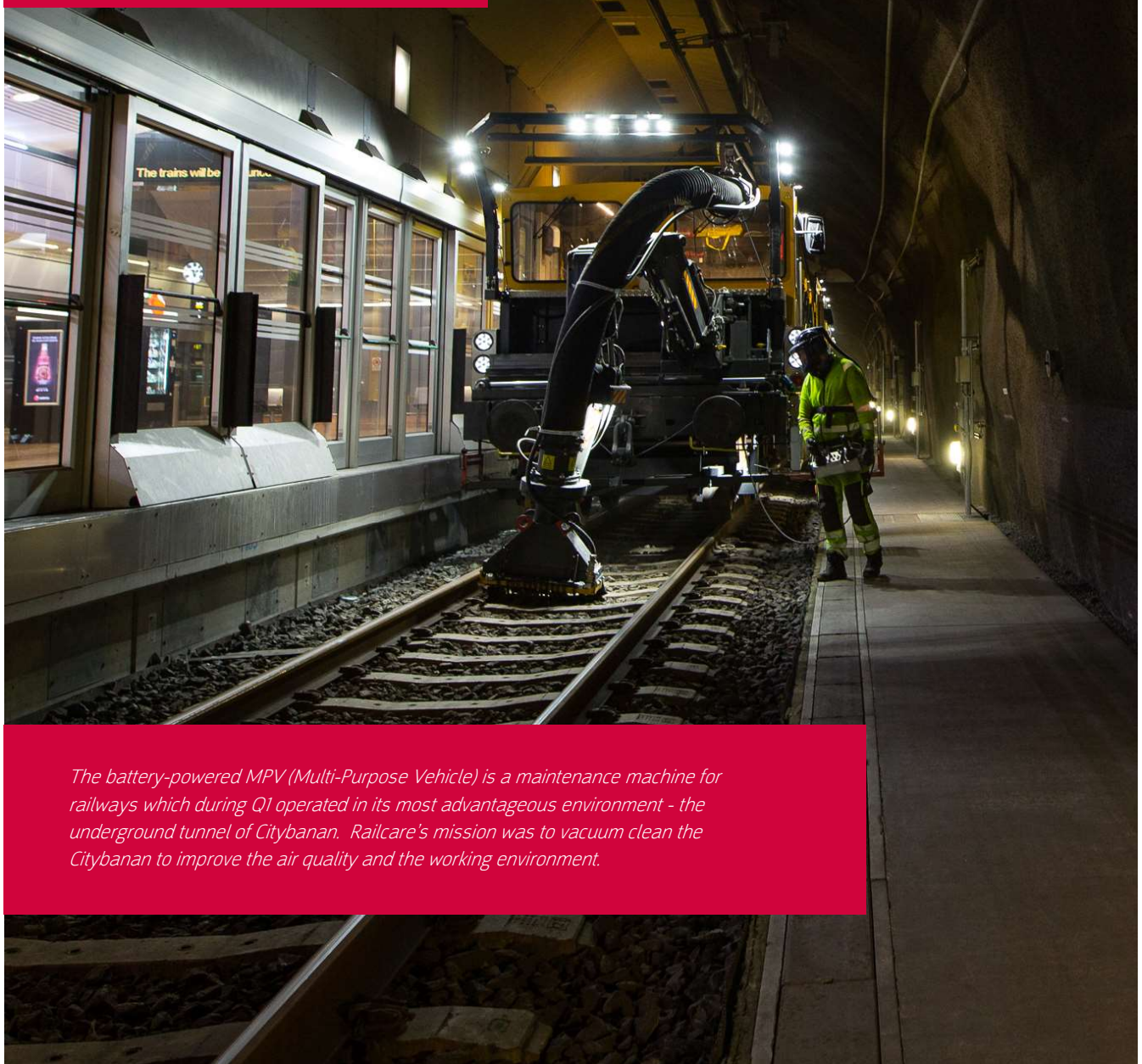


Interim Report Q1 2022

railcare



The battery-powered MPV (Multi-Purpose Vehicle) is a maintenance machine for railways which during Q1 operated in its most advantageous environment - the underground tunnel of Citybanan. Railcare's mission was to vacuum clean the Citybanan to improve the air quality and the working environment.

Interim Report January-March 2022

Stable quarter with high volumes in Contracting Sweden's operations

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

First quarter

- Consolidated net sales increased by 7.1 percent to SEK 95.3 million (88.9).
- Operating profit (EBIT) increased marginally to SEK 8.8 million (8.7).
- Profit per share before and after dilution amounted to SEK 0.25 (0.26).

Significant events in the first quarter

- In January, Railcare signed a new framework agreement with the Swedish Transport Administration relating to contracting work in Sweden. The new agreement includes opportunities for the use of the MPV, the battery-powered maintenance machine developed by Railcare. The agreement spans a period of 3 years with the option to extend it by a further 1+1 years.

Significant events after the period

- At the start of April, Railcare signed an agreement with LKAB regarding iron ore transportation. The value of the agreement is approximately SEK 50 million and spans the period up to 31 December 2022.
- The Swedish Transport Administration has exercised its option to extend its existing snow removal contract with Railcare by another three years. The extended contract covers the period up to 30 April 2025 and the order value is SEK 40 million per year.

Financial overview

Amounts in SEK million , unless otherwise stated	Jan-Mar 2022	Jan-Mar 2021	full-year 2021
Net sales	95.3	88.9	438.0
Operating profit/loss (EBIT)	8.8	8.7	56.2
Operating margin, %	9.3	9.8	12.8
Net profit/loss for the period	6.0	6.2	40.5
Equity/assets ratio, %	40.2	39.5	39.6
Earnings per share after dilution, SEK	0.25	0.26	1.68

For definitions, see page 25.

CEO's comments

Net sales in the first quarter were SEK 95.3 million (88.9) and operating profit was SEK 8.8 million (8.7). This corresponded to an operating margin of 9.3 percent.

- *A quarter characterised by lower volumes in transport operations and Contracting Abroad, which was offset by higher volumes in Contracting Sweden and Machines and Technology.*

Contracting Sweden experienced higher volumes in the first quarter in compared with the comparative quarter last year. Snow removal on behalf of the Swedish Transport Administration proceeded as planned and finished in mid-March. Two important agreements with the Swedish Transport Administration were renewed. These are the snow removal contract where the option of extending by three years was exercised, and the framework agreement regarding contracting work, also a three year contract with the option to extend. It is a positive sign that one of our largest customers are pleased with our services and the work we do and want to continue working with us. The new framework agreement provides opportunities for Railcare's battery-powered MPV which is an important step forward for Railcare and the entire industry. The MPV completed its first assignment in mid-March in the six kilometre long underground railway tunnel of Citybanan in Stockholm. This is a very suitable environment for the MPV due to its fossil free operation and significantly lower noise levels. Utilisation in the lining operations improved compared to the previous year and demand for culvert renovations has increased.



Contracting operations in the UK experienced lower utilisation than the corresponding quarter in the previous year, due to fewer projects ordered by customer. Railcare Denmark A/S divested its remaining fixed assets to the Swedish company Railcare Machine AB. The Danish operations are now divested and the operations will be discontinued.

Transport Scandinavia recorded lower volumes year-on-year due to the LKAB contract expiring at the end of 2021. A renewed contract was signed by LKAB at the beginning of April and covers the period April-December 2022. In the first quarter, the locomotive workshop started an upgrade of two diesel locomotives, type TB, for Infranord. The work is expected to last throughout the year with a total contract value of SEK 30 million.

In the Machines and Technology segment, the delayed delivery of machine parts to Loram was completed in January. The delivery of 22 timber wagons to BLS Rail was delivered in the quarter and accordingly, all 28 timber wagons have now been delivered. In the Skelleftehamn workshop, construction of a new, further improved, MPV is under way which will be equipped with pantographs to enable battery charging from overhead lines. Due to long delivery times, the machine is expected to be completed in the second half of 2023. Parallel to this, the workshop is developing a battery-powered wagon to enable conversion of diesel-powered to battery-powered machines. We have decided to change the title of the Machine Sales segment to Machines and Technology to more accurately describe the segment's operations. The operations include technology development, construction and selling of new machines but also the expansion and re-development of existing machines. The development of new technology is key from a sustainability perspective. Railcare wants to be a front runner within the industry and reduce CO2-emissions from operations by 40 % by 2025.

The ongoing Russian invasion of Ukraine presents a range of risks associated with the global economy. Railcare does not have operations nor employees located in Ukraine or Russia nor is it currently impacted by the sanctions against Russia. Increased energy prices only have a marginal impact on Railcare's operations due to most of its customers covering the energy costs. In conclusion, we do not currently see a direct impact on our operations, however, long term consequences are difficult to predict.

Mattias Remahl, CEO

Financial summary – Railcare Group

Net sales

Net sales for the first quarter of 2022 increased by 7.1 percent to SEK 95.3 million, compared to SEK 88.9 million for the corresponding period last year. Net sales was lower in the Transport Scandinavia and Contracting Abroad segments, however this was offset by higher utilisation in Contracting Sweden and Machines and Technology (previously Machine Sales).

+7.1%

Net sales increased in Q1.

During the full year 2021, Transport Scandinavia had a contract with LKAB for iron ore transportation. This contract expired at the end of 2021 and Transport Scandinavia completed no ore transportation in the first quarter of 2022. A new contract has been signed with LKAB which covers the period April-December 2022.

Contracting Sweden has had a short period to adapt from snow removal operations to contracting projects and the first project started in mid-March. An assignment on behalf of Citybanan in Stockholm in which the MPV was operating in its most advantageous environment.

The increased net sales in the Machines and Technology segment was due to the delivery of machine parts to Loram and timber wagons to BLS Rail.

Operating expenses

Operating expenses in the first quarter of 2022 amounted to SEK 91.3 million, an increase of SEK 8.6 million, or 10.4 percent compared with the first quarter of 2021 when operating expenses amounted to SEK 82.7 million. The increase was primarily due to higher costs for raw materials and consumables and other external costs, which was only partly offset by lower personnel costs and depreciation and amortisation. Operating expenses in the period were impacted by revenue recognition in relation to delivery of machine parts to Loram and timber wagons to BLS Rail.

Operating profit

Operating profit (EBIT) for the first quarter of 2022 increased marginally to SEK 8.8 million compared with the first quarter last year, when profit was SEK 8.7 million. The operating margin was 9.3 percent (9.8). Operating profit was positively impacted by higher utilisation in the Contracting Sweden and Machines and Technology segments, which was partly offset by lower volumes in Transport Scandinavia and Contracting Abroad.

SEK 8.8 M

Profit was marginally higher in Q1 compared to the corresponding period in the previous year.

Net profit/loss for the period

Profit for the first quarter of 2022 amounted to SEK 6.0 million (6.2), corresponding to a decline in earnings of SEK 0.2 million compared with the corresponding period in 2021.

Cash flow

Cash flow in the first quarter of the year contributed to an outflow of SEK 5.6 million, compared to an inflow of SEK 2.6 million in the corresponding quarter of the previous year.

Cash flow from operating activities amounted to SEK 26.6 million (28.7). The decrease was primarily due to changes in the rental agreements which determined that rental costs in the current year impacted operating activities. This can be compared to the previous year in which the rental costs were recognized in financing activities.

Cash flow from investing activities in the first quarter of 2022 amounted to SEK -21.8 million (-9.7) and mainly included investments in machines for the Company's own production purposes and investments in the existing machine fleet. The investment level has been slightly higher during the first quarter of 2022 compared with the corresponding period last year.

Cash flow from financing activities totalled SEK -10.4 million (-16.4). Amortisation of loans and lease liabilities was SEK 6.0 million lower than the previous year, of which SEK 4.4 million related to lease liabilities. The decrease was primarily due to changes in the rental agreements which determined that the cost was recognized in operating activities this year whilst in the previous year it was recognized in financing activities.

Equity/assets ratio

Railcare's financial targets state a minimum equity/assets ratio of 25 percent. At the end of the period, the equity/assets ratio was 40.2 percent, compared to 39.5 percent on 31 March 2021.

Employees

As of 31 March 2022, Railcare had 143 employees, compared to 144 on 31 March 2021.

Financial summary – Business segment

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

Contracting Sweden

Net sales in the Contracting Sweden segment in the first quarter of 2022 amounted to SEK 37.1 million (31.0), which is an increase of 19.9 per cent compared with the corresponding period last year.

Profit after financial items increased compared to the preceding year and amounted to SEK 4.8 million (1.5).

Snow removal on behalf of the Swedish Transport Administration proceeded as planned and finished in the middle of March. The Swedish Transport Administration announced in mid-April that it has exercised its option to extend its existing snow removal contract with Railcare by another three years. The extended contract covers the period up to 30 April 2025 and the value of the agreement is SEK 40 million per year. Pursuant to the snow removal contract, Railcare provides a number of machines and personnel that are strategically deployed across Sweden. This enables services to be provided to those areas most in need, in the shortest time possible, during the winter season. The fact that the contract has been extended by an additional 3 years is a seal of approval in terms of the good collaboration with the Swedish Transport Administration.

In January, Railcare signed a new framework agreement with the Swedish Transport Administration which covers a three year period with the option to extend 1+1 year. The agreement provides opportunities for Railcare's battery-powered MPV which can be used for assignments where Railcare's vacuum technology can be used. Track work both above and below ground is demanding from a health and safety perspective, and mitigating measures should not decrease efficiency. In mid-March the MPV started its first assignment for the season, a six kilometre long railway tunnel on Citybanan in Stockholm. In its most advantageous environment, the MPV vacuumed the railway tunnel to improve the air quality and the working environment by its fossil free operation and significantly lower noise levels.

Utilisation in the lining operations improved compared to the previous year and the demand for culvert renovations has increased.

Key performance indicators – Contracting Sweden

Amounts in SEK 000 , unless otherwise stated	Jan-Mar 2022	Jan-Mar 2021	Change, %
Net sales	37,148	30,970	19.9
Profit/loss after financial items	4,758	1,485	220.4
Net margin, %	12.8	4.8	8.0

Contracting

We are adjusting the translation of our contract segments from Construction Sweden and Construction Abroad to Contracting Sweden and Contracting Abroad.

Contracting Abroad

Net sales in Contracting Abroad decreased by 39.7 per cent in the first quarter of 2022, compared with the corresponding quarter in the preceding year and amounted to SEK 11.3 million (18.7).

Profit after financial items decreased to SEK -0.8 million (4.1).

Activity in the first quarter was low, which is explained by fewer customer orders compared to the equivalent period in the previous year.

Key performance indicators – Contracting Abroad

Amounts in SEK 000 , unless otherwise stated	Jan-Mar 2022	Jan-Mar 2021	Change, %
Net sales	11,261	18,666	-39.7
Profit/loss after financial items	-792	4,141	-119.1
Net margin, %	-7.0	22.2	-29.2

Transport Scandinavia

Net sales in the Transport Scandinavia segment decreased by 10.2 per cent in the first quarter of 2022, compared with the corresponding quarter in the preceding year and amounted to SEK 43.4 million (48.3).

Profit after financial items decreased to SEK 0.0 million (3.6).

The reduction in sales and profit were due to the expiry of the agreement with LKAB regarding the transportation of iron ore, at the end of 2021. No ore transportation took place on behalf of LKAB in the first quarter of 2022. At the start of April, a new agreement was signed with LKAB relating to the period April-December 2022, for a value of SEK 50 million.

Iron ore concentrate transportation for Kaunis Iron continued according to plan.

The locomotive workshop had a good utilisation and the project to upgrade two diesel locomotives, of type TB, for Infranord commenced in the quarter. This is an extensive project which includes changes to the Stage-V engines to ensure the locomotives meet the requirements for performance and CO₂ emissions, installation of the ETCS signaling system, and a new design for the driver's cab for an improved working environment. The work is expected to last throughout 2022 and the value of the contract is SEK 30 million.

Key performance indicators – Transport Scandinavia

Amounts in SEK 000 , unless otherwise stated	Jan-Mar 2022	Jan-Mar 2021	Change, %
Net sales	43,377	48,322	-10.2
Profit/loss after financial items	-1	3,647	-100.0
Net margin, %	0.0	7.5	-7.6

Machines and Technology (previously Machine Sales)

Net sales in the Machines and Technology segment increased in the first quarter of 2022, compared to the corresponding quarter last year and amounted to SEK 22.2 million (4.8).

Profit after financial items amounted to SEK 3.0 million (-1.0).

In the Machines and Technology segment, the delayed delivery of machine parts to Loram was completed in January. The delivery of 22 timber wagons to BLS Rail was delivered in the quarter and accordingly, all 28 timber wagons have now been delivered. In the Skelleftehamn workshop, construction of a new, further improved, MPV is under way which will be equipped with pantographs enabling battery recharging from overhead lines. Due to long delivery times, the machine is expected to be completed during the second half of 2023.

Parallel to this, the workshop is developing a battery-powered wagon to enable conversion of diesel-powered to battery-powered machines.

Key performance indicators – Machines and Technology

Amounts in SEK 000 , unless otherwise stated	Jan-Mar 2022	Jan-Mar 2021	Change, %
Net sales	22,153	4,789	362.6
Profit/loss after financial items	2,975	-987	401.4
Net margin, %	13.4	-20.6	34.0

Machines and Technology

To more accurately describe the segment's operations, which includes technology development, construction and selling new machines, but also the expansion and re-development of existing machines, we are carrying out a name change for the segment from "Machine Sales" to "Machines and Technology".

Parent Company

Railcare Group AB (publ), Corp. ID no. 556730-7813 is a Parent Company registered in Sweden 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 quarter of 2022 amounted to SEK 7.3 million (7.1) and consisted mainly of Group-wide services. Operating profit amounted to SEK 1.0 million (-0.6). In the previous year, Profit/loss after financial items was impacted by dividend of SEK 2.4 million from the Danish subsidiary.

RAIL

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

(ISIN SE0010441139)

Targets

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 contracting 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.

Sustainability

- Reduce consumption of fossil fuel emissions from proprietary locomotives and machinery by 40% by 2025

Railcare has set clear goals as part of its ongoing sustainability work. Railcare has concluded that the biggest difference can be achieved by reducing CO2-emissions from fuel used in the contracting and transport operations.

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 after dividends. The Board of Directors propose that the 2022 Annual General Meeting approve a dividend of SEK 0.60 (0.60) per share, totalling SEK 14,474,500 (14,474,500), for the 2021 financial year.

Events after the end of the period

Railcare signed a renewal agreement with LKAB regarding iron ore transportation with a value of SEK 50 million and covers the period April-December 2022. The transportation, which encompasses three rounds per day on the routes Svappavaara-Kiruna and Svappavaara-Gällivare is equivalent to the amount of transportation in the second half of 2021.

The Swedish Transport Administration has exercised its option to extend its existing snow removal contract with Railcare by another three years. The extended contract covers the period up to 30 April 2025 and the value of the agreement is SEK 40 million per year.

Annual General Meeting 2022

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

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

4 May 2022

The Annual General Meeting will be held in Skelleftehamn. For more information, please see www.railcare.se/en/investors.

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

In consultation with the largest shareholders, the Chairman of the Board of Railcare Group AB has established a Nomination Committee in preparation for the Annual General Meeting 2022. The Nomination Committee was adjusted following the ownership changes that took place in November, and now comprises Lina Ådin, appointed by TREAC AB, Jonas Holmqvist, appointed by Norra Västerbotten Fastighets AB, and Kjell Lindskog, appointed by Ålandsbanken AB. The Nomination Committee appointed Lina Ådin as Chairman. Combined, the members of the Nomination Committee represent 44.9 percent of the total number of shares and votes in the Company (as of 30 November 2021).

The Nomination Committee is tasked with submitting a proposal to the Annual General Meeting regarding the Chairman of the Board and other members of the Board of Directors, and regarding fees and other compensation to each of the Board members for their Board assignments. The Nomination Committee shall also submit a proposal regarding the election and remuneration of auditors. In addition, the Nomination Committee shall submit a proposal regarding the process for appointing a Nomination Committee in preparation for the Annual General Meeting 2023.

Shareholder structure

Ten largest shareholders 31 March 2022	Number of shares	Proportion of share capital and votes (%)
Norra Västerbotten Fastighets AB	7,121,395	29.5
TREAC Aktiebolag	2,415,000	10.0
Ålandsbanken AB	1,222,989	5.1
Avanza Pension insurance company	834,159	3.5
Bernt Larsson	750,987	3.1
HSBC Bank PLC	600,000	2.5
Nordnet Pensionsförsäkring AB	403,299	1.7
Mikael Gunnarsson	360,000	1.5
Emil Burén	276,711	1.1
Torsten Germund Dahlquist	257,058	1.1
Ten largest shareholders	14,241,598	59.0
Other shareholders	9,882,569	41.0
Total	24,124,167	100.0

4,146

Number of shareholders in
Railcare Group AB
as per 31 March 2022.

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 2021, which can be downloaded at www.railcare.se

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

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 2021 Annual Report.

Skelleftehamn, 03 May 2022

Railcare Group AB (publ)

Board of Directors

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	Jan– Mar 2022	Jan– Mar 2021	full-year 2021
Net sales	3	95,288	88,936	437,946
Capitalised work on own account		2,922	1,396	8,341
Other operating income		1,941	1,038	6,359
Total		100,151	91,369	452,646
Raw materials and consumables		-32,519	-20,337	-140,987
Other external costs		-15,374	-12,810	-62,858
Personnel costs		-32,697	-35,452	-138,950
Depreciation and impairment of property, plant and equipment and intangible assets		-9,735	-13,712	-52,096
Other operating expenses		-1,000	-381	-1,536
Total operating expenses		-91,324	-82,692	-396,426
Operating profit/loss (EBIT)		8,827	8,677	56,219
Financial income		-	-	57
Financial expenses		-993	-1,087	-4,427
Net financial income/expense		-993	-1,087	-4,370
Share of profit after tax from associated companies reported according to the equity method		-	84	-182
Profit/loss before tax		7,834	7,674	51,667
Income tax		-1,806	-1,470	-11,152
Net profit/loss for the period		6,028	6,204	40,514
Other comprehensive income:				
Items that may be reclassified to profit/loss for the period				
Exchange rate differences from the translation of foreign operations		117	211	250
Other comprehensive income for the period, net of tax		117	211	250
Total comprehensive income for the period		6,145	6,415	40,764
Amounts in SEK		Jan– Mar 2022	Jan– Mar 2021	full-year 2021
Profit/loss per share ¹		0.25	0.26	1.68
Average number of shares		24,124,167	24,124,167	24,124,167
Number of shares outstanding on the reporting date		24,124,167	24,124,167	24,124,167

¹Due to no shares instruments in issue, there is no dilution effect.

Consolidated statement of financial position in summary

Amounts in SEK 000	Note	31 Mar 2022	31 Mar 2021	31 Dec 2021
ASSETS				
<u>Non-current assets</u>				
Intangible assets				
Capitalised development costs		819	1,614	967
Patents		248	326	263
Goodwill		7,303	7,294	7,293
Transportation licence		1,377	1,254	1,441
Total intangible assets		9,747	10,488	9,964
Property, plant and equipment				
	4			
Buildings and land		34,286	32,046	35,975
Locomotives and wagons		133,933	129,040	132,579
Mobile machinery		182,198	152,289	145,762
Vehicles		5,239	6,438	5,761
Equipment, tools, fixtures and fittings		5,851	6,882	6,092
Construction in progress		69,626	74,037	92,151
Total property, plant and equipment		431,133	400,733	418,319
Financial non-current assets				
Holdings reported according to the equity method		-	917	-
Deposits		-	658	-
Deferred tax assets		750	546	725
Other non-current receivables		3,954	3,954	3,954
Total financial non-current assets		4,704	6,075	4,679
Total non-current assets		445,584	417,296	432,962
<u>Current assets</u>				
Inventories				
Raw materials and consumables		15,954	12,749	14,414
Work in progress		11,618	8,732	13,555
Total inventories		27,572	21,481	27,968
Current receivables				
Accounts receivable		41,166	28,408	46,543
Current tax receivables		848	1,039	1,030
Other current receivables		7,263	970	1,597
Prepaid expenses and accrued income		9,263	12,810	9,306
Total current receivables		58,540	43,228	58,475
Cash and cash equivalents		33,036	27,766	38,560
Total current assets		119,148	92,475	125,003
TOTAL ASSETS		564,732	509,771	557,965

Consolidated statement of financial position in summary, cont.

Amounts in SEK 000	Note	31 Mar 2022	31 Mar 2021	31 Dec 2021
EQUITY				
Share capital		9,891	9,891	9,891
Other capital provided		19,830	36,565	19,830
Reserves		1,648	1,491	1,530
Retained earnings (comprehensive income for the period included)		195,927	153,329	189,899
Total equity attributable to Parent Company shareholders		227,297	201,276	221,150
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities		47,093	38,223	48,158
Liabilities to credit institutions		91,982	102,137	97,041
Lease liability		45,191	33,321	48,062
Total non-current liabilities		184,265	173,681	193,261
Current liabilities				
Lease liability		10,895	20,382	10,945
Liabilities to credit institutions		59,439	56,114	61,668
Accounts payable		43,121	21,773	26,057
Prepayments from customers		6,494	3,499	9,382
Current tax liabilities		795	132	356
Other liabilities		4,432	3,241	7,046
Accrued expenses and deferred income		27,994	29,672	28,101
Total current liabilities		153,170	134,814	143,554
TOTAL EQUITY AND LIABILITIES		564,732	509,771	557,965

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
Opening balance as of 1 January 2021		9,891	36,565	1,280	147,126	194,862
Net profit/loss for the period		-	-	-	6,204	6,204
Other comprehensive income		-	-	211	-	211
Total comprehensive income		-	-	211	6,204	6,415
Closing balance as per 31 March 2021		9,891	36,565	1,491	153,329	201,276
Opening balance as of 1 January 2022		9,891	19,830	1,530	189,899	221,150
Net profit/loss for the period		-	-	-	6,028	6,028
Other comprehensive income		-	-	117	-	117
Total comprehensive income		-	-	117	6,028	6,145
Closing balance as per 31 March 2022		9,891	19,830	1,648	195,927	227,297

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	Jan-Mar 2022	Jan-Mar 2021	full-year 2021
Cash flow from operating activities				
Operating profit		8,827	8,677	56,219
Adjustment for non-cash items		9,458	13,712	49,371
Interest paid		-993	-1,087	-4,427
Interest received		-	-	57
Income tax paid		-2,300	-2,102	-1,782
Cash flow from operating activities before changes in working capital		14,992	19,200	99,438
Cash flow from changes in working capital				
Increase/decrease in inventories		372	-1,991	-8,597
Increase/decrease in operating receivables		-305	14,896	502
Increase/decrease in operating liabilities		11,546	-3,378	8,894
Total changes in working capital		11,613	9,527	799
Cash flow from operating activities		26,605	28,727	100,237
Cash flow from investing activities				
Investments in intangible assets		-	-648	-957
Investments in property, plant and equipment		-21,787	-9,005	-42,220
Dividends from associated companies		-	-	200
Divestment of associated companies		-	-	450
Divestment of property, plant and equipment		37	-	3,645
Cash flow from investing activities		-21,750	-9,653	-38,882
Cash flow from financing activities				
Loans raised		-	-	19,200
Amortisation of loans		-7,287	-8,902	-27,645
Amortisation of lease liabilities		-3,134	-7,536	-24,982
Dividend paid		-	-	-14,475
Cash flow from financing activities		-10,421	-16,438	-47,902
Cash flow for the period		-5,566	2,636	13,453
Cash and cash equivalents at the beginning of the period		38,559	24,785	24,785
Exchange rate difference in cash and cash equivalents		43	345	321
Cash and cash equivalents at the end of the period		33,036	27,766	38,559

Parent company income statement in summary

Amounts in SEK 000	Note	Jan– Mar 2022	Jan– Mar 2021	full-year 2021
Net sales		7,328	7,063	35,447
Other operating income		11	12	240
Total operating income		7,339	7,075	35,687
Operating expenses				
Raw materials and consumables		-35	-25	-3,939
Other external costs		-3,678	-3,242	-12,871
Personnel costs		-2,532	-4,291	-17,733
Depreciation and impairment of property, plant and equipment and intangible assets		-99	-97	-396
Other operating expenses		-6	-	-28
Total operating expenses		-6,350	-7,654	-34,967
Profit from participations in associated companies and jointly controlled companies		-	-	446
Operating profit		989	-579	1,166
Profit/loss from financial items				
Profit from participations in Group companies		-	2,404	23,404
Interest expenses and similar profit/loss items		-7	-	-83
Total profit/loss from financial items		-6	2,404	23,321
Profit/loss after financial items		982	1,825	24,487
Appropriations		-	-	-1,200
Tax on net profit/loss for the period		-222	96	3
Net profit/loss for the period		760	1,920	23,291

Parent company balance sheet in summary

Amounts in SEK 000	Note	31 Mar 2022	31 Mar 2021	31 Dec 2021
ASSETS				
Intangible assets				
Patents		248	326	263
Total intangible assets		248	326	263
Property, plant and equipment				
Buildings		4,035	4,250	4,088
Equipment, tools, fixtures and fittings		459	319	435
Total property, plant and equipment		4,493	4,569	4,524
Financial non-current assets				
Participations in Group companies		38,336	38,336	38,336
Participations in associated companies		-	204	-
Deferred tax receivables		3	-	3
Total financial non-current assets		38,340	38,540	38,340
Total non-current assets		43,081	43,435	43,127
Current assets				
Current receivables				
Accounts receivable		-	-	13
Receivables from Group companies		75,614	-	67,649
Other receivables		-	3	1
Prepaid expenses and accrued income		1,277	1,151	1,297
Total current receivables		76,891	1,154	68,959
Cash and cash equivalent		22,550	4,581	30,802
Total current assets		99,441	5,735	99,761
TOTAL ASSETS		142,522	49,170	142,888

Parent company balance sheet in summary, cont.

Amounts in SEK 000	Note	31 Mar 2022	31 Mar 2021	31 Dec 2021
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		9,891	9,891	9,891
Total restricted equity		9,891	9,891	9,891
Non-restricted equity				
Share premium reserve		17,446	23,024	17,446
Retained earnings		23,291	8,897	-
Net profit/loss for the period		760	1,920	23,291
Total non-restricted equity		41,497	33,841	40,737
Total equity		51,388	43,732	50,628
Current liabilities				
Accounts payable		869	1,257	1,960
Current tax liabilities		212	298	649
Liabilities to Group companies		87,071	283	86,264
Other liabilities		682	699	720
Accrued expenses and deferred income		2,301	2,900	2,668
Total current liabilities		91,134	5,438	92,260
TOTAL EQUITY AND LIABILITIES		142,522	49,170	142,888

Note

Note 1 General information

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

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

Note 2 Basis 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 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 2021.

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:

Contracting Sweden

Railway contracting work involving machinery and personnel and culvert renovation of fibreglass-lined culverts beneath railways, roads and industrial areas in Sweden.

Contracting Abroad

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

Transport Scandinavia

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

Machines and Technology

Technology development, construction, selling new machines and expansion and re-development of existing machines to a national and international market.

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

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. 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.

	Jan-Mar 2022			Jan-Mar 2021		
	Income Segment	Sales Between segments	Income from external customers	Segment income	Sales between segments	Income from external customers
Contracting Sweden	37,148	1,999	35,149	30,970	2,917	28,053
Contracting Abroad	11,261	736	10,525	18,666	2,228	16,438
Transport Scandinavia	43,377	6,900	36,477	48,322	6,740	41,582
Machines and Technology	22,153	9,360	12,793	4,789	2,281	2,508
Group-wide	7,328	6,983	345	7,063	6,708	355
Total	121,267	25,979	95,288	109,810	20,874	88,936

Profit/loss after financial items

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

	Jan-Mar 2022	Jan-Mar 2021
Contracting Sweden	4,758	1,485
Contracting Abroad	-792	4,141
Transport Scandinavia	-1	3,647
Machines and Technology	2,975	-987
Group-wide	895	-696
Total	7,834	7,590
Profit/loss after financial items for the Group's operating segments is reconciled with Group profit/loss before tax as follows:		
Profit/loss after financial items	7,834	7,590
Share of profit after tax from associated companies reported according to the equity method	-	84
Profit/loss before tax	7,834	7,674

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

Segment	Income from services		Sales of goods		Leasing		Total	
	Jan-Mar 2022	Jan-Mar 2021	Jan-Mar 2022	Jan-Mar 2021	Jan-Mar 2022	Jan-Mar 2021	Jan-Mar 2022	Jan-Mar 2021
Contracting Sweden	35,149	28,053	-	-	-	-	35,149	28,053
Contracting Abroad	10,501	16,229	24	4	-	204	10,525	16,438
Transport Scandinavia	33,083	37,529	743	890	2,650	3,163	36,477	41,582
Machines and Technology	1,725	432	11,068	2,076	-	-	12,793	2,508
Group-wide	345	355	-	-	-	-	345	355
Total	80,803	82,598	11,835	2,970	2,650	3,366	95,288	88,936

Note 4 Non-current assets

	Buildings and land	Locomo- tives and wagons	Mobile machinery	Vehicles	Equipment, tools, fixtures and fittings	Construction in progress	Total
31/03/2021							
Opening carrying amount	33,257	135,316	155,562	6,521	5,898	66,907	403,461
Exchange rate differences	89	48	64	2	28	-	230
Purchases/capitalised expenses for the year	851	57	-	842	204	8,749	10,703
Reclassifications	-	595	-	-	1,058	-1,618	34
Disposals and scrappings	-	-	-	-251	-	-	-251
Depreciation	-2,151	-6,975	-3,336	-676	-305	-	-13,445
Closing carrying amount 31/03/2021	32,046	129,040	152,289	6,438	6,882	74,037	400,733
Of which, right-of-use assets	21,682	27,111	2,115	6,402	10	-	57,320
31/03/2022							
Opening carrying amount	35,975	132,579	145,762	5,761	6,092	92,151	418,319
Exchange rate differences	1	14	31	-	12	-	59
Purchases/capitalised expenses for the year	47	-	-	173	91	21,688	21,999
Reclassifications	-	4,835	39,734	-	-	-44,213	356
Disposals and scrappings	-	-61	-	-	-32	-	-93
Depreciation	-1,737	-3,434	-3,329	-696	-312	-	-9,508
Closing carrying amount 31/03/2022	34,286	133,933	182,198	5,239	5,851	69,626	431,133
Of which, right-of-use assets	23,815	27,060	1,865	5,160	-	-	57,900

Key performance indicators, Railcare Group in summary

Amounts in SEK 000 , unless otherwise stated	Jan-Mar 2022	Jan-Mar 2021	full-year 2021
Net sales	95,288	88,936	437,946
Sales growth, %	7.1	-16.1	9.1
Operating profit/loss (EBIT)	8,827	8,677	56,219
Operating margin, %	9.3	9.8	12.8
Net profit/loss for the period	6,028	6,204	40,514
Net financial income/expense	-993	-1,087	-4,370
Total assets	564,732	509,771	557,965
Equity/assets ratio, %	40.2	39.5	39.6
Key performance indicators per share, SEK			
Profit per share before and after dilution	0.25	0.26	1.68
Equity per share	9.42	8.34	9.17
Dividend per share, SEK	-	-	0.6

Quarterly data, Railcare Group summary

Amounts in SEK M	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Net sales	95.3	131.8	126.2	91.0	88.9	95.6	94.5	105.3	106.0
Capitalised work on own account	2.9	1.6	1.9	3.5	1.4	11.3	3.5	0.7	0.7
Other operating income	1.9	2.8	1.2	1.3	1.0	0.2	1.0	1.7	0.6
Total	100.2	136.1	129.3	95.8	91.4	107.2	99.0	107.8	107.2
Raw materials and consumables	-32.5	-47.0	-39.9	-33.7	-20.3	-31.7	-27.5	-31.1	-31.4
Other external costs	-15.4	-17.7	-16.7	-15.7	-12.8	-13.9	-14.4	-15.3	-15.3
Personnel costs	-32.7	-35.2	-33.4	-34.9	-35.5	-32.7	-29.0	-33.2	-29.7
Depreciation and impairment of property, plant and equipment	-9.7	-11.0	-13.7	-13.8	-13.7	-13.6	-13.4	-13.5	-12.7
Other operating expenses	-1.0	-0.6	-0.3	-0.2	-0.4	-1.0	-0.2	-0.5	-0.6
Total operating expenses	-91.3	-111.4	-104.0	-98.3	-82.7	-92.9	-84.5	-93.5	-89.8
Operating profit/loss (EBIT)	8.8	24.7	25.3	-2.5	8.7	14.3	14.4	14.3	17.4
Financial income	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Financial expenses	-1.0	-1.2	-1.1	-1.0	-1.1	-1.2	-1.2	-1.2	-1.2
Net financial income/expense	-1.0	-1.2	-1.1	-1.0	-1.1	-1.2	-1.2	-1.2	-1.2
Share of profit after tax from associated companies reported according to the equity method	0.0	-0.4	0.0	0.1	0.1	0.2	0.1	0.0	0.1
Profit/loss before tax	7.8	23.2	24.2	-3.4	7.7	13.2	13.3	13.1	16.3
Tax	-1.8	-4.9	-5.2	0.4	-1.5	-2.0	-3.6	-3.1	-3.5
Net profit/loss for the period	6.0	18.2	19.1	-3.0	6.2	11.2	9.8	9.9	12.8
Equity/assets ratio, %	40.2	39.6	37.5	36.7	39.5	37.4	36.4	35.4	36.2

Definitions

General	All amounts in the 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.	
Alternative key performance indicators	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.	
Key performance indicators	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 performance indicator illustrates the Company's profit/loss generated by operating activities.
Net financial income/expense	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.

Profit per share after dilution, SEK	<p>To calculate profit 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.</p>	<p>This key performance indicator illustrates the Company's earnings per share, excluding any dilution effect from outstanding convertibles.</p>
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Glossary

Reballasting

Replacement of the top layer of the rail embankment in which the sleepers are set.

MPV

Railcare's newest maintenance machine, Multi-Purpose Vehicle, which is battery powered. The machine is equipped with its own power source, vacuum pumps, hydraulics and operator cabs, which allows it to be used as a complement to Railcare's railway vacuum cleaner and snow melter, and to function as a towing vehicle for macadam wagons during track works.

Power pack

The power supply system in a Railvac, comprising motor, vacuum pump and hydraulics.

Railvac

Railcare's machine for maintenance contracts that are able to perform various types of track maintenance on the railways using vacuum technology.

Stage-V engines

Engines that meet the standard for emissions stage-V. Classification for industrial vehicles that regulates permitted emissions.

Permit assessments

Assessment and documentation of the condition and potential maintenance need for culverts under railways and roads.

Press releases in the first quarter of 2022

- 30 March – Notice of the Annual General Meeting in Railcare Group AB (publ)
- 15 March – Nomination Committee’s proposal to the Board of Directors in preparation for the 2022 Annual General Meeting
- 17 February – Year-end report 2021
- 21 January - Railcare signs new framework agreement with the Swedish Transport Administration

Financial calendar

- 4 May 2022 - The 2022 Annual General Meeting will be held at Railcare’s headquarters in Skelleftehamn, Sweden.
- 18 August 2022 - Interim Report January-June 2022 is published.
- 3 August 2022 - Interim Report January-September 2022 is published.
- 16 February 2023 - Year-end Report 2022 is published.

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This information is such as Railcare Group AB (publ) is required to disclose under the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, for publication on 3 May 2021 at 7:30 a.m. CEST.

About Railcare Group

The railway specialist Railcare offers innovative products and services for the railway; for example, railway maintenance with self-developed machines, a locomotive workshop, special transport and machine sales projects. Our market is mainly in Scandinavia and the United Kingdom. The railway industry is in a positive development with increasing traffic volumes, extensive investment programs, developing cost-effective freight and passenger transport, and rising environmental awareness. Railcare delivers both sustainable and efficient solutions that contribute to the railway, so it can be used for the maximum number of years to come. The shares of Railcare Group AB (publ) are listed on the Small Cap list of the Nasdaq Stockholm exchange. The Group has some 140 employees and annual sales of approximately SEK 440 million. The company’s registered office is located in Skellefteå, Sweden.

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