

# Year-end Report 2023

**railcare**

Railcare Group AB (publ)  
Corp. ID No.: 556730-7813

Railcare's snow clearing machines are kept in strategic locations around Sweden between November and March to ensure snow is efficiently cleared from railway yards, tracks and switches. The illustration shows our smaller snow melting machine, SR 300, clearing snow from switches near Friends Arena in Stockholm.



## YEAR-END REPORT JANUARY-DECEMBER 2023

# Increased net sales and operating profit

### FOURTH QUARTER

- Consolidated net sales increased by 16.6 percent to SEK 149.3 million (128.0).
- Operating profit (EBIT) increased to SEK 13.2 million (6.7).
- Earnings per share before and after dilution amounted to SEK 0.25 (0.14).

### FULL YEAR 2023, JANUARY-DECEMBER

- Consolidated net sales increased by 13.5 percent to SEK 564.2 million (497.0).
- Operating profit (EBIT) increased to SEK 67.9 million (52.4).
- Earnings per share before and after dilution amounted to SEK 1.81 (1.52).
- The Board of Directors intends to propose that the Annual General Meeting approve a dividend of SEK 0.70 (0.60) per share for the 2023 financial year.

### SIGNIFICANT EVENTS IN THE FOURTH QUARTER

- Railcare was awarded another five-year contract for standby locomotives worth a total of SEK 403 million, corresponding to SEK 80 million annually. The work will begin in 2025.

### FINANCIAL SUMMARY

Amounts in SEK million, unless otherwise stated	Oct-Dec	Oct-Dec	Full-year 2023	Full-year 2022
	2023	2022		
Net sales	149.3	128.0	564.2	497.0
Operating profit/loss (EBIT)	13.2	6.7	67.9	52.4
Operating margin, %	8.8	5.2	12.0	10.5
Profit for the period	6.1	3.3	43.6	36.8
Equity/assets ratio, %	42.6	41.2	42.6	41.2
Earnings per share before and after dilution, SEK	0.25	0.14	1.81	1.52

## Stable fourth quarter, despite early winter

**Net sales in the fourth quarter were SEK 149.3 million (128.0) and operating profit was SEK 13.2 million (6.7). This corresponds to an operating margin of 8.8 percent.**

We delivered a stable fourth quarter, despite winter coming early which led to some cancellations of planned contracting work. The year can be summed up as a very strong period of sustained growth and positive operating margins. We achieved this despite a challenging surrounding world with turbulent events and high inflation, but also in the sector where a new traffic

planning system was introduced which required quick problem solving on our part.

Winter came early this year, with temperatures dropping as early as November and significant snowfall in several locations. On the one hand, this meant that we needed to delay some planned lining and construction work in central and southern Sweden. On the other, our efficient snow machines operated at full capacity, illustrating the ongoing need for contingency snow clearing.

Volumes in the UK contracting operations remained low. We are approaching the end of control period 6, CP6, and have previously experienced low volumes towards the end of control periods in line with allocated funds coming to an end. The new control period, CP7, starts on 1 April 2024 and the work to renew the framework agreement with our customer Network Rail is currently underway.

The locomotive workshop remains at high capacity utilization, although problems with components delivery have delayed the completion of TB locomotives for Infranord. The final delivery of the locomotives will take place in Q1 2024. The transport operations continued according to plan until mid-December, when a train



“The year can be summed up as a very strong period of sustained growth and positive operating margins.”

Mattias Remahl, CEO Railcare Group

transporting iron ore derailed on Malmbanan, which implied stoppages to some of our transport assignments.

### **The derailment on Malmbanan highlights the need for robust and reliable railways**

On 17 December, one of LKAB's fully loaded train transporting iron ore from Kiruna to Narvik derailed at Vassijaure station, close to the Norwegian border. The initial assessment was that there would be enough time to repair the track and for traffic to resume before year-end. However, the work took longer than expected, partly due to bad weather but also as a result of the extensive damage, and the stoppage has now lasted almost two months.

For Railcare's part, the stoppage did not have a significant financial impact, due to the structure of the agreement with the affected customers. LKAB estimated their income shortfall to SEK 100 million per day, which would imply losses of close to SEK 6 billion before the track opened up to traffic again. This was just one of several derailments over the years, and it is unlikely to be the last. Malmbanan is the most heavily trafficked route in Sweden, and is critical to the logistics of the mining companies operating in the north of Sweden.

### **New agreement for clearing locomotives**

At the end of October, we signed a new 5-year agreement relating to locomotives for clearing inoperative vehicles. This is the second largest contract signed by Railcare, and the agreement contributes to ensuring the long-term viability of the transport operations. The total value of the contract is just over SEK 400 million, with an option to extend it for 2 years, corresponding to a further SEK 160 million. The new agreement means that Railcare can contribute to speeding up clearing, which minimizes the impact of unplanned rail stoppag-

**”It is exciting and promising to explore what the contacts we have now initiated can lead to. Our hope is that there will also be demand for our efficient vacuum technology in Australia.”**

es. The derailment on Malmbanan provides a clear example of the financial values associated with these rail transports, and the importance of getting tracks back to working order without delays.

### **Railcare's vacuum technology presented at rail fair in Sydney**

In mid-November, we participated in the AusRail trade fair in Sydney, the largest railway fare in the Asia-Pacific region. Our surrounding world analysis has concluded that Australia's railways also have extensive maintenance requirements. What distinguishes the Australian railways from those in Sweden and the UK, is that the railways are privately owned to a greater extent. Large mining companies such as BHP Billiton and Rio Tinto own their own tracks between mine and port. This means that these companies are also responsible for maintenance. It is exciting and promising to continue to explore what the contacts we have initiated could lead to. Our hope is that there will also be demand for our efficient vacuum technology in Australia.

### **Winner of Company of the Year and Sustainable Company of the Year**

At the Skellefteå business gala, Alvargalan, Railcare was awarded Sustainable company of the year and Company

of the Year, with the latter being the most prestigious prize awarded by the Municipality of Skellefteå. Gala host Fredrik Lindström put it extremely well: “It must feel great to be awarded Sustainable Company of the Year in a municipality as sustainable as Skellefteå.” Yes, we are really proud, and both awards are recognition of the work we carry out, and our contribution to a sustainable society.

### **New financial targets**

The Board of Directors of Railcare Group AB has adopted new financial targets for the period up until the end of 2027. The new targets are sales of SEK 1 billion and operating margin of 13 percent.

Over the past year, a number of significant events have taken place that strengthen our positive view of the future. We won a major contract relating to clearing locomotives that contributes to the long-term viability of operations, while we are also seeing growing demand for our contracting and transport services. We also intend to sharpen our focus on machine sales. Overall, this justifies more aggressive targets.

**Mattias Remahl**  
 CEO

# Financial summary- Railcare Group

## NET SALES

Net sales for the fourth quarter of 2023 increased by 16.6 percent to SEK 149.3 million, compared to SEK 128.0 million for the corresponding period last year. Contracting Sweden and Transport Scandinavia are the main contributors to the increase in sales.

During the full year 2023, net sales increased by 13.5 percent to SEK 564.2 million, compared to SEK 497.0 million for the previous year. Net sales mainly increased in Transport Scandinavia and Contracting Sweden, due to higher volumes. In Transport Scandinavia, the increase was mainly derived from a contract relating to three new clearing locomotives that started on January 1, 2023, and increased capacity utilization in the locomotive workshop. In Contracting Sweden, sales were affected by increased demand and capacity utilization of the machine park. In Contracting Abroad, sales decreased slightly due to reduced demand, partly because the customer's, Network Rail's, current control period, CP6, is coming to an end.

## OPERATING EXPENSES

Operating expenses for the fourth quarter 2023 increased by 11.8 percent compared to the corresponding period last year. In the quarter, the Group saw increased

costs for the maintenance of machines and locomotives. This was partly due to earlier-than-planned locomotives maintenance resulting from the Malmbanan stoppages, but also because of increased capacity utilization for working machines and locomotives. Personnel expenses also increased, mainly due to staff increases to meet growing demand.

Operating expenses for the full year 2023 totalled SEK 514.6 million, compared to SEK 459.9 million for the corresponding period of the previous year. This represents a cost increase of 11.9 percent. Increased operating expenses were partly attributable to higher inflation, but were mainly due to increased volumes in the operations, such as the large projects underway in the locomotive workshop in Långsele, and the recruitment aimed at meeting growing demand for the Group's services.

## OPERATING PROFIT

Operating profit (EBIT) for the fourth quarter of 2023 increased to SEK 13.2 million compared to the equivalent quarter in the previous year when profit amounted to SEK 6.7 million. The operating margin increased to 8.8 percent (5.2).

Operating profit (EBIT) for the full year 2023 increased to SEK 67.9 million, compared to SEK 52.4 million for the corresponding period of the previous year. The operating margin increased to 12.0 percent (10.5). Higher volumes and increased capacity utilization of the machine park are the primary explanation for the improved operating margin.

## PROFIT FOR THE PERIOD

Profit for the fourth quarter 2023 totalled SEK 6.1 million (3.3). Profit for the quarter was negatively affected by SEK 0.6 million relating to losses resulting from the liquidation of a subsidiary in Denmark. Interest

expenses increased by SEK 1.0 million year-on-year. For the full year 2023, net profit increased to SEK 43.6 million (36.8). The Group's interest expenses for the full year increased by SEK 4.7 million compared to the previous year. The increase was attributable to changes in interest rates.

## CASH FLOW

Cash flow during the fourth quarter generated an inflow of SEK 37.2 million (17.7). The main change was derived from operating cash flow, with improved operating profit and lower operating receivables.

Cash flow for the full year resulted in an inflow of SEK 7.3 million (-7.0). Cash flow from investing activities amounted to SEK -60.7 million (-53.2), and primarily relates to the further development of the battery-powered MPV. Investments in the year were mainly equity financed, and total borrowing for the year was SEK 20.5 million (32.4).

## EQUITY/ASSETS RATIO

At the end of the period, the equity/assets ratio was 42.6 percent, compared to 41.2 percent on 31 December 2022.

**12 %**  
 Operating margin  
 for 2023

## Financial summary - Contracting Sweden

Railcare's contracting operations in Sweden carry out maintenance contracts on the railways, using proprietary staff and machinery. With the help of vacuum technology on our Railvac machines and Ballast Feeder System, various types of track maintenance is carried out, such as cable relocation, cable laying, reballasting and snow clearing. The same technology is now available in Railcare's 100% battery-powered MPVs (Multi Purpose Vehicle).

Another part of the contracting business specialises in culvert renovations beneath railways and roads and at industrial sites, as well as permit inspections of culverts. Relining, as it is called, is performed using fibreglass lining that is UV-cured. An environmentally friendly technology that can be used on culverts regardless of shape. The relining is carried out without disrupting rail traffic.

Net sales in the Contracting Sweden segment in the fourth quarter of 2023 amounted to SEK 59.7 million (48.4), which is an increase of 23.4 percent on the corresponding period in the previous year. Profit after financial items increased compared to the preceding year and amounted to SEK 5.2 million (4.8).

Total contracting volumes increased compared to the

previous year, despite delays to some assignments due to the early winter. Periods of very low temperatures and frozen ground complicate the service provision carried out by our Railvacs using vacuum technology. Lining operations are also negatively affected by cold weather, as the liner material must be heated up prior to assembly and hardened in the culvert, which means that temperatures below -5 degrees Celsius complicate the installation process.

An early winter meant that snow clearance started much earlier than normal, and capacity utilization was high for an extended period. Climate change implies more sudden fluctuations in weather, and there is considerable demand for contingency snow clearing. Our partnership with the Swedish Transport Administration is progressing well and improves advance planning, allowing Railcare to provide snow clearance services in the right place at the right time.

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



### Key performance indicators – Contracting Sweden

Amounts in SEK 000, unless otherwise stated	Oct-Dec 2023	Oct-Dec 2022	Change, %	Full-year 2023	Full-year 2022	Change, %
Net sales	59,684	48,368	23.4	217,076	186,211	16.6
Profit/loss after financial items	5,167	4,751	8.8	17,150	21,306	-19.5
Net margin, %	8.7	9.8	-1.1	7.9	11.4	-3.5

# Financial summary - Contracting Abroad

*Railcare also provides services using vacuum technology outside Sweden. This segment is currently operated from the UK, where railway maintenance largely involves reballasting beneath tracks and switches. Proprietary Railvac machines and specially-adapted Ballast Feeder UK machines are used for these assignments.*

*The machines that are adapted for the UK can also be used in other countries, which means that the market potential for these machines is extensive.*

Net sales in Contracting Abroad decreased by 12.4 percent in the fourth quarter of 2023 compared with the corresponding quarter in the preceding year, and amounted to SEK 8.4 million (9.6). Profit/loss after financial items improved to SEK -1.7 million (-3.3).

The profit improvement was due to cost savings, including more efficient utilization of operators, who have been organized as a single company since 1 January 2023, and who have used more extensively in the Swedish contracting operations compared to previously.

Volumes are normally higher in the winter half year, but we are now coming to the end of the sixth control period, CP6, for our customer Network Rail. This has meant

fewer planned assignments as allocated funds are utilized, a phenomenon we have experienced towards the end of previous control periods. The new control period, CP7, starts in April 2024 and discussions relating to a renewed framework agreement are currently underway with Network Rail.

The subsidiary in Denmark was liquidated in the year, which means that the segment's only fixed operations are carried out in the UK.



## Key performance indicators – Contracting Abroad

Amounts in SEK 000, unless otherwise stated	Oct-Dec 2023	Oct-Dec 2022	Change, %	Full-year 2023	Full-year 2022	Change, %
Net sales	8,427	9,622	-12.4	32,449	35,870	-9.5
Profit/loss after financial items	-1,710	-3,308	48.3	-2,557	-9,080	71.8
Net margin, %	-20.3	-34.4	14.1	-7.9	-25.3	17.3

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

# Financial summary - Transport Scandinavia

*In the transport business, Railcare offers railway transport using proprietary locomotives, wagons and staff. The company provides freight, construction and specialist transport, with transportation licenses in Sweden and Norway.*

*In connection with major maintenance contracts, Railcare operates transport of sleepers and macadam, and the track replacement train. Railcare transports ore on behalf of the mining industry using round trips. Furthermore, Railcare provides clearing locomotives for the Swedish Transport Administration that can be used at short notice for vehicle recovery and, in exceptional cases, evacuation.*

*Within this segment, Railcare also offers workshop services for railway vehicles, such as extending the service life of rolling stock, reviews, repairs and regular maintenance. The locomotive workshop has been certified as a unit responsible for maintenance (ECM) for railway vehicles.*

Net sales in the Transport Scandinavia segment increased by 22.2 percent in the fourth quarter of 2023 year-on-year, amounting to SEK 91.8 million (75.1). Profit after financial items increased to SEK 13.1

million (3.7). Sales in the transport operations were up on the previous year, due to the indexation of existing agreements coupled with increased construction transport in the fourth quarter.

The assignments on behalf of LKAB and Kaunis Iron proceeded as planned until the Malmbanan derailment on 17 December, where traffic has been stopped since that time. For Railcare's part, the stoppage did not have a significant financial impact, due to the structure of the agreements with LKAB and Kaunis Iron. In connection with the stoppage, maintenance of locomotives was brought forward to ensure that these are ready for use once the track opens again. This means that maintenance costs are higher than normal.

In the Långsele locomotive workshop, the final phase of the work on two TB locomotives for Infranord has been underway. Other work in the locomotive workshop relates to engine conversion and upgraded driver environments, partly for a TC locomotive for Infranord, and partly for a machine for Strukton Rail. Serial installations of ETCS on behalf of Nordic Re-Finance are also underway.

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



## Key performance indicators – Transport Scandinavia

Amounts in SEK 000, unless otherwise stated	Oct-Dec 2023	Oct-Dec 2022	Change, %	Full-year 2023	Full-year 2022	Change, %
Net sales	91,773	75,122	22.2	340,062	279,294	21.8
Profit/loss after financial items	13,146	3,697	255.6	46,432	28,051	65.5
Net margin, %	14.3	4.9	9.4	13.7	10.0	3.7



# Financial summary - Machines and Technology

*In this segment Railcare constructs, builds, develops and sells maintenance machinery using vacuum technology for railways. The latest machine the company has developed is the battery-powered Multi Purpose Vehicle (MPV), the world's first and largest battery-powered maintenance machine of its kind.*

*Other machines that Railcare has developed are: Railvac – used in areas that ordinary excavators cannot access or to replace jobs previously performed manually. Ballast Feeder System – handles large volumes during reballasting and refilling. Snow machines: shovel and melt the snow into water directly in large tanks.*

*The machines operation also develops existing machines and vehicles. This may include new technology and new operational methods, as well as service and maintenance. The machinery is exported to countries where Railcare does not carry out its own contracting work.*

Net sales in the Machines and Technology segment increased slightly in the fourth quarter of 2023 compared to the corresponding quarter of last year, and amounted to SEK 20.8 million (19.1). In the quarter, there were no major external machine sales or deliveries of spare parts, and a majority of sales are internal relating to

machine and locomotive rentals from other operations within the Group. Profit/loss after financial items was lower than the equivalent quarter in the preceding year and amounted to SEK -2.4 million (0.5).

The segment focuses closely on marketing vacuum technology to new customers. We continuously monitor the surrounding world, and complete sales initiatives focused on new markets. This work intensified in the quarter, which generated costs that affected operating profit. For example, Railcare participated in the AusRail trade fair which is the largest railway fare in the Asia-Pacific region. At the trade fair, Dave Ratledge, Senior Consultant at Permanent Way Institution, presented a technical report titled “Evaluating in-Situ Reballasting Techniques in the UK 2002-present”, where Railcare’s methods were described as a success factor.

The workshop in Skelleftehamn is currently completing the advanced MPV with a pantograph. The plan is still to bring the machine into production in 2024.

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



## Key performance indicators – Machines and Technology

Amounts in SEK 000, unless otherwise stated	Oct-Dec 2023	Oct-Dec 2022	Change, %	Full-year 2023	Full-year 2022	Change, %
Net sales	20,804	19,125	8.8	81,124	88,120	-7.9
Profit/loss after financial items	-2,428	463	-624.8	577	7,570	-92.4
Net margin, %	-11.7	2.4	-14.1	0.7	8.6	-7.9

# Other information

## EMPLOYEES

As of 31 December 2023, the Railcare Group had 173 employees, compared to 157 on 31 December 2022. This is an increase of 16 and mainly relates to the recruitment of locomotive drivers, partly for the assignments with standby locomotives which began in autumn 2022. A number of new machine operators have also been recruited in 2023 to meet increased demand in the contracting operations.

## 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.

Parent Company net sales for the fourth quarter of 2023 amounted to SEK 11.7 million (7.1) and consisted mainly of Group-wide services. Operating profit amounted to SEK -3.7 million (-0.8). The subsidiary in Denmark entered voluntary liquidation at the beginning of the year, and the process was concluded in the fourth quarter. This has not had a significant effect on Parent Company's results.

## TARGET

### Financial targets

- Sales SEK 1,000 million
- Operating margin 13 percent

Railcare's updated financial targets are to achieve sales of SEK 1,000 million by 2027 and to maintain an operating margin of more than 13 percent.

### Sustainability

- Reduce 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 while maintaining an equity/assets ratio of 25 percent after dividends.

The Board of Directors intends to propose a dividend of SEK 0.70 (0.60) per share, totalling SEK 16,886,917 (14,474,500), for the 2023 financial year.

## SIGNIFICANT RISKS AND UNCERTAINTIES

A description of significant risks and uncertainties can be found in Railcare's Annual Report for 2022, which can be downloaded at [www.railcare.se](http://www.railcare.se).

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

## EVENTS AFTER THE END OF THE PERIOD

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

## TRANSACTIONS WITH RELATED PARTIES

At the 2023 AGM, Andreas Lantto was elected a new Board member of Railcare Group AB. Andreas is a part-owner and Board member of Nordkonsult i Luleå AB, which supplies technical consultancy services to the Railcare Group. Andreas is also a Board member of FINAB – Försäljning i Norr AB, which leases two office spaces to Railcare T AB.

All transactions are based on normal, generally accepted commercial terms.

Apart from the aforementioned, there were no significant changes to the Group or the Parent Company's relations or transactions with related parties during the year, compared to the information provided in the 2022 Annual Report.

# Shares

Railcare Group AB's share has been listed since 2007 and was included on Nasdaq Stockholm's Small Cap list in 2018 under the ticker "RAIL", ISIN code SE0010441139.

## SHARE CAPITAL AND CAPITAL STRUCTURE

The share capital amounted to approximately SEK 9.9 million and the quotient value was SEK 0.41 per share as of 31 December 2023. Each share carries one vote at the Annual General Meeting.

More information about the development of share capital can be found at [www.railcare.se](http://www.railcare.se).

## SHAREHOLDERS

As of 31 December 2023, Railcare Group AB had 4,348 shareholders. The ten largest shareholders represented 55.4 percent of the total shareholding. The largest shareholder was Nornan Invest AB with a holding representing 29.5 percent of the company's share capital.

## Distribution by size category

Holding	Number of shareholders	Number of shares	% of votes and capital
1-500	2,762	396,043	1.64
501-1000	605	489,183	2.03
1,001-5,000	731	1,671,884	6.93
5,001-10,000	113	853,052	3.54
10,001-15,000	27	340,598	1.41
15,001-20,000	21	380,348	1.58
20,001-	89	19,993,059	82.88
<b>Total</b>	<b>4,348</b>	<b>24,124,167</b>	<b>100.0</b>

## Shareholder structure

Ten largest shareholders 31 December 2023	Number of shares	Proportion of share capital and votes (%)
Nornan Invest AB	7,121,395	29.5
TREAC AB	2,390,000	9.9
Avanza Pension	866,244	3.6
Bernt Larsson	750,987	3.1
Canaccord Genuity Wealth Management	599,906	2.5
Mikael Gunnarsson	489,000	2.0
Nordnet Pensionsförsäkring AB	379,554	1.6
Torsten Germund Dahlquist	279,309	1.2
Harry Markku Sjöblom	265,000	1.1
Martin Gorne	233,500	1.0
<b>Ten largest shareholders</b>	<b>13,374,895</b>	<b>55.4</b>
Other shareholders	10,749,272	44.6
<b>Total</b>	<b>24,124,167</b>	<b>100.0</b>

Source: Modular Finance AB. Compiled and processed data sourced from Euroclear, Morningstar and the Swedish Financial Supervisory Authority. (Railcare has changed its provider of shareholder data which means that nominee accounts are not specified in shareholder structure.)

# 4,348

Number of shareholders  
in Railcare Group AB  
as of 31 December 2023

#### ANNUAL GENERAL MEETING 2024

Railcare's Annual General Meeting 2024 will take place on Wednesday, 8 May 11.00 a.m. CET at the company's premises at Näsuddsvägen 10, SE-932 32 Skelleftehamn, Sweden.

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

#### NOMINATION COMMITTEE FOR RAILCARE GROUP AB'S ANNUAL GENERAL MEETING 2024

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 2024. The Nomination Committee comprises Anders Westermark, Chairman of the Board, Lina Ådin, appointed by TREAC AB, and Jonas Holmqvist, appointed by Nornan Invest AB. The Nomination Committee appointed Jonas Holmqvist as Chairman.

Combined, the members of the Nomination Committee represent 39.4 percent of the total number of shares and votes in the Company (as of 30 September 2023).

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 2025.

Shareholders wishing to submit proposals to the Nomination Committee may do so by sending an e-mail to [ir@railcare.se](mailto:ir@railcare.se).

#### Skelleftehamn, Sweden, 15 February 2024

Railcare Group AB (publ)

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

Anders Westermark  
*Chairman of the Board*

Andreas Lantto  
*Board member*

Catharina Elmsäter-Svärd  
*Board member*

Ulf Marklund  
*Board member*

Björn Östlund  
*Board member*

Mattias Remahl  
*CEO*

Linn Andersson  
*Board member*

# About Railcare

## OPERATIONS

Railcare offers innovative products and services for the railway, such as railway maintenance with proprietary machines, freight, contracting and specialist transport, a locomotive workshop and machine sales.

Our corporate culture is to do things differently and this approach characterises our entire operation. For us, this means coming up with unexpected ways of solving problems. It also means that all of our employees show – and are expected to show – a lot of personal responsibility for everything from customer deliveries to embodying our values.

The Group has some 170 employees and annual sales of approximately SEK 550 million. The company's registered office is located in Skellefteå, Sweden.

## VISION

Railcare shall develop with satisfied customers and positive profitability, thereby increasing shareholder value.

## BUSINESS CONCEPT

In close partnership with its customers, Railcare shall develop innovative and sustainable services, products and methods for the railway industry's various segments. Railcare is to be characterised by its culture of safety, skilled personnel, high quality and delivery reliability.

## STRATEGY

- Focus on the employees, who are by far our most important asset
- Efficient contracting assignments that contribute to more sustainable railways
- Provide reliable, sustainable transport
- Embodying the entrepreneurial spirit
- Driving progress towards more sustainable railways

## FINANCIAL TARGETS

- Sales of SEK 1,000 million
- EBIT of more than 13%

Railcare's ambition is to achieve these targets by the end of 2027.



## Consolidated Statement of Comprehensive Income in summary

Amounts in SEK 000	Note	Oct-Dec 2023	Oct-Dec 2022	Full-year 2023	Full-year 2022
Net sales	3	149,313	128,013	564,220	497,035
Capitalised work on own account		4,731	4,839	14,247	12,130
Other operating income		487	184	4,022	3,104
<b>Total</b>		<b>154,531</b>	<b>133,036</b>	<b>582,489</b>	<b>512,269</b>
Raw materials and consumables		-57,607	-55,431	-211,783	-193,141
Other external costs		-25,155	-19,424	-85,600	-75,762
Personnel costs		-46,394	-40,346	-170,134	-146,341
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		-11,522	-10,677	-44,099	-42,811
Other operating expenses		-673	-506	-2,938	-1,849
<b>Total operating expenses</b>		<b>-141,351</b>	<b>-126,385</b>	<b>-514,555</b>	<b>-459,904</b>
<b>Operating profit/loss (EBIT)</b>		<b>13,180</b>	<b>6,652</b>	<b>67,934</b>	<b>52,365</b>
<b>Net financial income/expense</b>		<b>-3,431</b>	<b>-1,880</b>	<b>-10,667</b>	<b>-5,457</b>
<b>Profit/loss before tax</b>		<b>9,749</b>	<b>4,772</b>	<b>57,266</b>	<b>46,907</b>
Income tax		-3,680	-1,509	-13,642	-10,125
<b>Profit for the period</b>		<b>6,069</b>	<b>3,262</b>	<b>43,624</b>	<b>36,783</b>
<b>Other comprehensive income</b>					
<b>Items that may be reclassified to profit/loss for the period</b>					
Exchange rate differences from the translation of foreign operations		715	118	873	637
<b>Other comprehensive income for the period, net of tax</b>		<b>715</b>	<b>118</b>	<b>873</b>	<b>637</b>
<b>Total comprehensive income for the period</b>		<b>6,784</b>	<b>3,380</b>	<b>44,497</b>	<b>37,420</b>
Earnings per share*		0.25	0.14	1.81	1.52
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

\* Since there are no potential shares, there is no dilution effect.

## Consolidated Statement of Financial Position in summary

Amounts in SEK 000	Note	31 Dec 2023	31 Dec 2022
<b>ASSETS</b>			
Intangible assets		10,198	8,212
Property, plant and equipment	4	460,157	438,123
Financial non-current assets		4,475	4,635
<b>Total non-current assets</b>		<b>474,830</b>	<b>450,970</b>
<b>Inventories</b>		<b>36,284</b>	<b>32,245</b>
Accounts receivable		56,518	40,936
Other current receivables		35,958	36,746
<b>Total current receivables</b>		<b>92,476</b>	<b>77,682</b>
Cash and cash equivalents		39,432	31,976
<b>Total current assets</b>		<b>168,192</b>	<b>141,903</b>
<b>TOTAL ASSETS</b>		<b>643,022</b>	<b>592,873</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>		<b>274,118</b>	<b>244,095</b>
Deferred tax liabilities and other provisions		59,639	54,756
Non-current liabilities to credit institutions		74,346	100,833
Non-current lease liabilities		37,128	42,646
<b>Total non-current liabilities</b>		<b>171,113</b>	<b>198,235</b>
Current liabilities to credit institutions		84,698	63,927
Current lease liabilities		11,899	10,658
Accounts payable		47,693	34,359
Other current liabilities		53,501	41,599
<b>Total current liabilities</b>		<b>197,791</b>	<b>150,543</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>643,022</b>	<b>592,873</b>

## Consolidated Statement of Changes in Equity in summary

Amounts in SEK 000	Note	31 Dec 2023	31 Dec 2022
Equity, opening balance		244,095	221,150
Comprehensive income for the period		44,497	37,420
Dividend		-14,475	-14,475
<b>Equity, closing balance</b>		<b>274,118</b>	<b>244,095</b>

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

## Consolidated Statement of Cash Flows in summary

Amounts in SEK 000	Note	Oct-Dec 2023	Oct-Dec 2022	Full-year 2023	Full-year 2022
<b>Cash flow from operating activities</b>					
Operating profit		13,180	6,652	67,934	52,365
Adjustment for non-cash items		12,951	10,714	46,017	42,894
Interest paid		-2,616	-1,895	-9,546	-5,478
Interest received		64	15	150	21
Income tax paid		2,002	1,475	-381	-2,024
<b>Cash flow from operating activities before changes in working capital</b>		<b>25,581</b>	<b>16,961</b>	<b>104,174</b>	<b>87,778</b>
<b>Cash flow from changes in working capital</b>					
Increase/decrease in inventories		-4,631	-458	-4,647	-4,693
Increase/decrease in operating receivables		33,939	16,723	-14,470	-20,098
Increase/decrease in operating liabilities		6,668	1,988	17,223	4,410
<b>Total changes in working capital</b>		<b>35,976</b>	<b>18,253</b>	<b>-1,894</b>	<b>-20,381</b>
<b>Cash flow from operating activities</b>		<b>61,557</b>	<b>35,214</b>	<b>102,280</b>	<b>67,397</b>
<b>Cash flow from investing activities</b>					
Investments in intangible assets		-1,517	-164	-3,007	-164
Investments in property, plant and equipment		-17,636	-17,229	-57,364	-53,109
Investments in other financial non-current assets		-	-	-1,557	-
Divestment of property, plant and equipment		-	-	1,210	109

Amounts in SEK 000	Note	Oct-Dec 2023	Oct-Dec 2022	Full-year 2023	Full-year 2022
<b>Cash flow from investing activities</b>		<b>-19,153</b>	<b>-17,393</b>	<b>-60,718</b>	<b>-53,164</b>
<b>Cash flow from financing activities</b>					
Loans raised		10,000	9,159	20,525	32,398
Net change in overdraft facility		-4,235	-	0	-
Amortisation of loans		-7,438	-6,033	-26,776	-26,346
Amortisation of lease liabilities		-3,572	-3,210	-13,538	-12,790
Dividend paid		0	-	-14,475	-14,475
<b>Cash flow from financing activities</b>		<b>-5,245</b>	<b>-84</b>	<b>-34,264</b>	<b>-21,213</b>
<b>Cash flow for the period</b>		<b>37,159</b>	<b>17,737</b>	<b>7,298</b>	<b>-6,980</b>
Opening cash and cash equivalents		2,363	14,156	31,976	38,560
Exchange rate difference in cash and cash equivalents		-90	83	158	397
<b>Closing cash and cash equivalents</b>		<b>39,432</b>	<b>31,976</b>	<b>39,432</b>	<b>31,976</b>



## Parent Company Income Statement in summary

Amounts in SEK 000	Note	Oct-Dec 2023	Oct-Dec 2022	Full-year 2023	Full-year 2022
Net sales		11,703	7,147	45,292	36,745
Other operating income		-	-	149	19
<b>Total operating income</b>		<b>11,703</b>	<b>7,147</b>	<b>45,441</b>	<b>36,764</b>
Raw materials and consumables		-4,292	-7	-12,448	-7,699
Other external costs		-5,886	-4,517	-18,577	-16,703
Personnel costs		-5,062	-3,261	-17,190	-11,430
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		-143	-108	-531	-409
Other operating expenses		-17	-7	-34	-32
<b>Total operating expenses</b>		<b>-15,400</b>	<b>-7,900</b>	<b>-48,780</b>	<b>-36,273</b>
<b>Operating profit</b>		<b>-3,697</b>	<b>-753</b>	<b>-3,339</b>	<b>491</b>
Profit/loss from financial items		-47	0	451	-4,389
<b>Profit/loss after financial items</b>		<b>-3,744</b>	<b>-753</b>	<b>-2,888</b>	<b>-3,899</b>
Appropriations		26,100	9,300	26,100	9,300
Tax on net profit/loss for the period		-4,512	-1,818	-4,741	-2,089
<b>Profit for the period</b>		<b>17,844</b>	<b>6,729</b>	<b>18,471</b>	<b>3,312</b>

## Parent Company balance sheet in summary

Amounts in SEK 000	Note	31 Dec 2023	31 Dec 2022
<b>ASSETS</b>			
Intangible assets		630	237
Property, plant and equipment		5,496	4,783
Financial non-current assets		28,969	33,939
<b>Total non-current assets</b>		<b>35,094</b>	<b>38,959</b>
Receivables from Group companies		105,191	94,161
Other current receivables		2,895	1,899
<b>Total current receivables</b>		<b>108,086</b>	<b>96,060</b>
Cash and cash equivalent		35,342	26,419
<b>Total current assets</b>		<b>143,428</b>	<b>122,479</b>
<b>TOTAL ASSETS</b>		<b>178,522</b>	<b>161,438</b>
<b>EQUITY AND LIABILITIES</b>			
Restricted equity		9,891	9,891
Non-restricted equity		33,571	29,575
<b>Total equity</b>		<b>43,462</b>	<b>39,466</b>
<b>Provisions</b>		<b>77</b>	<b>49</b>
Current liabilities to Group companies		119,006	115,831
Other current liabilities		15,976	6,092
<b>Total current liabilities</b>		<b>134,982</b>	<b>121,923</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>178,522</b>	<b>161,438</b>

The Parent Company has no items recognised as other comprehensive income, which is why total comprehensive income is the same as profit/loss for the year.

## NOTE 1 GENERAL INFORMATION

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

Unless otherwise stated, all amounts are given in SEK 000. Disclosures in parentheses pertain to the comparison year.

## NOTE 2 BASIS FOR PREPARATION OF STATEMENTS

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

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

The accounting principles applied are consistent with those described in the Railcare Group's Annual Report for 2022. New or revised IFRS that have come into effect in 2023 do not have a material impact on the consolidated financial statements.

The fair value of financial assets and liabilities is estimated to correspond to their 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 renovation of fibre-glass-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

Specialist transport involving locomotives, wagons and personnel in Scandinavia, as well as internal and external repair and upgrading services for locomotives and wagons performed in workshops.

### Machines and Technology

Technological development, construction and sales of new machines, and the further development and conversion 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 sector operators in the railway industry and vary according to the area of operation. The Group's customers are largely repeat customers based on long-term relationships.

	Oct-Dec 2023			Oct-Dec 2022		
	Segment income	Sales between segments	Income from external customers	Segment income	Sales between segments	Income from external customers
Contracting Sweden	59,684	7,634	52,051	48,368	3,394	44,974
Contracting Abroad	8,427	160	8,267	9,622	373	9,250
Transport Scandinavia	91,773	6,145	85,628	75,122	5,565	69,557
Machines and Technology	20,804	17,475	3,329	19,125	15,078	4,047
Group-wide	11,703	11,665	38	7,147	6,961	186
<b>Total</b>	<b>192,391</b>	<b>43,078</b>	<b>149,313</b>	<b>159,384</b>	<b>31,371</b>	<b>128,013</b>

	Full-year 2023			Full-year 2022		
	Segment income	Sales between segments	Income from external customers	Segment income	Sales between segments	Income from external customers
Contracting Sweden	217,076	23,393	193,683	186,211	9,479	176,732
Contracting Abroad	32,449	160	32,289	35,870	2,748	33,123
Transport Scandinavia	340,062	17,865	322,197	279,294	16,256	263,038
Machines and Technology	81,124	65,515	15,609	88,120	65,216	22,904
Group-wide	45,292	44,850	442	36,745	35,507	1,238
<b>Total</b>	<b>716,003</b>	<b>151,784</b>	<b>564,220</b>	<b>626,241</b>	<b>129,206</b>	<b>497,035</b>

### Profit/loss after financial items

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

	Oct-Dec 2023	Oct-Dec 2022	Full-year 2023	Full-year 2022
Contracting Sweden	5,167	4,751	17,150	21,306
Contracting Abroad	-1,710	-3,308	-2,557	-9,080
Transport Scandinavia	13,146	3,697	46,432	28,051
Machines and Technology	-2,428	463	577	7,570
Group-wide	-4,426	-830	-4,336	-940
<b>Total</b>	<b>9,748</b>	<b>4,772</b>	<b>57,266</b>	<b>46,907</b>

### Breakdown of income

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

Segment	Income from services		Sales of goods		Leasing		Total	
	Oct-Dec 2023	Oct-Dec 2022	Oct-Dec 2023	Oct-Dec 2022	Oct-Dec 2023	Oct-Dec 2022	Oct-Dec 2023	Oct-Dec 2022
Contracting Sweden	52,051	44,974	-	-	-	-	52,051	44,974
Contracting Abroad	8,267	9,237	-	12	-	-	8,267	9,250
Transport Scandinavia	80,848	68,369	2,427	530	2,354	658	85,628	69,557
Machines and Technology	1,678	1,615	1,651	2,431	-	-	3,329	4,047
Group-wide	38	186	-	-	-	-	38	186
	<b>142,882</b>	<b>124,381</b>	<b>4,078</b>	<b>2,974</b>	<b>2,354</b>	<b>658</b>	<b>149,313</b>	<b>128,013</b>

Segment	Income from services		Sales of goods		Leasing		Total	
	Full-year 2023	Full-year 2022	Full-year 2023	Full-year 2022	Full-year 2023	Full-year 2022	Full-year 2023	Full-year 2022
Contracting Sweden	193,655	176,732	28	-	-	-	193,683	176,732
Contracting Abroad	32,289	33,074	-	49	-	-	32,289	33,123
Transport Scandinavia	304,297	251,953	8,504	3,833	9,395	7,252	322,197	263,038
Machines and Technology	6,558	5,323	9,051	17,581	-	-	15,609	22,904
Group-wide	442	1,238	-	-	-	-	442	1,238
	<b>537,241</b>	<b>468,320</b>	<b>17,584</b>	<b>21,463</b>	<b>9,395</b>	<b>7,252</b>	<b>564,220</b>	<b>497,035</b>

**NOTE 4 PROPERTY, PLANT AND EQUIPMENT**

	Buildings and land	Locomotives and wagons	Mobile machinery	Vehicles	Equipment, tools, fixtures and fittings	Construction in progress and advances for property, plant and equipment	Total
<b>As of 31 December 2022</b>							
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
Amortisation	-7,143	-14,153	-15,564	-2,763	-1,218	-	-40,841
<b>Closing carrying amount 31 December 2022</b>	<b>35,170</b>	<b>134,772</b>	<b>179,959</b>	<b>3,996</b>	<b>5,445</b>	<b>78,779</b>	<b>438,123</b>
<b>Of which right-of-use assets</b>	<b>24,785</b>	<b>24,556</b>	<b>1,678</b>	<b>3,936</b>	<b>-</b>	<b>-</b>	<b>54,954</b>
<b>As of 31 December 2023</b>							
Opening carrying amount	35,170	134,772	179,959	3,996	5,445	78,779	438,123
Exchange rate differences	20	-	-	5	-	-	25
Purchases/capitalised expenses for the year	6,767	295	4,530	3,978	1,392	52,446	69,408
Reclassifications	-	8,239	35,490	-	-	-46,066	-2,338
Disposals and scrappings	-	-297	-120	-90	-339	-604	-1,449
Amortisation	-7,967	-14,615	-17,119	-2,559	-1,351	-	-43,611
<b>Closing carrying amount 31 December 2023</b>	<b>33,990</b>	<b>128,394</b>	<b>202,741</b>	<b>5,329</b>	<b>5,147</b>	<b>84,555</b>	<b>460,157</b>
<b>Of which right-of-use assets</b>	<b>22,756</b>	<b>21,216</b>	<b>1,493</b>	<b>5,295</b>	<b>-</b>	<b>-</b>	<b>50,760</b>

## Key performance indicators, Railcare Group in summary

Amounts in SEK 000, unless otherwise stated	Oct-Dec 2023	Oct-Dec 2022	Full-year 2023	Full-year 2022
Net sales	149,313	128,013	564,220	497,035
Sales growth, %	16.6	-2.8	13.5	13.5
Operating profit/loss (EBIT)	13,180	6,652	67,934	52,365
Operating margin, %	8.8	5.2	12.0	10.5
Profit for the period	6,069	3,262	43,624	36,783
Net financial income/expense	-3,431	-1,880	-10,667	-5,457
Total assets	643,022	592,873	643,022	592,873
Equity/assets ratio, %	42.6	41.2	42.6	41.2
Key performance indicators per share, SEK	Oct-Dec 2023	Oct-Dec 2022	Full-year 2023	Full-year 2022
Earnings per share before and after dilution	0.25	0.14	1.81	1.52
Equity per share	11.36	10.12	11.36	10.12
Dividend, SEK per share	-	-	0.6	0.6

## Quarterly data, Railcare Group in summary

Amounts in SEK million	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Net sales	149.3	159.2	144.7	111.0	128.0	146.5	127.2	95.3	131.8
Capitalised work on own account	4.7	2.0	3.2	4.2	4.8	1.2	3.2	2.9	1.6
Other operating income	0.5	0.4	0.5	2.6	0.2	0.2	0.8	1.9	2.8
<b>Total</b>	<b>154.5</b>	<b>161.7</b>	<b>148.5</b>	<b>117.8</b>	<b>133.0</b>	<b>147.9</b>	<b>131.2</b>	<b>100.2</b>	<b>136.1</b>
Raw materials and consumables	-57.6	-57.9	-54.1	-42.2	-55.4	-56.4	-48.8	-32.5	-47.0
Other external costs	-25.2	-22.4	-22.7	-15.3	-19.4	-21.9	-19.1	-15.4	-17.7
Personnel costs	-46.4	-42.6	-45.5	-35.7	-40.3	-33.8	-39.5	-32.7	-35.2
Depreciation and impairment of property, plant and equipment	-11.5	-11.2	-10.8	-10.5	-10.7	-11.7	-10.7	-9.7	-11.0
Other operating expenses	-0.7	-0.9	-0.4	-1.0	-0.5	-0.2	-0.1	-1.0	-0.6
<b>Total operating expenses</b>	<b>-141.4</b>	<b>-134.9</b>	<b>-133.6</b>	<b>-104.7</b>	<b>-126.4</b>	<b>-124.0</b>	<b>-118.2</b>	<b>-91.3</b>	<b>-111.4</b>
<b>Operating profit/loss (EBIT)</b>	<b>13.2</b>	<b>26.7</b>	<b>14.9</b>	<b>13.1</b>	<b>6.7</b>	<b>23.9</b>	<b>13.0</b>	<b>8.8</b>	<b>24.7</b>
Net financial income/expense	-3.4	-2.8	-2.2	-2.2	-1.9	-1.5	-1.1	-1.0	-1.2
Share of profit after tax from associated companies*	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.4
<b>Profit/loss before tax</b>	<b>9.7</b>	<b>23.9</b>	<b>12.6</b>	<b>11.0</b>	<b>4.8</b>	<b>22.4</b>	<b>11.9</b>	<b>7.8</b>	<b>23.2</b>
Tax	-3.7	-5.1	-2.6	-2.3	-1.5	-4.6	-2.3	-1.8	-4.9
<b>Profit for the period</b>	<b>6.1</b>	<b>18.9</b>	<b>10.0</b>	<b>8.7</b>	<b>3.3</b>	<b>17.9</b>	<b>9.6</b>	<b>6.0</b>	<b>18.2</b>
<b>Equity/Asset ratio</b>	<b>42.6</b>	<b>42.8</b>	<b>40.3</b>	<b>42.9</b>	<b>41.2</b>	<b>41.6</b>	<b>39.3</b>	<b>40.2</b>	<b>39.6</b>

\* Reported according to the equity method

# 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 may be found in totals.

## ALTERNATIVE PERFORMANCE MEASURES

This Interim Report refers to a number of financial measures not defined in accordance with IFRS, known as alternative performance measures. Railcare uses these performance measures to monitor and analyse the financial outcome of the Group's operations and its financial position. These alternative performance measures are intended to supplement, not replace, the financial measures presented in accordance with IFRS. See definitions and further information below.

FINANCIAL PERFORMANCE MEASURES	DEFINITION/CALCULATION	PURPOSE
Operating profit/loss (EBIT)	Calculated as net profit/loss for the period before tax, profit from holdings in associated companies and financial items.	This performance measure 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 performance measure illustrates the net amount from the company's financial activities.
Net margin	The net margin is calculated as income after financial items divided by net sales.	This performance measure 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 performance measure illustrates the company's net worth per share.

FINANCIAL PERFORMANCE MEASURES	DEFINITION/CALCULATION	PURPOSE
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 performance measure illustrates the company's growth and historical performance, contributing to an understanding of the company's development.
Operating margin, %	Calculated as operating profit divided by net sales.	This performance measure 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 performance measure illustrates the company's financial position and long-term solvency.
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 performance measure illustrates the company's earnings per share, excluding any dilution effect from outstanding convertibles.
Earnings per share after dilution, SEK	When calculating earnings per share after dilution, the weighted average number of shares outstanding is adjusted for the dilution effect of all potential shares. The Parent Company has a category of potential common shares with a dilution effect: convertible debentures. The convertible debentures are assumed to have been converted into shares and net profit is adjusted to eliminate interest expenses less tax effect. Convertible debentures do not give rise to a dilution effect when the interest per share that may be received upon conversion exceeds earnings per share before dilution.	This performance measure illustrates the company's earnings per share, excluding any dilution effect from outstanding convertibles.



# Glossary

## STANDBY LOCOMOTIVE/ CLEARANCE LOCOMOTIVE

A clearance locomotive with personnel that is available around the clock 365 days of the year to urgently clear or remove vehicles involved in incidents or breakdowns on the railway. The aim is to quickly get the track open for traffic again.

## CP6/CP7

Control Periods are the five-year periods Network Rail applies for the financial and other planning of the UK's railway infrastructure. Control Period 6 extends to 31 March 2024. Control Period 7 starts on 1 April 2024.

## ERTMS

A new signalling system for Sweden's entire rail network. It is replacing an old system, simplifies traffic management and maintenance, and in the long term it will facilitate traffic between different countries.

## ETCS

The on-board system locomotives will need to have installed when the new ERTMS signalling system is implemented on Sweden's railways.

## EXTENDING THE SERVICE LIFE

Worn-out locomotives are upgraded with better engines, new signalling systems and a modernised working environment with the aim of better meeting future environmental requirements and technical standards.

## MPV

Railcare's newest maintenance machine, Multi Purpose Vehicle, which is battery powered. Equipped with its own power source, vacuum pumps, hydraulics and operator cabs. The improved MPV has the same functionality, but is also equipped with a pantograph. This enables batteries to charge directly from overhead lines.

## ONBOARD EQUIPMENT

The equipment required onboard locomotives to enable them to communicate with the relevant railway signalling system.

## RAILVAC

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

## RE-MOTORISATION

Engine replacement where older diesel motors are replaced with new modern diesel motors that meet current environmental standards, reduce operating costs and improve accessibility.

## STAGE V ENGINES

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

## PANTOGRAPH

The trailing contact that transfers power from the overhead lines above the railway track to the electric vehicles and machines operating on the railways.

## TB LOCOMOTIVE / TC LOCOMOTIVE

Two types of locomotives that function as combined freight train and snow removal locomotives. The Tb is the largest of them and was built mainly for snow clearance in railway yards.

## TRACK TIMETABLES

Time slots allocated by the Swedish Transport Administration for maintenance relating to carrying out work on the relevant tracks. During these periods, the tracks cannot be used for regular rail traffic.

## CULVERT INSPECTIONS

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

#### PRESS RELEASES IN THE FOURTH QUARTER

- 25 Oct** Railcare awarded five-year contract worth SEK 403 million
- 3 Nov** Nomination Committee for Railcare Group AB's Annual General Meeting 2024
- 9 Nov** Interim Report January-September 2023
- 9 Nov** Railcare meets the railway industry in Sydney
- 15 Dec** Efficient snow clearance, 60 switches per shift
- 19 Dec** Railcare comments on Malmbanan derailment

#### FINANCIAL CALENDAR 2024

- 7 May** Interim Report January-March 2024
- 8 May** 2024 Annual General Meeting
- 15 Aug** Interim Report January-June 2024
- 7 Nov** Interim Report January-September 2024
- 20 Feb** Year-end Report 2024 (2025)

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This is information that Railcare Group AB (publ) is required to disclose under the EU Market Abuse Regulation. This information was submitted to the market, through the agency of these contacts, for publication on 15 February 2024 at 07:30 a.m. CET.

For further information, see [www.railcare.se](http://www.railcare.se) or [www.railcare.se/en/](http://www.railcare.se/en/)

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## ABOUT RAILCARE

The railway specialist Railcare offers innovative products and services for the railway; for example, railway maintenance with self-developed machines, a locomotive workshop, project and specialist transport, and machine sales. Our market is mainly in Scandinavia and the United Kingdom. The railway industry is undergoing positive development with increasing traffic volumes, extensive investment programmes, the development of 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 170 employees and annual sales of approximately SEK 550 million. The company's registered office is located in Skellefteå, Sweden.