



Year-End Report 2025

Stability in GARO Electrification and continued challenges in GARO E-mobility – action initiated



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OCTOBER – DECEMBER 2025

- Net sales amounted to MSEK 261.0 (283.8).
- Net sales declined 8% (-9).
- Operating EBIT¹ amounted to MSEK -4.9 (3.3).
- Operating EBIT margin¹ amounted to -1.9% (1.2).
- EBIT amounted to MSEK -4.9 (3.3).
- Cash flow from operating activities amounted to MSEK 37.0 (37.4).
- Net income was MSEK -4.4 (-1.3).
- Earnings per share² amounted to SEK -0.09 (-0.03).

JANUARY – DECEMBER 2025

- Net sales amounted to MSEK 1,043.5 (1,152.0).
- Net sales declined 9% (-16).
- Operating EBIT¹ amounted to MSEK -1.1 (-7.2).
- Operating EBIT margin¹ amounted to -0.1% (-0.6).
- Non-recurring items of MSEK 7.0 were charged to EBIT (48.4).
- EBIT amounted to MSEK -8.1 (-55.6).
- Cash flow from operating activities amounted to MSEK 57.9 (-35.8).
- Net income was MSEK -17.6 (-60.1).
- Earnings per share² amounted to SEK -0.35 (-1.20).

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- GARO won a few important procurements such as deliveries to the Stockholm Bypass and the construction of a new prison in Mariestad.
- GARO appointed Roger Törnberg as the new Business Development Director of GARO. Roger assumed his position on February 1, 2026 (see separate press release).
- GARO appointed Tobias Byfeldt as its new President and CEO (see separate press release).
- Joe Ree was appointed as Interim President and CEO from January 15 until Tobias Byfeldt assumes his position (see separate press release).
- Stronger financial control – continued strengthened cash flow and lower net debt.
- The Board proposes a dividend of SEK 0 per share (0).

1) For definitions, see page 22

2) Before and after dilution

Stability in GARO Electrification and continued challenges in GARO E-mobility – action initiated

GARO-KONCERNEN¹	Oct-Dec 2025	Oct-Dec 2024	+/- %	Jan-Dec 2025	Jan-Dec 2024
Net sales, MSEK	261.0	283.8	-8	1,043.5	1,152.0
Operating EBITDA, MSEK	8.7	16.9		52.8	49.0
Operating EBITDA margin, %	3.3	5.9		5.1	4.3
Operating EBIT, MSEK	-4.9	3.3		-1.1	-7.2
Operating EBIT margin, %	-1.9	1.2		-0.1	-0.6
EBIT, MSEK	-4.9	3.3		-8.1	-55.6
Net income, MSEK	-4.4	-1.3		-17.6	-60.1
Earnings per share ² , SEK	-0.09	-0.03		-0.35	-1.20
Cash flow from operating activities, MSEK	37.0	37.4		57.9	-35.8
Depreciation, MSEK	13.6	13.6		-53.8	56.2
Investments, MSEK	5.3	4.2		11.6	19.6
Equity ratio, %	52.7	50.0		52.7	50.0
Equity per share, SEK	10.59	11.11		10.59	11.11
Return on equity, %	-3.2	-10.3		-3.2	-10.3
Return on capital employed, %	-1.0	-6.6		-1.0	-6.6
Net debt (+) / net cash position (-), MSEK	239.8	285.1		239.8	285.1
Net debt (+) / net cash position (-) excl. IFRS 16, MSEK	191.2	222.4		191.2	222.4
Number of employees	373	406		373	406

1) For definitions of key figures, see pages 21-24

2) Before and after dilution

CEO JOE REE'S COMMENTS ON THE QUARTER

The fourth quarter was characterized by a continued weak market, but also by taking important steps in our internal work. We have strengthened collaboration between business areas, defined our priorities and prepared the organization for a more harmonized implementation approach in 2026.

Our underlying market position in GARO Electrification is strong and our focus on profitability is beginning to yield results. We are working actively to reduce capital tied up in GARO E-mobility and are continuing our work to build the GARO of the future.

FINANCIAL PERFORMANCE AND FOCUS

During the quarter, the Group's sales amounted to MSEK 261 (284), partly impacted by wholesale customers reducing their inventory levels before the end of the year. For the full-year, net sales amounted to MSEK 1,044 (1,152).

Operating EBIT amounted to MSEK -4.9 (3.3) with high administrative costs during the quarter. Our ERP project, which is crucial for our long-term efficiency, is now entering its final phase is scheduled to be commissioned on May 1. The project resulted in costs of MSEK 1.6 for the quarter and MSEK 6.7 for the full-year. GARO also invested in structure capital during the quarter with costs related to strengthened processes, organisation and leadership. Overall, this amounts to approximately SEK 5.6 million in additional costs that have not been adjusted for the quarter's operational operating profit.

Operating EBIT for the full-year 2025 amounted to MSEK -1.1 (-7.2) where costs for our ERP implementation and structural changes burden the result by SEK 11.7 million.

ORGANIZATION AND LEADERSHIP

The new organizational structure is in place. During the quarter, we intensified commercial efforts with a major focus on standardized sales processes, closer customer proximity with joint follow-ups between the business areas. As part of these efforts, the entire organization has undergone comprehensive sales training, the aim of which was to strengthen the team's skills, establish a more standardized sales method and ensure that we are fully able to capitalize on the sales opportunities present in the market.

We have also taken steps to create a more integrated offering in which Electrification and E-mobility increasingly benefit from one another both commercially and operationally. The common understanding of market and customer needs is becoming more and more clear with each passing quarter.

As previously announced, GARO appointed Tobias Byfeldt as new President and CEO. Until Tobias assumes his position, I am acting as Interim President and CEO.

GARO ELECTRIFICATION

The business area reported sales of MSEK 212 (222) with an operating EBIT of MSEK 16 (26). Despite a weak construction market, we strengthened our position in Sweden with several important transactions. The highlights of these include deliveries to the Stockholm Bypass, one of the country's largest infrastructure projects.

Moving forward, we will continue to strengthen our core business through product development and more launches. Partnerships with installation engineers are being intensified with closer dialog that is directly impacting product development.

GARO E-MOBILITY

It was another challenging quarter for GARO E-mobility, reporting MSEK 49 (62) in sales and an operating EBIT of MSEK -21 (-23). At the same time the market for plug-in vehicles has been stable in Sweden during 2025 and showed growth in several european markets. As part of our focus to become more market and customer oriented, we have focused on improving our user experience, customisation, support and service. We also initiated a more in-depth analysis of E-mobility and the need for measures to achieve profitability. The analysis is expected to be complete at the start of the second quarter.

We delivered a large number of 43 kW solutions to the transportation sector in France, and we are seeing a growing interest in the Nordic region and Europe for robust AC charging, even for heavy vehicles.

In public charging, we are working intensely to meet the new ISO 15118 standard, which will shape the next steps in the development of our industry.

NEW SUSTAINABILITY AWARD

In January, GARO was awarded a Bronze EcoVadis rating, placing us in the top 35% of globally ranked companies. The award confirms that our efforts on sustainability governance and follow-ups of supplier requirements are generating results and are important to our customers in procurement.

MARKET CONDITIONS AND THE WAY FORWARD

The fourth quarter concludes a year that was both challenging and developmental. The market has been weak but the long-term driving forces in electrification and the energy transition are continuing. We are also seeing clear signs that several of our main markets could be strengthened in 2026.

We can see a stable foundation in demand for products and solutions for electrification, temporary power and energy efficiency. Developments in society are continuing to be driven by investments in infrastructure, public charging, the energy transition and the renovation of the existing building stock. Our broad portfolio in Electrification, coupled with our public charging offering provides a stable foundation for future growth when the market gradually rebounds.

Joe Ree, Interim President and CEO



Earnings

NET SALES

Net sales declined to MSEK 261.0 (283.8), down 8% compared with the year-earlier quarter. Sales in GARO Electrification amounted to MSEK 212.0 (221.9), while sales in GARO E-mobility were down 21% or MSEK 13. The lower sales were partly the result of wholesale customers working actively during the quarter to reduce their inventory levels before the end of the year.

Net sales for the full-year 2025 amounted to MSEK 1,043.5 (1,152.0), down 9% compared with the year-earlier period.

EBIT

Operating EBIT and EBIT for the fourth quarter amounted to MSEK -4.9, compared with MSEK 3.3 for the year-earlier quarter. The operating EBIT margin amounted to -1.9% (1.2) and was mainly a result of weaker sales. Overall, the gross margin remained at the same level as in recent quarters, with strengthened margins in GARO Electrification offset by a lower gross margin in GARO E-mobility. Administrative costs remained high, primarily as a result of consultants engaged to implement the ERP project, a controlled investment for the future.

Moreover, the quarter was charged with costs related to internal efforts to strengthen and define processes, organizational structure and leadership. Overall, this amounts to approximately SEK 5.6 million in additional costs that have not been adjusted for the quarter's operational operating profit.

Operating EBIT for the full-year 2025 amounted to MSEK -1.1 (-7.2), where costs for ERP implementation and structural changes burden the result by SEK 11.7 million..

EBIT for the full-year 2025 amounted to MSEK -8.1 (-55.6) and was charged MSEK 7.0 in costs for outgoing employees.

FINANCIAL ITEMS

The Group's net financial items amounted to MSEK -1.9 (-2.7) for the fourth quarter and included currency effects from loans and hedging. Net interest income for the fourth quarter amounted to MSEK -4.5 (-4.7). The Group's net financial items for the full-year 2025 amounted to MSEK -13.8 (-11.3) and net interest income amounted to MSEK -12.3 (-16.1).

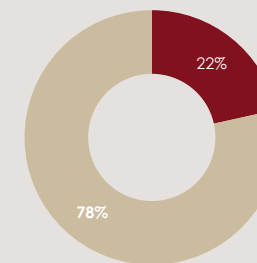
TAX

Net income amounted to MSEK -4.4 (-1.3) for the quarter, and earnings per share (before and after dilution) to MSEK -0.09 (-0.03).

Net income for the full-year 2025 amounted to MSEK -17.6 (-60.1). Earnings per share (before and after dilution) for the full-year period amounted to SEK -0.35 (-1.20). Tax assets recognized for the full-year 2025 amounted to MSEK 10.1 (8.8).

ALLOCATION OF NET SALES

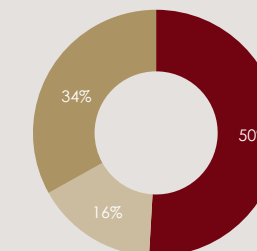
by business area, Jan-Dec 2025



■ GARO E-mobility
■ GARO Electrification

ALLOCATION OF NET SALES

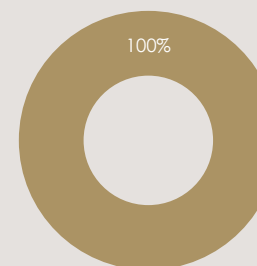
by geographic area, Jan-Dec 2025



■ Sverige
■ Nordic region excl. Sweden
■ Nordic region excl. Sweden

ALLOCATION OF EBIT

by business area, Jan-Dec 2025



■ GARO E-mobility
■ GARO Electrification

CASH FLOW AND INVESTMENTS

As a result of seasonal variation, GARO's 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 6.2 (6.2) for the fourth quarter. Cash flow from operating activities after changes in working capital strengthened and amounted to MSEK 37.0 (37.4) for the fourth quarter.

Capital tied-up in inventory for the fourth quarter decreased net by MSEK 5, with cash flow for the quarter attributable to this together with general changes to accounts receivable and accounts payable.

Cash flow from operating activities after changes in working capital amounted to MSEK 57.9 (-35.8) for the full-year 2025.

GARO previously paid a deposit to a supplier for materials ordered but not yet called off. The deposit, which is denominated in EUR, remained unchanged during the quarter and amounted to an equivalent of MSEK 42.3 at the end of the period.

Investments for the quarter amounted to net MSEK 5.3 (4.2), of which MSEK 2.8 was attributable to product development (2.9). Investments for the full-year 2025 amounted to MSEK 11.6 (19.6).

During the quarter, right-of-use assets (leases and rental contracts) declined net by MSEK 3.5 (-9.8).

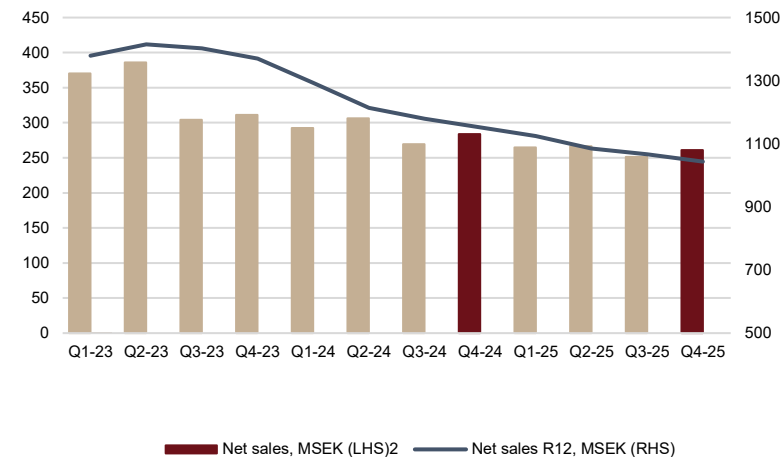
LIQUIDITY AND FINANCIAL POSITION

The Group's net debt at the end of the period amounted to MSEK 239.8 (285.1). The Group's net debt excluding lease liabilities, which is to say effects of IFRS 16, amounted to MSEK 191.2 (222.4). Available liquidity in the Group, including unutilized overdraft facilities, amounted to MSEK 74.7 (100.0) and the equity ratio was strengthened to 52.7% (50.0).

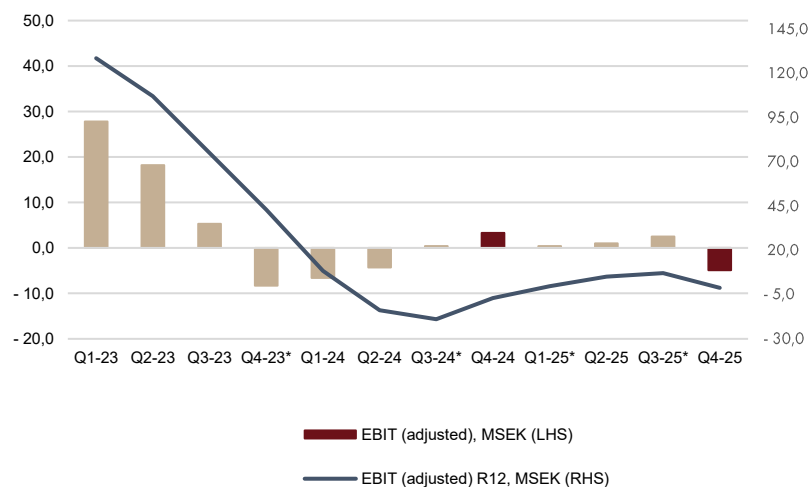
On the balance-sheet date in December 2025, GARO's loan in Poland was classified as a short-term liability. The loan agreement was subsequently extended, which means that it is now deemed to be a long-term liability.

During the year, GARO repaid MEUR 2.5 of the available overdraft facility, after which the previously applicable separate covenants linked to the Group's cash flow ended.

NET SALES, GROUP



OPERATING EBIT, GROUP



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 2025. On December 31, 2025, the share price closed at SEK 17.12 (23.10).

In conjunction with the 2025 AGM, a resolution was passed to carry out two directed share issues of a total of 950,000 warrants for senior executives. The program has a three-year term and is expected to contribute to achieving GARO's long-term business plan, strategy and financial targets.

In the third quarter, members of Group Management subscribed for 225,000 warrants. In the fourth quarter, GARO took advantage of the option of repurchasing the 500,000 warrants that were previously issued to former President and CEO Jonas Klarén after he subsequently resigned from his position at GARO.

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 2025 fiscal year in light of the Group's earnings and dividend policy.

NOMINATION COMMITTEE APPOINTED

The Nomination Committee for the 2026 Annual General Meeting comprises; Niklas Bogefors, appointed by Lars Svensson; Tomas Risbecker, appointed by Svolder AB; Lars Kongstad, appointed by Volador AB; and Axel Barnekow Widmark in his capacity as Chairman of GARO AB.

Niklas Bogefors has been appointed as Chairman of the Nomination Committee.

ANNUAL GENERAL MEETING

The 2026 Annual General Meeting will take place on May 13, 2026 in Hillerstorp, Sweden. Please visit www.garogroup.se for more information.

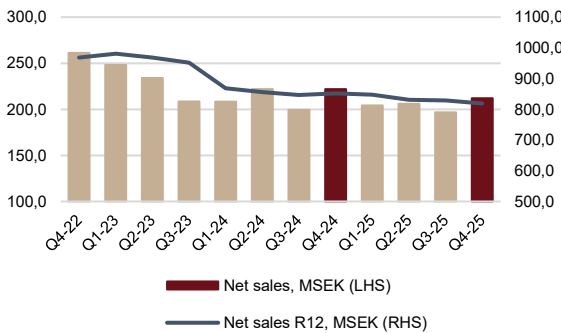


GARO Electrification business area

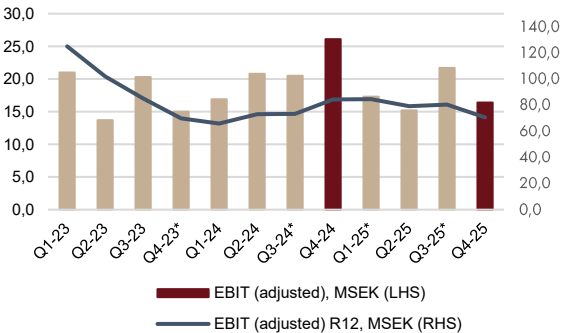
GARO ELECTRIFICATION KEY FIGURES		Oct-Dec 2025	Oct-Dec 2024	Jan-Dec 2025	Jan-Dec 2024
Net sales	MSEK	212.0	221.8	818.9	851.3
Growth	%	-4	2	-4	-6
Operating EBIT	MSEK	16.5	26.1	70.6	84.4
Operating EBIT margin	%	7.7	11.8	8.6	9.9
Investments	MSEK	2.4	1.4	6.6	7.9
Depreciation	MSEK	6.3	6.3	24.8	25.5
Number of employees		260	281	260	281
Share of sales by product area:					
Electrical distribution products	%	66	66	67	65
Project business	%	28	28	28	30
Temporary Power	%	6	6	5	5

For definitions of key figures, see pages 21-23

NET SALES, GARO ELECTRIFICATION



OPERATING EBIT, GARO ELECTRIFICATION



NET SALES AND EARNINGS

During the quarter, net sales in the business area amounted to MSEK 212.0, which was down 4% compared with the year-earlier quarter. Sales in Sweden reported growth of 4% compared with the year-earlier quarter. Sales in the Nordic region reported growth of 1%, while the rest of Europe reported a decline in sales of 19%.

Net sales for the full-year 2025 amounted to MSEK 818.9 (851.3).

Operating EBIT and EBIT for the fourth quarter amounted to MSEK 16.5 (26.1), yielding an operating EBIT margin of 7.7% (11.8). The lower profitability was the result of lower sales combined with higher selling and administrative costs. The costs for the ERP project were fully charged to the business area and have resulted in costs of MSEK 1.6 for the quarter and MSEK 6.7 for the full-year, and are vital for long-term efficiency. Moreover, GARO also invested in structure capital during the quarter with costs related to strengthened processes, organisation and leadership. Overall, this amounts to approximately SEK 5.6 million in additional costs that have not been adjusted for the quarter's operational operating profit.

Operating EBIT for the full-year 2025 amounted to MSEK 70.6 (84.4) and operating EBIT margin for the full-year amounted to 8.6% (9.9). The result was burdened with SEK 11.7 in cost for ERP implementation and structural changes.

OPERATIONS

Sales in the Electrical distribution products product area declined 5% during the quarter compared with the year-earlier quarter. Sales in the Project business and Temporary Power product areas each declined 6% compared with the year-earlier quarter. GARO has strengthened its market position in Sweden by winning strategically important procurements. The highlights of these include deliveries to the Stockholm Bypass, one of the country's largest infrastructure projects as well as equipment to the new prison in Mariestad. GARO also won a project for YLAB EL for the construction of ABB's Robotics Campus, with the first deliveries taking place in the fourth quarter of 2025.

In Ireland, GARO is continuing to strengthen its position as a result of continued expansive construction in the country. The increased project activity is creating attractive business opportunities and confirming the relevance of the company.

Overall, the assessment is that sales have stabilized at a low level in the Nordic region. GARO is now focused on expanding and broadening its product offering to new market segments, and is continuing to have positive customer dialogs on this topic.

THE MARKET

The market for the new construction of single-family homes and apartments in Sweden remained at very low levels throughout 2025. The assessment of the Swedish National Board of Housing, Building and Planning is that the economy will improve slightly from the second quarter of 2026.

When construction accelerates, it will lead to a gradual increase in demand for GARO's products in this business area.



GARO E-mobility business area

NET SALES AND EARNINGS

During the quarter, net sales in the GARO E-mobility business area amounted to MSEK 49.0 (62.0), resulting in reduced growth of 21%. In Sweden, sales declined 25%, partly the result of wholesale customers working actively to reduce their inventory levels before the end of the year. Year-on-year sales declined MSEK 5 for the rest of the Nordic region and MSEK 1 for Europe excluding Sweden.

Net sales for the full-year 2025 amounted to MSEK 224.6 (300.7).

Operating EBIT and EBIT for the fourth quarter amounted to MSEK -21.2 (-22.8), yielding an operating EBIT margin of -43.4% (-36.8), and was the result of low sales. Operating EBIT for the full-year 2025 amounted to MSEK -71.6 (91.6) and was charged MSEK 3.1 in costs for outgoing employees.

OPERATIONS

During the quarter, the business area reported sales of MSEK 49 (62) with an operating EBIT of MSEK -21 (-23). GARO delivered a large number of 43 kW chargers to France during the quarter, a project that addresses the transportation sector’s growing need for reliable charging infrastructure, while challenges related to high electricity tariffs and limited access to power are being managed sustainably.

The market for EV charging for heavy vehicles remains at an early stage, but there are signs of growing interest. GARO’s 43 kW chargers are currently being delivered throughout Europe, with countries such as Sweden, Norway and France at the forefront. As a result of this trend, demand and volumes are expected to gradually increase in the years ahead.

THE MARKET

While the Swedish market for plug-in vehicles was stable in Sweden during 2025, and showed growth in several european markets, GARO’s own sales performance has not met expectations. GARO has initiated a more in-depth analysis of E-mobility and the need for measures to achieve profitability.

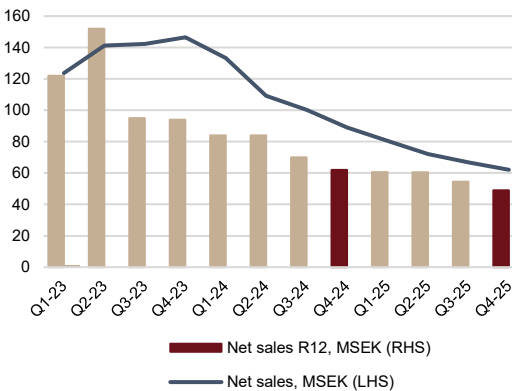
New standards such as ISO 115118 are now determining the next steps for the industry. The standard enables Plug & Charge whereby vehicles and charger automatically recognize each other, forming the foundation for smart charging.

For GARO, this leads to both new requirements and many opportunities.

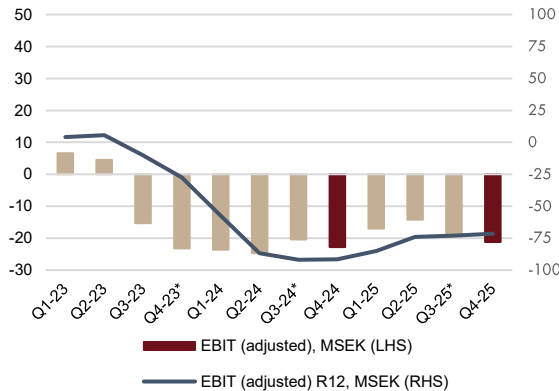
GARO E-MOBILITY KEY FIGURES		Oct-Dec 2025	Oct-Dec 2024	Jan-Dec 2025	Jan-Dec 2024
Net sales	MSEK	49.0	62.0	224.6	300.7
Growth	%	-21	-34	-25	-35
Operating EBIT	MSEK	-21.2	-22.8	-71.6	-91.6
Operating EBIT margin	%	-43.4	-36.8	-31.9	-30.5
Investments	MSEK	2.9	2.8	5.0	11.7
Depreciation	MSEK	7.3	7.2	29.1	30.7
Number of employees		113	125	113	125

For definitions of key figures, see pages 21-24

NET SALES, GARO E-MOBILITY



OPERATING EBIT, GARO E-MOBILITY



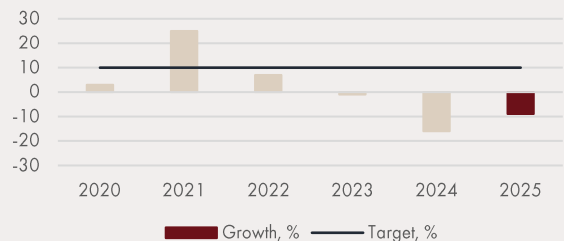
GARO's financial targets

SALES GROWTH

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

TARGET

≥ 10%

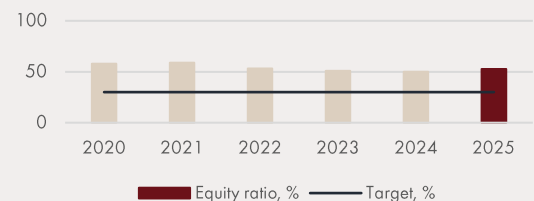


EQUITY RATIO

The equity ratio will not be less than 30%.

TARGET

≥ 30%

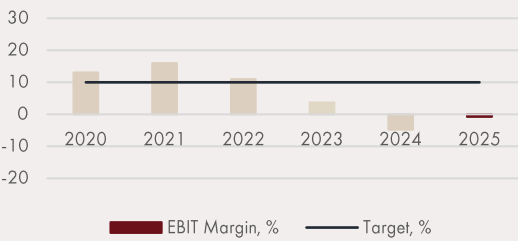


PROFITABILITY

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

TARGET

≥ 10%

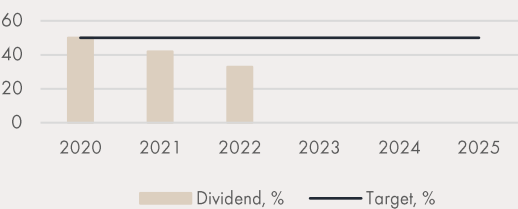


DIVIDEND POLICY

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.

TARGET

≥ 50%

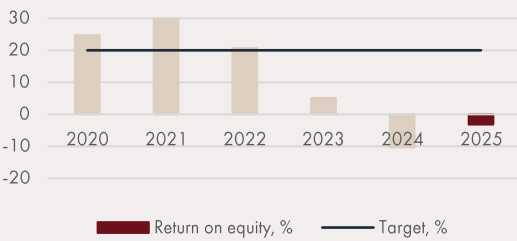


RETURN

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

TARGET

≥ 20%



Overview

NATURE OF OPERATIONS

GARO develops, manufactures and markets innovative products and systems for the electrical installations market under its own brand. Operations are carried out in several countries, with the Group organized in two business areas: GARO Electrification and GARO E-mobility. 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.

SUSTAINABILITY WORK

GARO's sustainability work is based on three cornerstones that are all part of the strategic framework: Climate, Circular economy and Responsible business. The strategy forms the basis for responding to regulatory requirements, market expectations, growth and return for investors, while strengthening GARO's social capital by attracting, encouraging and retaining employees. For more information about GARO's goals for a more sustainable future, refer to GARO's 2024 Annual Report, pages 28–41.

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.

The current macroeconomic situation and geopolitical turmoil are leading to uncertainty that is making it difficult to predict how demand and the cost base will be impacted. Neither the conflict in the Middle East nor the tariffs announced by the US are, at the time of writing, not expected to have a noticeable impact on GARO, which does not do business in these countries.

More detailed information on GARO's risks and uncertainties can be found in Note 3 on pages 60–63 of the 2024 Annual Report. The Annual Report is available at www.garogroup.se.

BUSINESS AREAS

GARO divides its operations into two business areas and segments: GARO Electrification and GARO E-mobility.

RELATED-PARTY TRANSACTIONS

Related-party transactions take place in accordance with the principles described in the 2024 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, 2025 was 373 (406) 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 Corporate Reporting Board. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. Disclosures in accordance with IAS 34, 16A are presented in the financial statements and their notes in the interim information on pages 1–20, 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.

The Parent Company's interim report was prepared in accordance with Chapter 9 of the Annual Accounts Act and the Swedish Corporate 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 has not been reviewed by the company's auditors.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amount in MSEK	Oct-Dec 2025	Oct-Dec 2024	Jan-Dec 2025	Jan-Dec 2024
Operating income				
Net sales	261.0	283.8	1,043.5	1,152.0
Other operating income	-0.3	0.6	2.5	0.7
Total operating income	260.7	284.4	1,046.0	1,152.7
Capitalized production costs	0.2	0.8	0.7	3.1
Operating expenses				
Raw materials and consumables	-136.7	-144.5	-565.3	-673.6
Other external expenses	-46.8	-47.1	-160.0	-177.8
Personnel expenses	-68.4	-76.5	-275.2	-298.8
Other operating expenses	-0.4	-0.2	-0.5	-5.1
Depreciation/amortization of tangible and intangible assets	-13.6	-13.6	-53.8	-56.2
EBIT	-4.9	3.3	-8.1	-55.6
Result from financial items				
Net financial expenses	-1.9	-2.7	-13.8	-11.3
Profit/loss before tax	-6.8	0.6	-21.9	-66.9
Income tax	2.4	-1.9	4.4	6.8
Net income	-4.4	-1.3	-17.5	-60.1
Other comprehensive income:				
Items that may be reclassified to the income statement				
Translation differences	-3.9	4.3	-10.1	6.1
Other comprehensive income, net	-3.9	4.3	-10.1	6.1
Total comprehensive income for the period	-8.3	3.0	-27.5	-54.0
Net income and total comprehensive income for the period are entirely attributable to shareholders of the Parent Company's				
Key ratios per share				
Average number of shares	50,000,000	50,000,000	50,000,000	50,000,000
Loss per share, before and after dilution, SEK	-0.09	-0.03	-0.35	-1.20

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amount in MSEK	Dec 31, 2025	Dec 31, 2024
ASSETS		
Fixed assets		
Intangible assets	108.4	126.9
Tangible assets	242.3	266.7
Financial assets	0.3	0.3
Other assets	31.2	19.9
Total fixed assets	382.2	413.8
Current assets		
Inventories	314.7	376.1
Accounts receivable	211.5	232.2
Other current receivables	79.6	68.6
Cash and cash equivalents	17.0	16.5
Total current assets	622.8	693.4
Assets for sale	0	4.9
TOTAL ASSETS	1,005.0	1,112.1

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

GARO previously had a small property for sale in Gnosjö. The property 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.

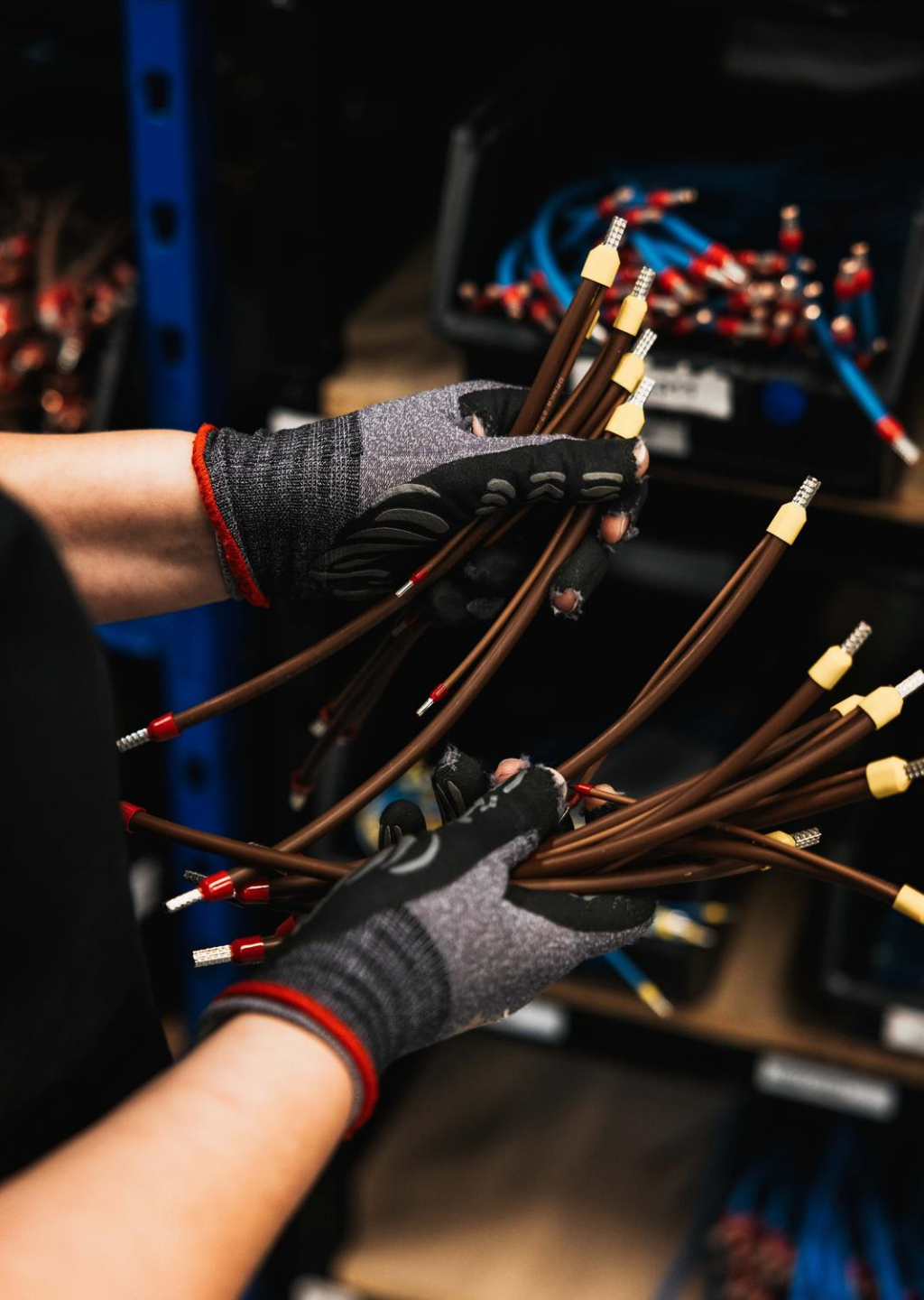
In light of the prevailing market conditions, it has proven difficult to sell the property in the municipality at the desired price. As such, GARO has decided to take the property off the market and wait for a more favorable property market.

Amount in MSEK	Dec 31, 2025	Dec 31, 2024
EQUITY AND LIABILITIES		
Share capital	20.0	20.0
Other reserves	9.9	19.9
Other contributed capital	3.0	1.5
Other equity including net income for the period	496.5	514.1
Total equity	529.4	555.5
Long-term liabilities		
Liabilities to credit institutions	14.5	68.9
Lease liabilities	33.5	46.0
Other provisions	6.3	8.6
Deferred tax liabilities	0.3	0
Total long-term liabilities	54.6	123.5
Short-term liabilities		
Liabilities to credit institutions	193.7	166.6
Lease liabilities	15.1	16.6
Accounts payable	110.8	127.2
Other short-term liabilities	101.4	119.3
Total short-term liabilities	421.0	429.7
Liabilities directly attributable to assets for sale	0	3.4
TOTAL EQUITY AND LIABILITIES	1,005.0	1,112.1

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, 2024	20.0	13.8	1.5	574.2	609.5
Net loss 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
Equity at January 1, 2025	20.0	19.9	1.5	514.1	555.5
Net loss for the period				-17.5	-17.5
Other contributed capital			1.5		1.5
Other comprehensive income for the period		-10.1		0	-10.1
Closing equity, December 31, 2025	20.0	9.8	3.0	496.5	529.4





CONDENSED CONSOLIDATED CASH-FLOW STATEMENT

Amount in MSEK	Oct-Dec 2025	Oct-Dec 2024	Jan-Dec 2025	Jan-Dec 2024
Cash flow from operating activities				
EBIT	-4.9	3.3	-8.1	-55.6
Depreciation/amortization and impairment	13.6	13.6	53.8	56.2
Interest paid/received, income tax and adjustment for non-cash items	-2.5	-10.7	-24.8	28.1
Cash flow from operating activities before changes in working capital	6.2	6.2	20.9	28.7
Change in working capital				
Increase(-)/decrease(+) in inventories	1.8	-2.2	47.9	-12.9
Increase(-)/decrease(+) in operating receivables	37.7	62.6	15.6	19.5
Increase(+)/decrease(-) in operating liabilities	-8.7	-29.2	-26.5	-71.1
Cash flow from operating activities	37.0	37.4	57.9	-35.8
Investing activities				
Investments in intangible assets	-2.8	-2.9	-4.4	-8.5
Investments in tangible assets	-2.5	-1.5	-7.2	-11.1
Disposal of tangible assets	0	2.5	0	2.5
Cash flow from investing activities	-5.3	-1.9	-11.6	-17.1
Financing activities				
Net borrowing/amortization of loans	-20.9	-29.7	-29.5	35.6
Amortization of lease liability	-4.2	-4.4	-16.9	-17.5
Warrant liquidity received	-1.1	0	1.5	0
Cash flow from financing activities	-26.2	-34.1	-44.9	18.1
Cash flow for the period	5.5	1.4	1.4	-34.8
Currency effect in cash and cash equivalents	0.3	-0.3	-0.9	1.3
Cash and cash equivalents, start of the period	11.2	15.4	16.5	50.0
Cash and cash equivalents, end of the period	17.0	16.5	17.0	16.5

CONDENSED PARENT COMPANY INCOME STATEMENT

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 77.5 (89.8), of which MSEK 6.6 (11.3) comprised internal sales. EBIT for the quarter amounted to MSEK 4.5 (8.3).

Amount in MSEK	Oct-Dec 2025	Oct-Dec 2024	Jan-Dec 2025	Jan-Dec 2024
Operating income				
Net sales	77.5	89.8	302.0	323.5
Other operating income	15.1	19.8	59.0	84.6
Total income	92.6	109.6	361.0	408.1
Operating expenses				
Raw materials and consumables	-44.6	-53.0	-187.6	-206.8
Other external expenses	-24.5	-26.9	-73.8	-82.9
Personnel expenses	-18.0	-20.3	-71.8	-78.8
Depreciation/amortization of tangible and intangible assets	-1.0	-1.1	-4.1	-5.2
EBIT	4.5	8.3	23.7	34.4
Result from financial items				
Profit from participations in Group companies	19.3	2.6	18.5	1.8
Net interest income and similar items	4.1	6.0	16.7	22.6
Net interest expenses and similar items	-4.0	-2.4	-12.0	-10.3
Profit before tax	23.9	14.5	46.9	48.5
Appropriations	-70.5	-122.5	-70.5	-122.6
Income tax	13.8	24.3	9.0	17.3
Net income	-32.8	-83.8	-14.6	-56.8

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	Dec 31, 2025	Dec 31, 2024
ASSETS		
Fixed assets		
Intangible assets	3.3	3.0
Tangible assets	20.4	18.6
Participations in Group companies	101.2	102.6
Other financial assets	88.0	93.9
Total fixed assets	212.9	218.1
Current assets		
Inventories	25.3	26.0
Accounts receivable	64.4	67.9
Other receivables	341.0	376.0
Cash and bank balances	0	0
Total current assets	430.8	469.9
TOTAL ASSETS	643.7	688.0
EQUITY AND LIABILITIES		
Share capital	20.0	20.0
Fund for internal development expenses	3.2	2.2
Statutory reserve	2.6	2.6
Non-restricted equity including net income for the period	272.4	286.5
Total equity	298.2	311.3
Provisions	1.0	1.1
Long-term liabilities		
Liabilities to credit institutions	9.7	14.5
Total long-term liabilities	9.7	14.5
Short-term liabilities		
Short-term interest-bearing liabilities	143.1	162.7
Short-term non-interest-bearing liabilities	191.8	198.4
Total short-term liabilities	334.9	361.1
TOTAL EQUITY AND LIABILITIES	643.7	688.0

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

SALES AND EBIT BY BUSINESS AREA

Business area information	GARO Electrification		GARO E-mobility		Elimination		Group	
	Q4 2025	Q4 2024	Q4 2025	Q4 2024	Q4 2025	Q4 2024	Q4 2025	Q4 2024
Income								
Total external income	261.6	287.0	73.9	128.3	-74.5	-131.4	261.0	283.8
Total internal income	-49.6	-65.1	-24.9	-66.3	74.5	131.4	0	0
Income from contracts with customers	212.0	221.9	49.0	62.0	0	0.0	261.0	283.8
EBIT	16.5	26.1	-21.2	-22.8			-4.9	3.3
Net financial expenses							-1.9	-2.7
Income tax							2.4	-1.9
Net income							-4.4	-1.3

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

Business Area	GARO Electrification			GARO E-mobility			Total		
	2025	2024	growth, %	2025	2024	growth, %	2025	2024	growth, %
Sweden	434.9	498.1	-13	97.2	118.0	-18	532.0	616.1	-14
Nordic region excl. Sweden	109.2	108.3	1	57.6	73.3	-21	166.8	181.6	-8
Europe excl. Nordic region	274.9	244.9	12	69.8	109.4	-36	344.8	354.3	-3
Total	818.9	851.3	-4	224.6	300.7	-25	1,043.5	1,152.0	-9

BUSINESS AREAS

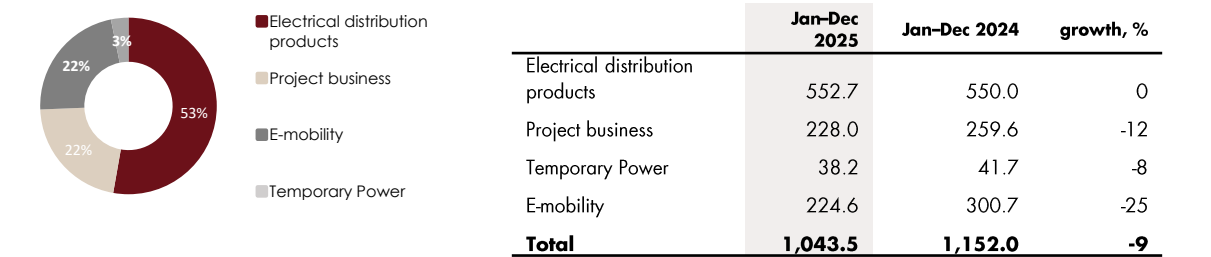
GARO divides its operations into two business areas and segments: GARO Electrification and GARO E-mobility.

QUARTERLY FIGURES

External sales per business area	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
GARO E-mobility	49.0	54.5	60.5	60.6	62.0	70.0	84.4	84.3	93.9	94.6	152.1	122.2
GARO Electrification	212.0	196.7	206.0	204.2	221.8	199.4	221.9	208.2	217.3	209.6	233.9	248.1
Total Group	261.0	251.3	266.5	264.8	283.8	269.4	306.3	292.5	311.2	304.2	386.0	370.3

EBIT per business area	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
GARO E-mobility	-21.2	-22.3	-14.2	-17.0	-22.8	-59.4	-24.7	-23.6	-33.0	-15.3	4.5	6.6
GARO Electrification	16.5	20.7	15.2	14.5	26.1	11.4	20.4	16.9	32.9	20.6	13.7	21.2
Total Group	-4.9	-1.6	1.0	-2.5	3.3	-48.0	-4.3	-6.7	-0.1	5.3	18.2	27.8

ALLOCATION OF NET SALES PER PRODUCT AREA, January–December 2025



GARO GROUP MULTI-YEAR OVERVIEW*

		Oct-Dec 2025	Oct-Dec 2024	2025	2024	2023	2022	2021	2020
Net sales	MSEK	261.0	283.8	1,043.5	1,152.0	1,369.9	1,390.5	1,295.8	1,039.8
Growth	%	-8	-9	-9	-16	-1	7	25	3
EBITDA	MSEK	8.7	16.9	45.8	0.6	99.6	188.8	243.0	163.2
EBITDA margin	%	3.3	5.9	4.4	0.0	7.3	13.6	18.8	15.7
EBIT	MSEK	-4.9	3.3	-8.1	-55.6	51.1	152.8	207.2	136.2
EBIT margin	%	-1.9	1.2	-0.8	-4.8	3.7	11.0	16.0	13.1
Earnings per share, before and after dilution	SEK	-0.09	-0.03	-0.35	-1.20	0.63	2.41	3.33	1.91
Equity per share	SEK	10.59	11.11	10.59	11.11	12.19	12.28	11.03	8.61
Dividend per share	SEK	n/a	n/a	n/a	n/a	n/a	0.80	1.40	0.95
Dividend	MSEK	n/a	n/a	n/a	n/a	n/a	40.0	70.0	47.5
Closing rate, share	SEK	17.12	23.10	17.12	23.10	43.52	108.6	216.0	127.0
Return on equity	%	-3.2	-10.3	-3.2	-10.3	5.1	20.7	34.0	24.7
Return on capital employed**	%	-1.0	-6.6	-1.0	-6.6	6.1	19.9	37.8	30.6
Investments	MSEK	5.3	4.2	11.6	19.6	108.2	120.1	45.3	45.3
Depreciation	MSEK	13.6	13.6	53.8	56.2	48.6	36.0	35.8	26.9
Equity ratio	%	52.7	50.0	52.7	50.0	50.9	53.2	58.9	57.9
Net debt	MSEK	239.8	285.1	239.8	285.1	222.1	143.7	-9.4	11.3
Net debt/EBITDA	multiple	5.2	497.1	5.2	497.1	2.2	0.8	0.0	0.1
Number of employees		373	406	373	406	478	521	498	412

*For definitions, see pages 21-23

** The definition of capital employed has been adjusted and the comparative years have been restated accordingly



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 EBIT: Earnings before interest and tax adjusted for non-recurring items.

Operating EBIT margin, %: Operating 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 non-interest-bearing 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.

EBIT and EBITDA before and after adjustment of non-recurring costs (operating EBIT).

In 2025, GARO recognized costs of MSEK 7.0 for outgoing employees. MSEK 3.9 of these costs pertained to GARO Electrification while MSEK 3.1 pertained to GARO E-mobility. Inventories of the earlier generation of wall boxes as well as development expenditure for an older, outgoing DC range were impaired in 2024.

Amount in MSEK	Oct-Dec		Oct-Dec		Jan-Dec		Jan-Dec	
	2025	%	2024	%	2025	%	2024	%
EBITDA	8.7	3.3	16.9	5.9	45.8	4.4	0.6	0
Non-recurring costs	0		0		7.0		0.0	
Impairment of inventories and development expenditure	0		0		0		+48.4	
Operating EBITDA	8.7	3.3	16.9	5.9	52.8	5.1	49.0	4.3

Amount in MSEK	Oct-Dec		Oct-Dec		Jan-Dec		Jan-Dec	
	2025	%	2024	%	2025	%	2024	%
EBIT	-4.9	-1.9	3.3	1.2	-8.1	-0.8	-55.6	-4.8
Non-recurring costs	0		0		7.0		0.0	
Impairment of inventories and development expenditure	0		0		0		+48.4	
Operating EBIT	-4.9	-1.9	3.3	1.2	-1.1	-0.1	-7.2	-0.6



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	Oct-Dec 2025 (MSEK)	Oct-Dec 2025 (%)
Preceding quarter/year	283.8	
Organic sales/growth	-21.6	-8
Currency effects	-1.2	0
Net sales from acquisitions	0	
Recognized growth	-22.8	-8

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	Oct-Dec 2025	Oct-Dec 2024
Recognized EBIT	-4.9	3.3
Reversal of depreciation/amortization	13.6	13.6
EBITDA	8.7	16.9

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.

This measure is used by Group Management to monitor and analyze the debt trend in the Group and evaluate the Group's refinancing requirements.

Amount in MSEK	Jan-Dec 2025	Jan-Dec 2024
Non-current interest-bearing liabilities	14.5	72.3
Short-term interest-bearing liabilities	193.7	166.6
Lease liability as defined under IFRS 16	48.6	62.6
Less cash and cash equivalents	-17.0	-16.5
Net debt	239.8	285.1
Net debt in relation to total assets (%)	23.9	25.6

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

This measure is used by Group Management to monitor and analyze the debt trend in the Group and evaluate the Group's refinancing requirements.

Amount in MSEK	Jan-Dec 2025	Jan-Dec 2024
Non-current interest-bearing liabilities	14.5	72.3
Short-term interest-bearing liabilities	193.7	166.6
Lease liability as defined under IFRS 16	48.6	62.6
Less cash and cash equivalents	-17.0	-16.5
Reversal of Lease liability as defined under IFRS 16	-48.6	-62.6
Net debt excluding IFRS 16	191.2	222.4

Working capital: GARO’s working capital comprises a major part of the value in the balance sheet 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.

The measure is used by management to optimize the Group’s cash generation.

Amount in MSEK	Jan-Dec 2025	Jan-Dec 2024
Current assets	622.8	693.4
Less cash and cash equivalents	-17.0	-16.5
Less short-term non-interest-bearing liabilities	-212.1	-246.5
Working capital on balance-sheet date	393.7	430.4
Working capital in relation to sales (R12), %	37.7	37.4

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.

This measure is used by management to gauge how effectively GARO uses its capital to generate profit and to assess long-term profitability and efficiency.

Amount in MSEK	Jan-Dec 2025	Jan-Dec 2024
EBIT for the past 12 months	-8.1	-55.6
Capital employed at the end of the period	774.6	848.0
Return on capital employed, %	-1.0	-6.6

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.

The measure is used to assess the profitability and efficiency of the operations, and whether GARO can be considered a favorable investment for its owners compared with other alternatives.

Amount in MSEK	Jan-Dec 2025	Jan-Dec 2024
Net income for the past 12 months	-17.5	-60.1
Equity at the beginning of the period	555.5	609.5
Equity at the end of the period	529.4	555.5
Average equity	542.5	582.5
Return on equity, %	-3.2	-10.3

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.

Earnings per share: None of the Group’s outstanding warrant programs are expected to result in material future dilution.

Economic information

INVITATION TO PRESENTATION FOR THE PRESS AND ANALYSTS

On February 19, 2026 at 9:30 a.m., the CFO Helena Claesson will present the report.

Telephone numbers: Sweden: +46 10 884 80 16
International: [Global Dial-In Numbers](#)
ID number (access code): 68 80 86

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:

Joe Ree, Interim President and CEO: +358 86 244 1263

Helena Claesson, CFO: +46 70 676 07 50

FINANCIAL CALENDAR

- First quarter of 2026 May 13, 2026
- 2026 Annual General Meeting May 13, 2026
- Second quarter of 2026 August 14, 2026
- Third quarter of 2026 November 13, 2026

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 a distinct entrepreneurial spirit originates from and where GARO's head office remains. 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 19, 2026, at 8:30 a.m. CET.



GARO