

## Interim Report January-September 2021

Record sales and full utilisation in transport operations



### Third quarter

- Consolidated net sales increased by 33.6 percent to SEK 126.2 million (94.5).
- Operating profit (EBIT) increased to SEK 25.3 million (14.4).
- Earnings per share after dilution amounted to SEK 0.79 (0.40).

### First nine months of the year

- Consolidated net sales increased by 0.2 percent to SEK 306.2 million (305.7).
- Operating profit (EBIT) decreased to SEK 31.5 million (46.1).
- Earnings per share after dilution amounted to SEK 0.92 (1.36).

### Significant events in the third quarter

- Railcare's new innovation MPV was brought on stream with the customer on 21 July 2021.

### Financial summary

Amounts in SEK million, unless otherwise stated	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	full-year 2020
Net sales	126.2	94.5	306.2	305.7	401.3
Operating profit/loss (EBIT)	25.3	14.4	31.5	46.1	60.4
Operating margin, %	20.0	15.3	10.3	15.1	15.0
Net profit/loss for the period	19.1	9.8	22.3	32.5	43.8
Equity/assets ratio, %	37.5	36.4	37.5	36.4	37.4
Earnings per share after dilution, SEK	0.79	0.40	0.92	1.36	1.82

For definitions, see page 26.

*This report is also available in Swedish at [www.railcare.se](http://www.railcare.se).*

## CEO's comments

In the third quarter, we generated operating profit (EBIT) of SEK 25.3 million and net sales totalled SEK 126.2 million. This corresponded to an operating margin of 20.0 %. Net sales increased by 33.6 percent year-on-year, the highest figure on record for an individual quarter. The increase was mainly due to record high utilisation in the transport operations.

On the construction side, volumes were higher in the third quarter compared to the corresponding period in the previous year. Because construction work started early in the year last year, a high proportion of the work was carried out in the first half-year, unlike this year when construction work started later. Although this had a positive impact on the third quarter, year-on-year volumes were down for the year to date. In the lining operations, utilisation was higher year-on-year, and the number of enquiries and orders increased. Snow clearance on behalf of Trafikverket will start on 15 November, in line with previous years.

The tests and approvals needed to carry out work with our new battery-powered MPV on the Swedish railways have been completed and obtained since June. In Karlstad, the first live project with Railcares MPV started on 21 July, where we carried out cable excavations over four weeks. All the work relating to MPV has gone very well and ensures a good foundation for future development of battery-powered working vehicles on the railways.

Transport Scandinavia presented a very strong quarter with year-on-year growth of 57.1 percent. The increased sales, which set a new record for the segment, are the result of high utilisation of construction transport in connection with track replacements for operators including Leonhard Weiss, Infrakraft and others. In combination with extended and expanded transports for LKAB, where the current contract runs until 31 December 2021, this contributed to achieving record volume transports. Virtually all available resources, both in terms of personnel and machinery, operated at full capacity during the quarter.

We also transported iron ore on behalf of Kaunis Iron in the quarter, and transport services are proceeding as planned with two round trips each day, seven days a week, between Pitkäjärvi and Narvik.

The locomotive workshop had high utilisation in the quarter and demand for our services remains strong. During the quarter, we provided workshop services for BLS Rail, Strukton, Infranord and others, as well as carrying out repairs and maintenance of our own locomotives.

Year-on-year utilisation was lower in the third quarter in the UK, due to projects postponed by the customer. We carried out work in most of Network Rail's geographical regions in the quarter.

The business area Machine Sales presented lower year-on-year sales in the third quarter, totalling SEK 6.1 million (7.1). The decrease was due to reduced leasing of machinery to the Swedish construction operations. There were no major machine sales in the quarter.

The workshop is currently constructing two Ballast Feeders that will be used in our proprietary leasing operations in Sweden or abroad, as well as constructing power packs for Loram scheduled for delivery in the fourth quarter 2021.



Railcare currently has several projects out for tendering in areas where our innovative machines are a good fit with customer requirements. The planned establishment in Asia has been delayed due to Covid restrictions. We expect to start preparations for this in 2022.

The order stock is stable with multiple and long-term agreements relating to both transport and construction operations, which means that the outlook is very positive. In Sweden, the government has initiated historically high investments in railways and infrastructure to be rolled out over a long period. Many countries require extensive maintenance work on the railways and there is considerable interest in our innovative railway solutions, particularly our latest innovation relating to battery vehicles for railway machines.

Railcare has a very exciting journey ahead. As the world opens up again after the pandemic, we will be able to start to meet global demand, and we have made adjustments to Group management to better be able to meet the planned expansion. Looking ahead, I will be focusing on our second main market, the UK, and on being Business Area Manager of Construction Abroad. I would like to take this opportunity to thank all our staff, shareholders, customers and stakeholders for the 8 years that I have served as CEO of Railcare. We have made excellent progress together, and continue to build for the future. I also want to wish Mattias good luck in his role as Railcare's new CEO.

With innovative railway solutions and our staff as our primary resource, we are building the Railcare of the future.

**Daniel Öholm**

CEO up until 30 September 2021

I am both humbled and grateful for the confidence shown in me with the appointment as CEO of Railcare. This is a fascinating company with an excellent corporate culture, great staff and a strong drive.

The extensive investments in railways announced in Sweden and internationally are important for the transition to a sustainable society. I am proud that Railcare leads the progress in sustainable railway maintenance thanks to the development of its battery-powered maintenance machine MPV. I look forward to continuing to develop innovative solutions alongside my incredible colleagues.

**Mattias Remahl**

CEO from 1 October 2021



## Financial summary – Railcare Group

### Net sales

Net sales for the third quarter of 2021 increased by 33.6 percent to SEK 126.2 million, compared to SEK 94.5 million for the corresponding period last year. This is the highest net sales on record for a single quarter.

The increase was primarily due to record-high utilisation in transport operations. Virtually all available resources, both personnel and machinery, have operated at full capacity during the quarter. Volumes of ore transports were higher than ever thanks to an extended and expanded agreement with LKAB. In addition to ore transports, volumes of construction transports in connection with track replacements have also been at historically high levels.

Construction Sweden's sales were up in year-on-year terms, explained by the fact that construction work started early in the year last year and was largely completed during the first half-year. In 2021, construction work started later in the year, which had a positive impact on the third quarter. Total volumes for the first nine months of the year were down on the previous year.

Construction Abroad and Machine Sales reported lower net sales year-on-year. No major machine sales took place in the quarter and construction work volumes in the UK were seasonally low and were negatively affected by postponed projects.

Net sales in January-September were in line with the corresponding period in the previous year, amounting to SEK 306.2 million.

### Operating expenses

Operating expenses amounted to SEK 104.0 million in the third quarter 2021, up SEK 19.5 million or 23 percent compared to the third quarter 2020 when operating expenses amounted to SEK 84.5 million. The increase was attributable to the segment Transport Scandinavia in its entirety, and relates to volume-related expenses for hired personnel and locomotives as well as recruitment of locomotive drivers to handle the increased volume of transport assignments.

Operating expenses for the period January-September 2021 were SEK 285.0 million, compared to the equivalent period of the previous year when operating expenses amounted to SEK 267.8 million. The reasons for the increase were the same as for the quarter as a whole, i.e. higher volume-related costs due to increased volumes of transport assignments.

### Operating profit

Operating profit (EBIT) for the third quarter 2021 increased to SEK 25.3 million, compared to the third quarter in the previous year when profit amounted to SEK 14.4 million. The operating margin increased to 20.0 percent (15.3). The increase in operating profit was attributable to significantly higher volumes in transport operations and higher volumes in construction operations in Sweden due to changes to the timing of work carried out in the year.

Operating profit for the period January-September 2021 was SEK 31.5 million, a decrease of SEK 14.6 million compared to the record figure of SEK 46.1 million in the first nine months of 2020. The decrease was due to lower volumes in the

construction operations, decreased machine sales and higher volume related costs within transport operations.

### **Net profit/loss for the period**

Profit for the third quarter 2021 amounted to SEK 19.1 million (9.8), corresponding to an increase of SEK 9.3 million compared to the corresponding period in 2020.

Profit for the first nine months of 2021 was SEK 22.3 million (32.5), corresponding to a decrease of SEK 10.2 million year-on-year.

### **Cash Flow**

Cash flow in the third quarter of the year generated a positive cash flow of SEK 1.4 million, compared to SEK 7.2 million in the corresponding quarter of the previous year.

Cash flow from operating activities amounted to SEK 11.4 million (29.1). The decrease in year-on-year terms was mainly due to increased accounts receivable.

Cash flow from investing activities amounted to SEK -11.0 million (-17.0) in the third quarter 2021, primarily relating to investments in existing operations. Investments in property, plant and equipment were lower in the third quarter 2021 in year-on-year terms because the investment in the battery-powered maintenance machine MPV was in a more intensive phase.

Cash flow from financing activities totalled SEK 0.9 million (-4.8). Amortisation of loans and lease liabilities were in line with the previous year. New loans of SEK 19.2 million were raised in the third quarter 2021.

### **Equity/assets ratio**

Railcare's financial targets state that the equity/assets ratio should amount to at least 25 percent. At the end of the period, the equity/assets ratio was 37.5 percent, compared to 36.4 percent on 30 September 2020.

### **Employees**

As of 30 September 2021, Railcare had 142 employees, compared to 139 on 30 September 2020.

## Financial summary – business segments

The segments' net sales also include sales between segments.  
See Note 3 for sales between segments.

### Construction Sweden

Net sales in the segment Construction Sweden amounted to SEK 35.9 million (29.9) in the third quarter, an increase of 20.2 percent year-on-year.

Volumes in the third quarter increased compared to the corresponding period in the previous year. Because construction work started early on in the year last year, a high proportion of the work was carried out during the first half of the year, in contrast with the current year when construction work started later. Although this has had a positive impact on the third quarter, so far in the year volumes are down compared to the previous year. In the lining operations, utilisation was higher compared to the corresponding period in the previous year, and the number of enquiries increased.

Profit after financial items increased year-on-year, amounting to SEK 6.7 million (-0.1).

In the first nine months of the year, net sales decreased by 23.7 percent, to SEK 90.6 million (118.8). Profit after financial items decreased to SEK 1.1 million (11.1).

### Key performance indicators – Construction Sweden

Amounts in SEK 000, unless otherwise stated	Jul-Sep 2021	Jul-Sep 2020	Change, %	Jan-Sep 2021	Jan-Sep 2020	Change, %
Net sales	35,884	29,866	20.2	90,585	118,768	-23.7
Profit/loss after financial items	6,668	-79	8,582.3	1,062	11,098	-90.4
Net margin, %	18.6	-0.3	18.8	1.2	9.3	-8.2

### Construction Abroad

Net sales in the segment Construction Abroad decreased by 41.0 percent in the third quarter 2021 year-on-year, totalling SEK 6.3 million (10.6).

Construction Abroad experienced lower volumes in the third quarter in year-on-year terms as a result of projects postponed by the customer.

Profit after financial items decreased to SEK -3.0 million (-0.4).

Net sales decreased by 25.5 percent in the first nine months of the year in year-on-year terms, totalling SEK 34.5 million (46.3). Profit after financial items decreased year-on-year, amounting to SEK -1.1 million (2.1).

### Key performance indicators – Construction Abroad

Amounts in SEK 000, unless otherwise stated	Jul-Sep 2021	Jul-Sep 2020	Change, %	Jan-Sep 2021	Jan-Sep 2020	Change, %
Net sales	6,262	10,613	-41.0	34,500	46,309	-25.5
Profit/loss after financial items	-2,950	-420	-602.4	-1,136	2,134	-153.2
Net margin, %	-47.1	-4.0	-43.2	-3.3	4.6	-7.9

## Transport Scandinavia

Net sales for the segment Transport Scandinavia increased by 57.1 percent in the third quarter compared to the corresponding period of the previous year, totalling SEK 89.1 million (56.7).

The increased sales, which are the highest on record for the segment, are due to high utilisation of construction transport in connection with track replacements, alongside extended and expanded transports for LKAB. Virtually all available resources, both personnel and machinery, operated at full capacity during the quarter. Iron ore transports for Kaunis Iron continued according to plan.

Utilisation in the locomotive workshop were in line with the previous year.

Profit after financial items increased to SEK 17.3 million (11.8).

Net sales increased by 38.1 percent in the first nine months of the year in year-on-year terms, totalling SEK 189.3 million (137.1), the highest net sales on record for the segment. Profit after financial items increased year-on-year, amounting to SEK 25.7 million (18.8).

### Key performance indicators – Transport Scandinavia

Amounts in SEK 000, unless otherwise stated	Jul-Sep 2021	Jul-Sep 2020	Change, %	Jan-Sep 2021	Jan-Sep 2020	Change, %
Net sales	89,146	56,728	57.1	189,314	137,066	38.1
Profit/loss after financial items	17,252	11,772	46.5	25,669	18,829	36.3
Net margin, %	19.4	20.8	-1.4	13.6	13.7	-0.2

## Machine Sales

Net sales in the segment Machine Sales decreased in the third quarter of 2021, compared to the corresponding quarter in the previous year and amounted to SEK 6.1 million (7.1).

The decrease was due to reduced leasing of machinery to the Swedish construction operations. There were no major machine sales in the quarter.

Profit after financial items amounted to SEK -0.1 million (1.4).

In the first nine months of the year, net sales amounted to SEK 30.7 million (42.1). Profit after financial items amounted to SEK 1.6 million (9.4). The lower sales and profit were primarily due to the delivery of three generators to Infranord in the first quarter 2020.

### Key performance indicators – Machine Sales

Amounts in SEK 000, unless otherwise stated	Jul-Sep 2021	Jul-Sep 2020	Change, %	Jan-Sep 2021	Jan-Sep 2020	Change, %
Net sales	6,072	7,101	-14.5	30,660	42,101	-27.2
Profit/loss after financial items	-71	1,416	-105.0	1,624	9,378	-82.7
Net margin, %	-1.2	19.9	-21.1	5.3	22.3	-17.0

## Parent Company

Railcare Group AB (publ), Corp. ID no. 556730–7813 is a Parent Company registered in Sweden and with its registered office in Skellefteå. Railcare Group AB is listed on Nasdaq Stockholm Small Cap under the ticker RAIL.

The Parent Company's net sales for the period January-September 2021 amounted to SEK 28.2 million (24.0) and primarily comprised Group-wide services. Operating profit amounted to SEK 1.7 million (1.3). The Parent Company's profit after financial items was affected positively by a dividend of SEK 2.4 million (4.3) from the subsidiary in Denmark.

## Financial targets

- Sales SEK 500 million
- EBIT 10 percent
- Equity/assets ratio > 25 percent after dividends

Railcare's objective is to achieve these goals in the medium term. The Company's aim is to be the leading specialist on the Scandinavian market for innovative solutions for railway construction and transport.

For exports of Railcare's services and machine sales on the international market, Railcare's objective is to achieve positive growth and continuously develop as an innovative specialist. For its shareholders, Railcare shall be an energetic and profitable company. Profitability should outperform the railway industry average.

## Dividend

The Company's dividend policy is to distribute 30–40 per cent of profit after tax, up to the Company's required equity/assets ratio of 25 per cent following payment of dividends.

The Annual General Meeting 2021 approved a dividend of SEK 0.60 (0.30) per share, totalling SEK 14,474,500 (7,237,250), for the 2020 financial year.

## Significant events after the end of the period

On 1 October Mattias Remahl took up his position as CEO and President. He joins Railcare from his role as Group CFO, a role he will retain.

The former CEO, Daniel Öholm, will remain with the Group in the role of Business Area Manager Abroad and will focus on strengthening the UK operations.

## RAIL

Ticker for Railcare Group AB's share, which has been traded on Nasdaq Stockholm since April 2018.

(ISIN SE0010441139)

## Annual General Meeting 2022

Railcare's Annual General Meeting 2022 will take place on 4 May 2022 at 1:00 p.m. at the Company's premises at Näsuddsvägen 10, SE-932 32 Skelleftehamn, Sweden.

*The Annual Report and other documents are available on Railcare's website, [www.railcare.se](http://www.railcare.se).*

### Nomination Committee in preparation for Railcare Group AB's Annual General Meeting 2022

In consultation with the largest shareholders, the Chairman of the Board of Railcare Group AB has established a Nomination Committee for the 2022 Annual General Meeting. The Nomination Committee consists of Lina Ådin, appointed by TREAC AB, Jonas Holmqvist, appointed by Norra Västerbotten Fastighets AB, and Kjell Lindskog, appointed by the Marklund and Dahlqvist family. The nomination committee has appointed Lina Ådin as its chairman. The Nomination Committee's members together represent 38.9 per cent (30 September 2021) of the total number of shares and votes in the company.

The Nomination Committee's task is to submit proposals to the Annual General Meeting for the Chairman and other members of the Board, as well as fees and other remuneration for Board assignments to each of the Board members. The Nomination Committee shall also submit proposals for election and remuneration of auditors. Furthermore, the Nomination Committee shall, if needed, submit proposals for a process to appoint a Nomination Committee for the Annual General Meeting 2023.

Shareholders who wish to submit proposals to the Nomination Committee can do so via e-mail to [ir@railcare.se](mailto:ir@railcare.se). Railcare's Annual General Meeting for 2022 will take place on 4 May 2022 at Railcare's head office in Skelleftehamn, Sweden.

### Shareholder structure

Ten largest shareholders 30 September 2021	Number of shares	Proportion of share capital and votes (%)
Norra Västerbotten Fastighets AB	2,721,335	11.3
TREAC Aktiebolag	2,415,000	10.0
Marklund family through companies	2,233,905	9.3
Dahlqvist family through companies	2,002,155	8.3
Ålandsbanken AB	1,274,762	5.3
Avanza Pension insurance company	873,319	3.6
Bernt Larsson	750,987	3.1
Nordnet Pensionsförsäkring AB	393,124	1.6
Emil Burén	302,951	1.3
Futur Pension	287,413	1.2
<b>Ten largest shareholders</b>	<b>13,254,951</b>	<b>54.9</b>
<b>Other shareholders</b>	<b>10,869,216</b>	<b>45.1</b>
<b>Total</b>	<b>24,124,167</b>	<b>100.0</b>

Source: Euroclear and Railcare

# 4,357

Number of shareholders in Railcare Group AB as of 30 September 2021.  
Source: Euroclear

## Significant risks and uncertainties

A description of significant risks and uncertainties can be found in Railcare's Annual Report for 2020, which can be downloaded at [www.railcare.se](http://www.railcare.se)

There have been no material changes to significant risks and uncertainties since the publication of the Annual Report.

The UK is one of Railcare's domestic markets. The UK left the EU on 31 January 2020. Railcare maintains its previous assessment that the UK's withdrawal from the EU will affect the Company's operations primarily through an increased administrative burden associated with foreign staff and in relation to the import and export of machines. In Railcare's assessment, demand for the Group's services will continue and, once new administrative routines are in place, the UK's exit from the EU will not significantly impact the Group's operations, earnings and financial position.

## Transactions with related parties

During the year, there were no significant changes to the Group or Parent Company's relations or transactions with related parties, compared to the information provided in the 2020 Annual Report.

## The Board's and CEO's assurances

The Board and CEO of Railcare Group AB hereby provide their assurance that the Interim Report for January-September 2021 provides a fair summary of the Parent Company's and Group's operations, financial position and results of operations, and describes the material risks and uncertainties faced by the Parent Company and the companies included in the Group.

*Skelleftehamn, 5 November 2021*

*Railcare Group AB (publ)*

*Catharina Elmsäter-Svärd*  
*Chairman*

*Ulf Marklund*  
*Board member, Deputy CEO*

*Anna Weiner Jiffer*  
*Board member*

*Adam Ådin*  
*Board member*

*Anders Westermark*  
*Board member*

*Björn Östlund*  
*Board member*

*Mattias Remahl*  
*CEO*

## Review report

Railcare Group AB Corp. ID no. 556730–7813

*To the Board of Directors of Railcare Group AB (publ)*

### Introduction

We have reviewed the condensed interim report for Railcare Group AB (publ) as of 30 September 2021 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Skellefteå, Sweden 5 November 2021

Ernst & Young AB

*Fredrik Lundgren*

*Authorised Public Accountant*

# FINANCIAL REPORTS

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

Amounts in SEK 000	Note	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	full-year 2020
Net sales	3	126,195	94,477	306,178	305,717	401,301
Capitalised work on own account		1,915	3,466	6,775	4,870	16,217
Other operating income		1,210	1,020	3,585	3,375	3,603
<b>Total</b>		<b>129,319</b>	<b>98,962</b>	<b>316,537</b>	<b>313,962</b>	<b>421,120</b>
Raw materials and consumables		-39,931	-27,532	-93,989	-90,036	-121,740
Other external costs		-16,713	-14,391	-45,195	-44,934	-58,868
Personnel costs		-33,390	-28,969	-103,780	-91,878	-124,575
Depreciation and impairment of property, plant and equipment and intangible assets		-13,661	-13,403	-41,145	-39,661	-53,266
Other operating expenses		-325	-225	-931	-1,323	-2,285
<b>Total operating expenses</b>		<b>-104,020</b>	<b>-84,520</b>	<b>-285,039</b>	<b>-267,833</b>	<b>-360,733</b>
<b>Operating profit/loss (EBIT)</b>		<b>25,299</b>	<b>14,442</b>	<b>31,498</b>	<b>46,130</b>	<b>60,386</b>
Financial income	3	-	-	57	2	2
Financial expenses		-1,090	-1,206	-3,221	-3,611	-4,820
<b>Net financial items</b>		<b>-1,087</b>	<b>-1,207</b>	<b>-3,164</b>	<b>-3,610</b>	<b>-4,818</b>
Share of profit after tax from associated companies reported according to the equity method		35	92	176	180	347
<b>Profit/loss before tax</b>		<b>24,247</b>	<b>13,327</b>	<b>28,509</b>	<b>42,700</b>	<b>55,915</b>
Income tax		-5,186	-3,567	-6,207	-10,158	-12,139
<b>Net profit/loss for the period</b>		<b>19,061</b>	<b>9,761</b>	<b>22,302</b>	<b>32,542</b>	<b>43,776</b>
<b>Other comprehensive income:</b>						
<i>Items that may be reclassified to profit/loss for the period</i>						
Exchange rate differences from the translation of foreign operations		92	71	194	35	-389
<b>Other comprehensive income for the period, net of tax</b>		<b>92</b>	<b>71</b>	<b>194</b>	<b>35</b>	<b>-389</b>
<b>Total comprehensive income for the period</b>		<b>19,153</b>	<b>9,832</b>	<b>22,496</b>	<b>32,577</b>	<b>43,387</b>
<b>Amounts in SEK</b>		<b>Jul-Sep 2021</b>	<b>Jul-Sep 2020</b>	<b>Jan-Sep 2021</b>	<b>Jan-Sep 2020</b>	<b>full-year 2020</b>
Earnings per share before dilution*		0.79	0.40	0.92	1.36	1.82
Earnings per share after dilution*		0.79	0.40	0.92	1.36	1.82
Average number of shares		24,124,167	24,124,167	24,124,167	24,006,568	24,036,128
Number of shares outstanding on the reporting date		24,124,167	24,124,167	24,124,167	24,124,167	24,124,167

\*) In January 2020, the final element of the outstanding convertible bond was converted. Accordingly, there is no potential dilution effect.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN SUMMARY**

Amounts in SEK 000	Note	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>ASSETS</b>				
<b>Non-current assets</b>				
<b>Intangible assets</b>				
Capitalised development costs		1,183	2,046	1,830
Patents		288	317	299
Goodwill		7,290	7,322	7,274
Transportation licence		1,479	445	685
<b>Total intangible assets</b>		<b>10,239</b>	<b>10,129</b>	<b>10,088</b>
<b>Property, plant and equipment</b>	<b>4</b>			
Buildings and land		28,430	34,622	33,257
Locomotives and wagons		138,459	139,535	135,316
Mobile machinery		149,059	159,177	155,562
Vehicles		4,703	6,472	6,521
Equipment, tools, fixtures and fittings		6,239	6,084	5,898
Construction in progress		82,941	58,475	66,907
<b>Total property, plant and equipment</b>		<b>409,830</b>	<b>404,365</b>	<b>403,461</b>
<b>Financial non-current assets</b>				
Holdings reported according to the equity method		808	665	832
Deposits		-	658	658
Deferred tax assets		1,002	108	925
Other non-current receivables		3,954	3,954	3,954
<b>Total financial non-current assets</b>		<b>5,764</b>	<b>5,385</b>	<b>6,369</b>
<b>Total non-current assets</b>		<b>425,834</b>	<b>419,879</b>	<b>419,918</b>
<b>Current assets</b>				
<b>Inventories</b>				
Raw materials and consumables		13,445	12,057	11,865
Work in progress		14,803	5,282	7,659
<b>Total inventories</b>		<b>28,249</b>	<b>17,339</b>	<b>19,524</b>
<b>Current receivables</b>				
Accounts receivable		70,692	42,407	44,905
Current tax receivables		4	-	655
Other current receivables		1,620	219	1,809
Prepaid expenses and accrued income		8,955	8,646	9,792
<b>Total current receivables</b>		<b>81,270</b>	<b>51,271</b>	<b>57,161</b>
Cash and cash equivalents		5,073	16,507	24,785
<b>Total current assets</b>		<b>114,591</b>	<b>85,117</b>	<b>101,470</b>
<b>TOTAL ASSETS</b>		<b>540,425</b>	<b>504,996</b>	<b>521,388</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN SUMMARY, cont.**

Amounts in SEK 000	Note	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>EQUITY</b>				
Share capital		9,891	9,891	9,891
Other capital provided		36,565	36,565	36,565
Reserves		1,474	1,704	1,280
Retained earnings (comprehensive income for the period included)		154,952	135,892	147,126
<b>Total equity attributable to Parent Company shareholders</b>		<b>202,882</b>	<b>184,052</b>	<b>194,862</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Deferred tax liabilities		38,279	27,557	38,170
Liabilities to credit institutions		126,540	107,974	107,659
Lease liability		41,569	38,377	33,654
<b>Total non-current liabilities</b>		<b>206,387</b>	<b>173,909</b>	<b>179,483</b>
<b>Current liabilities</b>				
Lease liability		9,938	27,555	26,045
Liabilities to credit institutions		37,621	54,617	59,494
Accounts payable		40,158	22,970	25,139
Prepayments from customers		6,151	1,043	5,848
Current tax liabilities		2,807	7,595	861
Other liabilities		5,249	4,749	2,680
Accrued expenses and deferred income		29,232	28,507	26,977
<b>Total current liabilities</b>		<b>131,155</b>	<b>147,035</b>	<b>147,044</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>540,425</b>	<b>504,996</b>	<b>521,388</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN SUMMARY**

Amounts in SEK 000	Note	Share capital	Other capital provided	Reserves	Retained earnings (incl. profit for the period)	Total equity
<b>Opening balance as of 1 January 2020</b>		9,435	32,178	1,669	110,589	153,870
Net profit/loss for the period		-	-	-	32,542	32,542
Other comprehensive income		-	-	35	-	35
<b>Total comprehensive income</b>				35	32,542	32,577
<b>Transactions with shareholders</b>						
Conversion of debenture		456	4,387	-	-	4,843
Dividend		-	-	-	-7,237	-7,237
<b>Closing balance as of 30 September 2020</b>		9,891	36,565	1,704	135,892	184,052
<b>Opening balance as of 1 January 2021</b>		9,891	36,565	1,280	147,126	194,862
Net profit/loss for the period		-	-	-	22,302	22,302
Other comprehensive income		-	-	194	-	194
<b>Total comprehensive income</b>				194	22,302	22,496
<b>Transactions with shareholders</b>						
Dividend		-	-	-	-14,475	-14,475
<b>Closing balance as of 30 September 2021</b>		9,891	36,565	1,474	154,952	202,882

The Group's equity is attributable in its entirety to Parent Company's shareholders.

**CONSOLIDATED CASH FLOW STATEMENT IN SUMMARY**

Amounts in SEK 000	Note	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	full-year 2020
<b>Cash flow from operating activities</b>						
Operating profit		25,299	14,442	31,498	46,130	60,386
Adjustment for non-cash items		13,591	13,559	41,075	38,230	51,835
Interest paid		-1,089	-1,207	-3,221	-3,574	-4,784
Interest received		3	-	57	-	2
Income tax paid		-718	-1,171	-3,539	-2,268	-1,756
<b>Cash flow from operating activities before changes in working capital</b>		<b>37,086</b>	<b>25,623</b>	<b>65,870</b>	<b>78,518</b>	<b>105,683</b>
<b>Cash flow from changes in working capital</b>						
Increase/decrease in inventories		-2,576	1,118	-8,821	5,032	2,788
Increase/decrease in operating receivables		-27,952	5,305	-23,581	-20,636	-26,136
Increase/decrease in operating liabilities		4,880	-2,950	19,371	-2,597	516
<b>Total changes in working capital</b>		<b>-25,648</b>	<b>3,473</b>	<b>-13,031</b>	<b>-18,201</b>	<b>-22,832</b>
<b>Cash flow from operating activities</b>		<b>11,438</b>	<b>29,096</b>	<b>52,839</b>	<b>60,317</b>	<b>82,851</b>
<b>Cash flow from investment activities</b>						
Investments in intangible assets		-78	-	-951	-187	-462
Investments in property, plant and equipment		-10,991	-17,044	-32,782	-41,701	-53,410
Acquisitions of subsidiaries, net effect on cash and cash equivalents		-	-	-	-2,617	-2,617
Dividends from associated companies		-	-	200	200	200
Divestment of property, plant and equipment		70	-	70	2,150	2,150
<b>Cash flow from investment activities</b>		<b>-10,999</b>	<b>-17,044</b>	<b>-33,463</b>	<b>-42,155</b>	<b>-54,139</b>
<b>Cash flow from financing activities</b>						
Loans raised		19,200	8,000	19,200	24,020	34,020
Net change in overdraft facility		-4,726	-	-	-	-
Amortisation of loans		-6,355	-6,023	-22,192	-19,256	-24,006
Amortisation of lease liabilities		-7,200	-6,826	-21,900	-21,347	-28,600
Dividend paid		-	-	-14,475	-7,237	-7,237
<b>Cash flow from financing activities</b>		<b>919</b>	<b>-4,849</b>	<b>-39,367</b>	<b>-23,820</b>	<b>-25,823</b>
<b>Cash flow for the period</b>		<b>1,358</b>	<b>7,203</b>	<b>-19,991</b>	<b>-5,658</b>	<b>2,889</b>
Cash and cash equivalents at the beginning of the period		3,684	9,270	24,785	22,012	22,012
Exchange rate difference in cash and cash equivalents		31	34	279	153	-116
<b>Cash and cash equivalents at the end of the period</b>		<b>5,073</b>	<b>16,507</b>	<b>5,073</b>	<b>16,507</b>	<b>24,785</b>

## PARENT COMPANY INCOME STATEMENT IN SUMMARY

Amounts in SEK 000	Note	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	full-year 2020
Net sales		10,130	6,782	28,155	23,999	30,189
Other operating income		6	67	194	127	127
<b>Total operating income</b>		<b>10,136</b>	<b>6,849</b>	<b>28,350</b>	<b>24,126</b>	<b>30,316</b>
<b>Operating expenses</b>						
Raw materials and consumables		-7	-	-3,932	-3,299	-3,300
Other external costs		-2,754	-3,346	-9,219	-10,979	-14,168
Personnel costs		-3,814	-2,786	-13,388	-8,568	-11,937
Depreciation and impairment of property, plant and equipment and intangible assets		-99	-38	-299	-119	-163
Other operating expenses		-11	-12	-22	-42	-80
<b>Total operating expenses</b>		<b>-6,684</b>	<b>-6,181</b>	<b>-26,860</b>	<b>-23,007</b>	<b>-29,648</b>
Profit from participations in associated companies and jointly controlled companies		-	-	200	200	200
<b>Operating profit</b>		<b>3,452</b>	<b>668</b>	<b>1,690</b>	<b>1,318</b>	<b>868</b>
<b>Profit/loss from financial items</b>						
Profit from participations in Group companies		-	-	2,404	4,346	4,346
Other interest income and similar profit/loss items		-	-	-	72	73
Interest expenses and similar profit/loss items		-48	-13	-70	-54	-53
<b>Total profit/loss from financial items</b>		<b>-47</b>	<b>-13</b>	<b>2,334</b>	<b>4,364</b>	<b>4,366</b>
<b>Profit/loss after financial items</b>		<b>3,405</b>	<b>655</b>	<b>4,024</b>	<b>5,683</b>	<b>5,234</b>
Appropriations		-	-	-	-	70
Tax on net profit/loss for the period		-711	-199	-337	-525	-547
<b>Net profit/loss for the period</b>		<b>2,694</b>	<b>456</b>	<b>3,687</b>	<b>5,158</b>	<b>4,757</b>

## PARENT COMPANY BALANCE SHEET IN SUMMARY

Amounts in SEK 000	Note	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>ASSETS</b>				
intangible assets				
Patents		288	317	299
<b>Total intangible assets</b>		<b>288</b>	<b>317</b>	<b>299</b>
Property, plant and equipment				
Buildings		4,142	4,057	4,304
Equipment, tools, fixtures and fittings		272	327	344
<b>Total property, plant and equipment</b>		<b>4,414</b>	<b>4,384</b>	<b>4,648</b>
Financial non-current assets				
Participations in Group companies		38,336	38,336	38,336
Participations in associated companies		204	204	204
<b>Total financial non-current assets</b>		<b>38,540</b>	<b>38,540</b>	<b>38,540</b>
<b>Total non-current assets</b>		<b>43,242</b>	<b>43,241</b>	<b>43,487</b>
Current assets				
Current receivables				
Accounts receivable		7	-	-
Receivables from Group companies		3,750	175	10,070
Other receivables		-	-	33
Prepaid expenses and accrued income		1,348	1,285	828
<b>Total current receivables</b>		<b>5,105</b>	<b>1,460</b>	<b>10,931</b>
Cash and cash equivalent		1,295	3,606	1,789
<b>Total current assets</b>		<b>6,400</b>	<b>5,066</b>	<b>12,720</b>
<b>TOTAL ASSETS</b>		<b>49,642</b>	<b>48,308</b>	<b>56,207</b>

**PARENT COMPANY BALANCE SHEET IN SUMMARY, cont.**

Amounts in SEK 000	Note	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
<b>Restricted equity</b>				
Share capital		9,891	9,891	9,891
<b>Total restricted equity</b>		<b>9,891</b>	<b>9,891</b>	<b>9,891</b>
<b>Non-restricted equity</b>				
Share premium reserve		17,446	23,024	23,024
Retained earnings		-	4,140	4,140
Net profit/loss for the period		3,687	5,158	4,757
<b>Total non-restricted equity</b>		<b>21,133</b>	<b>32,322</b>	<b>31,921</b>
<b>Total equity</b>		<b>31,024</b>	<b>42,213</b>	<b>41,812</b>
<b>Current liabilities</b>				
Accounts payable		1,784	1,923	966
Current tax liabilities		524	220	498
Liabilities to Group companies		11,479	397	10,028
Other liabilities		1,688	967	622
Accrued expenses and deferred income		3,142	2,588	2,281
<b>Total current liabilities</b>		<b>18,618</b>	<b>6,095</b>	<b>14,395</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>49,642</b>	<b>48,308</b>	<b>56,207</b>

## Note

### Note 1 General information

Railcare Group AB (publ) ("Railcare"), Corp. ID no. 556730-7813 is a Parent Company registered in Sweden with its registered office in Skellefteå, at the address Näsuddsvägen 10, SE-932 32 Skelleftehamn, Sweden.

Unless otherwise stated, all amounts are given in SEK thousands (SEK 000). Figures in brackets refer to the corresponding period in the previous year.

### Note 2 Basis of preparation for the financial statements

Railcare's consolidated accounts have been prepared in accordance with the Annual Accounts Act, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups, International Financial Reporting Standards (IFRS) and the interpretations of the IFRS Interpretations Committee (IFRS IC) as adopted by the EU. This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act.

The accounts of the Parent Company have been prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for legal entities. The Interim Report for the Parent Company has been prepared in accordance with the Annual Accounts Act.

The accounting principles applied are consistent with those described in the Railcare Group's Annual Report 2020.

The fair value of financial assets and liabilities is estimated to correspond to book value.

### Note 3 Segment information

#### Description of segments and principal activities:

Railcare's Group Management is the highest executive decision-making body in the Railcare Group and evaluates the Group's financial position and earnings and makes strategic decisions. Company management has determined the operating segments based on the data processed by Group Management and which is used as a basis for allocating resources and evaluating results of operations.

Group Management has identified four reportable segments in the Group's operations:

#### Construction Sweden

Railway construction work involving machinery and personnel and renovation of glass-fibre lined culverts beneath railways, roads and industrial areas in Sweden.

#### Construction Abroad

Railway construction work involving machinery and personnel in countries other than Sweden, currently predominantly in the UK.

#### Transport Scandinavia

Special transports involving locomotives, wagons and personnel, as well as repair and upgrading services for locomotives and wagons performed in workshops.

#### Machine Sales

Sales of machines primarily outside Sweden, as well as marketing focused on new areas in which Railcare's construction services can be implemented.

The 'Group-wide' item is used for reconciliation purposes and includes Group Management and other Group-wide services.

Group Management primarily uses profit after financial items to assess consolidated earnings.

### Income

Sales between segments are conducted on market terms. Income from external customers reported to Group Management is valued in line with the Consolidated statement of comprehensive income.

	Jul-Sep 2021			Jul-Sep 2020		
	Segment income	Sales between segments	Income from external customers	Segment income	Sales between segments	Income from external customers
Construction Sweden	35,884	5,906	29,978	29,866	2,279	27,587
Construction Abroad	6,262	335	5,927	10,613	2,039	8,574
Transport Scandinavia	89,146	1,016	88,130	56,728	1,097	55,631
Machine Sales	6,072	4,359	1,712	7,101	4,790	2,311
Group-wide	10,130	9,682	449	6,782	6,409	373
<b>Total</b>	<b>147,494</b>	<b>21,299</b>	<b>126,195</b>	<b>111,091</b>	<b>16,615</b>	<b>94,477</b>

	Jan-Sep 2021			Jan-Sep 2020			full-year 2020		
	Segment income	Sales between segments	Income from external customers	Segment income	Sales between segments	Income from external customers	Segment income	Sales between segments	Income from external customers
Construction Sweden	90,585	12,275	78,311	118,768	9,815	108,953	159,027	14,595	144,432
Construction Abroad	34,500	3,949	30,551	46,309	6,994	39,315	59,891	9,809	50,082
Transport Scandinavia	189,314	9,304	180,010	137,066	9,284	127,781	184,025	14,284	169,741
Machine Sales	30,660	14,548	16,112	42,101	13,571	28,530	82,653	47,123	35,530
Group-wide	28,155	26,961	1,194	23,999	22,861	1,138	30,189	28,674	1,515
<b>Total</b>	<b>373,214</b>	<b>67,037</b>	<b>306,178</b>	<b>368,242</b>	<b>62,525</b>	<b>305,717</b>	<b>515,785</b>	<b>114,485</b>	<b>401,301</b>

Profit/loss after financial items

	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	full-year 2020
Construction Sweden	6,668	-79	1,062	11,098	17,625
Construction Abroad	-2,950	-420	-1,136	2,134	1,830
Transport Scandinavia	17,252	11,772	25,669	18,829	24,245
Machine Sales	-71	1,416	1,624	9,378	11,330
Group-wide	3,313	546	1,115	1,081	539
<b>Total</b>	<b>24,212</b>	<b>13,235</b>	<b>28,334</b>	<b>42,520</b>	<b>55,568</b>

Profit/loss after financial items for the Group's operating segments is reconciled with Group profit/loss before tax as follows:

Profit/loss after financial items	24,212	13,235	28,334	42,520	55,568
Share of profit after tax from associated companies reported according to the equity method	35	92	176	180	347
<b>Profit/loss before tax</b>	<b>24,247</b>	<b>13,327</b>	<b>28,509</b>	<b>42,700</b>	<b>55,915</b>

The Group's customers are private and public operators in the railway industry and vary according to area of operations. The Group's customers are largely repeat customers based on long-term relationships.

Sales comprise Income from services, Sales of goods and Leasing. A breakdown of income is provided below.

Segment	Income from services		Sales of goods		Leasing		Total	
	Jul-Sep 2021	Jul-Sep 2020	Jul-Sep 2021	Jul-Sep 2020	Jul-Sep 2021	Jul-Sep 2020	Jul-Sep 2021	Jul-Sep 2020
Construction Sweden	29,978	27,587	-	-	-	-	29,978	27,587
Construction Abroad	5,721	8,365	-	-	206	209	5,927	8,574
Transport Scandinavia	83,805	50,863	2,396	1,281	1,929	3,487	88,130	55,631
Machine Sales	563	185	1,150	2,126	-	-	1,712	2,311
Group-wide	449	373	-	-	-	-	449	373
<b>Total</b>	<b>120,515</b>	<b>87,374</b>	<b>3,545</b>	<b>3,407</b>	<b>2,135</b>	<b>3,696</b>	<b>126,195</b>	<b>94,477</b>

Segment	Income from services		Sales of goods		Leasing		Total	
	Jan-Sep 2021	Jan-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Sep 2021	Jan-Sep 2020
Construction Sweden	78,311	108,953	-	-	-	-	78,311	108,953
Construction Abroad	29,914	38,819	22	-	614	496	30,551	39,315
Transport Scandinavia	165,709	113,904	6,264	3,636	8,037	10,241	180,010	127,781
Machine Sales	2,387	4,498	13,725	24,032	-	-	16,112	28,530
Group-wide	1,194	1,138	-	-	-	-	1,194	1,138
<b>Total</b>	<b>277,515</b>	<b>267,312</b>	<b>20,011</b>	<b>27,669</b>	<b>8,652</b>	<b>10,737</b>	<b>306,178</b>	<b>305,717</b>

**Note 4 Non-current assets**

	Buildings and land	Locomoti ves and wagons	Mobile machinery	Vehicles	Equipment, tools, fixtures and fittings	Construction in progress	Total
<b>30 September 2020</b>							
Opening carrying amount	30,790	129,169	165,405	7,604	5,545	31,912	370,425
Exchange rate differences	-78	41	52	-5	8	-	18
Purchases/capitalised expenses for the year	9,712	26,266	-	747	629	35,520	72,874
Reclassifications	-	5,082	3,667	-	717	-8,957	509
Disposals and scrappings	-	-522	-	-	-50	-	-572
Depreciation	-5,802	-20,500	-9,947	-1,873	-765	-	-38,888
<b>Closing carrying amount 30 Sep 2020</b>	<b>34,622</b>	<b>139,535</b>	<b>159,177</b>	<b>6,472</b>	<b>6,084</b>	<b>58,475</b>	<b>404,365</b>
Of which, right-of-use assets	24,404	36,675	2,247	6,430	56	-	69,812
<b>30 September 2021</b>							
Opening carrying amount	33,257	135,316	155,562	6,521	5,898	66,907	403,461
Exchange rate differences	72	39	52	-	23	-	186
Purchases/capitalised expenses for the year	871	14,040	-	2,577	204	31,019	48,710
Reclassifications	-	10,661	3,362	-	1,058	-14,984	96
Disposals and scrappings	-51	-	-	-2,235	-8	-	-2,294
Depreciation	-5,719	-21,596	-9,918	-2,161	-935	-	-40,329
<b>Closing carrying amount 30 Sep 2021</b>	<b>28,430</b>	<b>138,459</b>	<b>149,059</b>	<b>4,703</b>	<b>6,239</b>	<b>82,941</b>	<b>409,830</b>
Of which, right-of-use assets	18,233	30,053	1,990	4,611	-	-	54,887

**KEY PERFORMANCE INDICATORS, RAILCARE GROUP IN SUMMARY**

Amounts in SEK 000, unless otherwise stated	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	full-year 2020
Net sales	126,195	94,477	306,178	305,717	401,301
Sales growth, %	33.6	-6.5	0.2	10.3	8.3
Operating profit/loss (EBIT)	25,299	14,442	31,498	46,130	60,386
Operating margin, %	20.0	15.3	10.3	15.1	15.0
Net profit/loss for the period	19,061	9,761	22,302	32,542	43,776
Net financial items	-1,087	-1,207	-3,164	-3,610	-4,818
Total assets	540,425	504,996	540,425	504,996	521,388
Equity/assets ratio, %	37.5	36.4	37.5	36.4	37.4
<b>Key performance indicators per share, SEK</b>					
Earnings per share before dilution	0.79	0.40	0.92	1.36	1.82
Earnings per share after dilution	0.79	0.40	0.92	1.36	1.82
Equity per share	8.41	7.63	8.41	7.63	8.08
Dividend per share, SEK	-	-	0.60	0.30	0.30

**QUARTERLY DATA, RAILCARE GROUP SUMMARY**

Amounts in SEK million	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Net sales	126.2	91.0	88.9	95.6	94.5	105.3	106.0	93.5	101.0
Capitalised work on own account	1.9	3.5	1.4	11.3	3.5	0.7	0.7	1.0	2.3
Other operating income	1.2	1.3	1.0	0.2	1.0	1.7	0.6	0.8	0.1
<b>Total</b>	<b>129.3</b>	<b>95.8</b>	<b>91.4</b>	<b>107.2</b>	<b>99.0</b>	<b>107.8</b>	<b>107.2</b>	<b>95.3</b>	<b>103.5</b>
Raw materials and consumables	-39.9	-33.7	-20.3	-31.7	-27.5	-31.1	-31.4	-37.6	-33.7
Other external costs	-16.7	-15.7	-12.8	-13.9	-14.4	-15.3	-15.3	-12.2	-12.2
Personnel costs	-33.4	-34.9	-35.5	-32.7	-29.0	-33.2	-29.7	-31.2	-28.1
Depreciation and impairment of property, plant and equipment	-13.7	-13.8	-13.7	-13.6	-13.4	-13.5	-12.7	-12.7	-12.5
Other operating expenses	-0.3	-0.2	-0.4	-1.0	-0.2	-0.5	-0.6	-0.3	-0.2
<b>Total operating expenses</b>	<b>-104.0</b>	<b>-98.3</b>	<b>-82.7</b>	<b>-92.9</b>	<b>-84.5</b>	<b>-93.5</b>	<b>-89.8</b>	<b>-93.8</b>	<b>-86.7</b>
<b>Operating profit/loss (EBIT)</b>	<b>25.3</b>	<b>-2.5</b>	<b>8.7</b>	<b>14.3</b>	<b>14.4</b>	<b>14.3</b>	<b>17.4</b>	<b>1.5</b>	<b>16.8</b>
Financial income	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial expenses	-1.1	-1.0	-1.1	-1.2	-1.2	-1.2	-1.2	-1.4	-1.5
<b>Net financial items</b>	<b>-1.1</b>	<b>-1.0</b>	<b>-1.1</b>	<b>-1.2</b>	<b>-1.2</b>	<b>-1.2</b>	<b>-1.2</b>	<b>-1.4</b>	<b>-1.5</b>
Share of profit after tax from associated companies reported according to the equity method	0.0	0.1	0.1	0.2	0.1	0.0	0.1	0.1	0.1
<b>Profit/loss before tax</b>	<b>24.2</b>	<b>-3.4</b>	<b>7.7</b>	<b>13.2</b>	<b>13.3</b>	<b>13.1</b>	<b>16.3</b>	<b>0.2</b>	<b>15.4</b>
Taxes	-5.2	0.4	-1.5	-2.0	-3.6	-3.1	-3.5	0.0	-3.3
<b>Net profit/loss for the period</b>	<b>19.1</b>	<b>-3.0</b>	<b>6.2</b>	<b>11.2</b>	<b>9.8</b>	<b>9.9</b>	<b>12.8</b>	<b>0.2</b>	<b>12.0</b>
Equity/assets ratio, %	37.5	36.7	39.5	37.4	36.4	35.4	36.2	33.5	33.4

## DEFINITIONS

<b>General</b>	All amounts in tables are in SEK 000 unless otherwise stated. All values in brackets are comparative figures for the corresponding period in the preceding year unless otherwise stated. Amounts in tables and other summaries have been rounded individually. Accordingly, minor rounding differences can be found in totals.	
<b>Alternative key performance indicators</b>	This Interim Report refers to a number of financial measures not defined in accordance with IFRS, known as alternative key performance indicators. Railcare uses these key performance indicators to monitor and analyse the financial outcome of the Group's operations and its financial position. These alternative key performance indicators are intended to supplement, not replace, the financial measures presented in accordance with IFRS. See definitions and further information below.	
<b>Key performance indicators</b>	<b>Definition/calculation</b>	<b>Purpose</b>
<b>Operating profit/loss (EBIT)</b>	Calculated as net profit/loss for the period before tax, participations in the earnings of associated companies and financial items.	This key performance indicator illustrates the Company's profit/loss generated by operating activities.
<b>Net financial items</b>	Net financial items are calculated as financial income less financial expenses.	This key performance indicator illustrates the net amount resulting from the Company's financial activities.
<b>Net margin</b>	The net margin is calculated as income after financial items divided by net sales.	This performance indicator illustrates how much of the Company's earnings remain after all expenses, excluding corporation tax, have been deducted.
<b>Total assets</b>	Calculated as the total of the Company's assets at the end of the period.	
<b>Equity per share, SEK</b>	Calculated as equity divided by the number of shares outstanding at the end of the period.	This key performance indicator illustrates the Company's net worth per share.
<b>Sales growth, %</b>	Calculated as the difference between net sales for the period and net sales for the preceding period, divided by net sales for the preceding period.	This key performance indicator illustrates the Company's growth and historical performance, contributing to an understanding of the Company's development.
<b>Operating margin, %</b>	Calculated as operating income divided by net sales.	This key performance indicator illustrates how much of the Company's profit/loss is generated by its operating activities.
<b>Equity/assets ratio, %</b>	Calculated as equity divided by total assets.	This key performance indicator illustrates the Company's financial position and long-term payment ability.
<b>Dividend per share, SEK</b>	Dividend per share approved by a General Meeting at which the Annual Report for the specified financial year is adopted.	
<b>Earnings per share before dilution, SEK</b>	Calculated as profit/loss attributable to the Parent Company's shareholders divided by the weighted average number of shares outstanding in the period.	This key performance indicator illustrates the Company's earnings per share, excluding any dilution effect from outstanding convertibles.
<b>Earnings per share after dilution, SEK</b>	To calculate earnings per share after dilution, the weighted average number of outstanding shares is adjusted for the dilution effect of all potential shares. The Parent Company has a category of potential common shares with a dilution effect: convertible debentures. The convertible debentures are assumed to have been converted into shares and net profit is adjusted to eliminate interest expenses less tax effect. Convertible debentures do not give rise to a dilution effect when the interest per share that may be received upon conversion exceeds earnings per share before dilution.	This key performance indicator illustrates the Company's earnings per share, excluding any dilution effect from outstanding convertibles.

## GLOSSARY

### **CP6**

Control Period 6. The UK government has earmarked funds of approximately GBP 47.9 billion for railways between 2019 and 2024.

### **MPV**

Railcare is developing a new generation of battery-powered Multi Purpose Vehicle, MPV. An MPV is a versatile working vehicle used in rail maintenance. All testing was completed and all approvals obtained in June 2021. On 21 July 2021, Railcare launched its first live project with the new innovation MPV, the world's largest battery-powered maintenance machine for the railway industry.

### **Infrastructure Bill**

On 16 April 2021, the Swedish government presented a new infrastructure bill. The plan encompasses the period 2022–2033 with a total framework of SEK 876 billion<sup>1</sup>.

### **Railvac**

Maintenance contracts with Railvac 16,000-machines that are able to perform various types of track maintenance on the railways using vacuum technology.

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<sup>1</sup> <https://www.regeringen.se/pressmeddelanden/2021/04/storsta-ekonomiska-ramen-nagonsin-for-transportinfrastrukturatgarder/>

## Press releases in the third quarter 2021

- 19 August - Interim Report January-June 2021

## Financial calendar

- The Year-End Report for 2021 will be published on 17 February 2022.
- The Interim Report for January–March 2022 will be published on 3 May 2022.
- The 2022 Annual General Meeting will take place on 4 May 2022 at Railcare’s headquarters in Skelleftehamn, Sweden.
- The interim report for January–June 2022 will be published on 18 August 2022.
- The Interim Report for January–September 2022 will be published on 3 November 2022
- The Year-End Report for 2022 will be published on 19 February 2023.

## About Railcare Group

Railway specialist Railcare Group AB offers products and services that enhance customers’ reliability, punctuality and profitability, primarily in the Nordic region and the UK. The railway industry is in a period of positive development, with increasing traffic volumes and extensive investment programmes, as well as rapid development of cost-efficient freight and passenger transport and increasing environmental awareness. Railcare has unique potential to deliver effective solutions that help railways increase their share of the total transport market. The shares of Railcare Group AB (publ) have been listed on the Small Cap list of the Nasdaq Stockholm exchange since April 2018. The Group has some 140 employees and annual sales of approximately SEK 400 million. The Company’s registered office is located in Skellefteå, Sweden.

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### Railvac in 3D

You can download the Railcare 25 app to your mobile device from the App Store or Google Play. Follow the instructions in the app and point the search box towards the above image.

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*This information is such as Railcare Group AB (publ) is required to disclose under the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, for publication on 5 November 2021 at 7:30 a.m. CET.*

*This document is essentially a translation of Swedish language original thereof. In the event of any discrepancies between this translation and the original Swedish document the latter shall be deemed correct.*