

Interim Report January–September 2024

Another stable quarter for GARO Electrification combined with measures taken in GARO E-mobility

JULY–SEPTEMBER 2024

- Net sales amounted to MSEK 269.4 (304.2).
- Net sales declined 11% (-4).
- Adjusted EBIT amounted to MSEK 0.4 (5.3).
- The adjusted EBIT margin amounted to 0.1% (1.7).
- Non-recurring impairment of MSEK 48.4 was charged to EBIT.
- Net income was MSEK -41.9 (-9.4).
- Loss per share² amounted to SEK -0.84 (-0.19).

JANUARY–SEPTEMBER 2024

- Net sales amounted to MSEK 868.3 (1,060.4).
- Net sales declined 18% (+1).
- Adjusted EBIT amounted to MSEK -10.5 (51.2).
- The adjusted EBIT margin amounted to -1.2% (4.8).
- Non-recurring impairment of MSEK 48.4 was charged to EBIT.
- Net income was MSEK -58.6 (31.3).
- Loss per share² amounted to SEK -1.17 (earnings: 0.63).

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- In September, it was announced that the action program in the GARO E-mobility business area had been expanded with annual savings of approximately MSEK 40 and that an inventory write-down of approximately MSEK 48 would be charged to the third quarter.
- Trade union negotiations concluded in October and the savings program will achieve full effect in the beginning of first quarter of 2025.
- GARO launched a new wall box specially adapted for homes – GARO Entity Home.
- GARO recruited Jonas Klarén as its new President and CEO as outlined in a separately communicated press release.

THE GARO GROUP ¹	Jul–Sep 2024	Jul–Sep 2023	+/- %	Jan–Sep 2024	Jan–Sep 2023	R12	Jan–Dec 2023
Net sales, MSEK	269.4	304.2	-11	868.3	1,060.4	1,177.8	1,369.9
Adjusted EBITDA, MSEK	14.3	18.5		32.1	86.8	36.6	91.5
Adjusted EBITDA margin, %	5.3	6.1		3.7	8.2	3.1	6.7
Adjusted EBIT, MSEK	0.4	5.3		-10.5	51.2	-18.8	43.0
Adjusted EBIT margin, %	0.1	1.7		-1.2	4.8	-1.6	3.1
EBIT, MSEK	-48.0	5.3		-58.9	51.2	-59.0	51.1
Net income, MSEK	-41.9	-9.4		-58.6	31.3	-58.6	31.3
Earnings/loss per share ² , SEK	-0.84	-0.19		-1.17	0.63	-1.17	0.63
Cash flow from operating activities, MSEK	-20.1	40.9		-73.1	-9.3	-38.2	25.6
Investments, MSEK	4.8	14.1		15.4	90.4	33.2	108.2
Depreciation, MSEK	13.8	13.2		42.6	35.6	55.6	48.5
Equity ratio, %	47.3	49.4		47.3	49.4	47.3	50.9
Equity per share ² , SEK	11.08	12.20		11.08	12.20	11.08	12.19
Return on equity, %	-10.1	6.3		-10.1	6.3	-10.1	5.1
Return on capital employed, %	-8.8	8.4		-8.8	8.4	-8.8	7.9
Net debt (+) / net cash position (-), MSEK	318.9	293.4		318.9	293.4	318.9	222.1
Net debt (+) / net cash position (-) excl. IFRS 16, MSEK	254.5	219.9		254.5	219.9	254.4	149.8
Number of employees	428	519		428	519	454	478

¹⁾ For definitions, see pages 19-21

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

CEO Patrik Andersson's comments on the quarter

Another stable quarter for GARO Electrification combined with measures taken in GARO E-mobility

Net sales for the third quarter amounted to MSEK 269 (304), down 11% year-on-year, corresponding to a reduction of MSEK 10 in the GARO Electrification business area and MSEK 25 in the GARO E-mobility business area.

Seasonally, we have lower sales in the third quarter in GARO Electrification, with sales volumes being impacted by the holiday period. Corresponding seasonal variation is noted also in 2024. However, demand gradually improved during the quarter. The market in Sweden has been stable and the market in Ireland continues to be very strong.

The market in GARO E-mobility remains cautious. We are focusing on the business available in the market. Through sales activities, support and by providing customers with the assistance that they require, we are generating business for GARO and creating healthy solutions for our customers.

To address a cautious E-mobility market, we took significant action during the quarter by expanding our action program. At the same time, we completed a write-down of MSEK 48 that did not impact cash flow. This impairment primarily pertained to the GARO E-mobility business area and related to the earlier generation of wall boxes as well as inventories and remaining development expenditure for an older, outgoing DC range.

EBIT for the quarter, adjusted for the impairment, amounted to MSEK 0.4 (5.3), which was essentially due to the low sales volume in GARO E-mobility compared with the same quarter of 2023. Quarter-on-quarter, however, adjusted EBIT for the third quarter of 2024 improved approximately MSEK 5.

Adjusted EBIT for the January to September 2024 period amounted to MSEK -10.5 (51.2) providing an EBIT margin of -1.2% (4.8).

ACTION PROGRAM GARO E-MOBILITY

During the quarter, we expanded our action program in GARO E-mobility with additional annual savings of approximately MSEK 40. In October, we completed trade union negotiations, reducing the number of employees in the Group by 28, which primarily involved salaried employees. In addition to the organizational changes, we are also implementing a number of other cost-saving measures, largely involving the considerable reduction of purchased consulting services. The action program is set to achieve full effect in the first quarter of 2025.

GARO E-MOBILITY

Sales in GARO E-mobility amounted to MSEK 70, down 26% compared with the year-earlier quarter. Sales of plug-in vehicles remained low in the third quarter of 2024, which impacted demand in charging infrastructure. However, the underlying need to expand destination charging remains considerable. Our assessment is that market conditions will improve in 2025, which is why we retain a long-term positive outlook for the E-mobility market.

To strengthen our offering for the home market, we launched a new charger during the quarter – GARO Entity Home, which was well received by the market.

The wall box is specially developed for the home market and for connected homes. GARO Entity Home is a cost-efficient wall box that has the same functionality using the GARO Connect app as the other wall boxes in GARO Entity.

GARO ELECTRIFICATION

Sales in GARO Electrification amounted to MSEK 199, a year-on-year decline of 4% or MSEK 10. Continued weakness in the economy has led to a low production rate in the market for the construction of single-family homes and apartments primarily in Sweden but also in the rest of the Nordic region. Demand is relatively healthy for commercial properties, industry and the public sector, and was once again in this quarter driven in these sectors by new construction, renovation, infrastructure and energy enhancements.

Even if we are already seeing signs of an increased number of construction starts, housing construction in Sweden is expected to remain at low levels throughout 2024. As such, housing construction is expected to gradually recover in 2025, which means that we now assess that the bottom has been reached for GARO's housing-related products.

SYNERGY EFFECTS

Together with GARO E-mobility, GARO Electrification creates major synergy effects and provides a stable foundation for GARO's operations. Small, large and complex projects all require products and services from several of our product areas. We believe that part of our success lies in being active in several markets combined with a broad product offering, which is particularly important when faced with economic fluctuations.

The expansion of charging infrastructure is also driving demand for products in both Electrical distribution products and Project business, creating a unique ability for GARO to offer attractive complete solutions to customers. This is a major competitive advantage in relation to other market players.

MARKET CONDITIONS

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

The construction of new housing in the Nordic region has declined considerably and new production of single-family homes and apartments is expected to be weak throughout 2024, even if there are signs of an increased number of construction starts. As such, housing construction is expected to gradually recover in 2025. Demand for other commercial and public sector construction, combined with renovation requirements and energy efficiency, remains favorable.

The Riskbank initiated and announced interest-rate cuts, lately by 0.5 percent, combined with financial political incentives, are expected 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.

Patrik Andersson
President and CEO

Earnings

NET SALES

Net sales for the third quarter amounted to MSEK 269.4 (304.2), down 11% or MSEK 35 compared with the year-earlier quarter. Net sales for the January to September 2024 period amounted to MSEK 868.3 (1,060.4), down 18% compared with the year-earlier period.

EBIT

Adjusted EBIT for the quarter amounted to MSEK 0.4 (5.3) providing an EBIT margin of 0.1% (1.7). The decline in EBIT was the result of weak sales, primarily in GARO E-mobility. Negative currency effects impacted EBIT for the quarter with MSEK 0.5 (0.7).

Overall, the gross margin remained at the same level as the preceding quarter, with the improved margin in GARO Electrification offset by a lower gross margin in GARO E-mobility, which was the result of a changed product mix.

During the quarter, GARO has incurred MSEK 48.4 in non-recurring costs, primarily related to the GARO E-mobility business area. This impairment mainly pertained to components and inventories for the earlier generation of wall boxes as well as remaining development expenditure for an older, outgoing DC range. The write-down is divided into MSEK 39.3 charged to GARO E-mobility and MSEK 9.1 charged to GARO Electrification.

EBIT therefore totaled MSEK -48.0 (5.3) for the quarter, providing an EBIT margin of -17.8% (1.7).

EBIT adjusted for the above write-down, for the January to September period, amounted to MSEK -10.5 (51.2) providing an EBIT margin of -1.2% (4.8). Negative currency effects in EBIT for the January to September 2024 period amounted to MSEK 0.4 compared with a negative effect of MSEK 14.8 in the preceding year.

FINANCIAL ITEMS

The Group's net financial items amounted to MSEK -3.2 (-13.0) for the quarter and included currency effects from loans and hedging. Net interest income for the quarter amounted to MSEK -3.1 (-2.3).

Net income amounted to MSEK -41.9 (-9.4) for the quarter, and earnings per share to MSEK -0.84 (-0.19). Tax amounted to MSEK +9.3 (-1.6).

Net income for the January to September period amounted to MSEK -58.6 (31.3) and earnings per share amounted to MSEK -1.17 (0.63). The tax expense for the January to September period amounted to MSEK +8.8 (-13.8).

CASH FLOW AND INVESTMENTS

As a result of seasonal variation, cash flow is typically weaker during the third quarter, followed by strong cash flow during the fourth quarter and the first quarter of the next year.

Cash flow from operating activities before changes in working capital amounted to MSEK 12 (-21.5) for the quarter, while cash flow from operating activities after changes in working capital amounted to MSEK -20.1 (40.9). The decline is related to a lower EBIT and a negative change in working capital.

Capital tied-up in inventory declined MSEK 7 net.

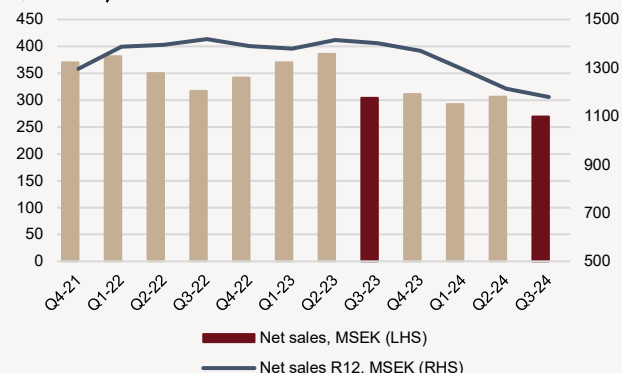
GARO has also paid a deposit to a supplier for materials ordered but not yet called off. The deposit was unchanged during the quarter and amounted to approximately MSEK 45 at the end of the period.

During the quarter, the Parent Company converted parts of group receivables into unconditional shareholder contributions of MSEK 20.

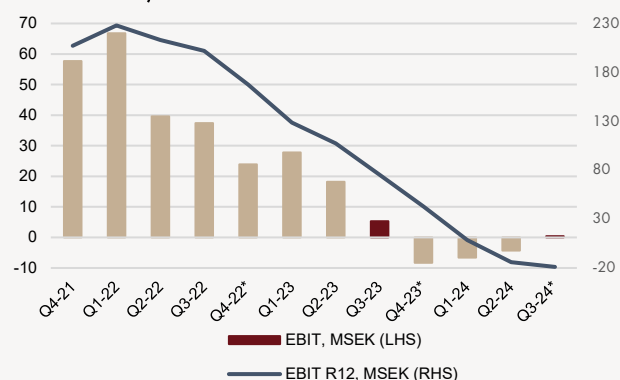
Investments for the quarter amounted to MSEK 4.8 (14.1), of which MSEK 2.4 was attributable to product development (5.6). Investments for the January to September 2024 period amounted to MSEK 15.4 (90.4), of which MSEK 5.6 pertained to product development. In 2023, the investment of the new production facility in Poland comprised MSEK 53.4.

During the quarter, right-of-use assets (leases and rental contracts) declined net by MSEK 4.1 (+0.5).

NET SALES, GROUP



ADJUSTED EBIT, GROUP



LIQUIDITY AND FINANCIAL POSITION

The Group's net debt at the end of the period amounted to MSEK 318.9 (293.4). The Group's net debt excluding lease liabilities, which is to say effects of IFRS 16, amounted to MSEK 254.5 (219.9).

Available liquidity in the Group, including unutilized overdraft facilities, amounted to MSEK 59.3 (108.5) and the equity ratio was 47.3% (49.4).

As of February 2024, GARO entered an agreement with the bank subject to separate covenants. The covenants are connected to the Group's working capital in relation to sales on a rolling 12 month basis. As of September 30, GARO had not met the covenants, but has since received a waiver from the bank.

BUSINESS AREAS

GARO divides its operations into two business areas:

- GARO E-mobility
- GARO Electrification

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 third quarter of 2024. On September 30, 2024, the share price closed at SEK 21.90 (38.10).

EVENTS AFTER THE END OF THE QUARTER

GARO recruited Jonas Klarén as its new President and CEO as outlined in a separately communicated press release. In addition to this, and until the publication of this report, no other significant events or conditions have occurred, favorable or unfavorable, that would require further disclosures.

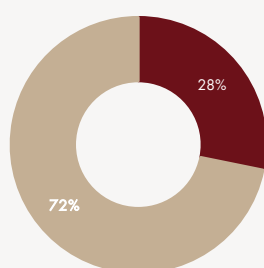
NOMINATION COMMITTEE APPOINTED

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

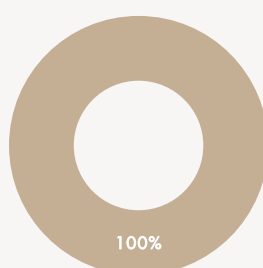
The 2025 Annual General Meeting will take place on May 14, 2025 in Hillerstorp, Sweden. Please visit www.garogroup.se for more information.

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



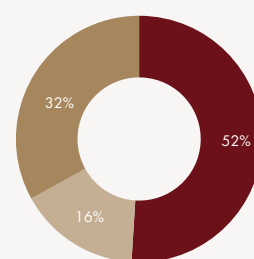
■ GARO E-mobility
■ GARO Electrification

ALLOCATION OF EBIT
per business area, Jan–Sep 2024



■ GARO E-mobility
■ GARO Electrification

ALLOCATION OF NET SALES
by geographic areas, Jan–Sep 2024



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

GARO E-mobility business area

GARO E-MOBILITY KEY FIGURES		Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	R12	Jan-Dec 2023
Net sales	MSEK	70.0	94.6	238.8	369.0	331.8	462.0
Growth	%	-26	3	-35	8	-26	10
Adjusted EBIT	MSEK	-20.1	-15.3	-68.8	-4.2	-91.9	-27.4
Adjusted EBIT margin	%	-28.7	-16.2	-28.8	-1.0	-27.7	-5.9
Investments	MSEK	2.7	13.8	8.9	84.6	21.2	96.9
Depreciation	MSEK	7.8	6.7	23.5	15.8	30.0	22.3
Number of employees		145	212	145	212	175	197

For definitions of key figures, see pages 19-21

NET SALES AND EARNINGS

Net sales in the GARO E-mobility business area amounted to MSEK 70.0, compared with MSEK 94.6 for the same quarter of 2023, which resulted in negative growth of 26% or MSEK 25.

Adjusted EBIT for the quarter amounted to MSEK -20.1 (-15.3) as was mainly the result of low sales and a weaker gross margin with production redundancies.

During the quarter, GARO completed a write-down of MSEK 39.3 related to the earlier generation of wall boxes as well as remaining development expenditure for an older, outgoing DC range. EBIT for the quarter therefore amounted to MSEK -59.4 (-15.3).

GARO is now adapting its organization and other costs in the business area to the prevailing market situation. During the quarter, GARO E-mobility expanded its action program from the spring with additional annual savings of approximately MSEK 40. The action program, which was completed in October, entailed 28 salaried employees leaving GARO and will achieve full effect from the beginning of first quarter 2025. In parallel, a number of other cost-saving measures are being implemented, which will largely entail a substantial reduction in purchased consulting services.

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 transformation than anticipated. Sales of plug-in vehicles remained low in the third 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 points 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.

During the quarter, it was primarily markets outside of Sweden that posted lower sales. Year-on-year, sales in Sweden and the Nordic region were 17% and 30% lower, respectively, for the quarter. Sales to GARO's other markets in Europe declined 34% in the quarter.

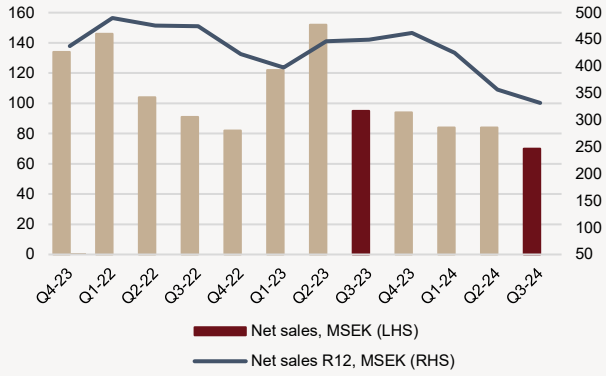
During the quarter, GARO launched a new wall box, GARO Entity Home. The wall box is specially developed for the home market and for connected homes. GARO Entity Home is a cost-efficient wall box that has the same functionality using the GARO Connect app as the other chargers in GARO Entity. The product is a fitting complement for end customers that are looking for a simpler charger. In addition, GARO also launched a payment terminal, creating a complete range for customers needing to comply with the requirements of AFIR.

The newly established sales company in Germany experienced a challenging quarter with a cautious market and a dramatic dip in sales of electric cars. Nevertheless, GARO's efforts to achieve an Eichrecht approved GARO Entity platform are continuing as well as certification of the product facility in Poland to meet production in accordance with the Eichrecht requirements.

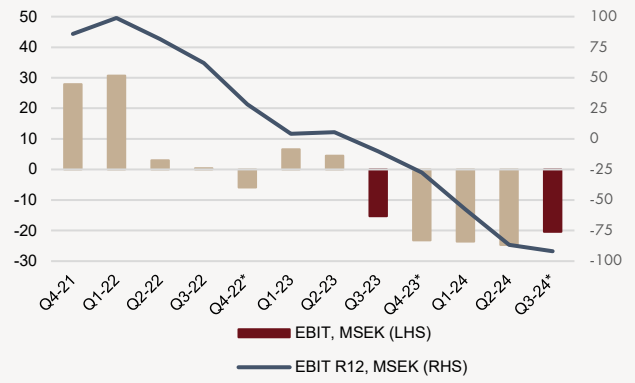
THE MARKET

The market for home chargers remains subdued as a result of the prevailing market situation with macroeconomic uncertainty, which is affecting purchasing patterns and investment decisions. Increased activity was noted during the quarter regarding inquiries for the expansion of charging stations for major projects at, for example, commercial properties, tenant-owner associations and public places.

NET SALES, GARO E-MOBILITY



ADJUSTED EBIT, GARO E-MOBILITY



GARO Electrification business area

GARO ELECTRIFICATION KEY FIGURES		Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	R12	Jan-Dec 2023
Net sales	MSEK	199.4	209.6	629.4	691.4	845.9	907.9
Growth	%	-4	-7	-9	-2	-11	-6
Adjusted EBIT		20.5	20.6	58.2	55.4	72.8	70.0
Adjusted EBIT margin		10.3	9.8	9.3	8.0	8.6	7.7
Investments	MSEK	2.1	0.3	6.5	5.8	12.0	11.3
Depreciation	MSEK	6.1	6.5	19.1	19.8	25.6	26.2
Number of employees		283	307	283	308	279	281
Share of sales, Electrical distribution products	%	66	65	64	62	64	62
Share of sales, Project business	%	30	30	31	33	30	33
Share of sales, Temporary Power	%	4	5	5	5	6	5

For definitions of key figures, see pages 19-21

NET SALES AND EARNINGS

Net sales in the business area amounted to MSEK 199.4, compared with MSEK 209.6 for the year-earlier quarter, which was a decline of 4%.

Adjusted EBIT for the quarter amounted to MSEK 20.5 (20.6) providing an EBIT margin of 10.3% (9.8). The completed efficiency program in autumn 2023 had its desired effect, which is reflected in the improved EBIT. In Ireland, which is an important market for GARO, both the market and GARO performed strongly during the quarter. This trend was partly attributable to a broadened product range that is able not only to address a price-sensitive market but also to create the prerequisites for an improved margin.

During the quarter, GARO completed a write-down of MSEK 9.1 related to sluggish inventories.

OPERATIONS

Year-on-year, sales for the Electrical distribution products and Project business product areas declined MSEK 3 and MSEK 5, respectively. This was a result of the market situation with slower demand for the new construction of single-family homes and apartments, especially in the

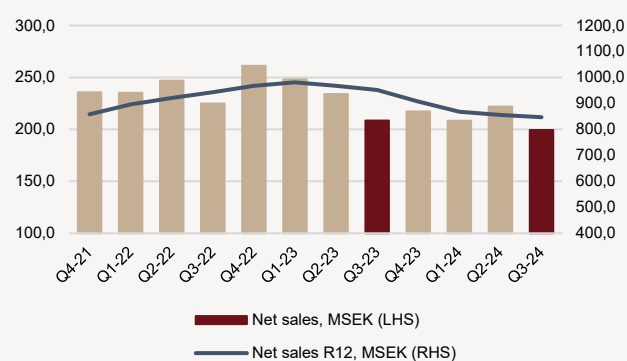
Nordic region. A slight decline in sales was also noted in the Temporary Power product area during the quarter.

Sales have now 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.

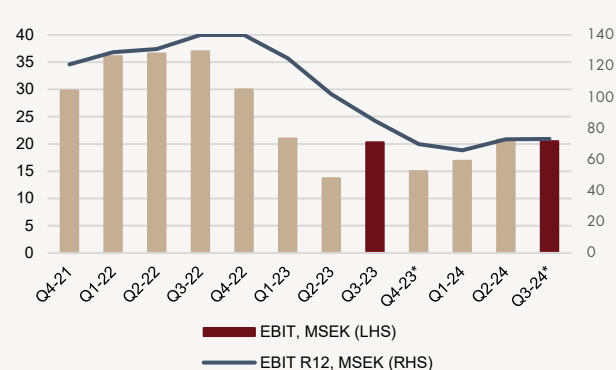
THE MARKET

The market for the new construction of single-family homes and apartments in Sweden is assessed to be at its lowest level. Positive signs such as lower inflation and falling interest rates are expected to lead to a rise in housing construction in 2025. This will result in a gradual increase in demand for GARO Electrification's products in this 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. However, these volumes will not be able to fully compensate for the lower volume of new construction in the short term.

NET SALES, GARO ELECTRIFICATION



ADJUSTED EBIT, GARO ELECTRIFICATION



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 third quarter amounted to MSEK 77.3 (78.6), of which MSEK 11.5 (11.7) comprised internal sales. EBIT for the quarter amounted to MSEK 9.0 (16.1). Net sales for the Parent Company for the January to September period amounted to MSEK 233.7 (268.1) and EBIT amounted to MSEK 26.1 (30.4).

<p>SALES GROWTH</p> <p>Organic growth will amount to not less than 10% over a business cycle.</p> <p>TARGET</p> <p>≥ 10%</p>	<table border="1"> <thead> <tr> <th>Year</th> <th>Growth, %</th> <th>Target, %</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>10</td> <td>10</td> </tr> <tr> <td>2020</td> <td>2</td> <td>10</td> </tr> <tr> <td>2021</td> <td>25</td> <td>10</td> </tr> <tr> <td>2022</td> <td>5</td> <td>10</td> </tr> <tr> <td>2023</td> <td>-2</td> <td>10</td> </tr> <tr> <td>R12</td> <td>-15</td> <td>10</td> </tr> </tbody> </table>	Year	Growth, %	Target, %	2019	10	10	2020	2	10	2021	25	10	2022	5	10	2023	-2	10	R12	-15	10
Year	Growth, %	Target, %																				
2019	10	10																				
2020	2	10																				
2021	25	10																				
2022	5	10																				
2023	-2	10																				
R12	-15	10																				
<p>PROFITABILITY</p> <p>The EBIT margin for the Group will amount to not less than 10% of net sales over a business cycle.</p> <p>TARGET</p> <p>≥ 10%</p>	<table border="1"> <thead> <tr> <th>Year</th> <th>EBIT margin, %</th> <th>Target, %</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>10</td> <td>10</td> </tr> <tr> <td>2020</td> <td>12</td> <td>10</td> </tr> <tr> <td>2021</td> <td>15</td> <td>10</td> </tr> <tr> <td>2022</td> <td>10</td> <td>10</td> </tr> <tr> <td>2023</td> <td>5</td> <td>10</td> </tr> <tr> <td>R12</td> <td>-5</td> <td>10</td> </tr> </tbody> </table>	Year	EBIT margin, %	Target, %	2019	10	10	2020	12	10	2021	15	10	2022	10	10	2023	5	10	R12	-5	10
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<p>RETURN</p> <p>Return on equity will amount to not less than 20% over a business cycle.</p> <p>TARGET</p> <p>≥ 20%</p>	<table border="1"> <thead> <tr> <th>Year</th> <th>Return on equity, %</th> <th>Target, %</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>25</td> <td>20</td> </tr> <tr> <td>2020</td> <td>22</td> <td>20</td> </tr> <tr> <td>2021</td> <td>32</td> <td>20</td> </tr> <tr> <td>2022</td> <td>18</td> <td>20</td> </tr> <tr> <td>2023</td> <td>5</td> <td>20</td> </tr> <tr> <td>R12</td> <td>-5</td> <td>20</td> </tr> </tbody> </table>	Year	Return on equity, %	Target, %	2019	25	20	2020	22	20	2021	32	20	2022	18	20	2023	5	20	R12	-5	20
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<p>EQUITY RATIO</p> <p>The equity ratio will not be less than 30%.</p> <p>TARGET</p> <p>≥ 30%</p>	<table border="1"> <thead> <tr> <th>Year</th> <th>Equity ratio, %</th> <th>Target, %</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>50</td> <td>30</td> </tr> <tr> <td>2020</td> <td>55</td> <td>30</td> </tr> <tr> <td>2021</td> <td>58</td> <td>30</td> </tr> <tr> <td>2022</td> <td>50</td> <td>30</td> </tr> <tr> <td>2023</td> <td>48</td> <td>30</td> </tr> <tr> <td>R12</td> <td>45</td> <td>30</td> </tr> </tbody> </table>	Year	Equity ratio, %	Target, %	2019	50	30	2020	55	30	2021	58	30	2022	50	30	2023	48	30	R12	45	30
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<p>DIVIDEND POLICY</p> <p>GARO's dividend will amount to approximately 50% of the Group's net earnings after tax. The dividend proposal must take into account GARO's long-term dividend potential and the Group's general investment and consolidation requirements.</p> <p>TARGET</p> <p>≥ 50%</p>	<table border="1"> <thead> <tr> <th>Year</th> <th>Dividend, %</th> <th>Policy, %</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>50</td> <td>50</td> </tr> <tr> <td>2020</td> <td>48</td> <td>50</td> </tr> <tr> <td>2021</td> <td>42</td> <td>50</td> </tr> <tr> <td>2022</td> <td>32</td> <td>50</td> </tr> <tr> <td>2023</td> <td>30</td> <td>50</td> </tr> </tbody> </table>	Year	Dividend, %	Policy, %	2019	50	50	2020	48	50	2021	42	50	2022	32	50	2023	30	50			
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2019	50	50																				
2020	48	50																				
2021	42	50																				
2022	32	50																				
2023	30	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 September 30, 2024 was 428 (519) excluding persons dismissed and exempted from work. At December 31, 2023, the number of employees was 478.

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 are presented in the financial statements and their notes as well as other parts of the interim report.

GARO has two properties for sale and assesses that it is highly probable that the properties 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 interim report was reviewed by the company's auditors, refer to page 12.

Gnosjö, November 15, 2024

GARO AB

The Board of Directors



THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

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, 2024 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 15th November 2024

Ernst & Young AB

Carolina Timén
Authorized Public Accountant

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	R12	Jan-Dec 2023
Amount in MSEK						
Operating income						
Net sales	269.4	304.2	868.3	1,060.4	1,177.8	1,369.9
Other operating income	-0.2	1.7	0.5	2.7	19.5	21.7
Total operating income	269.2	305.9	868.8	1,063.1	1,197.3	1,391.6
Capitalized production costs	0.5	0.4	2.3	2.5	2.6	2.8
Operating expenses						
Raw materials and consumables	-194.4	-170.2	-529.1	-594.4	-695.5	-760.8
Other external expenses	-41.0	-46.3	-130.7	-140.1	-183.7	-193.0
Personnel expenses	-63.3	-71.3	-222.4	-244.3	-304.4	-326.4
Other operating expenses	-5.2	0	-5.2	0	-19.8	-14.6
Depreciation/amortization of tangible and intangible assets	-13.8	-13.2	-42.6	-35.6	-55.5	-48.5
EBIT	-48.0	5.3	-58.9	51.2	-59.0	51.1
Result from financial items						
Net financial expenses	-3.2	-13.0	-8.5	-6.2	-5.6	-3.3
Profit/loss before tax	-51.2	-7.8	-67.5	45.0	-64.6	47.8
Income tax	9.3	-1.6	8.8	-13.8	6.0	-16.5
Net income	-41.9	-9.4	-58.6	31.3	-58.6	31.3
Other comprehensive income:						
Items that may be reclassified to the income statement						
Translation differences	4.3	-7.7	3.0	4.9	2.2	4.1
Other comprehensive income, net	4.3	-7.7	3.0	4.9	2.2	4.1
Total comprehensive income for the period	-37.6	-17.1	-55.6	36.1	-56.4	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	50,000,000	50,000,000
Earnings/loss per share, before and after dilution, SEK	-0.84	-0.19	-1.17	0.63	-1.17	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.

	Jul-Sep 2024		Jul-Sep 2023		Jan-Sep 2024		Jan-Sep 2023	
Amount in MSEK		%		%		%		%
EBIT	-48.0	-17.9	5.3	1.7	-58.9	-6.8	51.2	4.8
Impairment of inventories and development expenditure	+48.4		0.0		+48.4		0.0	
Adjusted EBIT	0.4	0.1	5.3	1.7	-10.5	-1.2	51.2	4.8
Amount in MSEK		%		%		%		%
EBITDA	-34.1	-12.7	18.5	6.1	-16.3	-1.4	86.8	8.2
Impairment of inventories and development expenditure	+48.4		0.0		+48.4		0.0	
Adjusted EBITDA	14.3	5.3	18.5	6.1	32.1	3.7	86.8	8.2

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amount in MSEK	Sep 30, 2024	Sep 30, 2023	Dec 31, 2023
ASSETS			
Fixed assets			
Intangible assets	128.6	139.7	145.9
Tangible assets	268.1	298.3	285.2
Financial assets	0.4	5.4	4.2
Other assets	17.3	0	0
Total fixed assets	414.4	443.4	435.3
Current assets			
Inventories	374.1	396.6	395.2
Accounts receivable	282.9	292.1	252.6
Other current receivables	77.5	64.7	65.5
Cash and cash equivalents	15.4	10.7	50.0
Total current assets	749.9	764.1	763.3
Assets for sale	7.3	27.9	0
TOTAL ASSETS	1,171.6	1,235.4	1,198.6
EQUITY AND LIABILITIES			
Share capital	20.0	20.0	20.0
Other reserves	16.8	14.6	13.8
Other contributed capital	1.5	1.5	1.5
Other equity including net income for the period	515.5	574.1	574.2
Total equity	553.8	610.2	609.5
Long-term liabilities			
Liabilities to credit institutions	0.0	42.3	22.2
Lease liabilities	48.0	57.9	56.1
Other provisions	7.6	7.8	7.0
Deferred tax liabilities	0	0	0
Total long-term liabilities	55.6	108.0	85.3
Short-term liabilities			
Liabilities to credit institutions	266.6	177.1	177.6
Lease liabilities	16.4	15.6	16.2
Accounts payable	147.5	176.8	183.3
Other short-term liabilities	128.3	136.5	126.7
Total short-term liabilities	558.8	506.0	503.8
Liabilities directly attributable to assets for sale	3.4	11.2	0
TOTAL EQUITY AND LIABILITIES	1,171.6	1,235.4	1,198.6

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

In the third quarter, GARO began the process of divesting two smaller properties in Gnosjö. The sale is part of GARO's strategy to concentrate production in a small number of locations, which has created superfluous space in Gnosjö. All in all, the properties have a carrying amount of MSEK 7.3 with corresponding borrowings of MSEK 3.4. The properties are 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				31.2	31.2
Other comprehensive income for the period		4.9		0	4.9
Dividend paid to shareholders				-40.0	-40.0
Closing equity, September 30, 2023	20.0	14.6	1.5	574.1	610.2
Equity at January 1, 2024	20.0	13.8	1.5	574.2	609.5
Net loss for the period				-58.6	-58.6
Other comprehensive income for the period		3.0		0	3.0
Closing equity, September 30, 2024	20.0	16.8	1.5	515.5	553.8

CONDENSED CONSOLIDATED CASH-FLOW STATEMENT

Amount in MSEK	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	R12	Jan-Dec 2023
Cash flow from operating activities						
EBIT	-48.0	5.3	-58.9	51.2	-59.0	51.1
Depreciation/amortization and impairment	13.9	13.2	42.6	35.6	55.5	48.5
Interest paid/received, income tax and adjustment for non-cash items	46.1	-40.0	38.9	-53.2	35.0	-57.1
Cash flow from operating activities before changes in working capital	12.0	-21.5	22.6	33.6	31.5	42.5
Change in working capital						
Increase(-)/decrease(+) in inventories	6.9	-14.4	4.4	-45.9	7.1	-43.2
Increase(-)/decrease(+) in operating receivables	2.0	88.5	-33.1	41.0	-13.4	60.8
Increase(+)/decrease(-) in operating liabilities	-41.0	-11.7	-67.0	-38.0	-63.5	-34.5
Cash flow from operating activities	-20.1	40.9	-73.1	-9.3	-38.2	25.6
Investing activities						
Investments in intangible assets	-2.4	-5.6	-5.6	-23.6	-16.8	-34.8
Investments in subsidiaries	0	0	0	-1.1	1.1	0
Investments in tangible assets	-2.4	-8.5	-9.7	-66.7	-16.4	-73.4
Disposal of tangible assets	0	0	0	0	57.2	57.2
Cash flow from investing activities	-4.8	-14.1	-15.4	-91.4	25.1	-51.0
Financing activities						
Net borrowing/amortization of loans	23.1	-27.4	65.3	111.8	53.4	99.9
Amortization of lease liability	-4.4	-2.1	-13.1	-10.6	-17.4	-14.9
Dividend paid to shareholders	0	0	0	-20	-20.0	-40.0
Cash flow from financing activities	18.7	-29.5	52.2	81.2	16.0	45.0
Cash flow for the period	-6.2	-2.7	-36.2	-19.5	2.9	19.6
Currency effect in cash and cash equivalents	0.2	-0.4	1.6	0.7	1.8	0.9
Cash and cash equivalents, start of the period	21.4	13.8	50.0	29.5	10.7	29.5
Cash and cash equivalents, end of the period	15.4	10.7	15.4	10.7	15.4	50.0

CONDENSED PARENT COMPANY INCOME STATEMENT

Amount in MSEK	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Dec 2023
Operating income					
Net sales	77.3	78.6	233.7	268.1	354.8
Other operating income	16.9	21.4	64.8	61.0	90.8
Total income	94.2	100.0	298.5	329.1	445.6
Operating expenses					
Raw materials and consumables	-54.0	-49.9	-153.8	-178.8	-231.4
Other external expenses	-14.1	-14.0	-56.0	-49.6	-79.3
Personnel expenses	-15.8	-18.3	-58.5	-65.1	-87.7
Depreciation/amortization of tangible and intangible assets	-1.3	-1.7	-4.1	-5.2	-6.8
EBIT	9.0	16.1	26.1	30.4	40.4
Result from financial items					
Loss from participations in Group companies	-0.3	-0.3	-0.8	-1.1	-1.4
Net interest income and similar items	5.4	5.6	16.6	12.4	18.2
Net interest expenses and similar items	-3.1	-5.0	-7.9	-1.7	-5.9
Profit before tax	11.0	16.4	34.0	40.0	51.5
Appropriations	0.0	0.0	0.0	0	-26.6
Income tax	-2.3	-3.7	-7.0	-8.4	-5.6
Net income	8.7	12.7	27.0	31.6	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

Amount in MSEK	Sep 30, 2024	Sep 30, 2023	Dec 31, 2023
ASSETS			
Fixed assets			
Intangible assets	8.2	30.1	31.0
Tangible assets	19.2	30.3	18.9
Participations in Group companies	102.9	80.8	84.0
Other financial assets	129.7	176.4	166.9
Total fixed assets	260.0	317.6	300.8
Current assets			
Inventories	21.9	30.9	30.8
Accounts receivable	78.8	74.3	70.2
Other receivables	374.8	264.9	281.8
Cash and bank balances	0.0	0	0
Total current assets	475.5	370.1	382.8
TOTAL ASSETS	735.5	687.7	683.6
EQUITY AND LIABILITIES			
Share capital	20.0	20.0	20.0
Fund for internal development expenses	29.5	23.1	29.5
Statutory reserve	2.6	2.6	2.6
Non-restricted equity including net income for the period	343.0	334.7	316.0
Total equity	395.1	380.4	368.1
Provisions	1.2	2.4	1.2
Long-term liabilities			
Liabilities to credit institutions	0.0	40.2	18.7
Total long-term liabilities	0.0	40.2	18.7
Short-term liabilities			
Short-term interest-bearing liabilities	208.0	98.4	96.8
Short-term non-interest-bearing liabilities	131.2	166.3	198.8
Total short-term liabilities	339.2	264.7	295.6
TOTAL EQUITY AND LIABILITIES	735.5	687.7	683.6

SALES AND EBIT BY BUSINESS AREA

Business area information	GARO Electrification		GARO E-mobility		Elimination		Group	
	Q3 2024	Q3 2023	Q3 2024	Q3 2023	Q3 2024	Q3 2023	Q3 2024	Q3 2023
Income								
Total external income	258.1	268.4	115.8	160.7	104.5	-125.0	269.4	304.2
Total internal income	-58.7	-58.9	-45.8	-66.1	-104.5	125.0	0	0
Income from contracts with customers	199.4	209.6	70.0	94.6	0	0	269.4	304.2
EBIT	11.4	20.6	-59.4	-15.3	0	0	-48.0	5.3
Net financial expenses							-3.2	-13.0
Income tax							9.3	-1.6
Net income							-41.9	-9.4

REVENUE PER CUSTOMER'S GEOGRAPHIC LOCATION (JUL-SEP)

Business Area	GARO Electrification			GARO E-mobility			Total		
	Jul-Sep 2024	Jul-Sep 2023	growth, %	Jul-Sep 2024	Jul-Sep 2023	growth, %	Jul-Sep 2024	Jul-Sep 2023	growth, %
Sweden	114.1	121.2	-6	33.3	40.3	-17	147.7	161.5	-8
Nordic region excl. Sweden	24.8	30.8	-20	16.2	23.2	-30	41.0	54.0	-24
Europe excl. Nordic region	60.2	57.6	5	20.4	31.1	-34	80.6	88.7	-9
Total	199.4	209.6	-5	70.0	94.6	-26	269.4	304.2	-11

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

Business Area	GARO Electrification			GARO E-mobility			Total		
	Jan-Sep 2024	Jan-Sep 2023	growth, %	Jan-Sep 2024	Jan-Sep 2023	growth, %	Jan-Sep 2024	Jan-Sep 2023	growth, %
Sweden	365.6	425.4	-14	87.5	172.0	-49	453.0	597.4	-24
Nordic region excl. Sweden	80.4	92.6	-13	56.3	101.0	-44	136.7	193.6	-29
Europe excl. Nordic region	183.5	173.4	6	95.0	96.0	-1	278.6	269.4	3
Total	629.4	691.4	-9	238.8	369.0	-35	868.3	1,060.4	-18

QUARTERLY FIGURES

External sales per business area Amount in MSEK	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
	GARO E-mobility	70.0	84.4	84.3	93.9	94.6	152.1	122.2	80.6	92.1	103.3	146.4
GARO Electrification	199.4	221.9	208.2	217.3	209.6	233.9	248.1	261.2	224.9	246.9	235.2	235.7
Total Group	269.4	306.3	292.5	311.2	304.2	386.0	370.3	341.8	317.0	350.2	381.6	370.1
EBIT per business area Amount in MSEK	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
GARO E-mobility	-59.4	-24.7	-23.6	-33.0	-15.3	4.5	6.6	-20.9	0.4	3.0	30.7	27.9
GARO Electrification	11.4	20.4	16.9	32.9	20.6	13.7	21.2	29.8	37.0	36.6	36.1	29.8
Total Group	-48.0	-4.3	-6.7	-0.1	5.3	18.2	27.8	8.9	37.4	39.6	66.8	57.7

GARO GROUP MULTI-YEAR OVERVIEW *

		Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	R12	2023	2022	2021	2020	2019
Net sales	MSEK	269.4	304.2	868.3	1,060.4	1,179.4	1,369.9	1,390.5	1,295.8	1,039.8	1,008.1
Growth	%	-11	-4	-18	1	-16	-1	7	25	3	12
EBITDA	MSEK	-34.1	18.5	-16.3	86.8	-3.4	99.6	188.8	243.0	163.2	134.9
EBITDA margin	%	-12.7	6.1	-1.9	8.2	-0.3	7.3	13.6	18.8	15.7	13.4
EBIT	MSEK	-48.0	5.3	-58.9	51.2	-59.0	51.1	152.8	207.2	136.2	112.6
EBIT margin	%	-17.8	1.7	-6.8	4.8	-5.0	3.7	11.0	16.0	13.1	11.2
Earnings per share, before and after dilution	SEK	-0.84	-0.19	-1.17	0.63	-1.17	0.63	2.41	3.33	1.91	1.71
Equity per share	SEK	11.08	12.20	11.08	12.20	11.08	12.19	12.28	11.03	8.61	6.86
Dividend per share	SEK	n/a	n/a	n/a	n/a	n/a	0	0.80	1.40	0.95	0
Dividend	MSEK	n/a	n/a	n/a	n/a	n/a	0	40.0	70.0	47.5	0
Closing rate, share	SEK	21.90	38.10	21.90	38.10	21.90	43.52	108.6	216.0	127.0	61.4
Return on equity	%	-10.1	6.3	-10.1	6.3	-10.1	5.1	20.7	34.0	24.7	26.8
Return on capital employed capital	%	-8.8	8.4	-8.8	8.4	-8.8	7.9	22.1	39.2	32.2	30.4
Investments	MSEK	4.8	14.1	15.4	90.4	33.2	108.2	120.1	45.3	45.3	33.4
Depreciation/amortization	MSEK	13.8	13.2	42.6	35.6	55.6	48.6	36.0	35.8	26.9	22.3
Equity ratio	%	47.3	49.4	47.3	49.4	47.3	50.9	53.2	58.9	57.9	52.2
Net debt	MSEK	318.9	293.4	318.9	293.4	318.9	222.1	143.7	-9.4	11.3	45.6
Net debt/EBITDA	multiple	n/a	2.8	n/a	2.8	n/a	2.2	0.8	0.0	0.1	0.3
Number of employees		428	519	428	519	454	478	521	498	412	421

*For definitions, see pages 19-21

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

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.

CHANGE IN NET SALES	Jul-Sep 2024 (MSEK)	Jul-Sep 2024 (%)	Jan-Sep 2024 (MSEK)	Jan-Sep 2024 (%)
Preceding quarter/year	304.2		1,060.4	
Organic sales/growth	-33.7	-11	-191.6	-18
Currency effects	-1.1		-0.5	
Net sales from acquisitions	0		0	
Recognized growth	-34.8	-11	-192.1	-18

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.

Amount in MSEK	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Dec 2023
Recognized EBIT	-48.0	5.3	-58.9	51.2	51.1
Reversal of depreciation/amortization	13.8	13.2	42.6	35.6	48.5
EBITDA	-34.1	18.5	-16.3	86.8	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.

Amount in MSEK	Jan-Sep 2024	Jan-Sep 2023	Jan-Dec 2023
Non-current interest-bearing liabilities	0	53.5	22.2
Short-term interest-bearing liabilities	270.0	177.1	177.6
Lease liability as defined under IFRS 16	64.4	73.5	72.3
Less cash and cash equivalents	-15.4	-10.7	-50.0
Net debt	318.9	293.4	222.1
Net debt in relation to total assets (%)	27.2	23.8	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-Sep 2024	Jan-Sep 2023	Jan-Dec 2023
Non-current interest-bearing liabilities	0	53.5	22.2
Short-term interest-bearing liabilities	270.0	177.1	177.6
Lease liability as defined under IFRS 16	64.4	73.5	72.3
Less cash and cash equivalents	-15.4	-10.7	-50.0
Reversal of Lease liability as defined under IFRS 16	-64.4	-73.5	-72.3
Net debt excluding IFRS 16	254.5	219.9	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-Sep 2024	Jan-Sep 2023	Jan-Dec 2023
Current assets	749.9	764.1	763.3
Less cash and cash equivalents	-15.4	-10.7	-50.0
Less short-term non-interest-bearing liabilities	-275.8	-313.3	-310.0
Working capital on balance-sheet date	458.7	440.1	403.3
Working capital in relation to sales (R12), %	38.9	31.4	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-Sep 2024	Jan-Sep 2023	Jan-Dec 2023
EBIT for the past 12 months	-59.0	60.1	51.1
Capital employed at the end of the period	666.7	718.4	643.8
Return on capital employed, %	-8.8	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-Sep 2024	Jan-Sep 2023	Jan-Dec 2023
Net income for the past 12 months	-59.0	38.1	31.3
Equity at the beginning of the period	609.5	601.1	614.1
Equity at the end of the period	553.8	610.2	609.5
Average equity	581.6	605.7	611.8
Return on equity, %	-10.1	6.3	5.1

Economic information

INVITATION TO PRESENTATION FOR THE PRESS AND ANALYSTS

On November 15, 2024, at 9:30 a.m., the President and CEO Patrik Andersson and CFO Helena Claesson will present the report and respond to questions in a teleconference.

Telephone numbers:

Sweden: +46 (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:

Patrik Andersson, President and CEO: +46 76 148 44 44

Helena Claesson, CFO: +46 70 676 07 50

FINANCIAL CALENDAR

Year-end report 2024 February 21, 2025

First quarter of 2025 May 14, 2025

Annual General Meeting May 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 November 15, 2024, at 8:30 a.m. CET.