



The Board of Directors reasoned statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act

The Board of Directors of GARO Aktiebolag (publ) has proposed that the Annual General Meeting 2024 resolves to authorise the Board of Directors to, on one or more occasions prior to the next Annual General Meeting, resolve to repurchase own shares. In view of the above, the Board of Directors hereby gives the following statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act (2005:551).

As of 31 December 2023, GARO AB's equity amounted to SEK 368,069,678, of which SEK 315,983,135 consisted of non-restricted equity. The group's total equity amounted to SEK 609,542,194 as of 31 December 2023. The proposal entails that the Board of Directors is authorised to repurchase such number of shares that GARO's holding of own shares does not at any time exceed five (5) percent of the total number of shares in the company.

The Board of Directors considers that the authorisation will be beneficial to both the company and its shareholders. The authorisation enables the Board of Directors of GARO to use repurchased own shares as payment in connection with acquisitions and to continuously adapt GARO's capital structure.

The Board of Directors has made a judgment of the financial position of the company and the group as well as the ability of the company and the group to fulfil short and long term obligations, respectively. In this regard, the Board of Directors has taken into consideration factors such as the historical and expected development of the company and the group, and the general state of the market.

As of 31 December 2023, the company's and the group's equity/assets ratio amounted to approximately 53.8 percent and 50.9 percent, respectively. Accordingly, the equity/assets ratio of the company and the group is satisfactory in general and in view of the group's line of business. The Board of Directors is of the opinion that the company and the group will be able to assume future business risks and also cope with prospective losses. The authorisation for repurchase of shares will not have a negative impact on the company's and the group's ability to make further investments justified from a business perspective according to the plans of the Board of Directors.

In addition to what is stated above, the Board of Directors has considered other known circumstances that may be of importance to the economic position of the company and the group. The Board of Directors has not noted any circumstances that would suggest that the proposed authorisation for repurchase of shares is not justifiable.

The equity of the company has not increased or been reduced due to valuation of assets and liabilities in accordance with Chapter 4, Section 14 a of the Swedish Annual Accounts Act.

With reference to the above, the Board of Directors is of the opinion that the proposal for repurchase of shares is justifiable considering the requirements that the nature, extent and risks of the operations pose on the company's and the group's equity as well as the company's and the group's consolidation requirements, liquidity and position in general.