

Year-end report Q4 2022

railcare



During the winter of 2023, Railcare and Trafikverket are testing HVO100 fuel on the SR700 snow clearing machine located in Stockholm. The machine is mainly used at railway yards in central areas, where it sweeps up and melts the snow in large tanks. The transition to fossil-free fuel is part of our work to ensure more sustainable railways.

Year-end report 2022

Volumes remain high but operating margin has decreased

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

Fourth quarter

- Consolidated net sales decreased by 2.8 percent to SEK 128.0 million (131.8).
- Operating profit (EBIT) decreased to SEK 6.7 million (24.7).
- Earnings per share before and after dilution amounted to SEK 0.14 (0.75).

Full year, January-December 2022

- Consolidated net sales increased by 13.5 percent to SEK 497.0 million (438.0).
- Operating profit (EBIT) decreased to SEK 52.4 million (56.2).
- Earnings per share before and after dilution amounted to SEK 1.52 (1.68).
- The Board of Directors intends to propose that the Annual General Meeting approve a dividend of SEK 0.60 (0.60) per share for the 2022 financial year.

Significant events in the fourth quarter

- Railcare is reorganising its contracting operations. As a result of this, costs corresponding to approximately SEK 3 million were recognised in profit and loss.

Financial overview

| Amounts in SEK million, unless otherwise stated | Oct-Dec 2022 | Oct-Dec 2021 | Full-year 2022 | Full-year 2021 |
|----------------------------------------------------|-----------------|-----------------|-------------------|-------------------|
| Net sales | 128.0 | 131.8 | 497.0 | 438.0 |
| Operating profit/loss (EBIT) | 6.7 | 24.7 | 52.4 | 56.2 |
| Operating margin, % | 5.2 | 18.8 | 10.5 | 12.8 |
| Net profit/loss for the period | 3.3 | 18.2 | 36.8 | 40.5 |
| Equity/assets ratio, % | 41.2 | 39.6 | 41.2 | 39.6 |
| Earnings per share after dilution, SEK | 0.14 | 0.75 | 1.52 | 1.68 |

For definitions, see page 27.

CEO's comments

Net sales for the last quarter of the year were SEK 128.0 million (131.8) and operating profit was SEK 6.7 million (24.7). This corresponded to an operating margin of 5.2 percent.

- During the fourth quarter, volumes remained high but operating margin was negatively impacted by rapidly rising inflation. Moreover, we are expanding and making changes to our organisation to meet increased demand in the future.

Volumes in the Contracting Sweden segment increased during the fourth quarter compared to the previous year, and accumulated for the full year, the volumes and profit were both significantly higher than the previous year. The increase during the quarter is attributable to the relining operations, where demand and utilisation continue to be high. As earlier in the year, most of the work in the relining operations was carried out on Dalabanan. In contracting operations, most of the preparatory work ahead of track replacements was completed earlier in the year. The snow clearing project started in mid-November as planned.



The contracting operations in the UK had lower year-on-year volumes during the fourth quarter. Demand for railway maintenance remains high in the UK. For this reason, we are reorganising our UK operations in order to better communicate the Company's offering, both inside and outside the framework agreement with Network Rail. In future, the work will be carried out in collaboration with railway partners in the UK. To create even more favourable conditions for the Group's contracting operations, all operators in our UK and Swedish contracting operations have been merged in a single company. The aim is to create a more efficient organisation with improved resource use, which can be adapted to the current needs of customers in the UK and Sweden.

Transport Scandinavia continues to report high volumes, although not as high as the previous year's record levels. Transports for Kaunis Iron and LKAB proceeded as planned during the quarter. The contract with LKAB expired at the end of the year, but we hope it will be renewed during the coming year. The volume of contract transports was lower than the previous year's record volumes, due to a lower total number of track replacements this year and the fact that most of the track replacements carried out took place earlier in the year.

Utilisation in the locomotive workshop in Långsele remained high in the fourth quarter. The large projects for Nordic Re-Finance and Infranord are progressing according to plan. These projects involve installation of on-board equipment and adaptation of Traxx and TMe locomotives for the Nordics. For Infranord, two diesel locomotives are being upgraded with better engines that produce lower emissions, a new European Train Control System (ETCS) and a modernised driver environment.

In the Machines and Technology segment, construction of a new, further improved MPVe is under way. The installation of a pantograph allows for charging from the overhead line. This facilitates charging and reduces the need for charging infrastructure alongside railways.

When I joined Railcare two years ago, the pandemic was in full swing with enormous impacts on people, society and businesses. Since the Russian invasion and war in Ukraine began a year ago, we have seen the highest inflation since the early 1990s, resulting in soaring interest rates. Despite the worry and uncertainty surrounding us, we at Railcare are standing stronger than ever. With our steady growth and a strong financial position, I have great confidence in the future. In recent years we have gained an excellent position in the railway industry, where we are driving innovation and a transition to more efficient, sustainable railways. I am deeply impressed and proud of my fantastic co-workers who are developing and driving the company towards a brighter future. We are well equipped for the new financial targets, adopted by the Board of Directors.

Mattias Remahl, CEO

New financial targets

The Board of Directors has adopted new financial targets for the period up until the end of 2027. The aim is to increase sales by 60 percent and to maintain a high operating margin:

- Sales SEK 800 million
- EBIT 10 percent

Major investments are being made in transport infrastructure as a key part of society's climate transition, both nationally and internationally. Furthermore, in Sweden freight and passenger transport is forecast to increase by 50 percent by the year 2040, and a brand new green industry is being established in northern Sweden. At the same time, the Swedish Transport Administration is announcing more stringent demands for all operators who work with and on the railways; their operations must be emission-free by 2040.

Railcare's offering is already an excellent match with this development. Not only today, but also many years into the future. The contracting operations maintain the railway infrastructure using our proprietary battery technology. The transport operations provide efficient freight and contract transport while our locomotive workshop plays an important role in enabling the vehicle's transition to sustainable alternatives.

Financial summary – Railcare Group

Net sales

Net sales for the fourth quarter of 2022 decreased by 2.9 percent to SEK 128.0 million, compared to SEK 131.8 million for the corresponding period last year. Net sales decreased in Transport Scandinavia and Contracting Abroad. The decrease in these segments was not fully offset by the growth in the Contracting Sweden and Machines and Technology segments.

For the full year 2022, net sales increased by 13.5 percent to SEK 497.0 million, compared to SEK 438.0 million for the previous year. This increase is primarily attributable to Contracting Sweden, as this segment had relatively low volumes last year but this year reported higher volumes than it has for many years. For relining operations, the annual sales figure was the highest ever and growth remains high.

Operating expenses

Operating expenses in the fourth quarter of 2022 amounted to SEK 126.4 million, an increase of SEK 15.0 million, or 13.5 percent compared with the fourth quarter of 2021 when operating expenses amounted to SEK 111.4 million. The increased costs were affected by rapidly rising inflation during the year, which resulted in higher costs for subcontractors, raw materials and consumables. The number of employees increased by 16 compared to the corresponding period in the previous year to meet the rising demand in our transport operations. During the quarter, costs of SEK 3 million for a reorganisation of our contracting operations were recognised in profit and loss.

New targets

Railcare's new target is to achieve sales of SEK 800 million by 2027.

+13.5%

Net sales in 2022 were the highest ever at SEK 497 million, corresponding to a 13.5 percent increase on the same period in the previous year.

Operating expenses for the full year 2022 amounted to SEK 459.9 million, as compared to SEK 396.4 million for the corresponding period in the previous year. This rise is attributable to higher costs for subcontractors, raw materials and maintenance as well as an expanded workforce to meet increased demand. The lower depreciation was due to changes in locomotive rental conditions which means that the cost is instead recognised under raw materials and consumables.

Operating profit

Operating profit (EBIT) for the fourth quarter 2022 decreased slightly to SEK 6.7 million, compared to the fourth quarter in the previous year when profit amounted to SEK 24.7 million. The operating margin was 5.2 percent (18.8).

Operating profit (EBIT) for the full year 2022 was SEK 52.4 million. This is a decrease on the previous year, when operating profit totalled SEK 56.2 million. Operating profit (EBIT) mainly improved in Contracting Sweden, while operating profit decreased in Contracting Abroad and Transport Scandinavia. Operating margin for the full year 2022 decreased to 10.5% compared to 12.8% in the previous year.

The rapid rise in inflation had a short-term negative impact on profit as cost increases take place on an ongoing basis while the income under long-term contracts is adjusted once per year. A similar effect is seen with fixed-price contracts such as the locomotive workshop in Långsele.

Net profit/loss for the period

Profit for the fourth quarter 2022 amounted to SEK 3.3 million, compared to SEK 18.2 million for the corresponding period in 2021.

For the full year 2022, profit for the period decreased to SEK 36.8 million compared with SEK 40.5 million for the previous year, a decrease of SEK 3.7 million.

Cash flow

Cash flow in the fourth quarter of the year generated a positive cash flow of SEK 17.7 million, compared to SEK 33.4 million in the corresponding quarter of the previous year. The decreased cash flow is primarily due to lower operating profit and higher investment in the fourth quarter of the year compared to the corresponding period in the previous year.

Cash flow from investing activities was SEK -17.4 MSEK (-5.4) in the fourth quarter of 2022. Investments were primarily made in the development of the upgraded and battery-powered MPVe and the upgrade and adaptation of locomotives for our operations.

Cash flow from financing activities totalled SEK -0.1 million (-8.5) in the fourth quarter. During the period, cash flow was positively impacted by new loans amounting to SEK 9.2 million. Amortisation of lease liabilities in the fourth quarter was in line with the previous year.

SEK 52.4 M

Operating profit for the full year 2022 amounted to SEK 52.4 million.

Cash flow was negative for the full year, amounting to SEK -7.0 MSEK (+13.5). The decrease is mainly explained by higher operating receivables relating to work in the locomotive workshop completed but not yet invoiced.

Investing and financing activities generated an outflow of SEK 53.2 million (38.9) and SEK 21.2 million (47.9), respectively. Investments in property, plant and equipment amounted to SEK 53.1 million (42.2) and is primarily attributable to investment in a new, upgraded MPVe. Amortisation of lease liabilities decreased by half, due to changes in rental agreements which led to the cost being recognised under operating activities this year whereas in the previous year it was recognised under financing activities.

Equity/Asset 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 41.2 percent, compared to 39.6 percent at the end of 2021.

Employees

As of 31 December 2022, Railcare had 157 employees, compared to 141 on 31 December 2021. This represents an increase of 16 people, and primarily relates to locomotive drivers who were hired to meet the increased demand in Transport Scandinavia. This primarily regards the project involving the last three standby locomotives which began on 1 January 2023.

157 employees

The number of employees increased by 16 compared to the corresponding period in 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 fourth quarter of 2022 amounted to SEK 48.4 million (40.0), which is an increase of 21.0 percent on the corresponding period in the previous year.

Despite an increase in net sales, profit after financial items was lower than the preceding year and amounted to SEK 4.8 million (6.5).

The volume of construction work in preparation for the upcoming year's track replacements was slightly lower in the fourth quarter than the same quarter of the previous year since most of the work was completed earlier in the year. The soaring inflation and higher maintenance costs resulted in a lower margin in the fourth quarter than the corresponding quarter of the previous year, although the volume and margin were both significantly higher for the full year.

The relining operations enjoyed strong growth, while net sales in the fourth quarter were on a par with the figure for the whole of the previous year. Continued high customer focus on drainage explains the significant rise in volumes, both with regard to culvert inspections and culvert renovations.

Strong development

The relining operations developed strongly and net sales in the fourth quarter were on a par with the figure for the whole of the previous year.

Key performance indicators – Contracting Sweden

| Amounts in SEK 000, unless otherwise stated | Oct-Dec 2022 | Oct-Dec 2021 | Change, % | Full-year 2022 | Full-year 2021 | Change, % |
|---------------------------------------------|--------------|--------------|-----------|----------------|----------------|-----------|
| Net sales | 48,368 | 39,971 | 21.0 | 186,211 | 130,556 | 42.6 |
| Profit/loss after financial items | 4,751 | 6,513 | -27.1 | 21,306 | 7,575 | 181.3 |
| Net margin, % | 9.8 | 16.3 | -6.5 | 11.4 | 5.8 | 5.6 |

Contracting Abroad

Net sales in Contracting Abroad decreased by 29 percent in the fourth quarter of 2022 compared with the corresponding quarter in the preceding year, and amounted to SEK 9.6 million (13.5).

Profit after financial items decreased to SEK -3.3 million (4.9). In the fourth quarter of the previous year, the now divested operations in Denmark contributed SEK 2.6 million in profit ascribable to the sale of a locomotive. The operations in Denmark contributed the equivalent of SEK 5.8 MSEK during the previous full year, primarily through intra-Group rental of locomotives. The locomotives rented within the Group are now owned by Machines and Technology.

Reorganisation

The UK operations are being reorganised to better market the Company's offerings and rationalise resource management.

A reorganisation of our operations in the UK took place in the fourth quarter. The former Business Area Manager for Contracting Abroad, Daniel Öholm, has left the

Railcare Group. In order to better communicate the Company's offering, both inside and outside the framework agreement with Network Rail, the work will be carried out in collaboration with railway partners in the UK.

All operators in our UK and Swedish contracting operations have been merged in a single company. The aim of the changes is to create a more efficient organisation with improved resource management based on customer needs.

As a result of the reorganisation, costs equivalent to SEK 3 million were recognised in the profit and loss in the fourth quarter.

Key performance indicators – Contracting Abroad

| Amounts in SEK 000, unless otherwise stated | Oct-Dec 2022 | Oct-Dec 2021 | Change, % | Full-year 2022 | Full-year 2021 | Change, % |
|------------------------------------------------|-----------------|-----------------|--------------|-------------------|-------------------|--------------|
| Net sales | 9,622 | 13,454 | -28.5 | 35,870 | 47,954 | -25.2 |
| Profit/loss after financial items | -3,308 | 4,933 | -167.1 | -9,080 | 3,797 | -339.2 |
| Net margin, % | -34.4 | 36.7 | -71.0 | -25.3 | 7.9 | -33.2 |

Transport Scandinavia

Net sales in Segment Transport Scandinavia decreased in the fourth quarter of 2022 compared with the corresponding quarter last year, and amounted to SEK 75.1 million (84.6).

Profit after financial items decreased to SEK 3.7 million (13.8). The rapid rise in inflation had a short-term negative impact on profit, as cost increases take place on an ongoing basis while the income under the long-term contract with Kaunis Iron is adjusted once per year.

The volume of contract transports was lower in the third quarter of the year compared to the previous year's record volumes. This was due to a lower total number of track replacements in 2022 than in the previous year. Railcare's assignment to provide standby locomotives to the Swedish Transport Administration started on 1 August in Långsele. For the other new locations (Boden, Vännäs and Kiruna), the assignments started on 1 January 2023 as planned.

Transports for Kaunis Iron and LKAB proceeded as planned and in line with the same quarter of the previous year. The contract with LKAB expired at the turn of the year.

The locomotive workshop in Långsele reported a strong fourth quarter. Order intake was strong throughout the year and volume increased year-on-year.

SEK 75.1 M

Net sales in Transport Scandinavia amounted to SEK 75.1 million in the fourth quarter.

The ongoing projects for Nordic Re-Finance are progressing according to plan. One of the projects comprises installation of ATC and a Nordics adaptation of six Traxx locomotives, and the other comprises installation of ETCS and a Nordics adaptation of TMe locomotives. The conversion of two TB locomotives for Infranord is also progressing as planned.

Key performance indicators – Transport Scandinavia

| Amounts in SEK 000, unless otherwise stated | Oct-Dec 2022 | Oct-Dec 2021 | Change, % | Full-year 2022 | Full-year 2021 | Change, % |
|------------------------------------------------|-----------------|-----------------|--------------|-------------------|-------------------|--------------|
| Net sales | 75,122 | 84,574 | -11.2 | 279,294 | 273,888 | 2.0 |
| Profit/loss after financial items | 3,697 | 13,803 | -73.2 | 28,051 | 39,472 | -28.9 |
| Net margin, % | 4.9 | 16.3 | -11.5 | 10.0 | 14.4 | -4.5 |

Machines and Technology (previously Machine Sales)

Net sales in the Machines and Technology segment increased significantly in the fourth quarter of 2022 compared to the corresponding quarter of last year, and amounted to SEK 19.1 million (6.5).

Profit after financial items amounted to SEK 0.5 million (-0.9).

No major deliveries of machines took place in the four quarter. The volume increase is mainly ascribable to intra-Group rental of locomotives to Transport Scandinavia.

The ongoing construction of a new, enhanced MPVe is on schedule, and the machine is expected to be completed in the second half of 2023.

MPVe

The improved Multi Purpose Vehicle with a pantograph is expected to be completed in the second half of 2023.

Key performance indicators – Machines and Technology

| Amounts in SEK 000, unless otherwise stated | Oct-Dec 2022 | Oct-Dec 2021 | Change, % | Full-year 2022 | Full-year 2021 | Change, % |
|------------------------------------------------|-----------------|-----------------|--------------|-------------------|-------------------|--------------|
| Net sales | 19,125 | 6,537 | 192.6 | 88,120 | 37,197 | 136.9 |
| Profit/loss after financial items | 463 | -860 | 153.8 | 7,570 | 763 | 891.5 |
| Net margin, % | 2.4 | -13.2 | 15.7 | 8.6 | 2.1 | 6.5 |

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 full year 2022 amounted to SEK 36.7 million (35.4) and primarily comprised Group-wide services. Operating profit amounted to SEK 0.5 million (1.2). The value of the shares in the Danish subsidiary was impaired by SEK 4.4 million. This impacts the Parent Company's profit but has no impact on the Group. In the previous year, the Parent Company's profit/loss after financial items was impacted by dividend of SEK 2.4 million from the Danish subsidiary and by an anticipated dividend from subsidiaries of SEK 21 million.

RAIL

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

(ISIN SE0010441139)

Targets

Financial targets

The Board of Directors has adopted new financial targets for the period up until the end of 2027. The aim is to increase sales by 60 percent and to maintain a high operating margin:

- Sales SEK 800 million
- EBIT 10 percent

The Company's aim is to be the leading specialist on the Scandinavian market for innovative solutions for railway contracting and transport.

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 fossil fuel 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 intends to propose that the 2023 Annual General Meeting approve a dividend of SEK 0.60 (0.60) per share, totalling SEK 14,474,500 (14,474,500), for the 2022 financial year.

Events after the end of the period

No significant events, other than ordinary activities, have occurred since the end of the reporting period.

Annual General Meeting 2023

Railcare's Annual General Meeting 2023 will take place on Thursday 4 May 2023 at 11:00 a.m. CET at the Company's premises at Näsuddsvägen 10, SE-932 32 Skelleftehamn, Sweden.

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

4 May

Railcare's Annual General Meeting will be held on Thursday 4 May 2023 in Skelleftehamn.

Nomination Committee for Railcare Group AB's Annual General Meeting 2023

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 2023. The Nomination Committee comprises Anders Westermark, Chairman of the Board, Lina Ådin, appointed by TREAC AB, and Jonas Holmqvist, appointed by Norra Västerbotten Fastighets AB. The Nomination Committee appointed Lina Ådin as Chairman. Combined, the members of the Nomination Committee represent 39.5 per cent of the total number of shares and votes in the company (as of 30 September 2022).

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 2024.

Shareholders wishing to submit proposals to the Nomination Committee may do so by sending an e-mail to ir@railcare.se.

Shareholder structure

| Ten largest shareholders 31 December 2022 | Number of shares | Proportion of share capital and votes (%) |
|----------------------------------------------|---------------------|----------------------------------------------|
| Norra Västerbotten Fastighets AB | 7,121,395 | 29.5 |
| TREAC Aktiebolag | 2,390,000 | 9.9 |
| Ålandsbanken AB | 1,236,162 | 5.1 |
| Avanza Pension insurance company | 868,103 | 3.6 |
| Bernt Larsson | 750,987 | 3.1 |
| HSBC Bank PLC | 600,000 | 2.5 |
| Mikael Gunnarsson | 485,000 | 2.0 |
| Nordnet Pensionsförsäkring AB | 406,139 | 1.7 |
| Harry Markku Sjöblom | 268,697 | 1.1 |
| Torsten Germund Dahlquist | 267,341 | 1.1 |
| Ten largest shareholders | 14,393,824 | 59.7 |
| Other shareholders | 9,730,343 | 40.3 |
| Total | 24,124,167 | 100.0 |

4,261

Number of shareholders in Railcare Group AB as of 31 December 2022.

Source: Euroclear

Source: Euroclear

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.

Railcare continues to see no significant long term impact on its operations in light of the Russian invasion of Ukraine, although potential long-term consequences are difficult to predict.

Transactions with related parties

During the year, there were no significant changes to the Group or the Parent Company's relations or transactions with related parties, compared to the information provided in the 2021 Annual Report.

Skelleftehamn, Sweden 16 February 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 | Oct-Dec 2022 | Oct-Dec 2021 | Full-year 2022 | Full-year 2021 |
|------------------------------------------------------------------------------------------------|------|-------------------------|-------------------------|---------------------------|---------------------------|
| Net sales | 3 | 128,013 | 131,768 | 497,035 | 437,946 |
| Capitalised work on own account | | 4,839 | 1,566 | 12,130 | 8,341 |
| Other operating income | | 184 | 2,775 | 3,104 | 6,359 |
| Total | | 133,036 | 136,108 | 512,269 | 452,646 |
| Raw materials and consumables | | -55,431 | -46,998 | -193,141 | -140,987 |
| Other external costs | | -19,424 | -17,664 | -75,762 | -62,858 |
| Personnel costs | | -40,346 | -35,170 | -146,341 | -138,950 |
| Depreciation and impairment of property, plant and equipment and intangible assets | | -10,677 | -10,951 | -42,811 | -52,096 |
| Other operating expenses | | -506 | -605 | -1,849 | -1,536 |
| Total operating expenses | | -126,385 | -111,388 | -459,904 | -396,426 |
| Operating profit/loss (EBIT) | | 6,652 | 24,721 | 52,365 | 56,219 |
| Financial income | | 16 | - | 21 | 57 |
| Financial expenses | | -1,896 | -1,206 | -5,478 | -4,427 |
| Net financial income/expense | | -1,880 | -1,205 | -5,457 | -4,370 |
| Share of profit after tax from associated companies reported according to the equity method | 4 | - | -358 | - | -182 |
| Profit/loss before tax | | 4,772 | 23,157 | 46,907 | 51,667 |
| Income tax | | -1,509 | -4,945 | -10,125 | -11,152 |
| Net profit/loss for the period | | 3,262 | 18,212 | 36,783 | 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 | | 118 | 56 | 637 | 250 |
| Other comprehensive income for the period, net of tax | | 118 | 56 | 637 | 250 |
| Total comprehensive income for the period | | 3,380 | 18,268 | 37,420 | 40,764 |
| Amounts in SEK | | Oct-Dec 2022 | Oct-Dec 2021 | Full-year 2022 | Full-year 2021 |
| Profit/loss per share ¹ | | 0.14 | 0.75 | 1.52 | 1.68 |
| Average number of shares | | 24,124,167 | 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 | 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 Dec 2022 | 31 Dec 2021 |
|--------------------------------------------|------|----------------|----------------|
| ASSETS | | | |
| <u>Non-current assets</u> | | | |
| Intangible assets | | | |
| Capitalised development costs | | 538 | 967 |
| Patents | | 188 | 263 |
| Goodwill | | 6,300 | 7,293 |
| Transportation licence | | 1,186 | 1,441 |
| Total intangible assets | | 8,212 | 9,964 |
| Property, plant and equipment | 5 | | |
| Buildings and land | | 35,170 | 35,975 |
| Locomotives and wagons | | 134,772 | 132,579 |
| Mobile machinery | | 179,959 | 145,762 |
| Vehicles | | 3,996 | 5,761 |
| Equipment, tools, fixtures and fittings | | 5,445 | 6,092 |
| Construction in progress | | 78,779 | 92,151 |
| Total property, plant and equipment | | 438,123 | 418,319 |
| Financial non-current assets | | | |
| Deferred tax assets | | 681 | 725 |
| Other non-current receivables | | 3,954 | 3,954 |
| Total financial non-current assets | | 4,635 | 4,679 |
| Total non-current assets | | 450,970 | 432,962 |
| <u>Current assets</u> | | | |
| Inventories | | | |
| Raw materials and consumables | | 16,233 | 14,414 |
| Work in progress | | 16,013 | 13,555 |
| Total inventories | | 32,245 | 27,968 |
| Current receivables | | | |
| Accounts receivable | | 40,936 | 46,543 |
| Current tax receivables | | 1 | 1,030 |
| Other current receivables | | 24,644 | 1,597 |
| Prepaid expenses and accrued income | | 12,101 | 9,306 |
| Total current receivables | | 77,682 | 58,475 |
| Cash and cash equivalents | | 31,976 | 38,560 |
| Total current assets | | 141,903 | 125,003 |
| TOTAL ASSETS | | 592,873 | 557,965 |

Consolidated statement of financial position in summary, cont.

| Amounts in SEK 000 | Note | 31 Dec 2022 | 31 Dec 2021 |
|------------------------------------------------------------------|------|----------------|----------------|
| EQUITY | | | |
| Share capital | | 9,891 | 9,891 |
| Other capital provided | | 19,830 | 19,830 |
| Reserves | | 2,167 | 1,530 |
| Retained earnings (comprehensive income for the period included) | | 212,207 | 189,899 |
| Total equity attributable to Parent Company shareholders | | 244,095 | 221,150 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Deferred tax liabilities | | 54,756 | 48,158 |
| Liabilities to credit institutions | | 100,833 | 97,041 |
| Lease liability | | 42,646 | 48,062 |
| Total non-current liabilities | | 198,235 | 193,261 |
| Current liabilities | | | |
| Lease liability | | 10,658 | 10,945 |
| Liabilities to credit institutions | | 63,927 | 61,668 |
| Accounts payable | | 34,359 | 26,057 |
| Prepayments from customers | | 2,398 | 9,382 |
| Current tax liabilities | | 933 | 356 |
| Other liabilities | | 5,011 | 7,046 |
| Accrued expenses and deferred income | | 33,257 | 28,101 |
| Total current liabilities | | 150,543 | 143,554 |
| TOTAL EQUITY AND LIABILITIES | | 592,873 | 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 |
| Transfer in shareholders' equity due to dividend paid in previous years | | - | -16,735 | - | 16,735 | 0 |
| Net profit/loss for the period | | - | - | - | 40,514 | 40,514 |
| Other comprehensive income | | - | - | 250 | - | 250 |
| Total comprehensive income | | - | - | 250 | 40,514 | 40,764 |
| Transactions with shareholders | | | | | | |
| Dividend | | - | - | - | -14,475 | -14,475 |
| Closing balance as per 31 December 2021 | | 9,891 | 19,830 | 1,530 | 189,899 | 221,150 |
| Opening balance as of 1 January 2022 | | 9,891 | 19,830 | 1,530 | 189,899 | 221,150 |
| Net profit/loss for the period | | - | - | - | 36,783 | 36,783 |
| Other comprehensive income | | - | - | 637 | - | 637 |
| Total comprehensive income | | - | - | 637 | 36,783 | 37,420 |
| Transactions with shareholders | | | | | | |
| Dividend | | - | - | - | -14,475 | -14,475 |
| Closing balance as per 31 December 2022 | | 9,891 | 19,830 | 2,167 | 212,207 | 244,095 |

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

Consolidated cash flow statement in summary

| Amounts in SEK 000 | Note | Oct-Dec 2022 | Oct-Dec 2021 | Full-year 2022 | Full-year 2021 |
|------------------------------------------------------------------------------|------|-----------------|-----------------|-------------------|-------------------|
| Cash flow from operating activities | | | | | |
| Operating profit | | 6,652 | 24,721 | 52,365 | 56,219 |
| Adjustment for non-cash items | | 10,714 | 8,296 | 42,894 | 49,371 |
| Interest paid | | -1,895 | -1,206 | -5,478 | -4,427 |
| Interest received | | 15 | - | 21 | 57 |
| Income tax paid | | 1,475 | 1,757 | -2,024 | -1,782 |
| Cash flow from operating activities before changes in working capital | | 16,961 | 33,568 | 87,778 | 99,438 |
| Cash flow from changes in working capital | | | | | |
| Increase/decrease in inventories | | -458 | 224 | -4,693 | -8,597 |
| Increase/decrease in operating receivables | | 16,723 | 24,083 | -20,098 | 502 |
| Increase/decrease in operating liabilities | | 1,988 | -10,477 | 4,410 | 8,894 |
| Total changes in working capital | | 18,253 | 13,830 | -20,381 | 799 |
| Cash flow from operating activities | | 35,214 | 47,398 | 67,397 | 100,237 |
| Cash flow from investing activities | | | | | |
| Investments in intangible assets | | -164 | -6 | -164 | -957 |
| Investments in property, plant and equipment | | -17,229 | -9,438 | -53,109 | -42,220 |
| Dividends from associated companies | | - | - | - | 200 |
| Divestment of associated companies | | - | 450 | - | 450 |
| Divestment of property, plant and equipment | | - | 3,575 | 109 | 3,645 |
| Cash flow from investing activities | | -17,393 | -5,419 | -53,164 | -38,882 |
| Cash flow from financing activities | | | | | |
| Loans raised | | 9,159 | - | 32,398 | 19,200 |
| Amortisation of loans | | -6,033 | -5,453 | -26,346 | -27,645 |
| Amortisation of lease liabilities | | -3,210 | -3,082 | -12,790 | -24,982 |
| Dividend paid | | - | - | -14,475 | -14,475 |
| Cash flow from financing activities | | -84 | -8,535 | -21,213 | -47,902 |
| Cash flow for the period | | 17,737 | 33,444 | -6,980 | 13,453 |
| Cash and cash equivalents at the beginning of the period | | 14,156 | 5,073 | 38,559 | 24,785 |
| Exchange rate difference in cash and cash equivalents | | 83 | 42 | 397 | 321 |
| Cash and cash equivalents at the end of the period | | 31,976 | 38,559 | 31,976 | 38,559 |

Parent Company income statement in summary

| Amounts in SEK 000 | Note | Oct-Dec 2022 | Oct-Dec 2021 | Full-year 2022 | Full-year 2021 |
|-------------------------------------------------------------------------------------|------|-----------------|-----------------|-------------------|-------------------|
| Net sales | | 7,147 | 7,291 | 36,745 | 35,447 |
| Other operating income | | - | 46 | 19 | 240 |
| Total operating income | | 7,147 | 7,337 | 36,764 | 35,687 |
| Operating expenses | | | | | |
| Raw materials and consumables | | -7 | -7 | -7,699 | -3,939 |
| Other external costs | | -4,517 | -3,651 | -16,703 | -12,871 |
| Personnel costs | | -3,261 | -4,345 | -11,430 | -17,733 |
| Depreciation and impairment of property, plant and equipment and intangible assets | | -108 | -97 | -409 | -396 |
| Other operating expenses | | -7 | -5 | -32 | -28 |
| Total operating expenses | | -7,900 | -8,107 | -36,273 | -34,967 |
| Profit from participations in associated companies and jointly controlled companies | 4 | - | 246 | - | 446 |
| Operating profit | | -753 | -524 | 491 | 1,166 |
| Profit/loss from financial items | | | | | |
| Profit from participations in Group companies | | - | 21,000 | -4,334 | 23,404 |
| Other interest income and similar profit/loss items | | 15 | - | 41 | - |
| Interest expenses and similar profit/loss items | | -14 | -13 | -96 | -83 |
| Total profit/loss from financial items | | 0 | 20,987 | -4,389 | 23,321 |
| Profit/loss after financial items | | -753 | 20,463 | -3,898 | 24,487 |
| Appropriations | | 9,300 | -1,200 | 9,300 | -1,200 |
| Tax on net profit/loss for the period | | -1,818 | 340 | -2,089 | 3 |
| Net profit/loss for the period | | 6,729 | 19,604 | 3,312 | 23,291 |

Parent Company balance sheet in summary

| Amounts in SEK 000 | Note | 31 Dec 2022 | 31 Dec 2021 |
|--------------------------------------------|------|----------------|----------------|
| ASSETS | | | |
| Intangible assets | | | |
| Capitalised development expenses | | 49 | - |
| Patents | | 188 | 263 |
| Total intangible assets | | 237 | 263 |
| Property, plant and equipment | | | |
| Buildings | | 4,073 | 4,088 |
| Equipment, tools, fixtures and fittings | | 710 | 435 |
| Total property, plant and equipment | | 4,783 | 4,524 |
| Financial non-current assets | | | |
| Participations in Group companies | | 33,887 | 38,336 |
| Participations in associated companies | 4 | - | - |
| Deferred tax receivables | | 52 | 3 |
| Total financial non-current assets | | 33,939 | 38,340 |
| Total non-current assets | | 38,959 | 43,127 |
| Current assets | | | |
| Current receivables | | | |
| Accounts receivable | | 39 | 13 |
| Receivables from Group companies | | 94,161 | 67,649 |
| Other receivables | | 155 | 1 |
| Prepaid expenses and accrued income | | 1,706 | 1,297 |
| Total current receivables | | 96,060 | 68,959 |
| Cash and cash equivalent | | 26,419 | 30,802 |
| Total current assets | | 122,479 | 99,761 |
| TOTAL ASSETS | | 161,438 | 142,888 |

Parent Company balance sheet in summary, cont.

| Amounts in SEK 000 | Note | 31 Dec 2022 | 31 Dec 2021 |
|--------------------------------------|------|----------------|----------------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Restricted equity | | | |
| Share capital | | 9,891 | 9,891 |
| Total restricted equity | | 9,891 | 9,891 |
| Non-restricted equity | | | |
| Share premium reserve | | 17,446 | 17,446 |
| Retained earnings | | 8,816 | - |
| Net profit/loss for the period | | 3,312 | 23,291 |
| Total non-restricted equity | | 29,575 | 40,737 |
| Total equity | | 39,466 | 50,628 |
| Provisions | | | |
| Deferred tax liabilities | | 49 | - |
| Total provisions | | 49 | - |
| Current liabilities | | | |
| Accounts payable | | 1,614 | 1,960 |
| Current tax liabilities | | 2,154 | 649 |
| Liabilities to Group companies | | 115,831 | 86,264 |
| Other liabilities | | 371 | 720 |
| Accrued expenses and deferred income | | 1,953 | 2,668 |
| Total current liabilities | | 121,923 | 92,260 |
| TOTAL EQUITY AND LIABILITIES | | 161,438 | 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, 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.

| | Oct-Dec 2022 | | | Oct-Dec 2021 | | |
|----------------------------|-------------------|------------------------------|-----------------------------------------|-------------------|------------------------------|-----------------------------------------|
| | Income Segment | Sales between segments | Income from external customers | Segment income | Sales between segments | Income from external customers |
| Contracting Sweden | 48,368 | 3,394 | 44,974 | 39,971 | 3,445 | 36,526 |
| Contracting Abroad | 9,622 | 373 | 9,250 | 13,454 | 1,708 | 11,746 |
| Transport Scandinavia | 75,122 | 5,565 | 69,557 | 84,574 | 4,976 | 79,598 |
| Machines and Technology | 19,125 | 15,078 | 4,047 | 6,537 | 3,242 | 3,295 |
| Group-wide | 7,147 | 6,961 | 186 | 7,291 | 6,687 | 604 |
| Total | 159,384 | 31,371 | 128,013 | 151,827 | 20,059 | 131,768 |

| | Full-year 2022 | | | Full-year 2021 | | |
|----------------------------|-------------------|---------------------------|--------------------------------------|-------------------|---------------------------|--------------------------------------|
| | Segment income | Sales between segments | Income from external customers | Segment income | Sales between segments | Income from external customers |
| Contracting Sweden | 186,211 | 9,479 | 176,732 | 130,556 | 15,720 | 114,836 |
| Contracting Abroad | 35,870 | 2,748 | 33,123 | 47,954 | 5,657 | 42,296 |
| Transport Scandinavia | 279,294 | 16,256 | 263,038 | 273,888 | 14,280 | 259,608 |
| Machines and Technology | 88,120 | 65,216 | 22,904 | 37,197 | 17,790 | 19,407 |
| Group-wide | 36,745 | 35,507 | 1,238 | 35,447 | 33,648 | 1,798 |
| Total | 626,241 | 129,206 | 497,035 | 525,041 | 87,096 | 437,946 |

Profit/loss after financial items

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

| | Oct-Dec 2022 | Oct-Dec 2021 | Full-year 2022 | Full-year 2021 |
|-------------------------|-----------------|-----------------|-------------------|-------------------|
| Contracting Sweden | 4,751 | 6,513 | 21,306 | 7,575 |
| Contracting Abroad | -3,308 | 4,933 | -9,080 | 3,797 |
| Transport Scandinavia | 3,697 | 13,803 | 28,051 | 39,472 |
| Machines and Technology | 463 | -860 | 7,570 | 763 |
| Group-wide | -830 | -873 | -940 | 242 |
| Total | 4,772 | 23,515 | 46,907 | 51,849 |

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 | 4,772 | 23,515 | 46,907 | 51,849 |
| Share of profit after tax from associated companies reported according to the equity method | - | -358 | - | -182 |
| Profit/loss before tax | 4,772 | 23,157 | 46,907 | 51,667 |

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

| | Income from services | | Sales of goods | | Leasing | | Total | |
|-------------------------|----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Oct-Dec 2022 | Oct-Dec 2021 | Oct-Dec 2022 | Oct-Dec 2021 | Oct-Dec 2022 | Oct-Dec 2021 | Oct-Dec 2022 | Oct-Dec 2021 |
| Contracting Sweden | 44,974 | 36,526 | - | - | - | - | 44,974 | 36,526 |
| Contracting Abroad | 9,237 | 11,815 | 12 | - | - | -69 | 9,250 | 11,746 |
| Transport Scandinavia | 68,369 | 77,001 | 530 | 309 | 658 | 2,288 | 69,557 | 79,598 |
| Machines and Technology | 1,615 | 1,113 | 2,431 | 2,182 | - | - | 4,047 | 3,295 |
| Group-wide | 186 | 604 | - | - | - | - | 186 | 604 |
| Total | 124,381 | 127,059 | 2,974 | 2,491 | 658 | 2,219 | 128,013 | 131,767 |

| | Income from services | | Sales of goods | | Leasing | | Total | |
|-------------------------|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Full-year 2022 | Full-year 2021 | Full-year 2022 | Full-year 2021 | Full-year 2022 | Full-year 2021 | Full-year 2022 | Full-year 2021 |
| Contracting Sweden | 176,732 | 114,836 | - | - | - | - | 176,732 | 114,836 |
| Contracting Abroad | 33,074 | 41,729 | 49 | 22 | - | 545 | 33,123 | 42,296 |
| Transport Scandinavia | 251,953 | 242,710 | 3,833 | 6,573 | 7,252 | 10,325 | 263,038 | 259,608 |
| Machines and Technology | 5,323 | 3,500 | 17,581 | 15,907 | - | - | 22,904 | 19,407 |
| Group-wide | 1,238 | 1,798 | - | - | - | - | 1,238 | 1,798 |
| Total | 468,320 | 404,573 | 21,463 | 22,502 | 7,252 | 10,871 | 497,035 | 437,946 |

Note 4 Participations in associated companies

Divestment of shares

In October 2021, Railcare divested its entire holding (40%) in associated company Atumo AB for SEK 450,000. The Group reported a value of the holding of SEK 808,000 and the Parent Company recognised the cost at SEK 204,000.

In the Consolidated Statement of Comprehensive Income in summary, the item *Proportion of profit after tax from associated companies recognised according to equity method* in the **previous year** comprises proceeds from the sale of shares of SEK -358,000 and profit share relating to the period prior to the divestment of SEK 176,000.

In the Parent Company Income Statement in summary, the item *Profit from shares in associated companies and jointly controlled companies* in the previous year comprises proceeds from the sale of shares of SEK 246,000 and dividends received earlier in the year of SEK 200,000.

Note 5 Non-current assets

| | Buildings and land | Locomotiv es and wagons | Mobile machinery | Vehicles | Equipment, tools, fixtures and fittings | Construction in pro gress | Total |
|------------------------------------------------|-----------------------|-------------------------------|---------------------|----------|-----------------------------------------------|---------------------------------|---------|
| 31 December 2021 | | | | | | | |
| Opening carrying amount | 33,257 | 135,316 | 155,562 | 6,521 | 5,898 | 66,907 | 403,461 |
| Exchange rate differences | 101 | 29 | 58 | 7 | 27 | - | 222 |
| Purchases/capitalised expenses for the year | 10,129 | 13,632 | - | 4,425 | 419 | 40,171 | 68,776 |
| Reclassifications | - | 10,661 | 3,362 | - | 1,058 | -14,927 | 153 |
| Disposals and scrappings | -51 | -863 | - | -2,317 | -66 | - | -3,297 |
| Depreciation | -7,462 | -26,195 | -13,221 | -2,875 | -1,243 | - | -50,996 |
| Closing carrying amount 31 December 2021 | 35,975 | 132,579 | 145,762 | 5,761 | 6,092 | 92,151 | 418,319 |
| Of which right-of-use assets | 25,403 | 27,895 | 1,927 | 5,675 | - | - | 60,900 |
| 31 December 2022 | | | | | | | |
| Opening carrying amount | 35,975 | 132,579 | 145,762 | 5,761 | 6,092 | 92,151 | 418,319 |
| Exchange rate differences | 29 | 13 | 30 | 6 | 82 | - | 160 |
| Purchases/capitalised expenses for the year | 6,339 | - | 1,731 | 1,299 | 1,706 | 49,471 | 60,548 |
| Reclassifications | - | 16,395 | 48,000 | - | -1,185 | -62,843 | 366 |
| Disposals and scrappings | -29 | -61 | - | -308 | -32 | - | -430 |
| Depreciation | -7,143 | -14,153 | -15,564 | -2,763 | -1,218 | - | -40,841 |
| Closing carrying amount 31 December 2022 | 35,170 | 134,772 | 179,959 | 3,996 | 5,445 | 78,779 | 438,123 |
| Of which right-of-use assets | 24,785 | 24,556 | 1,678 | 3,936 | - | - | 54,954 |

Key performance indicators, Railcare Group in summary

| Amounts in SEK 000, unless otherwise stated | Oct-Dec 2022 | Oct-Dec 2021 | Full-year 2022 | Full-year 2021 |
|------------------------------------------------|-----------------|-----------------|-------------------|-------------------|
| Net sales | 128,013 | 131,768 | 497,035 | 437,946 |
| Sales growth, % | -2.8 | 37.9 | 13.5 | 9.1 |
| Operating profit/loss (EBIT) | 6,652 | 24,721 | 52,365 | 56,219 |
| Operating margin, % | 5.2 | 18.8 | 10.5 | 12.8 |
| Net profit/loss for the period | 3,262 | 18,212 | 36,783 | 40,514 |
| Net financial income/expense | -1,880 | -1,205 | -5,457 | -4,370 |
| Total assets | 592,873 | 557,965 | 592,873 | 557,965 |
| Equity/assets ratio, % | 41.2 | 39.6 | 41.2 | 39.6 |
| Key performance indicators per share, SEK | | | | |
| Earnings per share before and after dilution | 0.14 | 0.75 | 1.52 | 1.68 |
| Equity per share | 10.12 | 9.17 | 10.12 | 9.17 |
| Dividend per share, SEK | - | - | 0.6 | 0.6 |

Quarterly data, Railcare Group Summary

| Amounts in SEK million | Q4 2022 | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 | Q4 2020 |
|---------------------------------------------------------------------------------------------------|---------------|---------------|---------------|--------------|---------------|---------------|--------------|--------------|--------------|
| Net sales | 128.0 | 146.5 | 127.2 | 95.3 | 131.8 | 126.2 | 91.0 | 88.9 | 95.6 |
| Capitalised work on own account | 4.8 | 1.2 | 3.2 | 2.9 | 1.6 | 1.9 | 3.5 | 1.4 | 11.3 |
| Other operating income | 0.2 | 0.2 | 0.8 | 1.9 | 2.8 | 1.2 | 1.3 | 1.0 | 0.2 |
| Total | 133.0 | 147.9 | 131.2 | 100.2 | 136.1 | 129.3 | 95.8 | 91.4 | 107.2 |
| Raw materials and consumables | -55.4 | -56.4 | -48.8 | -32.5 | -47.0 | -39.9 | -33.7 | -20.3 | -31.7 |
| Other external costs | -19.4 | -21.9 | -19.1 | -15.4 | -17.7 | -16.7 | -15.7 | -12.8 | -13.9 |
| Personnel costs | -40.3 | -33.8 | -39.5 | -32.7 | -35.2 | -33.4 | -34.9 | -35.5 | -32.7 |
| Depreciation and impairment of property, plant and equipment | -10.7 | -11.7 | -10.7 | -9.7 | -11.0 | -13.7 | -13.8 | -13.7 | -13.6 |
| Other operating expenses | -0.5 | -0.2 | -0.1 | -1.0 | -0.6 | -0.3 | -0.2 | -0.4 | -1.0 |
| Total operating expenses | -126.4 | -124.0 | -118.2 | -91.3 | -111.4 | -104.0 | -98.3 | -82.7 | -92.9 |
| Operating profit/loss (EBIT) | 6.7 | 23.9 | 13.0 | 8.8 | 24.7 | 25.3 | -2.5 | 8.7 | 14.3 |
| Financial income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 |
| Financial expenses | -1.9 | -1.5 | -1.1 | -1.0 | -1.2 | -1.1 | -1.0 | -1.1 | -1.2 |
| Net financial income/expense | -1.9 | -1.5 | -1.1 | -1.0 | -1.2 | -1.1 | -1.0 | -1.1 | -1.2 |
| Share of profit after tax from associated companies reported according to the equity method | 0.0 | 0.0 | 0.0 | 0.0 | -0.4 | 0.0 | 0.1 | 0.1 | 0.2 |
| Profit/loss before tax | 4.8 | 22.4 | 11.9 | 7.8 | 23.2 | 24.2 | -3.4 | 7.7 | 13.2 |
| Tax | -1.5 | -4.6 | -2.3 | -1.8 | -4.9 | -5.2 | 0.4 | -1.5 | -2.0 |
| Net profit/loss for the period | 3.3 | 17.9 | 9.6 | 6.0 | 18.2 | 19.1 | -3.0 | 6.2 | 11.2 |
| Equity/assets ratio, % | 41.2 | 41.6 | 39.3 | 40.2 | 39.6 | 37.5 | 36.7 | 39.5 | 37.4 |

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. |

| | | |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Earnings per share after dilution, SEK</p> | <p>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.</p> | <p>This key performance indicator illustrates the Company's earnings per share, excluding any dilution effect from outstanding convertibles.</p> |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|

Glossary

Standby locomotive

A clearance locomotive with personnel available around the clock to urgently clear or remove vehicles involved in stoppages and quickly get the track open for traffic again. Railcare is under contract to provide standby locomotives in five locations.

Relining operations

Includes relining of culverts beneath railways, roads and industrial sites using a fibreglass lining adapted to the existing culvert, which makes renovations more effective than when conventional culvert renovation or culvert replacement methods are used.

MPVe

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.

On-board equipment

The technical equipment installed on board a locomotive to communicate with the train protection system in the track.

Network Rail

Network Rail has overall responsibility for installation and maintenance of large parts of the British rail network.

Culvert inspections

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

Culvert renovations

Relining of culverts beneath railways, roads and industrial sites using fibreglass lining. The installation equipment used is not track-bound, which minimises traffic disruption.

Press releases in the fourth quarter 2022

- **16 November** – Railcare carries out extensive projects for Nordic Re-Finance
- **3 November** - Interim Report January-September 2022
- **1 November** – Nomination Committee for Railcare Group AB’s Annual General Meeting 2023
- **24 October** – 800 health and care workers treated to ice hockey

Financial calendar

- **3 May 2023** – Interim Report January-March 2023 is published
- **4 May 2023** – The 2023 Annual General Meeting will be held at Railcare’s headquarters in Skelleftehamn, Sweden
- **17 August 2023** - Interim Report January-June 2023 is published
- **9 November 2023** - Interim Report January-September 2023 is published
- **15 February 2024** - Year-end Report 2023 is published

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

About Railcare Group AB (publ)

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 160 employees and annual sales of approximately SEK 500 million. The company’s registered office is located in Skellefteå, Sweden.

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