

## Interim Report January-June 2021

Postponed projects and lower construction volumes, new innovation MPV now operational with customer



### Second quarter

- Consolidated net sales decreased by 13.5 percent to SEK 91.1 million (105.3).
- Operating profit (EBIT) decreased to SEK -2.5 million (14.3).
- Earnings per share after dilution amounted to SEK -0.12 (0.41).

### First six months of the year

- Consolidated net sales decreased by 14.8 percent to SEK 180.0 million (211.2).
- Operating profit (EBIT) decreased to SEK 6.2 million (31.7).
- Earnings per share after dilution amounted to SEK 0.13 (0.95).

### Significant events in the second quarter

- Railcare establishes operations in Asia.
- Adjustments to Railcare's Group management to manage planned expansion.
- On-site testing and approvals for Railcare's new innovation MPV.

### Significant events after the period

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

### Financial summary

Amounts in SEK million, unless otherwise stated	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	full-year 2020
Net sales	91.1	105.3	180.0	211.2	401.3
Operating profit/loss (EBIT)	-2.5	14.3	6.2	31.7	60.4
Operating margin, %	-2.7	13.5	3.4	15.0	15.0
Net profit/loss for the period	-3.0	9.9	3.2	22.8	43.8
Equity/assets ratio, %	36.7	35.4	36.7	35.4	37.4
Earnings per share after dilution, SEK	-0.12	0.41	0.13	0.95	1.82

For definitions, see page 25.

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

## CEO's comments

During the second quarter, we had an operating profit (EBIT) of SEK -2.5 million and sales of SEK 91.1 million, which gives an operating margin of -2.7 percent. The second quarter is seasonally the most difficult quarter for the construction side, in terms of volume and results. The construction side in Sweden and the United Kingdom has significantly lower volume and results than last year which was a record quarter. The Transport Scandinavia segment, on the other hand, has a growth of 13.2 percent and Machine Sales also reports increased sales compared with the second quarter of the previous year.

For the first half of the year, the Transport Scandinavia segment reports very strong growth of 24.7 percent. Stable for the Machine Sales segment and a seasonally difficult first half-year for both Construction Sweden and Construction Abroad. It looks very bright going forward, partly for the already booked projects from the autumn onwards, new contracts for the transport operations, and with the investment, we are making going forward with Asia, Europe, and the United Kingdom. We have also been very successful with our new battery-powered MPV and carried out projects for Trafikverket.

On the construction side, the second quarter has been difficult with significantly lower volumes than in previous years. Volumes have decreased by the equivalent of SEK 23 million compared with the second quarter last year. Seasonally, the second quarter is the most difficult for the construction side since the projects for the summer period have not fully started. The planned projects with cable management started in early April as planned, however, the remaining projects have been moved forward in time by Trafikverket. It hits hard in the quarter, but the projects remain and have started from mid-July onwards.

In June, all tests and approvals were in place, and on 21 July, the first real project started with Railcare's new innovation MPV, the world's largest battery-powered railway maintenance machine. For four weeks, cable lowering was undertaken along the Karlstad-Skåre, Sweden railway line. Railcare's operators were on site together with two machines, one of which was the battery-powered MPV that had a press screening in October 2020. The machine was developed by Railcare in collaboration with Northvolt, Epiroc, and ABB.

Within lining, we carried out a number of projects during the quarter and have more enquiries than usual for the future, which is positive for the rest of the year.

Transport Scandinavia had a strong second quarter with growth of 13.2 percent compared with the same period last year. During the quarter, we had good utilisation with the transport of iron ore to Kaunis Iron and LKAB, standby locomotives in Borlänge, Sweden, and a number of contract transports for various track replacements.

The transports of iron ore for Kaunis Iron go according to plan with two rounds per day, seven days a week between Pitkäjärvi, Sweden, and Narvik, Norway. The contract to transport iron ore is worth SEK 740 million and is valid until November 2031.

Railcare has signed an extended agreement with LKAB. The agreement entails an extension to three rounds per day and extends throughout the year. The previous agreement covered two rounds per day and is valid until the end of August 2021.

Transport for construction work is in full swing and there are many track replacements projects in the autumn for all locomotives and train drivers. We perform transports of ballast to NRC with an order value of SEK 3 million, locomotives for track replacements for Leonhard Weiss with an order value of SEK 28 million, and locomotives for track replacements for Infrakraft with an order value of SEK 7 million.

On 1 July, Railcare T received a permit to run trains in Norway. The project with Kaunis Iron also includes shunting during loading and unloading, which was carried out by subcontractors in Narvik. Being able to carry out transports and shunting also in Norway under our own auspices is



an important piece of the puzzle in the work of further developing, optimising, and quality assuring our assignment with ore transports for Kaunis Iron.

To cope with the number of new projects that lie ahead, Railcare T hired six new train drivers during the quarter.

In Construction Abroad, volumes during the second quarter decreased by the equivalent of SEK 8.7 million compared with the same period last year. The reason is the same as for Construction Sweden where projects have been re-planned for the autumn and onwards. During the quarter, we carried out work on most of Network Rail's routes.

During the second quarter, we received an extension for the framework agreement we have with Network Rail, the agreement is valid until 1 July 2022. We have also reduced the number of permanent employees by six for the operations in the UK and this to create better conditions for the future.

In June, Railcare attended the Railway Exhibition Rail Live in Long Marston, UK. Many customers from Network Rail visited us at the exhibition stand and it was fun to meet the customers in real life after a long period of working from home for the majority of our customers. There is a definite need for us to meet and create new projects together for the future.

In the Machine Sales segment, construction of a Ballast Feeder is currently underway in the workshop, which will be used in our own operations for hire in Sweden or abroad. Construction of machine parts for Loram has been completed and delivered to the customer during the second quarter. The third power pack that Loram has ordered will be delivered during the fourth quarter of 2021.

Asia is a large market and Railcare is now ready to step into a new market that includes many railways, subway, and mining tracks. The establishment will take place in Hong Kong and we expect to begin preparations in the second half of 2021. At the moment, Railcare has many projects out on tender where our innovative machines are suitable for the customer's demand. With our modern, sustainable, and efficient machines and with our home markets as a foundation this strategic investment is the next step in Railcare's company development.

Railcare has a very exciting journey ahead where we have adjusted in Group management to better meet the planned expansion. As the world opens up after the pandemic, we can now begin to respond to the requests that have come from Asia, among other places. In addition, fulfill a more targeted investment in our second home market, the United Kingdom, and create new opportunities for establishments in other European countries.

We have many orders in the order portfolio for 2021, but also going forward in the long-term agreements that we have signed in many of our companies. In Sweden, major investments are being made with historically high investments in railways and infrastructure for a long time to come. In many countries, major maintenance efforts on the railway are needed and there is great interest in our innovative solutions for the railway, not least with our latest innovation the battery-powered maintenance machine for the railway.

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

Daniel Öholm  
CEO

## Financial summary – Railcare Group

### Net sales

Net sales for the second quarter of 2021 decreased by 10.7 percent to SEK 91.0 million, compared to SEK 105.3 million for the corresponding period last year. Net sales were significantly lower in the segments Construction Sweden and Construction Abroad, which was partly offset by increased utilisation of machines in the segments Transport Scandinavia and Machine Sales.

Net sales decreased by 14.8 percent to SEK 180.0 million in the first half of 2021, compared to a record SEK 211.2 million for the corresponding period last year. The decrease was due to lower volumes on the construction side in Sweden and the UK.

### Operating expenses

Operating expenses amounted to SEK 98.3 million in the second quarter 2021, up SEK 4.8 million or 5.1 percent compared to the second quarter 2020 when operating expenses amounted to SEK 93.5 million. The increase was primarily due to increased maintenance and personnel costs.

Operating expenses for the first half of 2021 were SEK 181.0 million, compared to operating expenses of SEK 183.3 million in the first half of 2020. The decrease was mainly due to lower volume-related costs.

### Operating profit

Operating profit (EBIT) for the second quarter 2021 decreased to SEK 2.5 million, compared to the second quarter last year when profit amounted to SEK 14.3 million. The operating margin was -2.7 percent (13.5). The decrease in operating profit was due to significantly lower volumes in construction operations in Sweden and the UK, which was only partly offset by growth in the transport operations and increased machine sales.

Operating profit for the first half of 2021 was SEK 6.2 million, a decrease of SEK 25.5 million compared to a record figure of SEK 31.7 million in the first half of 2020. The decrease was due to lower volumes in the construction operations and decreased machine sales.

### Net profit/loss for the period

Profit for the second quarter 2021 amounted to SEK -3.0 million (9.9), corresponding to a decrease of SEK 12.9 million year-on-year.

Profit for the first half of 2021 was SEK 3.2 million (22.8), corresponding to a decrease of SEK 19.6 million year-on-year.

### Cash Flow

Cash flow in the second quarter of the year generated an outflow of SEK 24.0 million, compared to an outflow of SEK 4.3 million in the corresponding quarter of the previous year.

Cash flow from operating activities amounted to SEK 9.6 million (24.6). The decrease on the previous year was mainly due to lower volumes in the construction operations in Sweden and the UK.

Cash flow from investing activities generated an outflow of SEK -12.8 million (-12.3) in the second quarter 2021, primarily relating to investments in existing operations. Investments in property, plant and equipment decreased in the second quarter 2021 in year-on-year terms. Non-current assets were divested in the second quarter previous year, and generated an inflow of SEK 2.0 million.

Cash flow from financing activities totalled SEK -23.8 million (-15.1). Amortisation of loans and lease liabilities were in line with the previous year. Dividend to shareholders doubled compared to the previous year, totalling SEK 14.5 million. No new loans were raised in the second quarter of 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 36.7 percent, compared to 35.4 percent on 30 June 2020.

### **Employees**

As of 30 June 2021, Railcare had 139 employees, compared to 140 on 30 June 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 in the second quarter 2021 amounted to SEK 23.7 million (46.9), a decrease of 49.4 percent year-on-year.

Profit after financial items decreased year-on-year, amounting to SEK -7.1 million (2.7).

Volumes in the second quarter were significantly lower compared to the previous year. Planned construction work involving cable management started at the beginning of April as planned, although Trafikverket postponed other work which was started in the second half of 2021.

In the lining operations, utilisation was higher compared to the corresponding period in the previous year, and we have received more inquiries than usual.

In the first half year, net sales decreased by 38.5 percent, to SEK 54.7 million (88.9). Profit after financial items decreased to SEK -5.6 million (11.2).

### Key performance indicators – Construction Sweden

Amounts in SEK 000, unless otherwise stated	Apr-Jun 2021	Apr-Jun 2020	Change, %	Jan-Jun 2021	Jan-Jun 2020	Change, %
Net sales	23,731	46,918	-49.4	54,701	88,902	-38.5
Profit/loss after financial items	-7,091	2,652	-367.4	-5,606	11,177	-150.2
Net margin, %	-29.9	5.7	-35.5	-10.2	12.6	-22.8

### Construction Abroad

Net sales in the segment Construction Abroad decreased by 47.6 percent in the second quarter 2021 year-on-year, totalling SEK 9.6 million (18.3).

Profit after financial items decreased to SEK -2.3 million (1.7).

Construction Abroad experienced lower volumes in the second quarter in year-on-year terms. The reason is the same as for the Swedish operations, i.e. delays to projects.

Net sales decreased by 20.9 percent in the first half year in year-on-year terms, totalling SEK 28.2 million (35.7). Profit after financial items decreased year-on-year and amounted to SEK 1.8 million (2.6).

### Key performance indicators – Construction Abroad

Amounts in SEK 000, unless otherwise stated	Apr-Jun 2021	Apr-Jun 2020	Change, %	Jan-Jun 2021	Jan-Jun 2020	Change, %
Net sales	9,572	18,264	-47.6	28,238	35,695	-20.9
Profit/loss after financial items	-2,327	1,717	-235.5	1,814	2,554	-29.0
Net margin, %	-24.3	9.4	-33.7	6.4	7.2	-0.7

## Transport Scandinavia

Net sales for the segment Transport Scandinavia increased by 13.2 percent in the second quarter 2021 year-on-year, totalling SEK 51.8 million (45.8).

The increased sales were primarily due to transports for LKAB not carried out in the corresponding quarter of the previous year.

Profit after financial items decreased to SEK 4.8 million (5.8).

Railcare signed an extended and expanded agreement with LKAB. The agreement increases delivery to three transportations per day and spans the period until year end. The previous agreement encompassed two transportations per day and expires at the end of August 2021.

Iron ore transports for Kaunis Iron continued according to plan.

Utilisation in the locomotive workshop was in line with the previous year, although major work not completed by the end of the quarter will not be recognized until the third quarter.

Net sales increased by 24.7 percent in the first half year in year-on-year terms, totalling SEK 100.2 million (80.3). Profit after financial items increased year-on-year, amounting to SEK 8.4 million (7.1).

### Key performance indicators – Transport Scandinavia

Amounts in SEK 000, unless otherwise stated	Apr-Jun 2021	Apr-Jun 2020	Change, %	Jan-Jun 2021	Jan-Jun 2020	Change, %
Net sales	51,846	45,793	13.2	100,168	80,337	24.7
Profit/loss after financial items	4,770	5,808	-17.9	8,417	7,057	19.3
Net margin, %	9.2	12.7	-3.5	8.4	8.8	-0.4

## Machine Sales

Net sales in the segment Machine Sales increased in the second quarter of 2021 year-on-year, totalling SEK 19.8 million (8.5).

The increase was mainly due to sales of machine parts to Loram with delivery at the end of the second quarter.

Profit after financial items amounted to SEK 2.7 million (3.0).

In the first half year, net sales amounted to SEK 24.6 million (35.0). Profit after financial items amounted to SEK 1.7 million (8.0). The lower sales and profit were due to the delivery of three generator wagons to Infranord in the first quarter 2020.

### Key performance indicators – Machine Sales

Amounts in SEK 000, unless otherwise stated	Apr-Jun 2021	Apr-Jun 2020	Change, %	Jan-Jun 2021	Jan-Jun 2020	Change, %
Net sales	19,799	8,491	133.2	24,588	35,000	-29.7
Profit/loss after financial items	2,682	2,955	-9.2	1,695	7,962	-78.7
Net margin, %	13.5	34.8	-21.3	6.9	22.7	-15.9

## 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 first half of 2021 amounted to SEK 18.0 million (17.2) and primarily comprised Group-wide services. Operating profit/loss amounted to SEK -1.8 million (0.7). 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 percent of profit after tax, up to the Company's required equity/assets ratio of 25 percent following after 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.

## RAIL

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

(ISIN SE0010441139)



## Significant events after the end of the period

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

## Annual General Meeting 2021

Railcare's Annual General Meeting 2021 was held on Wednesday, 5 May 2021 at 1:00 p.m. at the Company's premises in Skelleftehamn, Sweden. Resolutions included:

- Re-election of Board members Catharina Elmsäter-Svärd, Ulf Marklund, Anna Weiner Jiffer, Adam Ådin, Anders Westermark and Björn Östlund. Re-election of Catharina Elmsäter-Svärd as Board Chairman.
- Re-election of Ernst & Young Aktiebolag as Auditor until the end of the AGM 2022.
- Dividend payment of SEK 0.60 (0.30) per share, totalling SEK 14,474,500 (7,237,250), for the 2020 financial year.

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

## Shareholder structure

Ten largest shareholders 30 June 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	1,279,762	5.3
Avanza Pension insurance company	917,669	3.8
Bernt Larsson	726,303	3.0
Norrlandsfonden	455,000	1.9
Nordnet Pensionsförsäkring AB	425,714	1.8
Emil Burén	313,918	1.3
<b>Ten largest shareholders</b>	<b>13,490,761</b>	<b>56.0</b>
<b>Other shareholders</b>	<b>10,633,406</b>	<b>44.0</b>
<b>Total</b>	<b>24,124,167</b>	<b>100.0</b>

# 4,515

Number of shareholders in Railcare Group AB as of 30 June 2021.

Source: Euroclear

Source: Euroclear and Railcare

## 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 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, 19 August 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*

*Daniel Öholm  
CEO*

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

# FINANCIAL REPORTS

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

Amounts in SEK 000	Note	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	full-year 2020
Net sales	3	91,047	105,289	179,982	211,241	401,301
Capitalised work on own account		3,464	743	4,860	1,404	16,217
Other operating income		1,338	1,746	2,375	2,355	3,603
<b>Total</b>		<b>95,848</b>	<b>107,778</b>	<b>187,218</b>	<b>215,000</b>	<b>421,120</b>
Raw materials and consumables		-33,720	-31,099	-54,058	-62,504	-121,740
Other external costs		-15,689	-15,252	-28,482	-30,552	-58,868
Personnel costs		-34,937	-33,164	-70,389	-62,910	-124,575
Depreciation and impairment of property, plant and equipment and intangible assets		-13,755	-13,549	-27,483	-26,248	-53,266
Other operating expenses		-225	-461	-606	-1,098	-2,285
<b>Total operating expenses</b>		<b>-98,326</b>	<b>-93,524</b>	<b>-181,018</b>	<b>-183,313</b>	<b>-360,733</b>
<b>Operating profit/loss (EBIT)</b>		<b>-2,478</b>	<b>14,254</b>	<b>6,199</b>	<b>31,688</b>	<b>60,386</b>
Financial income		54	-	54	-	2
Financial expenses		-1,044	-1,224	-2,132	-2,403	-4,820
<b>Net financial items</b>		<b>-990</b>	<b>-1,224</b>	<b>-2,077</b>	<b>-2,403</b>	<b>-4,818</b>
Share of profit after tax from associated companies reported according to the equity method		56	34	140	88	347
<b>Profit/loss before tax</b>		<b>-3,412</b>	<b>13,064</b>	<b>4,262</b>	<b>29,373</b>	<b>55,915</b>
Income tax		448	-3,116	-1,022	-6,591	-12,139
<b>Net profit/loss for the period</b>		<b>-2,963</b>	<b>9,948</b>	<b>3,241</b>	<b>22,782</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		-109	-747	102	-36	-389
<b>Other comprehensive income for the period, net of tax</b>		<b>-109</b>	<b>-747</b>	<b>102</b>	<b>-36</b>	<b>-389</b>
<b>Total comprehensive income for the period</b>		<b>-3,072</b>	<b>9,201</b>	<b>3,343</b>	<b>22,746</b>	<b>43,387</b>
<b>Amounts in SEK</b>		<b>Apr-Jun 2021</b>	<b>Apr-Jun 2020</b>	<b>Jan-Jun 2021</b>	<b>Jan-Jun 2020</b>	<b>full-year 2020</b>
Earnings per share before dilution*		-0.12	0.41	0.13	0.95	1.82
Earnings per share after dilution*		-0.12	0.41	0.13	0.95	1.82
Average number of shares		24,124,167	24,124,167	24,124,167	23,947,122	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 Jun 2021	30 Jun 2020	31 Dec 2020
<b>ASSETS</b>				
<b>Non-current assets</b>				
<b>Intangible assets</b>				
Capitalised development costs		1,399	2,262	1,830
Patents		312	337	299
Goodwill		7,283	7,315	7,274
Transportation licence		1,435	479	685
<b>Total intangible assets</b>		<b>10,428</b>	<b>10,392</b>	<b>10,088</b>
<b>Property, plant and equipment</b>	<b>4</b>			
Buildings and land		30,164	35,087	33,257
Locomotives and wagons		132,924	136,343	135,316
Mobile machinery		152,340	159,573	155,562
Vehicles		6,292	7,276	6,521
Equipment, tools, fixtures and fittings		6,543	6,022	5,898
Construction in progress		72,199	46,804	66,907
<b>Total property, plant and equipment</b>		<b>400,461</b>	<b>391,105</b>	<b>403,461</b>
<b>Financial non-current assets</b>				
Holdings reported according to the equity method		773	573	832
Deposits		658	658	658
Deferred tax assets		559	107	925
Other non-current receivables		3,954	3,954	3,954
<b>Total financial non-current assets</b>		<b>5,943</b>	<b>5,292</b>	<b>6,369</b>
<b>Total non-current assets</b>		<b>416,832</b>	<b>406,789</b>	<b>419,918</b>
<b>Current assets</b>				
<b>Inventories</b>				
Raw materials and consumables		13,654	12,115	11,865
Work in progress		12,078	6,905	7,659
<b>Total inventories</b>		<b>25,733</b>	<b>19,020</b>	<b>19,524</b>
<b>Current receivables</b>				
Accounts receivable		39,765	41,616	44,905
Current tax receivables		2,356	-	655
Other current receivables		2,354	1,795	1,809
Prepaid expenses and accrued income		10,495	13,332	9,792
<b>Total current receivables</b>		<b>54,969</b>	<b>56,743</b>	<b>57,161</b>
Cash and cash equivalents		3,684	9,270	24,785
<b>Total current assets</b>		<b>84,386</b>	<b>85,033</b>	<b>101,470</b>
<b>TOTAL ASSETS</b>		<b>501,219</b>	<b>491,822</b>	<b>521,388</b>

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

Amounts in SEK 000	Note	30 Jun 2021	30 Jun 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		1,382	1,633	1,280
Retained earnings (comprehensive income for the period included)		135,890	126,132	147,126
<b>Total equity attributable to Parent Company shareholders</b>		<b>183,729</b>	<b>174,220</b>	<b>194,862</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Deferred tax liabilities		38,237	27,644	38,170
Liabilities to credit institutions		97,664	106,747	107,659
Lease liability		30,948	40,885	33,654
<b>Total non-current liabilities</b>		<b>166,849</b>	<b>175,277</b>	<b>179,483</b>
<b>Current liabilities</b>				
Lease liability		16,101	22,975	26,045
Liabilities to credit institutions		53,652	53,196	59,494
Overdraft facility		4,726	-	-
Accounts payable		37,762	25,084	25,139
Prepayments from customers		4,439	-	5,848
Current tax liabilities		283	5,093	861
Other liabilities		3,319	5,831	2,680
Accrued expenses and deferred income		30,359	30,146	26,977
<b>Total current liabilities</b>		<b>150,641</b>	<b>142,325</b>	<b>147,044</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>501,219</b>	<b>491,822</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		-	-	-	22,782	22,782
Other comprehensive income		-	-	-36	-	-36
<b>Total comprehensive income</b>		-	-	-36	22,782	22,746
<b>Transactions with shareholders</b>						
Conversion of debenture		456	4,387	-	-	4,843
Dividend		-	-	-	-7,237	-7,237
<b>Closing balance as of 30 June 2020</b>		9,891	36,565	1,633	126,132	174,220
<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		-	-	-	3,241	3,241
Other comprehensive income		-	-	102	-	102
<b>Total comprehensive income</b>		-	-	102	3,241	3,343
<b>Transactions with shareholders</b>						
Dividend		-	-	-	-14,475	-14,475
<b>Closing balance as of 30 June 2021</b>		9,891	36,565	1,382	135,890	183,729

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	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	full-year 2020
<b>Cash flow from operating activities</b>						
Operating profit		-2,478	14,254	6,199	31,688	60,386
Adjustment for non-cash items		13,772	12,070	27,484	24,671	51,835
Interest paid		-1,045	-1,206	-2,132	-2,367	-4,784
Interest received		54	-	54	-	2
Income tax paid		-719	-560	-2,821	-1,097	-1,756
<b>Cash flow from operating activities before changes in working capital</b>		<b>9,584</b>	<b>24,558</b>	<b>28,784</b>	<b>52,895</b>	<b>105,683</b>
<b>Cash flow from changes in working capital</b>						
Increase/decrease in inventories		-4,254	364	-6,245	3,914	2,788
Increase/decrease in operating receivables		-10,525	-815	4,371	-25,941	-26,136
Increase/decrease in operating liabilities		17,869	-922	14,491	353	516
<b>Total changes in working capital</b>		<b>3,090</b>	<b>-1,373</b>	<b>12,617</b>	<b>-21,674</b>	<b>-22,832</b>
<b>Cash flow from operating activities</b>		<b>12,674</b>	<b>23,185</b>	<b>41,401</b>	<b>31,221</b>	<b>82,851</b>
<b>Cash flow from investment activities</b>						
Investments in intangible assets		-225	-115	-873	-187	-462
Investments in property, plant and equipment		-12,786	-14,400	-21,791	-24,657	-53,410
Acquisitions of subsidiaries, net effect on cash and cash equivalents		-	-	-	-2,617	-2,617
Dividends from associated companies		200	200	200	200	200
Divestment of property, plant and equipment		-	2,002	-	2,150	2,150
<b>Cash flow from investment activities</b>		<b>-12,811</b>	<b>-12,313</b>	<b>-22,464</b>	<b>-25,111</b>	<b>-54,139</b>
<b>Cash flow from financing activities</b>						
Loans raised		-	5,700	-	16,020	34,020
Net change in overdraft facility		4,726	-	4,726	-	-
Amortisation of loans		-6,935	-6,039	-15,837	-13,233	-24,006
Amortisation of lease liabilities		-7,164	-7,556	-14,700	-14,521	-28,600
Dividend paid		-14,475	-7,237	-14,475	-7,237	-7,237
<b>Cash flow from financing activities</b>		<b>-23,848</b>	<b>-15,132</b>	<b>-40,286</b>	<b>-18,971</b>	<b>-25,823</b>
<b>Cash flow for the period</b>		<b>-23,985</b>	<b>-4,260</b>	<b>-21,349</b>	<b>-12,861</b>	<b>2,889</b>
Cash and cash equivalents at the beginning of the period		27,766	13,727	24,785	22,012	22,012
Exchange rate difference in cash and cash equivalents		-97	-197	248	119	-116
<b>Cash and cash equivalents at the end of the period</b>		<b>3,684</b>	<b>9,270</b>	<b>3,684</b>	<b>9,270</b>	<b>24,785</b>

**PARENT COMPANY INCOME STATEMENT IN SUMMARY**

Amounts in SEK 000	Note	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	full-year 2020
Net sales		10,962	10,955	18,025	17,217	30,189
Other operating income		176	4	188	60	127
<b>Total operating income</b>		<b>11,139</b>	<b>10,959</b>	<b>18,213</b>	<b>17,276</b>	<b>30,316</b>
<b>Operating expenses</b>						
Raw materials and consumables		-3,899	-3,213	-3,924	-3,299	-3,300
Other external costs		-3,224	-4,724	-6,466	-7,633	-14,168
Personnel costs		-5,283	-3,008	-9,574	-5,782	-11,937
Depreciation and impairment of property, plant and equipment and intangible assets		-103	-41	-200	-81	-163
Other operating expenses		-12	-22	-12	-31	-80
<b>Total operating expenses</b>		<b>-12,521</b>	<b>-11,008</b>	<b>-20,176</b>	<b>-16,826</b>	<b>-29,648</b>
<b>Profit from participations in associated companies and jointly controlled companies</b>		<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>
<b>Operating profit</b>		<b>-1,183</b>	<b>151</b>	<b>-1,762</b>	<b>650</b>	<b>868</b>
<b>Profit/loss from financial items</b>						
Profit from participations in Group companies		-	4,346	2,404	4,346	4,346
Other interest income and similar profit/loss items		-	-	-	72	73
Interest expenses and similar profit/loss items		-22	-5	-22	-41	-53
<b>Total profit/loss from financial items</b>		<b>-22</b>	<b>4,341</b>	<b>2,382</b>	<b>4,377</b>	<b>4,366</b>
Profit/loss after financial items		-1,205	4,491	619	5,027	5,234
Appropriations		-	-	-	-	70
Tax on net profit/loss for the period		278	-214	373	-325	-547
<b>Net profit/loss for the period</b>		<b>-927</b>	<b>4,277</b>	<b>993</b>	<b>4,702</b>	<b>4,757</b>



## PARENT COMPANY BALANCE SHEET IN SUMMARY

Amounts in SEK 000	Note	30 Jun 2021	30 Jun 2020	31 Dec 2020
<b>ASSETS</b>				
<b>Intangible assets</b>				
Patents		312	337	299
<b>Total intangible assets</b>		<b>312</b>	<b>337</b>	<b>299</b>
<b>Property, plant and equipment</b>				
Buildings		4,196	2,945	4,304
Equipment, tools, fixtures and fittings		294	175	344
<b>Total property, plant and equipment</b>		<b>4,489</b>	<b>3,120</b>	<b>4,648</b>
<b>Financial non-current assets</b>				
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>43,341</b>	<b>41,997</b>	<b>43,487</b>
<b>Current assets</b>				
<b>Current receivables</b>				
Accounts receivable		13	-	-
Receivables from Group companies		400	-	10,070
Current tax receivables		83	-	-
Other receivables		2	-	33
Prepaid expenses and accrued income		1,305	3,211	828
<b>Total current receivables</b>		<b>1,802</b>	<b>3,211</b>	<b>10,931</b>
Cash and cash equivalent		-	2,867	1,789
<b>Total current assets</b>		<b>1,802</b>	<b>6,078</b>	<b>12,720</b>
<b>TOTAL ASSETS</b>		<b>45,143</b>	<b>48,075</b>	<b>56,207</b>

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

Amounts in SEK 000	Note	30 Jun 2021	30 Jun 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		993	4,702	4,757
<b>Total non-restricted equity</b>		<b>18,439</b>	<b>31,866</b>	<b>31,921</b>
<b>Total equity</b>		<b>28,330</b>	<b>41,757</b>	<b>41,812</b>
<b>Current liabilities</b>				
Accounts payable		2,163	2,379	966
Overdraft facility		9,804	-	-
Current tax liabilities		-	124	498
Liabilities to Group companies		18	389	10,028
Other liabilities		1,150	372	622
Accrued expenses and deferred income		3,678	3,054	2,281
<b>Total current liabilities</b>		<b>16,813</b>	<b>6,318</b>	<b>14,395</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>45,143</b>	<b>48,075</b>	<b>56,207</b>

## NOTES

### 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.

	Apr-Jun 2021			Apr-Jun 2020		
	Segment income	Sales between segments	Income from external customers	Segment income	Sales between segments	Income from external customers
Construction Sweden	23,731	3,451	20,280	46,918	4,409	42,509
Construction Abroad	9,572	1,385	8,187	18,264	2,839	15,425
Transport Scandinavia	51,846	1,548	50,298	45,792	1,610	44,182
Machine Sales	19,799	7,907	11,891	8,491	5,723	2,768
Group-wide	10,962	10,572	391	11,023	10,618	405
<b>Total</b>	<b>115,910</b>	<b>24,864</b>	<b>91,047</b>	<b>130,488</b>	<b>25,199</b>	<b>105,289</b>

	Jan-Jun 2021			Jan-Jun 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	54,701	6,368	48,333	88,902	7,536	81,366	159,027	14,595	144,432
Construction Abroad	28,238	3,614	24,624	35,695	4,954	30,741	59,891	9,809	50,082
Transport Scandinavia	100,168	8,288	91,880	80,337	8,187	72,150	184,025	14,284	169,741
Machine Sales	24,588	10,188	14,400	35,000	8,781	26,219	82,653	47,123	35,530
Group-wide	18,025	17,280	745	17,217	16,452	765	30,189	28,674	1,515
<b>Total</b>	<b>225,720</b>	<b>45,738</b>	<b>179,982</b>	<b>257,151</b>	<b>45,910</b>	<b>211,241</b>	<b>515,785</b>	<b>114,485</b>	<b>401,301</b>

*Profit/loss after financial items*

	<b>Apr-Jun 2021</b>	<b>Apr-Jun 2020</b>	<b>Jan-Jun 2021</b>	<b>Jan-Jun 2020</b>	<b>full-year 2020</b>
Construction Sweden	-7,091	2,652	-5,606	11,177	17,625
Construction Abroad	-2,327	1,717	1,814	2,554	1,830
Transport Scandinavia	4,770	5,808	8,417	7,057	24,245
Machine Sales	2,682	2,955	1,695	7,961	11,330
<b>Group-wide</b>	<b>-1,502</b>	<b>-102</b>	<b>-2,197</b>	<b>536</b>	<b>539</b>
<b>Total</b>	<b>-3,468</b>	<b>13,030</b>	<b>4,122</b>	<b>29,285</b>	<b>55,568</b>
Profit/loss after financial items	-3,468	13,030	4,122	29,285	55,568
Share of profit after tax from associated companies reported according to the equity method	56	34	140	88	347
<b>Profit/loss before tax</b>	<b>-3,412</b>	<b>13,064</b>	<b>4,262</b>	<b>29,373</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.

<b>Segment</b>	<b>Income from services</b>		<b>Sales of goods</b>		<b>Leasing</b>		<b>Total</b>	
	<b>Apr-Jun 2021</b>	<b>Apr-Jun 2020</b>	<b>Apr-Jun 2021</b>	<b>Apr-Jun 2020</b>	<b>Apr-Jun 2021</b>	<b>Apr-Jun 2020</b>	<b>Apr-Jun 2021</b>	<b>Apr-Jun 2020</b>
Construction Sweden	20,280	42,509	-	-	-	-	20,280	42,509
Construction Abroad	7,964	15,211	18	-	205	214	8,187	15,426
Transport Scandinavia	44,371	40,017	2,979	1,063	2,945	3,101	50,294	44,182
Machine Sales	1,392	955	10,499	1,813	-	-	11,891	2,768
<b>Group-wide</b>	<b>395</b>	<b>404</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>395</b>	<b>404</b>
<b>Total</b>	<b>74,402</b>	<b>99,096</b>	<b>13,496</b>	<b>2,877</b>	<b>3,149</b>	<b>3,316</b>	<b>91,047</b>	<b>105,289</b>

<b>Segment</b>	<b>Income from services</b>		<b>Sales of goods</b>		<b>Leasing</b>		<b>Total</b>	
	<b>Jan-Jun 2021</b>	<b>Jan-Jun 2020</b>	<b>Jan-Jun 2021</b>	<b>Jan-Jun 2020</b>	<b>Jan-Jun 2021</b>	<b>Jan-Jun 2020</b>	<b>Jan-Jun 2021</b>	<b>Jan-Jun 2020</b>
Construction Sweden	48,333	81,367	-	-	-	-	48,333	81,367
Construction Abroad	24,194	30,454	22	-	409	287	24,624	30,741
Transport Scandinavia	81,904	63,041	3,868	2,356	6,108	6,754	91,880	72,150
Machine Sales	1,824	4,312	12,576	21,906	-	-	14,400	26,219
<b>Group-wide</b>	<b>745</b>	<b>764</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>745</b>	<b>764</b>
<b>Total</b>	<b>157,000</b>	<b>179,938</b>	<b>16,466</b>	<b>24,262</b>	<b>6,516</b>	<b>7,041</b>	<b>179,982</b>	<b>211,241</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 June 2020</b>							
Opening carrying amount	30,790	129,169	165,405	7,604	5,545	31,912	370,425
Exchange rate differences	-83	25	30	-5	-	-	-33
Purchases/capitalised 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
<b>Closing carrying amount 30 June 2020</b>	<b>35,086</b>	<b>136,342</b>	<b>159,573</b>	<b>7,276</b>	<b>6,022</b>	<b>46,805</b>	<b>391,105</b>
Of which, right-of-use assets	25,931	32,798	2,317	7,229	37	-	68,312
<b>30 June 2021</b>							
Opening carrying amount	33,257	135,316	155,562	6,521	5,898	66,907	403,461
Exchange rate differences	67	22	30	1	15	-	135
Purchases/capitalised expenses for the year	856	1,219	3,362	1,593	204	20,337	27,571
Reclassifications	-	10,661	-	-	1,058	-11,682	36
Disposals and scrappings	-	-	-	-429	-8	-3,362	-3,800
Depreciation	-4,017	-14,294	-6,614	-1,394	-623	-	-26,942
<b>Closing carrying amount 30 June 2021</b>	<b>30,164</b>	<b>132,924</b>	<b>152,340</b>	<b>6,292</b>	<b>6,543</b>	<b>72,199</b>	<b>400,461</b>
Of which, right-of-use assets	19,864	22,294	2,052	6,259	-	-	50,470

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

<b>Amounts in SEK 000, unless otherwise stated</b>	<b>Apr-Jun 2021</b>	<b>Apr-Jun 2020</b>	<b>Jan-Jun 2021</b>	<b>Jan-Jun 2020</b>	<b>full-year 2020</b>
Net sales	91,047	105,289	179,982	211,241	401,301
Sales growth, %	-13.5	15.5	-14.8	20.0	8.3
Operating profit/loss (EBIT)	-2,478	14,254	6,199	31,688	60,386
Operating margin, %	-2.7	13.5	3.4	15.0	15.0
Net profit/loss for the period	-2,963	9,948	3,241	22,782	43,776
Net financial items	-990	-1,224	-2,077	-2,403	-4,818
Total assets	501,219	491,822	501,219	491,822	521,388
Equity/assets ratio, %	36.7	35.4	36.7	35.4	37.4
<b>Key performance indicators per share, SEK</b>					
Earnings per share before dilution	-0.12	0.41	0.13	0.95	1.82
Earnings per share after dilution	-0.12	0.41	0.13	0.95	1.82
Equity per share	7.62	7.22	7.62	7.22	8.08
Dividend per share, SEK	0.6	0.3	0.6	0.3	0.3

**QUARTERLY DATA, RAILCARE GROUP SUMMARY**

<b>Amounts in SEK million</b>	<b>Q2 2021</b>	<b>Q1 2021</b>	<b>Q4 2020</b>	<b>Q3 2020</b>	<b>Q2 2020</b>	<b>Q1 2020</b>	<b>Q4 2019</b>	<b>Q3 2019</b>	<b>Q2 2019</b>
Net sales	91.0	88.9	95.6	94.5	105.3	106.0	93.5	101.0	91.2
Capitalised work on own account	3.5	1.4	11.3	3.5	0.7	0.7	1.0	2.3	3.2
Other operating income	1.3	1.0	0.2	1.0	1.7	0.6	0.8	0.1	0.6
<b>Total</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>	<b>94.9</b>
Raw materials and consumables	-33.7	-20.3	-31.7	-27.5	-31.1	-31.4	-37.6	-33.7	-34.5
Other external costs	-15.7	-12.8	-13.9	-14.4	-15.3	-15.3	-12.2	-12.2	-11.1
Personnel costs	-34.9	-35.5	-32.7	-29.0	-33.2	-29.7	-31.2	-28.1	-33.1
Depreciation and impairment of property, plant and equipment	-13.8	-13.7	-13.6	-13.4	-13.5	-12.7	-12.7	-12.5	-12.6
Other operating expenses	-0.2	-0.4	-1.0	-0.2	-0.5	-0.6	-0.3	-0.2	-0.4
<b>Total operating expenses</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>-91.5</b>
<b>Operating profit/loss (EBIT)</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>	<b>3.4</b>
Financial income	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial expenses	-1.0	-1.1	-1.2	-1.2	-1.2	-1.2	-1.4	-1.5	-1.5
<b>Net financial items</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>	<b>-1.5</b>
Share of profit after tax from associated companies reported according to the equity method	0.1	0.1	0.2	0.1	0.0	0.1	0.1	0.1	0.1
<b>Profit/loss before tax</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>	<b>2.0</b>
Taxes	0.4	-1.5	-2.0	-3.6	-3.1	-3.5	0.0	-3.3	-0.9
<b>Net profit/loss for the period</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>	<b>1.1</b>
Equity/assets ratio, %	36.7	39.5	37.4	36.4	35.4	36.2	33.5	33.4	29.9



## 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>
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 performance indicator illustrates 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 performance indicator illustrates 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 performance indicator illustrates how much of the Company's earnings remain after all expenses, excluding 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 performance indicator illustrates 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 performance indicator illustrates the Company's growth and historical performance, contributing to an understanding of the Company's development.
Operating margin, %	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.
Equity/assets ratio, %	Calculated as equity divided by total assets.	This key performance indicator illustrates the Company's financial position and long-term payment ability.
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 in the period.	This key performance indicator illustrates the Company's earnings per share, excluding any dilution effect from outstanding convertibles.
Earnings per share after dilution, SEK	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 second quarter 2021

- **23 June** - Adjustments to Railcare Group management to manage planned expansion.
- **3 June** - Railcare establishes operations in Asia.
- **5 May** - Notice convening the Annual General Meeting in Railcare Group AB (publ)
- **4 May** - Interim Report January-March 2021
- **1 April** - AGM 2021 - Measures introduced due to Covid-19

## Financial calendar

- The Interim Report for January–September 2021 will be published on 5 November 2021
- The Year-End Report for 2021 will be published on 17 February 2022.

## 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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