

Interim report January-June 2020

Strong first six months with stable order backlog looking ahead and railways in focus



Second quarter

- Consolidated net sales increased by 15.5 per cent to SEK 105.3 million (91.2).
- Operating profit (EBIT) increased by SEK 10.9 million to SEK 14.3 million (3.4).
- Earnings per share after dilution amounted to SEK 0.41 (0.05).

First six months of the year

- Consolidated net sales increased by 20.0 per cent to SEK 211.2 million (176.1).
- Operating profit (EBIT) increased by SEK 17.9 million to SEK 31.7 million (13.8).
- Earnings per share after dilution amounted to SEK 0.95 (0.36).

Significant events in the second quarter

- Railcare signs an agreement regarding iron ore transports for LKAB Malmtrafik for approximately SEK 7.8 million.
- Railcare has signed a new framework agreement with Network Rail.

Financial summary

Amounts in SEK million, unless otherwise stated	Apr–Jun 2020	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2019	full-year 2019
Net sales	105.3	91.2	211.2	176.1	370.6
Operating profit/loss (EBIT)	14.3	3.4	31.7	13.8	32.0
Operating margin, %	13.5	3.7	15.0	7.8	8.6
Net profit/loss for the period	9.9	1.1	22.8	8.5	20.8
Equity/assets ratio, %	35.4	29.9	35.4	29.9	33.5
Earnings per share after dilution, SEK	0.41	0.05	0.95	0.36	0.87

For definitions, see page 27.

This report is also available in Swedish at www.railcare.se.

CEO's comments

We achieved an operating profit (EBIT) of SEK 14.3 million for the second quarter, and sales of SEK 105.3 million, giving an operating margin of 13.5 per cent.

Second quarter growth was 15.5 per cent up on last year and our operating profit was the strongest to date for a second quarter. Combined with the record-strong first quarter, this meant that we achieved growth of 20.0 per cent in the first half of the year and an operating profit of SEK 31.7 million, corresponding to an operating margin of 15 per cent.

Although the second quarter is usually our weakest seasonally, this year we succeeded well in all of our segments. We got off to an early start for the season with good utilisation of our machines in construction works in Sweden, while also maintaining stability in all of the other segments in terms of both sales and earnings, which is great.

With a strong first half of the year behind us and a stable order book, we are now looking forward to the upcoming jobs this autumn. Planning is now in progress for next year, with machines being booked up, and the order books for Construction Sweden, Transport Scandinavia, and the operations abroad are continuously being filled up. There is also a great interest in the products we offer through Machine Sales, particularly in our latest innovation, the emission-free battery-powered Multi-Purpose Vehicle (MPV).

In the segment Construction Sweden, we have been busy with our preparations, including cable lowering, ahead of upcoming track replacements. Among other things, we conducted works on the Borås – Varberg, Borås – Herrljunga, Bankeryd – Jönköping, Gävle– Ånge and Laxå–Kil lines.

Construction Sweden had a good utilisation of machines throughout the first half of the year, and the situation also looks good for the rest of the season. Under our framework agreement, we are currently coordinating our 2021 planning with Trafikverket. We have good utilisation of machines in 2021, with many preparatory works needing to be performed. This represents exceptionally good planning for our construction operations in Sweden.

For the segment Transport Scandinavia, the second quarter was strong. Numerous orders have been received and production has progressed as planned. Looking ahead, our utilisation of machines will be good – partly in the Kaunis project, but also in all of the summer's continuing track replacements in which we are involved, as well as in the locomotive workshop. Compared with last year, we had lower repair and maintenance costs in the first half of the year.

In our regular transport operations, we received the following orders for locomotive services during the summer's various track replacements. Borås-Hillared, Gävle departure tracks, Avesta/Krylbo-Hedemora, Öxnered-Håkanstorp, Helsingborg-Teckomatorp, Bankeryd-Jönköping. The total value of the order is SEK 18 million and the work will be carried out between mid-July and early October.

On 12 June 2020, we began operating iron ore transports for LKAB Malmtrafik, in a three-month project. Transports commenced with one circulation per day and subsequently increasing to two with a total of 6,400 tonnes of iron ore per day.

The iron ore transports for Kaunis Iron are progressing according to plan and we also performed some additional iron ore circulations during the quarter. This provides a good base and stability for the segment. The agreement with Kaunis Iron is for five years and we have now completed the second year of the agreement. The border between Sweden and Norway was open for iron ore transports to Narvik during the Norwegian lock-down



necessitated by COVID-19. Railcare's train drivers have been granted permission to be in Norway to be able to perform their jobs.

During the second quarter, we had stable levels of utilisation in the Construction Abroad segment, and sales and planning for the rest of 2020 and 2021 are in progress. With sales in full swing, new orders are continuously being received.

During the quarter, we conducted work for Network Rail in the following routes, London North West, London North East & Midlands and South East.

We have not suffered any project cancellations as a consequence of COVID-19. The railways perform a critical function that must continue to transport people and goods. In the UK, the railways have been listed as a critical function for society and projects there continued as planned despite the lock-down, with our operators being permitted to travel from their homes to the work sites.

In the second quarter, the Machine Sales segment focused fully on developing and completing the first prototype of our emission-free battery-powered Multi-Purpose Vehicle (MPV), Railcare's latest innovation. In other regards, aftermarket management is in progress, as are sales and marketing. Recently acquired company Elpro is delivering according to plan and, looking ahead, has good utilisation of machines.

Trafikverket has announced major future investments in railway maintenance, with a focus on planned maintenance, such as track replacements, switch replacements, and ballast exchanges, i.e. jobs entirely in line with what our fleet can offer. Trafikverket's national plan extends for ten years, with railway maintenance volumes increasing further in the future. On 19 May 2020, the Government decided to allocate an additional SEK 720 million to Trafikverket for its expanded maintenance work due to the COVID-19 pandemic¹.

To date, the COVID-19 pandemic has not impacted Railcare with any projects being cancelled. In the various countries in which we work, the focus is on the railways being considered a critical function for the society that must continue to function in a crisis. Accordingly, we at Railcare continue working to maintain the railways in a robust state. During the second quarter, we also continued our internal charity project to support the community in fighting COVID-19 and assisting businesses and healthcare in the areas in which we operate. The project was highly appreciated by many and is now complete.

To continue developing the Company, we will be making new investments in machinery and new technologies where we seek to be at the forefront.

A record-strong first half of the year, with a stable order book looking ahead and high pressure on both sales and production. Our customers are presenting substantial plans to invest in the railways for many years to come and governments in various countries are currently investing additionally in railway maintenance to kick-start the economy following the pandemic, but also because railways play a critical function, bringing further increased focus on the railways.

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

Daniel Öholm
CEO

¹<https://www.regeringen.se/pressmeddelanden/2020/05/storsatsning-pa-jarnvags--och-vagunderhall-i-hela-landet/>

Financial summary – Railcare Group

Net sales

Net sales for the second quarter of 2020 increased by 15.5 per cent to SEK 105.3 million, compared with SEK 91.2 million in the second quarter of 2019. The increase in net sales is attributable to the Machinery Sales, Transport Scandinavia and Construction Sweden segments.

Net sales for the first half of 2020 increased by 20.0 per cent to SEK 211.2 million, compared with SEK 176.1 million in the first half of 2019.

Operating expenses

Operating expenses in the second quarter of 2020 amounted to SEK 93.5 million, an increase of SEK 2.0 million, or 2.2 per cent compared with the second quarter of 2019 when operating expenses amounted to SEK 91.5 million. The increase in operating expenses is attributable to the higher utilisation of machines within the Company, alongside increased depreciation.

Operating expenses in the first half of 2020 amounted to SEK 183.3 million compared with the first half of 2019 when operating expenses amounted to SEK 167.4 million.

Operating profit

Operating profit (EBIT) increased by SEK 10.8 million to SEK 14.3 million for the second quarter of 2020, compared with SEK 3.4 million for the corresponding period in 2019. The operating margin was 13.5 per cent (3.7). The increased operating profit is primarily attributable to the higher sales in the Transport Scandinavia and Machine Sales segments. Thanks to lower costs, Segment Construction Abroad has also contributed.

Operating profit (EBIT) increased by SEK 17.9 million to SEK 31.7 million in the first half of 2020, compared with the outcome of SEK 13.8 million for the corresponding period in 2019. The operating margin was 15.0 per cent (7.8).

Net profit/loss for the period

Profit for the second quarter of 2020 amounted to SEK 9.9 million (1.1), corresponding to an increase of SEK 8.8 million.

Profit for the first half of 2020 amounted to SEK 22.8 million (8.5), corresponding to an increase of SEK 14.3 million.

The Swedish government decided to reduce employers' contributions for March to June 2020 to support companies during the ongoing COVID-19 pandemic. Railcare has used these funds, amounting to approximately SEK 2 million, to help healthcare and businesses, for example, in the geographical areas in which the Company operates.

Cash flow

Cash flow in the second quarter of the year amounted to an outflow of SEK 4.3 million, compared with an outflow of SEK 17.8 million in 2019.

Cash flow from operating activities amounted to SEK 23.2 million (2.1). The increase is partly due to improved operating profit, and partly because the Company had a significantly greater negative net change in working capital last year.

Cash flow from investing activities amounted to an outflow of SEK 12.3 million (8.1) in the second quarter of 2020 and mainly involved the building of an MPV (Multi Purpose Vehicle) for the Company's own production purposes and investments in existing machinery. In the preceding year, investments were primarily made in existing machines.

Cash flow from financing activities amounted to an outflow of SEK 15.1 million (11.9). During the quarter, the Group raised a bank loan of SEK 5.7 million to finance ongoing investments in its machinery. Dividends amounting to SEK 7.2 million (0) were distributed to shareholders.

Cash flow in the first half of the year amounted to an outflow of SEK 12.9 million, compared with an outflow of SEK 10.4 million in the corresponding period in the preceding year.

Equity/assets ratio

According to Railcare's financial targets, the equity/assets ratio should amount to at least 25 per cent. The equity/assets ratio at the end of the period was 35.4 per cent, compared with 33.5 per cent on 31 December 2019.

Employees

The number of employees in Railcare as of 30 June 2020 was 140, compared with 132 on 30 June 2019. The increase is mainly attributable to the acquisition of Elpro i Skellefteå AB.

Financial summary – business segments

The segment's net sales also include internal sales between the segments.

Construction Sweden

Net sales within the Construction Sweden segment increased by 13.1 per cent in the second quarter of 2020, compared with the corresponding period in the preceding year, and amounted to SEK 46.9 million (41.5). Profit after financial items remained unchanged compared with the preceding year and amounted to SEK 2.7 million (2.7).

During the quarter, the segment experienced a good level of utilisation, with cable management ahead of upcoming track replacements. In the Lining operations, utilisation was low, weakening earnings somewhat compared with last year.

Net sales increased by 8.7 per cent over the first six months of the year, compared with the corresponding period in the preceding year and amounted to SEK 88.9 million (81.8). Profit after financial items increased compared with the previous year and amounted to SEK 11.2 million (8.7).

Key financial ratios and figures – Construction Sweden

Amounts in SEK thousands, unless otherwise stated	Apr–Jun 2020	Apr–Jun 2019	Change, %	Jan–Jun 2020	Jan–Jun 2019	Change, %
Net sales	46,918	41,500	13.1	88,902	81,803	8.7
Profit/loss after financial items	2,652	2,689	-1.4	11,177	8,735	28.0
Net margin, %	5.7	6.5	-0.8	12.6	10.7	1.9

Construction Abroad

Net sales within the Construction Abroad segment increased by 1.2 per cent in the second quarter of 2020, compared with the corresponding quarter in the preceding year and amounted to SEK 18.3 million (18.0). Profit after financial items amounted to SEK 1.7 million (0.5). The increase in earnings was partly attributable to lower costs for repairs, transport and travel.

Net sales increased by 2.3 per cent over the first six months of the year, compared with the corresponding period in the preceding year and amounted to SEK 35.7 million (34.9). Profit after financial items increased compared with the previous year and amounted to SEK 2.6 million (1.3).

Key financial ratios and figures – Construction Abroad

Amounts in SEK thousands, unless otherwise stated	Apr–Jun 2020	Apr–Jun 2019	Change, %	Jan–Jun 2020	Jan–Jun 2019	Change, %
Net sales	18,264	18,042	1.2	35,695	34,888	2.3
Profit/loss after financial items	1,717	532	222.7	2,554	1,339	90.7
Net margin, %	9.4	2.9	6.5	7.2	3.8	3.4

Transport Scandinavia

Net sales within the Transport Scandinavia segment increased by 16.6 per cent in the second quarter of 2020, compared with the corresponding quarter last year and amounted to SEK 45.8 million (39.3). Profit after financial items amounted to SEK 5.8 million (0.1). The higher sales were mainly attributable to the increased utilisation of machines in the locomotive workshop. All parts of the segment have contributed to the increased profit. Repair and maintenance costs were lower compared with the preceding year.

Net sales increased by 2.6 per cent over the first six months of the year, compared with the corresponding period in the preceding year and amounted to SEK 80.3 million (78.3). Profit after financial items increased compared with the preceding year and amounted to SEK 7.1 million (2.5).

Key financial ratios and figures – Transport Scandinavia

Amounts in SEK thousands, unless otherwise stated	Apr–Jun 2020	Apr–Jun 2019	Change, %	Jan–Jun 2020	Jan–Jun 2019	Change, %
Net sales	45,793	39,280	16.6	80,337	78,290	2.6
Profit/loss after financial items	5,808	50	11,516.4	7,057	2,472	185.5
Net margin, %	12.7	0.1	12.6	8.8	3.2	5.6

Machine Sales

in the Machine Sales segment, net sales for the second quarter of 2020 amounted to SEK 8.5 million (1.1). Profit after financial items amounted to SEK 3.0 million

(loss 0.4). Higher sales and profit were mainly attributable to aftermarket sales and the recent acquisition of electricity company Elpro in Skellefteå AB, which was part of the Group throughout the quarter.

The development and building of the innovative MPV (Multi-Purpose Vehicle) are in progress – an emissions-free battery-powered unit with several areas of application. The MPV is being reported under Construction in progress until ready for use.

During the first six months of the year, net sales amounted to SEK 35.0 million (2.3). Profit after financial items amounted to SEK 8.0 million (loss 0.7). During the first quarter, three generator wagons ordered by Infranord were delivered and recognised as income.

Key financial ratios and figures – Machine Sales

Amounts in SEK thousands, unless otherwise stated	Apr–Jun 2020	Apr–Jun 2019	Change, %	Jan–Jun 2020	Jan–Jun 2019	Change, %
Net sales	8,491	1,078	687.7	35,000	2,327	1,404.1
Profit/loss after financial items	2,955	-376	n/a	7,962	-716	n/a
Net margin, %	34.8	-34.9	69.7	22.7	-30.8	53.5

Parent Company

Railcare Group AB (publ), Reg. No. 556730–7813 is a Parent Company registered in Sweden and domiciled in Skellefteå. Railcare Group AB is listed on Nasdaq Stockholm Small Cap under the ticker RAIL.

The Parent Company's net sales for the first half of 2020 amounted to SEK 17.2 million (13.6) and consisted mainly of Group common services. Operating profit amounted to SEK 0.7 million (loss 1.0). The Parent Company's profit was affected positively by a dividend of SEK 4.3 million from our Danish subsidiary.

RAIL

Ticker for Railcare Group AB's share traded on Nasdaq Stockholm since 3 April 2018.

(ISIN SE0010441139)

Financial targets

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

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

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

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 2020 Annual General Meeting approved a dividend of SEK 0.30 (0) per share, totalling SEK 7,237,250 (0), for the 2019 financial year.

Innovation & Design

Railcare Innovation & Design is the Group's department for technological development and innovation. The objective is to be at the forefront of innovation in the railway industry and the development of new machines and methods is a prioritised part of Railcare's operations.

Events after the period

No significant events, outside of the Company's ordinary operations, occurred following the end of the reporting period.

Annual General Meeting 2020

Railcare's 2020 Annual General Meeting was held on Wednesday 6 May at 1:00 p.m. and resolved among other things:

- to re-elect Board members Catharina Elmsäter-Svärd, Ulf Marklund, Anna Weiner Jiffer, Adam Ådin, Anders Westermark and Björn Östlund. Catharina Elmsäter-Svärd was re-elected as Chairman of the Board,
- Ernst & Young Aktiebolag was re-elected as auditor until the end of the Annual General Meeting to be held during the subsequent financial year and
- to distribute a dividend of SEK 0.30 (0) per share, totalling SEK 7,237,250 (0), for the 2019 financial year.

The Annual Report and other documents are available on Railcare's website, www.railcare.se.

Shareholder structure

Ten largest shareholders 30 June 2020	Number of shares	Proportion of share capital and votes (%)
Norra Västerbotten Fastighets AB	2,521,335	10.5
Marklund family* through companies	2,433,905	10.1
TREAC Aktiebolag	2,415,000	10.0
Dahlqvist family through companies	2,002,155	8.3
Ålandsbanken AB	1,168,337	4.8
Norrlandsfonden	1,111,111	4.6
BNY Mellon NA, W9	806,796	3.3
NTC IEDP AIF Clients S Non Treaty 30 % Account	716,538	3.0
Bernt Larsson	557,444	2.3
Avanza Pension insurance company	484,487	2.0
Ten largest shareholders	14,217,108	58.9
Other shareholders	9,907,059	41.1
Total	24,124,167	100.0

4,493

Number of shareholders in Railcare Group AB as per 30 June 2020.
Source: Euroclear

*No single individual holds shares corresponding to more than 10 per cent of the votes.

Sources: Euroclear and Railcare

Significant risks and uncertainties

A description of significant risks and uncertainties available in Railcare's 2019 Annual Report, which be downloaded at www.railcare.se

There has been no material change in significant risks and uncertainties since the publication of the Annual Report.

Railcare is monitoring closely the developing events surrounding the coronavirus and COVID-19. The Group currently perceives no change in demand for its services and products, and expects no significant impact on the Group's

operations, financial results or position. Railcare follows the recommendations of the Public Health Agency of Sweden and the Ministry for Foreign Affairs.

One of Railcare's home markets is the UK. The UK withdrew from the EU on 31 January. Railcare maintains its previous assessment that the UK's withdrawal from the EU, will affect the Company's operations primarily because it will be more administratively burdensome to have foreign staff in the country and to import and export machines. In Railcare's assessment, demand for the Group's services will persist and, once new administrative routines are in place, the UK's exit from the EU will not have a significant impact on the Group's operations, earnings and financial position.

Transactions with related parties

During the year, no significant changes have occurred, for the Group or the Parent Company, in their relations or transactions with related parties, compared with what is described in the 2019 Annual Report.

Attestation by the Board of Directors and CEO

The Board of Directors and CEO of Railcare Group AB certify that the six-month report provides a true and fair overview of the operations, position and results of the Parent Company and the Group and describes the significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Skelleftehamn, 20 August 2020

Railcare Group AB (publ)

Catharina Elmsäter-Svärd
Chairman of the Board

Ulf Marklund
Board member, Deputy CEO

Anna Weiner Jiffer
Board member

Adam Ådin
Board member

Anders Westermark
Board member

Björn Östlund
Board member

Daniel Öholm
CEO

This report has not been subject to review by the Company's auditors.

FINANCIAL REPORTS

CONSOLIDATED SUMMARY STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK thousands	Note	Apr–Jun 2020	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2019	full-year 2019
Net sales	3	105,289	91,161	211,241	176,056	370,610
Capitalised work for own account		743	3,176	1,404	4,282	7,548
Other operating income		1,746	600	2,355	850	1,775
Total		107,778	94,937	215,000	181,188	379,933
Raw materials and consumables		-31,099	-34,494	-62,504	-58,292	-129,593
Other external costs		-15,252	-11,058	-30,552	-22,780	-47,142
Personnel costs		-33,164	-33,051	-62,910	-61,048	-120,357
Depreciation and impairment of tangible and intangible assets		-13,549	-12,553	-26,248	-24,536	-49,654
Other operating expenses		-461	-368	-1,098	-763	-1,210
Total operating expenses		-93,524	-91,524	-183,313	-167,419	-347,956
Operating profit/loss (EBIT)		14,254	3,413	31,688	13,769	31,977
Financial income		–	5	–	5	6
Financial expenses		-1,224	-1,453	-2,403	-2,941	-5,763
Net financial items		-1,224	-1,448	-2,403	-2,936	-5,757
Share of profit after tax from associated companies reported according to the equity method		34	52	88	112	284
Profit/loss before tax		13,064	2,017	29,373	10,945	26,504
Income tax		-3,116	-899	-6,591	-2,424	-5,744
Net profit/loss for the period		9,948	1,118	22,782	8,521	20,760
Other comprehensive income: <i>Items that may be reclassified to the profit/loss for the period</i>						
Exchange rate differences from the translation of foreign operations		-747	62	-36	407	355
Other comprehensive income for the period, net after tax		-747	62	-36	407	355
Total comprehensive income for the period		9,201	1,180	22,746	8,928	21,115
Amounts in SEK		Apr–Jun 2020	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2019	full-year 2019
Earnings per share before dilution*		0.41	0.05	0.95	0.37	0.90
Earnings per share after dilution*		0.41	0.05	0.95	0.36	0.87
Average number of shares		24,124,167	23,013,056	23,947,122	23,013,056	23,013,056
Number of shares outstanding on the balance sheet date		24,124,167	23,013,056	24,124,167	23,013,056	23,013,056

*) In January 2020, the last part of the outstanding convertible bond was converted. Accordingly, there is no longer any potential dilution effect.

CONSOLIDATED SUMMARY STATEMENT OF FINANCIAL POSITION

Amounts in SEK thousands	Note	30 Jun 2020	30 Jun 2019	31 Dec 2019
ASSETS				
Non-current assets				
Intangible assets				
Capitalised development costs		2,262	2,242	2,471
Patent		337	338	377
Goodwill		7,315	3,879	3,554
Transportation licence		479	615	547
Total intangible assets		10,392	7,074	6,949
Tangible assets				
	4			
Buildings and land		35,087	27,221	30,790
Locomotives and wagons		136,343	127,608	129,169
Mobile machinery		159,573	155,049	165,405
Vehicles		7,276	8,635	7,604
Equipment, tools, fixtures and fittings		6,022	5,643	5,545
Construction in progress		46,804	48,287	31,912
Total tangible assets		391,105	372,443	370,425
Financial non-current assets				
Holdings reported according to the equity method		573	514	686
Deposits		658	658	658
Deferred tax assets		107	-	97
Other non-current receivables		3,954	3,954	3,954
Total financial non-current assets		5,292	5,126	5,395
Total non-current assets		406,789	384,643	382,769
Current assets				
Inventories				
Raw materials and consumables		12,115	10,965	11,805
Work in progress		6,905	2,372	10,765
Total inventories		19,020	13,337	22,570
Current receivables				
Accounts receivable		41,616	48,547	15,928
Current tax receivables		-	819	1,750
Other current receivables		1,795	5,166	6,775
Prepaid expenses and accrued income		13,332	8,116	7,362
Total current receivables		56,743	62,648	31,815
Cash and cash equivalents		9,270	13,784	22,012
Total current assets		85,033	89,769	76,397
TOTAL ASSETS		491,822	474,412	459,166

CONSOLIDATED SUMMARY STATEMENT OF FINANCIAL POSITION, cont.

Amounts in SEK thousands	Note	30 Jun 2020	30 Jun 2019	31 Dec 2019
EQUITY				
Share capital		9,891	9,435	9,435
Other capital provided		36,565	32,178	32,178
Reserves		1,633	1,721	1,669
Retained earnings (comprehensive income for the period included)		126,132	98,349	110,589
Total equity attributable to Parent Company shareholders		174,220	141,683	153,871
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities		27,644	23,106	27,670
Convertible loans		-	4,673	-
Liabilities to credit institutions		106,747	118,135	106,979
Lease liability		40,885	25,295	24,712
Total non-current liabilities		175,277	171,209	159,361
Current liabilities				
Lease liability		22,975	32,488	31,567
Liabilities to credit institutions		53,196	50,476	50,162
Convertible loans		-	-	4,782
Bank overdraft facility		-	2,953	-
Accounts payable		25,084	31,406	24,537
Prepayments from customers		-	9,218	4,162
Current tax liabilities		5,093	2,009	931
Other liabilities		5,831	7,147	4,475
Accrued expenses and deferred income		30,146	25,823	25,318
Total current liabilities		142,325	161,520	145,934
TOTAL EQUITY AND LIABILITIES		491,822	474,412	459,166

CONSOLIDATED SUMMARY STATEMENT OF CHANGES IN EQUITY

Amounts in SEK thousands	Note	Share capital	Other capital provided	Reserves	Retained earnings (incl. comprehensive income for the period)	Total equity
Opening balance as per 1 January 2019		9,435	32,178	1,314	90,677	133,604
Adjustment on transition to IFRS 16		-	-	-	-849	-849
Net profit/loss for the period		-	-	-	8,521	8,521
Other comprehensive income		-	-	407	-	407
Total comprehensive income		-	-	407	8,521	8,928
Closing balance as per 30 June 2019		9,435	32,178	1,721	98,349	141,683
Opening balance as per 1 January 2020		9,435	32,178	1,669	110,589	153,870
Profit for the year		-	-	-	22,782	22,782
Other comprehensive income		-	-	-36	-	-36
Total comprehensive income		-	-	-36	22,782	22,746
Transactions with shareholders						
Conversion of debenture		456	4,387	-	-	4,843
Dividend		-	-	-	-7,237	-7,237
Closing balance as per 30 June 2020		9,891	36,565	1,633	126,132	174,220

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

CONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

Amounts in SEK thousands	Note	Apr–Jun 2020	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2019	full-year 2019
Cash flow from operating activities						
Operating profit/loss		14,254	3,413	31,688	13,769	31,977
Adjustment for non-cash items		12,070	12,953	24,671	25,085	50,993
Interest paid		-1,206	-1,399	-2,367	-2,832	-5,544
Interest received		–	5	–	5	6
Income tax paid		-560	-631	-1,097	-1,221	-2,041
Cash flow from operating activities before changes in working capital		24,558	14,341	52,895	34,806	75,391
Cash flow from changes in working capital						
Increase/decrease in inventories		364	-2,098	3,914	-3,011	-12,244
Increase/decrease in operating receivables		-815	-21,987	-25,941	-26,898	5,017
Increase/decrease in operating liabilities		-922	11,859	353	18,931	3,798
Total changes in working capital		-1,373	-12,226	-21,674	-10,978	-3,429
Cash flow from operating activities		23,185	2,115	31,221	23,828	71,962
Cash flow from investment activities						
Investments in intangible assets		-115	-87	-187	-89	-704
Investments in tangible assets		-14,400	-8,192	-24,657	-16,929	-27,732
Acquisitions of subsidiaries, net effect on cash and cash equivalents	5	–	–	-2,617	–	–
Dividends from associated companies		200	193	200	193	193
Divestment of tangible assets		2,002	–	2,150	–	420
Cash flow from investment activities		-12,313	-8,086	-25,111	-16,825	-27,823
Cash flow from financing activities						
Loans raised		5,700	–	16,020	6,030	6,030
Net change in bank overdraft facility		–	2,953	–	2,953	–
Amortisation of loans		-13,595	-14,805	-27,754	-26,367	-52,546
Dividends paid		-7,237	–	-7,237	–	–
Cash flow from financing activities		-15,132	-11,852	-18,971	-17,384	-46,516
Cash flow for the period		-4,260	-17,823	-12,861	-10,381	-2,377
Cash and cash equivalents at the beginning of the period		13,727	31,807	22,012	24,081	24,081
Exchange rate difference in cash and cash equivalents		-197	-200	119	84	308
Cash and cash equivalents at the end of the period		9,270	13,784	9,270	13,784	22,012

PARENT COMPANY SUMMARY INCOME STATEMENT

Amounts in SEK thousands	Note	Apr–Jun 2020	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2019	full-year 2019
Net sales		10,955	7,389	17,217	13,600	27,620
Other operating income		4	9	60	29	44
Total operating income		10,959	7,398	17,276	13,629	27,664
Operating expenses						
Raw materials and consumables		-3,213	-1,149	-3,299	-1,149	-2,748
Other external costs		-4,724	-3,824	-7,633	-7,441	-14,130
Personnel costs		-3,008	-3,267	-5,782	-6,041	-11,683
Depreciation and impairment of tangible and intangible assets		-41	-45	-81	-95	-197
Other operating expenses		-22	-124	-31	-128	-77
Total operating expenses		-11,008	-8,409	-16,826	-14,854	-28,835
Profit from participations in associated companies and jointly controlled companies		200	193	200	193	193
Operating profit/loss		151	-818	650	-1,032	-978
Profit from financial items						
Profit from participations in Group companies		4,346	–	4,346	–	4,296
Other interest income and similar profit/loss items		–	186	72	420	778
Interest expenses and similar profit/loss items		-5	-100	-41	-180	-392
Total profit/loss from financial items		4,341	86	4,377	240	4,682
Profit/loss after financial items		4,491	-732	5,027	-792	3,704
Appropriations						2,300
Tax on net profit/loss for the period		-214	193	-325	197	-384
Net profit/loss for the period		4,277	-539	4,702	-595	5,620

PARENT COMPANY SUMMARY BALANCE SHEET

Amounts in SEK thousands	Note	30 Jun 2020	30 Jun 2019	31 Dec 2019
ASSETS				
Intangible assets				
Patents		337	338	377
Total intangible assets		337	338	377
Tangible assets				
Buildings		2,945		-
Equipment, tools, fixtures and fittings		175	208	168
Total tangible assets		3,120	208	168
Financial non-current assets				
Participations in Group companies		38,336	34,236	34,236
Participations in associated companies		204	204	204
Deferred tax assets			491	-
Total financial non-current assets		38,540	34,931	34,440
Total non-current assets		41,997	35,477	34,985
Current assets				
Current receivables				
Receivables from Group companies		-	4,217	23,348
Current tax receivables		-	355	337
Other receivables		-	1	183
Prepaid expenses and accrued income		3,211	3,121	1,021
Total current receivables		3,211	7,694	24,889
Cash and bank balances		2,867	2	5,099
Total current assets		6,078	7,696	29,988
TOTAL ASSETS		48,075	43,173	64,973

PARENT COMPANY SUMMARY BALANCE SHEET, cont.

Amounts in SEK thousands	Note	30 Jun 2020	30 Jun 2019	31 Dec 2019
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		9,891	9,435	9,435
Total restricted equity		9,891	9,435	9,435
Non-restricted equity				
Share premium reserve		23,024	18,638	18,638
Retained earnings		4,140	5,757	5,757
Net profit/loss for the period		4,702	-595	5,620
Total non-restricted equity		31,866	23,800	30,015
Total equity		41,757	33,235	39,450
Provisions				
Deferred tax liabilities		-	-	47
Total provisions		-	-	47
Non-current liabilities				
Convertible loans		-	4,673	-
Total non-current liabilities		-	4,673	-
Current liabilities				
Convertible loans		-	-	4,782
Accounts payable		2,379	1,513	1,005
Bank overdraft facility		-	638	-
Current tax liabilities		124	-	-
Liabilities to Group companies		389	326	16,911
Other liabilities		372	593	555
Accrued expenses and deferred income		3,054	2,195	2,223
Total current liabilities		6,318	5,265	25,476
TOTAL EQUITY AND LIABILITIES		48,075	43,173	64,973

NOTES

Note 1 General information

Railcare Group AB (publ) ("Railcare"), Reg. No. 556730-7813 is a Parent Company registered in Sweden and domiciled in Skellefteå, with the address Näsuddsvägen 10, SE-932 32 Skelleftehamn, Sweden.

Unless otherwise stated, all amounts are given in SEK thousands. Figures in parentheses refer to the corresponding period in the preceding year.

Note 2 Basis for preparation of statements

Railcare's consolidated accounts for have been prepared in accordance with the Annual Accounts Act, recommendation RFR 1 Supplementary Accounting Rules for Groups from the Swedish Financial Reporting Board, 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 RFR 2 *Accounting for legal entities* from the Swedish Financial Reporting Board, 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 2019 Annual Report.

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

Note 3 Segment information

Description of the segments and their principal activities:

Railcare's Group Management, comprising the Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and the IR and Communications Manager, is the highest executive decision-making body in the Railcare Group and assesses 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 used as a basis for allocating resources and assessing earnings.

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 common item is used for reconciliation purposes and includes Group Management and other Group common services.

Although the Machine Sales segment does not meet the quantitative limits required for segments for which information is to be disclosed in accordance with IFRS 8, company management has determined that this segment should nonetheless be reported as it is monitored closely by Group Management as a possible area of growth and is expected to contribute significantly to consolidate income in the future.

Group Management primarily uses profit after financial items in assessing consolidated earnings.

Income

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

	Apr–Jun 2020			Apr–Jun 2019		
	Segment income	Sales between segments	Income from external customers	Segment income	Sales between segments	Income from external customers
Construction Sweden	46,918	4,409	42,509	41,500	3,808	37,693
Construction Abroad	18,264	2,839	15,425	18,042	2,440	15,602
Transport Scandinavia	45,792	1,610	44,182	39,280	2,560	36,720
Machine Sales	8,491	5,723	2,768	1,078	352	726
Group common	11,023	10,618	405	7,387	6,968	419
Total	130,488	25,199	105,289	107,287	16,126	91,161

	Jan–Jun 2020			Jan–Jun 2019			full-year 2019		
	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	88,902	7,536	81,366	81,803	6,922	74,881	171,104	16,988	154,113
Construction Abroad	35,695	4,954	30,741	34,888	4,898	29,990	67,932	9,183	58,749
Transport Scandinavia	80,337	8,187	72,150	78,290	9,221	69,069	158,027	16,793	141,232
Machine Sales	35,000	8,781	26,219	2,327	1,027	1,300	18,956	4,040	14,916
Group common	17,217	16,452	765	13,600	12,786	814	27,620	26,020	1,600
Total	257,151	45,910	211,241	210,908	34,853	176,055	443,639	73,025	370,610

Profit/loss after financial items

	Apr–Jun 2020	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2019	full-year 2019
Construction Sweden	2,652	2,689	11,177	8,735	21,841
Construction Abroad	1,717	532	2,554	1,339	-1,084
Transport Scandinavia	5,808	50	7,057	2,472	5,393
Machine Sales	2,955	-376	7,961	-716	686
Group common	-102	-930	536	-997	-616
Total	13,030	1,965	29,285	10,833	26,220

Profit/loss after financial items for the Group's operating segments are reconciled against consolidated profit/loss before tax in accordance with the following:

Profit/loss after financial items	13,030	1,965	29,285	10,833	26,220
Share of profit after tax from associated companies reported according to the equity method	34	52	88	112	284
Profit/loss before tax	13,064	2,017	29,373	10,945	26,504

The Group's customers are both private and public players in the railway industry and vary according to area of operations. The Group's customers are largely recurring, and its customer relationships are long term.

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

Segment	Income from services		Sales of goods		Leasing		Total	
	Apr-Jun	Apr-Jun	Apr-Jun	Apr-Jun	Apr-Jun	Apr-Jun	Apr-Jun	Apr-Jun
	2020	2019	2020	2019	2020	2019	2020	2019
Construction Sweden	42,509	37,694	-	-	-	-	42,509	37,694
Construction Abroad	15,211	15,402	-	-	214	200	15,426	15,602
Transport Scandinavia	40,017	30,715	1,063	1,885	3,101	4,120	44,182	36,720
Machine Sales	955	86	1,813	640	-	-	2,768	726
Group common	404	419	-	-	-	-	404	419
Total	99,096	84,316	2,877	2,525	3,316	4,320	105,289	91,161

Segment	Income from services		Sales of goods		Leasing		Total	
	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun
	2020	2019	2020	2019	2020	2019	2020	2019
Construction Sweden	81,367	74,883	-	-	-	-	81,367	74,883
Construction Abroad	30,454	29,790	-	-	287	200	30,741	29,990
Transport Scandinavia	63,041	56,392	2,356	4,765	6,754	7,912	72,150	69,069
Machine Sales	4,312	86	21,906	1,214	-	-	26,219	1,300
Group common	764	814	-	-	-	-	764	814
Total	179,938	161,965	24,262	5,979	7,041	8,112	211,241	176,056

Note 4 Non-current assets

	Buildings and land	Locomotives and wagons	Mobile machinery	Vehicles	Equipment, tools, fixtures and fittings	Construction in progress	Total
Closing balance as per 31 December 2019	30,790	129,169	165,405	7,604	5,545	31,912	370,425
Of which, right-of-use assets	24,482	129,169	165,405	7,604	5,545	-	332,205
30 Jun 2019							
Opening balance as per 1 January 2019	5,534	111,773	161,517	10,299	5,385	31,586	326,094
Adjustment on transition to IFRS 16	15,946	27,223	-	-	66	-	43,235
Exchange rate differences	-	110	130	-	42	-	282
Purchases/activated expenses for the year	9,251	1,227	-	375	650	16,701	28,204
Reclassifications	-	-	209	-209	-	-	0
Disposals and scrappings	-	-	-723	-641	-	-	-1,364
Depreciation	-3,510	-12,725	-6,084	-1,188	-500	-	-24,007
Closing balance as per 30 June 2019	27,221	127,608	155,049	8,635	5,643	48,287	372,443
Of which, right-of-use assets	21,786	28,653	2,595	8,492	89	-	61,615
30 Jun 2020							
Opening balance as per 1 January 2020	30,790	129,169	165,405	7,604	5,545	31,912	370,425
Exchange rate differences	-83	25	30	-5	-	-	-33
Purchases/activated expenses for the year	8,264	16,010	-	2,807	412	21,364	48,857
Reclassifications	-	5,192	765	-	606	-6,471	92
Disposals and scrappings	-	-522	-	-1,918	-50	-	-2,490
Depreciation	-3,885	-13,531	-6,627	-1,211	-491	-	-25,745
Closing balance as per 30 June 2020	35,086	136,342	159,573	7,276	6,022	46,805	391,105
Of which, right-of-use assets	25,931	32,798	2,317	7,229	37	-	68,312

Note 5 Business combinations

Railcare Group AB has acquired 100 per cent of the shares in Elpro i Skellefteå AB, control of the acquired company being transferred on 3 February 2020. Elpro is an electricity company employing five electricians who are also skilled in circuit design. Elpro offers services including electrical maintenance and installation for companies, design and installation of machines, as well as programming of new or rebuilt machines. The Company's customers are private individuals, property owners, companies and industries.

The goodwill arising from the acquisition is attributable to Elpro's future profitability and the synergies expected from merging Elpro's operations with those of the Group. The goodwill arising from the acquisition is not expected to be tax deductible.

Amounts in SEK thousands

Purchase consideration on date of acquisition, 3 February 2020

Cash and cash equivalents	4,100
Total purchase consideration	4,100

Carrying amounts of identifiable acquired assets and liabilities in Elpro i Skellefteå AB as of the date of acquisition:

Cash and cash equivalents	1,483
Tangible assets	53
Rights-of-use assets in lease agreements (vehicles)	143
Inventories	364
Accounts receivable and other receivables	1,582
Lease liabilities	-104
Accounts payable and other liabilities	-3,175
Total identifiable net assets	346

Goodwill	3,754
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Impact on cash flow:

Amounts in SEK thousands

Cash outflow for acquiring subsidiaries, cash purchase consideration	-4,100
Less acquired cash balances	1,483
Net outflow of cash and cash equivalents – investment activities	-2,617

KEY FINANCIAL RATIOS AND FIGURES, RAILCARE GROUP SUMMARY

Amounts in SEK thousands, unless otherwise stated	Apr–Jun 2020	Apr–Jun 2019	Jan–Jun 2020	Jan–Jun 2019	full-year 2019
Net sales	105,289	91,161	211,241	176,056	370,610
Sales growth, %	15.5	45.4	20.0	36.3	37.2
Operating profit/loss (EBIT)	14,254	3,413	31,688	13,769	31,977
Operating margin, %	13.5	3.7	15.0	7.8	8.6
Net profit/loss for the period	9,948	1,118	22,782	8,521	20,760
Net financial items	-1,224	-1,448	-2,403	-2,936	-5,757
Total assets	491,822	474,412	491,822	474,412	459,166
Equity/assets ratio, %	35.4	29.9	35.4	29.9	33.5
Key financial ratios and figures per share, SEK					
Earnings per share before dilution	0.41	0.05	0.95	0.37	0.90
Earnings per share after dilution	0.41	0.05	0.95	0.36	0.87
Equity per share	7.22	6.16	7.22	6.16	6.69
Dividend per share, SEK	0.30	–	0.30	–	–

QUARTERLY DATA¹, RAILCARE GROUP SUMMARY

Amounts in SEK million	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Net sales	105.3	106.0	93.5	101.0	91.2	84.9	78.7	62.3	62.7
Capitalised work for own account	0.7	0.7	1.0	2.3	3.2	1.1	1.2	1.8	2.1
Other operating income	1.7	0.6	0.8	0.1	0.6	0.3	0.2	0.1	0.3
Total	107.8	107.2	95.3	103.5	94.9	86.3	80.1	64.1	65.1
Raw materials and consumables	-31.1	-31.4	-37.6	-33.7	-34.5	-23.8	-22.7	-16.7	-15.2
Other external costs	-15.3	-15.3	-12.2	-12.2	-11.1	-11.7	-19.7	-18.9	-16.7
Personnel costs	-33.2	-29.7	-31.2	-28.1	-33.1	-28.0	-29.2	-26.9	-28.0
Depreciation and impairment of tangible assets	-13.5	-12.7	-12.7	-12.5	-12.6	-12.0	-6.1	-6.0	-6.0
Other operating expenses	-0.5	-0.6	-0.3	-0.2	-0.4	-0.4	-0.3	-0.2	-0.3
Total operating expenses	-93.5	-89.8	-93.8	-86.7	-91.5	-75.9	-77.9	-68.7	-66.1
Operating profit/loss (EBIT)	14.3	17.4	1.5	16.8	3.4	10.4	2.2	-4.6	-1.0
Financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial expenses	-1.2	-1.2	-1.4	-1.5	-1.5	-1.5	-1.4	-1.3	-1.4
Net financial items	-1.2	-1.2	-1.4	-1.5	-1.5	-1.5	-1.4	-1.3	-1.4
Share of profit after tax from associated companies reported according to the equity method	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Profit/loss before tax	13.1	16.3	0.2	15.4	2.0	8.9	0.9	-5.9	-2.4
Taxes	-3.1	-3.5	0.0	-3.3	-0.9	-1.5	-0.6	1.2	2.2
Net profit/loss for the period	9.9	12.8	0.2	12.0	1.1	7.4	0.3	-4.7	-0.2
Equity/assets ratio, %	35.4	36.2	33.5	33.4	29.9	30.4	32.3	31.6	32.4

¹Quarterly data for 2019 and onwards include the effects of the introduction of IFRS 16. The comparison figures for previous years have not been recalculated.

DEFINITIONS

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

GLOSSARY

CP6

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

MPV

Multi-Purpose Vehicle – a versatile working vehicle in rail maintenance. During 2019 and 2020, Railcare will develop a battery-powered version of an MPV.

National Plan

On 31 May 2018, the Swedish government adopted a national plan for the transport system for the period 2018–2029. The plan includes measures, representing an important step towards a modern and sustainable transport system.

Railvac

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

Press releases in the second quarter of 2020

- **11 June** – Railcare signs an agreement regarding transportation of iron ore for LKAB Malmtrafik worth approximately SEK 7.8 million
- **18 May** – Railcare provides support to healthcare and business during the ongoing pandemic
- **8 May** – Railcare has signed a new framework contract with Network Rail
- **6 May** – Report from the Annual General Meeting of Railcare Group AB (publ)
- **5 May** – Interim report January-March 2020

Financial calendar

- The interim report for January–September 2020 will be published on 5 November 2020.
- The year-end report for 2020 will be published on 18 February 2021.

About Railcare Group

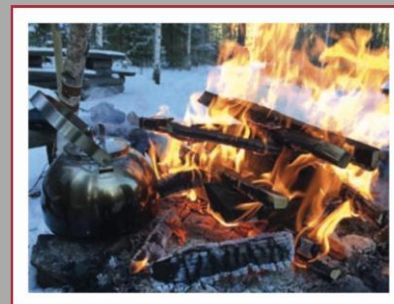
Railway Specialist Railcare Group AB offers products and services that enhance customers' reliability, punctuality and profitability, primarily in the Nordic region and the UK. The railway industry is in a period of positive development, with increasing traffic volumes and extensive investment programmes, as well as rapid development of cost-efficient freight and passenger transport and increasing environmental awareness. Railcare has unique opportunities to deliver effective solutions that help the 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 Skelleftehamn, Sweden.

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Railvac in 3D

Please feel free to 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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