>56.5</b>
<b>Result from financial items</b>					
Profit from participations in Group companies	5.7	0.0	5.7	18.0	30.3
Net interest income and similar items	0.6	0.2	2.9	1.9	2.5
Net interest expenses and similar items	-0.1	-2.4	-0.1	-6.8	-8.3
<b>Profit before tax</b>	<b>18.0</b>	<b>9.6</b>	<b>39.5</b>	<b>47.0</b>	<b>80.9</b>
Appropriations	-	-	-	-	13.0
Income tax	-2.5	-2.0	-7.0	-6.3	-15.5
<b>Net income</b>	<b>15.5</b>	<b>7.6</b>	<b>32.5</b>	<b>40.7</b>	<b>78.4</b>

The Parent Company does not have any items recognized as other comprehensive income which is why total comprehensive income corresponds to net income.

**CONDENSED PARENT COMPANY BALANCE SHEET**

<i>Amount in MSEK</i>	<b>Sep 30, 2019</b>	<b>Sep 30, 2018</b>	<b>Dec 31, 2018</b>
<b>ASSETS</b>			
Intangible assets	22.7	12.7	15.6
Tangible assets	54.6	49.4	49.6
Participations in Group companies	43.7	43.7	43.7
Other financial assets	26.2	24.6	24.1
<b>Total fixed assets</b>	<b>147.2</b>	<b>130.4</b>	<b>133.0</b>
<b>Current assets</b>			
Inventories	53.2	53.1	55.4
Accounts receivable	101.3	94.4	101.1
Other receivables	115.1	76.4	96.1
Cash and bank balances	-	-	-
<b>Total current assets</b>	<b>269.6</b>	<b>223.9</b>	<b>252.7</b>
<b>TOTAL ASSETS</b>	<b>416.8</b>	<b>354.3</b>	<b>385.7</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	20.0	20.0	20.0
Fund for internal development expenses	15.2	1.8	8.2
Statutory reserve	2.6	2.6	2.6
Non-restricted equity including net income for the period	172.3	155.5	186.8
<b>Total equity</b>	<b>210.1</b>	<b>179.9</b>	<b>217.6</b>
<b>Untaxed reserves</b>	<b>0.9</b>	<b>7.9</b>	<b>0.9</b>
<b>Provisions</b>	<b>2.8</b>	<b>3.0</b>	<b>2.8</b>
<b>Long-term liabilities</b>			
Liabilities to credit institutions	18.0	21.2	20.4
<b>Total long-term liabilities</b>	<b>18.0</b>	<b>21.2</b>	<b>20.4</b>
<b>Short-term liabilities</b>			
Short-term interest-bearing liabilities	28.2	25.7	11.1
Short-term non-interest-bearing liabilities	156.8	116.6	132.9
<b>Total short-term liabilities</b>	<b>185.0</b>	<b>142.3</b>	<b>144.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>416.8</b>	<b>354.3</b>	<b>385.7</b>



## SALES AND EBIT BY SEGMENT

	Sweden		Other markets		Elimination		Group	
Segment information	Q3 2019	Q3 2018	Q3 2019	Q3 2018	Q3 2019	Q3 2018	Q3 2019	Q3 2018
<b>Sales</b>								
Total net sales	196.2	181.3	129.8	112.9	-90.8	-81.0	235.2	212.7
Internal net sales	-42.5	-42.8	-48.4	-38.2	90.8	81.0	-	-
<b>External net sales</b>	<b>153.7</b>	<b>138.5</b>	<b>81.5</b>	<b>74.7</b>	<b>-</b>	<b>-</b>	<b>235.2</b>	<b>212.7</b>
<b>EBIT</b>	<b>14.9</b>	<b>17.6</b>	<b>8.7</b>	<b>10.8</b>	<b>-</b>	<b>-</b>	<b>23.6</b>	<b>28.5</b>
Net financial income/expenses	-	-	-	-	-	-	-0.8	-2.7
Tax expense for the year	-	-	-	-	-	-	-4.9	-3.0
<b>Net income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17.9</b>	<b>22.7</b>

## GARO GROUP MULTI-YEAR OVERVIEW AND KEY FIGURES

		Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	2018	2017	2016	2015
Net sales	MSEK	235.2	212.7	730.3	633.9	902.3	796.0	657.8	554.1
Growth	%	11	16	15	14	13	21	19	25
EBITDA	MSEK	29.4	32.3	92.8	87.6	128.8	110.3	84.8	74.3
EBITDA margin	%	12.5	15.1	12.7	13.8	14.3	13.9	12.9	13.4
EBIT	MSEK	23.6	28.4	76.8	76.4	113.8	98.1	73.8	62.4
EBIT margin	%	10.1	13.4	10.6	12.0	12.6	12.3	11.2	11.3
Earnings per share, before and after dilution	SEK	1.79	2.27	6.12	5.72	8.27	n/a	n/a	n/a
Equity per share	SEK	32.0	30.2	32.0	30.3	29.6	25.3	19.4	-
Return on equity*	%	29.3	33.5	29.3	33.1	30.1	38.3	32.4	31.3
Investments	MSEK	10.8	4.0	25.2	16.9	21.9	51.4	12.8	13.8
Amortization/depreciation	MSEK	5.9	3.8	16.0	11.2	15.0	12.2	11.0	11.9
Equity ratio	%	50.6	51.1	50.6	51.1	52.4	47.3	52.0	49.8
Net debt	MSEK	94.5	67.3	94.5	67.3	45.7	56.1	-17.3	-0.4
Net debt/EBITDA*	multiple	0.7	0.6	0.7	0.6	0.4	0.5	-0.2	0.0
Number of employees		418	403	418	403	402	376	274	254

For definitions of key figures, see page 19

## KEY FIGURES AFFECTED BY IFRS 16

		Jul-Sep 2019	Adj. for effects of IFRS 16	Pro forma Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Adj. for effects of IFRS 16	Pro forma Jan-Sep 2019	Jan-Sep 2018
EBITDA	MSEK	29.4	-2.4	27.0	32.3	92.8	-5.7	87.1	87.6
EBITDA margin	%	12.5	-1.0	11.5	15.2	12.7	-0.7	12.0	13.8
EBIT	MSEK	23.6	-	23.6	28.5	76.8	-0.3	76.5	76.4
Net debt	MSEK	94.5	-40.9	53.6	67.3				67.3
Equity ratio	%	50.6	+3.5	54.1	51.1				51.1

For definitions of key figures, see page 19

## QUARTERLY FIGURES

<b>Consolidated income statement</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>
<i>Amount in MSEK</i>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>
Net sales	235.2	246.7	248.4	268.4	212.7	214.2	207.0	238.3	184.1	192.0
Operating expenses	-211.5	-222.8	-219.2	-230.9	-184.2	-191.4	-181.9	-207.4	-163.0	-169.5
EBIT	<b>23.6</b>	<b>24.0</b>	<b>29.2</b>	<b>37.5</b>	<b>28.5</b>	<b>22.8</b>	<b>25.1</b>	<b>30.9</b>	<b>21.1</b>	<b>22.5</b>
Net financial income/expenses	-0.8	-0.5	1.4	-1.3	-2.8	-3.2	-0.8	-1.6	-0.3	-0.2
Profit before tax	<b>22.8</b>	<b>23.5</b>	<b>30.6</b>	<b>36.2</b>	<b>25.7</b>	<b>19.6</b>	<b>24.3</b>	<b>29.3</b>	<b>20.8</b>	<b>22.3</b>
Tax	-4.9	-5.0	-5.7	-10.7	-3.0	-4.2	-5.2	-3.3	2.4	-4.4
<b>Net income</b>	<b>17.9</b>	<b>18.4</b>	<b>24.8</b>	<b>25.5</b>	<b>22.7</b>	<b>15.4</b>	<b>19.1</b>	<b>26.0</b>	<b>23.2</b>	<b>17.9</b>

<b>Net sales per segment</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>
<i>Amount in MSEK</i>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>
GARO Sweden	153.7	160.4	163.4	176.4	138.3	142.3	138.6	163.5	124.9	133.5
GARO Other markets	81.5	86.3	85.0	92.0	74.4	71.9	68.4	74.8	59.2	58.5
<b>Total Group</b>	<b>235.2</b>	<b>246.7</b>	<b>248.4</b>	<b>268.4</b>	<b>212.7</b>	<b>214.2</b>	<b>207.0</b>	<b>238.3</b>	<b>184.1</b>	<b>192.0</b>

<b>EBIT per segment</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>
<i>Amount in MSEK</i>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>
GARO Sweden	14.9	14.8	16.3	24.5	17.7	15.1	17.5	20.8	14.1	13.4
GARO Other markets	8.7	9.2	12.9	13.0	10.8	7.7	7.6	10.1	7.0	9.1
<b>Total Group</b>	<b>23.6</b>	<b>24.0</b>	<b>29.2</b>	<b>37.5</b>	<b>28.5</b>	<b>22.8</b>	<b>25.1</b>	<b>30.9</b>	<b>21.1</b>	<b>22.5</b>

# 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.

**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

**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 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

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

**Net debt:** Interest-bearing liabilities, lease liabilities according to 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

**R12:** A summary of the outcome of 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

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

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

# Economic information

## INVITATION TO PRESENTATION FOR THE PRESS AND ANALYSTS

On November 7, 9:30 a.m., the President and CEO Patrik Andersson and CFO Helena Claesson will present the report for the third quarter and respond to questions in a teleconference.

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Code: 234896

The presentation used during this teleconference can be downloaded at [www.garo.se](http://www.garo.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

Malin Rylander Thordén, IR Director: +46 76 894 95 96

## FINANCIAL CALENDAR

Year-end report

February 18, 2020

First quarter of 2020

May 19, 2020

2019 Annual General Meeting

May 19, 2020

Second quarter of 2020:

August 27, 2020

## 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.

## NOMINATION COMMITTEE APPOINTMENT

The members appointed to the Nomination Committee until the 2020 Annual General Meeting are: Lars Kongstad, Mannheimer Swartling Advokatbyrå (legal firm) appointed by Lars Svensson, Fredrik Carlsson appointed by Svolder AB, Jan Särilvik appointed by Nordea Investment Funds and Stefan Jonsson in his capacity as Chairman of the Board of GARO AB. Lars Kongstad has been appointed Chairman of the Nomination Committee. Shareholders who wish to submit proposals to the Nomination Committee can send an e-mail to [valberedningen@garo.se](mailto:valberedningen@garo.se) by March 31, 2020 at the latest.

## 2020 ANNUAL GENERAL MEETING

The Annual General Meeting will take place on Tuesday, May 19, 2020 in Gnosjö. Please visit [www.garo.se](http://www.garo.se) for more information.

## AUDITORS' STATEMENT

This interim report has been the subject of review. The report is on page 11.

Disclosures according to IAS 34.16A are presented in the financial statements and their notes as well as other parts of the interim report.

# **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, November 7, 2019

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

Stefan Jonsson  
Chairman

Rickard Blomqvist  
Board member

Susanna Hilleskog  
Board member

Per Holmstedt  
Board member

Mari-Katharina Kadowaki  
Board member

Lars-Åke Rydh  
Board member

Jonas Lothander  
Board member  
Employee representative

Patrik Andersson  
President and CEO

*This information is such information that GARO aktiebolag is obligated to publish in accordance with the EU Market Abuse Regulation. The information was published by the abovementioned contact persons on November 7 at 7:30 a.m.*