



Interim report January–June 2025

**From structure to implementation – Group Management strengthened,
accelerating the pace of operational activities**

From structure to implementation – Group Management strengthened, accelerating the pace of operational activities

APR–JUN 2025

- Net sales amounted to MSEK 266.5 (306.3).
- Net sales declined 13% (-21).
- Operating EBIT amounted to MSEK 1.0 (-4.3).
- The operating EBIT margin amounted to 0.4% (-1.4).
- Cash flow from operating activities amounted to MSEK 9.4 (-9.3).
- Net income was MSEK -8.6 (-8.9).
- Earnings per share amounted to SEK -0.17 (-0.18).

JAN–JUN 2025

- Net sales amounted to MSEK 531.2 (598.8).
- Net sales declined 11% (-21).
- Operating EBIT amounted to MSEK 1.4 (-10.9).
- The operating EBIT margin amounted to 0.3% (-1.8).
- Cash flow from operating activities amounted to MSEK 9.9 (-53.0).
- Net income was MSEK -8.5 (-16.7).
- Earnings per share amounted to SEK -0.17 (-0.33).

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- **From structure to implementation** – Group Management was strengthened in April and the pace of operational activities accelerated. Responsibilities have been more clearly defined, and shared priorities and concrete action plans per business area and country have been set.
- **Stronger financial control** – As a result of improved cash flow over time, GARO's separate bank covenants ended on June 30. In July, the available overdraft facility was reduced and MEUR 2.5 was repaid.
- **Strategic framework agreement in charging infrastructure** – In June, a framework agreement was signed for a large infrastructure project in Uppland, for the supply of charging stations and DC fastchargers – an important reference in Sweden's energy infrastructure.
- **Change of leadership in E-mobility** – In August, Niklas Rönäng, Business Area Manager of GARO E-mobility, left GARO. The CEO assumed direct responsibility for the business area in order to drive continued stabilization and set a clearer direction going forward.

From structure to implementation – Group Management strengthened, accelerating the pace of operational activities

GARO GROUP¹	Apr-Jun 2025	Apr-Jun 2024	+/- %	Jan-Jun 2025	Jan-Jun 2024	R12	Jan-Dec 2024
Net sales, MSEK	266.5	306.3	-13	531.2	598.8	1,084.5	1,152.0
EBITDA, MSEK	14.3	10.3		25.3	17.8	8.1	0.6
EBITDA margin, %	5.4	3.4		4.8	3.0	0.7	0.0
Operating EBIT, MSEK	1.0	-4.3		1.4	-10.9	5.1	-7.2
Operating EBIT margin, %	0.4	-1.4		0.3	-1.8	0.5	-0.6
Net income, MSEK	-8.6	-8.9		-8.5	-16.7	-51.9	-60.1
Earnings per share, SEK	-0.17	-0.18		-0.17	-0.33	-1.04	-1.20
Cash flow from operating activities, MSEK	9.4	-9.3		9.9	-53.0	27.1	-35.8
Depreciation, MSEK	13.3	14.6		26.9	28.8	54.3	56.2
Investments, MSEK	2.8	6.3		4.7	10.6	13.7	19.6
Equity ratio, %	51.4	49.6		51.4	49.6	51.4	50.0
Equity per share, SEK	10.88	11.94		10.88	11.94	10.88	11.11
Return on equity, %	-9.1	-4.2		-9.1	-4.2	-9.1	-10.3
Return on capital employed, %	-7.2	-0.9		-7.2	-0.9	-7.2	-8.4
Net debt (+) / net cash position (-), MSEK	279.6	293.2		279.6	293.2	279.6	285.1
Net debt (+) / net cash position (-) excl. IFRS 16, MSEK	224.4	224.9		224.4	224.9	224.4	222.4
Number of employees	389	434		389	434	407	406

¹⁾ For definitions of key figures, see pages 21-23

CEO JONAS KLARÉN'S COMMENTS ON THE QUARTER

STRUCTURE ESTABLISHED – WE ARE NOW TAKING THE NEXT STEP

We delivered small yet positive operating earnings in the quarter. This is gratifying, but also necessary. We are not yet where we want to be, but we are heading in the right direction. Compared with last year, we are behind in terms of both volume and earnings. This is the case for both business areas.

We are now building for sustainable improvement, setting clear priorities, defining responsibilities and directing our full attention to what we can control.

GARO ELECTRIFICATION

GARO Electrification is stable, but Sweden remained weaker than expected. Despite signals of higher activity in some product areas, we are not yet seeing the effect on sales that we had anticipated. This indicates that the recovery of the construction and installation market is taking longer and that we need to adjust our efforts accordingly.

This is in contrast to our other markets. In Norway, we are seeing stabilization and some signs of recovery. In Finland, volumes are increasing but margins are pressed. Ireland continued to deliver strong earnings and healthy growth, as did the UK.

GARO E-MOBILITY

E-mobility remains challenging, particularly in Sweden. We are seeing a lag in the order intake, and newer product categories in particular have not yet generated an impact. The order intake increased in June and we are seeing a clear recovery for our LS4 solutions, which are gaining a stronger foothold in more markets.

We have hit the brakes, cut costs and shifted to a more focused go-to-market strategy. Our focus is now on internal initiatives to free up capital from inventory. Cash flow is a priority and each transaction is evaluated based on profitability and realizability.

LEADERSHIP AND ORGANIZATIONAL CHANGES

After a number of years of close cooperation, Niklas Rönnäng and GARO have jointly decided to part ways. This has been an intensive period of growth and transition, and I would like to thank Niklas for his contribution. Daniel Emilsson is taking over as country CEO for Sweden, in combination with his responsibility for the Electrification business area. I myself will step in as interim manager of the GARO E-mobility business area, with the goal of strengthening our focus and accelerating the pace of our change journey.

MOVING FORWARD TOGETHER AS TEAM GARO

Let me be clear, this is a team effort. We are in a phase that demands a lot from us all. It is not about singling out individuals, but rather about taking responsibility together, doing the job and persevering.

We know where we are headed. We have the right strategy. Now we must continue to execute, every day, every decision, every delivery.

BUSINESS ENVIRONMENT AND DIRECTION

We know that electrification is not simply a trend – it is a necessary transformation. Yet despite clear needs, available technologies and established business models, the market remains hesitant. Geopolitics, inflation and interest rates are putting pressure on decision makers, and investments are being postponed.

This requires us to continue to prepare, to be ready, and also to remain patient. The real turnaround is coming, and when it does, we must have the right structure, the right offering and the right approach.

MARKET CONDITIONS

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

The market for the new construction of single-family homes and apartments in the Nordic region remained at a low level in the first half of 2025. Positive signals such as lower interest rates and falling inflation were overshadowed by negative global uncertainty related to tariffs and escalating conflicts in various parts of the world. A clear turnaround in Nordic housing construction cannot be expected until 2026.

Even if the market recovery has been delayed by the current external environment, GARO has a positive view of long-term market conditions, mainly driven by growth in charging infrastructure and its requirements for power supply as well as by the recovery of housing construction.

Jonas Klarén
President and CEO



Earnings

NET SALES

The turbulent and varied market situation continued to impact sales in the second quarter. Net sales declined to MSEK 266.5 (306.3), down 13% compared with the year-earlier quarter. GARO Electrification lost MSEK 16 in sales, and the GARO E-mobility business area posted a decrease in growth of 28%, or MSEK 24.

Net sales for the first half of 2025 amounted to MSEK 531.2 (598.8), down 11% compared with the first half of 2024.

OPERATING EBIT

Operating EBIT and EBIT for the quarter amounted to MSEK 1.0, compared with MSEK -4.3 for the year-earlier quarter. Operating EBIT margin for the quarter amounted to 0.4% (-1.4). EBIT was entirely attributable to weak sales, primarily in GARO E-mobility. The implemented savings program has had the anticipated impact.

Positive currency effects impacted EBIT for the quarter in an amount of MSEK 1.6 (neg: 1.1).

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, which was the result of a changed product mix.

Operating EBIT for the January to June period amounted to MSEK 1.4 (-10.9), providing an EBIT margin of 0.3% (-1.8).

FINANCIAL ITEMS

The Group's net financial items amounted to MSEK -10.0 (-5.4) for the quarter and included currency effects from loans and hedging. Net interest income for the quarter amounted to MSEK -2.9 (-3.1). The Group's net financial items for the first half of 2025 amounted to MSEK -8.0 (-5.4).

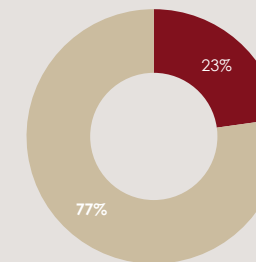
TAX

Net income amounted to MSEK -8.6 (-8.9) for the quarter, and earnings per share to MSEK -0.17 (-0.18). Tax assets recognized for the quarter amounted to MSEK 0.4 (0.9).

Net income for the January to June period amounted to MSEK -8.5 (-16.7). Earnings per share totaled SEK -0.17 (-0.33). Tax assets recognized for the January to June period amounted to MSEK 1.1 (Tax: 0.4).

ALLOCATION OF NET SALES

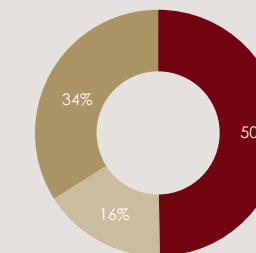
by business area, Jan-Jun 2025



■ GARO E-mobility
■ GARO Electrification

ALLOCATION OF NET SALES

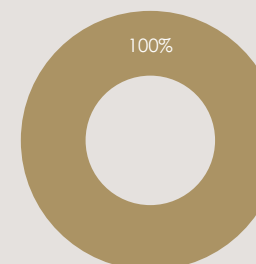
by geographic area, Jan-Jun 2025



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

ALLOCATION OF EBIT

by business area, Jan-Jun 2025



■ GARO E-mobility
■ GARO Electrification

CASH FLOW AND INVESTMENTS

Cash flow from operating activities before change in working capital amounted to MSEK 0.3 (-1.7) for the quarter. Cash flow from operating activities after changes in working capital amounted to MSEK 9.4 (-9.3) for the quarter, with cash flow for the quarter attributable to the release of capital from inventory combined with general changes to accounts receivable and accounts payable. Capital tied-up in inventory for the quarter decreased net by MSEK 4.3.

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 43.6 at the end of the period.

Investments for the quarter amounted to net MSEK 2.8 (6.3), of which MSEK 0.6 in the quarter was attributable to product development (3.3). Investments for the first half of 2025 amounted to MSEK 4.7 (10.6). During the quarter, right-of-use assets (leases and rental contracts) declined net by MSEK 3.7 (-2.8).

LIQUIDITY AND FINANCIAL POSITION

The Group’s net debt at the end of the period amounted to MSEK 279.6 (293.2). The Group’s net debt excluding lease liabilities, which is to say effects of IFRS 16, amounted to MSEK 224.4 (224.9). Available liquidity in the Group, including unutilized overdraft facilities, amounted to MSEK 75.9 (64.8) and the equity ratio was 51.4% (49.6).

As of November 2024, GARO entered into an agreement with the bank subject to separate covenants connected to the Group’s cash flow over time. As of June 30, 2025, GARO once again fulfilled the separate covenants. After the end of the quarter, GARO repaid MEUR 2.5 of the available overdraft facility, after which the separate covenants linked to the Group’s cash flow ended.

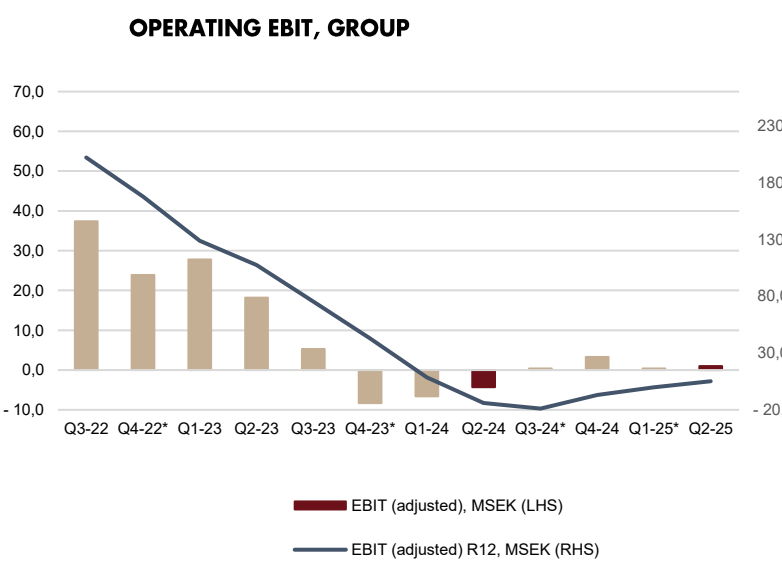
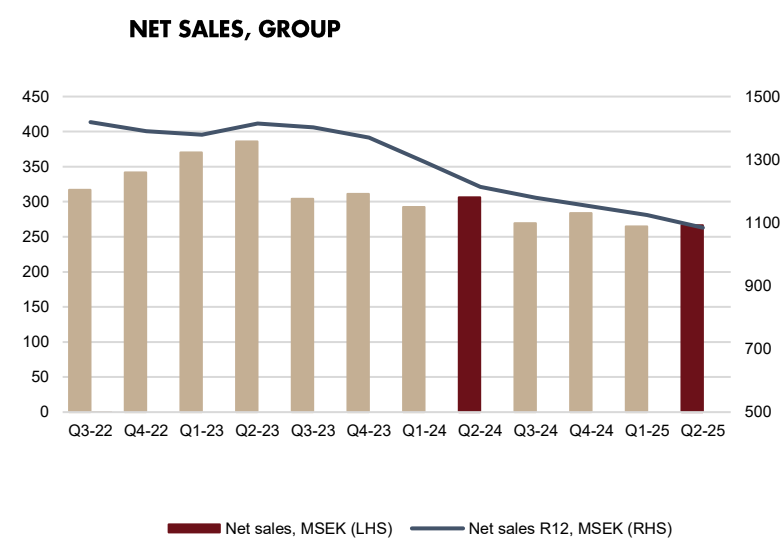
THE GARO SHARE

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 second quarter of 2025. On June 30, 2025, the share price closed at SEK 20.0 (26.75).

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. During the second quarter, the President and CEO subscribed for 500,000 warrants.

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.

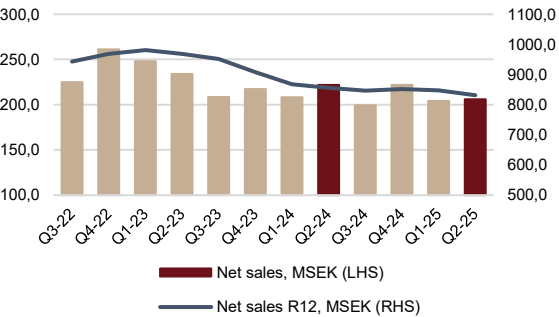


GARO Electrification business area

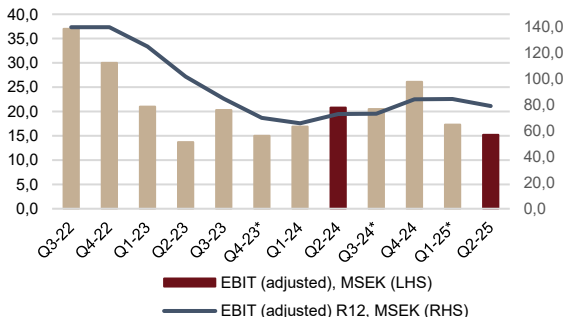
GARO ELECTRIFICATION KEY FIGURES		Apr-Jun 2025	Apr-Jun 2024	Jan-Jun 2025	Jan-Jun 2024	R12	Jan-Dec 2024
Net sales	MSEK	206.0	221.9	410.2	430.0	831.4	851.3
Growth	%	-7	-5	-5	-11	-3	-6
Operating EBIT	MSEK	15.2	20.4	32.5	37.3	79.1	84.4
Operating EBIT margin	%	7.4	9.2	7.9	8.7	9.5	9.9
Investments	MSEK	2.7	2.9	4.0	4.3	7.5	7.9
Depreciation	MSEK	6.1	6.5	12.3	13.1	24.7	25.5
Number of employees		268	268	268	268	278	281
Share of sales by product area:							
Electrical distribution products	%	68	63	67	63	64	65
Project business	%	28	32	28	32	28	30
Temporary Power	%	4	5	5	5	8	5

For definitions of key figures, see pages 21-23

NET SALES, GARO ELECTRIFICATION



OPERATING EBIT, GARO ELECTRIFICATION



NET SALES AND EARNINGS

Net sales in the business area amounted to MSEK 206.0, which was MSEK 16 less compared with the year-earlier quarter. The overall market for the Electrification business area varied during the quarter. While Sweden experienced a significant downturn, mainly in the Project business product area, other markets managed to exceed expectations. Sales in Sweden for the quarter were 14% lower compared with the year-earlier quarter. The Nordic region posted a 12% decline in growth, while the rest of Europe reported growth of 10%, with sales in Ireland in particular remaining strong in the quarter.

Operating EBIT and EBIT for the second quarter amounted to MSEK 15.2 (20.4), yielding an operating EBIT margin of 7.4% (9.2). The decline in profitability was attributable to the ongoing ERP project, which is being charged to the business area, combined with price pressure and lower sales in the Project business product area.

The business area's operating EBIT for the first half of 2025 amounted to MSEK 32.5 (37.3) and EBIT for the first half of the year amounted to MSEK 29.6 (37.7).

OPERATIONS

Sales in the Electrical distribution products product area were at similar levels to the year-earlier period, while sales in the Project business and Temporary Power product areas decreased by 19% each compared with the year-earlier quarter. The entire decline in sales in the Project business product area was attributable to Sweden, while other markets performed well, albeit from lower levels. The operations in Ireland, the UK and Norway continued to trend positively. By broadening the product program, sales have increased and profitability has improved.

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 a very low level in the first half of 2025. Positive signals such as lower interest rates and falling inflation were overshadowed by negative global uncertainty related to tariffs and escalating conflicts in various parts of the world. There has also been a lack of significant government action to resume housing construction, and GARO's overall assessment is therefore that a clear turnaround in Nordic housing construction cannot be expected until 2026.

When construction accelerates, this 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

Net sales in the GARO E-mobility business area amounted to MSEK 60.5, compared with MSEK 84.4 for the same quarter of 2024, which resulted in reduced growth of 28% or MSEK 24. In Sweden, sales increased by 5%. For the rest of the Nordic region and Europe excluding Sweden, sales decreased by MSEK 7 and MSEK 18 respectively compared to the year-earlier quarter.

Operating EBIT and EBIT for the business area for the quarter amounted to MSEK -14.2 (-24.7) and was entirely the result of low sales.

The business area’s operating EBIT and the business area’s EBIT for the first half of 2025 amounted to MSEK -31.2 (-48.3).

OPERATIONS

The demand for public destination charging remains a strong growth driver in the E-mobility business area. In June, the order intake increased with a clear recovery for GARO’s LS4 solutions, which are gaining a stronger foothold in more markets.

During the quarter, GARO Entity, the new charging platform, accounted for a larger share of the business area’s total sales. This is a sign of strength and reflects the market’s reception of the platform, which has now achieved good technical stability and operation.

In the European market, demand is gradually increasing for public AC charging, not only for cars but also for heavy electric vehicles. GARO’s charging solutions meet new regulatory requirements in specific markets, such as the new cybersecurity requirements for charging that have been implemented in the UK. The technical adaptability of the chargers has had a positive impact, with increased order volumes in the UK market.

Germany, which is an important market for E-mobility, is still exhibiting subdued demand.

THE MARKET

The market for EV charging – E-mobility – remains complex and challenging. The macroeconomic situation is creating uncertainty among investors, which means many projects are being postponed. Despite these challenges, GARO is successfully turning its market presence and customer focus into tangible business.

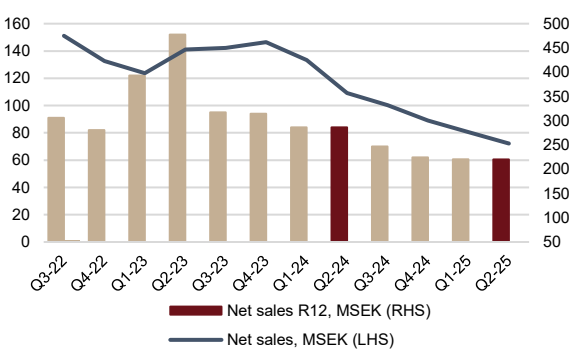
During the quarter, GARO signed a framework agreement for a large infrastructure project in Uppland, for the supply of several charging stations and a small number of 180 kW DC fastchargers. The agreement is a strategic reference that further strengthens GARO’s position in charging infrastructure linked to Sweden’s critical energy supply.

In addition, together with the wholesaler Rexel, GARO has signed a multi-year agreement with Östersund Municipality. The agreement, which extends until 2026 with an extension option, covers the installation of approximately 700 charging stations across the municipality.

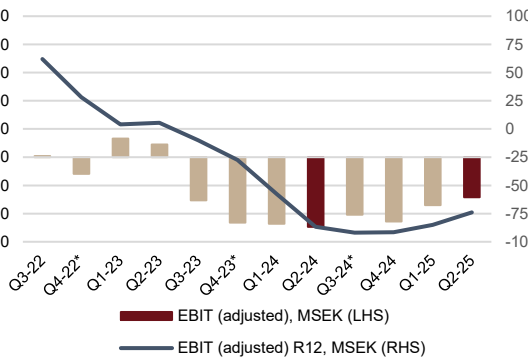
GARO E-MOBILITY KEY FIGURES		Apr-Jun 2025	Apr-Jun 2024	Jan-Jun 2025	Jan-Jun 2024	R12	Jan-Dec 2024
Net sales	MSEK	60.5	84.4	121.1	168.8	253.0	300.7
Growth	%	-28	-45	-28	-38	-29	-35
Operating EBIT	MSEK	-14.2	-24.7	-31.2	-48.3	-74.0	-91.6
Operating EBIT margin	%	-23.5	-29.8	-25.8	-28.9	-29.3	-30.5
Investments	MSEK	0.2	3.4	0.7	6.2	6.2	11.7
Depreciation	MSEK	7.2	8.1	14.5	15.7	29.5	30.7
Number of employees		121	166	121	166	130	125

For definitions of key figures, see pages 21-23

NET SALES, GARO E-MOBILITY



OPERATING EBIT, GARO E-MOBILITY



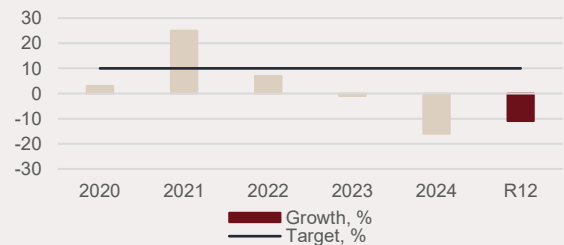
GARO's financial targets

SALES GROWTH

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

TARGET

≥10%

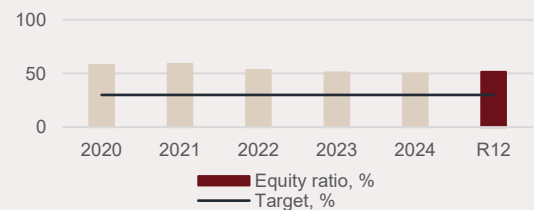


EQUITY RATIO

The equity ratio will not be less than 30%.

TARGET

≥30%

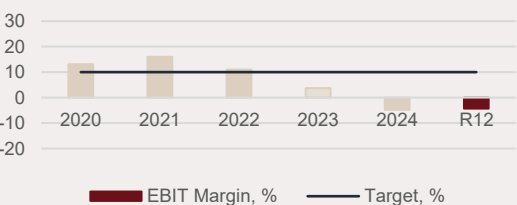


PROFITABILITY

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

TARGET

≥10%

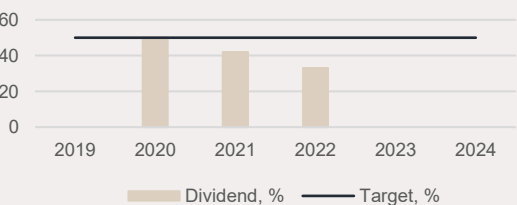


DIVIDEND POLICY

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%

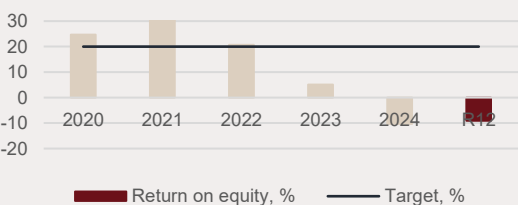


RETURN

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

TARGET

≥20%



ASSURANCE BY THE BOARD AND CEO

The CEO and Board assure that this interim report provides a fair review of the Group's and Parent Company's operations, financial position and earnings, and describes significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Gnosjö, August 22, 2025

GARO AB (publ), (Corp. ID. No. 556051-7772)

Axel Barnekow Widmark
Chairman

Johan Paulsson
Board member

Martin Althén
Board member

Rickard Blomqvist
Board member

Lars Kongstad
Board member

Kristine Lindberg
Board member

Jonas Lohtander
Board member

My Bäck
Employee representative

Jonas Klarén
President and CEO



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. 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 2024 Annual Report. The Annual Report is available at www.garogroup.se.

BUSINESS AREA

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 June 30, 2025 was 389 (434) excluding persons dismissed and exempted from work (406 on December 31, 2024).

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 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.

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

The Parent Company's interim report was prepared in accordance with Chapter 9 of the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.

GARO AB applies the same accounting policies as in the most recent Annual Report.

AUDITORS' STATEMENT

This six-month report has not been reviewed by the company's auditors.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amount in MSEK	Apr-Jun 2025	Apr-Jun 2024	Jan-Jun 2025	Jan-Jun 2024	R12	Jan-Dec 2024
Operating income						
Net sales	266.5	306.3	531.2	598.8	1,084.4	1,152.0
Other operating income	2.4	0.1	2.4	0.6	2.5	0.7
Total operating income	268.9	306.4	533.6	599.4	1,086.9	1,152.7
Capitalized production costs	0.1	1.7	0.4	1.8	1.7	3.1
Operating expenses						
Raw materials and consumables	-142.5	-172.8	-284.6	-333.5	-624.7	-673.6
Other external expenses	-40.5	-43.7	-79.0	-89.7	-167.1	-177.8
Personnel expenses	-71.5	-80.3	-144.8	-159.0	-284.6	-298.8
Other operating expenses	-0.2	-1.1	-0.2	-1.1	-4.2	-5.1
Depreciation/amortization of tangible and intangible assets	-13.3	-14.6	-26.9	-28.8	-54.3	-56.2
EBIT	1.0	-4.3	-1.5	-10.9	-46.2	-55.6
Result from financial items						
Net financial expenses	-10.0	-5.4	-8.0	-5.4	-13.9	-11.3
Loss before tax	-9.0	-9.8	-9.6	-16.3	-60.1	-66.9
Income tax	0.4	0.9	1.1	-0.4	8.3	6.8
Net income	-8.6	-8.9	-8.5	-16.7	-51.8	-60.1
Other comprehensive income:						
Items that may be reclassified to the income statement						
Translation differences	3.9	4.3	-4.6	4.3	-2.8	6.1
Other comprehensive income, net	3.9	4.3	-4.6	4.3	-2.8	6.1
Total comprehensive income for the period	-4.7	-4.6	-13.1	-12.4	-54.6	-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	50,000,000	50,000,000
Earnings/loss per share, before and after dilution, SEK	-0.17	-0.18	-0.17	-0.33	-1.04	-1.20

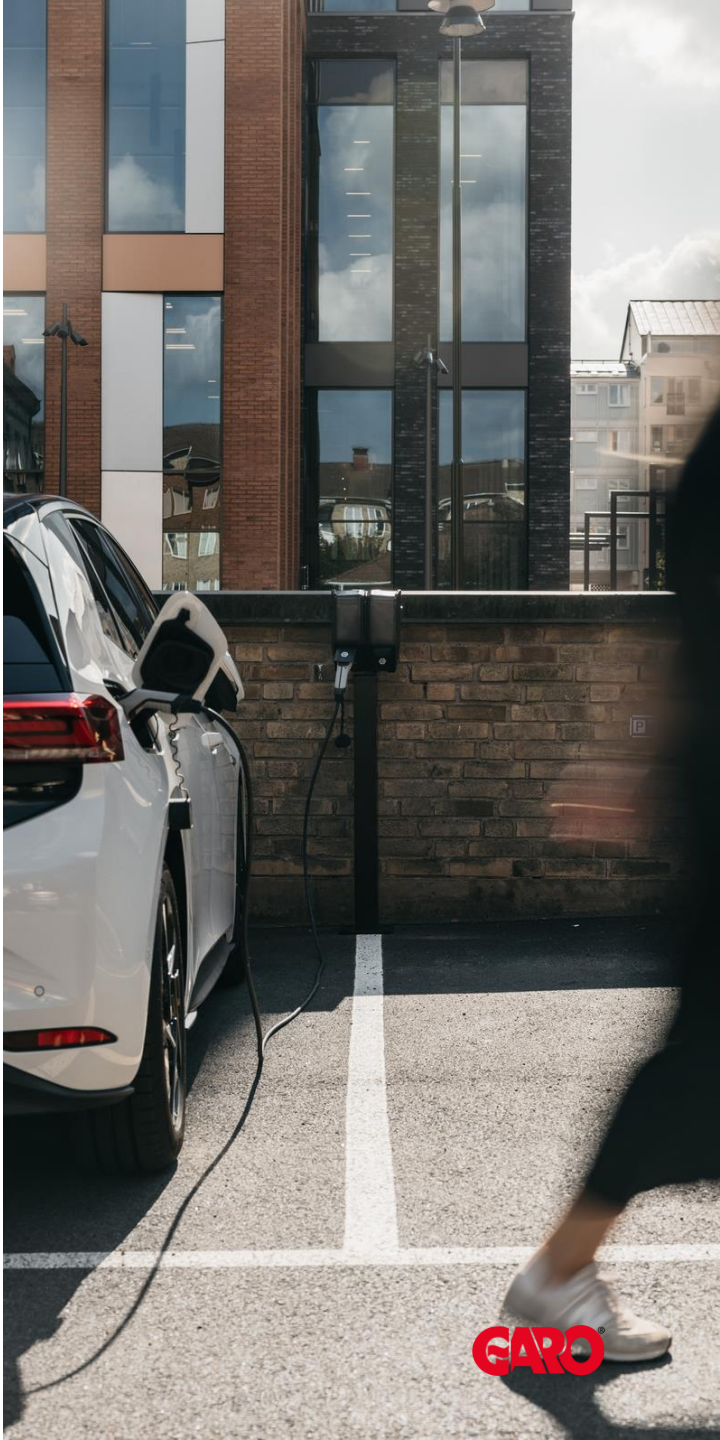
EBIT and EBITDA before and after adjustment of non-recurring costs (operating EBIT)

During the first quarter of 2025, GARO recognized settlement costs of MSEK 2.9 for the outgoing President and CEO. Inventories of the earlier generation of wall boxes as well as development expenditure for an older, outgoing DC range were impaired in the third quarter of 2024.

These items affect the comparability of this year-end report.

Amount in MSEK	Apr-Jun		Apr-Jun		Jan-Jun		Jan-Jun		R12		Jan-Dec	
	2025	%	2024	%	2025	%	2024	%		%	2024	%
EBITDA	14.3	5.4	10.3	3.4	25.3	4.8	17.8	3.0	8.1	0.7	0.6	0
Non-recurring costs	0		0		+2.9		0		+2.9		0.0	
Impairment of inventories and development expenditure	0		0		0		0		+48.4		+48.4	
Operating EBITDA	14.3	5.4	10.3	3.4	28.2	5.3	17.8	3.0	59.4	5.4	49.0	4.3

Amount in MSEK	Apr-Jun		Apr-Jun		Jan-Jun		Jan-Jun		R12		Jan-Dec	
	2025	%	2024	%	2025	%	2024	%		%	2024	%
EBIT	1.0	0.4	-4.3	-1.4	-1.5	-0.3	-10.9	-1.8	-46.2	-4.3	-55.6	-4.8
Non-recurring costs	0		0		+2.9		0		+2.9		0.0	
Impairment of inventories and development expenditure	0		0		0		0		+48.4		+48.4	
Operating EBIT	1.0	0.4	-4.3	-1.4	1.4	0.3	-10.9	-1.8	5.1	0.5	-7.2	-0.6



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amount in MSEK	2025-06-30	2024-06-30	Dec 31, 2024
ASSETS			
Fixed assets			
Intangible assets	116.3	135.8	126.9
Tangible assets	251.2	282.2	266.7
Financial assets	0.2	2.7	0.3
Other assets	26.9	0	19.9
Total fixed assets	394.6	420.7	413.8
Current assets			
Inventories	341.2	405.1	376.1
Accounts receivable	229.5	273.6	232.2
Other current receivables	79.1	84.5	68.6
Cash and cash equivalents	11.2	21.4	16.5
Total current assets	661.1	784.6	693.4
Assets for sale	4.9	0	4.9
TOTAL ASSETS	1,060.6	1,205.3	1,112.1

Amount in MSEK	2025-06-30	2024-06-30	Dec 31, 2024
EQUITY AND LIABILITIES			
Share capital	20.0	20.0	20.0
Other reserves	15.3	18.1	19.9
Other contributed capital	3.3	1.5	1.5
Other equity including net income for the period	505.6	557.5	514.1
Total equity	544.2	597.1	555.5
Long-term liabilities			
Liabilities to credit institutions	62.7	75.9	68.9
Lease liabilities	39.3	51.7	46.0
Other provisions	6.7	6.6	8.6
Deferred tax liabilities	0	0	0
Total long-term liabilities	108.7	134.2	123.5
Short-term liabilities			
Liabilities to credit institutions	169.5	170.3	166.6
Lease liabilities	16.0	16.7	16.6
Accounts payable	113.4	167.0	127.2
Other short-term liabilities	105.5	120.0	119.3
Total short-term liabilities	404.3	474.0	429.7
Liabilities directly attributable to assets for sale	3.4	0	3.4
TOTAL EQUITY AND LIABILITIES	1,060.6	1,205.3	1,112.1

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

GARO has 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.

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				-8.5	-8.5
Other contributed capital			1.8		1.8
Other comprehensive income for the period		-4.6		0	-4.6
Closing equity, June 30, 2025	20.0	15.3	3.3	505.6	544.2





CONDENSED CONSOLIDATED CASH-FLOW STATEMENT

Amount in MSEK	Apr-Jun 2025	Apr-Jun 2024	Jan-Jun 2025	Jan-Jun 2024	R12	Jan-Dec 2024
Cash flow from operating activities						
EBIT	1.0	-4.3	-1.5	-10.9	-46.2	-55.6
Depreciation/amortization and impairment	13.3	14.6	26.9	28.8	54.3	56.2
Interest paid/received, income tax and adjustment for non-cash items	-14.0	-11.9	-15.5	-9.2	21.8	28.1
Cash flow from operating activities before changes in working capital	0.3	-1.7	9.9	8.7	29.9	28.7
Change in working capital						
Increase()/decrease(+) in inventories	6.8	-12.4	27.7	-2.5	17.3	-12.9
Increase()/decrease(+) in operating receivables	-1.2	-21.7	-4.1	-35.2	50.6	19.5
Increase(+)/decrease(-) in operating liabilities	3.5	26.5	-23.6	-24.0	-70.7	-71.1
Cash flow from operating activities	9.4	-9.3	9.9	-53.0	27.1	-35.8
Investing activities						
Investments in intangible assets	-0.6	-3.3	-1.0	-3.3	-6.3	-8.5
Investments in subsidiaries	0	0	0	0	0	0
Investments in tangible assets	-2.2	-3.0	-3.7	-7.3	-7.5	-11.1
Disposal of tangible assets	0	0	0	0	2.5	2.5
Cash flow from investing activities	-2.8	-6.3	-4.7	-10.6	-11.3	-17.1
Financing activities						
Net borrowing/amortization of loans	-8.6	29.7	-2.7	42.2	-9.3	35.6
Amortization of lease liability	-4.4	-4.4	-8.6	-8.7	-17.4	-17.5
Warrant liquidity received	1.8	0	1.8	0	1.8	0
Cash flow from financing activities	-11.2	25.3	-9.5	33.5	-24.9	18.1
Cash flow for the period	-4.6	9.7	-4.3	-30.1	-9.1	-34.8
Currency effect in cash and cash equivalents	-0.2	0.4	-1.0	1.5	-1.1	1.3
Cash and cash equivalents, start of the period	16.0	11.3	16.5	50.0	21.4	50.0
Cash and cash equivalents, end of the period	11.2	21.4	11.2	21.4	11.2	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 second quarter amounted to MSEK 78.9 (80.2), of which MSEK 11.6 (12.9) comprised internal sales. EBIT for the quarter amounted to MSEK 4.9 (9.2).

Amount in MSEK	Apr-Jun 2025	Apr-Jun 2024	Jan-Jun 2025	Jan-Jun 2024	Jan-Dec 2024
Operating income					
Net sales	78.9	80.2	151.7	156.4	323.5
Other operating income	14.5	23.2	29.4	47.9	84.6
Total income	93.3	103.4	181.2	204.3	408.1
Operating expenses					
Raw materials and consumables	-51.1	-52.0	-96.8	-99.8	-206.8
Other external expenses	-17.5	-18.9	-34.5	-41.9	-82.9
Personnel expenses	-18.7	-21.9	-39.3	-42.7	-78.8
Depreciation/amortization of tangible and intangible assets	-1.1	-1.4	-2.2	-2.8	-5.2
EBIT	4.9	9.2	8.4	17.1	34.4
Result from financial items					
Profit/loss from participations in Group companies	0.0	0	-1.1	-0.3	1.8
Net interest income and similar items	4.2	5.2	8.6	11.1	22.6
Net interest expenses and similar items	-2.7	-4.1	-7.1	-4.8	-10.3
Profit before tax	6.4	10.3	9.6	23.1	48.5
Appropriations	0.0	0.0	0.0	0.0	-122.6
Income tax	-1.3	-2.1	-2.0	-4.8	17.3
Net income	5.1	8.2	7.6	18.3	-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	2025-06-30	2024-06-30	Dec 31, 2024
ASSETS			
Fixed assets			
Intangible assets	3.1	6.3	3.0
Tangible assets	18.5	18.7	18.6
Participations in Group companies	101.9	83.3	102.6
Other financial assets	85.1	153.5	93.9
Total fixed assets	208.6	261.8	218.1
Current assets			
Inventories	27.7	29.1	26.0
Accounts receivable	65.9	62.0	67.9
Other receivables	326.1	358.8	376.0
Cash and bank balances	0.4	0	0
Total current assets	420.1	449.8	469.9
TOTAL ASSETS	628.8	711.6	688.0
EQUITY AND LIABILITIES			
Share capital	20.0	20.0	20.0
Fund for internal development expenses	2.2	23.1	2.2
Statutory reserve	2.6	2.6	2.6
Non-restricted equity including net income for the period	295.9	340.7	286.5
Total equity	320.7	386.4	311.3
Provisions	1.1	1.2	1.1
Long-term liabilities			
Liabilities to credit institutions	12.1	16.9	14.5
Total long-term liabilities	12.1	16.9	14.5
Short-term liabilities			
Short-term interest-bearing liabilities	167.1	163.8	162.7
Short-term non-interest-bearing liabilities	127.9	143.2	198.4
Total short-term liabilities	295.0	307.0	361.1
TOTAL EQUITY AND LIABILITIES	628.8	711.6	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

	GARO Electrification		GARO E-mobility		Elimination		Group	
Business area information	Q2 2025	Q2 2024	Q2 2025	Q2 2024	Q2 2025	Q2 2024	Q2 2025	Q2 2024
Income								
Total external income	268.1	287.8	103.5	137.3	-105.2	-118.0	266.5	306.3
Total internal income	-62.1	-65.9	-43.0	-52.9	105.2	118.0	0.0	0.0
Income from contracts with customers	206.0	221.9	60.5	84.4	0.0	0.0	266.5	306.3
EBIT	15.2	20.4	-14.2	-24.7			1.0	-4.3
Net financial expenses							-10.0	-5.4
Income tax							0.4	0.9
Net income							-8.6	-8.9

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

Business Area	GARO Electrification			GARO E-mobility			Total		
	2025	2024	growth, %	2025	2024	growth, %	2025	2024	growth, %
Sweden	216.0	251.2	-14	48.6	54.1	-10	264.6	305.3	-13
Nordic region excl. Sweden	54.8	55.6	-1	31.4	40.1	-22	86.2	95.7	-10
Europe excl. Nordic region	139.8	123.2	13	41.1	74.6	-45	180.5	197.8	-9
Total	410.2	430.0	-5	121.1	168.8	-28	531.3	598.8	-11

BUSINESS AREAS

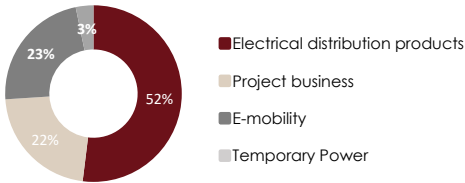
GARO divides its operations into two business areas and segments: GARO Electrification and GARO E-mobility.

QUARTERLY FIGURES

External sales per business area	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
GARO E-mobility	60.5	60.6	62.0	70.0	84.4	84.3	93.9	94.6	152.1	122.2	80.6	92.1
GARO Electrification	206.0	204.2	221.8	199.4	221.9	208.2	217.3	209.6	233.9	248.1	261.2	224.9
	266.5											
Total Group	5	264.8	283.8	269.4	306.3	292.5	311.2	304.2	386.0	370.3	341.8	317.0

EBIT per business area	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
GARO E-mobility	-14.2	-17.0	-22.8	-59.4	-24.7	-23.6	-33.0	-15.3	4.5	6.6	-20.9	0.4
GARO Electrification	15.2	14.5	26.1	11.4	20.4	16.9	32.9	20.6	13.7	21.2	29.8	37.0
Total Group	1.0	-2.5	3.3	-48.0	-4.3	-6.7	-0.1	5.3	18.2	27.8	8.9	37.4

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



	Jan-Jun 2025	Jan-Jun 2024	growth, %
Electrical distribution products	276.0	272.0	1
Project business	116.9	137.7	-15
Temporary Power	17.2	20.3	-15
E-mobility	121.1	168.8	-28
Total	531.2	598.8	-11



GARO GROUP MULTI-YEAR OVERVIEW*

		Apr-Jun 2025	Apr-Jun 2024	Jan-Jun 2025	Jan-Jun 2024	R12	2024	2023	2022	2021	2020	2019
Net sales	MSEK	266.5	306.3	531.2	598.8	1,084.5	1,152.0	1,369.9	1,390.5	1,295.8	1,039.8	1,008.1
Growth	%	-13	-21	-11	-21	-11	-16	-1	7	25	3	12
EBITDA	MSEK	14.3	10.3	25.3	17.8	8.1	0.6	99.6	188.8	243.0	163.2	134.9
EBITDA margin	%	5.4	3.4	4.8	3.0	0.7	0.0	7.3	13.6	18.8	15.7	13.4
EBIT	MSEK	1.0	-4.3	-1.5	-10.9	-46.2	-55.6	51.1	152.8	207.2	136.2	112.6
EBIT margin	%	0.4	-1.4	-0.3	-1.8	-4.3	-4.8	3.7	11.0	16.0	13.1	11.2
Earnings per share, before and after dilution	SEK	-0.17	-0.18	-0.17	-0.33	-1.04	-1.20	0.63	2.41	3.33	1.91	1.71
Equity per share	SEK	10.88	11.94	10.88	11.94	10.88	11.11	12.19	12.28	11.03	8.61	6.86
Dividend per share	SEK	n/a	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	n/a	0	40.0	70.0	47.5	0
Closing rate, share	SEK	20.0	26.75	20.0	26.75	20.0	23.10	43.52	108.6	216.0	127.0	61.4
Return on equity	%	-9.1	-4.2	-9.1	-4.2	-9.1	-10.3	5.1	20.7	34.0	24.7	26.8
Return on capital employed,	%	-7.2	-0.9	-7.2	-0.9	-7.2	-8.4	7.9	22.1	39.2	32.2	30.4
Investments	MSEK	2.8	6.3	4.7	10.6	11.5	19.6	108.2	120.1	45.3	45.3	33.4
Depreciation	MSEK	13.3	14.6	26.9	28.8	54.3	56.2	48.6	36.0	35.8	26.9	22.3
Equity ratio	%	51.4	49.6	51.4	49.6	51.4	50.0	50.9	53.2	58.9	57.9	52.2
Net debt	MSEK	279.6	293.2	279.6	293.2	279.6	285.1	222.1	143.7	-9.4	11.3	45.6
Net debt/EBITDA	multiple	34.7	6.0	34.7	6.0	34.7	497.1	2.2	0.8	0.0	0.1	0.3
Number of employees		389	434	389	434	407	406	478	521	498	412	421

*For definitions, see pages 21-23



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

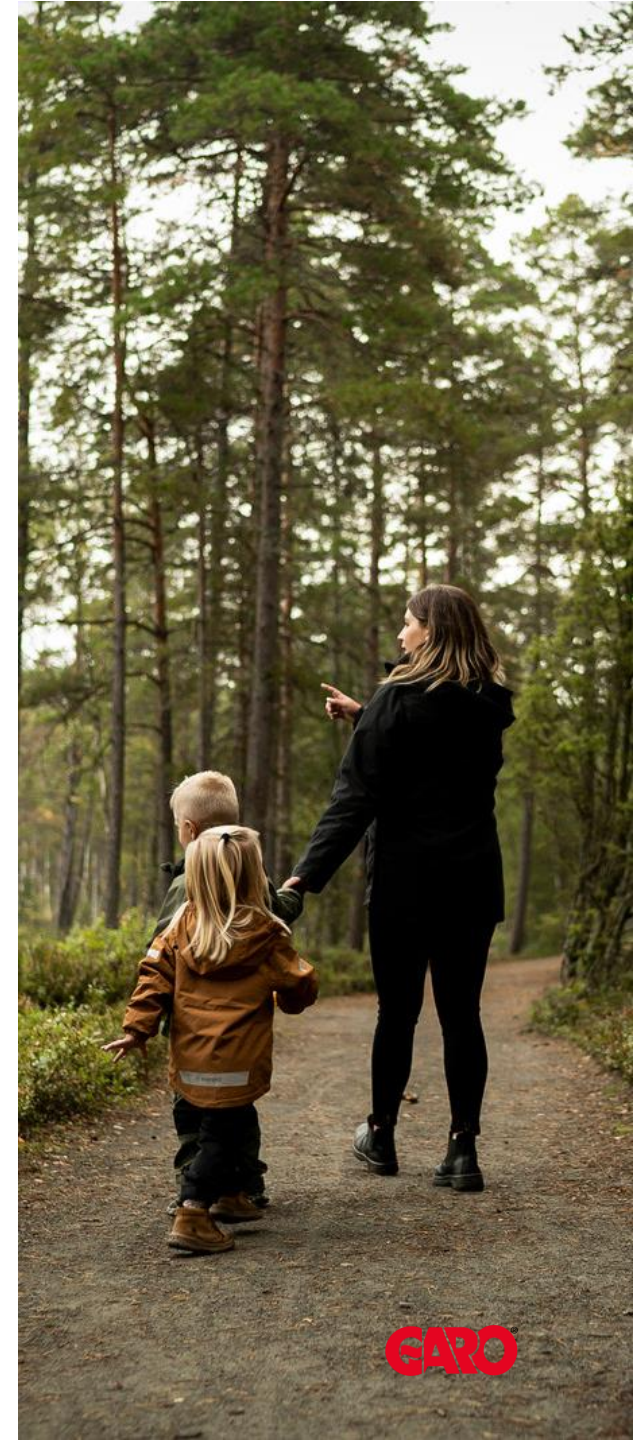
Return on capital employed, %: EBIT for the past 12 months divided by capital employed.

Equity ratio, %: Equity as a percentage of total assets

Capital employed, SEK: Total assets less short-term liabilities adjusted for cash and bank balances

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

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



Alternative performance measures

GARO uses certain financial measures – alternative performance measures – that are not defined in the rules for financial reporting that GARO applies. The goal of these performance measures is to create a better understanding of how the operations are performing. Investors should view these financial measures as a supplement rather than a replacement of financial reporting in accordance with IFRS. It must be stressed that these alternative performance measures, as defined, are not entirely comparable with performance measures of the same name used by other companies.

GARO uses the following alternative performance measures:

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

CHANGE IN NET SALES	April-June 2025 (MSEK)	April-June 2025 (%)
Preceding quarter/year	306.3	
Organic sales/growth	-44.2	-14
Currency effects	4.4	1
Net sales from acquisitions	0	
Recognized growth	266.5	-13

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	April-June 2025	April-June 2024
Recognized EBIT	1.0	-4.3
Reversal of depreciation/amortization	13.3	14.6
EBITDA	14.3	10.3

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-June 2025	Jan-June 2024
Non-current interest-bearing liabilities	66.1	75.9
Short-term interest-bearing liabilities	169.5	170.3
Lease liability as defined under IFRS 16	55.3	68.4
Less cash and cash equivalents	-11.2	-21.4
Net debt	279.6	293.2
Net debt in relation to total assets (%)	26.4	24.3

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-June 2025	Jan-June 2024
Non-current interest-bearing liabilities	66.1	75.9
Short-term interest-bearing liabilities	169.5	170.3
Lease liability as defined under IFRS 16	55.3	68.4
Less cash and cash equivalents	-11.2	-21.4
Reversal of Lease liability as defined under IFRS 16	-55.3	-68.4
Net debt excluding IFRS 16	224.4	224.9

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-June 2025	Jan-June 2024
Current assets	661.1	784.6
Less cash and cash equivalents	-11.2	-21.4
Less short-term non-interest-bearing liabilities	-218.9	-287.0
Working capital on balance-sheet date	431.0	476.2
Working capital in relation to sales (R12), %	39.7	39.3

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

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-June 2025	Jan-June 2024
EBIT for the past 12 months	-46.2	-5.9
Capital employed at the end of the period	643.8	654.0
Return on capital employed, %	-7.2	-0.9

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-June 2025	Jan-June 2024
Net income for the past 12 months	-51.9	-26.0
Equity at the beginning of the period	555.5	609.5
Equity at the end of the period	544.2	597.1
Average equity	549.9	603.3
Return on equity, %	-9.1	-4.2

Economic information

INVITATION TO PRESENTATION FOR THE PRESS AND ANALYSTS

On August 22, 2025, at 09.30 a.m. (CEST), President and CEO Jonas Klarén and CFO Helena Claesson will present the report and respond to questions in a teleconference.

Telephone numbers:

Sweden: +46 (0)20 089 0141

International: +44 (0)207 107 0613

The presentation used during this teleconference can be downloaded at www.garogroup.se, under Investor Relations. A recording of the teleconference will be available on the company's website afterwards.

FOR MORE INFORMATION, PLEASE CONTACT:

Jonas Klarén, President and CEO: +46 70 765 90 34

Helena Claesson, CFO: +46 70 676 07 50

FINANCIAL CALENDAR

Third quarter of 2025

November 14, 2025

FORWARD-LOOKING INFORMATION

Certain statements in this report are forward-looking and the actual outcome may be significantly different. In addition to the specifically mentioned factors, other factors may have a material impact on the actual outcome. Such factors include, but are not limited to, the general economic climate, exchange-rate fluctuations and changes in interest rates, political developments, the impact of competing products and the prices of such products, difficulties associated with product development and commercialization, technical problems, interruptions to the access to raw materials and credit losses attributable to major customers.

GARO IN BRIEF

GARO develops and manufactures innovative products and solutions within electricity and E-mobility. GARO targets both professionals and end users. GARO's brand is your guarantee for electrical safety, user-friendliness and sustainability. GARO was founded in 1939 in Gnosjö, in Småland, in southern Sweden where 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 August 22, 2025, at 8.30 a.m. (CEST).



GARO