Press release 24 August 2018

(Interim report April - June 2018 distributed as an appendix to this press release)

Strong performance in *EV charging*

- Net sales increased 12% to MSEK 214.2 (192.0).
- EBIT rose 1% to MSEK 22.8 (22.5).
- EBIT margin amounted to 10.6% (11.7).
- Net income was MSEK 15.4 (17.9).
- Earnings per share totaled SEK 1.54 (1.79).
- The equity ratio was 47.1% (47.1).
- GARO delivers charging poles to Municipality of Falun.

Significant event after the close of the period

- Helena Claesson has been appointed new CFO of the group. She will take office no later than 1 January 2019.

Carl-Johan Dalin, President and CEO:

GARO is continuing to perform well. Net sales for the second quarter increased 12% to MSEK 214.2, with healthy organic growth. The *EV charging* product area reported strong growth in all markets and the changeover to electric vehicles is continuing at a fast pace. The *Sweden* business area noted growth of 7% driven by the *EV charging* product area, while the rate of increase in construction-related product areas is starting to plateau. *Other markets* grew 23% due to robust growth in all product areas.

EBIT for the quarter increased 1% to MSEK 22.8 and the EBIT margin amounted to 10.6% (11.7). Earnings were negatively impacted by investments made in market and product development, mainly related to *EV charging*, and higher material costs due to the weak SEK and higher global market prices for raw materials. The relocation of manufacturing of several products to the plant in Poland was completed during the quarter and we now see positive effects in lower manufacturing costs and increasing productivity. It was necessary for us to build up our inventory to ensure deliveries during the move and our delivery capacity for the period was high. The buffer stock is now starting to decline in line with our plans.

It is gratifying to see that *EV charging* sales was strong during the quarter. The partnership with E.ON progressed positively. The Europe agreement that was signed in 2017 has resulted in orders to many countries, including the addition of Slovakia and the UK during the period. We also signed an agreement under which the Municipality of Falun will invest in 121 charging poles from GARO in the autumn. Especially gratifying is that EV charging sales in Poland picked up speed during the quarter.

Construction-related product areas in Sweden maintained a high level of activity, although we noted that the growth curve is leveling off in Stockholm while growth in the rest of the country is continuing. We also noted high activity in our other markets. We see a strong performance in the *EV charging* product area and continued expansion of charging infrastructure in all markets. All in all, GARO has a continued positive view of market conditions in 2018.

Gnosjö, August 24, 2018

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This information is such information that GARO aktiebolag is obligated to publish in accordance with the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was published by the abovementioned contact persons on August 24, 2018, at 7:30 a.m.