

Year-End Report 2024

Improved cashflow and the Group's EBIT turned positive in the fourth quarter

OCTOBER – DECEMBER 2024

- Net sales amounted to MSEK 283.8 (311.2).
- Net sales declined -9% (-9).
- Adjusted EBIT amounted to MSEK 3.3 (-8.3).
- The adjusted EBIT margin amounted to 1.2% (-2.7).
- EBIT amounted to MSEK 3.3 (-0.1).
- Net income was MSEK -1.3 (0.1).
- Loss per share² amounted to SEK -0.03 (0).

JANUARY – DECEMBER 2024

- Net sales amounted to MSEK 1,152.0 (1,369.9).
- Net sales declined 16% (-1).
- Adjusted EBIT amounted to MSEK -7.2 (42.9).
- The adjusted EBIT margin amounted to -0.6% (3.1).
- EBIT amounted to MSEK -55.6 (55.1).
- Non-recurring items of MSEK 48.4 were charged to EBIT (strengthened the preceding year by MSEK 8.2).
- Net income was MSEK -60.1 (31.3).
- Loss per share² amounted to SEK -1.20 (earnings: 0.63).
- The Board proposes a dividend of SEK 0 per share (0).

SIGNIFICANT EVENTS

- GARO recruited Jonas Klarén as its new President and CEO. Jonas assumed his position on January 13, 2025.
- GARO received Eichrecht approval of GARO Entity's platform and certification of its production facility in Poland for Eichrecht-compliant production.

| GARO GROUP ¹ | Oct-Dec 2024 | Oct-Dec 2023 | +/- % | Jan-Dec 2024 | Jan-Dec 2023 |
|--|-----------------|-----------------|----------|-----------------|-----------------|
| Net sales, MSEK | 283.8 | 311.2 | -9 | 1,152.0 | 1,369.9 |
| EBITDA, MSEK | 16.9 | 12.9 | | 0.6 | 99.6 |
| EBITDA margin, % | 5.9 | 4.1 | | 0.0 | 7.3 |
| Adjusted EBIT, MSEK | 3.3 | -8.3 | | -7.2 | 42.9 |
| Adjusted EBIT margin, % | 1.2 | -2.7 | | -0.6 | 3.1 |
| EBIT, MSEK | 3.3 | -0.1 | | -55.6 | 51.1 |
| EBIT margin, % | 1.2 | 0 | | -4.8 | 3.7 |
| Net income, MSEK | -1.3 | 0.1 | | -60.1 | 31.3 |
| Earnings/loss per share ² , SEK | -0.03 | 0 | | -1.20 | 0.63 |
| Cash flow from operating activities, MSEK | 37.4 | 34.9 | | -35.8 | 25.6 |
| Investments, MSEK | 4.2 | 17.8 | | 19.6 | 108.2 |
| Depreciation, MSEK | 13.6 | 13.0 | | 56.2 | 48.5 |
| Equity ratio, % | 50.0 | 50.9 | | 50.0 | 50.9 |
| Equity per share ² , SEK | 11.11 | 12.19 | | 11.11 | 12.19 |
| Return on equity, % | -10.3 | 5.1 | | -10.3 | 5.1 |
| Return on capital employed, % | -8.4 | 7.9 | | -8.4 | 7.9 |
| Net debt (+) / net cash position (-), MSEK | 285.1 | 222.1 | | 285.1 | 222.1 |
| Net debt (+) / net cash position (-) excl. IFRS 16, MSEK | 222.4 | 149.8 | | 222.4 | 149.8 |
| Number of employees | 406 | 478 | | 406 | 478 |

For definitions of key figures, see pages 19–20

GARO AB (publ) Corp. Reg. No. 556071–7772 is a company that develops, manufactures and markets innovative products and systems for the electrical installations market under its own brand. GARO's customer offering is to provide complete solutions in the product areas of Electrical distribution products, E-mobility, Project business & Temporary Power with a focus on electrical safety, user-friendliness and sustainability. GARO was founded in 1939, has its head office in Gnosjö and is today an international company with operations in several countries. The company's production units in Sweden are located in Gnosjö and Hillerstorp in Sweden and in Szczecin in Poland. GARO is listed on Nasdaq Stockholm under the ticker name GARO. For more information, see www.garo.se

CEO Jonas Klarén's comments on the quarter

Improved cashflow and the Group's EBIT turned positive in the fourth quarter

Net sales in the fourth quarter amounted MSEK 284 (311), a year-on-year decline of 9% or MSEK 27. GARO Electrification reported growth of 2%, while sales for the GARO E-mobility business area were down MSEK 32. Net sales for the full-year 2024 amounted to MSEK 1,152 (1,370), down 16% compared with the year-earlier period.

The fourth quarter has reminded us once again of the core of our operations, our dedicated employees, our values, our history and strong foundation in Electrification. GARO is nothing without the commitment of its employees and the expertise and willingness to develop that they demonstrate every single day. Thanks to them, we have built a stable platform over the years while creating opportunities for innovation and growth in areas such as E-mobility.

Our operations in Ireland trended positively. By broadening our product program, we have improved sales and profitability. In this sense, our local team, with support of the Group, has demonstrated a great ability to adapt and improve results.

The UK remains a market that requires large volumes to achieve desired profitability. The pressure on pricing is clear, but we implemented important organization improvements during the year to meet such challenges. With a strengthened focus on sales and our values as guiding principles, we are looking forward to further developing the operations.

Adjusted EBIT amounted to MSEK 3 (-8) for the quarter, with the completed cost savings beginning to take effect to offset lower sales.

Adjusted EBIT for the full-year 2024 amounted to MSEK -7 (43), charged with a non-cash impairment of MSEK 48 (MSEK 8 of a non-recurring nature that improved net earnings in 2023).

GARO ELECTRIFICATION

Sales in GARO Electrification amounted to MSEK 222, a year-on-year growth of 2% or MSEK 5. The Electrification business area is and will remain our stable base, and the area posted growth in the fourth quarter.

The stable trend in Electrification and deliveries to data centers did not contribute to earnings but also strengthened our position as a reliable partner in the market.

GARO E-MOBILITY

Sales in GARO E-mobility amounted to MSEK 62, down 34% or MSEK 32 compared with the year-earlier quarter. The E-mobility market continues to be challenging but is an important market for our future. Competition is intensifying, but we demonstrated during the quarter that we are able to hold our own through quality, customer focus and innovation. The

agreement with Onepark and the installations at Ørland Main Air Station in Norway are clear examples of how our products and our team are creating long-term value.

The previously announced action program in the business area was completed during the quarter and the number of employees in the business area has reduced. The program is set to achieve full effect in the first quarter of 2025.

SUMMARY OF BECOMING NEW PRESIDENT AND CEO

As newly appointed President and CEO of GARO, I am looking forward to continuing to develop our operations with great anticipation. With my background in the energy and power supply industry, I am convinced that I can be a positive force for GARO's continued growth and improved profitability. Both of GARO's business areas play a key role in the ongoing electrification and transition toward a more sustainable society. Our operations have a strong foundation and I am looking forward, together with our committed employees, to taking on the challenges and growth opportunities that a changing world can offer.

We enter 2025 with pride in our base in Electrification and the stability and expertise this provides us with, exemplified by our E-mobility initiatives. It is this stable foundation that facilitates our journey toward new goals and challenges, and we are continuing to build with a strong conviction that our employees and values are our greatest asset.

MARKET CONDITIONS

We expect the E-mobility market to remain cautious in the short term. In the long term, we anticipate a continued strong trend with further expansion of charging infrastructure with the market growing structurally in line with the number of plug-in vehicles.

Housing construction in the Nordic region is expected to recover gradually in 2025. Demand for other commercial and public sector construction, combined with renovation requirements and energy efficiency, remains favorable.

The Riksbank's interest-rate cuts are expected, together with fiscal stimulus, to have a positive impact on housing construction and investment willingness in Sweden.

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 as well as by the recovery of housing construction.

Jonas Klarén
President and CEO

Earnings

NET SALES

Net sales for the fourth quarter amounted to MSEK 283.8 (311.2), down 9% compared with the year-earlier quarter. GARO Electrification reported growth of 2%, or MSEK 5, while sales for the GARO E-mobility business area were down MSEK 32. For the full-year 2024, sales amounted to MSEK 1,152.0 compared with MSEK 1,369.9 for 2023. The lower sales were primarily noted in GARO E-mobility, with sales down 35% in 2024.

EBIT

Adjusted EBIT for the quarter amounted to MSEK 3.3 compared with MSEK -8.3 for the year-earlier quarter, with net non-recurring items of MSEK +8.2. The adjusted EBIT margin for the quarter amounted to 1.2% (-2.7). The improved profitability in the fourth quarter was primarily the result of the action program implemented in autumn 2024, while the quarter was charged with costs of MSEK 1.5 for persons dismissed and exempted from work. Overall, the gross margin remained at the same level as the preceding quarter, with strengthened margins in GARO Electrification offset by a lower gross margin in GARO E-mobility, which was the result of a changed product mix.

Adjusted EBIT for the full-year 2024 amounted to MSEK -7.2 (42.9) with non-recurring costs for impairment of inventories, particularly in the GARO E-mobility business area, charging earnings by MSEK 48.4 (improved earnings of MSEK 8.2)

EBIT for the fourth quarter amounted to MSEK 3.3 (-0.1) and for the full-year 2024, EBIT amounted to MSEK -55.6 (51.1).

FINANCIAL ITEMS

The Group's net financial items amounted to MSEK -2.7 (2.9) for the quarter and included currency effects from loans and hedging. Net interest income for the quarter amounted to MSEK -4.7 (-3.5). Net financial items for the full-year 2024 amounted to MSEK -11.3 (-3.3) and included currency effects from loans and hedging. Net interest income for the full-year amounted to MSEK -16.1 (-11.8).

Tax for the quarter was MSEK -1.9 (-2.7) and amounted for the full-year 2024 to MSEK +6.8 (tax expense: -16.5).

Net income amounted to MSEK -1.3 (0.1) for the quarter, and earnings per share to MSEK -0.03 (0). Net income for the full-year 2024 amounted to MSEK -60.1 (31.3) and earnings per share amounted to MSEK -1.20 (0.63).

CASH FLOW AND INVESTMENTS

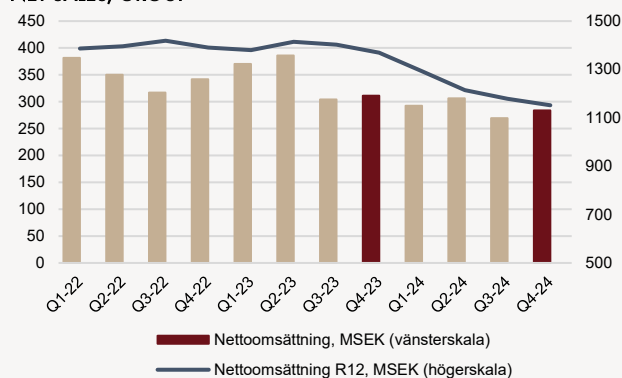
Cash flow from operating activities before change in working capital amounted to MSEK 6.2 (7.0) for the quarter. Cash flow from operating activities after changes in working capital amounted to MSEK 37.4 (34.9) with the changes in customer and other receivables resulting in the positive cash flow.

Capital tied-up in inventory increased by MSEK 2 net.

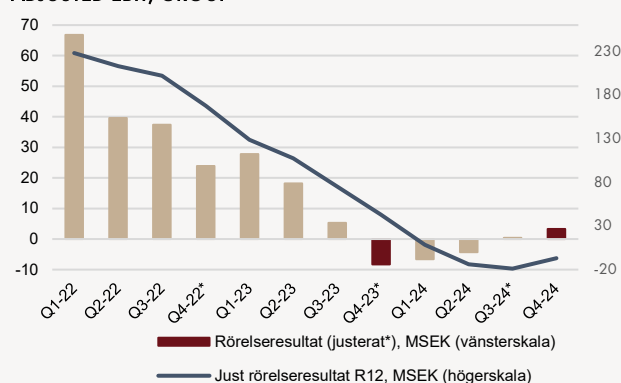
GARO previously paid a deposit to a supplier for materials ordered but not yet called off. The deposit, which amounted to approximately MSEK 45 at the end of the period, was unchanged during the quarter.

Investments for the quarter amounted to net MSEK 4.2 (17.8), of which MSEK 2.9 was attributable to product development (11.1). Investments for the full-year 2024 amounted to MSEK 19.6 (108.2). In 2023, the investment of the new production facility in Poland comprised MSEK 53.4.

NET SALES, GROUP



ADJUSTED EBIT, GROUP



For the full-year 2024, right-of-use assets (leases and rental contracts) declined net by MSEK 9.8 (-8.5).

LIQUIDITY AND FINANCIAL POSITION

The Group's net debt at the end of the period amounted to MSEK 285.1 (222.1). The Group's net debt excluding lease liabilities, which is to say effects of IFRS 16, amounted to MSEK 222.4 (149.8). Compared with the preceding quarter, net debt declined approximately MSEK 30.

Available liquidity in the Group, including unutilized overdraft facilities, amounted to MSEK 100 (164) and the equity ratio was 50.0% (50.9).

As of November 2024, GARO entered into a new agreement with the bank subject to separate covenants connected to the Group's cash flow over time. As of December 31, 2024, GARO had fulfilled the separate covenants.

BUSINESS AREAS

GARO divides its operations into two business areas:

- GARO Electrification
- GARO E-mobility

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 2024. On December 30, 2024, the share price closed at SEK 23.10 (43.52).

EVENTS AFTER THE END OF THE QUARTER

Until the publication of this report, no other 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 2024 fiscal year in light of the Group's earnings and dividend policy.

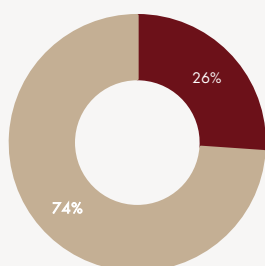
NOMINATION COMMITTEE APPOINTED

The Nomination Committee for the 2025 Annual General Meeting comprises; Niklas Bogefors, appointed by Lars Svensson; Johan Ståhl, appointed by Svolder AB; Emma Englén, appointed by Spiltan Fonder AB; 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

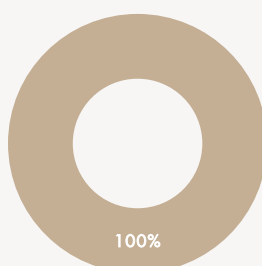
The 2025 Annual General Meeting will take place on May 14, 2025 in Hillerstorp, Sweden. Please visit www.garogroup.se for more information.

ALLOCATION OF NET SALES
by business area, Jan–Dec 2024



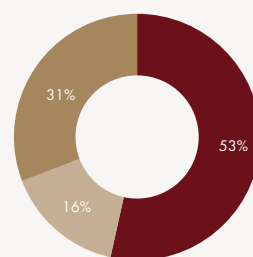
■ GARO E-mobility
■ GARO Electrification

ALLOCATION OF EBIT
by business area, Jan–Dec 2024



■ GARO E-mobility
■ GARO Electrification

ALLOCATION OF NET SALES
by geographic area, Jan–Dec 2024



■ Sverige
■ Norden exkl. Sverige
■ Europa exkl. Norden

GARO Electrification business area

| GARO ELECTRIFICATION KEY FIGURES | | Oct-Dec 2024 | Oct-Dec 2023 | Jan-Dec 2024 | Jan-Dec 2023 |
|--|------|-----------------|-----------------|-----------------|-----------------|
| Net sales | MSEK | 221.8 | 217.3 | 851.3 | 907.9 |
| Growth | % | 2 | -17 | -6 | -6 |
| Adjusted EBIT | MSEK | 26.1 | 14.9 | 84.4 | 70.3 |
| Adjusted EBIT margin | % | 11.8 | 6.9 | 9.9 | 7.7 |
| Investments | MSEK | 1.4 | 5.5 | 7.9 | 11.3 |
| Depreciation | MSEK | 6.3 | 6.5 | 25.5 | 26.2 |
| Number of employees | | 281 | 281 | 281 | 281 |
| Share of sales, Electrical distribution products | % | 66 | 65 | 65 | 62 |
| Share of sales, Project business | % | 28 | 30 | 30 | 33 |
| Share of sales, Temporary Power | % | 6 | 5 | 5 | 5 |

For definitions of key figures, see pages 19–20

NET SALES AND EARNINGS

Net sales in the business area amounted to MSEK 221.8, compared with MSEK 217.3 for the year-earlier quarter, which was a growth of 2%.

Adjusted EBIT amounted to MSEK 26.1 for the quarter compared with MSEK 14.9 in the year-earlier quarter since capital gains from properties sold strengthened earnings by MSEK 18.

Adjusted EBIT for the full-year amounted to MSEK 84.4 compared with MSEK 70.3 in the preceding year. In 2024, the business area impaired inventories by MSEK 9.1 compared with capital gains from properties sold in 2023 that strengthened earnings by MSEK 18.

The stable trend in Electrification, which included deliveries to data centers, did not only contribute to earnings but also strengthened GARO's position as a reliable partner.

EBIT for the business area amounted to MSEK 26.1 (32.9) for the quarter and MSEK 75.3 (88.3) for the full-year 2024.

OPERATIONS

Compared with the year-earlier quarter, sales for the Electrical distribution products product area increased MSEK 6 while sales for the Project business product area declined MSEK 2. The operations in Ireland trended positively. By broadening the product program, sales have increased and we have improved profitability even though the market remains challenging.

A slight increase in sales was noted in the Temporary Power product area during the quarter.

Overall, we believe that sales have stabilized, and GARO has noted several positive signs in discussions with customers that strengthen our assessment that the market has bottomed out. We expect the market situation to gradually improve moving forward.

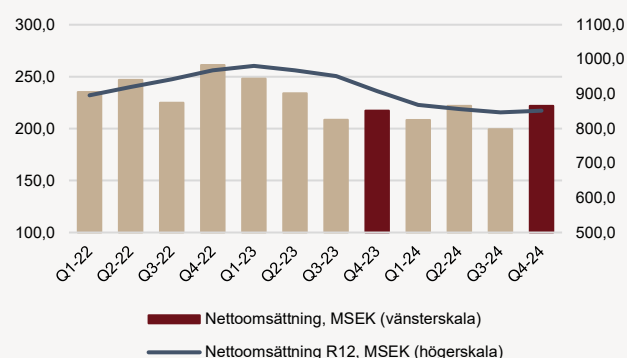
THE MARKET

The market for the new construction of single-family homes and apartments in Sweden is assessed to have bottomed out in 2024. Positive signs such as lower inflation and falling interest rates are expected to lead to a rise in housing construction across the Nordic region in 2025. This will result in a gradual increase in demand for GARO's products in this business area. New construction in the public sector, commercial properties, industry and infrastructure remain healthy. The market connected to the electrification of society and the green transition is assessed to be stable.

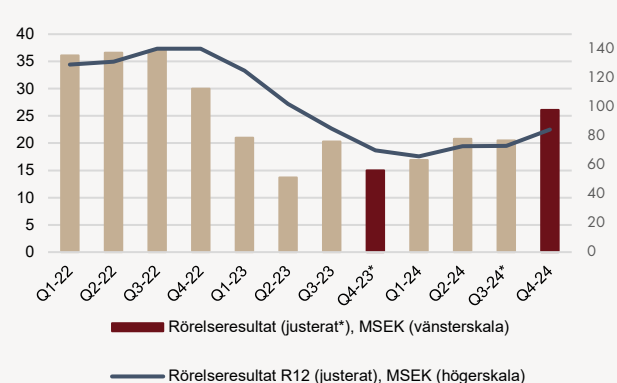
2024 SUMMARY

In 2024, the business area faced a reduced market in the Nordic region while the Irish market, which is an important market for GARO, performed well. GARO has secured its market position and improved its product offering in a number of markets. In England and Ireland, several new standard components were launched and were well-received in the market. In Sweden, a new lighting cabinet was launched as part of our increasing investments in infrastructure.

NET SALES, GARO ELECTRIFICATION



ADJUSTED EBIT, GARO ELECTRIFICATION*



GARO E-mobility business area

| GARO E-MOBILITY KEY FIGURES | | Oct–Dec 2024 | Oct–Dec 2023 | Jan–Dec 2024 | Jan–Dec 2023 |
|-----------------------------|------|-----------------|-----------------|-----------------|-----------------|
| Net sales | MSEK | 62.0 | 93.9 | 300.7 | 462.0 |
| Growth | % | -34 | 17 | -35 | 10 |
| Adjusted EBIT | MSEK | -22.8 | -23.2 | -91.6 | -27.4 |
| Adjusted EBIT margin | % | -36.8 | -24.7 | -30.5 | -5.9 |
| Investments | MSEK | 2.8 | 12.3 | 11.7 | 96.9 |
| Depreciation | MSEK | 7.2 | 6.5 | 30.7 | 22.3 |
| Number of employees | | 125 | 197 | 125 | 197 |

For definitions of key figures, see pages 19–20

NET SALES AND EARNINGS

Net sales in the GARO E-mobility business area amounted to MSEK 62.0, compared with MSEK 93.9 for the same quarter of 2023, which resulted in negative growth of 34% or MSEK 32.

Adjusted EBIT for the fourth quarter amounted to MSEK -22.8 compared with MSEK -23.2 for the year-earlier quarter, which was charged with MSEK 9.8 in non-recurring costs for the impairment of inventories. This was mainly the result of low sales.

The previously announced action program was completed in the quarter, resulting in 28 salaried employees leaving GARO. Other cost-saving measures have also been implemented in parallel. The program is set to achieve full effect in the first quarter of 2025.

EBIT for the business area amounted to MSEK -22.8 (33.0) for the quarter and MSEK -130.9 (-37.2) for the full-year 2024.

Adjusted EBIT for the full-year 2024 amounted MSEK -91.6 (-27.4) in which earnings were charged by MSEK 39.3 (9.8) for the impairment of inventories for the previous generation of wall boxes and the remaining development expenditure for an older, outgoing DC range.

OPERATIONS

Overall sales in the field of new technology encompasses products and services in, for example, solar, batteries and E-mobility, and there is a considerable need in the Nordic region and in Europe to transition to this new technology. However, the prevailing macroeconomic situation has led to a considerably slower transition than anticipated. Sales of plug-in vehicles remained low in the fourth quarter of 2024, which impacted short-term demand in charging infrastructure. GARO is focusing on the business available in the market. Through sales activities, support and by providing customers with the assistance that they require, business is generated for GARO, creating healthy solutions for customers.

Demand for public charging is driving sales in the business area. GARO Entity accounted for half of all sales noted in the business area during the quarter. This is an indication that GARO's new platform is beginning to capture a clear position in the market.

Year-on-year, sales in Sweden and the Nordic region were MSEK 14 and MSEK 3 lower, respectively, for the quarter. Sales to GARO's other markets in Europe declined 51% in the quarter, or MSEK 14.

The newly established sales company in Germany experienced a challenging quarter with a cautious market and a dip in sales of electric cars both in the quarter and for the full-year 2024. In the fourth quarter, GARO received Eichrecht approval of the GARO Entity Pro wall box and certification of its production facility in Poland for Eichrecht-compliant production.

2024 SUMMARY

It was a challenging year for the business area that required taking action, adapting and restructuring the organization, all in a bid to meet prevailing market conditions.

GARO intensified its marketing efforts in Germany. As part of this, the GARO Entity Pro wall box was approved under the Eichrecht standard and therefore can be sold in the German market for semi-public and public charging.

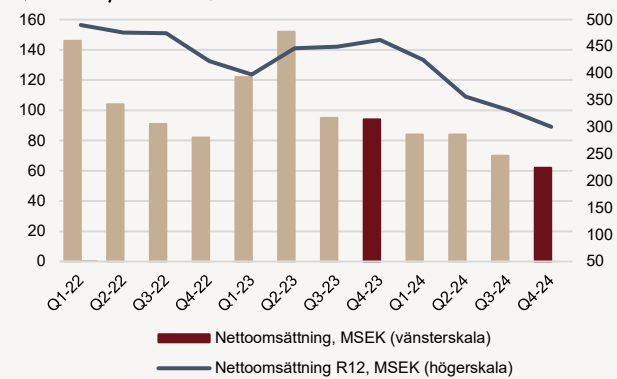
At the same time, 2024 was also characterized by innovation. The year's new products include the GARO Entity Home wall box, the RAPID 60kW fastcharger and the LS4 Paystation.

THE MARKET

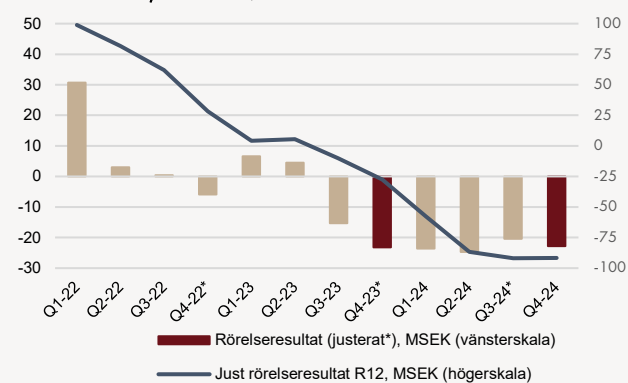
E-mobility continues to be challenging but is an important market for GARO's future. Competition is intensifying, but GARO is holding its own through quality, customer focus and innovation. The agreement with Onepark and the installations at Ørland Main Air Station in Norway are clear examples of how our products and our team are creating long-term value. At the same time, we are encountering challenges in Norway in which delivery disruptions are negatively impacting operations. Active efforts are ongoing to improve the balance of our sales channels to facilitate stability going forward.

To meet market expectations, continual maintenance and the development of future functionalities is required. Moreover, the market for the business area is in a state of constant change with ever increasing regulatory requirements and the need for functionalities, which suits the GARO Entity platform. In the home charging market, which is currently price sensitive, high sales volumes in a broader market are required to achieve economies of scale and improve profitability. This is especially the case for GARO with our product program in large parts directed to the premium segment. It can be noted that home chargers cost less than ever before.

NET SALES, GARO E-MOBILITY



ADJUSTED EBIT, GARO E-MOBILITY



Sustainability

SUSTAINABILITY WORK

GARO's sustainability work is based on three cornerstones that are all part of the strategic framework: Climate, Circular economy and Ethical and responsible business. The strategy is the foundation that allows GARO to respond to regulatory requirements, meet growing market expectations and pursue growth and return for investors, while also focusing on strengthening GARO's social capital by attracting, encouraging and retaining employees. 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 sustainable society.

Sustainable production processes are a prerequisite for maintaining a position as a competitive supplier in the market. Production processes provide the basis for efficient resource use, reduced environmental impact and respond to market demand for sustainable alternatives.

Sustainability is integrated and embedded in the GARO Group's strategy and decision-making processes. The sustainability governance structure ensures that regular follow-ups of compliance with the sustainability goals are carried out and that progress and results are actively reported to meet the growing needs for materials and energy with a focus on ecological, social, regulatory and compliance requirements.

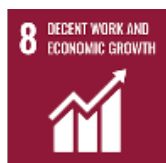
FOCUS AREAS

GARO's overall climate target is to become climate neutral by 2040 and develop into a circular Group. GARO works toward the UN Sustainable Development Goals (SDGs). From the 17 SDGs, the Group has selected six that we believe we can create the greatest value and make the most difference.

- 7 - Affordable and clean energy
- 8 - Decent work and economic growth
- 11 - Sustainable cities and communities
- 12 - Responsible consumption and production
- 13 - Climate action
- 16 - Peace, justice and strong institutions

As different areas of materiality have varying degrees of impact, which may also change over time, GARO adapts measures, action plans and resources on a step-by-step basis. Reporting and monitoring of KPIs involves broad collaboration and continuous dialog to ensure responsible and effective measurement of progress towards the SDGs.

For more information about GARO's goals for a more sustainable future, refer to GARO's 2023 Annual Report, pages 28–41.



GARO's financial targets

PARENT COMPANY

The Parent Company's operations comprise sales in the product area Electrical distribution products, product development, Group Management, Group-wide functions and the Group's finance function.

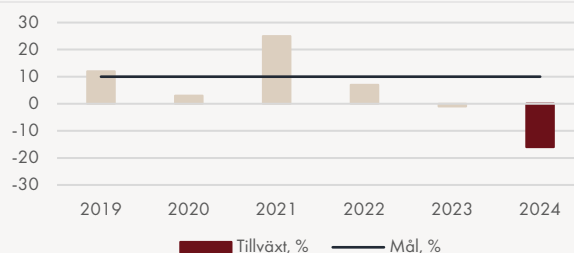
Net sales for the Parent Company in the fourth quarter amounted to MSEK 89.8 (88.2), of which MSEK 11.3 (13.1) comprised internal sales. EBIT for the quarter amounted to MSEK 8.3 (10.0). Net sales for the Parent Company for the full-year 2024 amounted to MSEK 323.5 (354.8) and EBIT amounted to MSEK 34.4 (40.4).

SALES GROWTH

Organic growth will amount to not less than 10% over a business cycle.

TARGET

≥ 10%

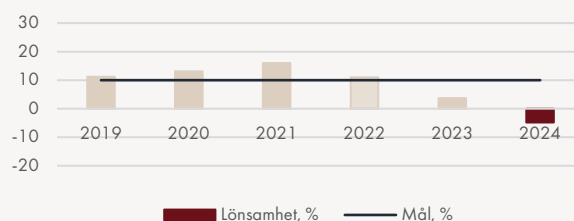


PROFITABILITY

The EBIT margin for the Group will amount to not less than 10% of net sales over a business cycle.

TARGET

≥ 10%

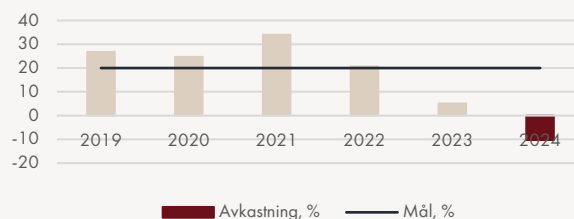


RETURN

Return on equity will amount to not less than 20% over a business cycle.

TARGET

≥ 20%

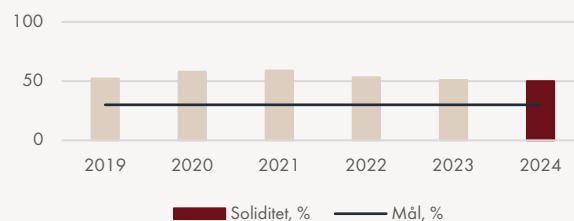


EQUITY RATIO

The equity ratio will not be less than 30%.

TARGET

≥ 30%

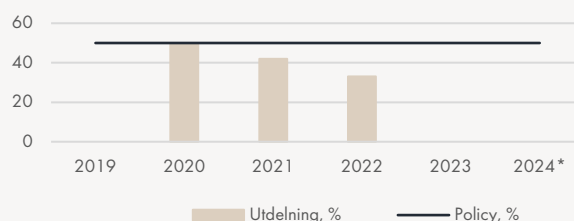


DIVIDEND POLICY

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.

*The Board's dividend proposal

TARGET



≥ 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

As a geographically diversified international group, GARO is exposed to a number of strategic, business-related and financial risks. Strategic risk in GARO is defined as risks that emerge that have a long-term impact on operations such as changes in technology and the macroeconomic trend. Business risks can be divided into operational, sustainability, compliance as well as legal and commercial risks. Financial risks include currency risk, interest-rate risk, raw material price risk, tax risk, etc. All of these risk areas could negatively impact the business in both the short and the long term, but they can also create business opportunities if they are well managed. Risk management at GARO is based on the operational management groups where material risks for the operations are identified. An assessment is then made of the likelihood that the risks will materialize and their potential impact. Following this, an evaluation is conducted and decisions are made concerning any actions taken to eliminate or mitigate the risks. More detailed information on GARO's risks and uncertainties can be found in Note 3 on pages 60–63 of the 2023 Annual Report. The Annual Report is available at www.garogroup.se.

RELATED-PARTY TRANSACTIONS

Related-party transactions take place in accordance with the principles described in the 2023 Annual Report. There were no related party transactions during the year except for the payment of fees to the Board of Directors, the remuneration of senior executives and transactions with Group companies.

EMPLOYEES

The number of employees in the Group on December 31, 2024 was 406 (478) excluding persons dismissed and exempted from work.

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. 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 1–20, which constitute an integrated part of this financial statement. In addition, disclosures according to IAS 34.16A and IFRS 5 are presented in the financial statements and their notes as well as other parts of the interim report.

GARO has a property for sale and assesses that it is highly probable that the property will be sold within 6–12 months, thereby fulfilling the criteria for reporting in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. The fact that a group of assets and liabilities is classified as held for sale means that their carrying amount will be essentially recovered through a sale transaction and not through use. All assets included in the group are presented on a separate line among assets and all of the group's liabilities are presented on a separate line among liabilities. The group is valued as the lowest of the carrying amount and the fair value less selling expenses.

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, 2025

GARO AB

The Board of Directors

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Oct-Dec 2024 | Oct-Dec 2023 | Jan-Dec 2024 | Jan-Dec 2023 |
|--|-----------------|-----------------|-----------------|-----------------|
| Amount in MSEK | | | | |
| Operating income | | | | |
| Net sales | 283.8 | 311.2 | 1,152.0 | 1,369.9 |
| Other operating income | 0.1 | 1.3 | 0.2 | 3.7 |
| Other operating gains | 0.5 | 18.0 | 0.5 | 18.0 |
| Total operating income | 284.4 | 330.5 | 1,152.7 | 1,391.6 |
| Capitalized production costs | 0.8 | 0.3 | 3.1 | 2.8 |
| Operating expenses | | | | |
| Raw materials and consumables | -144.5 | -182.9 | -673.6 | -760.8 |
| Other external expenses | -47.1 | -53.0 | -177.8 | -193.0 |
| Personnel expenses | -76.5 | -82.0 | -298.8 | -326.4 |
| Other operating expenses | -0.2 | 0 | -5.1 | -14.6 |
| Depreciation/amortization of tangible and intangible assets | -13.6 | -13.0 | -56.2 | -48.5 |
| EBIT | 3.3 | -0.1 | -55.6 | 51.1 |
| Result from financial items | | | | |
| Net financial expenses | -2.7 | 2.9 | -11.3 | -3.3 |
| Profit/loss before tax | 0.6 | 2.8 | -66.9 | 47.8 |
| Income tax | -1.9 | -2.7 | 6.8 | -16.5 |
| Net income | -1.3 | 0.1 | -60.1 | 31.3 |
| Other comprehensive income: | | | | |
| Items that may be reclassified to the income statement | | | | |
| Translation differences | 4.3 | -0.8 | 6.1 | 4.1 |
| Other comprehensive income, net | 4.3 | -0.8 | 6.1 | 4.1 |
| Total comprehensive income for the period | 3.0 | -0.7 | -54.0 | 35.4 |
| 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/loss per share, before and after dilution, SEK | -0.03 | 0 | -1.20 | 0.63 |

EBIT and EBITDA before and after adjustment of non-recurring costs

The impact of non-recurring costs for impairment was primarily attributable to the GARO E-mobility business area. This impairment mainly pertained to inventories for the earlier generation of wall boxes as well as remaining development expenditure for an older, outgoing DC range recognized in the third quarter of 2024.

In the fourth quarter of 2023, capital gains were noted from the divestment of property in Poland and Sweden that improved earnings in GARO Electrification. In addition, non-recurring items, referring to change of technical platform, impacted earnings in GARO E-mobility. These items affect the comparability of this year-end report.

| Amount in MSEK | Oct-Dec 2024 | % | Oct-Dec 2023 | % | Jan-Dec 2024 | % | Jan-Dec 2023 | % |
|---|-----------------|------------|-----------------|-------------|-----------------|-------------|-----------------|------------|
| EBIT | 3.3 | 1.2 | -0.1 | -0.2 | -55.6 | -4.8 | 51.1 | 3.7 |
| Capital gains for property divestments | 0.0 | | -18.0 | | 0.0 | | -18.0 | |
| Non-recurring costs | 0.0 | | 4.8 | | 0.0 | | 4.8 | |
| Impairment of inventories and development expenditure | 0.0 | | 5.0 | | +48.4 | | 5.0 | |
| Adjusted EBIT | 3.3 | 1.2 | -8.3 | -2.7 | -7.2 | -0.6 | 42.9 | 3.1 |

| Amount in MSEK | Oct-Dec 2024 | % | Oct-Dec 2023 | % | Jan-Dec 2024 | % | Jan-Dec 2023 | % |
|---|-----------------|------------|-----------------|------------|-----------------|------------|-----------------|------------|
| EBITDA | 16.9 | 5.9 | 12.9 | 4.1 | 0.6 | 0 | 99.6 | 7.3 |
| Capital gains for property divestments | 0.0 | | -18.0 | | 0.0 | | -18.0 | |
| Non-recurring costs | 0.0 | | 4.8 | | 0.0 | | 4.8 | |
| Impairment of inventories and development expenditure | 0.0 | | 5.0 | | +48.4 | | 5.0 | |
| Adjusted EBITDA | 16.9 | 5.9 | 3.7 | 1.2 | 49.0 | 4.3 | 86.8 | 6.7 |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| Amount in MSEK | Dec 31, 2024 | Dec 31, 2023 |
|--|----------------|----------------|
| ASSETS | | |
| Fixed assets | | |
| Intangible assets | 126.9 | 145.9 |
| Tangible assets | 266.7 | 285.2 |
| Financial assets | 0.3 | 4.2 |
| Other assets | 19.9 | 0 |
| Total fixed assets | 413.8 | 435.3 |
| Current assets | | |
| Inventories | 376.1 | 395.2 |
| Accounts receivable | 232.2 | 252.6 |
| Other current receivables | 68.6 | 65.5 |
| Cash and cash equivalents | 16.5 | 50.0 |
| Total current assets | 693.4 | 763.3 |
| Assets for sale | 4.9 | 0 |
| TOTAL ASSETS | 1,112.1 | 1,198.6 |
| EQUITY AND LIABILITIES | | |
| Share capital | 20.0 | 20.0 |
| Other reserves | 19.9 | 13.8 |
| Other contributed capital | 1.5 | 1.5 |
| Other equity including net income for the period | 514.1 | 574.2 |
| Total equity | 555.5 | 609.5 |
| Long-term liabilities | | |
| Liabilities to credit institutions | 68.9 | 22.2 |
| Lease liabilities | 46.0 | 56.1 |
| Other provisions | 8.6 | 7.0 |
| Deferred tax liabilities | 0 | 0 |
| Total long-term liabilities | 123.5 | 85.3 |
| Short-term liabilities | | |
| Liabilities to credit institutions | 166.6 | 177.6 |
| Lease liabilities | 16.6 | 16.2 |
| Accounts payable | 127.2 | 183.3 |
| Other short-term liabilities | 119.3 | 126.7 |
| Total short-term liabilities | 429.7 | 503.8 |
| Liabilities directly attributable to assets for sale | 3.4 | 0 |
| TOTAL EQUITY AND LIABILITIES | 1,112.1 | 1,198.6 |

Changes to the company's structure (divestment of long-term investment)

GARO has begun the process of divesting two smaller properties in Gnosjö in order to further concentrate operations. In the fourth quarter, one of the properties was sold at a value of MSEK 2.5, providing capital gains of MSEK 0.5.

The remaining property for sale has a carrying amount of MSEK 4.9 with corresponding borrowings of MSEK 3.4. The property is assessed to have a market value corresponding to the carrying amount. It is GARO's ambition to carry out a divestment within six to 12 months.

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, 2023 | 20.0 | 9.7 | 1.5 | 582.9 | 614.1 |
| Net profit 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 |
| Equity at January 1, 2024 | 20.0 | 13.8 | 1.5 | 574.2 | 609.5 |
| Net profit for the period | | | | -60.1 | -60.1 |
| Other comprehensive income for the period | | 6.1 | | 0 | 6.1 |
| Closing equity, December 31, 2024 | 20.0 | 19.9 | 1.5 | 514.1 | 555.5 |

CONDENSED CONSOLIDATED CASH-FLOW STATEMENT

| Amount in MSEK | Oct-Dec 2024 | Oct-Dec 2023 | Jan-Dec 2024 | Jan-Dec 2023 |
|--|-----------------|-----------------|-----------------|-----------------|
| Cash flow from operating activities | | | | |
| EBIT | 3.3 | -0.1 | -55.6 | 51.1 |
| Depreciation/amortization and impairment | 13.6 | 13.0 | 56.2 | 48.5 |
| Interest paid/received, income tax and adjustment for non-cash items | -10.7 | -5.9 | 28.1 | -57.1 |
| Cash flow from operating activities before changes in working capital | 6.2 | 7.0 | 28.7 | 42.5 |
| Change in working capital | | | | |
| Increase(-)/decrease(+) in inventories | -2.2 | 2.7 | -12.9 | -43.2 |
| Increase(-)/decrease(+) in operating receivables | 62.6 | 19.7 | 19.5 | 60.8 |
| Increase(+)/decrease(-) in operating liabilities | -29.2 | 5.5 | -71.1 | -34.5 |
| Cash flow from operating activities | 37.4 | 34.9 | -35.8 | 25.6 |
| Investing activities | | | | |
| Investments in intangible assets | -2.9 | -11.1 | -8.5 | -34.8 |
| Investments in subsidiaries | 0 | 1.1 | 0 | 0 |
| Investments in tangible assets | -1.5 | -6.7 | -11.1 | -73.4 |
| Disposal of tangible assets | 2.5 | 57.2 | 2.5 | 57.2 |
| Cash flow from investing activities | -1.9 | 40.5 | -17.1 | -51.0 |
| Financing activities | | | | |
| Net borrowing/amortization of loans | -29.7 | -11.9 | 35.6 | 99.9 |
| Amortization of lease liability | -4.4 | -4.3 | -17.5 | -14.9 |
| Dividend paid to shareholders | 0 | -20.0 | 0 | -40.0 |
| Cash flow from financing activities | -34.1 | -36.2 | 18.1 | 45.0 |
| Cash flow for the period | 1.4 | 39.2 | -34.8 | 19.6 |
| Currency effect in cash and cash equivalents | -0.3 | 0.1 | 1.3 | 0.9 |
| Cash and cash equivalents, start of the period | 15.4 | 10.7 | 50.0 | 29.5 |
| Cash and cash equivalents, end of the period | 16.5 | 50.0 | 16.5 | 50.0 |

CONDENSED PARENT COMPANY INCOME STATEMENT

| Amount in MSEK | Oct-Dec 2024 | Oct-Dec 2023 | Jan-Dec 2024 | Jan-Dec 2023 |
|---|-----------------|-----------------|-----------------|-----------------|
| Operating income | | | | |
| Net sales | 89.8 | 88.2 | 323.5 | 354.8 |
| Other operating income | 19.8 | 33.6 | 84.6 | 90.8 |
| Total income | 109.6 | 121.8 | 408.1 | 445.6 |
| Operating expenses | | | | |
| Raw materials and consumables | -53.0 | -57.9 | -206.8 | -231.4 |
| Other external expenses | -26.9 | -29.7 | -82.9 | -79.3 |
| Personnel expenses | -20.3 | -22.6 | -78.8 | -87.7 |
| Depreciation/amortization of tangible and intangible assets | -1.1 | -1.6 | -5.2 | -6.8 |
| EBIT | 8.3 | 10.0 | 34.4 | 40.4 |
| Result from financial items | | | | |
| Profit/loss from participations in Group companies | 2.6 | -0.3 | 1.8 | -1.4 |
| Net interest income and similar items | 6.0 | 5.9 | 22.6 | 18.2 |
| Net interest expenses and similar items | -2.4 | -4.2 | -10.3 | -5.9 |
| Profit before tax | 14.5 | 11.4 | 48.5 | 51.5 |
| Appropriations | -122.6 | -26.6 | -122.6 | -26.6 |
| Income tax | 24.3 | 2.8 | 17.3 | -5.6 |
| Net income | -83.8 | -12.3 | -56.8 | 19.3 |

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

| | Dec 31, 2024 | Dec 31, 2023 |
|---|--------------|--------------|
| Amount in MSEK | | |
| ASSETS | | |
| Fixed assets | | |
| Intangible assets | 3.0 | 31.0 |
| Tangible assets | 18.6 | 18.9 |
| Participations in Group companies | 102.6 | 84.0 |
| Other financial assets | 93.9 | 166.9 |
| Total fixed assets | 218.1 | 300.8 |
| Current assets | | |
| Inventories | 26.0 | 30.8 |
| Accounts receivable | 67.9 | 70.2 |
| Other receivables | 376.0 | 281.8 |
| Cash and bank balances | 0 | 0 |
| Total current assets | 469.9 | 382.8 |
| TOTAL ASSETS | 688.0 | 683.6 |
| EQUITY AND LIABILITIES | | |
| Share capital | 20.0 | 20.0 |
| Fund for internal development expenses | 2.2 | 29.5 |
| Statutory reserve | 2.6 | 2.6 |
| Non-restricted equity including net income for the period | 286.5 | 316.0 |
| Total equity | 311.3 | 368.1 |
| Provisions | 1.1 | 1.2 |
| Long-term liabilities | | |
| Liabilities to credit institutions | 14.5 | 18.7 |
| Total long-term liabilities | 14.5 | 18.7 |
| Short-term liabilities | | |
| Short-term interest-bearing liabilities | 162.7 | 96.8 |
| Short-term non-interest-bearing liabilities | 198.4 | 198.8 |
| Total short-term liabilities | 361.1 | 295.6 |
| TOTAL EQUITY AND LIABILITIES | 688.0 | 683.6 |

SALES AND EBIT BY BUSINESS AREA

| | GARO Electrification | | GARO E-mobility | | Elimination | | Group | |
|---|----------------------|--------------|-----------------|--------------|-------------|----------|--------------|--------------|
| Business area information | Q4 2024 | Q4 2023 | Q4 2024 | Q4 2023 | Q4 2024 | Q4 2023 | Q4 2024 | Q4 2023 |
| Income | | | | | | | | |
| Total external income | 287.0 | 290.1 | 128.3 | 167.9 | -131.4 | -146.8 | 283.8 | 311.2 |
| Total internal income | -65.1 | -72.8 | -66.3 | -74.0 | 131.4 | 146.8 | 0 | 0 |
| Income from contracts with customers | 221.98 | 217.3 | 62.0 | 93.9 | 0 | 0 | 283.8 | 311.2 |
| EBIT | 26.1 | 32.9 | -22.8 | -33.0 | 0 | 0 | 3.3 | -0.1 |
| Net financial expenses | | | | | | | -2.7 | 2.9 |
| Income tax | | | | | | | -1.9 | -2.7 |
| Net income | | | | | | | -1.3 | 0.1 |

REVENUE PER CUSTOMER'S GEOGRAPHIC LOCATION (OCTOBER–DECEMBER)

| Business Area | GARO Electrification | | | GARO E-mobility | | | Total | | |
|----------------------------|----------------------|--------------|-----------|-----------------|--------------|------------|--------------|--------------|-----------|
| | Oct-Dec 2024 | Oct-Dec 2023 | growth, % | Oct-Dec 2024 | Oct-Dec 2023 | growth, % | Oct-Dec 2024 | Oct-Dec 2023 | growth, % |
| Sweden | 114.4 | 134.4 | -15 | 30.5 | 44.2 | -31 | 144.9 | 178.6 | -19 |
| Nordic region excl. Sweden | 27.9 | 32.4 | -14 | 17.0 | 20.5 | -17 | 44.9 | 52.9 | -15 |
| Europe excl. Nordic region | 79.5 | 50.5 | 58 | 14.5 | 29.2 | -51 | 94.0 | 79.7 | 18 |
| Total | 221.8 | 217.3 | 2 | 62.0 | 93.9 | -34 | 283.8 | 311.2 | -9 |

REVENUE PER CUSTOMER'S GEOGRAPHIC LOCATION (JANUARY–DECEMBER)

| Business Area | GARO Electrification | | | GARO E-mobility | | | Total | | |
|----------------------------|----------------------|--------------|-----------|-----------------|--------------|------------|----------------|----------------|------------|
| | Jan-Dec 2024 | Jan-Dec 2023 | growth, % | Jan-Dec 2024 | Jan-Dec 2023 | growth, % | Jan-Dec 2024 | Jan-Dec 2023 | growth, % |
| Sweden | 498.1 | 559.7 | -11 | 118.0 | 216.2 | -45 | 616.1 | 775.9 | -21 |
| Nordic region excl. Sweden | 108.3 | 125.1 | -13 | 73.3 | 121.4 | -40 | 181.6 | 246.5 | -26 |
| Europe excl. Nordic region | 244.9 | 223.1 | 10 | 109.4 | 124.4 | -12 | 354.3 | 347.5 | 2 |
| Total | 851.3 | 907.9 | -6 | 300.7 | 462.0 | -35 | 1,152.0 | 1,369.9 | -16 |

QUARTERLY FIGURES

| | Q4 2024 | Q3 2024 | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 | Q1 2023 | Q4 2022 | Q3 2022 | Q2 2022 | Q1 2022 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| External sales per business area | | | | | | | | | | | | |
| GARO E-mobility | 62.0 | 70.0 | 84.4 | 84.3 | 93.9 | 94.6 | 152.1 | 122.2 | 80.6 | 92.1 | 103.3 | 146.4 |
| GARO Electrification | 221.8 | 199.4 | 221.9 | 208.2 | 217.3 | 209.6 | 233.9 | 248.1 | 261.2 | 224.9 | 246.9 | 235.2 |
| Total Group | 283.8 | 269.4 | 306.3 | 292.5 | 311.2 | 304.2 | 386.0 | 370.3 | 341.8 | 317.0 | 350.2 | 381.6 |
| EBIT per business area | | | | | | | | | | | | |
| GARO E-mobility | -22.8 | -59.4 | -24.7 | -23.6 | -33.0 | -15.3 | 4.5 | 6.6 | -20.9 | 0.4 | 3.0 | 30.7 |
| GARO Electrification | 26.1 | 11.4 | 20.4 | 16.9 | 32.9 | 20.6 | 13.7 | 21.2 | 29.8 | 37.0 | 36.6 | 36.1 |
| Total Group | 3.3 | -48.0 | -4.3 | -6.7 | -0.1 | 5.3 | 18.2 | 27.8 | 8.9 | 37.4 | 39.6 | 66.8 |

GARO GROUP MULTI-YEAR OVERVIEW *

| | | Oct-Dec 2024 | Oct-Dec 2023 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|----------|-----------------|-----------------|---------|---------|---------|---------|---------|---------|
| Net sales | MSEK | 283.8 | 311.2 | 1,152.0 | 1,369.9 | 1,390.5 | 1,295.8 | 1,039.8 | 1,008.1 |
| Growth | % | -9 | -9 | -16 | -1 | 7 | 25 | 3 | 12 |
| EBITDA | MSEK | 16.9 | 12.9 | 0.6 | 99.6 | 188.8 | 243.0 | 163.2 | 134.9 |
| EBITDA margin | % | 5.9 | 4.1 | 0.0 | 7.3 | 13.6 | 18.8 | 15.7 | 13.4 |
| EBIT | MSEK | 3.3 | -0.1 | -55.6 | 51.1 | 152.8 | 207.2 | 136.2 | 112.6 |
| EBIT margin | % | 1.2 | 0 | -4.8 | 3.7 | 11.0 | 16.0 | 13.1 | 11.2 |
| Earnings per share, before and after dilution | SEK | -0.03 | 0 | -1.20 | 0.63 | 2.41 | 3.33 | 1.91 | 1.71 |
| Equity per share | SEK | 11.11 | 12.19 | 11.11 | 12.19 | 12.28 | 11.03 | 8.61 | 6.86 |
| Dividend per share | SEK | n/a | n/a | n/a | 0 | 0.80 | 1.40 | 0.95 | 0 |
| Dividend | MSEK | n/a | n/a | n/a | 0 | 40.0 | 70.0 | 47.5 | 0 |
| Closing rate, share | SEK | 23.10 | 43.52 | 23.10 | 43.52 | 108.6 | 216.0 | 127.0 | 61.4 |
| Return on equity | % | -10.3 | 5.1 | -10.3 | 5.1 | 20.7 | 34.0 | 24.7 | 26.8 |
| Return on capital employed, % | | -8.4 | 7.9 | -8.4 | 7.9 | 22.1 | 39.2 | 32.2 | 30.4 |
| Investments | MSEK | 4.2 | 17.8 | 19.6 | 108.2 | 120.1 | 45.3 | 45.3 | 33.4 |
| Depreciation | MSEK | 13.6 | 13.0 | 56.2 | 48.6 | 36.0 | 35.8 | 26.9 | 22.3 |
| Equity ratio | % | 50.0 | 50.9 | 50.0 | 50.9 | 53.2 | 58.9 | 57.9 | 52.2 |
| Net debt | MSEK | 285.1 | 222.1 | 285.1 | 222.1 | 143.7 | -9.4 | 11.3 | 45.6 |
| Net debt/EBITDA | multiple | 497.1 | 2.2 | 497.1 | 2.2 | 0.8 | 0.0 | 0.1 | 0.3 |
| Number of employees | | 406 | 478 | 406 | 478 | 521 | 498 | 412 | 421 |

*For definitions, see pages 19–20

Key figures 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

Operating expenses: The total of selling expenses, administrative costs, other operating income, other operating expenses, excluding amortization and impairment of acquired intangible assets

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

Number of employees, The number of employees in the Group including contracted staff but excluding persons dismissed and exempted from work.

Alternative performance measures

GARO uses certain financial measures – alternative performance measures – that are not defined in the rules for financial reporting that GARO applies. The goal of these performance measures is to create a better understanding of how the operations are performing. Investors should view these financial measures as a supplement rather than a replacement of

financial reporting in accordance with IFRS. 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. GARO uses the following alternative performance measures:

Organic growth: Organic growth with adjustments for currency effects from operations in currencies other than SEK. This performance measure is expressed as a percentage of the preceding period's net sales.

| | Oct-Dec 2024 (MSEK) | Oct-Dec 2024 (%) | Jan-Dec 2024 (MSEK) | Jan-Dec 2024 (%) |
|-----------------------------|------------------------|---------------------|------------------------|---------------------|
| CHANGE IN NET SALES | | | | |
| Preceding quarter/year | 311.2 | | 1,369.9 | |
| Organic sales/growth | -36.7 | -12 | -225.0 | -16 |
| Currency effects | 9.3 | 3 | 7.1 | 0 |
| Net sales from acquisitions | 0 | | 0 | |
| Recognized growth | -27.4 | -9 | -217.9 | -16 |

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

Number of employees: The number of employees at the end of the period excluding persons dismissed and exempted from work

EBITDA: A measure of EBIT before interest, taxes, depreciation, and amortization

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

| | Oct-Dec 2024 | Oct-Dec 2023 | Jan-Dec 2024 | Jan-Dec 2023 |
|---------------------------------------|--------------|--------------|-----------------|-----------------|
| Amount in MSEK | | | | |
| Recognized EBIT | 3.3 | -0.1 | -55.6 | 51.1 |
| Reversal of depreciation/amortization | 13.6 | 13.0 | 56.2 | 48.5 |
| EBITDA | 16.9 | 12.9 | 0.6 | 99.6 |

Net debt: Net debt is defined by how large financial borrowings are in the company in absolute terms less cash and cash equivalents. The performance measure is defined as interest-bearing liabilities, lease liabilities in accordance with IFRS 16, less interest-bearing assets including cash and cash equivalents.

| | Jan-Dec 2024 | Jan-Dec 2023 |
|---|-----------------|-----------------|
| Amount in MSEK | | |
| Non-current interest-bearing liabilities | 72.3 | 22.2 |
| Short-term interest-bearing liabilities | 166.6 | 177.6 |
| Lease liability as defined under IFRS 16 | 62.6 | 72.3 |
| Less cash and cash equivalents | -16.5 | -50.0 |
| Net debt | 285.1 | 222.1 |
| Net debt in relation to total assets (%) | 25.6 | 18.5 |

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

| Amount in MSEK | Jan-Dec 2024 | Jan-Dec 2023 |
|--|-----------------|-----------------|
| Non-current interest-bearing liabilities | 72.3 | 22.2 |
| Short-term interest-bearing liabilities | 166.6 | 177.6 |
| Lease liability as defined under IFRS 16 | 62.6 | 72.3 |
| Less cash and cash equivalents | -16.5 | -50.0 |
| Reversal of Lease liability as defined under IFRS 16 | 62.6 | -72.3 |
| Net debt excluding IFRS 16 | 222.4 | 149.8 |

Working capital: GARO's working capital comprises a major part of the balance sheet's value. In order to optimize the Group's cash generation, management focuses on the development of working capital, for which the performance measure is defined as the total of current assets less cash and cash equivalents less short-term non-interest-bearing liabilities, all calculated at the end of the period.

| Amount in MSEK | Jan-Dec 2024 | Jan-Dec 2023 |
|--|-----------------|-----------------|
| Current assets | 693.4 | 763.3 |
| Less cash and cash equivalents | -16.5 | -50.0 |
| Less short-term non-interest-bearing liabilities | -246.5 | -310.0 |
| Working capital on balance-sheet date | 430.4 | 403.3 |
| Working capital in relation to sales (R12), % | 37.4 | 29.4 |

Return on capital employed: This performance measure is defined as EBIT for the past 12 months divided by capital employed, all calculated at the end of the period.

| Amount in MSEK | Jan-Dec 2024 | Jan-Dec 2023 |
|---|-----------------|-----------------|
| EBIT for the past 12 months | -55.6 | 51.1 |
| Capital employed at the end of the period | 664.7 | 643.8 |
| Return on capital employed, % | -8.4 | 7.9 |

Return on equity: This performance measurement is defined as net income for the past 12 months divided by average equity, all calculated at the end of the period.

| Amount in MSEK | Jan-Dec 2024 | Jan-Dec 2023 |
|---------------------------------------|-----------------|-----------------|
| Net income for the past 12 months | -60.1 | 31.3 |
| Equity at the beginning of the period | 609.5 | 614.1 |
| Equity at the end of the period | 555.5 | 609.5 |
| Average equity | 582.5 | 611.8 |
| Return on equity, % | -10.3 | 5.1 |

Economic information

INVITATION TO PRESENTATION FOR THE PRESS AND ANALYSTS

On February 21, 2025 at 9:30 a.m., the President and CEO Jonas Klarén and CFO Helena Claesson will present the report and respond to questions in a teleconference.

Telephone numbers:

Sweden: +46 (0)20 089 0141
International: +44 (0)207 107 0613

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:

Jonas Klarén, President and CEO: +46 70 765 90 34
Helena Claesson, CFO: +46 70 676 07 50

FINANCIAL CALENDAR

| | |
|------------------------|-------------------|
| First quarter of 2025 | May 14, 2025 |
| Annual General Meeting | May 14, 2025 |
| Second quarter of 2025 | August 22, 2025 |
| Third quarter of 2025 | November 14, 2025 |

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 operations in several 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 and the Swedish Securities Market Act. The information was published by the abovementioned contact persons on February 21, 2025, at 8:30 a.m. CET.